ARGO GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

General

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Argo Gold Inc. ("**Argo Gold**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2021 and 2020. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2021 and 2020, together with the notes thereto ("the **financial statements**"). Results are reported in Canadian dollars, unless otherwise noted.

The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**"). Please refer to Note 3 of the annual audited financial statements as at and for the years ended December 31, 2021 and 2020 for disclosure of the Company's significant accounting policies.

The audit committee of the Company has reviewed this MD&A and the financial statements for the year ended December 31, 2021 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated April 27, 2022 and is current to that date.

Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com, on the Canadian Securities Exchange ("**CSE**") website at www.thecse.com or on Argo Gold's website at www.argogold.com.

Caution Regarding Forward Looking Information

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.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Bill Kerr, P. Geo., Lead Exploration Geologist for Argo Gold, who is a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). He has verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained herein.

Overview

Argo Gold is a development stage company incorporated under the laws of Ontario on December 9, 1995. The Company is listed on; the Canadian Stock Exchange ("CSE") under the symbol **ARQ**, the OTCQB under **ARBTF**, and on the XFRA, XSTU and XBER under **P3U**. The address of the Company's corporate office and principal place of business is 350 Bay Street, Suite 700 Toronto, Ontario, M5H 2S6.

Description of the Business

Argo Gold is a Canadian mineral exploration and development company, focused on gold exploration at the Uchi Gold Project in the Red Lake District and the Talbot Lake Gold Project also in the Uchi Geological Subprovince. Argo Gold's Uchi Gold Project covers 22 km^2 of widespread mineralization and multiple mineralized trends in the Birch-Uchi Greenstone Belt. High grade gold intercepts from the winter 2019 drill program include 132 grams per tonne gold ("g/t Au") over 1.8 metres at the Woco Vein. Argo Gold also owns the Hurdman Silver-Zinc Project.

Developments during 2021 and up to April 27, 2022

Uchi Gold Project

The 2021 exploration program at the Uchi Gold Project extended the strike length of the mineralized zones at Woco to 400 metres, at Northgate to 500 metres and at Raingold a new zone of mineralization was identified 100 metres east of Raingold. At Raingold, channel sample results are pending from the south extension zone stripped for 280 metres along a shear zone with abundant sulphides. Exploration drilling to date at the Uchi Gold Project has tested mineralization to depths of 60 to 120 metres with the exception of Woco drill hole AGU-19-007 that intersected 7.4 g/t Au over 0.5 metres at depth of approximately 200 metres.

At **Northgate** at the Uchi Gold Project, the zone of known gold mineralization was extended to **500 metres** from 225 metres with 15 metres of strike length of very high-grade gold exposed right at surface. Drillhole AGN-21-024 intersected **26.26 g/t Au** over **2.65 metres,** drillhole AGN-21-025 intersected **9.24 g/t Au** over **0.95 metres** and drillhole AGN-21-30 located **225 metres northeast** of the Northgate high-grade gold mineralization intersected **22.7 g/t Au** over **1.15 metres.** The 15 metres of strike length of high-grade gold in surface channel sampling at Northgate includes **43.5 g/t Au** over **1.65 metres**, **40.1 g/t Au** over **1.65 metres**, **37.7 g/t Au** over **1.6 metres** and **77.5g/t Au** over **0.65 metres.**

At **Raingold** at the Uchi Gold Project, there is 15 metres of strike length of high-grade gold in surface channel sampling including **32.84 g/t Au** over **2.5 metres, 31.2 g/t Au** over **2.3 metres, 29.8 g/t Au** over **1.9 metres, 10.3 g/t Au** over **1.9 metres** and **5.4 g/t Au** over **2.65 metres.** Channel sample results are pending from the south extension zone stripped for 280 metres along a shear zone with abundant sulphides. 2021 drill results identified the mineralized zone 100 metres north of the high-grade gold along with a second mineralized trend of anomalous gold in breccia interpreted to be a new mineralized structure 100 metres east the HST trend which hosts the high-grade Raingold mineralization.

At **Woco** at the Uchi Gold Project, drillhole AGW-21-020 tested the Woco Vein from the east looking for footwall structures and intersected with 1.92 g/t Au over 1.1 metres at 121 metres. Drillhole AGW-21-021 was a **200-metre step-out south** of the high-grade Woco Vein and intersected an altered zone of quartz, epidote, and tourmaline and anomalous gold of 0.45 g/t Au over 1 metre at 78.85 metres. A 3.13 metre wide lamprophyre dike located near the mineralized/altered zone and indicates the deep-rooted nature of the high-grade Woco vein system. The 2019 drill results at the Woco Zone also include **132.3 g/t Au** over **1.8 metres** at 88 metres and **20.4 g/t Au** over **0.5 metres** at 107 metres. The 2020 surface high-grade gold mineralization from channel sampling at Woco include **10.4 g/t Au** over **1.1 metres** and **58.2 g/t Au** over **0.55 metres.**

Uchi Break exploration at the Uchi Gold Project tested a mineralized trend 230 metres west of the Woco mineralized trend. Drillhole AGU-21-019 tested a gold biogeochemical anomaly located on the Uchi Break and intersected 0.45 g/t Au over 1.4 metres in massive and semi-massive sulphides that were intersected at 75.1-75.8 metres and 76.9-80.4 metres. This drillhole is 190 metres south of AGU-19-009 that intersected 0.35 g/t Au over 3.6 metres in similar massive and semi-massive sulphides of pyrite and pyrrhotite.

Woco-Northgate corridor exploration tested the structural corridor between the high-grade Woco Vein and the high-grade Northgate zone that also had a biogeochemical anomaly. Both AGU-21-22 and AGU-21-23 identified quartz veins and quartz/carbonate veinlets with disseminated sulphides near the end of the drillholes along the strike extension of the lithostructural trend that hosts the Woco and Northgate Zones. In addition, drillholes AGU-21-22 and AGU-21-32 intersected multiple zones of sulphide-bearing rocks with anomalous gold assays. The sulphide mineralization consists of abundant pyrite and pyrrhotite with minor chalcopyrite, sphalerite and galena.

The exploration targets for the Uchi Gold Project area continues to be the narrow vein, high-grade gold mineralization; a common economic model in the Canadian Shield where a series of high-grade gold veins are mined using narrow vein mining methods.

