

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Argo Gold Inc. (the “Company”)
365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

2. **Date of Material Change**

May 2, 2017 and May 11, 2017

3. **News Release**

Press releases disclosing the material changes were released on May 2, 2017 and May 11, 2017, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On May 2, 2017, the Company announced that it has closed the first tranche (“**First Tranche**”) of its previously announced non-brokered private placement by issuing: (i) 625,000 units (“**Units**”) at a price of \$0.20 per Unit for aggregate gross proceeds of \$125,000; and (ii) 300,000 flow through shares (“**Flow Through Shares**”) at a price of \$0.25 per Flow Through Share for aggregate gross proceeds of \$75,000. On May 11, 2017, the Company announced that it has closed the second tranche (“**Second Tranche**”) of its previously announced non-brokered private placement by issuing 875,000 Units for aggregate gross proceeds of \$175,000 and 60,000 Flow-Through Shares for aggregate gross proceeds of \$15,000 (the First Tranche and the Second Tranche, collectively the “**Offering**”).

Each Unit is comprised of one common share (“**Common Share**”) and one-half of one Common Share purchase warrant (“**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of \$0.30 for twenty-four (24) months from the closing of the Offering.

The material change is fully described in the Company’s press releases which are attached as Schedule “A” and Schedule “B” and are incorporated herein.

5. **Full Description of Material Change**

A full description of the material change is contained under Item 4.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

(a) **a description of the transaction and its material terms:**

In connection with the Offering an aggregate of 200,000 Units was acquired by an insider of the Company.

(b) the purpose and business reasons for the transaction:

The proceeds of the Offering will be used for working capital purposes.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The completion of the Offering will provide the Company with funds to be used for working capital purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Judy Baker, a director and officer of the Company, subscribed for an aggregate of 200,000 Units in the Offering.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Following completion of the Offering, Judy Baker holds an aggregate of 3,494,000 Common Shares, representing approximately 13.92% of the issued and outstanding Common Shares. In addition, Ms. Baker holds Warrants to purchase an aggregate of 1,926,750 Common Shares of the Company and 150,000 options of the Company exercisable into Common Shares. Assuming exercise of convertible securities, Ms. Baker would hold an aggregate of 5,470,750 Common Shares or approximately 20.21% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed in accordance with the *Business Corporations Act* (Ontario) approving the Offering and Debt Settlement. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

Other than the subscription agreements to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Offering constituted a related party transaction within the meaning of MI 61-101 as an insider of the Company subscribed for an aggregate of 200,000 Units in the Offering. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Judy Baker, President of the Company at (416) 786-7860.

9. **Date of Report.**

This report is dated at Toronto, this 12th day of May, 2017.

SCHEDULE "A"

ARGO GOLD INC.

365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

FOR IMMEDIATE RELEASE

S/O: 24,154,878

Argo Gold Announces First Closing of Units and Flow-Through Shares

Toronto, CANADA, May 2, 2017 – Argo Gold Inc. ("Argo Gold" or the "Company") (CSE: ARQ) is pleased to announce that it has completed the first tranche ("First Tranche") of its previously announced non-brokered private placement offering through the issuance of 625,000 units ("Units") at a price of \$0.20 per Unit for gross proceeds of \$125,000 and 300,000 flow through shares ("Flow Through Shares") at a price of \$0.25 per Flow Through Share for gross proceeds of \$75,000. Each Unit consists of one common share (a "Common Share") of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant") with each Warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.30 for a period of twenty-four (24) months from the date of closing of the First Tranche.

In connection with the issuance of the Units subscribed for in the First Tranche, the Company paid a finder's fee equal to \$6,650 and issued an aggregate of 28,000 broker warrants (the "Broker Warrants"), each Broker Warrant exercisable into one Common Share at a price of \$0.30 per share for twenty-four (24) months from the date of closing of the First Tranche. The securities issued in connection with the First Tranche are subject to a hold period of four months and a day from the date of closing of the First Tranche.

The net proceeds from the Unit offering will be used for general corporate purposes. The gross proceeds from the Flow-Through Share offering will be used for Canadian Exploration Expenses, and will qualify as "flow-through mining expenditures", as defined in the *Income Tax Act* (Canada).

About Argo Gold Inc.

Argo Gold is listed on the Canadian Securities Exchange under the ticker ARQ. Argo Gold is focused on gold exploration projects central and northwestern Ontario. All of Argo Gold's projects are 100% owned and have indications of economic viability. Argo Gold's website is www.argogold.ca.

For more information please contact:

Judy Baker

President

(416) 786-7860

judybakertoronto@gmail.com

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or

“will” occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company’s control. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company’s filings with Canadian securities regulators, which filings are available at www.sedar.com.

SCHEDULE “B”

ARGO GOLD INC.

365 Bay Street, Suite 400
Toronto, Ontario M5H 2V1

FOR IMMEDIATE RELEASE

Argo Gold Announces Closing of Second Tranche of Units and Flow-Through Shares

Toronto, CANADA, May 11, 2017 – Argo Gold Inc. (“Argo Gold” or the “Company”) (CSE: ARQ) is pleased to announce that it has completed the second tranche (“Second Tranche”) of its previously announced non-brokered private placement through the issuance of 875,000 units (“Units”) at a price of \$0.20 per Unit for gross proceeds of \$175,000 and 60,000 flow through shares (“Flow Through Shares”) at a price of \$0.25 per Flow Through Share for aggregate gross proceeds of \$15,000. Each Unit is comprised of one common share (a “Common Share”) of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”) with each Warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.30 for a period of twenty-four (24) months from the date of closing of the Second Tranche.

Ms. Judy Baker, a director and officer of the Company acquired (the “Acquisition”) 200,000 Common Shares and 100,000 Warrants in connection with the Second Tranche, representing approximately 13.92% of the issued and outstanding common shares of the Company on a non-diluted basis. If Ms. Baker were to exercise all of her convertible securities she would own 5,470,750 Common Shares, representing approximately 20.21% of the Company’s then outstanding Common Shares, on a partially diluted basis. Ms. Baker has acquired the Units of the Company for investment purposes and Ms. Baker may, depending on market and other conditions, increase or decrease her beneficial ownership, control or direction over the common shares or other securities of the Company, through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. For further details relating to the Acquisition, please see the early warning report, a copy of which is available on the Company’s profile on SEDAR at www.sedar.com.

In connection with the closing of the Second Tranche, the Company paid a finder’s fee equal to \$2,450 and issued an aggregate of 12,250 broker warrants (the “Broker Warrants”), each Broker Warrant exercisable into one Common Share at a price of \$0.30 per share for twenty-four (24) months from the date of closing of the Second Tranche. All securities issued in connection with the Second Tranche are subject to a hold period of four months and a day from the date of closing.

The transaction constituted a related party transaction within the meaning of Multilateral Instrument 61-101 (“MI 61-101”) as an insider of the Company subscribed for an aggregate of 200,000 Units pursuant to the Second Tranche. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Second Tranche by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Second Tranche, which the Company deems reasonable in the circumstances in order to complete the Second Tranche in an expeditious manner.

The net proceeds from the Unit offering will be used for general corporate purposes. The gross proceeds from the Flow-Through Share offering will be used for Canadian Exploration Expenses, and will qualify as “flow-through mining expenditures”, as defined in the *Income Tax Act* (Canada).

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For more information please contact:

Judy Baker

President

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