ARGO GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

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 six months ended June 30, 2020 ("**second quarter of 2020**'). The comparative periods are for the three and six months ended June 30, 2019. 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 years ended December 31, 2019 and 2018, and the unaudited condensed interim financial statements for the three and six months ended June 30, 2020 and 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 International Financial Reporting Interpretations Committee ("**IFRIC**"). Please refer to Note 4 of the annual audited financial statements as at and for the years ended December 31, 2019 and 2018 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed interim financial statements for the three and six months ended June 30, 2020 and 2019 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated August 31, 2020 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, on the Canadian Securities Exchange ("**CSE**") website at www.thecse.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 CSE under the symbol **ARQ**, the OTC under **ARBTF**, and on the FSE under **P3U**. 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. Argo Gold recently added the Talbot Lake Gold Project to its portfolio. All of Argo Gold's projects are 100% owned. Argo Gold's flagship project is the Uchi Gold Project, which covers 22 square kilometres of widespread mineralization and 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.

Developments during the three months ended June 30, 2020 and up to August 31, 2020

Exploration and Evaluation Activities – Uchi Gold Project

In July 2020, the Company announced that it had commenced field work at the Uchi Gold Project carrying out mechanical stripping and hydraulic washing at areas of known high-grade gold mineralization and identified anomalies for geological and structural mapping for a planned follow-on Summer 2020 drilling program.

Argo Gold also has three gold projects peripheral to Wesdome Gold Mines Ltd.'s operations in Wawa, Ontario. Drill targeting has also begun at the Abbie Lake Gold Project where results from historic drilling include 4.5 feet of 0.45 oz/ton Au and 3 feet of 0.34 oz/ton Au.

Acquisition of Talbot Lake Gold Project

On June 10, 2020, the Company acquired a 100% interest in 38 mineral claims, covering 760 hectares, near Talbot Lake, in the Pickle Lake area of the Patricia Mining District, from Denison Mines Inc. ("Denison") in exchange for $135,000 in cash, 1,350,000 common shares of Argo Gold and a 2.0% NSR royalty on the claims, 1.0% of which can be purchased back for $1.0 million. The fair value of the 1,350,000 shares was estimated at $222,750 based on their market price of $0.165 per share.

In addition, if Argo Gold establishes an aggregate mineral resource estimate across all categories, of greater than one million ounces of gold or gold equivalent in accordance with National Instrument 43-101, the Company will make a one-time payment to Denison of $1.5 million either in cash or in common shares of Argo Gold, at the option of the Company.

The mineral claims are also subject to a pre-existing royalty, which is 3.0% of exploration expenses to a maximum of $245,180 and an additional $100,000 owing on a production decision.

During May 2020, Argo Gold staked an additional 399 mineral claims covering approximately 7,982 hectares, covering the geological strike length of the Talbot Lake Gold Project. During June 2020, Argo Gold staked an additional 141 mineral claims adjacent to the Talbot Lake Gold Project. The $27,000 in staking costs were expensed.

Stock Options

Option Grants

On April 16, 2020, the Company granted options to purchase up to 400,000 common shares of the Company to consultants at an exercise price of $0.15 per share.

On May 20, 2020, the Company granted options to purchase up to 400,000 common shares of the Company to a director and consultant at an exercise price of $0.15 per share.

On June 10, 2020, the Company granted options to purchase up to 400,000 common shares of the Company to two directors at an exercise price of $0.165 per share.

On August 17, 2020, the Company granted options to purchase up to 400,000 common shares of the Company to a director and consultant at an exercise price of $0.27 per share.

The options vested immediately and are exercisable for a period of 3 years in all of the option grants.

Option Expiries

On June 28, 2020, options to purchase up to 500,000 common shares of the Company at a price of $0.20 per share, granted June 29, 2017 expired unexercised.

Corporate Developments

On June 10, 2020, Mr. Chris Wardrop and Mr. Jonathan Armes joined the Board of Directors.

On August 17, 2020, Mr. Reinhard Schu joined the Board of Directors, bringing the number of directors on the Board to six.

Flow-Through Commitment and Qualifying Exploration Expenditures

During the three and six months ended June 30, 2020, the Company incurred $13,415 and $28,455, respectively in Canadian qualifying exploration expenditures, leaving $114,357 remaining to be spent during 2020, in connection with its December 2019 flow-through financing.

