ARGOGOLD (Formerly Arbitrage Resources Inc)

(a development stage company)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

INDEX

Management's Responsibility for Financial Statements

The accompanying financial statements of Argo Gold Inc. (Formerly Arbitrage Resources Inc.) (The "Company" or "Argo Gold") are the responsibility of management and the Board of Directors. The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions, which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Judy Baker"	*"Betty Soares"*
Judy Baker	Betty Soares
President and Chief Executive Officer	Chief Financial Officer

Toronto, Canada
April 30, 2018

Independent Auditors' Report

To the Shareholders of Argo Gold Inc. (formerly Arbitrage Exploration Inc.):

We have audited the accompanying financial statements of Argo Gold Inc. (formerly Arbitrage Exploration Inc.), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Argo Gold Inc. (formerly Arbitrage Exploration Inc.) as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about Argo Gold Inc. (formerly Arbitrage Exploration Inc.)'s ability to continue as a going concern.

MNP LLP

April 30, 2018
Toronto, Ontario

Chartered Professional Accountants
Licensed Public Accountants

STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

	December 31, 2017	December 31, 2016
ASSETS		
Current		
Cash	$ 51,912	$ 249,099
Amounts receivable	-	8,400
HST receivable	106,115	9,737
	158,027	267,236
Exploration and evaluation assets (Note 6)	1,235,355	488,049
Fixed Assets (Note 7)	4,632	1,194
	$ 1,398,014	$ 756,479
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 106,023	$ 255,574
Due to related party (Note 10)	-	225
Short-term debt (Note 9)	-	53,519
	106,023	309,318
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	11,440,050	10,227,861
Contributed surplus	633,207	325,440
Deficit	(10,781,266)	(10,106,140)
	1,291,991	447,161
	$ 1,398,014	$ 756,479

Subsequent events (Note 12)

Approved by the Board of Directors and authorized for issue on April 30, 2018

"Judy Baker"	"Chris Irwin"
Judy Baker	Chris Irwin
Director	Director

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended

		December 31, 2017		December 31, 2016
Expenses				
Depreciation (Note 7)	$	2,951	$	299
Management fees (Note 10)		124,243		75,000
Business development		112,138		-
Investor Relations		8,517		18,045
Professional Fees (Note 10)		83,198		37,395
Consulting Fees		92,833		65,771
Listing and regulatory fee		23,227		10,373
Advertising and promotion		38,070		15,733
Administrative fees		15,906		10,072
Exploration expenses		5,600		-
Accretion expenses		-		5,688
Interest Expense		-		4,631
Share-based compensation (note 8)		185,550		58,082
Total operating expenses		692,233		301,089
Loss from operations		(692,233)		(301,089)
Gain (loss) on shares issued for debt		23,900		(4,000)
Flow-through share premium recovery		37,170		-
Write-down of mineral properties (Note 6)		(43,963)		-
Net loss and comprehensive income for the year	$	(675,126)	$	(305,089)
Net loss per share				
Basic and fully diluted loss per share	$	(0.03)	$	(0.02)
Weighted average numer of shares outstanding - basic and fully diluted		26,253,649		14,721,824

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
For the years ended December 31, 2017 and 2016

