

2016 Guidance of 130,000-140,000 Gold Equivalent Ounces of Production at a Cash Cost of \$750-\$800

TORONTO, ONTARIO--(Marketwired - Jan 13, 2016) - [Argonaut Gold Inc.](#) ("Argonaut", "Argonaut Gold" or the "Company") (TSX:AG) announced today that it had produced 30,399 gold equivalent ounces ("GEO" or "GEOs"; calculated at conversion ratios set out below) during the fourth quarter ended December 31, 2015. This included 16,731 GEOs at its 100% owned El Castillo Mine ("El Castillo") located in the State of Durango, Mexico, and 13,668 GEOs at its 100% owned La Colorada Mine ("La Colorada") located near Hermosillo, Mexico.

	4th Quarter		Change Full Year		
	2015	2014	2015	2014	Change
Total Gold Equivalent Ounce Production:					
GEOs loaded to the pads ¹	55,769	62,823	-11%	214,662	241,656 -11%
GEOs projected recoverable ounces ^{1,2}	28,823	38,093	-24%	119,256	140,563 -15%
GEOs produced ounces ¹	30,399	44,312	-31%	139,059	136,706 +2%
GEOs ounces sold ¹	29,337	41,172	-29%	136,874	132,976 +3%

¹ GEOs are based on conversion ratio of 55:1 for silver to gold ounces and is the referenced ratio for the 2015 results

² Recoverable ounces - El Castillo expected recovery rates: ROM oxide 50%, crushed oxide 70%, ROM transition 40%, crushed transition 60%, crushed sulphides argillic 30% and crushed sulphides silicic 17%; La Colorada expected recovery rates: gold 60% and silver 30%.

FOURTH QUARTER 2015 HIGHLIGHTS:

Quarter and year-end cash balance of \$45.8 million.

El Castillo

- Q4 production of 16,586 gold ounces; full year production of 79,751 gold ounces.
- During the quarter, 21,938 gold ounces loaded on the leach pad.
- New phase 3b east pad was completed and stacking commenced during the quarter.

La Colorada

- Q4 production of 12,866 gold ounces and 44,092 silver ounces, for 13,668 GEOs.
- Full year production of 55,056 gold ounces and 192,837 silver ounces, for 58,562 GEOs.
- During Q4, 23,599 gold ounces and 562,733 silver ounces loaded on the pad.
- New phase 2 of leach pad 6 was completed and stacking commenced during the quarter.
- Re-processing of the old heap leach pads has been completed.

2016 GUIDANCE

- Gold production of 130,000-140,000 gold equivalent ounces (at a 65:1 conversion of silver to gold ounces).
 - El Castillo - 75,000-80,000 gold equivalent ounces at cash costs of \$750-\$800 per gold ounce sold (Refer to Non-IFRS Measures section).
 - La Colorada - 55,000-60,000 gold equivalent ounces at cash costs of \$725-\$775 per gold ounce sold (Refer to Non-IFRS Measures section).
- Cash cost per gold ounce sold of \$750-\$800 (Refer to Non-IFRS Measures section).
- Expected capital spending for 2016 is \$23 million including:
 - El Castillo - \$4 million
 - La Colorada - \$14 million including expansion capital for NE Leach pad and conveyor system
 - San Antonio - \$1 million for land and holding costs
 - San Agustin - \$1 million for land and permitting (excludes construction capital)
 - Magino - \$1 million for land and holding costs
 - Exploration and other - \$2 million for land

Pete Dougherty, Argonaut Gold's President & CEO said, "2015 was a challenging year for the industry and investors. However, I am proud of the achievements made during the year. We overcame many obstacles while meeting production guidance and completing key capital projects, including the payment of the final installment for the acquisition of the San Agustin project. We have reorganized our operations to optimize our cost price environment and have completed the bulk of our capital projects at our operating assets. These actions have placed us on solid ground to move forward and continue to maintain a strong balance sheet, even in a lower gold price environment."

