

**ARGO GOLD INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

**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 three months ended March 31, 2022 ("**first quarter of 2022**" or "**Q1 2022**"). The comparative period is for the three months ended March 31, 2021 ("**first quarter of 2021**" or "**Q1 2021**"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. 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, and the unaudited condensed interim financial statements for the three months ended March 31, 2022 and 2021, 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 International Financial Reporting 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 unaudited condensed interim financial statements for the three months ended March 31, 2022 and 2021 and the Company's Board of Directors approved these documents prior to their release.

This MD&A is dated May 30, 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](http://www.sedar.com), on the Canadian Securities Exchange ("**CSE**") website at [www.thecse.com](http://www.thecse.com) or on Argo Gold's website at [www.argogold.com](http://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., consulting 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 an exploration and development stage company incorporated under the laws of Ontario on December 9, 1995. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol **ARQ**, the OTCQB under **ARBTF**, and on the XFRA, XSTU and XBER under **A2ASDS**. 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<sup>2</sup> of widespread mineralization and multiple mineralized trends in the Birch-Uchi Greenstone Belt. High grade gold intercepts from the winter 2019 drilling 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 the three months ended March 31, 2022 and up to May 30, 2022**

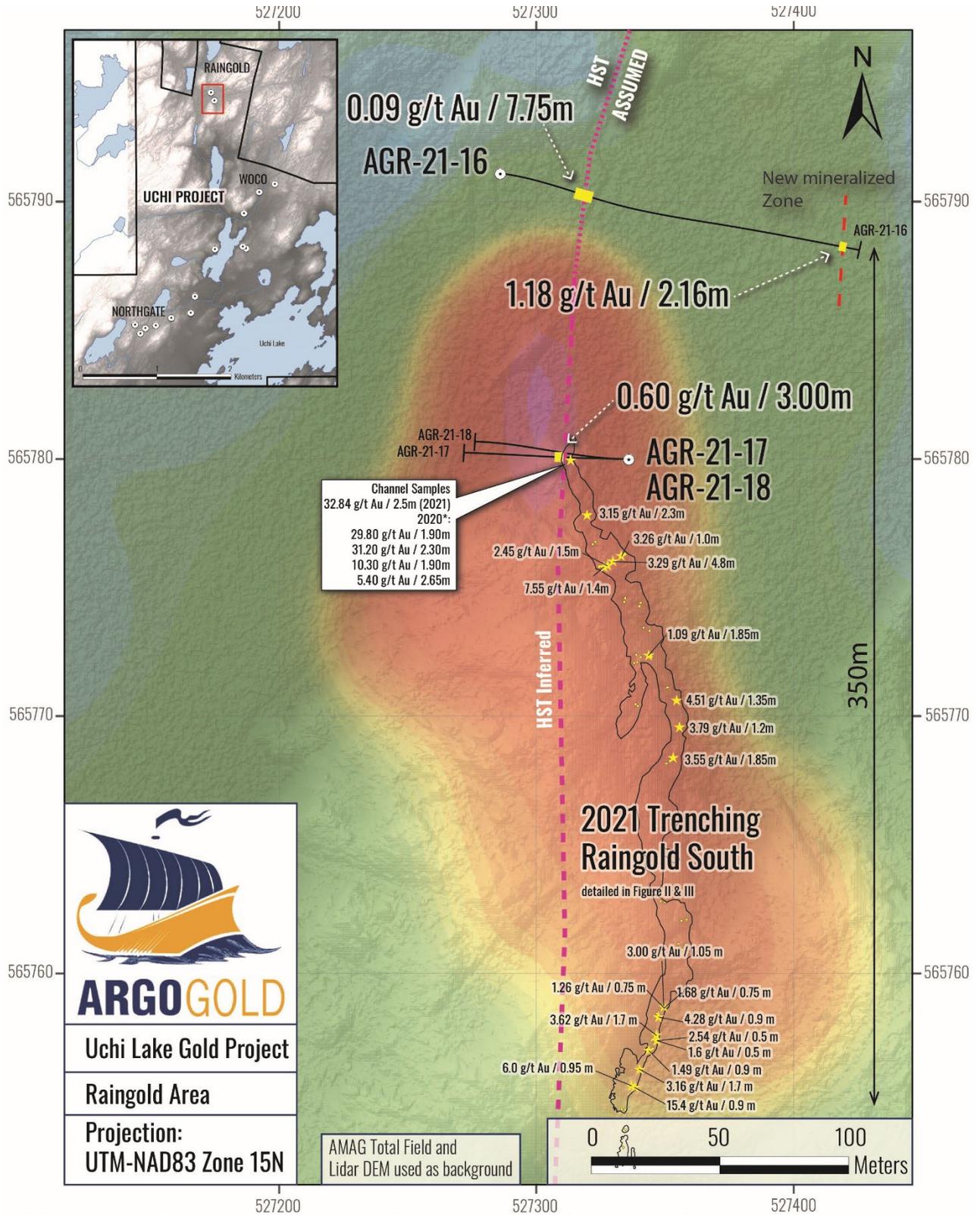
### **Exploration and Evaluation Activities – Uchi Gold Project**

