

ARGO GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

General

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Argo Gold Inc. ("**Argo Gold**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month periods ended September 30, 2019 ("**third quarter of 2019**"). The comparative period is for the fiscal quarter ended September 30, 2018. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2018 and 2017, and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2019, together with the notes thereto ("**the financial statements**"). Results are reported in Canadian dollars, unless otherwise noted. The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). The MD&A is dated November 29, 2019 and is current to that date.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com or on Argo Gold's website at www.argogold.ca.

Caution Regarding Forward Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Bill Kerr, P. Geo., Lead Exploration Geologist for Argo Gold, who is a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). He has verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained herein.

Overview

Argo Gold is a development stage company incorporated under the laws of Ontario on December 9, 1995. The Company is listed on the Canadian Stock Exchange ("**CSE**") under the symbol ARQ and is in the process of exploring its mineral properties. The address of the Company's corporate office and principal place of business is 350 Bay Street, Suite 700 Toronto, Ontario, M5H 2S6.

Description of the Business

Argo Gold is a Canadian mineral exploration and development company, focused on gold exploration projects in central and northwestern Ontario. All of Argo Gold's projects are 100% owned and have indications of potentially economic mineralization. Argo Gold's flagship project is the Uchi Gold Project, which covers 22 square km, including 5 km of strike length in a 1.5 km wide corridor of widespread mineralization on multiple mineralized trends. High grade gold intercepts from the winter 2019 drilling program include 132 grams per tonne gold ("g/t Au") over 1.8 metres at the Woco Vein. Historic drilling by St. Jude Resources in 1993 includes; 139 g/t Au over 2.1 metres, 65 g/t Au over 1.83 metres, and 62 g/t Au over 3.6 metres. The Company remains focused on advancing the Uchi Gold Project and its property portfolio.

Developments during the Three Month Period Ended September 30, 2019 and up to November 22, 2019

Corporate Developments

On July 4, 2019, Argo Gold announced the resignation of Mr. Chris Irwin as President, Chief Executive Officer ("CEO") and director of the Company and the resignations of Mr. Frederick Nielsen and Mr. Paul Olmsted as directors of the Company. Coincident with the resignations, the Company announced the appointment of Ms. Judy Baker as CEO and Mr. Peter Mah as President. Ms. Baker had formerly been President and CEO of Argo Gold from May 2015 to January 2019.

On November 6, 2019, the Company announced the addition of Mr. Bryan Wilson to the Company's board of directors.

On November 29, 2019, the Company announced the resignation of the Company's Chief Financial Officer ("CFO"), Mr. Kenney Storey and the appointment of Mr. Michael Farrant as the Company's new CFO. In addition, the Company retained the services of Mr. David McDonald as Controller.

Exploration and Evaluation Activities – Uchi Gold Project

During July and August 2019, the Company completed a detailed geochemical sampling survey on the Woco property in the Birch-Uchi area, east of Red Lake in Northwestern Ontario. The program was designed to expand a geochemical "case history" orientation survey carried out in May 2019, to a property wide basis. The May 2019 work successfully responded to the Woco vein mineralization and potential southern strike extension. The July and August 2019 work sampled the Uchi Gold "Corridor" along a 5 km length, with over 950 field samples collected.

On October 28, 2019, the Company announced the results of this program. A total of 22 anomalous zones, both along and across strike, were identified throughout the 5 km length of the survey with a distribution concentrated in the north half, proximal to the past producing mines. Three zones, all of which were along the tightly constrained projected bedrock locations of the aero-magnetically defined Uchi Corridor were classified as very high priority.

In addition, the Company conducted a vegetation geochemistry survey which has interpreted very near source mineralization collected by the root systems and concentrations in the bark. Prior to drill testing, winter in-fill vegetation sampling combined with shallow excavator trenching and anomaly scale ground geophysics will be used to identify the best targets to be tested through diamond drilling.



