

Argo Corporation
(Formerly Steer Technologies Inc.)

**Management's Discussion and Analysis of
Financial Condition as at March 31, 2025, and
Results of Operations for the
Three Months Ended March 31, 2025, and 2024**

Argo Corporation (Formerly Steer Technologies Inc.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2025, and 2024

May 30, 2025

The following Management's Discussion and Analysis ("**MD&A**") provides information concerning the financial conditions and results of operations of Argo Corporation (the "**Company**", "**Argo**", "**we**", "**us**" or "**our**") which includes its subsidiaries, for the three months ended March 31, 2025 ("**Q1 2025**" or the "**quarter**"), and the three months ended March 31, 2024 ("**Q1 2024**" or the "**comparative quarter**"). This MD&A should be read in conjunction with our audited consolidated financial statements, including the related notes thereto, for the fiscal years ended December 31, 2024, and 2023 ("**Fiscal 2024**" and "**Fiscal 2023**" respectively).

Our Q1 2025 condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") applicable to the preparation of the condensed interim financial statements, including International Accounting Standards ("**IAS**") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Our fiscal year is the 12-month period ending December 31.

All amounts in this MD&A are in Canadian dollars, unless otherwise indicated. All information presented has been rounded to the nearest hundred dollars, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information or forward-looking statements (collectively referred to as "**forward-looking information**") which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Argo or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this MD&A, such information uses such words as "may", "would", "could", "will", "intend", "predict", "aim", "seek", "potential", "expect", "believe", "plan", "anticipate", "estimate" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. This information reflects the Company's current expectations regarding future events and operating performance and speaks only as of the date of this MD&A. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed below. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The Company assumes no obligation to publicly update or revise forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws or regulations. These forward-looking statements include, among other things, statements relating to the Company's revenue streams and financial performance, future growth and profitability of the Company, the Company's ability to maintain or adjust its capital, the Company's ability to finance its future cash requirements through debt and/or equity and the ability of the Company to manage its credit risk through financially stable institutions and payment collection platforms.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including those factors discussed under the heading "Financial Risk Management Objectives and Policies" in this MD&A. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. As such, there can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty in them. Furthermore, unless otherwise stated, the forward-looking information contained in this MD&A is made as of the date of this MD&A and we have no intention and undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

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INTRODUCTION

In 2024, Argo Corporation successfully completed a foundational restructuring, pivoting to become a vertically integrated provider of electrified, on-demand transit solutions for public-sector and educational markets. Anchored by its proprietary Smart Routing™ technology and powered by its Argo X1 electric vehicle hardware, software, and full-stack operations, Argo enters 2025 with live commercial operations, an expanding customer base, and a strategic roadmap to scale regionally and nationally ahead of pursuing the broader international public transportation and mobility markets.

COMPANY OVERVIEW

Argo Corporation ("Argo" or the "Company") was incorporated under the Business Corporations Act (Alberta) on January 18, 2018, under the name High Mountain Capital Corporation. The Company previously operated under the names Facedrive Inc. and Steer Technologies Inc. but underwent a comprehensive leadership change and business restructuring in 2024. Following these changes, the Company adopted its current name, Argo Corporation, effective August 2, 2024.

In 2024, the Company's new leadership team exited legacy business lines and founded the new venture of Argo, establishing a strategic focus on vertically integrated, electrified, on-demand transit solutions for public-sector and educational markets. The Company's current operations have no material connection to the legacy businesses previously operated under this legal entity.

Argo's head office and registered office is located at 545 King Street West, Suite 101, Toronto, Ontario, M5V 1M1. The Company is a reporting issuer in British Columbia, Alberta, Ontario, and Nova Scotia, and its common shares are listed and posted for trading on the TSX Venture Exchange and OTC Markets under the trading symbol "ARGH" and "ARGHF", respectively.

STRATEGIC POSITIONING AND OUTLOOK

The Company's newest subsidiary, Argo Transit Corporation is the Company's primary platform, offering municipalities a full-service, electrified solution for dynamic public transit. Argo School serves as a complementary solution, leveraging the same Smart Routing™ platform to provide safe, efficient student transportation. The Company's vertically integrated model – spanning vehicle hardware, charging infrastructure, software, and operational delivery – is designed to scale efficiently across jurisdictions and to capture revenues across both capital and operating budgets. In the second half of Fiscal 2024, Argo completed a strategic restructuring under new leadership, discontinuing legacy operations and launching a new business as a provider of modern, on-demand public transit solutions underpinned by proprietary vertically integrated hardware, software and operations. Argo is at the convergence of structural shifts in transportation demand and public sector investment priorities. Growing urbanization, rising traffic congestion, and climate imperatives have accelerated government commitments to zero-emission transit, first and last-mile connectivity, and equitable access to public mobility. Argo's model is uniquely positioned to address these challenges by making transit systems a more convenient alternative to driving while maintaining standard transit fares. Argo accomplishes its goals through its proprietary Smart Routing™ and AI-powered software ecosystem, including vertical integration hardware onboard its Argo X1 electric vehicles. This end-to-end platform combines real-time routing software, electric vehicles and full-service operations to deliver dynamic, on-demand transit services.

Argo's installation of vertically integrated hardware (vehicles, fast chargers) and software enables it to become a long-term municipal infrastructure partner. As each vertically integrated municipal system is deployed, Argo accumulates route intelligence, utilization data, and operational insights. This growing dataset aggregation becomes a proprietary advantage that can be used by the Company to improve system efficiency, increase resiliency and reduce the cost per ride.

Argo's municipal deployments are designed to function as modular, scalable transit systems that can be expanded based on demand and performance. Each new service launch is intended to contribute operational insights, technology refinement, and potential scale efficiencies that inform the Company's broader growth strategy. Management believes this phased approach—focused on disciplined execution and real-world validation—positions the Company to grow responsibly in step with evolving public transit needs across Canada.

Further details on the solutions offered by Argo are set out below in "Services and Offerings", with details on status of such solutions set out below under "Phased Growth Strategy".

SERVICES AND OFFERINGS

Argo Corporation offers two vertically integrated, technology-enabled transit solutions:

- **Argo Transit:** Argo Transit is the Company's primary platform, offering municipalities a full service, electrified, and scalable transit solution. Residents in municipalities, cities and towns where Argo Transit has been deployed can use the Argo app to request trips at or near their door for a standard transit fare. The turnkey system is powered by Argo's proprietary Smart Routing™ technology, vehicular hardware (the Argo X1 electric vehicle), charging infrastructure, and full operational management. The system results in more convenient on-demand service levels that integrate with existing transit infrastructure while delivering more efficient operating costs.
- **Argo School:** Argo School extends the Argo Transit platform to serve the student transportation market. School administrators and families benefit from safe, reliable, technology-enabled transit solutions, supported by real-time vehicle tracking, optimized routing, and dedicated, certified drivers. The offer addresses persistent challenges in student transportation by improving operational visibility, reliability, and safety while leveraging Argo's existing infrastructure and operations backbone.

