



Condensed Interim Financial Statements  
For the nine months ended September 30, 2022 and 2021  
(Expressed in Canadian Dollars)  
(Unaudited)

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## Management's Responsibility for Financial Statements

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

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

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

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

*(signed) "Judy Baker"*

Judy Baker

Chief Executive Officer

Toronto, Canada

November 28, 2022

*(signed) "Gary Lobb"*

Gary Lobb

Chief Financial Officer

Calgary, Canada

November 28, 2022

### Notice to Reader

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

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

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The condensed interim financial statements as at and for the nine months ended September 30, 2022 have not been reviewed by the Company's auditor



Condensed Interim Statements of Financial Position As At  
(Unaudited)

(Expressed in Canadian Dollars)	<b>September 30</b>	December 31,
	<b>2022</b>	2021
<b>Assets</b>		
Current assets		
Cash	\$ 171,518	\$ 821,717
HST receivable	20,578	22,663
Prepaid expenses	41,162	34,578
Investments	Note 5 100,000	327,500
	<b>333,258</b>	1,206,458
Non-current assets		
Mineral properties	Note 7 932,750	932,750
Equipment	Note 9 4,757	896
<b>Total Assets</b>	<b>\$ 1,270,765</b>	<b>\$ 2,140,104</b>
<b>Liabilities and Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	Note 12 \$ 172,950	\$ 35,407
Flow-through share obligation	Note 10(b), 12 149,798	-
Flow-through share premium liability	Note 10(b), 12 -	43,750
	<b>322,748</b>	79,157
<b>Shareholders' Equity</b>		
Share capital	Note 10(b) 14,946,412	14,946,412
Warrant reserve	Note 10(d) 1,006,229	1,006,229
Deficit	(15,004,624)	(13,891,694)
	<b>948,017</b>	<b>2,060,947</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,270,765</b>	<b>\$ 2,140,104</b>

Nature of operations and going concern Note 1  
Commitments and contingencies Note 1

Approved by the Board of Directors and authorized on November 28, 2022

"Judy Baker"  
Judy Baker  
Director

"George Langdon"  
George Langdon  
Director

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



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

(Expressed in Canadian Dollars)	Three months Ended September 30,		Nine months Ended September 30,		
	2022	2021	2022	2021	
<b>Expenses</b>					
Exploration and evaluation	Note 7	\$ 116,347	\$ 161,316	\$ 199,534	\$ 1,168,648
Management fees	Note 11	20,275	40,000	92,650	124,000
Consulting fees		6,751	11,700	45,496	36,200
Professional fees		54,906	11,600	86,500	34,628
Business development		(21,228)	21,408	144,819	96,111
Investor relations		47,178	28,700	82,078	108,291
General and administrative		28,946	16,332	76,044	69,368
Listing filing and regulatory fees		25,621	8,299	48,859	27,581
Depreciation	Note 9	1,005	406	2,481	1,735
<b>Total Expenses</b>		<b>279,801</b>	<b>299,761</b>	<b>778,460</b>	<b>1,666,562</b>
Loss before the undernoted		(279,801)	(299,761)	(778,460)	(1,666,562)
Bank charges		(364)	(385)	(935)	(1,532)
Part X11.6 taxes		0	0	0	(395)
Interest Income		7	1	13	3
Flow-through share (obligation)/premium recovery	Note 12	(106,140)	0	(106,048)	224,650
Change in unrealized loss on value of investments	Note 5	(1,250)	(146,250)	(227,500)	(481,250)
<b>Net loss and comprehensive loss for the period</b>		<b>(387,549)</b>	<b>(446,395)</b>	<b>(1,112,930)</b>	<b>(1,925,086)</b>
Basic and diluted loss per share		(0.01)	(0.01)	(0.02)	(0.03)
Weighted average number of shares outstanding - basic and diluted		63,068,881	63,068,881	63,068,881	63,068,881

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



Condensed Interim Statements of Changes in Shareholders' Equity  
 For the periods ended  
 (Unaudited)