On February 27, 2018, the Company purchased the “Geisler Patents”, which included the Raingold ground, located in the northwest block of the Uchi Gold Project. On November 6, 2019, the Company announced that it had completed initial geological mapping and sampling of this ground. Raingold is one of the mineralized areas of the HST Zone which is a fractured/sheared gold-bearing zone associated with a lean iron formation that extends for several km’s and follows a lithologic horizon between rhyolite and greenstones. At the north end of the HST Zone, the Grasset Mine was developed in the late 1930’s with 5 levels. The Raingold area is an additional mineralized trend located west of the main mineralized Corridor where the July and August 2019 geochemistry survey was carried out.

The Raingold geological mapping and sampling work identified 20 pits up to 2 square metres over a strike length of 700 metres. Argo Gold assays indicate anomalous gold in all pits over 600 metres of strike length with one continuous chip of five samples returning 14.5 g/t Au across 2.6 metres. Follow-up work will include backhoe stripping, hydraulic washing, additional sampling, more extensive geological and structural mapping and drill targeting.

Debt Settlement

In connection with the resignation of Mr. Irwin, on July 4, 2019, the Company settled \$99,686.75 of indebtedness owing to him through the issuance of 996,868 common shares at a price of \$0.10 per share.

Stock Options

On July 22, 2019, options to purchase 50,500 common shares of the Company at a price of \$0.10 per share, were exercised for gross proceeds of \$5,050.

On July 24, 2019, the Company cancelled options to purchase up to 749,000 common shares of Argo Gold. 650,000 of these were at an exercise price of \$0.10 and due to expire on August 18, 2019.

On July 25, 2019, the Company granted options to purchase up to 2,000,000 common shares of the company to directors, officers and consultants at an exercise price of \$0.15 per share. The options vested immediately and are exercisable for a period of 3 years.

On August 18, 2019, options to purchase up to 549,500 common shares of the Company at a price of \$0.10 per share expired unexercised.

Sale of Investment

In July 2019, the Company sold 55,000 common shares of Manitou Gold Inc. (“Manitou”), at a price of \$0.055 per share, for net proceeds after commission of \$2,955, leaving the Company with 3,375,000 of Manitou.

Flow-Through Commitment and Qualifying Exploration Expenditures

During the three months ended September 30, 2019, the Company incurred approximately \$141,000 in Canadian qualifying exploration expenditures, leaving approximately \$89,000 remaining to be spent, in connection with its December 2018 flow-through financing.

Overview of Financial Results

Three and Nine Months Ended September 30, 2019

(Expressed in Canadian Dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Expenses				
Exploration and evaluation	\$ -	\$ 2,655	\$ -	\$ 6,525
Management fees	30,000	27,000	66,000	76,000
Business development	-	(56,380)	43,450	25,329
Professional fees	8,796	10,927	42,701	76,328
Consulting fees	6,000	(20,000)	7,500	69,392
Advertising and promotion	8,052	6,121	25,930	22,801
Investor relations	12,224	42,184	38,302	71,535
General and administrative	10,880	10,367	33,567	38,191
Listing and regulatory fees	2,050	1,950	10,541	2,908
Depreciation	849	637	2,548	2,324
Share-based compensation	275,484	-	275,484	36,523
Total expenses	354,335	25,461	546,023	427,856
Loss before the undernoted	(354,335)	(25,461)	(546,023)	(427,856)
Bank charges	(69)	(105)	(276)	(222)
Interest income	11	-	32	-
Flow-through share premium recovery	50,191	-	268,980	-
Gain on disposal of properties	-	-	-	689,866
(Loss) gain on value of investments	(34,200)	19,125	5,105	(233,300)
Net (loss) income for the period	(338,402)	(6,441)	(272,182)	28,488
Net (loss) income and comprehensive (loss) income for the period	\$ (338,402)	\$ (6,441)	\$ (272,182)	\$ 28,488
Net (loss) income per share				
Basic and diluted (loss) income per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ 0.00