Argo's integrated architecture – combining custom software, vehicle hardware, and full-stack operations – is designed to scale efficiently across jurisdictions of varying size and complexity. The Company's senior leadership team draws from experience at global technology and mobility companies, including Tesla, Uber, Google, and Facebook. By integrating intelligent vehicle routes, real-time dispatch optimization, and multimodal regional transit coordination, Argo's solutions enable cities and schools to expand access, increase transit ridership, reduce emissions, and deliver better mobility outcomes for residents.

MARKET CONDITIONS AND GROWTH STRATEGY

Accelerating urbanization, increased traffic congestion, and climate change concerns are driving fundamental shifts in public and private sector transportation priorities (Source: International Transport Forum, "ITF Transport Outlook 2023"). Municipalities and school boards across North America are seeking solutions that can expand service coverage, improve first and last-mile connectivity, and reduce reliance on private vehicles, while meeting stringent environmental and accessibility targets.

In parallel, significant government funding programs at the federal and provincial levels are prioritizing zero-emission fleets, transit modernization, and infrastructure renewal. These macroeconomic conditions present a timely opportunity for scalable, technology-enabled transit solutions that can integrate with existing public transportation systems.

Argo believes its vertically integrated, electrified transit platform is well-positioned to support these evolving needs, offering municipalities and schools a cost-effective way to expand service access, improve system efficiency, and accelerate decarbonization goals.

Phased Growth Strategy:

Argo is addressing a global transportation challenge by building a vertically integrated, electrified transit platform tailored to public-sector needs. The Company's near-term focus is on Ontario, where over \$100 billion in public transportation investment is projected over the next decade (Source: Newswire, "Provincial Leadership Celebrates Landmark Launch of Argo's Smart Routing™ Transit System in BWG," April 9, 2025). This provides a strategic environment to validate Argo's model and establish a foundation for regional and national expansion.

Argo's growth strategy is structured around phased municipal deployments that generate real-world operational data, demonstrate measurable performance, and build the institutional relationships needed for long-term scale. On April 3, 2025, the Company launched commercial operations in the Ontario municipality of Bradford West Gwillimbury (BWG), marking the first full deployment of its Smart Routing™ transit system. This program is fully integrated with local transit infrastructure and fare policies, and provides dynamically routed, electrified service to residents within defined service areas. In April 2025, the Company's management executed an agreement with the City of Brampton, Ontario which plans to utilize Argo's commercial transit services in August 2025.

Each deployment enhances Argo's proprietary data and operations stack. This is expected to enable the Company to continue to optimize its product and reduce its marginal costs. These systems are designed to support expansion into adjacent service areas and future integration with regional networks, school boards, and provincial agencies. Over time, the Company anticipates this will create a network and provide it with an operational advantage.

Argo's early traction has positioned the Company as a long-term municipal infrastructure partner. As government funding programs prioritize zero-emission fleets, service equity, and transit modernization, Argo's turnkey solution offers a cost-effective path to expand service coverage while meeting environmental and accessibility targets.

Looking forward, Argo intends to expand across Canada through disciplined, data-backed execution, leveraging early results, established capital infrastructure, and scalable software-hardware integration. The Company's long-term objective is to become North America's leading platform for dynamic, electrified public transit. Management believes this approach aligns with sustainable public-sector growth and long-term value creation for shareholders.

Argo's initial three-phase strategy is designed to demonstrate product-market fit, demand at scale, and leverage operational density to optimize performance:

- 1. Pilot Deployments:** Shortly after announcing Argo Transit in June 2024, the Company launched live service with paying customers, successfully providing full-service student transportation to several schools starting in September 2024. In 2025, Argo Transit launched its first municipal transit system in the Town of Bradford West Gwillimbury (BWG), Ontario to replace its fixed-route bus system, surpassing the daily ridership levels of BWG's entire legacy fixed-route bus system within weeks of an initial early-access period.
- 2. Major Municipality Deployment:** In April 2025, Argo signed an agreement with Brampton, Ontario, which cemented its plans to scale its transit solution to its first major municipality in 2025, validating the model on an urban scale while demonstrating integration with existing transit systems and infrastructure. Argo's initial deployment in Brampton covers a compact 4km x 4km service area, representing a fraction of the city's total transit network and geographic footprint. This strategic pilot serves as a proof of concept for how Argo's vertically integrated, dynamically routed system can deliver high-performance, efficient, electrified transit. Positioned as a first/last-mile feeder that seamlessly connects riders to Brampton Transit and GO Transit infrastructure, Argo is uniquely equipped to enhance network coverage, reduce wait times, and fill service gaps in a scalable, demand-responsive model. With successful execution in the Innovation District, Argo is well-positioned to expand in partnership with the city to serve larger population nodes, industrial hubs, and emerging urban growth zones across Brampton—ultimately supporting a more accessible, integrated, and future-ready municipal transit system in partnership with Brampton Transit.

- 3. Regional Network Expansion and Optimization:** In parallel with scaling in both small and large municipalities, Argo plans to expand across multiple neighbouring jurisdictions. By operating a growing number of vehicles and service areas on a unified platform, Argo aims to realize network effects that further increase vehicle utilization, optimize operating costs, and enhance transit equity across urban and rural zones. Platform density is expected to create long-term strategic advantages.

To support execution and liquidity in the initial phase of its strategy, Argo generated \$2,500,085 in Q1 2025 from the sale of 5,855 FoodsUp Inc. subordinate-voting shares. This non-dilutive capital has been earmarked to support near-term deployments and provide runway for continued platform expansion as municipal revenue streams come online.

EXECUTION IN 2025 AND MILESTONES

Argo believes the steps taken in Fiscal 2025, combined with its scalable architecture, proven operational readiness, and deep market alignment and validation, position the Company to capitalize on a growing public demand for electric, integrated, on-demand mobility services. Management will continue to focus on disciplined deployment, capital efficiency, and delivering long-term value through recurring transit revenues and infrastructure integration.

Key developments during 2025 included:

- On January 10, 2025, Argo Corporation announced it successfully extended the maturity of its senior secured convertible debentures from February 8, 2025, to February 8, 2026. This delayed repayment of the debenture improves the Company's working capital position and enables it to deploy funds to help expand revenue generating transit operations.
- On March 6, 2025, Qamar Qureshi will transition into a new full-time role of Chief Business Officer, out of his current roles of Co-Chief Executive Officer and Director.
- On March 6, 2025, the Company completed the sale of 5,855 subordinate-voting shares of FoodsUp Inc. (a majority non-controlling owned entity) for \$2,500,085. In addition, the Company entered into an option agreement with FoodFlow Partner, FoodsUp, and FoodGrowup Partner effective March 6, 2025.
- On March 6, 2025, the Company entered into an option agreement with FoodFlow Partner ("FoodFlow"), FoodsUp and FoodGrowup Partner to grant FoodFlow irrevocable option to purchase up to 30,219 subordinate-voting shares of FoodsUp at a price of up to \$658, subject to timing of the exercise of the FoodFlow Option. The FoodFlow Option is exercisable any time before July 1, 2026. If all 30,219 subordinate-voting shares of FoodsUp are purchased, then following a 100 day period, FoodFlow shall have the irrevocable option to purchase all or a portion of any FoodsUp subordinate-voting shares held by Argo's subsidiary, Food Hwy.
- March 6, 2025, the Company entered into an option agreement with 16786359 Canada Inc. to grant 16786359 Canada Inc. the irrevocable option to purchase up to 15,713 subordinate-voting shares of FoodsUp at a price per share of up to \$658, subject to timing of the exercise of this option agreement. This option is exercisable at any time before the expiry of the Non-Option Period. The expiry date of this option agreement may be extended to obtain any required approvals in accordance with the option agreement. Junaid Razvi, a director of Argo's subsidiary, Food Hwy and FoodsUp, is the principal of 16786359 Canada Inc.

