ARGO GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

General

This Management's Discussion and Analysis ("MD&A) is prepared as of May 25, 2017 and should be read in conjunction with the audited annual financial statements of Argo Gold Inc. ("Argo" or "Company") for the year ended December 31, 2016 and December 31, 2015, , which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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. Additional information, including the Annual Information Form can be found on SEDAR, www.sedar.com. All amounts are in Canadian dollars.

Overview

Argo Gold Inc. (the ñCompanyò) (formerly Arbitrage Resources Inc.) is a development stage enterprise incorporated under the laws of Ontario on December 9, 1995. The Company is listed on the Canadian Stock Exchange ("CSE"), having the symbol ARQ and is in the process of exploring its mineral properties. Effective September 19, 2016, the Company changed its name to Argo Gold Inc. The address of the Company's corporate office and principal place of business is 365 Bay Street, Suite 400 Toronto, Ontario, M5H 2V1, Canada.

Results of Operations

During the quarter, the Company entered into debt conversion agreements with various arm's-length and non-arm's-length creditors, pursuant to which the company has settled an aggregate of $239,000 of indebtedness of the company through the issuance of an aggregate of 2.39 million common shares at a price of 10 cents per common share.

The Company has appointed Dr. Charles (Jay) Hodgson to its advisory board. Dr. Hodgson is a research exploration geologist with over 40 years of worldwide experience in base metal and precious metal exploration. He is a graduate of McGill University in Montreal and received his PhD from the University of California at Berkeley. From 1972 to 1995, Dr. Hodgson was professor of economic geology at Queen's University, where he taught and carried out a program of mineral exploration research on gold, base metal VMS (volcanogenic massive sulphide) and sedex, and copper-gold porphyry deposits in collaboration with the mining industry. During his tenure at Queen's University, he supervised over 50 graduate theses and published 45 scientific papers, including several landmark articles on economic geology and exploration. From 1996 to 2006, Dr. Hodgson was chief geologist at Barrick Gold Corp., where he was involved with designing Barrick's worldwide exploration programs and ensuring that the company maintained its technical edge among the gold exploration world. During his mandate at Barrick, Dr. Hodgson was involved with the exploration of several world-class gold deposits, such as Pierina and Alto

Chicama in Peru, Pascua-Lama in Chile, Valadero in Argentina, and Bulyanhulu in Tanzania. Dr. Hodgson brings an invaluable wealth of experience and his passion and enthusiasm for exploration to Argo Gold.

The Company also welcomed Stan Buchalter as a consultant to the company. Mr. Buchalter graduated from McMaster University in Hamilton in 1977 with a bachelor of arts in political science and economics. He owned and ran his family business for 20 years, and he has many years of experience in the public market and started with his investor relations business in 2002.

During the quarter, the Company staked 16 claim units totalling 256 hectares southeast of Wawa in Naveau township, Sault Ste. Marie mining division. The newly acquired claims are 100 per cent owned by Argo Gold and also staked 265 strategic claim units, totalling 4,240 hectares, at its Hurdman silver-zinc project in Hurdman township, Ontario. The newly acquired strategic claims surround Argo Gold's 100-per-cent-owned Hurdman silver-zinc project.

Revenue

The Company did not earn any revenue during the three month period ended March 31, 2017.

Expenses

	March 31, 2017	March 31, 2016
Administrative expenses	$117,813	$7,517
Professional fees	$3,656	$-
Listing fees	$1,915	$1,158
Share-based compensation	$65,121	$-

Administration expenses increased by $110,296 due to the increased activity of this quarter compared to the March 31, 2016 quarter. Professional fees were 3,656. Listing fees of $1,915 were comparable to the March 31, 2016 fees of $1,158.

Summary of Results

Quarterly Financial Information (unaudited)		2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2
(a)	Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b)	Net Income (loss)	$(188,565)	$(126,083)	$(113,442)	$(55,073)	$(10,491)	$(76,581)	$(24,478)	$ (37,264)
(c)	Net Income (loss) per share	$ (0.009)	$ (0.008)	$ (0.008)	$ (0.004)	$ (0.001)	$ (0.007)	$ (0.002)	$ (0.003)

Selected Quarter Information

	Quarter ended March,	
	2017	2016
Revenues	$nil	$nil
Net Income (loss) and comprehensive loss	$(188,565)	$(10,491)
Net income (loss) per share basic and fully diluted	$(0.009)	$(0.001)
Total Assets	$780,244	$305,235
Non-current financial liabilities	$nil	$(43,353)

Liquidity and Capital Resources

As at March 31, 2017 there was cash of $118,263 compared to cash of $249,099 as at December 31, 2016 and HST receivable of $22,798 (December 31, 2016 ï $9,737) The Companyôs March 31, 2017 short-term obligations consist of accounts payable of $91,202 (December 31, 2016 - $255,574) and a due to related party of $225 (December 31, 2016 - $225). The Company has a long-term obligation of $nil as at March 31, 2017 (December 31, 2016 - $53,519).