Three months ended September 30, 2019 vs. three months ended September 30, 2018

- Overall, the Company recorded a net loss and comprehensive loss of \$338,402 or \$0.01 per share for the quarter ended September 30, 2019 compared to a net loss and comprehensive loss of \$6,441 or \$0.00 per share for the quarter ended September 30, 2018.
- Expenses for the quarter ended September 30, 2019 vs. September 30, 2018 were \$328,874 higher, primarily due to \$275,484 in share-based compensation recorded during the 2019 quarter, associated with the July 25, 2019 grant of 2,200,000 stock options.
- The Company raised \$877,030 in flow-through funds in December 2018 vs. \$nil flow-through funds in 2017. As a result, the Company had a flow-through share premium recovery in 2018 associated with the expenditure of these funds. During the quarter ended September 30, 2019, this recovery was \$50,191 compared to \$nil in the quarter ended September 30, 2018.

- The change in value of investments resulted in a loss of \$34,200 during the quarter ended September 30, 2019 compared to a gain of \$19,125 during the quarter ended September 30, 2018. The 2019 quarterly loss was primarily the result of a decrease in the share price of Manitou Gold Inc. from \$0.045 per share at June 30, 2019 to \$0.035 per share at September 30, 2019. The 2018 quarterly gain was primarily the result of an increase in the share price of Manitou Gold Inc. from \$0.075 per share at June 30, 2018 to \$0.08 per share at September 30, 2018.

Nine months ended September 30, 2019 vs. nine months ended September 30, 2018

- Overall, the Company recorded a net loss and comprehensive loss of \$272,182 or \$0.00 per share for the nine months ended September 30, 2019 compared to net income and comprehensive income of \$28,488 or \$0.00 per share for the nine months ended September 30, 2018.
- Expenses for the nine months ended September 30, 2019 vs. September 30, 2018 were \$118,167 higher, primarily due to \$275,484 in share-based compensation recorded July 2019, associated with the grant of 2,200,000 stock options, compared to \$36,523 in share based compensation recorded in June 2018, associated with the grant of 300,000 stock options.
- Excluding share-based compensation, administrative expenses in the nine months ended September 30, 2019 were \$120,794 lower than the nine months ended September 30, 2018. The higher 2018 costs were primarily related to higher legal fees of \$46,348, charged by the former President and CEO for corporate secretarial services, compared to \$22,026 during the same period of 2019, consulting fees of \$67,142 paid to a strategic adviser, compared to \$nil in 2019 and higher investor relations expenses, principally related to \$54,000 in fees paid to an Investor Relations Consultant, compared to \$27,300 during the same period in 2019.
- The Company raised \$877,030 in flow-through funds in December 2018 vs. \$nil flow-through funds in 2017. As a result, the Company had a flow-through share premium recovery in 2018 associated with the expenditure of these funds. During the nine months ended September 30, 2019, this recovery was \$268,980 compared to \$nil during the nine months ended September 30, 2018.
- The change in value of investments resulted in a small gain of \$5,105 during the nine months ended September 30, 2019 compared to a loss of \$233,300 during the nine months ended September 30, 2018. The large 2018 loss was primarily the result of a decrease in the share price of Manitou Gold Inc. from \$0.135 per share at March 21, 2018, the time of the Rockstar property sale and the receipt of the shares to \$0.08 per share at September 30, 2018.
- Gain on disposal of properties was \$nil during the nine months ended September 30, 2019 as the Company did not dispose of any of its property interests compared to a gain of \$689,866 during the nine months ended September 30, 2018 as a result of the sale of the Company's Rockstar Gold Project to Manitou Gold Inc. at the end of Q1 2018 for \$200,000 in cash and 4.0 million common shares of Manitou.

Selected Quarterly Financial Information

The following table is a summary of selected financial information for the Company for the eight most recently completed financial quarters. It has been derived from the unaudited condensed interim financial statements of the Company. The information has been prepared by management in accordance with IFRS and is expressed in Canadian dollars.