Debt Settlements

On August 17, 2020, the Company announced that it has agreed to settle $135,000 of aggregate indebtedness of the Company with various arm’s length and non-arm’s length creditors through the issuance of an aggregate of 500,000 common shares at a price of $0.27 per share. $54,000 of this amount relates to services to be provided in 2020 by two directors of the Company.

Overview of Financial Results

Three and Six Months Ended June 30, 2020 vs. June 30, 2019

(Expressed in Canadian Dollars)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Expenses				
Exploration and evaluation	**$ 94,992**	$ 62,021	**$ 173,482**	$ 600,421
Management fees	**34,000**	21,000	**67,000**	39,000
Consulting fees	**29,875**	1,500	**54,750**	1,500
Professional fees	**17,213**	11,394	**33,716**	30,290
Business development	**6,382**	11,388	**29,157**	19,975
Investor relations	**36,630**	6,000	**58,130**	18,000
General and administrative	**16,900**	15,747	**28,591**	26,731
Listing, filing and regulatory fees	**8,091**	9,609	**14,069**	16,570
Depreciation	**229**	850	**738**	1,699
Share-based compensation	**130,560**	-	**269,580**	-
Total expenses	**374,872**	139,509	**729,213**	754,186
Loss before the undernoted	**(374,872)**	(139,509)	**(729,213)**	(754,186)
Bank charges	**(176)**	(72)	**(329)**	(207)
Part X11.6 taxes	**-**	-	**(4,106)**	-
Interest income	**4**	21	**14**	21
Flow-through share premium recovery	**559**	12,239	**1,186**	218,789
Realized loss on sale of investments	**-**	(5,900)	**-**	(38,915)
Change in unrealized (loss) gain on value of investments	**(16,525)**	23,100	**(16,700)**	77,305
Net loss and comprehensive loss for the period	**$ (391,010)**	$ (110,121)	**$ (749,148)**	$ (497,193)
Net loss per share				
Basic and diluted loss per share	**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.01)
Weighted average number of shares Outstanding – basic and diluted	**51,808,887**	36,959,881	**49,209,162**	36,826,675

Three months ended June 30, 2020 vs. three months ended June 30, 2019

- Overall, the Company recorded a net loss and comprehensive loss of $391,010 or $0.01 per share for the quarter ended June 30, 2020 compared to a net loss and comprehensive loss of $110,121 or $0.0 per share for the quarter ended June 30, 2019.
- Share-based compensation recorded during the second quarter of 2020 was $130,560 compared to $nil during the second quarter of 2019. The 2020 expense represents the grant date fair value of 1,200,000 stock options granted during the quarter. There were no stock option grants during the second quarter of 2019. Share-based compensation is a non-cash expense.
- Exploration and evaluation expenses were $94,992 during the second quarter of 2020 compared to $62,021 during the second quarter of 2019.
- Management fees paid in the second quarter of 2020 include $19,000 in fees paid to the Company's CFO and 50% of the fees paid to the Company's CEO, being $15,000. Management fees paid in the second quarter of 2019 only include $21,000 paid to the Company's former CFO.
- Consulting fees were $29,875 in the second quarter of 2020 compared to $1,500 during the second quarter of 2019.

- Professional fees were $17,213 during the second quarter of 2020 compared to $11,394 during the second quarter of 2019. These amounts include legal, auditing and accounting fees.
- Business development was $6,382 during the second quarter of 2020 compared to $11,388 during the second quarter of 2019.
- Investor relations expenses were $36,630 during the second quarter of 2020 compared to $6,000 during the second quarter of 2019.
- General and administrative costs were $16,900 during the second quarter of 2020 compared to $15,747 during the second quarter of 2019.
- Listing, filing and regulatory fees were $8,091 during the second quarter of 2020 compared to $9,609 during the second quarter of 2019. These fees include CSE monthly listing fees, filing fees, monthly transfer agent fees and fees associated with the dissemination and filing of news releases.
- The Company raised $142,812 in flow-through funds in December 2019, compared to $877,030 in December 2018. As a result, the Company recorded a flow-through share premium liability of $5,951 as at December 31, 2019 compared to $299,466 as at December 31, 2018. During the second quarter of 2020, the Company recognized $559 of flow-through share premium recovery compared to $12,239 during the second quarter of 2019, associated with the expenditure of flow-through funds. These amounts are non-cash amounts.
- During the second quarter of 2020, the Company did not sell any of its investments. During the second quarter of 2019, the Company sold 70,000 shares of Manitou Gold Inc., resulting in a realized loss of $5,900. This is a non-cash loss.
- The change in market value of investments resulted in a loss of $16,525 during the second quarter of 2020, compared to a gain of $23,100 during the second quarter of 2019. These amounts are non-cash gains and losses.

