ARGOGOLD

Condensed Interim Financial Statements

For the three and nine months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)
(Unaudited)

Management's Responsibility for Financial Statements

The accompanying condensed interim financial statements of Argo Gold Inc. (the "Company" or "Argo Gold") are the responsibility of management and the Board of Directors. These condensed interim 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 condensed interim 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 condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") 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 condensed interim 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 condensed interim financial statements and (ii) the condensed interim 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 condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim 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 condensed interim 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 condensed interim 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.

(signed) "Judy Baker"
Judy Baker
Chief Executive Officer

(signed) "Michael Farrant"
Michael Farrant
Chief Financial Officer

Toronto, Canada
November 29, 2019

Notice to Reader

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Stands for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The condensed interim financial statements as at and for the three and nine months ended September 30, 2019 have not been reviewed by the Company's auditor.

Condensed Interim Statements of Financial Position
As at
(Unaudited)

(Expressed in Canadian Dollars)			**September 30, 2019**		December 31, 2018
Assets					
Current assets					
Cash		**$**	**86,851**	$	250,713
Subscriptions receivable			**-**		802,838
HST receivable			**25,140**		28,125
Prepaid expenses			**3,775**		8,254
Investments	Note 5		**119,175**		137,025
			234,941		1,226,955
Non-current assets					
Exploration and evaluation assets	Note 7		**2,120,826**		1,418,026
Equipment	Note 8		**3,629**		6,178
Total Assets		**$**	**2,359,396**	$	2,651,159
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities	Note 10	**$**	**79,954**	$	277,769
Flow-through share premium liability	Notes 9,11		**30,485**		299,466
			110,439		577,235
Shareholders' Equity					
Share capital	Note 9(b)		**12,666,853**		12,453,235
Warrant reserve	Note 9(d)		**118,806**		276,173
Stock option reserve	Note 9(c)		**435,713**		-
Contributed surplus			**-**		409,185
Deficit			**(10,972,415)**		(11,064,669)
			2,248,957		2,073,924
Total Liabilities and Shareholders' Equity		**$**	**2,359,396**	$	2,651,159

Nature of operations and going concern (Note 1)
Commitments (Note 11)
Subsequent events (Note 12)

Approved by the Board of Directors and authorized on November 29, 2019:

"*Judy Baker*"
Judy Baker
Director

"*Peter Mah*"
Peter Mah
Director

The accompanying notes form an integral part of these unaudited condensed interim financial statements

Condensed Interim Statements of (Loss) Income and Comprehensive (Loss) Income
For the periods ended
(Unaudited)

(Expressed in Canadian Dollars)		Three Months Ended September 30, **2019**	2018	Nine Months Ended September 30, **2019**	2018
Expenses					
Exploration and evaluation		$ -	$ 2,655	$ -	$ 6,525
Management fees	Note 10	**30,000**	27,000	**66,000**	76,000
Business development		**-**	(56,380)	**43,450**	25,329
Professional fees		**8,796**	10,927	**42,701**	76,328
Consulting fees		**6,000**	(20,000)	**7,500**	69,392
Advertising and promotion		**8,052**	6,121	**25,930**	22,801
Investor relations		**12,224**	42,184	**38,302**	71,535
General and administrative		**10,880**	10,367	**33,567**	38,191
Listing and regulatory fees		**2,050**	1,950	**10,541**	2,908
Depreciation	Note 8	**849**	637	**2,548**	2,324
Share-based compensation	Note 9	**275,484**	-	**275,484**	36,523
Total expenses		**354,335**	25,461	**546,023**	427,856
Loss before the undernoted		**(354,335)**	(25,461)	**(546,023)**	(427,856)
Bank charges		**(69)**	(105)	**(276)**	(222)
Interest income		**11**	-	**32**	-
Flow-through share premium recovery		**50,191**	-	**268,980**	-
Gain on disposal of properties		**-**	-	**-**	689,866
(Loss) gain on value of investments		**(34,200)**	19,125	**5,105**	(233,300)
Net (loss) income for the period		**(338,402)**	(6,441)	**(272,182)**	28,488
Net (loss) income and comprehensive (loss) income for the period		**$ (338,402)**	$ (6,441)	**$ (272,182)**	$ 28,488
Net (loss) income per share					
Basic and diluted (loss) income per share		**$ (0.01)**	$ (0.00)	**$ (0.00)**	$ 0.00
Weighted average number of shares outstanding – basic and diluted		**37,963,215**	30,383,145	**37,209,687**	29,846,490