	Q3	Q2	Q1	Annual	Q4
	Sept. 2019 (unaudited)	June 2019 (unaudited)	March 2019 (unaudited)	Dec. 2018 (audited)	Dec. 2018 (unaudited)
Net (loss) income	(\$338,402)	(\$66,585)	\$144,805	(\$350,132)	(\$397,619)
(Loss) income per share – basic and diluted	(\$0.01)	\$0.00	\$0.00	(\$0.01)	(\$0.01)
Assets	\$2,359,396	\$2,457,019	\$2,568,337	\$2,651,159	\$2,651,159
	Q3	Q2	Q1	Annual	Q4
	Sept. 2018 (unaudited)	June 2018 (unaudited)	March 2018 (unaudited)	Dec. 2017 (audited)	Dec. 2017 (unaudited)
Net (loss) income	(\$6,441)	\$267,986	(\$214,058)	(\$675,126)	(\$214,058)
(Loss) income per share – basic and diluted	\$0.00	\$0.01	(\$0.01)	(\$0.03)	(\$0.01)
Assets	\$1,747,810	\$1,742,073	\$1,435,765	\$1,398,014	\$1,398,014

Liquidity and Capital Resources

The Company's cash decreased by \$205,547 during the three month period ended September 30, 2019 compared to a decrease of \$94,706 during the three month period ended September 30, 2018. The Company's cash decreased \$163,862 during the nine month period ended September 30, 2019 compared to a decrease of \$23,870 during the nine month period ended September 30, 2018. As at September 30, 2019, the ending cash balance was \$86,851 compared to \$250,713 as at December 31, 2018.

Working Capital

As at September 30, 2019, the Company had a working capital surplus of \$134,784 compared to a surplus of \$949,186 as at December 31, 2019. Included in the September 30, 2019 cash balance is approximately \$89,000 of flow-through funding which must be spent on Canadian qualifying exploration expenditures.

A summary of the Company's cash position and changes in cash for the three and nine month periods ended September 30, 2019 and September 30, 2018 are provided below:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Cash (used in) operating activities – gross	\$ (78,060)	\$ (24,929)	\$ (256,235)	\$ (389,231)
Changes in non-cash operating working capital	5,208	30,722	(90,665)	307,401
Cash (used in) provided by operating activities – net	(72,852)	5,793	(346,900)	(81,830)
Cash (used in) provided by investing activities	(137,745)	(100,499)	(679,850)	22,204
Cash provided by financing activities	5,050	-	862,888	35,756
Decrease in cash	(205,547)	(94,706)	(163,862)	(23,870)
Cash, beginning of period	292,398	122,748	250,713	51,912
Cash, end of period	\$ 86,851	\$ 28,042	\$ 86,851	\$ 28,042

Three months ended September 30, 2019 vs. three months ended September 30, 2018**Operating Activities**

Cash flow used in operating activities before changes in non-cash working capital during the three months ended September 30, 2019 was \$78,060 compared to \$24,929 for the three months ended September 30, 2018. This relates primarily to lower comparative expenses during the 2018 quarter due to some reclassifications to exploration and evaluation assets during Q3 2018 of some amounts previously expensed.

Investing Activities

During the three months ended September 30, 2019, cash flow used in investing activities was \$137,745 compared to \$100,499 used in investing activities for the three months ended September 30, 2019. This primarily relates to a slightly higher expenditure on exploration and evaluation assets during the 2019 quarter compared to the 2018 quarter.

Financing Activities

During the three months ended September 30, 2019, cash flow provided by financing activities was \$5,050 compared to \$nil for the three months ended September 30, 2018. On July 22, 2019, 50,500 common shares were issued for gross proceeds of \$5,050, upon the exercise of stock options with an exercise price of \$0.10. There were no financing activities in Q3 2018.

Nine months ended September 30, 2019 vs. nine months ended September 30, 2018**Operating Activities**

Cash flow used in operating activities before changes in non-cash working capital during the nine months ended September 30, 2019 was \$256,235 compared to \$389,231 for the nine months ended September 30, 2018, which is \$132,996 higher in the same period of 2018. The higher 2018 amount relates primarily to higher professional fees (\$33,627 higher), consulting fees (\$61,892 higher) and investor relations fees and expenses (\$33,233 higher).