Six months ended June 30, 2020 vs. six months ended June 30, 2019

- Overall, the Company recorded a net loss and comprehensive loss of $749,148 or $0.02 per share for the six months ended June 30, 2020 compared to a net loss and comprehensive loss of $497,193 or $0.01 per share for the six months ended June 30, 2019.
- Share-based compensation recorded during the first half of 2020 was $269,580 compared to $nil during the first half of 2019. The 2020 expense represents the grant date fair value of 2,600,000 stock options granted during the first half of 2020. There were no stock option grants during the first half of 2019. Share-based compensation is a non-cash expense.
- Exploration and evaluation expenses were $173,482 during the first half of 2020 compared to $600,421 during the first half of 2019.
- Management fees paid in the first half of 2020 include $37,000 in fees paid to the Company's CFO and 50% of the fees paid to the Company's CEO, being $30,000. Management fees paid in the first half of 2019 only include $39,000 paid to the Company's former CFO.
- Consulting fees were $54,750 in the first half of 2020 compared to $1,500 during the first half of 2019.
- Professional fees were $33,716 during the first half of 2020 compared to $30,290 during the first half of 2019. These amounts include legal, auditing and accounting fees.
- Business development was $29,157 during the first half of 2020 compared to $19,975 during the first half of 2019.
- Investor relations expenses were $58,130 during the first half of 2020 compared to $18,000 during the first half of 2019
- General and administrative costs were $28,591 during the first half of 2020 compared to $26,731 during the first half of 2019.

- Listing, filing and regulatory fees were $14,069 during the first half of 2020 compared to $16,570 during the first half of 2019. These fees include CSE monthly listing fees, filing fees, monthly transfer agent fees and fees associated with the dissemination and filing of news releases.
- The Company raised $142,812 in flow-through funds in December 2019, compared to $877,030 in December 2018. As a result, the Company recorded a flow-through share premium liability of $5,951 as at December 31, 2019 compared to $299,466 as at December 31, 2018. During the first half of 2020, the Company recognized $1,186 of flow-through share premium recovery compared to $218,789 during the first half of 2019, associated with the expenditure of flow-through funds. These amounts are non-cash amounts.
- During the first half of 2020, the Company did not sell any of its investments. During the first half of 2019, the Company sold 430,000 shares of Manitou Gold Inc., resulting in a realized loss of $38,915. This is a non-cash loss.
- The change in market value of investments resulted in a loss of $16,700 during the first half of 2020, compared to a gain of $77,305 during the first half of 2019. These amounts are non-cash gains and losses.

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.

	Q2	Q1	Annual	Q4	Q3
	June 2020 (unaudited)	March 2020 (unaudited)	Dec. 2019 (audited)	Dec. 2019 (unaudited)	Sept. 2019 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	($391,010)	$(358,138)	($1,225,438)	($241,499)	($486,746)
Loss per share – basic and diluted	($0.01)	($0.01)	($0.03)	($0.01)	($0.01)
Assets	$1,790,522	$1,853,439	$1,127,662	$1,127,662	$1,047,553
	Q2	**Q1**	**Annual**	**Q4**	**Q3**
	June 2019 (unaudited)	**March 2019 (unaudited)**	**Dec. 2018 (audited)**	**Dec. 2018 (unaudited)**	**Sept. 2018 (unaudited)**
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	($110,121)	$(387,072)	($502,802)	($423,887)	($25,440)
Loss per share – basic and diluted	($0.00)	($0.01)	($0.02)	($0.01)	($0.00)
Assets	$1,285,646	$1,439,417	$2,042,116	$2,042,116	$1,747,810

Liquidity and Capital Resources

The Company's cash decreased by $383,590 during the three months ended June 30, 2020, compared to a decrease of $100,919 during the three months ended June 30, 2019. The Company's cash increased by $302,730 during the six months ended June 30, 2020, compared to an increase of $45,235 during the six months ended June 30, 2019. As at June 30, 2020, the ending cash balance was $426,315 compared to $123,585 as at December 31, 2019.