The accompanying notes form an integral part of these unaudited condensed interim financial statements

ARGOGOLD

Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited)

		Share Capital		Reserves				
(Expressed in Canadian Dollars)		Number of Shares	Amount	Warrants	Stock Options	Contributed Surplus	Deficit	Total
Balance at December 31, 2017		**28,861,628**	**$ 11,440,050**	**$ 237,046**	**$ -**	**$ 396,161**	**$(10,781,266)**	**$ 1,291,991**
Shares issued for debt settlement	Note 9	1,080,000	190,400	-	-	-	-	190,400
Shares issued for property	Notes 7,9	200,000	30,000	-	-	-	-	30,000
Exercise of warrants		356,300	43,778	(8,022)	-	-	-	35,756
Expiry of warrants		-	-	(12,262)	-	-	12,262	-
Share-based compensation		-	-	-	-	36,523	-	36,523
Net income for the period		-	-	-	-	-	28,488	28,488
Balance at September 30, 2018		**30,497,928**	**11,704,228**	**216,762**	**-**	**432,684**	**(10,740,516)**	**1,613,158**
Shares issued for cash		5,712,055	1,187,630	-	-	-	-	1,187,630
Warrants issued as part of unit financing		-	(60,854)	60,854	-	-	-	-
Flow-through premium		-	(299,466)	-	-	-	-	(299,466)
Share issue costs		-	(102,899)	21,929	-	-	-	(80,970)
Exercise of warrants		19,898	4,968	(2,580)	-	-	-	2,388
Expiry of warrants		-	-	(20,792)	-	-	20,792	-
Exercise of stock options		100,000	19,628	-	-	(9,628)	-	10,000
Cancellation of stock options		-	-	-	-	(33,675)	33,675	-
Share-based compensation		-	-	-	-	19,804	-	19,804
Net (loss) for the period		-	-	-	-	-	(378,620)	(378,620)
Balance at December 31, 2018		**36,329,881**	**12,453,235**	**276,173**	**-**	**409,185**	**(11,064,669)**	**2,073,924**
Re-allocation of stock option reserve		-	-	-	261,573	(261,579)	-	(6)
Re-allocation of historic contributed surplus to deficit		-	-	-	-	(147,606)	147,606	-
Shares issued for debt settlement	Note 9	996,868	99,687	-	-	-	-	99,687
Shares issued for services	Note 9	80,000	12,000	-	-	-	-	12,000
Expiry of warrants	Note 9	-	-	(157,367)	-	-	157,367	-
Exercise of stock options	Note 9	600,500	101,931	-	(41,881)	-	-	60,050
Cancellation of stock options	Note 9	-	-	-	(38,186)	-	38,186	-
Expiry of stock options	Note 9	-	-	-	(21,277)	-	21,277	-
Share-based compensation	Note 9	-	-	-	275,484	-	-	275,484
Net (loss) for the period		-	-	-	-	-	(272,182)	(272,182)
Balance at September 30, 2019		**38,007,249**	**$ 12,666,853**	**$ 118,806**	**$ 435,713**	**$ -**	**$(10,972,415)**	**$ 2,248,957**

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The accompanying notes form an integral part of these unaudited condensed interim financial statements

ARGOGOLD

Condensed Interim Statements of Cash Flows
For the periods ended
(Unaudited)