Talbot Lake Gold Project

In June 2020, Argo Gold acquired the Talbot Lake Gold Project located 70 kilometres east of Pickle Lake in the prolific Uchi Geologic Subprovince (see Argo Gold news release June 11 2020). The property hosts a historical non-NI 43-101 compliant mineral resource estimate of approximately 50,000 ounces at 14.0 g/t Au in a quartz vein system, starting at surface. There is also known gold mineralization in the associated banded iron formations ("**BIFs**") stretching over 23 line kilometres, which holds the potential for Musselwhite Mine type mineralization (over 20 years of 200,000 ounces of annual production). Gold mineralization in BIFs can be very pervasive. The Company believes the current historical non-NI 43-101 compliant estimated mineral resource has the potential to be expanded. Prior to the acquisition of Talbot Lake from Denison Mines Inc., the property had been sitting unexplored within a uranium company. Argo Gold is currently in the permitting phase for Talbot Lake.

Hurdman Silver-Zinc Project

The Hurdman Silver-Zinc Project is a metamorphosed sedimentary exhalative VMS deposit that is very similar to that of Australia's Broken Hill deposit. The Main Zone at surface has an NI 43-101 compliant mineral resource estimate of 3.4 M tonnes grading 1.2% Zn, 18.1 g/t Ag and 0.34 g/t Au for ***approximately 2 million in-situ silver ounces***. The nature of the known mineralization indicates exploration potential for additional mineralization and higher-grade mineralization as a result of metamorphism. Located 120 kilometres north of Timmins, there are 70 square kilometres of mineral claims surrounding the Main Zone that cover all of the area geophysical targets that have not been drill tested.

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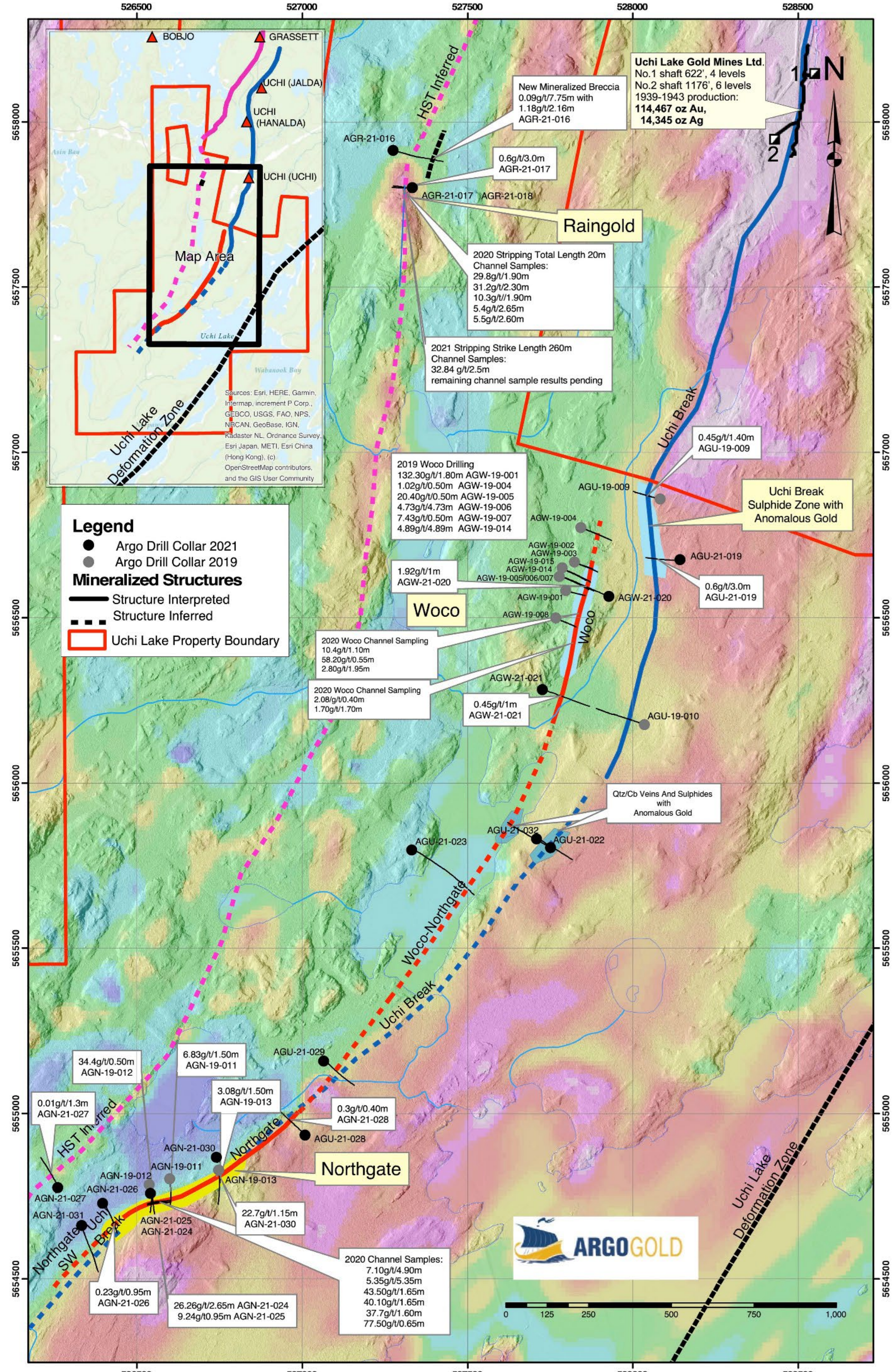