	Common shares		Amount		Contributed surplus		Accumulated deficit		Total
Balance at January 1, 2016	13,072,312	$	9,802,643	$	180,609	$	(9,801,051)	$	182,201
Net loss and comprehensive loss							(305,089)		(305,089)
Shares issued for cash (Note 8)	4,161,983		258,544		86,749		-		345,293
Shares issued for debt settlement (Note 8)	600,000		34,000		-		-		34,000
Shares issued for property (Note 6)	1,739,833		173,983		-		-		173,983
Share issue costs	-		(11,939)		-		-		(11,939)
Flow through premium	-		(29,370)		-		-		(29,370)
Share-based compensation (Note 8)	-		-		58,082		-		58,082
Balance at December 31, 2016	**19,574,128**	**$**	**10,227,861**	**$**	**325,440**	**$**	**(10,106,140)**	**$**	**447,161**
Balance at January 1, 2017	19,574,128	$	10,227,861	$	325,440	$	(10,106,140)	$	447,161
Net loss and comprehensive loss							(675,126)		(675,126)
Shares issued for cash and services (Note 8)	3,090,000		492,631		157,369		-		650,000
Shares issued for debt settlement (Note 8)	2,390,000		215,100		-		-		215,100
Shares issued for property (Note 6)	1,750,000		315,000		-		-		315,000
Share issue costs	-		(43,645)		-		-		(43,645)
Exercise of warrants	2,057,500		240,903		(35,153)		-		205,750
Flow through premium	-		(7,800)		-		-		(7,800)
Share-based compensation (Note 8)	-		-		185,551		-		185,551
Balance at December 31, 2017	**28,861,628**	**$**	**11,440,050**	**$**	**633,207**	**$**	**(10,781,266)**	**$**	**1,291,991**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended

		December 31, 2017		December 31, 2016
Cash flows from operating activities				
Net loss	**$**	**(675,126)**	$	(305,089)
Adjustments to reconcile net loss to cash used in operating activities				
Depreciation (Note 7)		**2,951**		299
Accretion expenses		**-**		5,688
Share-based compensation (note 8)		**185,550**		58,082
(Gain) loss on shares issued for debt		**(23,900)**		4,000
Flow-through share premium recovery		**(37,170)**		-
Write-down of mineral properties		**43,963**		-
Shares for services		**50,000**		-
Interest Expense		**-**		4,631
Operating cash flows before changes in non-cash working capital		**(453,732)**		(232,389)
Changes in non-cash working capital:				
(Increase) decrease in amounts receivable		**8,400**		(8,400)
(Increase) decrease in HST receivable		**(96,378)**		(767)
Increase (decrease) in accounts payables and accrued liabilities		**65,549**		203,260
Increase (decrease) in due to related party		**(225)**		-
Cash used in operating activities		**(476,386)**		(38,296)
Cash flows from investing activities				
Acquisition of exploration and evaluation assets (Note 6)		**(476,517)**		(24,065)
Acquisition of office equipment (Note 7)		**(6,389)**		-
Cash used in investing activities		**(482,906)**		(24,065)
Cash flows from financing activities				
Issuance of common shares (Note 8)		**600,000**		315,923
Share issue costs (Note 8)		**(43,645)**		(11,939)
Exercise of warrants (Note 8)		**205,750**		-
Cash provided by financing activities		**762,105**		303,984
Net change in cash		**(197,187)**		241,623
Cash, beginning of year		**249,099**		7,476
Cash, end of year	**$**	**51,912**	$	249,099

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Argo Gold Inc. (the "Company" or "Argo Gold") (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.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $10,781,266 as at December 31, 2017 (December 31, 2016 - $10,106,140). The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at December 31, 2017, the Company had current assets of $158,027 (December 31, 2016 - $267,236) to cover current liabilities of $106,023 (December 31, 2016 - $309,318).

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements of the Company for the years ended December 31, 2017 and 2016 and approved and authorized for issue by the Board of Directors on April 30, 2018.

Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value.

The preparation of financial statements in conformity with IFRS requires that management make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement, areas where assumptions and estimates are significant in the financial statements are disclosed in below.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS requires that management make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates used in the preparation of these financial statements include, but are not limited to, the recoverability of exploration and evaluation ("E&E") assets and equipment, asset retirement obligations, share based compensation, income taxes, the recording of liabilities including any flow through premium and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from management's best estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

EXPLORATION AND EVALUATION EXPENDITURES

Exploration and evaluation expenditure ("E&E") assets consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property' is put into production or the properties are disposed of either through sale or abandonment.

E&E costs consist of:

- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

Proceeds received from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and related deferred exploration costs are written off to operations.

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining whether there are future economic benefits, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available. The Company assesses each cash generating unit ("CGU") annually to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties.

