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Trading Symbols: AMG (TSX-V) and AMX (Frankfurt) Website: www.amgold.ca

Vancouver, British Columbia **March 16, 2016**

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NEWS RELEASE

AM GOLD ANNOUNCES PRIVATE PLACEMENT FOR GROSS PROCEEDS OF UP TO $120,000

AM GOLD INC. (TSX-V: AMG; Frankfurt: AMX) ("**AM Gold**" or the "**Company**") announces that it will proceed with a private placement consisting of up to 1,333,333 flow-through common shares of the Company (the "FT Shares") at a price of $0.09 per FT Share or up to 1,333,333 common shares (the "Non-FT Shares") at a price of $0.09 per Non-FT Share, or a combination thereof, for aggregate gross proceeds of up to $120,000 (the "Offering"). The FT Shares and Non-FT Shares will be made available by way of prospectus exemptions in Canada and in such other jurisdictions as the Company may agree where the FT Shares and Non-FT Shares can be issued on a private placement basis, exempt from any prospectus, registration or other similar requirements.

The Company may pay a finder's fee on the Offering within the amount permitted by the policies of the TSX Venture Exchange (the "Exchange"). Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the Exchange. All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. The net proceeds from the Offering will be used by the Company for general corporate purposes and may be directed to the Company's mineral projects in such amounts determined by management.

Insiders of the Company may participate in the Offering in amounts permitted by Exchange policy.

About AM Gold

AM Gold Inc. is a publicly held resource company based in Vancouver, Canada. The company is listed on the TSX Venture Exchange under the symbol AMG and is quoted on the Frankfurt Exchange under the symbol AMX.

More information on AM Gold is available at www.amgold.ca.

ON BEHALF OF AM GOLD INC.

"John Fiorino"

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John Fiorino
Chief Executive Officer

AM GOLD INC.

For further information on AM Gold, please contact Murray Caruth at 1-604-646-0067 or by email at info@amgold.ca, or visit AM Gold's website at: http://www.amgold.ca.

Cautionary Statement Regarding "Forward-Looking" Information

Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.