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Map Area
Uchi Lake
Wabanook Bay
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community
Uchi Lake Deformation Zone
Legend
Argo Drill Collar 2021
Argo Drill Collar 2019
Mineralized Structures
Structure Interpreted
Structure Inferred
Uchi Lake Property Boundary
HST Inferred
Uchi Lake Gold Mines Ltd.
No.1 shaft 622', 4 levels
No.2 shaft 1176', 6 levels
1939-1943 production:
114,467 oz Au,
14,345 oz Ag
N
New Mineralized Breccia
0.09g/t/7.75m with
1.18g/t/2.16m
AGR-21-016
AGR-21-016
0.6g/t/3.0m
AGR-21-017
AGR-21-017
AGR-21-018
Raingold
2020 Stripping Total Length 20m
Channel Samples:
29.8g/t/1.90m
31.2g/t/2.30m
10.3g/t//1.90m
5.4g/t/2.65m
5.5g/t/2.60m
2021 Stripping Strike Length 260m
Channel Samples:
32.84 g/t/2.5m
remaining channel sample results pending
Uchi Break
0.45g/t/1.40m
AGU-19-009
AGU-19-009
Uchi Break Sulphide Zone with Anomalous Gold
2019 Woco Drilling
132.30g/t/1.80m AGW-19-001
1.02g/t/0.50m AGW-19-004
20.40g/t/0.50m AGW-19-005
4.73g/t/4.73m AGW-19-006
7.43g/t/0.50m AGW-19-007
4.89g/t/4.89m AGW-19-014
AGW-19-004
AGW-19-002
AGW-19-003
AGW-19-015
AGW-19-014
AGW-19-005/006/007
AGU-21-019
0.6g/t/3.0m
AGU-21-019
1.92g/t/1m
AGW-21-020
AGW-19-001
AGW-21-020
Woco
AGW-19-008
2020 Woco Channel Sampling
10.4g/t/1.10m
58.20g/t/0.55m
2.80g/t/1.95m
2020 Woco Channel Sampling
2.08/g/t/0.40m
1.70g/t/1.70m
AGW-21-021
0.45g/t/1m
AGW-21-021
AGU-19-010
Qtz/Cb Veins And Sulphides with Anomalous Gold
AGU-21-032
AGU-21-022
AGU-21-023
Woco-Northgate
AGU-21-029
34.4g/t/0.50m
AGN-19-012
6.83g/t/1.50m
AGN-19-011
3.08g/t/1.50m
AGN-19-013
0.3g/t/0.40m
AGN-21-028
0.01g/t/1.3m
AGN-21-027
AGU-21-028
Northgate
AGN-21-030
AGN-19-012
AGN-19-011
AGN-19-013
AGN-21-026
AGN-21-027
AGN-21-031
22.7g/t/1.15m
AGN-21-030
AGN-21-025
AGN-21-024
Northgate SW
Uchi Break
0.23g/t/0.95m
AGN-21-026
26.26g/t/2.65m AGN-21-024
9.24g/t/0.95m AGN-21-025
2020 Channel Samples:
7.10g/t/4.90m
5.35g/t/5.35m
43.50g/t/1.65m
40.10g/t/1.65m
37.7g/t/1.60m
77.50g/t/0.65m
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0
125
250
500
750
1,000

Financings

On December 30, 2021, the Company completed a non-brokered private placement offering through the issuance of 2,916,700 flow-through common shares at a price of $0.12 per flow-through common share, for aggregate gross proceeds of $350,004. In connection with the flow-through financing, the Company paid a cash finder's fee of $28,000.

Sale of Investments

On December 6, 2021, Argo Gold sold its investment of 800,000 shares of Angus Gold Inc. for net proceeds of $675,230. Argo Gold no longer has an investment in Angus Gold Inc.

Copper Property Acquisition

On January 9, 2022, the Company staked 243 copper focused mineral claims, comprising four separate claim blocks in the Marshall Lake Area of the Thunder Bay Mining District, in Ontario.

Argogold.com

On July 15, 2021, the Company announced that it had acquired the ArgoGold.com domain in addition to the previous ArgoGold.ca domain. The move reinforces the global strength of the Argo Gold corporate brand in the online world and is in recognition of the worldwide investor following and the Company's recent listings on United States of America and German stock exchanges.

Flow-Through Commitment and Qualifying Exploration Expenditures

During 2021, the Company was required to spend $431,266 on qualifying Canadian Exploration Expenditures ("CEE") in connection with a flow-through private placement completed December 23, 2020. The Company exceeded this commitment during the year.

In connection with the flow-through financing noted above, the Company is required to spend $350,004 on CEE by December 31, 2022.

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Overview of Financial Results

Three months and Year Ended December 31, 2021 vs. December 31, 2020

	Three Months Ended December 31,		Year Ended December 31,	
(Expressed in Canadian Dollars)	**2021**	2020	**2021**	2020
Expenses				
Exploration and evaluation	**$ 109,674**	$ 198,975	**$ 1,278,322**	$ 642,722
Management fees	**36,000**	38,000	**160,000**	144,000
Consulting fees	**7,500**	45,845	**43,700**	129,430
Professional fees	**17,450**	12,213	**52,078**	94,641
Business development	**20,862**	33,496	**116,973**	79,730
Investor relations	**13,000**	39,053	**121,291**	130,099
General and administrative	**15,552**	36,296	**84,920**	83,605
Listing, filing and regulatory fees	**13,144**	15,302	**40,725**	35,464
Depreciation	**406**	212	**2,141**	1,138
Share-based compensation	**-**	-	**-**	429,380
Total expenses	**233,588**	419,392	**1,900,150**	1,770,209
Loss before the undernoted	**(233,588)**	(419,392)	**(1,900,150)**	(1,770,209)
Bank charges	**(238)**	(635)	**(1,770)**	(1,158)
Part X11.6 taxes	**-**	-	**(395)**	(4,106)
Interest income	**2**	1	**5**	38
Flow-through share premium recovery	**-**	-	**224,650**	5,951
Gain on sale of mineral properties	**-**	1,706,017	**-**	1,706,017
Realized gain (loss) on sale of investments	**35,230**	(203,030)	**35,230**	(289,030)
Change in unrealized gain on value of investments	**(52,500)**	41,625	**(533,750)**	145,950
Net (loss) income and comprehensive (loss) income for the period	**$ (251,094)**	$1,124,586	**$(2,176,180)**	$ (206,547)
Net (loss) income per share				
Basic and diluted (loss) income per share	**$ (0.00)**	$ 0.02	**$ (0.03)**	$ (0.00)

Three months ended December 31, 2021 vs. three months ended December 31, 2020

- Overall, the Company recorded a net loss and comprehensive loss for the quarter ended December 31, 2021 of $251,094 or $nil per share, compared to net income and comprehensive income of $1,124,586 or $0.02 per share for the quarter ended December 31, 2020.
- Exploration and evaluation expenses were $109,674 in the fourth quarter of 2021 compared to $198,975 in the fourth quarter of 2020. The 2021 amount relates primarily to costs associated with a mechanical stripping program at Uchi to complete the 2021 field season. The 2020 amount includes costs associated with the completion of the 2020 field exploration program at Uchi, which included an Uchi core re-logging program, mechanical stripping, washing and compilation and interpretation of results. It also included compilation work on the Talbot Lake project.
- Management fees were $36,000 in the fourth quarter of 2021 compared to $38,000 in the fourth quarter of 2020.
- Consulting fees were $7,500 in the fourth quarter of 2021 compared to $45,845 in the fourth quarter of 2020. The 2021 amount was the amortization of prepaid marketing fees paid at the beginning of

2021, while the 2020 amount was primarily due to $20,000 in consulting fees paid to an independent director and $9,970 in fees billed by a search firm in connection with one of the Company's technical consultants.