(Expressed in Canadian Dollars)	Three Months Ended September 30, **2019**	Three Months Ended September 30, 2018	Nine Months Ended September 30, **2019**	Nine Months Ended September 30, 2018
Cash flows from operating activities				
Net (loss) income for the period	**$ (338,402)**	$ (6,441)	**$(272,182)**	$ 28,488
Adjustments not affecting cash:				
Depreciation	**849**	637	**2,548**	2,324
Flow-through share premium recovery	**(50,191)**	-	**(268,980)**	-
Share-based compensation	**275,484**	-	**275,484**	36,523
Shares issue for services	**-**	-	**12,000**	-
Gain on sale of exploration and evaluation assets	**-**	-	**-**	(689,866)
Loss (gain) on value of investments	**34,200**	(19,125)	**(5,105)**	233,300
Operating cash flows before changes in non-cash working capital:	**(78,060)**	(24,929)	**(256,235)**	(389,231)
Changes in non-cash working capital:				
HST receivable	**(8,404)**	18,544	**2,985**	88,370
Prepaid expenses	**3,175**	-	**4,479**	-
Accounts payable and accrued liabilities	**10,437**	12,178	**(98,129)**	219,031
Cash (used in) provided by operating activities	**(72,852)**	5,793	**(346,900)**	(81,830)
Cash flows from investing activities				
Acquisition of exploration and evaluation assets	**(140,470)**	(100,499)	**(702,800)**	(173,289)
Sale of exploration and evaluation assets	**-**	-	**-**	200,000
Sale of investments	**2,725**	-	**22,950**	-
Purchase of equipment	**-**	-	**-**	(4,507)
Cash (used in) provided by investing activities	**(137,745)**	(100,499)	**(679,850)**	22,204
Cash flows from financing activities				
Subscriptions receivable	**-**	-	**802,838**	-
Exercise of warrants	**-**	-	**-**	35,756
Exercise of stock options	**5,050**	-	**60,050**	-
Cash provided by financing activities	**5,050**	-	**862,888**	35,756
Decrease in cash during the period	**(205,547)**	(94,706)	**(163,862)**	(23,870)
Cash, beginning of period	**292,398**	122,748	**250,713**	51,912
Cash, end of period	**$ 86,851**	$ 28,042	**$ 86,851**	$ 28,042

Supplemental cash flow information:				
Value of common shares issued on debt settlement	**$ 99,687**	$ 38,400	**$ 99,687**	$ 190,400
Value of common shares issued for services	**$ -**	$ -	**$ 12,000**	$ -
Value of common shares issued for property	**$ -**	$ -	**$ -**	$ 30,000

The accompanying notes form an integral part of these unaudited condensed interim 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 350 Bay Street, Suite 700 Toronto, Ontario, M5H 2S6, Canada.

These condensed interim 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 profitable 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 business of exploring for minerals involves a high degree of risk and there can be no assurance that the exploration programs will result in profitable operations. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, environmental and social requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

The Company incurred expenses of $546,023 during the nine month period ended September 30, 2019, before other items, including a flow-through share premium recovery of $268,980 and gain on value of investments of $5,105, resulting in a net loss for the nine month period of $272,182. The Company has not realized a profit from operations and has incurred significant expenditures related to property explorations resulting in a cumulative deficit of $10,972,415 as at September 30, 2019 (December 31, 2018 - $11,064,669). 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 property interests on an advantageous basis. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy. As at September 30, 2019, the Company had current assets of $234,941 (December 31, 2018 - $1,226,955) to cover current liabilities of $79,954 (December 31, 2018 - $277,769).

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These condensed interim financial statements (the "financial statements") have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the IFRS Interpretations Committee. These financial statements do not include all the information required for full annual financial statements and therefore should be read in conjunction with the audited financial statements of the Company as at and for the year ended December 31, 2018. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Company's financial position and performance since the last audited annual financial statements.

The Company has applied the same accounting policies and methods as those described in the annual audited financial statements for the year ended December 31, 2018, except as described in note 3.

Certain prior year amounts have been reclassified to conform to current year presentation.

The financial statements of the Company for the periods ended September 30, 2019 and 2018 were approved and authorized for issue by the Board of Directors on November 29, 2019.

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. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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 significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended December 31, 2018.

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 judgements, 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. The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities, profits and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements are discussed below:

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers, includes changes in the market, economic and legal environment in which the Company operates.

3. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Company adopted the following accounting standard and amendments to accounting standards, effective January 1, 2019:

IFRS 16 Leases - The Company adopted IFRS 16, Leases (“IFRS 16”), effective January 1, 2019. The objective of IFRS 16 is to recognize substantially all leases on the balance sheet for lessees. IFRS 16 requires lessees to recognize a "right-of-use" asset and a lease liability calculated using a prescribed methodology. The Company has adopted IFRS 16 using the modified retrospective approach which does not require restatement of comparative periods. Comparative information has not been restated and continues to be reported under IAS 17, Leases (“IAS 17”), and IFRIC 4, Determining Whether an Arrangement Contains a Lease (“IFRIC 4”). The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16. The adoption of IFRS 16 had no impact on the condensed interim financial statements.

IFRIC 23 – Uncertainty over Income Tax Treatments. The Company adopted IFRIC 23, Uncertainty over Income Tax Treatments (“IFRIC 23”) on January 1, 2019 with retrospective application. IFRIC 23 clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. The effect of uncertain tax treatments are recognized at the most likely amount or expected value. The adoption of IFRIC 23 had no impact on the condensed interim 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.

4. FINANCIAL INSTRUMENTS (Continued)

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 ongoing basis.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source 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 balance of the 2019 budget is planned to be funded by cash on hand and additional financing. There is no certainty of the Company's ability to raise additional financing.

As at September 30, 2019 the Company held cash of $86,851 (December 31, 2018 - $1,053,551) which included $802,838 of subscriptions receivable to settle current liabilities of $79,845, excluding the flow-through share premium liability (December 31, 2018 - $277,769).

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. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. The Company does not have any interest bearing debt. 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 accounts receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (Continued)

The Company's financial assets and liabilities as at September 30, 2019 and December 31, 2018 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2018			
Financial assets			
Cash	$ 250,713	$ -	$ 250,713
Subscription receivable	$ 802,838	$ -	$ 802,838
Investments	$ -	$ 137,025	$ 137,025
Financial liabilities			
Accounts payable and accrued liabilities	$ 277,769	$ -	$ 277,769
September 30, 2019			
Financial assets			
Cash	$ 86,851	$ -	$ 86,851
Investments	$ -	$ 119,175	$ 119,175
Financial liabilities			
Accounts payable and accrued liabilities	$ 79,954	$ -	$ 79,954

At September 30, 2019 and December 31, 2018, there were no significant concentrations of credit risk for receivables. The carrying amounts reflected above represent the Company's maximum exposure to credit risk for such receivables.

The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

5. INVESTMENTS

	September 30, 2019			December 31, 2018		
	Shares	Share Price	Fair Value	Shares	Share Price	Fair Value
Manitou Gold Inc.	3,375,000	$0.035	$ 118,125	3,860,000	$0.035	$ 135,100
RT Minerals Corp.	35,000	$0.030	1,050	35,000	$0.055	1,925
Total Fair Value of Investments			$ 119,175			$ 137,025

On February 14, 2018, Argo Gold completed 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 June 19, 2018, RT Minerals Corp. announced a consolidation of its common shares on the basis of one (1) post-consolidated share for every ten (10) pre-consolidated shares.

On April 4, 2018, the Company completed a purchase and sale agreement to sell a 100% interest in 16 unpatented mining claims comprising its Rockstar Gold Project located in the Sault Ste. Marie Mining Division, to Manitou Gold Inc. ("Manitou") with the following consideration payable to Argo Gold:

i) $200,000 payable on closing;
ii) 4.0 million shares of Manitou payable on closing; and
ii) 1.0% net smelter return ("NSR"), of which Manitou has a one-time right to buy back 0.5% of the NSR for $500,000.

During the three and nine months ended September 30, 2019 the Company sold into the open market, 55,000 and 430,000 shares of Manitou respectively, for proceeds of $2,995 and $22,345, respectively.

(Expressed in Canadian Dollars)

6. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its share capital. As at September 30, 2019, the Company's share capital was $12,666,853 (December 31, 2018 - $12,453,235).