Investing Activities

During the nine months ended September 30, 2019, cash flow used in investing activities was \$679,850 compared to \$22,204 provided by investing activities for the nine months ended September 30, 2018. Expenditures on exploration and evaluation assets were \$702,800 during the 2019 period compared to \$173,289 during the 2018 period. The higher 2019 expenditures relate primarily to the need to spend the \$877,030 of flow-through funds raised in late December 2018 on Canadian qualifying exploration expenditures during 2019. Cash was provided by investing activities during the 2018, primarily due to the sale of the Rockstar Gold Project to Manitou Gold Inc., which included a cash payment to the Company of \$200,000. There have been no property dispositions in 2019.

Financing Activities

During the nine months ended September 30, 2019, cash flow provided by financing activities was \$862,888 compared to \$35,756 for the nine months ended September 30, 2018. The 2019 amount includes the receipt of \$802,838 in January 2019 of subscriptions receivable relating to the financing that was done in late December 2018. In addition \$60,050 was received during 2019 from the exercise of 650,000 stock options and an exercise price of \$0.10 per share. The 2018 amount of \$35,756 relates to the exercise of 356,300 warrants at a weighted average price of \$0.10 per share.

Liquidity Outlook

The Company had a cash balance of \$86,851 at September 30, 2019, a decrease of \$205,547 from the balance at June 30, 2019 and a decrease of \$163,862 from the balance at December 31, 2018. In addition, approximately \$89,000 is still to be required to be spent on Canadian qualifying exploration expenditures during the fourth quarter of 2019. The Company does hold 3,375,000 shares of Manitou Gold Inc. Argo Gold has sold 625,000 shares of its original amount of 4.0 million to generate some cash. Further sales are a possibility. The Company's management continues to keep administrative, consulting and operating expenses to a minimum.

Within the immediate term, the Company continues to pursue additional sources of funding from either equity financings or potential assets sales. In the past, the Company has been successful in accessing the equity markets. Without additional financing, the Company will not have sufficient financial resources to advance its properties, including its flagship Uchi Gold Project, or meet its debts as they come due. Completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding (see "Risks and Uncertainties").

Related Party Transactions and Key Management Compensation

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

On July 4, 2019, the President and Chief Executive Officer ("CEO") of the Company, along with two of the Company's independent directors, resigned their respective positions. Also effective that date, the Company announced the hiring of a new President and the return of the former President and CEO as the new CEO.

On July 4, 2019, the Company settled \$99,686.75 of indebtedness owing to the former President and CEO through the issuance of 996,868 common shares at a price of \$0.10 per share.

On July 25, 2019, the Company granted stock options to an independent director, the new President and the Chief Financial Officer (see Note 9(c)).

As at September 30, 2019, \$36,724 (December 31, 2018 - \$186,333) included in accounts payable and accrued liabilities was owing to related parties.



Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Key management of Argo Gold includes the Chief Executive Officer, the President, the Chief Financial Officer and the former CEO until his resignation on July 4, 2019.

	Three months ended September 30, 2019		2018		Nine months ended September 30, 2019		2018	
Management fees – paid to CEO	\$	15,000	\$	15,000	\$	15,000	\$	45,000
Management fees – paid to CFO		15,000		12,000		51,000		31,000
Consulting fees – paid to a director		6,000		-		6,000		-
Total fees paid to management		36,000		27,000		72,000		76,000
Directors' fees		-		-		-		-
Share-based payments		169,047		-		169,047		17,324
	\$	205,047	\$	135,085	\$	241,047	\$	93,324

	Three months ended September 30, 2019		2018		Nine months ended September 30, 2019		2018	
Legal fees charged by a former officer/director for legal and corporate secretarial services	\$	2,796	\$	7,177	\$	22,026	\$	46,348

Investor Relations Activities

The Company incurred costs of \$12,224 and \$38,302 in investor relations related activities during the three and nine months ended September 30, 2019, respectively. This relates primarily to fees paid to an investor relations consultant of \$9,000 and \$27,300 during the three and nine months ended September 30, 2019, respectively.