- Professional fees were $17,450 in the fourth quarter of 2021 compared to $12,213 in the fourth quarter of 2020. The increase in principally related to an industry wide increase in 2021 audit fees compared to 2020.
- Business development costs were $20,862 in the fourth quarter of 2021 compared to $33,496 in the fourth quarter of 2020. 2021 and 2020 business development costs related to payments to European-based business consultants for opening up new markets for investing in the Company's securities.
- Investor relations fees were $13,000 in the fourth quarter of 2021 compared to $39,053 in the fourth quarter of 2020.
- General and administrative ("G&A") expenses were $15,552 during the fourth quarter of 2021 compared to $36,296 during the fourth quarter of 2020. The 2021 amount primarily includes rent, insurance and other minor costs while 2020 additionally included expenses associated with updating the Company's website and translation of Company documents to French and German and the payment of $500 per person to 16 members of the Argo Gold team, including directors, officers and consultants, as a small Christmas bonus to thank the team members for their continued commitment and contributions during a difficult year in light of the COVID-19 global pandemic.
- Listing, filing and regulatory fees were $13,144 during the fourth quarter of 2021 compared to $15,302 during the fourth quarter of 2020. These costs include the monthly fees for listing on both the CSE and OTCQB, transfer agent fees, filing fees and news release dissemination.
- During the fourth quarter of 2020, the Company sold its McVicar Lake Gold Project to Cross River Ventures Corp. for a gain of $1,200,000 and its Wawa Area gold properties to Angus Gold Inc. for a gain of $506,017. No properties were sold during 2021.
- During the fourth quarter of 2021, the Company sold 800,000 shares of Angus Gold Inc., resulting in a realized gain of $35,230. During the fourth quarter of 2020, the Company sold 2,125,000 shares of Manitou Gold Inc., resulting in a realized loss of $193,080 and sold 35,000 shares of RT Minerals Corp., resulting in a realized loss of $9,950.

Year ended December 31, 2021 vs. year ended December 31, 2020

- Overall, the Company recorded a net loss and comprehensive loss of $2,176,180 or $0.03 per share for the year ended December 31, 2020 compared to a net loss and comprehensive loss of $206,547 or $nil per share for the year ended December 31, 2020.
- Non-cash share-based compensation was $nil in the year ended December 31, 2021 compared to $429,380 for the year ended December 31, 2020. The 2020 expense relates to the grant date fair value of the 3,400,000 options granted during 2020, while no options were granted during 2021.
- Exploration and evaluation expenses were $1,278,322 for the year ended December 31, 2021 compared to $642,722 for the year ended December 31, 2020. 2021 exploration expenses included $1,211,907 spent on the Uchi Gold Project, of which $936,332 was incurred on a 2,670-metre drilling program, $153,630 on mechanical stripping, $16,910 on a LiDAR survey and $101,603 on consulting fees. 2020 exploration expenses included $439,078 spent on the Uchi Gold Project, which included a mechanical stripping and washing program and a drill core re-logging program. Talbot Lake expenditures were $38,363 in 2021 compared to $73,798 in 2020. 2020 included $27,000 of staking costs. 2020 also included $63,546 spent on the Wawa Area properties prior to their sale to Angus Gold Inc. in November 2020 (see Note 7 to the financial statements for further details).

- Management fees were $160,000 for the year ended December 31, 2021 compared to $144,000 for the year ended December 31, 2020. Management fees include 50% of the fees paid to the Company's CEO and fees paid to the CFO. The other 50% of the CEO's fees are recorded as exploration and evaluation expenditures.
- Consulting fees were $43,700 for the year ended December 31, 2021 compared to $129,430 for the year ended December 31, 2020. 2021 fees were considerably lower for two primary reasons. 2020 includes $31,000 in consulting fees paid to independent directors compared to $5,000 paid to an independent director in 2021. 2020 also includes approximately $85,000 paid for capital markets related services compared to $30,000 for 2021.
- Professional fees were $52,078 for the year ended December 31, 2021 compared to $94,641 for the year ended December 31, 2020. These primarily include audit, legal and accounting fees. However, during 2020, the Company incurred approximately $32,000 in connection with professional fees relating to its application for listing on the OTCQB Venture Market, which accounts for most of the excess over 2021.
- Business development costs were $116,973 for the year ended December 31, 2021 compared to $79,730 for the year ended December 31, 2020. 2021 costs were higher primarily due to approximately $89,000 spent on fees to European-based consultants for opening up new markets for investing in the Company's securities compared to approximately $36,000 paid to these consultants during 2020.
- Investor relations fees were $121,291 for the year ended December 31, 2021 compared to $130,099 for the year ended December 31, 2020. These fees relate to amounts paid to various investor relations professionals and to the Company's Vice President responsible for social media and investor awareness.
- G&A expenses were $84,920 for the year ended December 31, 2021 compared to $83,605 for the year ended December 31, 2020.
- Listing, filing and regulatory fees were $40,725 for the year ended December 31, 2021 compared to $35,464 for the year ended December 31, 2020. These costs include the monthly fees for listing on both the CSE and OTCQB, transfer agent fees, filing fees and news release dissemination.
- In connection with flow-through financings in December 2020 and 2019, the Company recorded flow-through share premium liabilities of $224,650 and $5,951 as at December 31, 2020 and 2019, respectively. These amounts were recorded as flow-through share premium recoveries in 2021 and 2020, respectively as qualifying CEE was incurred. These amounts are non-cash.
- In November 2020, the Company sold its McVicar Lake Gold Project to Cross River Ventures Corp. for a gain of $1,200,000 and its Wawa Area gold properties to Angus Gold Inc. for a gain of $506,017. No properties were sold during 2021.
- During the year ended December 31, 2021, the Company sold 800,000 shares of Angus Gold Inc., resulting in a gain of $35,230. Comparatively, during the year ended December 31, 2020, the Company sold 3,125,000 shares of Manitou Gold Inc., resulting in a realized loss of $279,080 and sold 35,000 shares of RT Minerals Corp., resulting in a realized loss of $9,950.
- The change in market value of investments resulted in a loss of $533,750 during the year ended December 31, 2021 compared to a gain of $145,950 during the year ended December 31, 2020. The 2021 mark to market loss, was primarily the result of a decrease in the value of 2.5 million shares of Cross River Ventures Corp. due to a decline in the share price from $0.34 as at December 31, 2020 to $0.125 as at December 2021. The 2020 gain was primarily the result of the reversal of unrealized accumulated losses on the investments sold during 2020, net of an unrealized loss of $150,000 on a decline in the value of the 2.5 million share investment in Cross River Ventures Corp. from $1.0 million to $850,000.