On April 25, 2022, Argo Gold announced that a gold mineralized extension has been identified at the Raingold and HST Zone at the Uchi Gold Project. Raingold is located along the HST Zone (Hill-Sloan-Tivy) which also hosts the past-producing Grasset Mine to the north. The HST Zone is a parallel mineralized trend located one km west of the main Uchi – Northgate gold mineralized trend.

In 2020, 71 samples were taken over a strike length of 50 metres of diamond saw channels in the footwall, the hanging wall, and the mineralized zone at Raingold. Visible gold was identified in only one sample and 37 samples returned grades greater than 1.0 g/t Au. The best intersections at Raingold were 2.3 metres of 31.2 g/t Au, 1.9 metres of 29.8 g/t Au, 1.9 metres of 10.3 g/t Au, 2.65 metres of 5.4 g/t Au, 2.6 metres of 5.5g/t and 1.0 metres of 21.2 g/t Au. The mineralized zone is mainly hosted by silica-rich iron formation with siderite-ankerite alteration, disseminated pyrite-pyrrhotite and quartz-ankerite veining.

In Spring 2021, Argo Gold drilled a total of 399 metres at the Raingold and the HST Zone. Only anomalous gold was intersected at depth. A step-out drill hole located 100 metres to the north identified anomalous gold across two structures where the second mineralized structure is identified as a new mineralized trend 100 metres to the east of the HST Zone. In Spring 2021, Argo Gold also confirmed high-grade gold in channel sampling 32.84 g/t Au over 2.5 metres at Raingold.

In late 2021, Argo Gold also completed overburden stripping and washing for 280 metres south of the high-grade Raingold area along the near vertical HST Zone following quartz veining and sulphide mineralization along the sheared break. Sixty-two channel samples across 35 channels perpendicular to strike were taken along the south extension of the Raingold – HST Zone with an average spacing of 7.7 metres. Gold mineralization is associated with abundant quartz veins and veinlets, iron formation, pyrite or ankerite alteration. The Fall 2021 channel samples are shown on the Raingold map where the best intercept is 15.4 g/t Au over 0.9 metres. It is significant that this highest sample was the farthest sample to the south and the trench geologic structure remains open in that direction.



\* for the complete list of previously reported assays please refer to Argogold press release (December 1<sup>st</sup>, 2020)

## QA/QC

Chipped out channel samples were securely bagged and tagged on site by Argo Gold personnel. The Company instituted a rigorous program of inserted duplicates, blanks and standards. The total sample set of 65 rock samples included 3 sets of field duplicates, as well as 3 standard samples (two separate OREAS control standards representing low and medium -grade values; #238 x2 and #260 x1), and 3 blanks, for a total of 71 assays. Argo Gold ensured that a blank, duplicate or standard was included every ten samples.

Samples were then transported securely by Argo personnel to Activation Laboratories Ltd. (“ActLabs”), in Dryden, Ontario, which is ISO 17025 accredited, and all blanks, duplicates and standards were well within acceptable tolerances.