The Company incurred costs of \$42,184 and \$71,535 in investor relations related activities during the three and nine months ended September 30, 2018, respectively. This relates primarily to fees paid to an investor relations consultant of \$30,000 and \$54,000 during the three and nine months ended September 30, 2019, respectively.

Subsequent Events

On November 6, 2019, the Company announced that Bryan Wilson joined the Board of the Company as a director.

During November 2019, subsequent to the end of the quarter, Mr. Kenney Storey resigned as the Company's Chief Financial Officer and Mr. Michael Farrant was appointed as the new Chief Financial Officer.



Outstanding Capital and Share Data

Argo Gold's authorized capital stock consists of an unlimited number of common shares without par value. As at September 30, 2019 and November 29, 2019, there were 38,007,249 common shares issued and outstanding.

As at September 30, 2018 and November 29, 2019, the Company also had the following items issued and outstanding:

- 3,250,000 common share purchase options with a weighted average exercise price of \$0.16 expiring at various dates to July 25, 2022.
- 1,251,733 common share purchase warrants at an exercise price of \$0.25, expiring at dates ranging from December 12-27, 2019.

For further detailed information on share capital, see Note 9 to the unaudited condensed interim financial statements for the three and nine months ended September 30, 2019.

Off-Balance Sheet Arrangements

As at September 30, 2019, the Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition and sale transactions and, in some cases, makes proposals to acquire or sell such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

As of November 29, 2019, the Company has certain property acquisitions and possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

Going Concern

The condensed interim financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. Due to continuing operating losses and current working capital levels, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These factors may cast significant doubt on the entity's ability to continue as a going concern. The condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral exploration and evaluation assets.

Significant Accounting Policies and the Use of Estimates

A detailed summary of the Company's significant accounting policies, including the use of estimates, is included in the Company's audited financial statements for the year ended December 31, 2018. The preparation of the condensed interim financial statements requires management to make estimates and judgments which are described in the Company's audited financial statements for the year ended December 31, 2018.

The accounting policies and management estimates applied in the condensed interim financial statements for the three and nine months ended September 30, 2019 are consistent with those used in the Company's audited financial statements for the year ended December 31, 2018, except for IFRS 16 and IFRIC 23 (refer to the section on "Adoption of New or Amended Accounting Policies" below for a discussion of the impact of these accounting standards).

New and Amended Standards Adopted by the Company

The Company adopted the following accounting standard and amendments to accounting standards, effective January 1, 2019:

IFRS 16 Leases - The Company adopted IFRS 16, Leases ("IFRS 16"), effective January 1, 2019. The objective of IFRS 16 is to recognize substantially all leases on balance sheet for lessees. IFRS 16 requires lessees to recognize a "right-of-use" asset and a lease liability calculated using a prescribed methodology. The Company has adopted IFRS 16 using the modified retrospective approach which does not require restatement of comparative periods. Comparative information has not been restated and continues to be reported under IAS 17, Leases ("IAS 17"), and IFRIC 4, Determining Whether an Arrangement Contains a Lease ("IFRIC 4"). The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16. The adoption of IFRS 16 had no impact on the condensed interim financial statements.

IFRIC 23 – Uncertainty over Income Tax Treatments. The Company adopted IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23") on January 1, 2019 with retrospective application. IFRIC 23 clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. The effect of uncertain tax treatments are recognized at the most likely amount or expected value. The adoption of IFRIC 23 had no impact on the condensed interim financial statements.

Financial Instruments

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an ongoing basis.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. The balance of the 2019 budget is planned to be funded by cash on hand and additional financing. There is no certainty of the Company's ability to raise additional financing.