RESEARCH AND DEVELOPMENT (R&D) AND TECHNOLOGY FOUNDATION

Argo has rebuilt its technology, business model, and market position, culminating in the launch of its proprietary vertically and publicly integrated transit platform. Major strides in software and hardware development have enabled the company to begin commercial deployments across both school and municipal transit, with the first systems now live and serving real riders. With a growing municipal pipeline and commercial operations underway, Management believes Argo has taken initial steps to position the Company for broader expansion and a more defined role in the transit technology sector, subject to execution and market adoption.

FOODSUP INC. (“FoodsUp”)

The Company held a 47.851% non-controlling interest in FoodsUp as of March 31, 2025. FoodsUp is one of Canada’s leading restaurant supply platforms, with annual revenue of \$108 million in fiscal 2024.

- **Option Agreements:** In Q1 2025, the Company entered into two option agreements granting the holders thereof the irrevocable option to purchase up to a total of 45,932 subordinate-voting shares of FoodsUp at a price per share of up to \$658 in the coming quarters. The closing of the transactions contemplated under the option agreements are subject to any required approvals, which include approval of the TSX Venture Exchange.
- **Distribution Transaction:** The Company continues to pursue its plan to provide its shareholders with either the net proceeds of sale of the majority of its interest in FoodsUp to a third party, or an indirect or tracking ownership interest in FoodsUp as of a to-be-determined record date. Such a distribution transaction is subject to any required approval, including approval of the TSX Venture Exchange.

During Fiscal 2024, the Company lost significant influence on FoodsUp and management changed the accounting from equity method to fair value through profit and loss (“FVTPL”).

FoodsUp Divestment Progress

On January 10, 2025, and March 7, 2025, the Company issued updates regarding its previously announced intention to divest all or substantially all of its ownership interest in FoodsUp. While Argo continues to hold a majority non-controlling interest in FoodsUp, the Company has made significant progress in resolving earlier delays and remains committed to completing a strategic transaction. This transaction is expected to deliver either the net proceeds from the sale of FoodsUp to a third party or an indirect or tracking ownership interest in FoodsUp to Argo shareholders.

In support of this effort, the Company completed the sale of 5,855 subordinate voting shares of FoodsUp for total proceeds of approximately \$2.5 million through its wholly owned subsidiary, Food Hwy Canada Inc. In addition, Argo entered into two structured option agreements, enabling further staged monetization:

- An option agreement with FoodFlow Partner, allowing FoodFlow to purchase up to 30,219 FoodsUp subordinate-voting shares at a price of up to \$658 per share, with additional rights to acquire remaining shares after an initial exercise period. The agreement includes an extended exercise timeline and secondary option mechanics.
- An option agreement with 16786359 Canada Inc., controlled by Junaid Razvi (a director of Food Hwy Canada Inc and FoodsUp), to purchase up to 15,713 FoodsUp subordinate-voting shares at a price of up to \$658 per share. The agreement includes an extended exercise timeline.

These agreements provide flexibility in achieving a full or partial divestiture of Argo’s interest in FoodsUp while maximizing shareholder value. All such transactions remain subject to TSX Venture Exchange approval, and, where applicable, approval under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

The investment in FoodsUp continuity as at March 31, 2025 is as follows:

Balance, December 31, 2024	19,233,000
Dilution of investment	(2,680,250)
Dilution of investment to offset loan payable	(213,970)
Gain on revaluation of investment using FVTPL	2,726,221
Balance, March 31, 2025	\$ 19,065,001

During the three months ended March 31, 2025, the Company through its wholly-owned subsidiary, Food Hwy sold 5,855 subordinate-voting shares of FoodsUp Inc. for gross proceeds of \$2,500,084. The Company recognized a gain of \$621,824 as a result of the sale transaction.

During the three months ended March 31, 2025, the Company received \$500,000 unsecured non-interest bearing, and due 60 days upon receipt. During the three months ended March 31, 2025, the loan was settled in full by transferring 667 FoodsUp shares to the lender. The fair value of the transferred FoodsUp shares at the date of settlement was \$213,971. The Company recognized a gain of \$286,029 in connection with the transaction.

During the three months ended March 31, 2025, and in connection with the FoodFlow Option, FoodFlow exercised 2,500 FoodFlow at \$0.01 exercise price. The Company recognized a loss of \$801,989 in connection with the transaction.

In Q1 2025, the Company recorded a gain on change in fair value of investment of \$2,726,221 recorded in the condensed interim consolidated statements of loss and comprehensive loss. The valuation of equity instruments held for trading is determined by reference to unobservable inputs and measured at fair value using Level 3 of the fair value hierarchy. The fair value of the equity investment is determined by reference to a third-party, arm's length cash sale of 5.22% of the shares on January 8, 2025, adjusted for discounts for lack of marketability and the absence of a liquid public market (restrictions on trading) of approximately 30%.

CONVERTIBLE DEBT

On February 8, 2024, the Company raised gross proceeds of \$3,536,400 through the issuance of 12% secured convertible debt.

The convertible debt and all related obligations of the Company are secured by a first-ranking security interest over all present and future tangible and intangible personal property of the Company and its subsidiaries, excluding any security interest over the Company's equity interests in FoodsUp. Additional guarantees and security instruments may be provided as deemed necessary by the convertible debt holder.

The convertible debts are convertible, at the sole discretion of the holders, into units of the Company at a conversion price of \$0.06 per unit, following the completion of the FoodsUp distribution. Each unit comprises one common share and one common share purchase warrant. Each warrant is exercisable into one common share at \$0.06 and initially expired on February 8, 2025.

These proceeds were critical to funding Argo's pivot toward transit and enabling foundational investments in platform development and early municipal deployments.

The convertible debt initially matured on the earliest of (i) February 8, 2025, or (ii) the date on which all outstanding obligations are converted into units in accordance with the debenture terms.

The fair value of the convertible debt net of costs was \$1,935,396, and the \$190,177 equity portion of the conversion feature net of costs were calculated by discounting the future cash payments at a market rate of 22.05% per annum. The warrants were valued at \$1,125,137 net of costs using the Black-Scholes option pricing model with the following input assumptions: exercise price of \$0.06, risk-free rate of 4.32%, volatility of 140.94%, dividends of \$Nil, and expected life of 1 year. The Company recorded \$285,690 of transaction costs concerning the convertible debt.

During Q1 2025, the Company reached an agreement with holders of its senior secured convertible debt originally issued on February 8, 2024, to amend the maturity date of the debentures (along with the maturity of the common share purchase warrants, which are to form part of the units described below) from February 8, 2025, to February 8, 2026. This amendment allows Argo additional time to complete the FoodsUp distribution, which is a condition for converting the debentures into units consisting of common shares and common share purchase warrants.