At ActLabs, the samples were sorted and dried in a 60°C oven. Each sample was crushed to 90% passing 10 mesh, riffle split, and a 250 g split was pulverized to 95% -150 mesh. Every pulverized sample was analyzed for gold using Fire Assay (“FA”) with an Atomic Absorption (“AA”) finish. Samples with FA-AA values were over 5.00 g/t Au, were re-assayed by Fire Assay with a gravimetric finish. To ensure high quality results, ActLabs has their own internal system of inserted blanks, duplicates and standards, which were also within acceptable tolerances.

## 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 km north of Timmins, there are 70 km<sup>2</sup> of mineral claims surrounding the Main Zone that cover all of the area geophysical targets that have not been drill tested.

## Marshall Lake Area Copper Property

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.

**Overview of Financial Results**
**Three Months Ended March 31, 2022 vs. March 31, 2021**

(Expressed in Canadian Dollars)	Three Months Ended March 31,	
	2022	2021
<b>Expenses</b>		
Exploration and evaluation	\$ 39,499	\$ 77,440
Management fees	36,000	42,000
Consulting fees	1,215	13,000
Professional fees	14,016	11,728
Business development	16,020	40,030
Investor relations	20,400	38,851
General and administrative	22,051	28,928
Listing, filing and regulatory fees	9,883	7,720
Depreciation	406	923
<b>Total expenses</b>	<b>159,490</b>	<b>260,620</b>
Loss before the undernoted	(159,490)	(260,620)
Bank charges	(256)	(821)
Interest income	3	-
Flow-through share premium recovery	278	30,262
Unrealized gain (loss) on value of investments	36,250	(371,000)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (123,215)</b>	<b>\$ (602,179)</b>
<b>Net loss per share</b>		
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)

**Three months ended March 31, 2022 vs. three months ended March 31, 2021**

- Overall, the Company recorded a net loss and comprehensive loss of \$123,215 or \$nil per share for the quarter ended March 31, 2022 compared to a net loss and comprehensive loss of \$602,179 or \$0.01 per share for the quarter ended March 31, 2021.
- Exploration and evaluation expenses were \$39,499 in the first quarter of 2022 compared to \$77,440 during the first quarter of 2021. First quarter 2022 expenditures were related to research and staking the Marshall Lake area copper claims, assay and analysis of the Fall 2021 stripping, sampling and mapping program at the Uchi Gold Project and mineral claim management.
- Management fees were \$36,000 in the first quarter of 2022 compared to \$42,000 in the first quarter of 2021. These include fees paid to the Company's CFO and 50% of the fees paid to the Company's CEO. The other 50% are included in exploration and evaluation expenditures. The decrease relates to a lower monthly rate paid to the Company's CFO in the first quarter of 2022 compared to 2021.
- Consulting fees were \$1,215 during the first quarter of 2022 compared to \$13,000 during the first quarter of 2021.
- Professional fees were \$14,016 during the first quarter of 2022 compared to \$11,728 during the first quarter of 2021. The 2022 increase relates to higher accrued audit fees in 2022 compared to 2021.
- Business development was \$16,020 during the first quarter of 2022 compared to \$40,030 during the first quarter of 2021. The decrease is a result of a reduction in marketing costs in 2022 compared to 2021.

- Investor relations was \$20,400 during the first quarter of 2022 compared to \$38,851 during the first quarter of 2021. The decrease in 2022 is due to the reduction in the use of outside investors relations services compared to 2021.
- General and administrative expenses were \$22,051 in the first quarter of 2022 compared to \$28,928 in the first quarter of 2021.
- Listing, filing and regulatory fees were \$9,883 in the first quarter of 2022 compared to \$7,720 during the first quarter of 2021. Q1 2022 was marginally higher due to an increase in listing fees on both the CSE and OTCQB compared to 2021.
- The Company raised \$350,004 of flow-through funds in December 2021 compared to \$431,266 in December 2020. As a result, the Company recorded a flow-through share premium liability of \$43,750 as at December 31, 2021 compared to \$224,650 as at December 31, 2020. During the first quarter of 2022, the Company recognized \$278 of flow-through share premium recovery compared to \$30,262 during the first quarter of 2021, associated with the expenditure of flow-through funds in the respective quarters. This is a non-cash item.
- The change in market value of investments resulted in a non-cash gain of \$36,250 during the first quarter of 2022, compared to a non-cash loss of \$371,000 during the first quarter of 2021. The 2022 quarterly non-cash gain was primarily the result of an increase in the share price of Cross River Ventures Inc. from \$0.125 per share at December 31, 2021 to \$0.14 per share at March 31, 2022. See Note 5 to the financial statements for the three months ended March 31, 2022 for the market values of the Company's investments.

