Argonaut Gold Announces Successful Result from its 2016 Drill Campaign at Magino

Toronto, Ontario - (January 11, 2017) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to release the final assay results for the remaining 123 reverse-circulation ("RC") holes of a 350-hole program completed at its 100%-owned Magino Gold project in Ontario. The RC drilling program was designed to reclassify mineral reserves from Probable to Proven within the proposed starter pit at Magino. These drill results, including those that were released December 5, 2016 (see press release dated December 5, 2016), will be incorporated into a feasibility study, which is expected to be completed during the second half of 2017.

Pete Dougherty, President and CEO commented: "One aspect of Magino that has over-shadowed its economic potential is the perception that the continuity of gold mineralization, especially the higher grade areas, required further definition. Therefore, we designed a definition-drilling program focused on the initial two years of production with the aim of accomplishing three goals: upgrade this portion of the resource to a Proven Reserve category, test our existing model and de-risk the first two years of production, which is the estimated payback period for the project. The team was able to execute the program on time and on budget, and these results will play a fundamental role in the upcoming feasibility study."

Tom Burkhart, Vice President of Exploration stated: "Drill results support the current block model and the interpreted geometry of mineralization. Within the system, there are lenses and stockworks of high-grade gold that are important to the economics of the deposit. It is impossible to know exactly where all these high-grade lenses lie, but what the recent 10 to 12 metre spaced drilling tells us is that the tighter we drill the Magino deposit, the more we validate that these high-grade lenses do occur and that their frequency is predictable. In addition, the successful result of the 2016 drilling campaign increases our confidence in the strength of the overall resource."

Plan View Map of Key Highlight Hole Locations

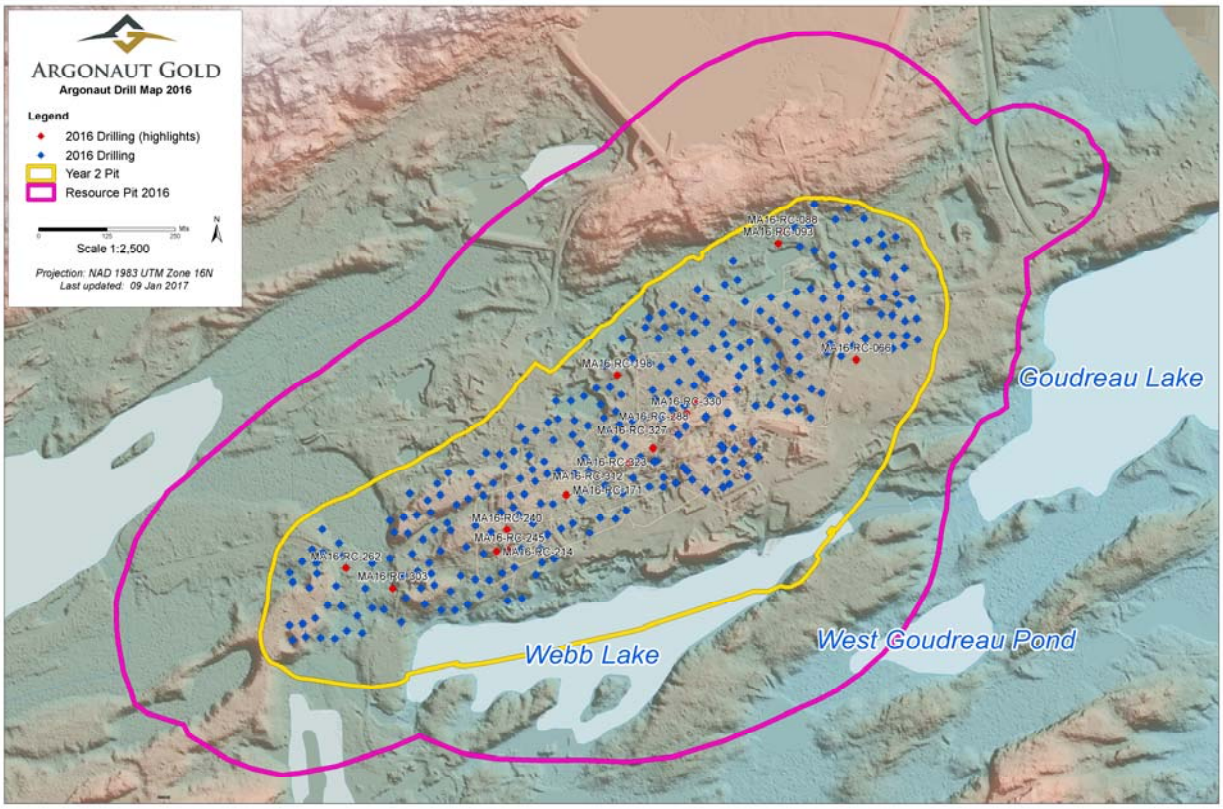

Table 1 below illustrates key highlight holes from the drill program:

Table 1: Key Highlight Holes

Hole	Azimuth	Dip	From	To	Length	Grade
MA16-RC-066	**164.13**	**-51.26**				
Interval			52	67	15	1.13
Interval			93	114	21	2.61
MA16-RC-088	**165**	**-50**				
Interval			96	133	37	1.90
MA16-RC-093	**165**	**-50**				
Interval			79	96	17	4.74
Interval			100	131	31	0.96
MA16-RC-171	**164.49**	**-60.68**				
Interval			6	22	16	4.37
Interval			26	37	11	0.38
Interval			41	48	7	0.85
Interval			54	66	12	0.84

MA16-RC-198	**166.49**	**-48.11**				
Interval			50	74	24	2.04
Interval			113	118	5	0.49
Interval			126	135	9	1.11
MA16-RC-214	**165.04**	**-60.22**				
Interval			19	71	52	1.22
MA16-RC-240	**163.24**	**-48.97**				
Interval			26	37	11	0.36
Interval			45	63	18	12.83
MA16-RC-245	**162.93**	**-48.75**				
Interval			28	64	36	1.04
MA16-RC-262	**165.75**	**-48.67**				
Interval			24	33	9	0.47
Interval			62	74	12	5.68
Interval			140	147	7	1.55
MA16-RC-288	**165.8**	**-48.37**				
Interval			15	22	7	0.35
Interval			27	33	6	0.41
Interval			44	58	14	2.46
Interval			92	100	8	0.48
Interval			126	136	10	14.31
Interval			150	163	13	7.26
MA16-RC-303	**164.16**	**-49.93**				
Interval			19	23	4	1.15
Interval			28	49	21	0.99
Interval			55	78	23	3.42
Interval			106	113	7	0.79
MA16-RC-312	**168.09**	**-49.12**				
Interval			2	36	34	3.77
Interval			41	48	7	0.48
Interval			52	59	7	1.15
Interval			74	84	10	0.45
MA16-RC-323	**162.35**	**-51.54**				
Interval			12	30	18	0.87

Interval			34	44	10	1.09
Interval			58	84	26	3.98
Interval			150	159	9	0.41
MA16-RC-327	**170.01**	**-59.28**				
Interval			1	32.2	31.2	1.33
MA16-RC-330	**165.22**	**-49.64**				
Interval			10	30.8	20.8	2.98

To view a table of all drill results, plan view maps and cross sections, please visit:

http://www.argonautgold.com/gold_operations/drill_results/

Qualified Person Comments / Quality Control Procedures

The preparation of this press release was supervised and approved by Thomas Burkhart, Argonaut Gold's Vice President of Exploration and a Qualified Person under NI 43-101. Mr. Burkhart also reviewed the reverse circulation and on-site sample preparation procedures at Magino.

For sample analysis the Company utilizes a system of Quality Assurance/Quality Control that includes insertion and verification of standards, blanks and duplicates consistent with industry standards.

Samples from the Magino RC drilling program are collected by Argonaut's geologic personnel every one metre and transported by truck to either Activation Laboratories or Bureau Veritas with analytical facilities in Timmins, Ontario for sample preparation and assaying. All samples are analyzed for gold using a 50g fire assay charge with an atomic absorption finish. Samples that exceed 5 g/t Au are further processed using a standard metallic screen analysis designed to identify and analyze for coarse gold.

Please see below under the heading "cautionary note regarding forward-looking statements" for further details regarding risks facing Argonaut.

For further information on the Magino project please see the report listed below on the Company's website www.argonautgold.com or on www.sedar.com:

Magino Gold project	Preliminary Feasibility Study Technical Report on the Magino Project, Wawa, Ontario, Canada dated February 22, 2016 (effective date January 18, 2016)

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 estimation of mineral resources at mineral projects of Argonaut; success of exploration activities; the realization of mineral reserve estimates; the timing and amount of estimated future production; economics of production; estimated production and mine life of the various mineral projects of Argonaut; the future price of gold and silver; synergies and financial impact of completed acquisitions; the benefits of the development potential of the properties of Argonaut 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 variations in metal grades, variations in recovery rates, changes in market conditions, 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.

These factors are discussed in greater detail in Argonaut's most recent Annual Information Form and in the most recent Management Discussion and Analysis 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.

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. 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.

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 the construction stage San Agustin project 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.

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