There were no changes in the Company's approach to capital management during the three or nine month periods ended September 30, 2019 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) 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;
b) To maintain a flexible capital structure, that optimizes the cost of capital at an acceptable risk;
c) 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.

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 or make adjustments to its capital expenditure program.

7. EXPLORATION AND EVALUATION ASSETS

	September 30, 2019	December 31, 2018
Uchi Gold Project	**$ 1,156,885**	$ 474,887
Hurdman Silver-Zinc Project	**374,803**	366,590
Wawa Area Gold Projects	**450,555**	444,195
McVicar Lake Gold Project	**36,175**	31,360
Cobalt Projects	**59,836**	59,836
Angela Lake	**2,325**	2,325
Other	**40,247**	38,833
Total exploration and evaluation assets	**$ 2,120,826**	$ 1,418,026

Uchi Gold Project

The Uchi Gold Project is comprised of a number of mineral claims located in Earngey Township, approximately 85 km northeast of Ear Fall, Ontario and 1.5 km south of the past-producing Uchi gold mine. The Project claims have been assembled through a series of property acquisitions and claims staking by the Company as more fully described below.

On February 15, 2017, the Company acquired a 100% interest in the Woco mineral claims from Dollard Mines Ltd. in exchange for one million common shares of Argo Gold and a 2.0% NSR royalty on the claims. The fair value of the one million shares was estimated at $160,000 based on their market price of $0.16 per share. 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.

7. EXPLORATION AND EVALUATION ASSETS (Continued)

On August 4, 2017, the Company acquired a 100% interest in the Northgate mineral claims, adjacent to the Woco mineral claims, from Rubicon Minerals Corporation in exchange for 500,000 common shares of the Argo Gold and a 2.0% NSR royalty 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 fair value of the 500,000 shares was estimated at $95,000 based on their market price of $0.19 per share.

On February 22, 2018, the Company acquired the Geisler patented mining claims, adjacent to the northern boundary of the Woco claims, from Premier Gold Mines Limited, in exchange for 200,000 common shares of Argo Gold. The fair value of the shares was estimated at $30,000 based on a market price of $0.15 per share, on the date the acquisition agreement was signed.

In the spring of 2018, the Company staked additional claims adjacent to the west-southwest property boundary and in February 2019, the Company staked additional claims to the northwest and to the northeast property boundaries.

Hurdman Property

On September 4, 2013, the Company acquired the Hurdman Silver-Zinc Property from Eloro Resources Ltd. ("Eloro") located in Hurdman Township, in exchange for 5,000,000 common shares (1,250,000 post-consolidation) of Argo Gold and $40,000 in cash.

In the spring of 2018, Argo Gold staked additional claims to the southeast. All the claims comprising the Hurdman Property are 100% owned by Argo Gold.

Wawa Area Gold Projects

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 1,739,833 common shares of Argo Gold and a 2.0% NSR on the mineral claims. The fair value of the 1,739,833 shares was estimated at $173,983 based on their market price of $0.10 per share. The mineral claims include the Rockstar Property in Jacobson and Riggs townships, the Macassa Creek property, consisting of two mineral claims in the David Lakes area and the Abbie Lake property in the Abbie Lake 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 Argo Gold. The fair value of the shares was estimated at $60,000 based on a market price of $0.24 per share. The Mishi Lake Gold Project of comprised of three mineral claims, one in the Mishibishu Lake Area and two in the St. Germain Township covering 656 hectares, located on the eastern central portion of the Mishibishu Deformation Zone in the Mishibishu Lake Greenstone Belt.

In the spring of 2018, the Company staked additional mineral claims adjacent to the west property boundary at Macassa Creek and adjacent to the east boundary at Abbie Lake.

On April 4, 2018, the Company sold 16 claims comprising the Rockstar Property, to Manitou Gold Inc. for $200,000 in cash and 4,000,000 common shares of Manitou (see Note 5).