All other terms of the convertible debt, including interest rate of 12% per annum and the \$0.06 conversion price and warrant structure, remain unchanged. This extension supports the Company's goal of preserving cash during the critical early phases of municipal transit deployment.

At the date of the convertible debt modification, the Company recorded the fair value of the convertible debt at \$3,314,501. As of March 31, 2025, the equity portion of the conversion feature changed to \$221,898 (December 31, 2024 - \$190,177). The warrants fair value changed to \$2,312,282 (December 31, 2024 - \$1,125,137) using the Black-Scholes option pricing model with the following input assumptions: exercise price of \$0.06, risk-free rate of 2.7%, volatility of 110.71%, dividends of \$Nil, and expected life of 1 year. As a result of the modification, a loss on modification of convertible debt of \$996,969 was recognized in the condensed interim consolidated statement of loss and comprehensive loss.

During the three months ended March 31, 2025, the Company recorded interest and accretion of \$254,948 (March 31, 2024 - \$192,285). As of March 31, 2025, convertible debt balance was \$3,342,774 (December 31, 2024 - \$3,309,724).

RESTRICTED SHARE UNITS ("RSUs") GRANT

On January 1, 2025, the Company granted aggregate of 400,000 RSUs to employee and contractor. The fair value of the RSU granted was determined based on the market value of \$0.13. The RSU will fully vest on January 1, 2026.

GOING CONCERN

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue operations for the foreseeable future and meet its obligations in the ordinary course of business.

On March 31, 2025, the Company had a working capital deficiency of \$15,904,016 (December 31, 2024 - \$16,500,637) and a net loss of \$1,724,261 from continuing operations (March 31, 2024 - net loss from continuing operations of \$2,378,911) and net comprehensive loss of \$1,724,603 (March 31, 2024 - net comprehensive income of \$1,700,938). These conditions raise material uncertainty about the Company's ability to continue as a going concern and realize its assets and liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to generate sufficient cash flows from operations, secure additional debt or equity financing, and achieve sustained profitability. While the Company has historically been successful in securing external financing, there is no assurance that future funding will be available on terms acceptable to the Company. These condensed interim consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

Notwithstanding these uncertainties, management believes that the strategic transformation completed during Fiscal 2024 and Q1 2025 have positioned the Company for improved financial performance going forward. The previous fiscal year marked a critical inflection point for the Company: unprofitable legacy businesses were exited, non-core assets were monetized, and a vertically integrated transit platform was successfully launched across school and municipal markets. These foundational changes were implemented by the Company's new leadership team, which assumed control in the second half of the Fiscal 2024. Since then, Argo has accelerated its commercial deployments and entered Q1 2025 with active operations, a growing sales pipeline, and a significantly clearer path to recurring revenue.

Management continues to prioritize capital efficiency, pursue non-dilutive funding options, and invest in scalable, high-margin transit deployments. While uncertainties remain, the Company's operational progress, expanded partnerships, and active commercial discussions provide a basis for cautious optimism about its ability to improve its liquidity position and execute its growth strategy in Q1 2025 and beyond.

ANALYSIS OF RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2025, AND 2024

The following section provides an overview of our financial performance during the three months ended March 31, 2025, compared to the three months ended March 31, 2024.

Revenue

Revenue for the three months ended March 31, 2025, was \$512,172, representing a significant increase compared to \$219,585 in the same period of 2024. This growth was primarily driven by the expansion of the Company's Delivery-as-a-Service platform and the launch of Argo School, which commenced operations in September 2024 and now provides technology-enabled student transportation for select private schools.

On-Demand Revenues

Revenue from On-Demand Services increased to \$425,863 in Q1 2025 from \$213,503 in Q1 2024. This increase reflects continued expansion and operational momentum within the Company's DaaS segment, which leverages its technology platform and optimized driver network to address growing demand in the last-mile delivery market.

School Bus Services

School Bus Service revenue reached \$86,309 in Q1 2025, compared to \$Nil in the prior year quarter. This reflects the initial contribution from Argo School, which began operations on September 2024 offering full-service, tech-integrated student transportation in the Greater Toronto Area, underscoring the Company's transition into scalable, recurring revenue verticals.

Cost of Revenue

Cost of revenue for Q1 2025 was \$115,987, compared to a \$12,956 in Q1 2024. The increase in cost of revenue was related to increased operational activity.

Fuel cost in Q1 2025 increased to \$26,227, compared to a \$403 in Q1 2024. Insurance costs were also \$31,076 in Q1 2025 versus \$11,694 in the comparative quarter, due to the Company's school bus increased operations. Payment processing fees declined to \$Nil in Q1 2025 from \$859 in Q1 2024.

Driver payouts related to Argo School's pilot operations totaled \$58,684 in Q1 2025, compared to \$Nil in the same period of 2024. These trends are evidence of the Company's continued progression towards its goal of developing its school operations.

General and Administration Expenses

General and administrative expenses were \$2,570,907 in Q1 2025, up from \$966,946 in Q1 2024. This increase is largely due to the Company's issuance of RSUs in order to attract and retain world class talents. Share-based compensation increased to \$1,326,800 in Q1 2025 from \$62,411 in Q1 2024. Consulting fees rose to \$269,866 in Q1 2025 from \$58,321 in Q1 2024, driven by third-party support for strategic transformation and corporate readiness. Legal and accounting fees increased to \$605,219 from \$490,892, while professional fees decreased modestly to \$60,340 in Q1 2025 from \$76,173 in Q1 2024 and insurance decreased from \$87,795 in Q1 2025 to \$155,289 in Q1 2024, as the company increased its efficiency. Other administrative expenses rose to \$157,743 in Q1 2025 from \$29,459 in Q1 2024.

The increased expenses in share-based-compensation, consulting fees, and legal and accounting fees align with the goals of management to continue developing its operations. The Company believes these costs were necessary to continuing its operating model and positioning Argo to execute competitively on upcoming transit opportunities with cities, governments, and institutional partners across North America.

Operational Support Expenses

Operational support expenses were \$663,431 in Q1 2025, as compared to \$239,207 in Q1 2024. The shift reflects the Company's success in increasing its initial vision of building a new Smart Transit service. Consulting fees increased to \$149,209 in Q1 2025 from \$35,468 in Q1 2024, while rent increased to \$205,848 in Q1 2025 from \$118,387 in Q1 2024. Telephone, internet and data increased to \$68,561 in Q1 2025 from \$14,107 in Q1 2024. Automobile expense increased to \$123,104 in Q1 2025 from \$Nil in Q1 2024, as Argo School continue to expand its bus services to school across GTA. Other operational support expenses increased to \$66,154 in Q1 2025 from \$4,125 in Q1 2024, reflecting transitional costs related to scaling operations.

Research and Development Expenses

R&D expenses totaled \$224,492 in Q1 2025, up from \$49,174 in Q1 2024. This increase reflects the Company's investment in designing, developing, and launching its proprietary vertically integrated transit software and hardware systems. Salaries and benefits rose to \$217,552 in Q1 2025 from \$49,174 in Q1 2024.