### 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.

	Q1	Annual	Q4	Q3	Q2
	March 2022 (unaudited)	Dec. 2021 (audited)	Dec. 2021 (unaudited)	Sept. 2021 (unaudited)	June 2021 (unaudited)
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	(\$123,215)	(\$2,176,180)	(\$251,094)	(\$446,395)	(\$876,512)
Loss per share - basic and diluted	(\$0.00)	(\$0.03)	(\$0.00)	(\$0.01)	(\$0.01)
Assets	\$2,008,466	\$2,140,104	\$2,140,104	\$2,148,861	\$3,101,495

	Q1	Annual	Q4	Q3	Q2
	March 2021 (unaudited)	Dec. 2020 (audited)	Dec. 2020 (unaudited)	Sept. 2020 (unaudited)	June 2020 (unaudited)
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
(Loss) income and comprehensive (loss) income	(\$602,179)	(\$206,547)	\$1,124,586	(\$581,985)	(\$391,010)
(Loss) income per share - basic and diluted	(\$0.01)	(\$0.00)	\$0.02	(\$0.01)	(\$0.01)
Assets	\$3,620,438	\$4,303,968	\$4,303,968	\$1,464,083	\$1,790,522

### Liquidity and Capital Resources

The Company's cash decreased by \$187,304 during the three months ended March 31, 2022, compared to a decrease of \$407,117 during the three months ended March 31, 2021. As at March 31, 2022, the ending cash balance was \$634,413 compared to \$821,717 as at December 31, 2021.

### Working Capital

As at March 31, 2022, the Company had a working capital surplus of \$1,047,964 compared to a surplus of \$1,171,051 as at December 31, 2021. The non-cash flow-through share premium liability amount has been excluded from current liabilities in the calculation of working capital.

A summary of the Company's cash position and changes in cash for the three months ended March 31, 2022 and 2021 are provided below:

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	2021
Cash used in operating activities – gross	\$ (159,337)	\$ (260,518)
Changes in non-cash operating working capital	(27,967)	(145,050)
Cash used in operating activities – net	<b>(187,304)</b>	(405,568)
Cash used in investing activities	-	(1,549)
Decrease in cash	<b>(187,304)</b>	(407,117)
Cash, beginning of period	<b>821,717</b>	1,807,018
Cash, end of period	\$ <b>634,413</b>	\$ 1,399,901

### Three months ended March 31, 2022 vs. three months ended March 31, 2021

#### Operating Activities

Cash used in operating activities before changes in non-cash working capital during the three months ended March 31, 2022 was \$159,337 compared to \$260,518 for the three months ended March 31, 2021. The first quarter of 2022 was lower due to decreased expenditures in most expense categories.

#### Investing Activities

During the three months ended March 31, 2022, cash used in investing activities was \$nil compared to \$1,549 for the three months ended March 31, 2021. The 2021 amount relates to the purchase of a computer.

#### Liquidity Outlook

The Company had a cash balance of \$634,413 at March 31, 2022, a decrease of \$187,304 from the balance at December 31, 2021. \$347,779 of the cash balance at March 31, 2022 must be spent on eligible Canadian Exploration Expenditures during 2022.

In addition, at March 31, 2022, the Company holds 2,500,000 shares of Cross River Ventures Corp. valued at \$350,000 and 250,000 shares of Manitou Gold Inc., valued at \$13,750. Future sales of these investments remain a possibility.

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

	Three months ended	
	March 31,	
	2022	2021
Management fees – paid to CEO	\$ 15,000	\$ 15,000
Exploration and evaluation fees – paid to CEO <sup>(1)</sup>	15,000	15,000
Management fees – paid for CFO services	21,000	27,000
Consulting fees – paid to an independent director	-	3,000
<b>Total fees paid to management</b>	<b>\$ 51,000</b>	<b>\$ 60,000</b>

(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.