(Expressed in Canadian Dollars)	Note	Share Capital		Reserves			Total
		Number of Shares	Amount	Warrants	Stock Options	Deficit	
<b>Balance at December 31, 2020</b>		63,068,881	\$ 14,668,158	1,006,229	\$ -	(11,715,514)	3,958,873
Net loss for the period						(1,925,086)	(1,925,086)
<b>Balance at September 30, 2021</b>		63,068,881	14,668,158	1,006,229	-	(13,640,600)	2,033,787
Flow-through shares issued for cash	10(b)(i)	2,916,700	350,004				350,004
Flow-through share premium	12		(43,750)				(43,750)
Share issue costs on flow-through financing	10(b)(i)		(28,000)				(28,000)
Net loss for the period						(251,094)	(251,094)
<b>Balance at December 31, 2021</b>		65,985,581	14,946,412	1,006,229	-	(13,891,694)	2,060,947
Net loss for the period		-	-	-		(1,112,930)	(1,112,930)
<b>Balance at September 30, 2022</b>		65,985,581	\$ 14,946,412	1,006,229	\$ -	(15,004,624)	948,017



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

(Expressed in Canadian Dollars)	Note	Three Months, Ended		Nine Months Ended	
		September 30		September 30	
		2022	2021	2022	2021
<b>Cash flows from operating activities</b>					
<b>Net loss for the period</b>		<b>(387,549)</b>	(446,395)	<b>(1,112,930)</b>	(1,925,086)
Adjustments not affecting cash:					
Depreciation	9	<b>1,005</b>	406	<b>2,481</b>	1,735
Flow-through share premium recovery	12	<b>(41,920)</b>	0	<b>(43,750)</b>	(224,650)
Share-based compensation	10(c)	<b>0</b>	0	<b>0</b>	0
Shares issued for services	10(b)(ii)	<b>0</b>	0	<b>0</b>	0
Change in unrealized loss on value of investments	5	<b>1,250</b>	146,250	<b>227,500</b>	481,250
Operating cash flows before changes in non-cash working capital		(427,214)	(299,739)	(926,699)	(1,666,751)
Changes in non-cash working capital					
HST receivable		<b>(1,503)</b>	96,718	<b>2,112</b>	6,905
Prepaid expenses		<b>18,100</b>	16,936	<b>(6,584)</b>	(27,112)
Accounts payable and accrued liabilities		<b>24,211</b>	(506,239)	<b>137,543</b>	(5,371)
Flow-through share obligation		<b>149,798</b>	0	<b>149,798</b>	0
<b>Cash used in operating activities</b>		<b>(236,607)</b>	(692,324)	<b>(643,830)</b>	(1,692,329)
<b>Cash flows from investing activities</b>					
Purchase of mineral property	7	<b>0</b>	0	<b>0</b>	0
Purchased equipment	9	<b>0</b>	0	<b>(6,342)</b>	(1,549)
<b>Cash used in investing activities</b>		<b>0</b>	0	<b>(6,342)</b>	(1,549)
<b>Cash flows from financial activities</b>					
Issuance of common shares	10(b)(i)	<b>0</b>	0	<b>0</b>	0
Subscription receivable		<b>0</b>	0	<b>0</b>	0
<b>Cash provided by financing activities</b>		<b>0</b>	0	<b>0</b>	0
<b>Decrease in cash during the period</b>		<b>(236,607)</b>	(692,324)	<b>(650,172)</b>	(1,693,878)
<b>Cash, beginning of period</b>		<b>408,125</b>	805,464	<b>821,690</b>	1,807,018
<b>Cash, end of period</b>		<b>171,518</b>	113,140	<b>171,518</b>	113,140

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



**Notes to the Condensed Interim Financial Statements  
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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Argo Gold Inc. (the "Company" or "Argo Gold") was incorporated under the laws of Ontario on December 9, 1995. The Company is listed on the Canadian Stock Exchange ("CSE"), having the symbol ARQ and on the OTCQB under the symbol ARBTF. The Company is currently engaged in the acquisition, exploration, and development of mineral properties, and has entered into letters of intent to pursue the exploration and development of oil and gas opportunities. Effective September 19, 2016, the Company changed its name to Argo Gold Inc. from Arbitrage Exploration Inc. The address of the Company's corporate office and principal place of business is 350 Bay Street, Suite 700 Toronto, Ontario, M5H 2S6, Canada.

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

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

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

The Company has not realized a profit from operations and has incurred significant expenditures related to property exploration, resulting in a cumulative deficit of \$15,004,624 as at September 30, 2022 (December 31, 2021 - \$13,891,694). The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy. As at September 30, 2022, the Company had current assets of \$333,258 (December 31, 2021 - \$1,206,458) to cover current liabilities of \$322,748 (December 31, 2021 - \$35,407), exclusive of non-cash flow-through share premium liability.



**Notes to the Condensed Interim Financial Statements  
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## **2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

### **Statement of Compliance**

These condensed interim financial statements (the "financial statements") have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee.