Selected Quarterly Financial Information

The following table is a summary of selected financial information for the Company for the eight most recently completed financial quarters. It has been derived from the unaudited condensed interim financial statements of the Company. The information has been prepared by management in accordance with IFRS and is expressed in Canadian dollars.

	Annual	Q4	Q3	Q2	Q1
	Dec. 2021 (audited)	Dec. 2021 (unaudited)	Sept. 2021 (unaudited)	June 2021 (unaudited)	March 2021 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
Loss and comprehensive loss	($2,176,180)	($251,094)	($446,395)	($876,512)	$(602,179)
Loss per share – basic and diluted	($0.03)	($0.00)	($0.01)	($0.01)	($0.01)
Assets	$2,140,104	$2,140,104	$2,148,861	$3,101,495	$3,620,438

	Annual	Q4	Q3	Q2	Q1
	Dec. 2020 (audited)	Dec. 2020 (unaudited)	Sept. 2020 (unaudited)	June 2020 (unaudited)	March 2020 (unaudited)
Revenue	$ -	$ -	$ -	$ -	$ -
(Loss) income and comprehensive (loss) income	($206,547)	$1,124,586	($581,985)	($391,010)	$(358,138)
(Loss) income per share – basic and diluted	($0.00)	$0.02	($0.01)	($0.01)	($0.01)
Assets	$4,303,968	$4,303,968	$1,464,083	$1,790,522	$1,853,439

Liquidity and Capital Resources

The Company's cash increased by $708,577 during the quarter ended December 31, 2021, compared to an increase of $1,697,210 during the quarter ended December 31, 2020. The Company's cash decreased by $985,301 during the year ended December 31, 2020 compared to an increase of $1,683,433 during the year ended December 31, 2020. As at December 31, 2021, the ending cash balance was $821,717 compared to $1,807,018 as at December 31, 2020.

Working Capital

As at December 31, 2021, the Company had a working capital surplus of $1,171,051 compared to a surplus of $3,249,285 as at December 31, 2020. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital. $350,004 of flow-through funds, collected prior to December 31, 2021, must be spent on eligible CEE by December 31, 2022.

A summary of the Company's cash position and changes in cash for the three-month periods and years ended December 31, 2021 and December 31, 2020 are provided below:

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	**2021**	2020
Cash used in operating activities – gross	**$ (233,418)**	$ (419,814)	**$ (1,900,169)**	$ (1,257,417)
Changes in non-cash operating working capital	**(55,239)**	(22,258)	**(80,817)**	(129,532)
Cash used in operating activities – net	**(288,657)**	(442,072)	**(1,980,986)**	(1,386,949)
Cash provided by investing activities	**675,230**	399,595	**673,681**	311,895
Cash provided by financing activities	**322,004**	1,739,687	**322,004**	2,758,487
Increase (decrease) in cash	**708,577**	1,697,210	**(985,301)**	1,683,433
Cash, beginning of period	**113,140**	109,808	**1,807,018**	123,585
Cash, end of period	**$ 821,717**	$ 1,807,018	**$ 821,717**	$ 1,807,018

Three months ended December 31, 2021 vs. three months ended December 31, 2020

Operating Activities

Cash flow used in operating activities before changes in non-cash working capital during the three months ended December 31, 2021 was $233,418 compared to $419,814 for the three months ended December 31, 2020. This is the result of lower comparative expenses during the 2021 quarter, primarily due to lower exploration and evaluation expenditures of $109,674 (2020 - $198,975). Most categories of expenses were lower in the fourth quarter of 2021 than the fourth quarter of 2020. See explanations in "Overview of Financial Results" for explanations of the differences in individual line items.

Investing Activities

During the three months ended December 31, 2021, cash flow provided by investing activities was $675,230 compared to $399,595 for the three months ended December 31, 2020.

In December 2021, the Company sold 800,000 shares of Angus Gold Inc. for net proceeds of $675,230.

Comparatively, in November 2020, the Company received $200,000 in cash from Cross River Ventures Corp. on the sale of the McVicar Lake Gold Project and $100,000 in cash from Angus Gold Inc. on the sale of the Wawa Area properties. In addition, during the 2020 quarter the Company sold 2,125,000 shares of Manitou Gold Inc. for net proceeds of $93,795 and 35,000 shares of RT Minerals Corp. for net proceeds of $5,800.

Financing Activities

During the quarter ended December 31, 2021, cash flow provided by financing activities was $322,004 compared to $1,739,687 for the quarter ended December 31, 2020.

On December 30, 2021, the Company completed a flow-through financing for gross proceeds of $350,004 through the issuance of 2,916,700 flow-through common shares at a price of $0.12 per flow-through common share. The Company paid a finder's fee of $28,000 in connection with the financing.

Comparatively, on December 23, 2020, the Company completed an offering of securities comprised of units at $0.17 and flow-through shares at $0.22 for aggregate gross proceeds of $1,835,675. The Company paid $95,988 in finder's fees associated with the offering.

Year ended December 31, 2021 vs. year ended December 31, 2020

Operating Activities

Cash flow used in operating activities before changes in non-cash working capital during the year ended December 31, 2021 was $1,900,169 compared to $1,257,417 for the year ended December 31, 2020. See explanations in "Overview of Financial Results" for explanations of the differences in individual line items.

Investing Activities

During the year ended December 31, 2021, cash flow provided by investing activities was $673,681 compared to $311,895 for the year ended December 31, 2020.

In December 2021, the Company sold 800,000 shares of Angus Gold Inc. for net proceeds of $675,230.

In November 2020, the Company received $200,000 in cash from Cross River Ventures Corp. on the sale of the McVicar Lake Gold Project and $100,000 in cash from Angus Gold Inc. on the sale of the Wawa Area properties. In June 2020, the Company paid $135,000 to Denison Mines Inc. as partial consideration for the purchase of the Talbot Lake Gold Project. In addition, during the year ended December 31, 2020, the Company sold 3,125,000 shares of Manitou Gold Inc. for net proceeds of $142,795 and 35,000 shares of RT Minerals Corp. for net proceeds of $5,800.

Financing Activities

During the year ended December 31, 2021, cash flow provided by financing activities was $322,004 compared to $2,758,487 for the year ended December 31, 2020.