During 2015, we advanced our development assets. First, at San Agustin, we completed a Preliminary Economic Assessment, submitted to the SEC for review.

redesigned the project to reduce the capital costs and take advantage of synergies with El Castillo. We expect to make a construction project later this year. Second, at Magino, we completed an additional drilling campaign and will soon release the results of the update Study, which will incorporate this drilling and the additional land acquired to more fully realize the potential of this project. Finally, at continue to engage with the recently elected officials and with the local communities to create the right climate to move the project forward advanced costing for this project. On an exploration front, we completed additional drilling at San Agustin, El Castillo and also drilled target in Mexico.

We were able to fund all these advancements while maintaining a strong balance sheet, which demonstrates our ability to weather conditions."

FOURTH QUARTER 2015 EL CASTILLO OPERATING STATISTICS

3 Months Ended December 31					12 Months Ended December 31			
	2015	2014	% Change		2015	2014	% Change	
Mining (Tonnes 000s)								
Total tonnes mined	6,298	7,376	-15	%	27,294	31,211	-13	%
Total mineralized tonnes mined	2,399	3,484	-31	%	10,787	14,976	-28	%
Tonnes waste	3,899	3,892	+0	%	16,507	16,234	+2	%
Tonnes per day	68	80	-15	%	75	86	-13	%
Waste/mineralized material ratio	1.63	1.12	+46	%	1.53	1.08	+42	%
Heap Leach Pad (Tonnes 000s)								
Tonnes mineralized material direct to leach pad	-	527	-100	%	-	3,096	-100	%
Tonnes crushed	1,062	1,556	-32	%	5,091	6,200	-18	%
Tonnes overland conveyor	1,318	1,471	-10	%	5,644	5,750	-2	%
Production								
Gold grade (g/t) ¹	0.29	0.33	-12	%	0.30	0.33	-9	%
Gold loaded to leach pad (oz) ²	21,938	37,986	-42	%	104,399	159,294	-34	%
Projected recoverable gold ounces loaded to pad (oz) ³	11,594	24,667	-53	%	62,109	95,582	-35	%
GEOs produced ⁴	16,731	27,870	-40	%	80,497	93,379	-14	%
Gold sold (oz)	16,219	25,292	-36	%	77,639	89,017	-13	%
Silver sold (oz)	8,004	10,649	-25	%	41,051	48,401	-15	%

¹ "g/t" is grams per tonne

² "oz" refers to troy ounce

³ Recovery rates: ROM oxide 50%, crushed oxide 70%, ROM transition 40%, crushed transition 60%, crushed sulfides argillic 30%, crushed sulfides silicic 17%

⁴ GEOs are based on a conversion ratio of 55:1 for silver to gold

Richard Rhoades, Chief Operating Officer of Argonaut Gold, said, "At El Castillo we achieved our production objectives while finalizing leach pads, in spite of experiencing a 10-day illegal blockade of the site by some members of a local community. The dispute was resolved and we returned to normal operations. The grade increased 7% in Q4 over Q3, however, we don't expect the grades to increase significantly until we open up the new phase 6 mining area. We were successful in drawing down our inventory and have organized the operation to move forward. During 2016, we anticipate lower capital spending as our expansion plans and leach pad builds are largely completed. Production will decrease as we progress throughout the year with a full year reduction of 25% over 2015 rates due to lower stripping ratios. Production as the Company is now harvesting the El Castillo Pit and will begin preparations to incorporate the proposed San Agustin Pit into the 2017."