The increased R&D spend in the quarter underscores Argo's commitment to becoming a differentiated mobility technology company. In 2024, Argo architected and deployed its core Smart Routing™ platform, a dynamic routing engine that powers both school and city transit applications with real-time optimization, driver dispatch, and live vehicle tracking. The Company also developed its parent, student, and driver-facing Argo School apps, launched onboard telematics integration, and implemented its custom fleet control system to support end-to-end service delivery. Hardware initiatives in 2024 included integration of RFID readers for student scanning, GPS-enabled route management, and EV check-in and charger control systems that feed into Argo's central operations dashboard.

These foundational investments have enabled the Company to enter commercial operations with its first school and municipal deployments and lay the groundwork for scalable, repeatable deployments. Argo's R&D function has matured into an engine for growth, and management believes the outputs from 2024's development cycle position the Company for long-term defensibility and operational excellence in the transit infrastructure market.

Sales and Marketing Expenses

Sales and marketing expenses totaled \$10,648 in Q1 2025, down from \$34,802 in Q1 2024. Consulting fees decreased modestly from \$10,648 in Q1 2025 from \$32,643 in Q1 2024.

Share-Based Compensation

Share-based compensation was \$1,326,800 in Q1 2025, compared to \$62,411 in Q1 2024. The increase reflects the grant of RSUs to directors, officers, employees and contractor under the Company's long-term incentive plan, approved in July 2024. These RSUs, subject to one-year vesting, were issued to align leadership with long-term value creation and growth objectives.

Net Comprehensive Loss

Net comprehensive loss for Q1 2025 was \$1,724,603, compared to net comprehensive loss of \$1,700,938 in Q1 2024. The period-over-period modest improvement reflects the wind-down of unprofitable operations, the spin-off of B2B Marketplace into a new entity, FoodsUp, and the Company's strategic pivot toward scalable, high-margin transit services. Management expects the net comprehensive loss to improve as revenue continue to increase from the Company's ability to further actualize its vision. However, there can be no assurance that these expectations will be realized, and risks remain around adoption, execution timelines, and funding availability.

DERECOGNITION AND DISCONTINUED OPERATIONS

In September 2024, the Company decided to discontinue its vehicle subscription operations coming from Steer EV and Steer Holdings and therefore, no longer generated revenue from that business division. In addition, Steer EV filed bankruptcy under the Bankruptcy and Insolvency Act in Canada and Steer Holdings making a General Assignment for the Benefit of Creditors under California law. The operations of Steer EV and Steer Holdings are presented as discontinued operations in the condensed interim consolidated statements of loss and comprehensive loss. The Company's continuing revenue and expenses do not include its discontinued operations related to Steer EV and Steer Holdings. Operating results for discontinued operations of Steer EV and Steer Holdings are separately reported on the Company's condensed interim consolidated financial statements.

Steer EV is insolvent and will assign under Section 49 of the Act and abandon all property for distribution to creditors pursuant to Form 21 signed on September 30, 2024. On October 21, 2024, a report was issued by the licensed insolvency trustee notifying unsecured creditors, including parent, that they would not be paid under the bankruptcy. No further communication or reporting was made or required to be made by trustee under the bankruptcy in practice to support that the unsecured liabilities were discharged at that time. No excess funds were available to be distributed to shareholders.

In September 2024, Steer Holdings, issued a report by the trustee notifying unsecured creditors that they would not be paid. No further communication or reporting was made or required by the trustee under the assignment process to support that the unsecured liabilities were discharged unpaid at that time. No excess funds were available to be distributed to shareholders.

On October 21, 2024 and during the bankruptcy proceedings, which is anticipated to be completed within a year, the trustee has the full control of Steer EV and Steer Holdings. The Company has no authority over the bankrupt estates and the remaining assets vest in the trustee in bankruptcy. During the last quarter of 2024, certain financial assets in existence in Steer EV and Steer Holdings were used to pay secured obligations and/or impaired in full. Unsecured liabilities were written off in full. Secured liabilities and sales tax payable are presented as secured liabilities reported in the consolidated statements of financial position. As at March 31, 2025 and December 31, 2024, since the secured debts in Steer EV and Steer Holdings are not extinguished, they continue to be reported in the Company's condensed interim consolidated statements of financial position.

Results of the discontinued operations for the three months ended March 31, 2025 and 2024 and as at March 31, 2025 and December 31, 2024, are as follows:

For the three months ended March 31,	2025	2024
Net cash used in operating activities	\$ -	\$ (234,131)
Net cash provided by investing activities	-	-
Net cash used in financing activities	\$ -	\$ -

For the three months ended March 31,	2025	2024
Revenue	\$ -	\$ 291,521
Expenses		
Cost of revenue	-	232,691
General and administration	-	16,066
Operational support	-	169,210
Sales and marketing	-	37,579
Depreciation	-	919
Total operating expenses	-	456,465
OPERATING LOSS	-	(164,944)
OTHER INCOME (EXPENSES)		
Foreign exchange loss	-	(60,506)
Interest expense	-	(205,465)
Interest income	-	124
Penalties and settlement	-	(59,000)
Loss before cumulative translation adjustment	-	(489,791)
Cumulative translation adjustment of foreign operations disposed and reclassified to net loss	497	-
Income (loss) from discontinued operations, net of tax	497	(489,791)
Income tax expense	-	-
Income (loss) from discontinued operations, after tax	497	(489,791)
Gain from derecognition, net of tax	-	1,341,770
Net income	\$ 497	\$ 851,979
Cumulative translation adjustment	-	(252,661)

As at	March 31, 2025	December 31, 2024
Assets		
Cash and Cash equivalents	\$ -	\$ 129,338
Restricted Investments	-	16,799
Equipment	-	5,311
Right of use asset	-	506,243
Total assets	\$ -	\$ 657,691
Liabilities		
Accounts payable and accrued liabilities	\$ -	\$ 3,178,850
Deposit	-	454,766
Deferred revenue	-	46,566
Current portion of lease payable	-	3,279,497
Secured liabilities - taxes payable ⁽¹⁾	858,872	-
Secured liabilities - other creditors ⁽¹⁾	276,624	-
Long term portion of lease payable	-	7,153,977
Total liabilities	\$ 1,135,496	\$ 14,113,656

⁽¹⁾ The Company derecognize the remaining assets and unsecured liabilities of Steer EV and Steer Holdings on September 30, 2024. There has been no change from the date of derecognition upto March 31, 2025 and December 31, 2024.