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

McVicar Lake Gold Project

In June 2016, the Company staked claims in the McVicar Lake and Stoughton Lake areas located approximately 90 km west of Pickle Lake. In September 2017, the Company staked additional claims adjacent to the west boundary and in the spring of 2018, staked additional claims adjacent to the south boundary. All of the claims are 100% owned by Argo Gold.

Cobalt Projects

On June 11, 2018, Argo Gold acquired several cobalt projects in Northern Ontario by staking the Fortune Lake and the Campfire Lake Properties in the Kenora Mining Division. In addition, Argo Gold staked the Keelow Lake Property in the Sault Ste. Marie Mining Division. All of these claims are owned 100% by Argo Gold.

Angela Lake

In the spring of 2018, Argo Gold staked claims at Angela Lake in the Red Lake Mining Division.

8. EQUIPMENT

Cost	Office Equipment	Computer Hardware	Total
Balance, December 31, 2018	$ 4,438	$ 10,895	$ 15,333
Additions	-	-	-
Balance, September 30, 2019	4,438	10,895	15,333
Accumulated depreciation			
Balance, December 31, 2018	4,438	4,718	9,156
Depreciation for the period	-	2,548	2,548
Balance, September 30, 2019	4,438	7,266	11,704
Net book value – September 30, 2019	**$ -**	**$ 3,629**	**$ 3,629**

Cost	Office Equipment	Computer Hardware	Total
Balance, December 31, 2017	$ 4,438	$ 6,388	$ 10,826
Additions	-	4,507	4,507
Balance, December 31, 2018	4,438	10,895	15,333
Accumulated depreciation			
Balance, December 31, 2017	4,438	1,757	6,195
Depreciation for the year	-	2,961	2,961
Balance, December 31, 2018	4,438	4,718	9,156
Net book value – December 31, 2018	**$ -**	**$ 6,177**	**$ 6,177**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of special shares, issuable in series.

(b) Issued and outstanding

Share Capital	Note	Number of Common Shares	Amount
Balance at December 31, 2017		**28,861,628**	**$ 11,440,050**
Common shares issued to settle debt – February 5, 2018		760,000	152,000
Common shares issued for acquisition of property		200,000	30,000
Common shares issued to settle debt – August 3, 2018		320,000	38,400
Exercise of stock options – cash proceeds		100,000	10,000
Exercise of stock options – fair value		-	9,628
Private placement $0.18 units		1,725,555	310,600
Less: warrant valuation		-	(60,854)
Private placement $0.22 flow-through common shares		3,986,500	877,030
Less: premium on flow-through common shares		-	(299,466)
Share issue costs - cash		-	(80,970)
Share issue costs – fair value		-	(21,929)
Exercise of warrants – cash proceeds		376,198	38,144
Exercise of warrants – fair value		-	10,602
Balance at December 31, 2018		**36,329,881**	**$ 12,453,235**
Common shares issued for services – January 29, 2019	9(ii)	80,000	12,000
Common shares issued to settle debt – July 4, 2019		996,868	99,687
Exercise of stock options – cash proceeds		600,500	60,050
Exercise of stock options – fair value		-	41,881
Balance at September 30, 2019		**38,007,249**	**$ 12,666,853**

(i) On January 21, 2019, 100,000 common shares were issued for gross proceeds of $10,000, upon the exercise of stock options with an exercise price of $0.10. Fair value of $6,722 was transferred from contributed surplus to share capital in connection with the exercise.

(ii) On January 29, 2019, the Company issued 80,000 common shares at a deemed price of $0.15 per share in return for the provision of $12,000 worth of investor relations services during the first half of 2019. 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.

(iii) On February 05, 2019, 50,000 common shares were issued for gross proceeds of $5,000, upon the exercise of stock options with an exercise price of $0.10. Fair value of $1,936 was transferred from contributed surplus to share capital in connection with the exercise.

(iv) On February 12, 2019, 200,000 common shares were issued for gross proceeds of $20,000, upon the exercise of stock options with an exercise price of $0.10. Fair value of $17,324 was transferred from contributed surplus to share capital in connection with the exercise.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

(v) On February 19, 2019, 200,000 common shares were issued for gross proceeds of $20,000, upon the exercise of stock options with an exercise price of $0.10. Fair value of $13,444 was transferred from contributed surplus to share capital.

