Argonaut Gold Provides Update for its La Colorada Mine

Toronto, Ontario – (May 17, 2018) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") reports that the Judiciary court hearing with respect to the Company's explosives permit for its La Colorada mine (see press releases dated April 12, 2018, April 17, 2018 and April 27, 2018) has been rescheduled to June 4, 2018.

In order to keep all legal options available and to protect the Company in the event the Judiciary court process is not completed in a timely manner, the Company also reports that it appealed the Judiciary court's original decision to temporarily suspend the explosives permit to the Collegiate Tribunal (an arm of the State Supreme court that is tasked with overseeing the Judiciary court). This appeal requests the Collegiate Tribunal re-instates the explosives permit so that the Company can blast material while the Judiciary legal process continues.

The Company is pursuing both the Judiciary legal process and the Collegiate Tribunal appeal process and anticipates it has material sufficient to allow these processes to run their course.

With free-dig material in the pit and ore stockpiles, the Company estimates it has sufficient ore to continue operations until the end of July at its budgeted crushing throughput level of 12,000 tonnes per day. The Company has thoroughly reviewed its 2018 consolidated production forecast and, under the assumption the explosive permit is re-instated by August 1, 2018, it re-iterates its consolidated production guidance of between 165,000 and 180,000 gold equivalent ounces[1].

The Company continues to believe the legal action brought against the Secretary of National Defense and the Municipality of La Colorada, with the Company as a party of interest, is without merit. The Company is reassured by the support it has received, including that from members of the local La Colorada and extended Sonora community. The Company is taking every possible legal measure to prove its case and to re-activate blasting activities at its La Colorada mine as soon as possible.

[1]Gold equivalent ounces are based on a conversion ratio of 70:1 for silver to gold.

Cautionary Note Regarding Forward-looking Statements

This press release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws concerning the proposed transaction and the business, operations and financial performance and condition of Argonaut Gold Inc. ("Argonaut" or "Argonaut Gold"). Forward-looking statements and forward-looking information

include, but are not limited to, statements with respect to permitting and legal processes in relation to mining permitting and approvals; estimated production and mine life of the various mineral projects of Argonaut; synergies and financial impact of completed acquisitions; the benefits of the development potential of the properties of Argonaut; the future price of gold, copper, and silver; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; success of exploration activities; and currency exchange rate fluctuations. Except for statements of historical fact relating to Argonaut, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of Argonaut and there is no assurance they will prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include legal and regulatory processes, changes in market conditions, variations in ore grade or recovery rates, risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated. Although Argonaut has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Argonaut undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. Comparative market information is as of a date prior to the date of this document.

About Argonaut Gold

Argonaut Gold is a Canadian gold company engaged in exploration, mine development and production activities. Its primary assets are the production stage El Castillo mine and San Agustin mine, which together form the El Castillo Complex in Durango, Mexico and the production stage La Colorada mine in Sonora, Mexico. Advanced exploration stage projects include the San Antonio project in Baja California Sur, Mexico, the Cerro del Gallo project in Guanajuato, Mexico

and the Magino project in Ontario, Canada. The Company also has several exploration stage projects, all of which are located in North America.

For more information, contact:

Argonaut Gold Inc.
Dan Symons
Vice President, Investor Relations
Phone: 416-915-3107
Email: dan.symons@argonautgold.com