Working Capital

As at June 30, 2020, the Company had a working capital surplus of $579,279 compared to a surplus of $48,795 as at December 31, 2019. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. $114,357 of the cash balance at June 30, 2020 must be spent on Canadian qualifying exploration expenditures during 2020.

A summary of the Company's cash position and changes in cash for the three and six months ended June 30, 2020 and 2019 are provided below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Cash used in operating activities – gross	**$ (244,255)**	$ (138,710)	**$ (375,816)**	$ (740,673)
Changes in non-cash operating working capital	**(4,335)**	34,241	**(205,254)**	(91,245)
Cash used in operating activities – net	**(248,590)**	(104,469)	**(581,070)**	(831,918)
Cash provided by investing activities	**(135,000)**	3,550	**(135,000)**	19,315
Cash provided by financing activities	**-**	-	**1,018,800**	857,838
(Decrease) increase in cash	**(383,590)**	(100,919)	**302,730**	45,235
Cash, beginning of period	**809,905**	396,867	**123,585**	250,713
Cash, end of period	**$ 426,315**	$ 295,948	**$ 426,315**	$ 295,948

Three months ended June 30, 2020 vs. three months ended June 30, 2019

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended June 30, 2020 was $244,255 compared to $138,710 for the three months ended June 30, 2019 or $105,545 higher. This was primarily the result of higher consulting, management and investor relations related fees.

Investing Activities

During the three months ended June 30, 2020, cash used in investing activities was $135,000 compared to $3,550 provided by investing activities for the three months ended June 30, 2019. The 2020 amount was related to the cash component of the acquisition cost paid to Denison Mines Inc. in June 2020 for the purchase of the Talbot Lake Gold Project. The 2019 amount related to proceeds from the sale of 70,000 shares of Manitou Gold Inc. in the second quarter of 2019. No investments were sold during the second quarter of 2020.

Financing Activities

During the three months ended June 30, 2020 and 2019, cash provided by financing activities was $nil.

Six months ended June 30, 2020 vs. six months ended June 30, 2019

Operating Activities

Cash used in operating activities before changes in non-cash working capital during the six months ended June 30, 2020 was $375,816 compared to $740,673 for the six months ended June 30, 2019 or $364,857 lower. This was primarily the result of significantly lower exploration and evaluation expenditures during the first half of 2020, compared to the $600,421 that was spent during the first half of 2019, which included $506,190 spent on the Company's 2,500 metre drilling program at the Uchi Gold Project commenced during the first quarter of 2019.

Investing Activities

During the six months ended June 30, 2020, cash used in investing activities was $135,000 compared to $19,315 provided by investing activities for the six months ended June 30, 2019. The 2020 amount was related to the cash component of the acquisition cost paid to Denison Mines Inc. in June 2020, for the purchase of the Talbot Lake Gold Project. The 2019 amount related to proceeds from the sale of 430,000 shares of Manitou Gold Inc. in the first half of 2019. No investments were sold during the first half of 2020.

Financing Activities

During the six months ended June 30, 2020, cash provided by financing activities was $1,018,800 compared to $857,838 for the six months ended June 30, 2019. On February 5, 2020, the Company closed a non-brokered private placement with an entity beneficially owned by Mr. Eric Sprott, through the issuance of 11,200,000 units at $0.09 per unit, for gross proceeds of $1,008,000. In addition, a subscription receivable of $10,800, part of a flow-through financing closed on December 31, 2019, was collected in January 2020. The 2019 amount relates to the collection in January 2019 of $802,838 of subscriptions receivable from financings closed during December 2018 and proceeds of $55,000 from the exercise of 550,000 stock options at an exercise price of $0.10 per share, exercised during the first quarter of 2019.