The Companyôs working capital at March 31, 2017 was a surplus of $49,634 compared to a surplus of $11,437 at December 31, 2016. It is clearly not sufficient for the general operations of the Company. The Company has been successful in accessing the equity market in the past and while there is no guarantee that this will be continue to be available, management has no reason to expect that this capability will diminish in the near term.

Outstanding Share Data

Shares, warrants and options outstanding are:

- Shares - As at March 31, 2017, the Company had outstanding and issued 22,988,128 (of which 24,000 is to be issued) common shares. During the quarter the Company settled 239,000 of accounts payable by issuing 2,390,000 common shares of the Company. During the quarter the Company issued 1,000,000 common shares for a previously announced property acquisition.

- Warrants ï As at March 31, 2017, the Company had 3,355,745 warrants outstanding.
- Stock Options - The Company has established a stock option plan (the "Plan") to encourage ownership of the Company by its key officers, directors, employees and consultants. The maximum number of common shares that can be issued under the Plan at any time is a maximum of 10% of the issued and outstanding shares of the company. As at March 31, 2017, there are 1,900,000 options outstanding. During the quarter the Company issued 400,000 options issued at a strike price of $0.18 and for a term of three years that vested immediately.

Related Party Transactions

The following related party transactions occurred and were reflected in the financial statements during the period ended March 31, 2016 and 2015 as follows:

		March 31, 2017		March 31, 2016
Management fees and consulting fees expense:				
Management fees were charged by the CFO for corporate administrative and financial management services (note b)	$	13,942	$	7,500
Consulting fees were charged by the CEO for corporate administration (note b)	$	15,000	$	-
	$	28,942	$	7,500
Professional fees expense:				
Legal fees were charged by an officer/director for legal and corporate secretarial services	$	2,991	$	26,283
Rent fees expense:				
Rent fees (office premises) were charged by an officer/director	$	-	$	-

a) Included in accounts payable and accrued liabilities are management fees of $6,725 (December 31, 2016 - $93,451) to a company controlled by the CFO in common with the Company and legal fees of $6,846 (December 31, 2016 - $71,018) due to a company controlled by a director in common with the Company.

b) Key management compensation was incurred of $28,942 (March 31, 2016 - $7,500).

c) Included in long-term debt is with a principal balance of $nil (carrying value $53,514) (December 31, 2016 - $46,307) due to a company controlled by an officer/director in common with the Company.

d) As at March 31 2017, amounts due to related party consist of $225 (December 31, 2016 - $225) to company controlled by an officer/director of the Company.

Subsequent Events

Subsequent to the quarter, the Company entered into a mining claim acquisition agreement with 2362516 Ontario Inc., pursuant to which Argo Gold can acquire a 100% interest in certain mineral claims located in the Mishibishu Lake area and St. Germain township of the Sault Ste. Marie mining district in exchange for an aggregate of 250,000 common shares of the company. The acquisition of the mineral claims is subject to receipt of regulatory approval, and the common shares issuable thereunder will be subject to a statutory hold period of four months and one day from the date of issuance.

Subsequent to the quarter, the Company completed a private placement of 1,500,000 shares at a price of $0.20 per share for aggregate proceeds of $300,000 and 475,000 flow-through shares at a price of $0.25 per flow-through share for aggregate proceeds of $135,000. Each unit consist of one common share of the Company and onehalf of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.30 per common share for a period of 24 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $9,100 and issued 40,250 broker warrants where each broker warrant entitles the holder to acquire one additional common share at a price of $0.30 for a period of 24 months from the date of issuance.

Future accounting pronouncements

IFRS 9 was issued in July 2014 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments ï Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 will be effective as at January 1, 2018. The Company is in the process of assessing the impact of this pronouncement. The extent of impact has not yet been determined.

IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entityõs contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2017. The Company is in the process of analyzing IFRS 15 and determining the effect on its financial statements as a result of adopting this standard.

New Accounting Standards Adopted During the Year

IAS 24, Related Party Disclosures (ñIAS 24ò) The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Company is in the process of assessing the impact of this pronouncement.

Off-Balance Sheet Arrangements

The Company has not entered into any off balance sheet arrangements, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

Commitments

The Company has no commitments, other than previously disclosed, that has, or is reasonably likely to have, an impact on the current or future results of operations or the financial condition of our company.

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, including its consolidated subsidiaries, is made known to the Companyøs certifying officers. The Companyøs Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Companyøs disclosure controls and procedures as at March 31, 2017 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 internal 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 March 31, 2017.

Risks and Uncertainties

The Companyøs business of exploring and developing mineral properties is highly uncertain and risky by its very nature. In addition, the ability to raise funding in the future to maintain the Companyøs exploration and development activities is dependant on financial markets, which often fail to provide necessary capital.

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 can not be controlled by management. As a result, the Companyøs future business, operations, and financial condition could differ materially from the forward-looking information contained in this MD&Aøs 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 Companyôs 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.

Signed
ñAlex Falconerò CFO
May 27, 2017