ARGO GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

General

This Management's Discussion and Analysis ("MD&A) is prepared as of August 29, 2018 and should be read in conjunction with the unaudited interim financial statements of Argo Gold Inc. ("Argo" or "the Company") for the three and six months ended June 30, 2018 and June 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Argo's audited annual financial statements for the year ended December 31, 2017. 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 had limited exploration activity due to the lighter field work performed. The exploration activity done in the quarter did include 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.

At the start of the quarter, on April 04, 2018, the Company closed the transaction with Manitou Gold Inc. pursuant to which Argo Gold sold its 100% interest in 16 unpatented mining claims comprising its Rockstar Gold Project to Manitou Gold Inc. Pursuant to the terms of the Letter Agreement, Argo Gold sold 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. On the closing Argo recognized a gain on the sale in the amount of $691,615 was recognized in the quarter ending June 30, 2018.

During the quarter, the Company staked approximately 2,074 hectares of additional mineral claims at its flagship Woco Gold Project as well as McVicar Lake, Abbie Lake, Macassa Creek and the Hurdman Silver Zinc Project.

Also in the quarter, the company acquired nine claim units totaling 1.7 square kilometres near Angela Lake at the north end of the Birch Uchi greenstone belt in the Red Lake Mining Division. Very localized gold in basal till was discovered in the 1970's in an area with very little outcrop. Further exploration in the 1980's resulted in the discovery of boulders with visible gold, to 0.5 cm diameter on a cut surface, hosted within thin quartz veinlets in a metasedimentary host rock. Initial drilling in the 1980's encountered 0.3 metres of 3.7 g/t, and confirmed that the metasedimentary host rock encountered in drilling was identical to the boulders hosting the high-grade mineralization. Argo Gold believes follow-up exploration activity is warranted at the Angela Lake Gold Project to better define the structure, geology and mineralization.

Also as announced in the quarter, the Company acquired several cobalt projects in Ontario, with the heightened cobalt supply concerns and the forecast of more than a triple in demand over the next decade. Argo Gold staked the Fortune Lake Property consisting of 46 claim units covering 942 hectares on the eastern end of the Werner – Rex Lakes Fault Zone, and the Campfire Lake Property consisting of 41 claim units covering 890 hectares on the possible eastern strike extension of Werner – Rex Lakes Fault Zone. Both the Fortune Lake and Campfire Lake claims groups are in the Kenora Mining Division. The newly acquired claims are 100% owned by Argo Gold.

Revenue and Other Income

The Company did not earn any operational revenue during the three months ended June 30, 2018. In the quarter, the company generated other income in the net amount of $442,690 consisting of the following items: A gain of $691,615 on the sale of the Rockstar property to Manitou Gold and a loss on the value of marketable securities of $248,925 relating to both the Manitou Gold transaction and the RT Minerals transaction from the first quarter, noted above in the results of operations.

Selected expenses for the three and six months ended June 30, 2018 and 2017.

	Three Months June 30,		Six months June 30,	
	2018	2017	**2018**	2017
Administrative expenses	$ 17,119	$ 8,658	$ 30,403	$ 20,188
Consulting fees	9,103	9,820	113,392	27,709
Exploration expenses	3,870	121,304	3,870	154,341
Management fees	29,800	43,600	49,000	62,800
Professional fees	28,578	34,425	65,401	47,823
Listing fees (recovery)	4,646	1,310	958	3,225
Share-based compensation	36,523	-	36,523	92,008
Business development & Investor relations	29,797	22,257	87,061	35,144

For the three months ended June 30, 2018

Administration expenses increased by $8,461 and $9,283 from the prior year due to an increase in activity during the quarter. There was no exploration expenses in the quarter and decreased significantly from the prior year of $121,304 due to the company not being active in the field during the period. Management fees decreased by $13,800 as a result of reduced management salaries. Professional and consulting fees decreased from the prior year by $6,564 due to slightly lighter work required to close the transactions listed in the results of operations. During the quarter the company granted 500,000 options at $0.10 per share to officers and consultants to the business, resulting in the $36,523 amount to share-based compensation. Business development and Investor relations increased by $7,540 and covers planning meetings and attendance at numerous trade shows during the quarter.