The 2021 amount was the result of a flow-through financing completed on December 30, 2021 for gross proceeds of $350,004 through the issuance of 2,916,700 flow-through common shares at a price of $0.12 per flow-through common share. The Company paid a finder's fee of $28,000 in connection with the financing.

The 2020 amount was the result of the following: $10,800 of the financing completed on December 31, 2019 was received in January 2020. On February 5, 2020, the Company completed a financing at $0.09 per unit for gross proceeds of $1,008,000. No fees were paid in connection with this financing. On December 23, 2020, the Company completed an offering of securities comprised of units at $0.17 and flow-through shares at $0.22 for aggregate gross proceeds of $1,835,675. The Company paid $95,988 in finder's fees associated with the offering.

Liquidity Outlook

The Company had a cash balance of $821,717 at December 31, 2021, an increase of $708,577 from the balance at September 30, 2021 and a decrease of $985,301 from the balance at December 31, 2020.

In addition, at December 31, 2021, the Company held 2,500,000 shares of Cross River Ventures Corp. valued at $312,500 and 250,000 shares of Manitou Gold Inc., valued at $15,000. Future sales of these investments remain a possibility

The Company currently has approximately $600,000 in cash, of which $350,000 must be spent on eligible CEE during 2022.

In general, completion of all of the Company's ongoing and future exploration and development initiatives and its ability to continue as a going concern are subject to successfully raising additional funding (see "Risks and Uncertainties").

Related Party Transactions and Key Management Compensation

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.

	For the Years Ended December 31,	
	2021	2020
Management fees – paid to CEO	**$ 60,000**	$ 60,000
Exploration and evaluation fees – paid to CEO (1)	**60,000**	60,000
Management fees – paid for CFO services	**100,000**	84,000
Consulting fees – paid to independent directors	**5,000**	31,000
Total fees paid to management	**225,000**	235,000
Share-based payments	**-**	201,880
	$ 225,000	$ 436,880

(1) Amount included in "Consulting fees" in exploration and evaluation expenditures.

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.

On February 13, 2020, the Company granted stock options to purchase up to an aggregate of 800,000 common shares of the Company at a price of $0.15 per share to directors and officers of the Company.

On February 17, 2020, the Company cancelled stock options to purchase up to an aggregate of 800,000 common shares of the Company at a price of $0.15 per share, held by a former officer and director of the Company.

On February 18, 2020, the Company settled aggregate indebtedness of $50,000, through the issuance of 400,000 common shares at a price of $0.125 per share, to an officer, who is also a director and an independent director of the Company.

On May 20, 2020, the Company granted stock options to purchase up to an aggregate of 200,000 common shares of the Company at a price of $0.15 per share to a director of the Company.

On June 10, 2020, the Company granted stock options to purchase up to an aggregate of 400,000 common shares of the Company at a price of $0.165 per share to two directors of the Company.

On August 17, 2020, the Company granted stock options to purchase up to an aggregate of 200,000 common shares of the Company at a price of $0.27 per share to a director of the Company.

On September 8, 2020, the Company cancelled stock options to purchase up to an aggregate of 200,000 common shares of the Company at a price of $0.15 per share, held by a former director of the Company.

On December 8, 2020, options to purchase up to an aggregate of 200,000 common shares of the Company at a price of $0.15 per share, held by a former director of the Company, expired unexercised.

On December 23, 2020, the Company completed a non-brokered private placement offering through the issuance of 8,261,232 units at a price of $0.17 per unit for aggregate gross proceeds of $1,404,409. Directors and officers of the Company subscribed for 1,676,000 of the units for gross proceeds of $284,920.

On December 31, 2020, the Company entered into a forfeiture and cancellation agreement with all of its optionees, to cancel all outstanding stock options to purchase up to 5,000,000 common shares of the Company. 1,000,000 of the cancelled options were held by directors and officers at an exercise price of $0.15 per share, 400,000 held by directors at an exercise price of $0.165 per share, 200,000 held by a director at an exercise price of $0.27 per share and 200,000 held by a former officer who was also a director, at an exercise price of $0.15 per share.

As at December 31, 2021, $nil (December 31, 2020 - $26,313) included in accounts payable and accrued liabilities was owing to related parties. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Outstanding Capital and Share Data

Argo Gold's authorized capital stock consists of an unlimited number of common shares without par value. As at April 27, 2022 there were 65,985,581 common shares issued and outstanding.

As at April 27, 2022, the Company also had the following items issued and outstanding:

- 11,200,000 common share purchase warrants at an exercise price of $0.12, expiring February 5, 2023.
- 8,794,565 common share purchase warrants at an exercise price of $0.24, expiring December 22, 2022.

For further detailed information on share capital, see Note 9 to the annual audited financial statements for the years ended December 31, 2021 and 2020.

Off-Balance Sheet Arrangements

As at December 31, 2021, the Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition and sale transactions and, in some cases, makes proposals to acquire or sell such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

As of April 27, 2022, there are no material property acquisitions or possible transactions that the Company is examining.

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 ongoing basis.

Commodity Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

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 2022 budget is planned to be primarily funded from financing completed on December 30, 2021 and the sale of shares of Angus Gold Inc. in December 2021. There is no certainty of the Company's ability to complete additional financings.

As at December 31, 2021 the Company held cash of $821,717 (December 31, 2020 - $1,807,018) to settle current liabilities of $35,407 (December 31, 2020 - $120,445), exclusive of non-cash flow-through share premium liability. As at December 31, 2021, the Company is committed to spending $350,004 of its cash on eligible CEE (December 31, 2020 - $431,266).

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 subscriptions receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

The Company's financial assets and liabilities as at December 31, 2021 and 2020 were as follows:

	Amortized Cost	FVPL	Total
December 31, 2020			
Financial assets			
Cash	$ 1,807,018	$ -	$ 1,807,018
Investments	$ -	$ 1,501,250	$ 1,501,250
Financial liabilities			
Accounts payable and accrued liabilities	$ 120,445	$ -	$ 120,445
December 31, 2021			
Financial assets			
Cash	$ 821,717	$ -	$ 821,717
Investments	$ -	$ 327,500	$ 327,500
Financial liabilities			
Accounts payable and accrued liabilities	$ 35,407	$ -	$ 35,407

At December 31, 2021 and 2020, 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.

Going Concern

The audited financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. Due to continuing operating losses, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These factors may cast significant doubt on the entity’s ability to continue as a going concern. The audited financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company’s assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.

Use of Estimates and Judgment

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. Although these estimates are based on management's best knowledge of the amount, event or actions, 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 to be reasonable under the circumstances. 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 financial statements are discussed below:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9(c) to the audited financial statements.