SUMMARY OF QUARTERLY RESULTS

	Q1 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue from continuing operations	\$ 512,172	\$ 557,329	\$ 449,479	\$ 338,472	\$ 219,585	\$ 131,551	\$ 101,851	\$ 167,015
Net income (loss) from continuing operations	\$ (1,724,758)	\$ 3,535,485	\$ (13,328,718)	\$ (3,036,639)	\$ (2,378,911)	\$ (10,778,604)	\$ (4,216,563)	\$ (2,593,893)
Net income (loss) from derecognition and discontinued operations	\$ 497	\$ (18,150,462)	\$ 12,472,993	\$ 2,100,857	\$ 851,979	\$ (9,626,017)	\$ (916,240)	\$ (1,356,046)
Basic and diluted income (loss) per share from continuing operations	\$ (0.01)	\$ 0.02	\$ (0.10)	\$ (0.02)	\$ (0.02)	\$ (0.08)	\$ (0.03)	\$ (0.02)
Basic and diluted income (loss) per share from discontinued operations	\$ 0.00	\$ (0.03)	\$ 0.09	\$ 0.02	\$ 0.01	\$ (0.07)	\$ (0.01)	\$ (0.01)

The following table summarizes the results of our operations for the eight most recently completed fiscal quarters:

Notes:

- (1) Net loss from continuing operations of \$1,724,758 in Q1 2025 compared to a net loss of \$2,378,911 in Q1 2024. This improvement reflects the Company's successful efforts to eliminate legacy operations and concentrate resources on scalable new business lines.
- (2) Net income from continuing operations of \$3,535,485 in Q4 2024 compared to a net loss of \$10,778,604 in Q4 2023. This improvement reflects the Company's successful efforts to streamline operations, reduce legacy costs, and concentrate resources on scalable new business lines. The net income reported in Q4 2024 is a result of an adjustment made to reflect the derecognition and discontinued operations loss reported in Q3 2024.
- (3) Net loss from continuing operations increased significantly to \$13,328,718 in Q3 2024, primarily driven by a \$10,285,769 write-off of intercompany receivables related to discontinued operations. This one-time adjustment significantly impacted the Company's net loss from continuing operations.
- (4) Net loss from continuing operations increased to \$3,036,639 in Q2 2024, compared to \$2,378,911 in Q1 2024. The increase was due to restructuring costs, early-stage investments in new operating divisions, and the onboarding of key technical staff to support Argo's next-generation platform development.
- (5) Net loss from continuing operations in Q1 2024 totaled \$2,378,911 and was primarily attributable to a \$1,083,495 loss on investment in FoodsUp Inc.. The quarter also reflected the Company's deliberate pause on expanding its legacy subscription-based business.
- (6) Net loss from continuing operations increased to \$10,778,603 in Q4 2023, largely due to ongoing restructuring efforts, severance and transition costs, and operational inefficiencies during the Company's pivot away from non-core business units.
- (7) Net loss from continuing operations increased in Q3 2023 primarily as a result of decreased revenue compared to Q2 2023. The Company had begun shifting its strategy away from legacy business lines, including a reduced focus on subscription-based offerings, leading to lower top-line performance.
- (8) Net loss from continuing operations decreased substantially in Q2 2023 compared to Q1 2023, primarily due to a \$35,946,312 gain recognized from the sale of the B2B Marketplace. This one-time gain significantly improved quarterly results despite continued operational challenges.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company actively manages its capital structure based on projected cash resources required to support its business objectives and expansion plans. Liquidity risk—the risk that the Company may encounter difficulty in meeting its financial obligations as they come due—is mitigated through forward-looking forecasting of operational cash flows, as well as anticipated investing and financing activities.

Argo's primary objective in managing liquidity risk is to preserve its ability to fund ongoing business development and growth. This includes maintaining adequate cash reserves to buffer against periods when cash inflows from operations may be insufficient to meet operational requirements. To optimize its capital structure and maintain financial flexibility, the Company may raise funds through public or private equity offerings or alternative financing mechanisms as necessary.

Defaults, Arrears, and Debt Covenants

As of March 31, 2025, the Company was not in default of any material obligations, including lease payments, interest or principal payments on outstanding debt, or redemption or sinking fund requirements. The Company's convertible debt, initially maturing on February 8, 2025, were subsequently extended to February 8, 2026. The Company remains in compliance with all terms of its debt covenants as of the date of this MD&A.

Although the Company's working capital deficiency creates a material risk related to future liquidity, Management believes that planned asset sales, contract deployments, and disciplined cost control will enable Argo to meet all obligations as they become due. Based on the proceeds already secured in early 2025, as well as anticipated revenue generation and additional financing initiatives underway, the Company expects to bring its obligations current and materially improve its financial position during the current fiscal period.

Cash Flows

The following table presents our cash flows for each of the periods presented:

	Q1 2025 \$	Q1 2024 \$
Net cash used in operating activities	(1,571,724)	(657,511)
Net cash generated from (used in) investing activities	2,241,599	(8,681)
Net cash generated from (used in) financing activities	(23,739)	2,475,608
Impact of currency translation adjustment on cash	-	(169,445)
Increase in cash and cash equivalents	646,136	1,639,971

Analysis of Cash Flows

The Company's cash balance as of March 31, 2025, was \$712,372, compared to \$66,236 as of December 31, 2024. The Company's working capital deficiency decreased modestly to \$15,904,016 at Q1 2025, from \$16,500,637 at Fiscal 2024. This increase reflects continued investment in the build-out of new transit business lines and the wind-down of non-core subsidiaries.

Cash flows used in operating activities

Net cash used in operating activities totaled \$1,571,724 for the three months ended March 31, 2025, compared to \$657,511 in the prior period. The period-over-period increase reflects the Company's attempts to increase its operations of its school bus and municipal bus services. Q1 2025 included a net loss from continuing operations of \$1,724,758, compared to a net loss from continuing operations of \$2,378,911 in Q1 2024.

Cash flows used in investing activities

Net cash generated from investing activities was \$2,241,599 in Q1 2025, compared to cash used of \$8,681 in Q1 2024. The 2025 figure primarily reflects proceeds of \$2,500,085 from the sale of the Company's investment in FoodsUp partially offset by cash used in intangible asset addition of \$258,486 in Q1 2024.

Cash flows generated from (used in) financing activities

Net cash used in financing activities in Q1 2025 was \$23,739, compared to a net inflow of \$2,475,608 in Q1 2024. The decrease Q1 2025 was due to various repayment of short-term loans and interest on convertible debt. Q1 2024 financing activities was primarily driven by proceeds from the issuance of convertible debt, supporting the Company's transition to high-margin, revenue-generating business units. These funds were deployed to fund operational runway, invest in technology infrastructure, and cover working capital needs.

As of March 31, 2025, the Company does not generate sufficient cash from operations to fund its ongoing activities. Accordingly, the Company continues to rely on external financing, primarily in the form of equity and convertible debt, to support operations and planned growth. Management intends to fund future cash requirements through a combination of commercial revenue, government contracts, and strategic financings. While the Company has historically demonstrated the ability to raise capital, there is no guarantee that future debt or equity financing will be available on favorable terms, or at all.

Working Capital Deficiency

As at March 31, 2025, the Company had a working capital deficiency of \$15,904,016 (December 31, 2024 – \$16,500,637), primarily driven by continued investment in new transit deployments, development of its proprietary Smart Routing™ platform, and restructuring activities related to discontinued operations.

Management recognizes the working capital deficiency as a material uncertainty but believes the Company is positioned to meet its obligations as they become due based on a combination of factors. These include proceeds from the sale of FoodsUp Inc. shares received in early 2025 (\$2.5 million), expected revenue from active school and municipal transit contracts, continued discipline in managing operating costs, and additional capital-raising initiatives under evaluation. The Company anticipates that these measures, together with prudent working capital management, will enable it to materially reduce its working capital deficiency over the course of current fiscal year and support ongoing business operations.