For the six months ended June 30, 2018

Administration expenses increased by $10,215 from the prior year due an increase in activity during the period. Management fees decreased year to date as a result of reduced management salaries in the quarter just ended. Consulting and professional fees increased by $85,683 and $ 17,548 due to the additional work required to acquire and close the transactions and the addition of an advisory board member, which largely took place in the first quarter ended 31-Mar-18. Business development and Investor relations increased by $52,917 and covers planning meetings and attendance at numerous trade shows during the first and second quarters.

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)		2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
(a)	Revenue	$ -	$ -	$ -	$-	$ -	$ -	$ -	$ -
(b)	Other Income	$ 442,690	$ 15,500	$ -	$-	$ -	$ -	$ -	$ -
(c)	Net Income (loss)	$ 267,986	$ (212,308)	$ (154,068)	$(77,909)	$ (254,584)	$ (188,565)	$ (126,083)	$ (113,442)
(d)	Net Income (loss) per share	$ 0.01	$ (0.01)	$ (0.01)	$(0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

For the three and six months ended June 30, 2018 and 2017

The following table sets forth selected financial information for Argo Gold Inc. for the Quarters ended June 30, 2018 and 2017. 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.

Liquidity and Capital Resources

	Three Months June 30,		Six months June 30,	
	2018	2017	**2018**	2017
	$	$	**$**	$
Revenues	**-**	-	**-**	-
Net and comprehensive income (loss)	**267,986**	(254,584)	**53,929**	(470,035)
Net income (loss) per share basic and diluted	**0.01**	(0.01)	**0.00**	(0.02)
Total assets	**1,742,073**	1,400,834	**1,742,073**	1,400,834
Total Liabilities	**160,879**	115,762	**160,879**	115,762
Working capital (deficit)	**301,483**	599,588	**301,483**	599,588

As at June 30, 2018 there was cash of $122,748 compared to cash of $589,249 as at June 30, 2017, and HST receivable of $36,289 compared to $51,101 as at June 30, 2017. HST accounts receivable decreased due to timely processing and collection of outstanding 2017 and 2018 quarterly returns, only the current quarter end return was outstanding. The Company's June 30, 2018 short-term obligations consist of accounts payable of $160,879 (June 30, 2017 - $115,762).

The Company's working capital at June 30, 2018 was a surplus of $301,483 compared to a surplus of $599,588 at June 30, 2017. 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 June 30, 2018, the Company had outstanding and issued 30,177,928 common shares. During the quarter the Company issued 350,000 common shares on the exercise of warrants.

- Warrants – As at June 30, 2018, the Company had 1,411,795 warrants outstanding. During the quarter there were 350,000 warrants exercised for cash proceeds of $35,000. Also during the quarter 850,000 warrants expired.

- 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 June 30, 2018, there are 3,000,000 options outstanding, representing 99.41% of the Plan eligible maximum.

Related Party Transactions

The following related party transactions occurred and were reflected in the financial statements during the quarters ended June 30, 2018 and 2017 as follows:

		June 30, 2018		June 30, 2017
Management fees and consulting fees expense:				
Management fees were charged by the CFO for corporate administrative and financial management services (note b)	**$**	**19,000**	$	27,800
Consulting fees were charged by the CEO for corporate administration (note b)	**$**	**30,000**	$	35,000
	$	**49,000**	$	62,800
Professional fees expense:				
Legal fees were charged by an officer/director for legal and corporate secretarial services	**$**	**39,171**	$	-

a) Included in accounts payable and accrued liabilities are management fees and expenses of $48,109 (2017 - $6,725) to the CEO and CFO and legal fees of $60,254 (March 31, 2017 - $6,846) due to a company controlled by a director in common with the Company.

b) Key management compensation was incurred of $49,000 (2017 - $62,800) in salaries.

c) The debt settlement arrangement that occurred on 02-Feb-18, where the Company settled amounts payable of $15,000 to a company controlled by a director in common with the Company.

Subsequent Events

Subsequent to the quarter end, the Company announced that it has settled an aggregate of $38,400 of indebtedness of the Company with various arm's length creditors through the issuance of an aggregate of 320,000 common shares ("Common Shares") at a price of $0.12 per Common Shares. The Common Shares issued pursuant to the debt settlement are subject to a four month and one day hold period pursuant to applicable securities laws.

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 as required 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 June 30, 2018 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, 2018.

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.