Title to exploration and evaluation property interests

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Rehabilitation provisions

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Capitalization of mineral property acquisition costs

Where mineral properties are acquired through an acquisition agreement, management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits. See Note 7 to the audited financial statements for details of the Company's capitalized acquisition costs in respect of mineral properties.

Impairment of mineral properties

While assessing whether any indications of impairment exist for mineral properties, 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 that are not within its control that could affect the recoverable amount of mineral properties. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used and indications of expected economic performance of the properties. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 3 to the audited financial statements for the year ended December 31, 2021. The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from those estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability and expense being reported:

(a) Cash

Cash consists of cash on deposit with a major Canadian bank. Cash is measured at Amortized Cost.

(b) Exploration and Evaluation Properties

Acquisition Costs

The costs of acquiring mineral property interests comprised of payments of cash and common shares, are capitalized as mineral property assets. This does not include payments of cash and common shares in respect of option agreements where the ultimate acquisition of the property is uncertain at the time the initial payment is made.

Exploration and Evaluation Expenditures

Payments of cash and common shares pursuant to option agreements, costs of staking and all expenditures on exploration and evaluation activities are recorded as exploration and evaluation expenses until it has been established that a mineral property is commercially viable.

Development Assets

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to development and construction are capitalized as construction-in-progress and classified as a component of property, plant and equipment. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Development expenditure is net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

Disposition or Abandonment of Mineral Properties

Proceeds received from the sale of any interest in a mineral 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 acquisition cost of the property is written off to operations.

Impairment

The application of the Company's accounting policy for acquisition costs related to mineral properties, 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 information becomes available suggesting that the recovery of the carrying value is unlikely, the amount to be written off is expensed in the statement of operations in the period when the new information becomes available. The Company assesses each cash generating unit ("CGU") at each reporting date 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. The carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statement of loss for the period.

(c) 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

Depreciation is calculated using the straight-line method over the useful lives of the assets, which is estimated to be a period of 2 years.

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.

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. 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.

(d) Financial Instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company measures its investments at FVPL.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash and subscriptions receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

IFRS 9 allows a simplified approach to impairment assessment, which requires the expected lifetime loss to be recognized at the time of initial recognition of the financial assets. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial liabilities at FVPL

Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

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.

Fair Value Hierarchy

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).

Investments are classified as level 1.

(e) 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, warrants, stock options 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.

(f) 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 warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

(g) Flow-Through Shares

Upon the issuance of flow-through shares, the Company records the initial proceeds to capital stock, net of tax liability, if any. The flow-through share 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 consistent with expenditure renunciations. As the Company incurs eligible Canadian Exploration Expenditures ("CEE") to meet flow-through requirements, a corresponding tax liability is recognized, reflecting the difference between the accounting and tax basis of the expenditures.

(h) 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 stock option reserve, a component of 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.

Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions 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 such goods and services are measured with reference to the fair value of the equity instruments issued. With respect to the acquisition of exploration and evaluation assets, the Company does not believe that the fair value of these assets is reliably measurable at the time of purchase. As such, when shares of the Company are issued as consideration for the purchase of exploration and evaluation assets, the fair value of the asset is based upon the price of the Company's shares on the date of the agreement to issue shares as determined by the Board of Directors. In the event that options or warrants are issued where the fair value of goods or services are not reliably measurable, they are valued using the Black-Scholes pricing model.

(i) 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 a mineral property 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 does not currently have any significant legal or constructive obligations and therefore, no reclamation provision has been recorded as at December 31, 2021 and December 31, 2020.

(j) Loss Per Common Share

The Company presents basic and diluted 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 stock options granted by the Company. Diluted loss per share for the periods presented does not include the effect of the stock options and warrants issued by the Company, as they are anti-dilutive.

(k) Income Taxes

Income tax expense is comprised 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 purpose.

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. 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 bases 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 operations in the period in which the change is substantively enacted.

Commitments and Contingencies

As at December 31, 2021, the Company had a commitment to spend $350,004 (December 31, 2020 - $431,266) from amounts raised by flow-through financing on eligible CEE, by December 31, 2022.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible Canadian 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 incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place. Upon issuance of the flow-through shares in December 2021 in the amount of $350,004 (December 2020 - $431,266), the Company recorded a flow-through share premium liability of $43,750 (December 2020 - $224,650). As expenditures are incurred, the liability will be drawn down as income through the statement of loss. Through December 31, 2021, the Company has not incurred any eligible exploration expenditures related to the 2021 flow-through issuance. During the year ended December 31, 2021, the Company recorded a flow-share premium recovery of $224,650 in the statement of loss (December 31, 2020 - $5,951).

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.

The Company and its operations have been largely unaffected by the impact of the COVID-19 global pandemic. The Company continues to follow all related government measures and mandates and recommendations from health officials. The Company continues to believe that it will remain largely unaffected, however the future impact on the Company, if any, is uncertain at this time.

Risks and Uncertainties

Argo Gold's business of exploring and developing mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, including the limited extent of the Company's assets, the Company's state of development and the degree of reliance upon the expertise of management. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described below and the other information prepared by the Company before investing in the Company's common shares. The risks described below are not an exhaustive list. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business in the future. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In this event, investors may lose part or all of their investment.

The Company will require external financing or may need to enter into a strategic alliance to develop its mineral properties

The Company expects to incur net cash outlays until such time as the Uchi Gold Project or other properties enter into commercial production and generate sufficient revenues to fund its continuing operations, if at all. The development of mining operations will require the commitment of substantial resources for operating expenses and capital expenditures, which may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, that rate at which operating losses are incurred, the acquisition of additional properties, and other factors, many of which are beyond the Company's control. The sources of financing the Company may use for these purposes include project or bank financing, or public or private offerings of equity or debt. Historically, the Company has raised funds principally through the sale of its securities. Additional equity financing may cause dilution of Argo Gold's existing shareholders. In addition, the unrestricted resale of outstanding shares from the exercise of dilutive securities may have a depressing effect on the market for the Company's common shares. While it is not the current intention of the Company, it may enter into a strategic alliance or sell certain of its assets, if necessary. There can be no assurance that financing will be available on acceptable terms, if at all.

The Company may be subject to risks relating to the global economy and may not be able to raise additional capital

Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede Argo Gold's access to capital or increase the cost of capital. The Company is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. Increased market volatility may impact the Company's operations which could adversely affect the price at which the Company is able to issue its securities and once the Company is publicly traded, the trading price of the Company's common shares.

