ARGO GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2017

General

This Management's Discussion and Analysis ("MD&A) is prepared as of April 30, 2018 and should be read in conjunction with the audited annual financial statements of Argo Gold Inc. ("Argo" or "the Company") for the years ended December 31, 2017 and December 31, 2016, , 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 year, 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 return 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.

During the year, 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. 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. Lastly, the Company staked four additional claims in respect to the Hurdman Silver-Zinc Project during 2017. The newly staked mineral claims total 265 claim units covering 4,240 hectares. The Hurdman Silver-Zinc Project is 100% owned by Argo Gold.

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.

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 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 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. 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.

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 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.

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 during the year. 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. 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.

Revenue

The Company did not earn any revenue during the year ended December 31, 2017.

Selected expenses for the years ended December 31, 2017, 2016 and 2015.

	December 31,		
	2017	2016	2015
Administrative expenses	$ 15,906	$ 10,072	$ 819
Management fees	$ 124,243	$ 75,000	$ 31,500
Professional fees	$ 83,198	$ 37,395	$ 49,829
Listing fees	$ 23,227	$ 10,373	$ 23,260
Share-based compensation	$ 185,550	$ 58,082	$ Nil
Consulting fees	$ 92,833	$ 65,771	$ 38,000
Business development	$ 112,138	$ -	$ -

For the year ended December 31, 2017

Administration expenses increased by $5,834 from the prior year due an increase in activity during the year. Management fees increased as a result of a management bonus paid on the successful closing of a number of property transactions. Legal and consulting fee also increased to the additional work required to acquire and close those transactions. Business development covers planning meetings and attendance at numerous Ontario Prospector Trade shows during the year.

During the year 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 (2016 – loss of $4,000) in respect to this debt settlement.

A flow-through share premium recovery of $37,170 (2016 - $Nil) was also recognized during the year.

Additionally, the Company also recognized an impairment loss of $43,963 in 2017 on its South Wawa property to write the balance down to the value of consideration received subsequent to the year end on sale.

Summary of Results & Selected Quarter Information

The following table sets for the selected financial information for Argo Gold Inc. for the most recently completed eight quarters. This information has been derived from Company's financial statements for the period and should be read in conjunction with financial statement and the notes thereto.

Quarterly Financial Information (unaudited)		2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
(a)	Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b)	Net Income (loss)	$ (154,068)	$ (77,909)	$ (254,584)	$ (188,565)	$ (126,083)	$ (113,442)	$ (55,073)	$ (10,491)
(c)	Net Income (loss) per share	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)

For the three-month period ended December 31, 2017

The following table sets forth selected financial information for Argo Gold Inc. for the Quarters ended December 31, 2017 and 2016. This information has been derived from the Company's financial statements for the period and should be read in conjunction with financial statement and the notes thereto.

	For the three-month period ended December 31, **2017**	2016
Revenues	**$ Nil**	$ Nil
Net (loss) and comprehensive loss	**$ (154,068)**	$ (126,083)
Net (loss) per share basic and diluted	**$ (0.01)**	$ (0.01)
Total assets	**$ 1,398,014**	$ 756,479

Liquidity and Capital Resources

As at December 31, 2017 there was cash of $51,912 compared to cash of $249,099 as at December 31, 2016, and HST receivable of $106,115 compared to $9,737 as at December 31, 2016. The Company raised $650,000 in the year and spent over $740,000 developing the Company's properties. HST accounts receivable increased at year end as the monthly filing for four quarters were filed in December 2017. The Company's December 31, 2017 short-term obligations consist of accounts payable of $106,023 (December 31, 2016 - $309,318).

The Company's working capital at December 31, 2017 was a surplus of $52,004 compared to a deficit of $42,082 at December 31, 2016. The Company continues to keep administrative expenses to a minimum. 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 December 31, 2017, the Company had outstanding and issued 28,861,628 common shares. During the year 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. The Company issued 2,390,000 common shares to settle debts and 1,750,000 common shares to acquire properties. An additional 2,057,500 common shares were issued on the exercise of warrants.

- Warrants – As at December 31, 2017, the Company had 2,618,095 warrants outstanding. During the year the Company issued 1,230,600 warrants from issuance of shares 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 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 2,057,500 warrants exercised during the year for cash proceeds of $205,750.

- Stock Options - The Company has 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 December 31, 2017, there are 2,800,000 options outstanding.

Related Party Transactions

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

		December 31, 2017	December 31, 2016
Management fees and consulting fees expense:			
Management fees were charged by the CFO for corporate administrative and financial management services (note b)	**$**	**49,242**	$30,000
Consulting fees were charged by the CEO for corporate administration (note b)	**$**	**75,000**	$45,000
	$	**124,242**	$75,000
Professional fees expense:			
Legal fees were charged by an officer/director for legal and corporate secretarial services	**$**	**52,083**	$27,145

a) 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.

b) Key management compensation was incurred of $124,242 (2016 - $75,000) in salaries. This debt was settled for shares during 2017.

c) 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.

d) 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.

ARGOGOLD

Subsequent Events

On January 17, 2018, the Company 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, the Company 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, the Company 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, the Company 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.

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.

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.

Off-Balance Sheet Arrangements and Commitments

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.

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 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 December 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 December 31, 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 dependent 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 cannot be controlled by management. As a result, the Company's future business, operations, and financial condition could differ materially from the forward-looking information contained in this MD&A'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.