



**Argonaut Gold Announces the Acquisition of the Cerro del Gallo Project in Guanajuato,
Mexico for US\$15 million**

All dollar amounts are expressed in US dollars, unless otherwise specified

Toronto, Ontario - (November 14, 2017) **Argonaut Gold Inc. (TSX: AR)** (the “Company”, “Argonaut Gold” or “Argonaut”) is pleased to announce its has reached an agreement with Primero Mining Corp. (“Primero”) whereby it will acquire the Cerro del Gallo project (“CDG” or the “Project”) through the purchase of all of the issued and outstanding shares of the Primero subsidiary San Anton Resource Corporation for cash consideration of \$15 million, which is payable upon closing. Argonaut expects to be able to recover approximately \$1.7 million of value added tax, which reduces the total purchase price to \$13.3 million. The Company expects the transaction to close on or before November 30, 2017.

Pete Dougherty, President & CEO stated: “We view the acquisition of the CDG as a low risk, high reward investment for Argonaut shareholders. CDG is a project in our own backyard where we have the ability to leverage our existing operations and projects team’s skill sets. We view CDG as a pipeline project that fits well within our portfolio of Mexican assets. This acquisition is an opportunity to acquire a project within a well-known jurisdiction with known mineral reserves, upside resource potential, excellent infrastructure and at a reasonable investment. With \$37 million in cash at September 30, 2017, projected cash flow from operations and an undrawn \$30 million corporate revolver, Argonaut will remain in a strong financial position after completing the transaction.”

About CDG

The CDG deposit is located in the state of Guanajuato in central Mexico, approximately 270 kilometres northwest of Mexico City in an active mining district. The property is accessible by road, rail and air services. Additionally, there is availability of a skilled local workforce, grid power, water, sealed roads, equipment suppliers and established transport routes.

A Definitive Feasibility Study (“DFS”) for CDG was completed in May 2012. The DFS outlines an initial 7.2 year mine life, which could be extended to 14 years through a Second Stage Carbon-in-Leach (CIL)/Heap Leach mill expansion. The Project has been planned as conventional open-pit truck and shovel operation coupled with a 4.5 million tonne per annum processing plant. The flow sheet design is broadly based upon a conventional cyanide heap leach and gold on carbon recovery technologies but will incorporate a SART processing stage to facilitate copper removal prior to gold recovery. The plant design is based on the treatment of both fully and partially oxidised ores, producing an average of 95,000 ounces of gold equivalent annually at estimated cash costs of \$700/oz.

For more information on CDG, please see the National Instrument 43-101 Technical Report dated June 29, 2012 (effective May 11, 2012) and available at www.primeromining.com or at www.sedar.com.

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, 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

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 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 financial impact of proposed acquisitions; the benefits of the development potential of the properties of Argonaut; synergies; the ability to obtain permits for operations; the ability to obtain tax refunds; the realization of mineral reserve estimates; the timing and amount of estimated future production; and success of exploration activities. 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”, “should” 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 risks relating to the availability and timeliness of permitting and governmental approvals and processes; variations in ore grade or recovery rates; risks relating to international operations; fluctuating metal prices and currency exchange rates; and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

These factors are discussed in greater detail in Argonaut's most recent Annual Information Form and in the most recent MD&A filed on SEDAR, which also provide additional general assumptions in connection with these statements. Argonaut cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Argonaut believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this

press release. 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.