Liquidity Outlook

The Company began the year with $123,585 of cash and a requirement to spend $142,812 on Canadian qualifying exploration expenditures in 2020. In order to address its outstanding payables, 2020 working capital needs and to add additional funding to its 2020 exploration program, the Company successfully completed a financing during the first quarter of 2020 with Mr. Eric Sprott for proceeds of $1,008,000.

During the first half of 2020, Argo Gold spent approximately $376,000 on operating expenses, including approximately $173,500 on exploration. In June 2020, the Company used $135,000 in the acquisition of the Talbot Lake Gold Project. In addition, during the first half of 2020, the Company used approximately $205,000 in working capital changes, including accounts payables by approximately $175,000.

After these uses of cash, the Company had a cash balance of $426,315 at June 30, 2020, an increase of $302,730 from the balance at December 31, 2019. $114,357 of this cash balance must be spent on Canadian qualifying exploration expenditures during the second half of 2020, as it relates to flow-through funds raised in December 2019.

The Company is currently sufficiently funded to carry out its 2020 exploration programs and fund its operations. The Company will require additional funding in the future.

As part of that financing with Mr. Sprott, the Company issued 11,200,000 warrants, having an exercise price of $0.12 per warrant. The warrants are outstanding for a period of 36 months and if exercised, could generate additional proceeds of $1,344,000.

At June 30, 2020, the Company also held 3,375,000 shares of Manitou Gold Inc., valued at $135,000 and 35,000 shares of RT Minerals Corp. valued at $1,225. On July 7, 2020, the Company sold 1,000,000 shares of Manitou at $0.05 per share, for net proceeds of $49,000. Future sales of these investments remain a possibility.

In general, 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 and enterprises that are controlled by these individuals.

On May 20, 2020, the Company granted stock options to purchase up to an aggregate of 200,000 common shares of the Company at a price of $0.15 per share to a director of the Company.

On June 10, 2020, the Company granted stock options to purchase up to an aggregate of 400,000 common shares of the Company at a price of $0.165 per share to two directors of the Company.

For related party transactions subsequent to June 30, 2020, see "Subsequent Events" below.

As at June 30, 2020, $11,326 (December 31, 2019 - $156,972) included in accounts payable and accrued liabilities was owing to related parties. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

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.

	Three months ended June 30,		**Six months ended June 30,**	
	2020	2019	**2020**	2019
Management fees – paid to CEO	**$ 15,000**	$ -	**$ 30,000**	$ -
Exploration and evaluation fees – paid to CEO [(1)]	**15,000**	-	**30,000**	-
Management fees – paid for CFO services	**19,000**	21,000	**37,000**	39,000
Consulting fees – paid to an independent director	**3,000**	-	**5,000**	-
Total fees paid to management	**52,000**	21,000	**102,000**	39,000
Share-based payments	**77,500**	-	**156,940**	-
	$ 129,500	$ 21,000	**$ 258,940**	$ 39,000

(1) Amounts included in "Consulting fees" in exploration and evaluation expenditures.

	Three months ended June 30,		**Six months ended June 30,**	
	2020	2019	**2020**	2019
Legal fees charged by a former officer/director for legal and corporate secretarial services	**$ -**	$ 6,334	**$ -**	$ 19,230

Subsequent Events

Stock Option Grant

On August 17, 2020, the Company granted options to purchase up to 400,000 common shares of the Company to a director and consultant at a price of $0.27 per share. The options vested immediately and are exercisable for a period of 3 years. The Company recorded $89,880 of share-based compensation expense, being the entire grant date fair value.

Issuance of Common Shares for Services

On August 17, 2020, the Company announced that it intends to settle an aggregate of $135,000 of indebtedness for services with various arm's length and non-arm's length creditors through the issuance of 500,000 common shares at a price of $0.27 per common share.

Other

Subsequent to June 30, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has continued to result in governments worldwide, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Outstanding Capital and Share Data

Argo Gold's authorized capital stock consists of an unlimited number of common shares without par value. As at August 31, 2020 there were 52,847,349 common shares issued and outstanding.

As at August 31, 2020, the Company also had the following items issued and outstanding:

- 5,000,000 common share purchase options with a weighted average exercise price of $0.16 expiring at various dates from June 13, 2021 to August 16, 2023.
- 11,200,000 common share purchase warrants at an exercise price of $0.12, expiring February 5, 2023.