The Company may be adversely affected by fluctuations in commodity prices

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in commodity prices. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, global economic events, including sovereign debt concerns, and their impact on the United States dollar and Euro as safe haven currencies relative to silver and gold as stores of value and the political and economic conditions of mineral producing countries throughout the world.

Mineralized material calculations and life-of-mine plans using significantly lower metal prices could result in material write-downs of the Company's mineral property interests and increased amortization and reclamation and closure charges should a mine be developed. In addition to adversely affecting mineralized material estimates, declining precious metal prices can impact operations by requiring a reassessment of the commercial feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays in development or may interrupt operations, if any, until the reassessment can be completed.

The Company has no proven or probable mineral reserves and may never discover sufficient mineral deposits to justify commercial production from any of its properties

The Company currently has no proven or probable mineral reserves on any of its properties and has not completed a preliminary economic assessment or feasibility study. It cannot be certain that minerals will be discovered in sufficient quantities and grade to justify commercial operations. Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. Unusual or unexpected geologic formations and the inability to obtain suitable or adequate machinery, equipment or labour are risks involved in the conduct of exploration programs. The success of mineral exploration is determined in part by the availability of exploration permits, the identification of potential mineralization based on analysis, the quality of management and geological and technical expertise, and the availability of capital for exploration.

Substantial expenditures are required to establish proven and probable reserves through drilling and analysis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are; the particular attributes of the deposit, such as size, grade, metallurgical recovery and proximity to infrastructure, metal prices, which can be highly cyclical and extremely volatile, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. If the Company is unable to establish proven and probable mineral reserves in sufficient quantities to justify commercial operations, it will be unable to develop a mine and its financial condition and results of operations could be adversely affected.

The Company has no history of developing properties into production

The Company's property is not in commercial production, and the Company has not recorded any revenues from mining operations. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of any properties found to be economically feasible will require obtaining permits and financing and the construction and operation of mines, processing plants and related infrastructure. As a result, in the event the Company is successful in identifying mineralization on its properties sufficient to justify commercial operations, it will be subject to all of the risks associated with establishing new mining operations including: the timing and cost of the construction of mining and processing facilities; the availability and cost of skilled labour and mining equipment; the availability and cost of a suitable refining arrangement; the need to obtain necessary environmental and other governmental approvals and permits; and the timing of those approvals and permits; the availability of funds to finance the development and construction activities; the impact of any opposition to the developmental activities from non-governmental, environmental, local or other groups that may delay or prevent development; potential increases in construction or operating costs due to changes in the cost of supplies and materials and changes in foreign exchanges rates.

The Company's business activities are subject to environmental laws and regulations

The Company's operations are subject to federal and provincial laws and regulations regarding environmental matters. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Environmental laws and regulations change frequently, and are generally becoming more stringent. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company's business and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production, when producing, or require abandonment or delays in development of the Company's mining properties.

Exploration, development and mining activities can be hazardous and involve a high degree of risk

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding, fires and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

The Company has incurred a loss and anticipates that it will continue to incur losses for the foreseeable future

The Company incurred a net loss of $2,176,180 for the year ended December 31, 2021 and expects to continue to incur losses as it proceeds with exploration and development of its mineral properties. The Company's efforts to date have been focused on acquiring and exploring its mineral properties. These properties are in the exploration stage and do not have mineral reserves. The Company does not anticipate that it will earn any revenue from operations or other means unless and until one or more of its properties are placed into production, which is not expected to be for a number of years, if at all, or is sold to a third party.

Inadequate infrastructure may delay or prevent the Company's operations

Exploration, development and ultimately mining and processing activities depend to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its project and could result in higher costs. While the Company does not currently experience any limitations with respect to infrastructure concerns, there is no guarantee that this will always be the case.

The market price for the common shares of the Company may drop below the price at which such common shares were purchased and the Company's common shares may be subject to price and volume fluctuations in the future

General market conditions and other factors can cause the perceived market value for the Company's common shares to decline and cause future equity financings to be done at prices lower than previous financings. There is no guarantee that the Company will be successful in completing subsequent equity financings at prices higher than previous ones.

Securities markets experience considerable price and volume volatility, and the market prices of securities of many companies may be subject to wide fluctuations not necessarily related to the operating performance, underlying asset values, exploration success or prospects of such companies. The market price of a publicly traded stock, especially a junior resource issuer, may be affected by many variables including the market for junior resource stocks, the strength of the economy generally, commodity prices, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. There can be no assurances that such fluctuations will not affect the price of the Company's common shares and that the price of such common shares may decline below the purchase price paid for such common shares. From time to time, following periods of volatility in the market price of a company's securities, shareholders have often initiated class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

Litigation may adversely affect the Company

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve disputes favourably, it may have a material adverse impact on the Company.

The Company competes with larger, better-capitalized competitors in the mining industry

The mining industry is competitive in all of its phases. The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing precious or other metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Argo Gold. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable, or at all.

The Company is dependent on key personnel

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

The Company's officers and directors may have potential conflicts of interest

Argo Gold's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of such company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

COVID-19 global pandemic

During this period affected by the COVID-19 global pandemic, all Company contractors are working remotely and following all related government measures and mandates and recommendations from health officials. At present the Company and its operations remain largely unaffected. However, should the social distancing requirements continue for a prolonged period of time or businesses ancillary to the junior mining industry become unavailable, the timing of executing the Company's future exploration and evaluation plans could become affected, including its ability to spend flow-through funds within the required timeframe.

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.

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, 2021 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 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, 2021.

Other MD&A Requirements

Additional Disclosure for Companies Without Significant Revenue

Additional disclosure concerning Argo Gold's exploration and evaluation expenditures, mineral property costs and general and administrative expenses is provided in the Company's audited annual financial statements and in Note 7 of the annual audited financial statements for the years ended December 31, 2021 and 2020 that are available on the Company's website at www.argogold.ca and on SEDAR at www.sedar.com.

Approval

The Board of Directors of Argo Gold approved the disclosure contained in this MD&A on April 27, 2022. A copy of this MD&A will be provided to anyone who requests it from the Company.

Additional Information

Officers and Directors:
Judy Baker, Chief Executive Officer and Director
Michael Farrant, Chief Financial Officer

Independent Directors
Jonathan Armes, Director
George Langdon, Director
Reinhard Schu, Director
Christopher Wardrop, Director

Legal Counsel and Auditors
Peterson McVicar LLP, James McVicar
McGovern Hurley LLP, Auditors
TSX Trust Company, Transfer Agent

Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect the results of prior periods.