EQUIPMENT

Recognition and Measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset.

Depreciation

Office equipment is depreciated annually on a declining balance basis using a rate of 20%.

Computer equipment is depreciated annually on a declining balance basis using a rate of 55%.

Impairment

The carrying amounts of the Company's equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, capitalized E&E assets are assessed for impairment upon demonstrating the technical feasibility and commercial viability of the project.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of operations and comprehensive loss. The recoverable amount of an asset is the higher of its fair value less costs to dispose and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased. The carrying amount after a reversal must not exceed the carrying account (net of depreciation) that would have been determined had no impairment loss been recognized.

ACCOUNTING FOR INCOME TAXES

Income tax expense comprises of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. An asset is recognized on the statement of financial position only when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in income in the period in which the change is substantively enacted.

BASIC LOSS PER COMMON SHARE

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible warrants and share options granted by the Company. Diluted earnings (loss) per share for the years presented does not include the effect of warrants or options as they are anti-dilutive.

SHARE-BASED PAYMENTS

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions, other than as consideration for E&E assets, are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of the instruments is measured as determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration for E&E assets is based upon the trading price of those shares on the TSX on the date of the agreement to issue shares as determined by the Board of Directors.

RECLAMATION OBLIGATION

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of an E&E interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive.

The fair value of the liability for an asset retirement obligation is recorded when the legal obligation arises and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value.

The Company intends to make in the future, expenditures to comply with such laws and regulations. As at December 31, 2017 and December 31, 2016, no such obligations have been incurred.

SHARE CAPITAL

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's common shares, share warrants, and flow-through shares are classified as equity instruments. Preference share capital is classified as equity if it is non-retractable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

WARRANTS

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to contributed surplus. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the contributed surplus account is recorded as an increase to share capital.

FINANCIAL INSTRUMENTS

The Company holds certain financial instruments such as cash, accounts receivables, prepaid expenses, accounts payable and accrued liabilities and HST payable, the fair value of which approximate their carrying value due to the short-term nature of these instruments.

Financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to a contract. Both financial assets and liabilities are initially measured at fair value plus, in the case of financial instruments not at fair value through profit or loss, directly attributable transaction costs. IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”) requires classification of financial assets at inception into one of four categories: fair value through profit or loss, held to maturity; loans and receivables, and available for sale; and classification of financial liabilities at inception into one of two categories: fair value through profit or loss and other liabilities.

NON DERIVATIVE FINANCIAL INSTRUMENTS

Financial assets at fair value through profit or loss

The Company has classified its cash as financial assets at fair value through profit or loss.

Loans and receivables

Amounts receivable are classified as loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized costs using the effective interest method, less any impairment losses. Gains and losses are recognized in profit or loss when loans are derecognized or impaired.

Available for sale

Available for sale financial instruments securities are measured initially at fair value. They are accounted for at fair value with unrealized gains and losses included in Other Comprehensive Income (Loss). When there is a significant or prolonged decline in the fair value of an available for sale financial asset or there is objective evidence that the asset is impaired, the cumulative loss equal to the difference between the acquisition cost and its fair value, less any impairment loss that has been recognized in Other Comprehensive Income (Loss) will be reclassified from equity' to profit or loss even though the financial asset has not been derecognized.

Impairment of financial assets

Financial assets, other than financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been negatively impacted.

The carrying amount of the financial asset is directly reduced by any impairment loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

Other Liabilities

Accounts payable and accrued liabilities, due to related party, and short-term debt are classified as other liabilities and are carried at amortized cost. The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments recorded at FVTPL

Financial instruments recorded at fair value on the statements of financial position are classified using a financial value hierarchy that reflects the significance of the inputs used in marking the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices including Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

Cash is classified as level 1.