The preparation of these unaudited condensed interim financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. In management's opinion, all adjustments considered necessary for a fair presentation have been included in these unaudited condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The significant judgements made by management applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2021. For a description of the Company's critical accounting estimates and assumptions, please refer to the Company's audited financial statements and related notes for the year ended December 31, 2021.

### **Basis of Presentation**

These financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements do not include all the information required for full annual financial statements and therefore should be read in conjunction with the audited financial statements of the Company as at and for the year ended December 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes to the Company's financial position and performance since the last audited annual financial statements.

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

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

### **Approval of the Financial Statements**

The financial statements of the Company for the periods ended September 30, 2022, and 2021 were approved and authorized for issue by the Board of Directors on November 28, 2022.





**Notes to the Condensed Interim Financial Statements  
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### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT**

#### **Use of Estimates and Judgement**

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended December 31, 2021.

### **4. FINANCIAL INSTRUMENTS**

The Company manages its exposure to several 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.



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**4. FINANCIAL INSTRUMENTS (Continued)**

**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 the financing completed on December 30, 2021 (see Note 9(b)(i)) and the sale of shares in Angus Gold Inc. (see Note 5). Despite the Company not having certainty of the Company's ability to complete future financings. Management is committed to continue pursuing additional financing for the Company's current Oil and Gas endeavors.

As at September 30, 2022 the Company held cash of \$171,518 (December 31, 2021 - \$821,717) to settle current liabilities of \$322,748 (December 31, 2021 - \$35,407), exclusive of non-cash flow-through share premium liability. As at September 30, 2022, the Company is committed to spending \$214,456 of its cash on eligible Canadian Exploration Expenditures ("CEE") (December 31, 2021 - \$350,004).

**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 September 30, 2022 and December 31, 2021 were as follows:

	Amortized Cost	FVPL	Total
<b>December 31, 2021</b>			
Financial assets			
Cash	\$ 821,717	\$ -	\$ 821,717
Investments	\$ -	\$ 327,500	\$ 327,500
Financial liabilities			
Accounts payable and accrued liabilities	\$ 35,407	\$ -	\$ 35,407
<b>September 30, 2022</b>			
Financial assets			
Cash	\$ 171,518	\$ -	\$ 171,518
Investments	\$ -	\$ 100,000	\$ 100,000
Financial liabilities			
Accounts payable and accrued liabilities	\$ 322,748	\$ -	\$ 322,748



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**4. FINANCIAL INSTRUMENTS (Continued)**

At September 30, 2022 and December 31, 2021, there were no significant concentrations of credit risk for receivables. The carrying amounts reflected above represent the Company's maximum exposure to credit risk for such receivables.

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

**5. INVESTMENTS**

	September 30, 2022			December 31, 2021		
	Shares	Share Price	Fair Value	Shares	Share Price	Fair Value
Cross River Ventures Corp.	2,500,000	\$ 0.0350	\$ 87,500	2,500,000	\$ 0.125	\$ 312,500
Manitou Gold Inc.	250,000	\$ 0.0500	\$ 12,500	250,000	\$ 0.060	\$ 15,000
Total fair value Investments	2,750,000		\$100,000	2,750,000		\$ 327,500

On April 4, 2018, the Company completed a purchase and sale agreement to sell a 100% interest in its Rockstar Gold Project located in the Sault Ste. Marie Mining Division, to Manitou Gold Inc. ("Manitou") (TSX-V: MTU) for consideration which included \$200,000 in cash and 4.0 shares of Manitou.

On November 12, 2020, the Company announced the sale of a 100% interest in the McVicar Lake Gold Project in the Patricia Mining Division in northwestern Ontario to Cross River Ventures Corp. ("Cross River") (CSE: CRVC) for the following consideration:

- i) \$200,000 cash - received November 18, 2020;
- ii) 2,500,000 common shares of Cross River, 625,000 of which were released to Argo Gold quarterly on each of March 14, June 12, September 10 and December 9, 2021, respectively; and
- iii) 2.0% NSR royalty on commercial production, of which 1.0% can be repurchased at any time for a cash payment of \$1,000,000.

On November 16, 2020, the Company announced the sale of a 100% interest in the Wawa Area Gold Projects comprised of the Macassa Lake, Mishi Lake and Abbie Lake properties to Angus Gold Inc. ("Angus Gold") (TSX-V: GUS) for consideration of \$100,000 in cash and 800,000 common shares of

Angus Gold. On December 6, 2021, the Company sold the 800,000 shares of Angus Gold for net proceeds of \$675,230 and realized a gain of \$35,230 on the sale. The Company did not sell any investments during the periods ended June 30, 2022, and 2021.