There were no related party transactions during the three months ended March 31, 2022 and during the year ended December 31, 2021.

As at March 31, 2022, \$1,269 (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.

### Subsequent Events

There are no events subsequent to March 31, 2022.

### Outstanding Capital and Share Data

Argo Gold’s authorized capital stock consists of an unlimited number of common shares without par value. As at May 30, 2022 there were 65,985,581 common shares issued and outstanding.

As at May 30, 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.
- There are no stock options outstanding as at May 30, 2022.

### Off-Balance Sheet Arrangements

As at March 31, 2022, 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 May 30, 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 partially funded from the financing completed on December 30, 2021 and the sale of 800,000 shares of Angus Gold Inc. in December 2021 for net proceeds of \$675,230. There is no certainty of the Company's ability to complete additional financings.

As at March 31, 2022 the Company held cash of \$634,413 (December 31, 2021 - \$821,717) to settle current liabilities of \$27,262 (December 31, 2021 - \$35,407), exclusive of non-cash flow-through share premium liability.

### 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 subscription 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 March 31, 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>March 31, 2022</b>			
Financial assets			
Cash	\$ 634,413	\$ -	\$ 634,413
Investments	\$ -	\$ 363,750	\$ 363,750
Financial liabilities			
Accounts payable and accrued liabilities	\$ 27,262	\$ -	\$ 27,262

At March 31, 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.

### Going Concern

The unaudited condensed interim 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 and current working capital levels, 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 unaudited condensed interim 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.

### **Critical Accounting Policies and the Use of Estimates**

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates, judgments 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. A detailed summary of the Company's significant accounting policies, including the use of estimates, is included in Notes 2 and 3 of the Company's audited financial statements for the year ended December 31, 2021. The accounting policies and management estimates applied in the condensed interim financial statements for the three months ended March 31, 2022, are consistent with those used in the Company's audited financial statements for the year ended December 31, 2021.

### **Commitments and Contingencies**

As at March 31, 2022, the Company has a remaining commitment to spend \$347,779 (December 31, 2021 - \$350,004) from amounts raised from 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 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. 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 March 31, 2022, the Company has incurred \$2,225 on eligible CEE related to the 2021 flow-through issuance. During the three months ended March 31, 2022 and 2021, the Company recorded a flow-share premium recovery of \$278 and \$30,262, respectively in the statement of loss.

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**

Readers of the MD&A should give careful consideration to the information included or incorporated by reference in this document and the Company's unaudited condensed interim financial statements and related notes. 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 in the Company's audited financial statements for the year ended December 31, 2021 and the "Risks and Uncertainties" discussion in the Company's MD&A for the year ended December 31, 2021, dated April 27, 2022, before investing in the Company's common shares. Readers are also encouraged to read and consider the risk factors more particularly described in Note 4 to the unaudited condensed interim financial statements for the three months ended March 31, 2022, which have been posted on the Company's website at [www.argogold.com](http://www.argogold.com) and are available on SEDAR at [www.sedar.com](http://www.sedar.com). The risks described in these documents is 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 risks noted in the Company's financial disclosure 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.

Regulatory standards continue to change, making the review process longer, more complex and more costly. Even if an apparently mineable mineral deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which cannot be controlled by management. As a result, the Company's future business, operations, and financial condition could differ materially from the forward-looking information contained in this MD&A and described in the "Forward-Looking Statements" section below.

## **Forward Looking Statements**

This report may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to failure to establish estimated resources and reserves, the grade and recovery of ore which is mined from estimates, capital and operating costs varying significantly from estimates, delays or failure in obtaining governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors, which affect this information, except as required by law.

### **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 March 31, 2022 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 March 31, 2022.

### **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 unaudited condensed interim financial statements and in Note 7 of the unaudited condensed interim financial statements for the three months ended March 31, 2022 and 2021 that are available on the Company's website at [www.argogold.com](http://www.argogold.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Approval**

The Board of Directors of Argo Gold approved the disclosure contained in this MD&A on May 30, 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.