(vi) On July 4, 2019, the Company settled $99,686.75 of indebtedness with a creditor through the issuance of 996,868 common shares at a price of $0.10 per share. 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.

(vii) On July 22, 2019, 50,500 common shares were issued for gross proceeds of $5,050, upon the exercise of stock options with an exercise price of $0.10. Fair value of $1,955 was transferred from contributed surplus to share capital.

(c) Stock Options

The Company has a stock option plan to provide directors, officers, employees and consultants with options to purchase common shares of the Company. The maximum number of common shares reserved for issuance upon the exercise of options, is not to exceed 10% of the total number of common shares outstanding immediately prior to such issuance. Generally, the stock options have a maximum term of five years and a vesting period and exercise price determined by the board of directors. The exercise price of the stock options is fixed by the board of directors and may not be less than the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

The following table reflects the continuity of stock options for the nine months ended September 30, 2019.

	Number of Stock Options	Weighted Average Exercise Price	
Outstanding at December 31, 2017	**2,800,000**	**$**	**0.13**
Granted	599,000	$	0.11
Exercised	(100,000)	$	0.10
Cancelled	(350,000)	$	0.13
Outstanding at December 31, 2018	**2,949,000**	**$**	**0.13**
Granted	2,200,000	$	0.15
Exercised	(600,500)	$	0.10
Cancelled	(749,000)	$	0.11
Expired	(549,500)	$	0.10
Outstanding at September 30, 2019	**3,250,000**	**$**	**0.16**

On July 24, 2019, the Company cancelled options to purchase up to 749,000 common shares of the Company. 650,000 of these were due to expire on August 18, 2019, 450,000 of which were held by the outgoing directors and Chief Executive Officer and 150,000 of which were held by the incoming Chief Executive Officer. The other 99,000 options cancelled were due to expire October 12, 2021.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

On July 25, 2019, the Company granted options to purchase up to 2,200,000 common shares of the Company to directors, officers and consultants at a price of $0.15 per share. The options vested immediately and are exercisable for a period of 3 years. Common shares issuable upon the exercise of the options are subject to a four-month hold period from the date of grant. Of the options granted, 150,000 were granted to a director of the Company, 1,000,000 to the new President of the Company and 200,000 to the Company's Chief Financial Officer. The Company recorded $275,484 of share-based compensation expense, being the entire fair value of the grant.

On August 18, 2019, options to purchase up to 549,500 common shares of the Company, at a price of $0.10 per share, expired unexercised.

The following table reflects the stock options outstanding and exercisable at September 30, 2019.

Date of Grant	Number of Options Outstanding	Exercise Price	Weighted Average Remaining Life (years)	Date of Expiry	Number of Options Exercisable	Fair Value
March 30, 2017	250,000	$ 0.18	0.50	March 30, 2020	250,000	$ 40,701
June 29, 2017	500,000	$ 0.20	0.75	June 29, 2020	500,000	93,542
June 14, 2018	300,000	$ 0.10	1.70	June 14, 2021	300,000	25,986
July 25, 2019	2,200,000	$ 0.15	2.82	July 25, 2022	2,200,000	275,484
	3,250,000	**$ 0.16**	**2.22**		**3,250,000**	**$ 435,713**

The weighted average remaining contractual life of options outstanding and exercisable at September 30, 2019 is 2.22 years (December 31, 2018 – 1.25 years) at a weighted average exercise price of $0.16 (December 31, 2018 - $0.13).