**6. CAPITAL MANAGEMENT**

The Company defines capital management as the way it manages its share capital. As at September 30, 2022, the Company's share capital was \$14,946,412 (December 31, 2021 - \$14,946,412).

There were no changes in the Company's approach to capital management during the period ended September 30, 2022 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:



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## 6. CAPITAL MANAGEMENT (Continued)

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

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

## 7. MINERAL PROPERTIES

<b>Acquisition Costs</b>	<b>September 30 2022</b>	<b>December 31, 2021</b>
Uchi Gold Project	\$ 285,000	\$ 285,000
Talbot Lake Gold Project	357,750	357,750
Hurdman Silver-Zinc Project	290,000	290,000
Total exploration and evaluation assets	\$ 932,750	\$ 932,750

### Uchi Gold Project

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

On February 15, 2017, the Company acquired a 100% interest in the Woco mineral claims from Dollard Mines Ltd. in exchange for 1.0 million common shares of Argo Gold and a 2.0% NSR royalty on the claims. The fair value of the 1.0 million shares was estimated at \$160,000 based on their market price of \$0.16 per share.

On August 8, 2017, the Company acquired a 100% interest in the Northgate mineral claims, adjacent to the Woco mineral claims, from Rubicon Minerals Corporation in exchange for 500,000 common shares of the Argo Gold and a 2.0% NSR royalty on the claims (with 1.0% of this 2.0% NSR entitled to a third party per an existing agreement). 0.5% of the NSR can be purchased back

by the Company for a price of \$500,000. The fair value of the 500,000 shares was estimated at \$95,000 based on their market price of \$0.19 per share.

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



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**7. MINERAL PROPERTIES (Continued)**

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

**Talbot Lake Gold Project**

On June 10, 2020, the Company acquired a 100% interest in 38 mineral claims near Talbot Lake, in the Pickle Lake area of the Patricia Mining District, from Denison Mines Inc. ("Denison") in exchange for \$135,000 in cash, 1,350,000 common shares of Argo Gold and a 2.0% NSR royalty on the claims, 1.0% of which can be purchased back for \$1.0 million. The fair value of the 1,350,000 shares was estimated at \$222,750 based on their market price of \$0.165 per share.

In addition, if Argo Gold establishes an aggregate mineral resource estimate across all categories, of greater than one million ounces of gold or gold equivalent in accordance with National Instrument 43-101, the Company will make a one-time payment to Denison of \$1.5 million either in cash or in common shares of Argo Gold, at the option of the Company.

The mineral claims are also subject to a pre-existing royalty, which is 3.0% of exploration expenses to a maximum of \$245,180 and an additional \$100,000 owing on a production decision.

During May 2020, Argo Gold staked an additional 399 mineral claims covering the geological strike length of the Talbot Lake Gold Project. During June 2020, Argo Gold staked an additional 141 mineral claims adjacent to the Talbot Lake Gold Project. The \$27,000 in staking costs were expensed.

**Hurdman Property**

On September 4, 2013, the Company acquired the Hurdman Silver-Zinc Property from Elora Resources Ltd. ("Elora") located in Hurdman Township, in exchange for 5,000,000 common shares (1,250,000 post-consolidation) of Argo Gold and \$40,000 in cash. The fair value of the 5.0 million shares was estimated at \$250,000 based on their pre-consolidation market price of \$0.05 per share.

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

**Cobalt and Zinc Projects**

In the Spring of 2018, Argo Gold staked the Keelow Lake cobalt property and the Percy Lake zinc property in the Sault Ste. Marie Mining Division in Northern Ontario.

**Angela Lake**

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

**Marshall Lake Copper Claims**

In January 2022, Argo Gold staked 243 copper focused mineral claims in the Marshall Lake area of the Thunder Bay Mining District in Ontario. The \$12,150 in staking costs were expensed.