PROVISIONS

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

FLOW THROUGH SHARES

Upon the issuance of flow through shares, the Company records the initial proceeds to capital stock, net of any tax liability, if any. The flow through premium liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow through share financing. The financial liability pertaining to the premium is recognized in the statement of operations and comprehensive loss consistent with expenditure renunciations. As the Company incurs expenditures to meet flow through requirements, a corresponding tax liability is recognized, reflecting the difference between the accounting and tax basis of the expenditures.

FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9 *Financial Instruments*

On July 24, 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* ("IFRS 9"), which replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for the recognition and measurement of financial instruments including a single forward-looking 'expected loss' impairment model, amendments to the classification and measurement model for financial assets by adding a new fair value through comprehensive income category for certain financial instruments and provides guidance on how to apply the business model and contractual cash flow characteristics test. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company will adopt IFRS 9 for the annual period beginning January 1, 2018 on a retrospective basis. The Company has completed its assessment of the impact of IFRS 9 and does not expect the new standard to have a material impact on the Company's financial statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") was issued by IASB in May 2014. IFRS 15 replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Companies can elect to use either a full or modified retrospective approach when adopting this standard. The Company has completed its assessment of the impact of IFRS 15 and does not expect the new standard to have a material impact on the Company's financial statements.

IFRS 16 Leases

On January 13, 2016, the IASB published a new standard, IFRS 16 *Leases* ("IFRS 16"), eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company is assessing the impact of adopting this standard on its financial statements.

4. 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 on-going basis.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources 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 2018 budget is planned to be funded by additional financing.

Accounts payable and accrued liabilities are current financial instruments, are due within 30 days expected to be settled in the normal course of operations.

As at December 31, 2017 the Company held cash of $51,912 (December 31, 2016 -$249,099) to settle current liabilities of $106,023 (December 31, 2016 - $309,318).

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. As the entity does not hold any interest-bearing financial instruments at year end, it is not exposed to interest risk. 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 amounts receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank. Credit risk is limited to the value of the entity's total cash at year end, $51,912.

Fair Value

The Company has designated its cash as FVTPL, which is measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying value and fair value of financial instruments held at December 31, 2017 and December 31, 2016 approximate fair value due to their short-term nature.

5. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its share capital. As at December 31, 2017 the Company's share capital was $11,440,050 (December 31, 2016 - $10,227,861).

There were no changes in the Company's approach to capital management during the year ended December 31, 2017 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

- To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
- To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and
- To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

(Expressed in Canadian Dollars)

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

6. EXPLORATION AND EVALUATION ASSETS

		December 31, 2017		December 31, 2016
Hurdman	**$**	**352,831**	$	290,000
McVicar		**25,413**		19,696
Upper Canada/Wawa area		**373,591**		178,353
Woco		**369,872**		-
South Wawa		**17,500**		-
Mishi Lake		**81,253**		-
Other		**14,895**		-
	$	**1,235,355**	$	488,049

Hurdman Silver-Zinc Project

On September 4, 2013, the Company closed the acquisition of the Hurdman Silver-Zinc Project with Eloro Resources Ltd. ("Eloro"), whereby the Company acquired Eloro's wholly owned Hurdman Property, comprising 12 contiguous mining claims covering 2,944 hectares in Hurdman Township, 120 kilometers north northwest of the City of Timmins, Ontario. The acquisition was completed by issuing 5,000,000 common shares (post consolidation - 1,250,000 common shares) and paying $40,000 in cash to Eloro.

In February 2017, the Company staked four additional claims. The newly staked mineral claims total 265 claim units covering 4,240 hectares. The Hurdman Silver-Zinc Project is 100% owned by Argo Gold.

McVicar Lake Gold Project

In June 2016, the Company staked 144 claim units totaling 2304 hectares in the McVicar Lake area and Stoughton Lake area located approximately 90 kilometers west of Pickle Lake. The claims are 100% owned by the Company.

In 2017, the Company also staked an additional 48 strategic claim units, totaling 768 hectares, adjacent to the McVicar Lake Gold Project located 90 kilometers west of Pickle Lake, Ontario. The McVicar Lake Gold Project now consists of 3,072 hectares.

