ARGO GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

General

This Management's Discussion and Analysis ("MD&A) is prepared as of August 28, 2017 and should be read in conjunction with the audited annual financial statements of Argo Gold Inc. ("Argo" or "the 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 "Company") (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 continued exploration activity at its Wawa area and Woco gold projects. Both gold projects are 100 per cent owned by Argo Gold subject to a 2-per-cent net smelter royalty. Exploration activity includes re-establishing access, sampling, geological and structural mapping, and prospecting in conjunction with the compilation and review of historical geological and geophysical data; as well as planning for follow-up drilling.

The Company also raised an aggregate of $650,000 through the issuance of 2,450,000 units at a price of 20 cents per unit for gross proceeds of $490,000 and 640,000 flow-through shares at a price of 25 cents per flow-through share for aggregate gross proceeds of $160,000. In connection with the offering, the company has paid finders' fees of $32,200 cash and issued an aggregate of 147,000 warrants. Each broker warrant entitles the holder thereof to purchase one common share at an exercise price of 30 cents per common share for a period of 24 months from the date of issuance. Each unit comprises one common share of the company and one-half of one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at an exercise price of 30 cents for a period of 24 months from the date of closing.

Revenue

The Company did not earn any revenue during the three and six-month period ended June 30, 2017.

Expenses

	Three Months June 30, 2017	2016	Six Months June 30, 2017	2016
Administrative expenses	$ 131,685	$ 50,817	$ 216,461	$ 58,336
Exploration and evaluation expenses	121,304	-	128,300	-
Share-based compensation	-	-	92,008	-

Three months ending June 30, 2017

Administration expenses increased by $80,868 due to the increased activity of the Company compared to the three months ended June 30, 2016. Exploration and evaluation expenses of $121,304 increased by $121,304 compared to the June 30, 2016 expenses of $nil. The prior quarter the Company was not active in the field.

Six months ending June 30, 2017

Administration expenses increased by $158,125 due to the increased activity of the Company compared to the six months ending June 30, 2016. Exploration and evaluation expenses of $128,300 increased by $128,300 compared to the six months ending June 30, 2016 expenses of $nil. In the six months ended June 30, 2016, the Company was not active in the field.

Summary of Results

Quarterly Financial Information (unaudited)		2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
(a)	Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b)	Net Income (loss)	$ (254,584)	$ (188,565)	$ (126,083)	$ (113,442)	$ (55,073)	$ (10,491)	$ (76,581)	$ (24,478)
(c)	Net Income (loss) per share	$ (0.010)	$ (0.009)	$ (0.008)	$ (0.008)	$ (0.004)	$ (0.001)	$ (0.007)	$ (0.002)

Selected Three and Six month Information

The following table sets forth selected financial information for Argo Gold Inc. for the three and six months ended June 30, 2017 and the three and six months ended June 30, 2016. This information has been derived from Company's financial statements for the years and should be read in conjunction with financial statement and the notes thereto.

	For the three months ended June 30, 2017	For the three months ended June 30, 2016	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Income	nil	nil	nil	nil
Expenses	254,584	$55,073	$443,994	$65,564
(Loss) for the year	$(254,584)	$(55,073)	$(443,994)	$(65,564)
Loss per share	$(0.010)	$(0.004)	$(0.019)	$(0.048)
Total assets	$1,400,834	$385,995	$1,400,834	$385,995
Total Liabilities	$115,762	$137,183	$115,762	$137,183
Working capital (deficit)	$599,588	$(66,596)	$599,588	$(66,596)

Liquidity and Capital Resources

As at June 30, 2017 there was cash of $589,249 compared to cash of $249,099 as at December 31, 2016, prepaid expenses of $25,000 (December 31, 2018 - $nil) amount receivable of $50,000 (December 30, 2016 - $nil) and HST receivable of $51,101 (December 31, 2016 - $9,737) The Company's June 30, 2017 short-term obligations consist of accounts payable of $115,537 (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 June 30, 2017 (December 31, 2016 - $53,519).

The Company's working capital at June 30, 2017 was a surplus of $599,588 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 June 30, 2017, the Company had outstanding and issued 28,385,628 (of which 24,000 is to be issued) common shares. During the quarter the Company raised an aggregate of $650,000 through the issuance of 2,450,000 units for gross proceeds of $490,000 and 640,000 flow-through shares aggregate gross proceeds of $160,000.
- Warrants – As at June 30, 2017, the Company had 2,612,495 warrants outstanding. During the quarter the Company raised an aggregate of $650,000. Related to this financing was the issuance of 1,225,000 warrants entitling the holder thereof to purchase one common share at an exercise price of 30 cents for a period of 24 months from the date of closing. In connection with this offering, the company issued broker warrants in an aggregate of 89,250 warrants. Each broker warrant entitles the holder thereof to purchase one common share at an exercise price of 30 cents per common share for a period of 24 months from the date of issuance. There were also 2,057,500 warrants exercised.

- 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 June 30, 2017, there are 2,300,000 options outstanding.

Related Party Transactions

The following related party transactions occurred and were reflected in the financial statements during the three months ended June 30, 2017 and 2016 as follows:

	June 30, 2017	June 30, 2016
Management fees and consulting fees expense:		
Management fees were charged by the CFO for corporate administrative and financial management services (note b)	$ 27,800	$ 7,500
Consulting fees were charged by the CEO for corporate administration (note b)	$ 35,000	$ -
	$ 62,800	$ 7,500
Professional fees expense:		
Legal fees were charged by an officer/director for legal and corporate secretarial services	$ -	$ 2,772

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 CEO and 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 $62,800 (June 30, 2016 - $7,500) in salaries.

c) As at June 30, 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 quarter end, the Company has entered into a mining claim acquisition agreement with Rubicon Minerals Corp., pursuant to which Argo Gold can acquire a 100-per-cent interest in certain mineral claims adjacent to Argo Gold's 100-per-cent-owned Woco gold project located in Earngey township, which is approximately 90 kilometres east of Red Lake, Ont., and 1.5 kilometres south of the past-producing Uchi gold mine. In exchange for these non-core mineral claims, Rubicon will receive 500,000 common shares of the company and the grant of a 2-per-cent net smelter return royalty on the claims (with 1 per cent of this 2-per-cent net smelter return royalty entitled to a third party per an existing agreement). 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 quarter end the Company also announces that it has granted an aggregate of 500,000 options to purchase common shares of the company exercisable at a price of 20 cents per share and expiring on June 29, 2020, to consultants of the corporation. The common shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.

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 – 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 entity’s 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 ("IAS 24") 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 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, 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 June 30, 2017.

Risks and Uncertainties

The Company's 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 Company's 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 Company's future business, operations, and financial condition could differ materially from the forward-looking information contained in this MD&A's 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.

Signed
"Alex Falconer" CFO
August 28, 2017