Argonaut Gold Announces Positive Initial Drill Results from 2016 Program at Magino

Toronto, Ontario - (December 5, 2016) **Argonaut Gold Inc. (TSX: AR)** (the "Company", "Argonaut Gold" or "Argonaut") is pleased to release assay results for the first 227 reverse-circulation ("RC") holes of a 350-hole program completed at its 100%-owned Magino project in Ontario. These results represent 59% of the total 39,447 metres drilled during July to November 2016. Remaining results will be released once all assay data has been compiled. The RC drilling program was designed to reclassify reserves from Probable to Proven within the proposed starter pit at Magino. These drill results, along with the remaining 123 holes and assays, will be incorporated into a feasibility study, which is expected to be completed during the second half of 2017.

Tom Burkhart, Vice President of Exploration stated: "The drill results to date support the current block model and the interpreted geometry of the mineralization. The work is providing valuable data for the definition of higher-grade gold deposition and confirming continuity of overall mineralization. The Magino gold deposit contains a series of parallel shear zones hosting low to moderate grade mineralization. Within these relatively continuous shear zones there exists high-grade gold hosted in quartz veins and lenses of varying magnitudes. Generally, these are multi-gram occurrences and are significant to the economics of the Magino deposit. The current definition drilling was mainly designed to convert Probable reserves to Proven reserves within a central starter pit to help drive cash flow and de-risk the first two to three years of production at Magino."

Pete Dougherty, President and CEO commented: "We liken the Magino deposit to a large river of low-grade mineralization with higher-grade fish swimming within it. In keeping with this analogy, by tightening the drill spacing to 10 to 12 metres we have been able to define additional high-grade fish. This continues to strengthen our understanding of the initial starter pit within the deposit, which reduces uncertainty and increases our confidence in the project's economics."

Plan View Map of Key Highlight Hole Locations

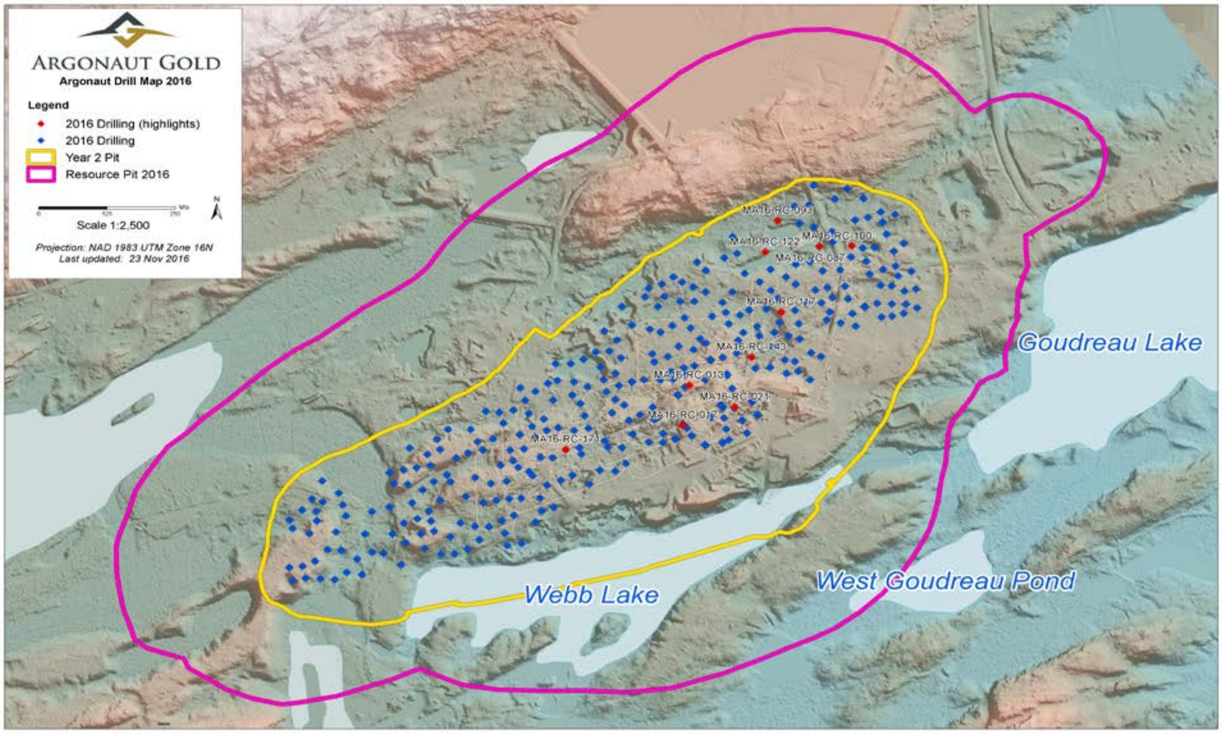

Table 1 below illustrates key highlight holes from the drill program:

Table 1: Key Highlight Holes

Hole	Azimuth	Dip	From	To	Length	Grade
			(metres)	(metres)	(metres)	(g/t Au)
MA16-RC-013	**159.79**	**-67.44**				
Interval			**64**	**91**	**27**	**2.80**
Including			***86***	***89***	***3***	***20.10***
MA16-RC-017	**349.65**	**-53.83**				
Interval			**24**	**49**	**25**	**4.04**
Including			***30***	***37***	***7***	***10.46***
MA16-RC-021	**352.81**	**-66.92**				
Interval			**74**	**124**	**50**	**1.23**
MA16-RC-087	**163.9**	**-60.52**				
Interval			**48**	**105**	**57**	**1.51**
Including			***84***	***90***	***6***	***7.07***
MA16-RC-093	**165**	**-50**				
Interval			**79**	**96**	**17**	**4.74**

MA16-RC-100	**165**	**-50**				
Interval			**23**	**94**	**71**	**1.03**
MA16-RC-117	**164.34**	**-48.34**				
Interval			**93**	**105**	**12**	**5.86**
MA16-RC-122	**163.57**	**-48.45**				
Interval			**42**	**84**	**42**	**2.36**
Including			***46***	***50***	***4***	***4.43***
Including			***53***	***57***	***4***	***14.78***
MA16-RC-143	**166.91**	**-50.59**				
Interval			**28**	**72**	**44**	**1.41**
MA16-RC-171	***164.49***	***-60.68***				
Interval			**6**	**22**	**16**	**4.37**

To view a table of all drill results 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)

Creating Value Beyond 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 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.

For more information please contact:

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