Wawa Area Gold Projects Acquired from Upper Canada– Rockstar, Macassa Creek, Abbie Lake

On November 7, 2016, the Company acquired a 100% interest in mineral claims located in the townships of Jacobson, Riggs, Abbie Lake area and David Lakes area near Wawa, Ontario from Upper Canada Exploration Inc., in exchange for an aggregate of 1,739,833 common shares of the Company with a fair value of $173,983 and the grant of a 2% net smelter returns royalty on the property. The mineral claims include: the Rockstar property comprising of 16 mineral claims in Jacobson and Riggs Townships, the Macassa Creek property comprising of two mineral claims in the David Lakes area, and the Abbie Lake property comprising of 21 (2016 – 24) mineral claims in the Abbie Lake area.

Woco Gold Project

On February 15, 2017, the Company acquired a 100% interest in the Woco mineral claims in Earngey Township, located 85 kilometers northeast of Ear Fall, Ontario from Dollard Mines Ltd. in exchange for one million common shares of the Company, valued at $160,000, and the grant of a 2% net smelter return royalty on the property. The Woco mineral claims cover 320 hectares located northwest of Uchi Lake, proximal to the Uchi Lake Deformation Zone in the Birch-Uchi Greenstone Belt. The Woco Gold Project is located 85 kilometers northeast of Ear Falls, Ont., and 1.5 kilometers south of the past-producing Uchi Mine.

On August 4, 2017, the Company acquired a 100% interest in the Northgate Gold Project located in Earngey Township – adjacent to the Woco Gold Project – from Rubicon Minerals Corporation in exchange for 500,000 common shares of the Company, valued at $95,000, and a 2.0% NSR on the claims (with 1.0% of this 2.0% NSR entitled to a third party per an existing agreement). 0.5% of the NSR can be purchased back by the Company for a price of $500,000.

South Wawa Gold Project – Wawa Area

In February 2017, the Company staked 16 claim units totaling 256 hectares southeast of Wawa in Naveau Township, Sault Ste. Marie Mining Division. The newly acquired claims are 100% owned by Argo Gold.

During 2017, the Company recognized an impairment loss of $43,963 on its South Wawa property to write the balance down to the value of consideration received from a sale that occurred subsequent to year end. See Note 12.

Mishi Lake Gold Project – Wawa Area

On April 7, 2017 the Company acquired a 100% interest in the Mishi Lake property located in the Mishibishu Lake Area and St. Germain Township of the Sault St. Marie Mining District in exchange for an aggregate of 250,000 common shares of the Company, valued at $60,000. The Mishi Lake Gold Project is comprised of 3 mineral claims; one is in the Mishibishu Lake Area and two are in St. Germain Township covering 656 hectares located on the eastern central portion of the Mishibishu Deformation Zone in the Mishibishu Lake Greenstone Belt.

(Expressed in Canadian Dollars)

7. FIXED ASSETS

	Office Equipment	Computer Hardware	Total Fixed Assets
Cost, January 1, 2016	$ 4,438	$ -	$ 4,438
Additions	-	-	-
Cost, December 31, 2016	$ 4,438	$ -	$ 4,438
Additions	-	6,389	6,389
Cost, December 31, 2017	**$ 4,438**	**$ 6,389**	**$ 10,827**
Accumulated depreciation, January 1, 2016	$ 2,945	$ -	$ 2,945
Depreciation for the year	299	-	299
Accumulated depreciation, December 31, 2016	$ 3,244	$ -	$ 3,244
Depreciation for the year	1,194	1,757	2,951
Accumulated depreciation, December 31, 2017	**$ 4,438**	**$ 1,757**	**$ 6,195**
Carrying value, December 31, 2016	$ 1,194	$ -	$ 1,194
Carrying value, December 31, 2017	**$ -**	**$ 4,632**	**$ 4,632**

8. SHARE CAPITAL

a. Authorized:

Unlimited number of common shares

Unlimited number of special shares, issuable in series

Total outstanding shares:

Issued – 28,861,628

i. In May 2017, the Company raised an aggregate of $650,000 through the issuance of Units and Flow-Through Shares through the issuance of 2,450,000 units (“Units”) at a price of $0.20 per Unit for gross proceeds of $490,000 and the issuance of 640,000 flow through shares (“Flow Through Shares”) at a price of $0.25 per Flow Through Share for aggregate gross proceeds of $160,000. Included in the $650,000 raised is $50,000 of units that were issued for services. Each Unit is comprised of one common share (a “Common Share”) of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”) with each Warrant entitling the holder thereof to purchase one Common Share at an exercise price of $0.30 for a period of twenty-four (24) months from the date of closing. These warrants were valued at $146,054 using the assumptions noted in Note 8 (c).

In connection with the offering the Company has paid issuance costs of $43,645 cash and issued an aggregate of 94,850 warrants (“Broker Warrants”). Each Broker Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.30 per

Common Share for a period of twenty-four (24) months from the date of issuance. The Broker warrants were valued at $11,315 using the assumptions noted in Note 8 (c).

The Company recognized a flow-through premium of $7,800 as a result of the issuance of Flow Through Shares. It incurred sufficient exploration and evaluation expenditures in the year to satisfy the commitments made as a result of the 2017 issuance as well as the $176,220 commitment carried forward from the prior year. As result, the Company recognized a flow-through share premium recovery of $37,170.

ii. On January 17, 2017, the Company issued 2,390,000 common shares at a price of $0.09 per share to settle an aggregate of $239,000 of debt. The debt was held by various arm's length and non-arm's length creditors. The Company recorded a gain on settlement of debt of $23,900.

iii. During 2017 the Company acquired 3 properties by issuing 1,750,000 common shares. In February 2017, the Company closed the November 2016 acquisition of the Woco property by issuing 1,000,000 common shares, in April 2017, the Company acquired the Mishi Lake property by issuing 250,000 shares and in August of 2017 acquired the Northgate property by issuing 500,000 common shares. See Note 6.

iv. During 2017, 2,057,000 common shares were issued on exercise of warrants with an exercise price of $0.10, raising $205,750. Upon exercise, an amount of $35,153 was transferred from contributed surplus to share capital.

v. In May 2016, the Company completed a private placement of 1,404,500 units at a price of $0.05 per share for gross proceeds of $95,225 or net proceeds of $70,225. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per common share for a period of 24 months from the date of issuance.

vi. In June 2016, the Company completed the second tranche of a private placement through the issuance of 649,000 units at a price of $0.05 per unit for proceeds of $32,450. Each unit consisted of one common share of the Company and one-half of one-half common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 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 $500.

(Expressed in Canadian Dollars)

vii. In December 2016, the Company completed a private placement of 663,983 shares at a price of $0.10 per share for aggregate proceeds of $66,398 and 1,468,500 flow-through shares at a price of $0.12 per flow-through share for aggregate proceeds of $176,220. In connection with this financing, the Company paid cash commissions of $11,439 and issued 98,245 broker warrants where each broker warrant entitles the holder to acquire one additional common share at a price of $0.12 for a period of 2 years from the date of issuance. Additionally, the Company recorded a flow-through premium of $29,370 to accounts payable and accrued liabilities.

viii. In May and June 2016, the Company settled an aggregate of $30,000 of indebtedness through the issuance of 600,000 units at a price of $0.05 per share. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per common share for a period of 24 months from the date of issuance.

b. Stock options

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares, which may be issued under the program shall not exceed 10%of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants' stock options that have been granted, exercised, expired, vested or cancelled during the year ended December 31, 2017.