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**7. MINERAL PROPERTIES (Continued)**

For the three months ended

<b>September 30, 2022</b>	<b>Uchi</b>	<b>Talbot</b>	<b>Hurdman</b>	<b>Other</b>	<b>Total</b>
Consulting fees	\$ 1,564	\$ -	\$ 1,400	\$ 110,263	\$ 113,228
Land management	-	-	-	-	-
Staking costs	-	-	-	-	-
Stripping program	-	-	-	-	-
Property taxes	-	-	-	-	-
Other costs	-	-	-	3,120	3,120
	\$ 1,564	\$ -	\$ 1,400	\$ 113,383	\$ 116,347

For the three months ended

<b>September 30, 2021</b>	<b>Uchi</b>	<b>Talbot</b>	<b>Hurdman</b>	<b>Other</b>	<b>Total</b>
Drilling program	\$ 39,488	\$ -	\$ -	\$ -	\$ 39,488
Stripping program	86,570	-	-	-	86,570
Consulting fees	20,653	-	760	12,725	34,138
Land management	-	-	-	100	100
Other costs	-	-	-	1,020	1,020
	\$ 146,711	\$ -	\$ 760	\$ 13,845	\$ 161,316

For the nine months ended

<b>September 30, 2022</b>	<b>Uchi</b>	<b>Talbot</b>	<b>Hurdman</b>	<b>Other</b>	<b>Total</b>
Consulting fees	\$ 24,645	\$ 7,500	\$ 8,900	\$ 127,228	\$ 168,273
Land management	-	550	5,280	1,814	7,644
Staking costs	-	-	-	12,150	12,150
Stripping program	3,288	-	-	-	3,288
Property taxes	464	-	-	-	464
Other costs	3,474	-	-	4,240	7,714
	\$ 31,872	\$ 8,050	\$ 14,180	\$ 145,432	\$ 199,534

For the nine months ended

<b>September 30, 2021</b>	<b>Uchi</b>	<b>Talbot</b>	<b>Hurdman</b>	<b>Other</b>	<b>Total</b>
Drilling program	\$ 925,965	\$ -	\$ -	\$ -	\$ 925,965
Stripping program	86,570	-	-	-	86,570
Consulting fees	80,393	33,150	3,090	16,225	132,858
LiDAR survey	16,910	-	-	-	16,910
Land management	60	-	-	750	810
Property taxes	464	-	-	-	464
Other costs	2,158	213	-	2,700	5,071
	\$ 1,112,520	\$ 33,363	\$ 3,090	\$ 19,675	\$ 1,168,648



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**8. OIL AND GAS OPPORTUNITIES**

On August 25, 2022, Argo announced that it had entered into a strategic alliance with Jasper Mining Corporation ("Jasper" TSXV:JSP) whereby the companies will share technical knowledge and expertise, employing the particular technical strengths of each management team in their respective resource industry. Each of JSP and Argo have a similar asset mix, including lands which contain significant quantities of precious and base metals within Canada; yet both aspire to expand their operations to include a significant, or dominant, component in the oil and gas sector.

The joint-use of technical expertise and resources is expected to reduce certain consulting and other costs required to effectively evaluate exploration, development, and acquisition opportunities. The initial term of the alliance shall be for 12 months; but can be terminated at any time by either company giving written notice to the other.

<b>9. EQUIPMENT</b>	<b>Computer Hardware</b>	<b>Total</b>
<b>Costs</b>		
Balance December 31, 2021	\$ 7,989	\$ 7,989
Additions	6,342	6,342
Balance, September 30, 2022	14,331	14,331
<b>Accumulated Depreciation</b>		
Balance, December 31, 2021	7,093	7,093
Depreciation for the period	2,481	2,481
Balance, September 30, 2022	9,574	9,574
<b>Net book value - September 30, 2022</b>	<b>\$ 4,757</b>	<b>\$ 4,757</b>

	<b>Computer Hardware</b>	<b>Total</b>
<b>Costs</b>		
Balance, December 31, 2020	\$ 6,440	\$ 6,440
Additions	1,549	1,549
Balance, December 31, 2021	7,989	7,989
<b>Accumulated Depreciation</b>		
Balance, December 31, 2020	4,952	4,952
Depreciation for the period	2,141	2,141
Balance, December 31, 2021	7,093	7,093
<b>Net book value - December 31, 2021</b>	<b>\$ 896</b>	<b>\$ 896</b>



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**10. SHARE CAPITAL**

(a) **Authorized**

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

(b) **Issued and outstanding**

Share Capital	Note 10(b)	Number of Common Shares	Amount
Balance at December 31, 2020		63,068,881	\$ 14,667,158
Private placement - \$0.12 flow-through common shares		2,916,700	350,004
Less: Premium on flow-through common shares		0	(42,750)
Share issue costs - cash		0	(28,000)
<b>Balance at December 31, 2021 and September 30, 2022</b>		<b>65,985,581</b>	<b>\$ 14,946,412</b>

- (i) 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 issuance of the flow-through common shares, the Company paid a finder's fee of \$28,000. The Company recognized a flow-through share premium of \$43,750 as a result of the issuance of the flow-through shares.