Off-Balance Sheet Arrangements

As at June 30, 2020, 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 August 31, 2020, there are no material property acquisitions or possible transactions that the Company is examining.

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 2020 budget is planned to be funded from flow-through funds raised on December 31, 2019 and with funds raised in the financing completed on February 5, 2020. There is no certainty of the Company's ability to complete additional financings.

As at June 30, 2020 the Company held cash of $426,315 (December 31, 2019, cash and subscription receivable - $134,385) to settle current liabilities of $44,322 (December 31, 2019 - $268,958), exclusive of non-cash flow-through share premium liability.

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 subscription 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 June 30, 2020 and December 31, 2019 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2019			
Financial assets			
Cash	$ 123,585	$ -	$ 123,585
Subscription receivable	$ 10,800	$ -	$ 10,800
Investments	$ -	$ 152,925	$ 152,925
Financial liabilities			
Accounts payable and accrued liabilities	$ 268,958	$ -	$ 268,958
March 31, 2020			
Financial assets			
Cash	$ 426,315	$ -	$ 426,315
Investments	$ -	$ 136,225	$ 136,225
Financial liabilities			
Accounts payable and accrued liabilities	$ 44,322	$ -	$ 44,322

At June 30, 2020 and December 31, 2019, 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.

Going Concern

The unaudited 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 unaudited 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 properties.

Critical Accounting Policies and the Use of Estimates

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from those estimates. A detailed summary of the Company's significant accounting policies, including the use of estimates, is included in Note 4 of the Company's audited financial statements for the year ended December 31, 2019. The accounting policies and management estimates applied in the condensed interim financial statements for the three and six months ended June 30, 2020, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2019.

Commitments

As at June 30, 2020, the Company has a remaining commitment to spend $114,357 (December 31, 2019 - $142,812) from amounts raised by flow-through financing on eligible Canadian exploration expenditures, by December 31, 2020.

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 2019 in the amount of $142,812 (December 2018 - $877,030), the Company recorded a flow-through share premium liability of $5,951 (December 2018 - $299,466). As expenditures are incurred, the liability will be drawn down as income through the statement of loss. Through the three and six months ended June 30, 2020, the Company has incurred $13,415 and $28,455, respectively on eligible Canadian exploration expenditures related to the 2019 flow-through issuance. During the three months ended June 30, 2020 and 2019, the Company recorded a flow-share premium recovery of $559 and $12,239, respectively in the statement of loss. During the six months ended June 30, 2020 and 2019, the Company recorded a flow-through share premium recovery of $1,186 and $218,789, respectively in the statement of loss.

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.

Risks and Uncertainties

Readers of the 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 financial statements for the year ended December 31, 2019 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2019, dated April 29, 2020, 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 unaudited condensed interim financial statements for the three and six months ended June 30, 2020, which have been posted on the Company's website at www.argogold.ca and are available on SEDAR at www.sedar.com. The risks described in these documents is not an exhaustive list. 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 mineral 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.

COVID-19 global pandemic

During this period affected by the COVID-19 global pandemic, all Company contractors continue to practicing physical distancing and safety measures as per the Ontario Ministry of Health COVID-19 guidance. At present the Company and its operations remain largely unaffected. However, should the social distancing requirements continue for a prolonged period of time or businesses ancillary to the junior mining industry become unavailable, the timing of executing the Company's future exploration and evaluation plans could become affected, including its ability to spend flow-through funds within the required timeframe. The government of Canada has currently proposed relief for flow-through share issuers and "junior" mining exploration companies to allow an additional twelve (12) months to incur flow-through eligible expenditures. This would mean that flow-through funds raised by Argo Gold in December 2019 would need to be spent by December 31, 2021 instead of by December 31, 2020.

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.

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 June 30, 2020 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 June 30, 2020.

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 unaudited condensed interim financial statements and in Note 7 of the unaudited condensed interim financial statements for the three and six months ended June 30, 2020 and 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 August 31, 2020. 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
Michael Farrant, Chief Financial Officer

Independent Directors
Jonathan Armes, Director
George Langdon, Director
Reinhard Schu, Director
Chris Wardrop, Director
Bryan Wilson, Director

Legal Counsel and Auditors
Peterson McVicar LLP, James McVicar
McGovern Hurley LLP, Auditors
TSX Trust Company, 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.