2016 EL CASTILLO PRODUCTION PROFILE

	Q1	Q2	Q3	Q4	TOTAL
Mineralized tonnes	2,880,000	2,912,000	2,944,000	1,952,000	10,688,000
Waste tonnes	4,615,000	1,911,000	1,566,000	1,599,000	9,691,000
Strip ratio	1.60	0.66	0.53	0.82	0.91
GEO produced (000s)	17.5 - 19	20 - 21	22 - 23	15.5 - 17	75 - 80

FOURTH QUARTER 2015 LA COLORADA OPERATING STATISTICS

3 Months Ended December 31					12 Months Ended December 31			
	2015	2014	% Change		2015	2014	% Change	
Mining (Tonnes 000s)								
Tonnes mineralized material	691	732	-6	%	2,380	2,748	-13	%
Tonnes waste	2,568	3,575	-28	%	9,880	14,248	-31	%
Total tonnes	3,259	4,306	-24	%	12,260	16,997	-28	%
Waste/mineralized material ratio	3.71	4.89	-24	%	4.15	5.18	-20	%

Tonnes rehandled	776	392	+98	%	2,898	1,009	+187	%
Heap Leach Pad (Tonnes 000s)								
Tonnes crushed and loaded to pads	1,477	1,117	+32	%	5,293	3,700	+43	%
Production								
Gold grade to leach pad (g/t) ¹	0.50	0.55	-9	%	0.47	0.57	-18	%
Gold loaded to leach pad (oz) ²	23,599	19,917	+18	%	80,228	67,576	+19	%
Projected recoverable GEOs loaded (oz) ^{3, 4}	17,229	13,426	+28	%	57,147	44,981	+27	%
Gold produced (oz)	12,866	15,682	-18	%	55,056	40,535	+36	%
Silver produced (oz)	44,092	41,787	+6	%	192,837	153,548	+26	%
GEOs produced (oz)	13,668	16,442	-17	%	58,562	43,327	+35	%
Gold sold (oz)	12,224	14,985	-18	%	54,979	40,131	+37	%
Silver sold (oz)	41,190	38,588	+7	%	193,029	162,194	+19	%
GEOs sold	12,973	15,687	-17	%	58,489	43,080	+36	%

¹ "g/t" is grams per tonne

² "oz" means troy ounce

³ Recovery rates: gold 60% and silver 30%

⁴ GEOs based on conversion ratio of 55:1 for silver to gold

Richard Rhoades commented, "At the La Colorada mine, we exceeded our production objectives and had a very successful year. G transition to process ore from the mine only as we have completed the processing of the old leach pad material. In 2016, we will op crushing circuit and therefore process less tonnes, but at higher grades. We expect to complete phase 1 of the Northeast leach pad overland conveyor by mid-year, which will allow for future material placement."

2016 LA COLORADA PRODUCTION PROFILE

	Q1	Q2	Q3	Q4	TOTAL
Ore tonnes	990,000	1,001,000	1,012,000	1,001,000	4,004,000
Waste tonnes	3,510,000	4,459,000	4,968,000	4,914,000	17,851,000
Strip ratio	3.55	4.45	4.91	4.91	4.46
GEO produced (000s)	12 - 13	14.5 - 15.5	15.5 - 16.5	13 - 15	55 - 60

2016 Development and Growth

Peter Dougherty said, "In 2016, we anticipate another strong year from our two operating mines. In addition, we expect to add value Agustin to a construction decision and unlocking value at Magino based on an updated PFS."

Capital and development spending 2016:

	Sustaining Capital	Capitalized Stripping	Expansion Capital
El Castillo	\$ 1.9 M	\$ 2.1 M	N/A
La Colorada	\$ 1.9 M	\$ 8.1 M	\$ 4.0 M
San Agustin	N/A	N/A	\$ 1.0 M
San Antonio	N/A	N/A	\$ 1.0M
Magino	N/A	N/A	\$ 1.0 M
Exploration & Corporate	N/A	N/A	\$ 2.0 M
TOTAL	\$ 3.8 M	\$ 10.2 M	\$ 9.0 M

Argonaut Gold Q4 Financial Results Conference Call and Webcast - March 16, 2016:

The Q4 financial results call is scheduled to take place on March 16, 2016 at 8:30 am ET. Details for the call-in participation are:

Q4 and Year End Conference Call Information for March 16, 2016:

Toll Free (North America):	1-877-223-4471
International:	1-647-788-4922
Webcast:	www.argonautgold.com
Toll Free Replay Call (North America):	1-416-621-4642
International Replay Call:	1-800-585-8367
Webcast:	www.argonautgold.com

The conference call replay will be available from 11:30 a.m. ET on March 16, 2016 to April 8, 2016.