The stock options outstanding at December 31, 2017 and December 31, 2016 are as follows:

	December 31, 2017		December 31, 2016	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of the year	**1,500,000**	**$ 0.10**	-	$ -
Granted	**1,300,000**	**0.16**	1,500,000	0.10
Outstanding, end of the year	**2,800,000**	**$ 0.13**	1,500,000	$ 0.10

(Expressed in Canadian Dollars)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2017:

	Number Outstanding at December 31, 2017		Exercise Price	Remaining Life (years)	Date of Expiry	Number Exercisable at December 31, 2017
August 18, 2016	1,500,000	$	0.10	1.63	August 18, 2019	1,500,000
January 23, 2017	400,000	$	0.10	2.06	January 23, 2020	400,000
March 30, 2017	400,000	$	0.18	2.25	March 30, 2020	400,000
June 29, 2017	500,000	$	0.20	2.50	June 29, 2020	500,000
	2,800,000	$	0.13			2,800,00

The Company provides compensation to directors, employees and consultants in the form of stock options.

The Company granted an aggregate of 1,300,000 (2016 – 1,500,000) options to purchase common shares of the Company exercisable at prices between $0.10 and $0.20 (2016 - $0.10) per share, vesting immediately and expiring 36 months after the issue date 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. The stock-based compensation expense related to the options for the year ended December 31, 2017 was $185,550 (December 31, 2016 - $58,082).

The fair value of the options granted are estimated on the dates of grant using a Black-Scholes option pricing model with the following assumptions:

	December 31, 2017	December 31, 2016
Share price	**$0.07 - $0.20**	$0.04
Exercise price	**$0.10 - $0.20**	$0.1
Risk-free interest rate	**0.71% - 1.09%**	0.56%
Term	**3 years**	3 years
Estimated volatility of the Company's common shares	**220% - 228%**	267%
Expected dividend yield	**Nil**	Nil
Forfeiture rate	**Nil**	Nil

(Expressed in Canadian Dollars)

c. Warrants

As at December 31, 2017, the following warrants were outstanding:

	Number of Warrants	Black-Scholes Value	Weighted Average Exercise Price
Balance, January 1, 2016	1,930,750	$ 28,082	$ 0.10
Issued	952,250	53,119	$ 0.10
Issued	374,500	20,891	$ 0.10
Issued (Broker)	98,245	12,739	$ 0.12
Balance, December 31, 2016	3,355,745	114,831	$ 0.10
Issued	340,500	40,266	$ 0.30
Issued	465,500	55,642	$ 0.30
Issued	513,850	61,460	$ 0.30
Exercised	(2,057,500)	(35,153)	$ (0.10)
Balance, December 31, 2017	**2,618,095**	**237,046**	**$ 0.20**

The fair value of warrants issued for the year ended December 31, 2017 of $157,369 (2016 - $86,749) was estimated using the Black-Scholes pricing model. The assumptions used for the valuation of warrants were as follows:

	December 31, 2017	December 31, 2016
Share price	**$0.22 - $0.25**	$0.05 - $0.14
Exercise price	**$0.30**	$0.10
Risk-free interest rate	**0.60% - 0.70%**	0.49% - 0.73%
Term	**2 years**	2 years
Estimated volatility of the Company's common shares	**225% - 228%**	267% - 270%
Expected dividend yield	**Nil**	Nil
Forfeiture rate	**Nil**	Nil

(Expressed in Canadian Dollars)

As at December 31, 2017, the following warrants were outstanding:

Exercise Price		Warrants Outstanding	Weighted Average Remaining Life	Date of Expiry
$	0.10	900,000	0.38	May 18, 2018
$	0.10	300,000	0.45	June 14, 2018
$	0.12	98,245	1.00	December 31, 2018
$	0.30	340,500	1.33	May 2, 2019
$	0.30	465,500	1.36	May 11, 2019
$	0.30	513,850	1.40	May 26, 2019
		2,618,095	**0.91**	

9. SHORT-TERM DEBT

In March 2015, a director of the Company converted $46,307 of accounts payable to a long-term note. The note bore interest at 10% per annum and was due March 31, 2017. The fair value of the note at December 31, 2016 was $53,519. On January 17, 2017 the Company settled the debt with shares as part of the debt settlement with the holder (see Note 8 (a) ii).