As at September 30, 2019 the Company held cash of \$86,851 (December 31, 2018 - \$1,053,551) which included \$802,838 of subscriptions receivable to settle current liabilities of \$79,845, excluding the flow-through share premium liability (December 31, 2018 - \$277,769).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at market rates. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. The Company does not have any interest bearing debt. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

The Company's financial assets and liabilities as at September 30, 2019 and December 31, 2018 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2018			
Financial assets			
Cash	\$ 250,713	\$ -	\$ 250,713
Subscription receivable	\$ 802,838	\$ -	\$ 802,838
Investments	\$ -	\$ 137,025	\$ 137,025
Financial liabilities			
Accounts payable and accrued liabilities	\$ 277,769	\$ -	\$ 277,769

	Amortized Cost	FVPL	Total
September 30, 2019			
Financial assets			
Cash	\$ 86,851	\$ -	\$ 86,851
Investments	\$ -	\$ 119,175	\$ 119,175
Financial liabilities			
Accounts payable and accrued liabilities	\$ 79,954	\$ -	\$ 79,954

At September 30, 2019 and December 31, 2018, there were no significant concentrations of credit risk for receivables. The carrying amounts reflected above represent the Company's maximum exposure to credit risk for such receivables.

The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

Commitments

As at September 30, 2019, the Company has a remaining commitment to spend approximately \$89,000 (December 31, 2018 - \$877,030) on eligible Canadian exploration and development expenditures, from amounts raised in its flow-through financing completed in December 2018.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company has indemnified current and previous flow-through subscribers for any tax and other costs payable by them in the event the Company does not incur the required exploration expenditures. Upon issuance of the flow-through shares in December 2018 in the amount of \$877,030, the Company recorded a flow-through share premium liability of \$299,466. As expenditures are incurred, the liability will be drawn down as income through the statement of loss. For the three and nine month periods ended September 30, 2019, the Company had incurred approximately \$141,000 and \$788,000, respectively of eligible exploration expenditures and had realized a flow-through share liability recovery of \$50,191 and \$268,980, respectively. The Company must spend the balance of approximately \$89,000 on qualifying exploration expenditures by December 31, 2019.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management's Evaluation of Disclosure Controls

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2019 and have concluded that these controls and procedures are effective.

Internal Control over Financial Reporting:

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at September 30, 2019.

Risks and Uncertainties

Readers of this MD&A should give careful consideration to the information included or incorporated by reference in this document and the Company's unaudited condensed interim financial statements and related notes. Argo Gold's business of exploring and developing mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, including the limited extent of the Company's assets, the Company's state of development and the degree of reliance upon the expertise of management. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described in the Company's audited consolidated financial statements for the year ended December 31, 2019 and the "Risks and Uncertainties" discussion the Company's MD&A for the year ended December 31, 2018, dated April 30, 2019, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the condensed interim financial statements for the three and nine months ended September 30, 2019, which have been posted on the Company's website at www.argogold.ca and are available on SEDAR at www.sedar.com. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the risks noted in the Company's financial disclosure occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

Regulatory standards continue to change making the review process longer, more complex and more costly. Even if an apparently mineable deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which cannot be controlled by management. As a result, the Company's future business, operations, and financial condition could differ materially from the forward-looking information contained in this MD&A and described in the Forward-Looking Statements section below.

Forward Looking Statements

This report may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying

significantly from estimates, delays or failure in obtaining governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors, which affect this information, except as required by law.

Other MD&A Requirements

Additional Disclosure for Companies Without Significant Revenue

Additional disclosure concerning Argo Gold's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's condensed interim financial statements and in Note 7 of the condensed interim financial statements for the three and nine months ended September 30, 2019 that are available on the Company's website at www.argogold.ca and on SEDAR at www.sedar.com.

Approval

The Board of Directors of Argo Gold approved the disclosure contained in this MD&A on November 29, 2019. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Officers and Directors:

Judy Baker, Chief Executive Officer and Director

Peter Mah, President and Director

Michael Farrant, Chief Financial Officer

Independent Directors

George Langdon, Director

Bryan Wilson, Director

Legal Counsel and Auditors

Peterson McVicar LLP, James McVicar

McGovern Hurley LLP, Auditors

TSX Trust, Transfer Agent

Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect the results of prior periods.