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 in Durango, Mexico, and the La Colorada Mine in Sonora, Mexico. Advanced exploration stage projects are the El Estero project in Baja California Sur, Mexico, and the Magino project in Ontario, Canada and the San Agustin project in Durango, Mexico. The Company has several exploration stage projects, all of which are located in North America. The Company is pursuing a development strategy for the San Agustin project that expects to rely upon common infrastructure with the nearby El Castillo mine. In the event that this strategy is proven out, the Company expects the development of the San Agustin project to proceed as an extension of the El Castillo mine.

Cautionary Note Regarding Forward-looking Statements

This press release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities laws. The proposed transaction and the business, operations and financial performance and condition of [Argonaut Gold Inc.](#) ("Argonaut") or its subsidiaries are forward-looking statements and forward-looking information include, but are not limited to, statements with respect to estimated production; the various mineral projects of Argonaut; the future price of gold, copper, and silver; the estimation of mineral reserves and resource estimates; the timing and amount of estimated future production; costs of production; the benefits of the development of Argonaut's mineral reserve estimates; success of exploration activities; synergies and financial impact of completed acquisitions; and currency exchange rates. Except for statements of historical fact relating to Argonaut, certain information contained herein constitutes forward-looking statements. Forward-looking statements are characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and "may". Statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the time the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and may change over time. Actual results or outcomes may differ materially from those projected in the forward-looking statements. Many of these assumptions 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 changes in ore grade or recovery rates, risks relating to international operations, fluctuating metal prices and currency exchange rates, parameters, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mine not operating as anticipated. Although Argonaut has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actual events to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual events could differ materially from those anticipated in such statements. Argonaut undertakes no obligation to update forward-looking statements 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 forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed. All market information is as of a date prior to the date of this document.

Non-IFRS Measures

The Company has included certain non-IFRS measures including "Cash cost per gold ounce sold" in this press release to supplement statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Cash cost per gold ounce is calculated as production costs less silver sales divided by gold ounces sold. The Company believes that this measure provides investors with an additional means to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. They are not comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be used in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Please see the management's discussion and analysis ("MD&A") for full disclosure on non-IFRS measures.

Qualified Person, Technical Information and Mineral Properties Reports

Technical information included in this release was supervised and approved by Thomas Burkhart, Argonaut Gold's Vice President or Qualified Person under National Instrument ("NI") 43-101.

For further information on the Company's material properties, please see the reports as listed below on the Company's website or on

El Castillo Mine	NI 43-101 Technical Report on Resources and Reserves, Argonaut Gold Inc. , El Castillo Mine, Durango February 24, 2011 and with an effective date of November 6, 2010
La Colorada Mine	NI 43-101 Preliminary Economic Assessment La Colorada Project, Sonora, Mexico dated December 30, 2010 and with an effective date of October 15, 2011
San Agustín Project	NI 43-101 Technical Report and Preliminary Economic Assessment on the San Agustín Heap Leach Project dated February 19, 2015 and with an effective date of October 3, 2014
Magino Gold Project	Preliminary Feasibility Study Technical Report for the Magino Project, Wawa, Ontario, Canada dated January 17, 2013 and with an effective date of December 17, 2013
San Antonio Gold Project	NI 43-101 Technical Report on Resources, San Antonio Project, Baja California Sur, Mexico dated October 1, 2012 and with an effective date of September 2, 2012