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the financial statements during the year ended December 31, 2017 and 2016 as follows:

		December 31, 2017		December 31, 2016
Management fees and consulting expense:				
Management fees charged by CFO for corporate administrative and financial management services (i)	**$**	**49,242**	$	30,000
Consulting fees charged by the CEO for corporate administration(ii)		**75,000**		45,000
	$	**124,242**	$	75,000
Professional fees expense:				
Legal fees charged by an officer/director for legal and corporate secretarial services	**$**	**57,533**	$	27,145
	$	**57,533**	$	27,145

i. Included in accounts payable and accrued liabilities are consulting fees of $Nil (2016 - $93,451) to a company controlled by the former CEO and former CFO in common with the Company, management fees of $3,189 (2016-$Nil) owed to the CEO and legal fees of $32,926 (2016 - $71,018) due to a company controlled by a director in common with the Company.

ii. Key management compensation was incurred of $124,242 (2016 - $75,000) in salaries and $Nil (2016 - $34,849) in stock-based compensation.

iii. Included in short-term debt is a principal balance of $Nil (2016 - $46,307) and carrying value of $53,519) due to a company controlled by a former officer/director in common with the Company. This debt was settled for shares during 2017.

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

v. As a result of the debt settlement arrangements that occurred on January 17, 2017, the Company settled amounts payable of $56,000 with the former CFO for 560,000 shares of the Company. The Company settled liabilities of $110,000, including the short-term debt described in section (iii) above, with a company controlled by a director in common with the Company for 1,100,000 shares of the Company. The Company settled amounts payable of $30,000 with the CEO for 300,000 shares of the Company. See note 8 (a) ii.

(Expressed in Canadian Dollars)

11. INCOME TAXES

a. Tax loss carry-forwards

The Company has approximately $1,643,093 (2016 - $1,087,540) of net operating losses as at December 31, 2017 available to be carried forward against future taxable income. These non-capital losses will expire as follows:

2030	$	168,976
2031	$	180,995
2032	$	187,121
2033	$	174,404
2034	$	93,032
2035	$	94,848
2036	$	237,319
2037	$	506,398
		1,643,093

12. SUBSEQUENT EVENTS

On January 17, 2018, Argo Gold settled an aggregate of $152,000 of indebtedness of the Company with various arm's-length creditors through the issuance of an aggregate of 760,000 common shares at a price of $0.20 cents per common share.

On February 14, 2018, Argo Gold entered into a purchase and sale agreement to sell a 100% interest in the South Wawa Gold Project to RT Minerals Corp. for consideration of 350,000 common shares of RT Minerals Corp.

On February 22, 2018, Argo Gold entered into a mining claim acquisition agreement with Premier Gold Mines Limited to acquire a 100% interest in certain mineral claims adjacent to Argo Gold's 100%-owned Woco Gold Project located in Earngey Township. In exchange for these mineral claims, Premier will receive 200,000 common shares of Argo Gold.

On March 21, 2018, Argo Gold entered into an agreement with an arm's length purchaser Manitou Gold Inc. pursuant to which Argo Gold has agreed to sell its 100% interest in 16 unpatented mining claims comprising its Rockstar Gold Project located in the Sault Ste. Marie Mining Division for aggregate proceeds of $200,000 and 4 million shares of Manitou Gold Inc. Pursuant to the terms of the Letter Agreement, Argo Gold agreed to sell its Rockstar Property, in exchange for: 1) $200,000 payable to the Company on the date of closing, 2) 4 million shares of Manitou Gold Inc. on the date of closing, and 3) A 1% net smelter return royalty (the "Royalty") in favour of Argo Gold on the Rockstar Property. The Purchaser shall have a one-time right to purchase 0.5% of the Royalty from Argo Gold for the sum of $500,000.

13. COMMITMENTS

As at December 31, 2017, the Company had a commitment to spend $Nil (2016 - $176,220) from amounts raised through flow-through financing on eligible Canadian exploration and development expenses.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect prior year's net losses.