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

Grant Date	Stock Price	Exercise Price	Risk-free Interest Rate	Expected Stock Price Volatility	Expected Life (in years)	Expected Dividend Rate	Expected Forfeiture Rate
July 25, 2019	$0.145	$0.15	1.52%	172%	3	0%	0%

(d) Warrants

The following table reflects the continuity of warrant of the nine months ended September 30, 2019:

	Number of Warrants	BlackScholes Value	Weighted Average Exercise Price
Balance at December 31, 2017	**2,618,095**	**$ 237,046**	**$ 0.20**
Issued	1,251,733	82,783	$ 0.25
Exercised	(376,198)	(10,602)	$ 0.10
Expired	(922,047)	(33,054)	$ 0.10
Balance at December 31 2018	**2,571,583**	**276,173**	**$ 0.28**
Expired	(1,319,850)	(157,367)	$ 0.30
Balance, September 30, 2019	**1,251,733**	**$ 118,806**	**$ 0.25**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

As at September 30, 2019, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants Outstanding	Exercise Price	Weighted Average Remaining Life (years)	Expiry date
1,008,950	$0.25	0.45	December 12, 2019
147,338	$0.25	0.47	December 21, 2019
95,445	$0.25	0.49	December 27, 2019
1,251,733			

In May 2019, an aggregate total of 1,319,850 warrants exercisable into 1,318,850 common shares as a price of $0.30 per share, expired resulting in an adjustment to warrant reserve and retained earnings of $157,367 reflecting the fair value of the warrants.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

On July 4, 2019, the President and Chief Executive Officer ("CEO") of the Company, along with two of the Company's independent directors, resigned their respective positions. Also effective that date, the Company announced the hiring of a new President and the return of the former President and CEO as the new CEO.

On July 4, 2019, the Company settled $99,686.75 of indebtedness owing to the former President and CEO through the issuance of 996,868 common shares at a price of $0.10 per share (see Note 9(b)).

On July 25, 2019, the Company granted stock options to an independent director, the new President and the Chief Financial Officer (see Note 9(c)).

As at September 30, 2019, $36,724 (December 31, 2018 - $186,333) included in accounts payable and accrued liabilities was owing to related parties.

Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Key management of Argo Gold includes the Chief Executive Officer, the President, the Chief Financial Officer and the former CEO until his resignation on July 4, 2019.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Continued)

	Three months ended September 30, **2019**	Three months ended September 30, 2018	Nine months ended September 30, **2019**	Nine months ended September 30, 2018
Management fees – paid to CEO	**$ 15,000**	$ 15,000	**$ 15,000**	$ 45,000
Management fees – paid to CFO	**15,000**	12,000	**51,000**	31,000
Consulting fees – paid to a director	**6,000**	-	**6,000**	-
Total fees paid to management	**36,000**	27,000	**72,000**	76,000
Directors' fees	**-**	-	**-**	-
Share-based payments	**169,047**	-	**169,047**	17,324
	$ 205,047	$ 135,085	**$ 241,047**	$ 93,324

	Three months ended September 30, **2019**	Three months ended September 30, 2018	Nine months ended September 30, **2019**	Nine months ended September 30, 2018
Legal fees charged by a former officer/director for legal and corporate secretarial services	**$ 2,796**	$ 7,177	**$ 22,026**	$ 46,348

11. COMMITMENTS

As at September 30, 2019, the Company has a remaining commitment to spend approximately $89,000 (December 31, 2018 - $877,030) on eligible Canadian exploration and development expenditures, from amounts raised in its flow-through financing completed in December 2018.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company has indemnified current and previous flow-through subscribers for any tax and other costs payable by them in the event the Company does not incurred the required exploration expenditures. Upon issuance of the flow-through shares in December 2018 in the amount of $877,030, the Company recorded a flow-through share premium liability of $299,466. As expenditures are incurred, the liability will be drawn down as income through the statement of loss. For the three and nine month periods ended September 30, 2019, the Company had incurred approximately $141,000 and $788,000, respectively of eligible exploration expenditures and had realized a flow-through share liability recovery of $50,191 and $268,980, respectively. The Company must spend the balance of approximately $89,000 on qualifying exploration expenditures by December 31, 2019.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

12. SUBSEQUENT EVENTS

On November 6, 2019, the Company announced that Bryan Wilson joined the Board of the Company as a director.

During November 2019, subsequent to the end of the quarter, Mr. Kenney Storey resigned as the Company's Chief Financial Officer and Mr. Michael Farrant was appointed as the new Chief Financial Officer.