NON-IFRS MEASURES

The Company has included certain non-IFRS financial measures in this MD&A to provide investors with additional insights into its underlying performance. These measures should not be considered a substitute for IFRS measures, as they do not have standardized meanings under IFRS and may not be comparable to similar measures reported by other issuers.

Adjusted EBITDA is used internally by management to assess operational performance, excluding the impact of items not reflective of core business operations. It is defined as net earnings before interest on financial instruments, accretion expense on convertible debt, taxes, depreciation and amortization, share-based compensation, and other non-cash or non-recurring expenses. Management believes this measure provides useful insight into the Company's ability to generate cash from operations and support future growth initiatives.

For the three months ended March 31,	2025	2024
Net income	\$ (1,724,261)	\$ (1,526,932)
Deductions:		
Gain on derecognition	-	(1,341,770)
Fair value gain on investments	(2,726,221)	(11,414)
Gain on sale of investment	(105,864)	-
Add backs:		
Amortization and depreciation	44,479	172,403
Share-based payments	1,326,800	62,411
Unrealized foreign exchange loss	70,891	-
Loss on modification of convertible debt	996,968	-
Interest expenses	411,982	99,900
Share of losses in associate	-	1,083,495
Total	\$ (1,705,226)	\$ (1,461,907)

SHARE INFORMATION

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. As of the date of this MD&A, there are 138,683,002 common shares and Nil preferred shares issued and outstanding.

The following table outlines the issued and outstanding common shares and convertible instruments of the Company as of the date of this MD&A, March 31, 2025, and December 31, 2024. For further information and details concerning outstanding shares and convertible instruments listed below, refer to the consolidated financial statements for the three months ended March 31, 2025, and 2024.

As of	May 26, 2025	March 31, 2025	December 31, 2024
Common shares	138,683,002	138,683,002	138,683,002
Warrants	-	2,961,016	37,004,766
Stock options	166,060	476,060	476,060
RSUs ⁽¹⁾	16,698,051	16,698,051	16,298,051

⁽¹⁾ The outstanding number of RSUs as at December 31, 2024, includes an adjustment for the 8,944,550 RSUs granted to employees on September 1, 2024. No share-based payment expense has been recognized for these RSUs for the year ended December 31, 2024, as the related services are considered to commence on January 1, 2025.

For details relating to equity-based transactions subsequent to March 31, 2025 refer to the section Subsequent Events of the MD&A.

RELATED PARTY TRANSACTIONS

The related party transactions are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the three months ended March 31, 2025, and 2024, the compensation awarded to key management personnel is as follows:

For the three months ended March 31,	2025	2024
Salaries, service fees and short-term benefits	\$ 199,963	\$ 48,750
Share based compensations	938,802	57,608
Total	\$ 1,138,765	\$ 106,358

Due to related parties:

As at March 31, 2025 and December 31, 2024, amounts due to related parties include:

As at	March 31, 2024	December 31, 2024
Due to related party - Founders	\$ 195,559	\$ 195,559
Due to director	5	125,005
Entities controlled by key officers or directors	2,423,714	2,448,663
Due to investee	18,011	18,011
	\$ 2,637,289	\$ 2,787,238

Amounts due to directors and entities controlled by key officers or directors are included in accounts payable and accrued liabilities. Amounts due to founders are included as due to related parties. The amounts owing by the Company are unsecured, and non-interest bearing, with no specific terms for repayment.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's primary financial risk management objective is to protect the Company's condensed interim consolidated financial position statement and cash flow. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, lease liabilities and amounts due to related parties. The main purpose of these financial liabilities is to provide working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

The Company has transaction and is exposed to foreign exchange risk from various currencies, primarily the Euro and United States Dollar. In addition, foreign exchange risk arise from purchase transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

Based on current exposures as at As of March 31, 2025, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar and Euro would result in a gain or loss of approximately \$110,916 in the Company's condensed interim consolidated statements of loss and comprehensive loss.

Any fluctuations in exchange rates of the foreign currencies mentioned could have an impact on the Company's results from operations; however, they would not impair or enhance the ability of the Company to pay its foreign denominated expenses. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends. The Company does not currently hedge its currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of March 31, 2025, the Company was not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. Examples include changes in commodity prices or equity prices. As at March 31, 2025, the Company is not exposed to significant other price risk, except with regards to FVTPL investments.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents and trade and other receivables. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. The Company mitigates its exposure to credit risk from trade and other receivables through a payment collection platform which processes users' pre-authorized credit cards. As payments from users are typically pre-authorized, the risk of credit loss is expected to be minimal. As of March 31, 2025, the Company is not exposed to significant credit risk.

Inflation Risk

Inflation Risk is the risk that rising prices may have an impact on the Company's business, particularly should such rising prices continue over an extended period of time in sectors relevant to the Company's business. For example, a period of high inflation may lead to higher supply chain costs for Argo that it may or may not be able to pass on to its customers. If the Company is unable to successfully pass on any rising supply chain costs, then this will reduce gross profit margins. Inflation may also result in decreased demand for the Company's products and services if customers change their purchasing behaviours and seek out lower cost providers and/or reduce their consumption as a result of the inflation and the related macro-economic trend. As of March 31, 2025, the Company is monitoring the impact of rising prices on its business.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far ahead as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company continuously reviews both actual and forecasted cash flows in order to ensure that the Company has appropriate capital capacity.

		Carrying Amount		Undiscounted Contractual Cash Flows			
As at March 31, 2025			< 1 year	1 – 5 years	Total		
Accounts payables and accrued liabilities	\$	12,083,211	\$	12,083,211	\$	12,083,211	
CEBA loan		160,000		-	160,000	160,000	
Short-term loan		250,000		250,000	-	250,000	
Due to related parties		195,564		195,564	-	195,564	
Convertible debenture		3,342,774		3,636,400	-	3,636,400	
Lease liabilities		2,313,943		485,420	2,184,390	2,669,810	
Secured liabilities - taxes payable		858,872		858,872	-	858,872	
Secured liabilities - other creditors		276,624		276,624	-	276,624	
	\$	19,480,988	\$	17,786,091	\$	2,344,390	20,130,481

As at December 31, 2024					
Accounts payables and accrued liabilities	\$	11,606,923	\$ 11,606,923	\$ -	11,606,923
CEBA loan		160,000	-	160,000	160,000
Short-term loan		380,000	380,000	-	380,000
Due to related parties		320,564	320,564	-	320,564
Convertible debenture		3,309,724	3,608,288	-	3,608,288
Lease liabilities		2,382,208	485,420	2,750,713	3,236,133
Secured liabilities - taxes payable		859,136	859,136	-	859,136
Secured liabilities - other creditors		276,857	276,857	-	276,857
	\$	19,295,412	\$ 17,537,188	\$ 2,910,713	\$ 20,447,901

Capital management

The Company manages its capital, which consists exclusively of equity, with the primary objective being safeguarding sufficient working capital to sustain operations. The Company may require additional funds in order to fulfill all of its future expenditure requirements or obligations, in which case the Company may raise additional funds either through the issuance of equity or by incurring debt to satisfy such requirements or obligations. There is no assurance that any additional funding required by the Company will be available to the Company on terms acceptable to the Company or at all.