(c) **Stock Options**

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

No stocks options were granted, exercised, cancelled or expired during the year ended December 31, 2021 or during the nine months ended September 30, 2022. There were no stock options outstanding as at September 30, 2022.

(d) **Warrants**

No warrants were issued, exercised or expired during the year ended December 31, 2021 or during the nine months ended September 30, 2022.

The fair value of the warrants issued, are estimated on the dates of issue using the Black-Scholes pricing model with the following assumptions:





**Notes to the Condensed Interim Financial Statements  
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**10. SHARE CAPITAL (Continued)**

Issue Date	Stock Price	Exercise Price	Risk-Free	Expected	Expected
			Interest Rate	Stock Price Volatility	Life (In years)
February 5, 2020	\$ 0.05	\$ 0.12	1.48%	163%	3 0%
December 23, 2020	\$ 1.105	\$ 0.24	0.23%	157%	2 0%

As at September 30, 2022, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants Outstanding	Exercise Price	Weighted Average		Expiry Date	Issue Date Fair Value
		Remaining Life (years)			
11,200,000	\$ 0.12	0.35		February 5, 2023	438,100
8,261,232	\$ 0.24	0.23		December 22, 2022	533,676
533,333	\$ 0.24	0.23		December 22, 2022	34,453
19,994,565	\$ 0.17	0.30			1,006,229

The weighted average remaining contractual life of warrants outstanding as at September 30, 2022 is 0.30 years (December 31, 2021 – 1.04 years) at a weighted average exercise price of \$0.17 (December 31, 2021 - \$0.17).

**11. 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. Key management of Argo Gold includes the Chief Executive Officer and the Chief Financial Officer.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Management fees - paid to CEO	\$ 15,000	\$ 15,000	\$ 45,000	\$ 45,000
Exploration and evaluation fees - paid to CEO <sup>(1)</sup>	15,000	15,000	45,000	45,000
Management fees - paid for CFO services	5,275	24,000	47,650	61,000
Consulting fees - paid to independent directors	29,295	3,000	49,045	8,000
<b>Total fees paid to management</b>	<b>\$ 64,570</b>	<b>\$ 57,000</b>	<b>\$ 186,695</b>	<b>\$ 159,000</b>

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



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**11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION  
(Continued)**

**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.

There were no related party transactions during the six months ended September 30, 2022 and no related party transactions during the year ended December 31, 2021. As at September 30, 2022, \$5,735 (December 31, 2021 - \$nil) 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.

**12. COMMITMENTS AND CONTINGENCIES**

As at September 30, 2022 the Company has \$214,456 remaining to be spent in relation to its flow-through share obligation that is required to be spent by December 31, 2022. At September 30, 2022 due to the risk of the Company being unable to fulfill this obligation, Argo has accrued a flow-through share liability of \$149,798 which includes a tax payable to Canada Revenue Agency along with an estimate of the lost tax benefit to investors. The flow-through share obligation recorded upon issuance of the flow-through shares in 2021 of \$43,750 was reversed on the statement of loss and comprehensive loss, making the flow-through share obligation expense \$106,048 (2021 – flow-through premium recovery \$224,650). The lost tax benefit to investors may be subsequently reduced through qualified expenditures, at which time a recovery would be recorded. At September 30, 2022, the maximum obligation has been recorded.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible CEE. 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.

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 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.



**Notes to the Condensed Interim Financial Statements  
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**13. EVENTS AFTER THE REPORTING PERIOD**

On November 7, 2022 – Argo announced that it had entered into a non-binding letter of intent to acquire interest in the Clearwater Play in Alberta. Under the terms of the agreement, Argo will pay \$725,000 to a private junior energy producer to acquire interest on land in the Clearwater Play around the Nipisi area of Alberta. Closing is anticipated by mid-December 2022. Argo anticipates commencing exploration activities on the property in 2023.

On November 3, 2022 – Argo announced entering into a farmout agreement to participate in Sparky Oil Well in the Lindbergh area, proximal to Lloydminster, Alberta. The agreement is a one-well farmout with Croverro Energy Ltd. of Calgary, Alberta whereby Argo Gold (the Farmee) will pay the operator 50 per cent of the cost to drill, complete, and fully equip or abandon the well to earn a 37.5-per-cent interest.