There have been no changes in the Company's approach to capital management during the three months ended March 31, 2025, nor have there been any changes made in the objectives, policies, or processes of the Company in respect of capital management during the three months ended March 31, 2025. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

The Company's primary objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns to its shareholders and benefits for other stakeholders;
- fund capital projects for facilitation of business expansion provided there is sufficient liquidity of capital to enable the internal financing; and
- maintain a capital base to maintain investor, creditor, and market confidence.

The Company considers the items included in the consolidated statements of changes in equity as capital. The Company manages its capital structure and makes adjustments thereto as is necessary from time to time in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new Shares from treasury. The Company is not subject to externally imposed capital requirements.

Other Business Risks and Uncertainties

The Company's future results may be affected by a number of factors over many of which the Company has little or no control. In addition to the risks set out herein, please see the Company's audited annual financial statements for the years ended December 2024 and 2023, which has been filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

COMMITMENTS, CONTINGENCIES AND GUARANTEES

Legal claim contingency

The Company may from time to time become subject to a variety of claims and lawsuits that arise from time to time in the ordinary course of the Company's business. Although management currently believes that resolving claims against the Company, individually or in aggregate, will not have a material adverse impact on the Company's financial position, results of operations or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

On March 2, 2020, an oppression remedy action was commenced under the Business Corporations Act (Ontario) seeking delivery of 340,947 Company shares or damages of \$1,568,356. The Company deems the claim remote, with no provision recognized as of March 31, 2025.

On March 30, 2023, former subsidiary shareholders filed a \$627,573 claim for breach of contract and unjust enrichment. The Company considers the claim meritless, with no provision recognized as of March 31, 2025.

On August 4, 2023, a former service provider filed a claim in Georgia, USA, for USD \$224,613 plus interest and fees for breach of contract. The Company has defended the claim and has not recorded a provision as of March 31, 2025.

On October 30, 2023, a former executive filed a \$1,819,903 claim for wrongful dismissal and breach of contract. The Company counterclaimed for \$3,500,000, views the claim as meritless, and has not recognized a provision as of March 31, 2025.

On September 27, 2024, Argo was served with a \$10,000,000 claim alleging breach of a settlement agreement, slander, and defamation. In November 2024, Argo was served an additional claim of \$8,500,000 by the same group. Management considers the claim baseless, with no provision recorded as of March 31, 2025.

On October 1, 2024, Argo filed a claim against its former CEO and landlord, alleging breach of fiduciary duties related to a disputed office lease and seeking relief for a \$3.1 million liability. While the Company believes it has a strong case, no provision for reducing the liability has been recorded as of March 31, 2025, pending further developments.

Guarantees

The Company provides standard indemnification to its directors and officers to protect them against claims that may arise in the performance of their duties and responsibilities on behalf of the Company. These indemnities are consistent with those typically provided by public companies and are governed by applicable corporate laws and the Company's bylaws. The Company also maintains comprehensive directors' and officers' liability insurance to further mitigate potential financial exposure associated with such claims. As of the date of this MD&A, no claims have been made under these indemnities and no liabilities have been recorded in relation to them.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2025, the Company has not entered into any off-balance sheet arrangements, including but not limited to guarantee contracts, contingent interests in assets transferred to unconsolidated entities, or any other obligations that are not disclosed on the Company's consolidated statements of financial position. The Company does not utilize structured entities or special purpose vehicles for any financing or risk-sharing purposes. All material financial commitments and obligations are fully reflected in the Company's consolidated financial statements.

PROPOSED TRANSACTIONS

The Company is actively pursuing its plans for continued growth and future profitability through: (i) increases in revenues and profit margins from the Company's existing lines of business; (ii) transitioning the Company's current pre-revenue projects into revenue-generating products and services; and (iii) additional strategic acquisitions to enhance and/or further diversify the Company's lines of business and its products and services. As at the date of this MD&A, there are no prospective merger and/or acquisition transactions that are currently under negotiation nor proposed to be entered into that have reached the threshold of being a "material change" for the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. 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. In the future, actual events may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in net loss and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Significant assumptions regarding the future and other sources of estimation uncertainty that management has made at the financial position reporting date could result in a material adjustment to the carrying amounts of assets and liabilities. All material accounting judgments, estimates, and assumptions are described in Note 4 of the Company's audited financial statements for the years ended December 31, 2024, and 2023.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

There were no changes to the Company's significant accounting policies for the three months ended March 31, 2025. The Company has enhanced disclosure of the descriptions on reclassification of the Company's revenue recognition policies to provide a better disclosure to enable the readers to clearly understand the policies and the rationale for the revenue recognition models and how the Company accounts for things like incentive programs that had been offered to users and prospective users including discounts, refunds, sales discounts and other promotions as applicable, should read in conjunction with our audited consolidated financial statements, including the related notes thereto, for the fiscal years ended December 31, 2024 and 2023.

SUBSEQUENT EVENTS

Service agreement with VHLA Media

On April 2, 2025, Argo Corporation entered into a Digital Marketing Services Agreement with Black Swan Solutions Inc. DBA VHLA Media, which is a British Columbia-based marketing agency.

Launch of world's first vertically integrated Smart Routing™ transit system in Bradford West Gwillimbury

On April 3, 2025, Argo Corporation announced its staged rollout of its Smart Routing™ transit system in Bradford West Gwillimbury (BWG). The new transit system provides residents with an easy-to-use app that allows them to request a ride near their door for a standard transit fare, while the Smart Routes dynamically adds stops based on rider demand.

Argo and City of Brampton Announce \$10.9 Million Smart Transit Partnership

On April 30, 2025, Argo Corporation signed and announced its \$10.9 million 12-month pilot with the City of Brampton to deploy its fully electric Smart Routing™ transit system. Launching this summer, Brampton residents will be able to request on-demand rides near their door – all for a standard fare – with seamless transfers into Brampton Transit and GO Transit networks.

FoodsUp further divestment development update

On May 21, 2025, the Company and one of its wholly-owned subsidiaries are party to Option Agreement for divesting its FoodsUp Shares. If the transactions contemplated by the Option Agreement are fully exercised, the Company has potential to receive gross proceeds of between \$21.6 million and \$30.2 million, which are intended to be distributed to the holders of the Series A Preferred Shares, after deducting all applicable taxes and fees and expenses incurred in connection with the Company's ownership of the FoodsUp Shares. However, the Company can make no assurance that the transactions contemplated under the Option Agreements will occur.

Argo Corporation announces special stock dividend in connection with its ownership interest in FoodsUp Inc.

On May 21, 2025, Argo Corporation announced its board of directors has declared a special stock dividend intended to provide its legacy shareholders with their proportionate stake in the net proceeds realized upon the eventual sale by the Company of its ownership interest in FoodsUp Inc. To facilitate this eventual sale, the Company previously disclosed that it and one of its wholly-owned subsidiaries are parties to Option Agreements (defined below), which if fully exercised, would result in gross proceeds of between \$21.6 million and \$30.2 million.

Expiration of warrants and stock options

Subsequent to March 31, 2025, 29,661,016 warrants with exercise price of \$0.73 and 310,000 stock options with exercise price of \$0.90, expired unexercised.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's other public filings, are available on SEDAR+ at www.sedarplus.ca. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "ARGH".