Ascot Resources Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months-ended December 31, 2017

Report Date January 26, 2018

Introductory Comment

Ascot Resources Ltd ("Ascot" or the "Company") is a Canadian-based junior mineral exploration and development company with three major properties: i) the Premier/Dilworth, a gold, silver, base metals project located near the town of Stewart in northwestern British Columbia; ii) the Mt. Margaret property, a copper and gold play located in Washington, USA; iii) and Swamp Point, a sand and gravel deposit, on the Portland Canal in northwestern British Columbia. The Mt. Margaret property is held in the Company's wholly owned subsidiary Ascot USA Inc. The Company is listed on the TSX Venture Exchange (the "Exchange") under the symbol "AOT".

This MD&A is dated January 26, 2018 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the nine months ended December 31, 2017 and the Company's audited consolidated audited financial statements for the year ended March 31, 2017 and the related notes thereto.

On October 6, 2017, the Company announced a change in management. Derek White was appointed to the position of President and Chief Executive Officer replacing John Toffan. In addition, the Board of Directors (the "Board") appointed Richard Zimmer, as a director and the non-executive Chairman of the Board of Directors and James Stypula as an independent director. The Company has also appointed John Kiernan as Chief Operating Officer, Carol Li as Chief Financial Officer, Kristina Howe as VP Investor Relations and Jody Harris as Corporate Secretary.

On January 16, 2016, the Company announced the appointment of Donald Njegovan as a director of the Company. Mr. Njegovan is replacing John Swann who has retired.

Additional information about the Company, including the audited financial statements, and the notes thereto, for the year ended March 31, 2017, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com. and on the Company's website www.ascotgold.com

Third Quarter and Recent Highlights

- New management, including CEO, COO, CFO, Corporate Secretary, and VP IR joined the Company
- Along with the changes in management, the Board of Directors was reshaped with the appointment of three new independent directors, one of whom was named non-executive Chairman of the Board and the retirement of two non-independent directors and one another long standing director
- The new Board has implemented a number of governance changes, including implementation of various charters and policies along with the reformation of the Audit Committee and implementing a Governance and Nomination Committee, Compensation Committee and HSE-Technical Committee
- After three years, the US Forest Service ("USFS") provided draft recommendations for Ascot to proceed with additional drilling at its Mt. Margret copper project. The drilling permits remain subject to a final decision by the USFS and decisions by the Bureau of Land Management ("BLM")
- The Company began to explore strategic options for Swamp Point, its aggregate mine

Major Operating Milestones

During the 2017 season, 379 holes were drilled for a total 118,800 metres with the specific goal of further exploring high priority targets outlined in previous campaigns with a focus on the Northern Lights area ("Northern Lights").

With the successful completion of the 2017 program, the Company is currently reviewing drill plans for next year targeting infill drilling at Big Missouri, Northern Lights and Premier and additional exploration drilling of high priority targets elsewhere on the property. A finalized drill plan is anticipated in conjunction with a new NI 43-101 resource in Q1 2018.

On June 30, 2017, the Company made the final option payment on the Premier and Dilworth properties of $6.85 million. The payment has been placed in escrow and will be released to Boliden Limited ("Boliden") subject to the Company and Boliden satisfying all of closing conditions on the agreement.

The conditions of closing include the assumption of the environmental bonding on the Premier property, the amount of this bonding will be determined in discussion with the Province of British Columbia. The Company is responsible for certain operating expenses of the Premier and Dilworth properties after the agreement date of June 30, 2017.

Below is a summary of the drill results for the 2017 drill season. More detail of the drill highlights can be found on the Company's website.

On May 25, 2017, the Company announced the first drill results from its 2017 drill program, with 44 holes P17-1225-1267 and P17-1273.

The drill highlights are coming from a portion of the Northern Lights Main zone, largely unrecognized until preliminary drill testing by Ascot in 2016. Numerous results in this release are from this new zone and include P17-1242 with 66.10 g/t Au over 1.13 m's within a wider interval grading 10.40 g/t Au over 12.13 m's. Another hole in this target area, P17-1267, returned 48.6 g/t Au over 1.00 m within a broader zone of 9.00 g/t Au over 7.50 m's. Present drilling shows this gently northwest dipping zone to have continuous higher-grade mineralization over a present strike length of 250+ meters with a typical dip length of 200+ meters. This zone remains open in all directions and several visible gold intersections have been obtained, presently three Ascot drill rigs are testing and expanding this central area.

Very promising results are also coming from the unexplored down dip extension of the 602 zone. An example is hole P17-1273 which returned 30.65 g/t Au over 6.05 meters (see press release dated May 25, 2017).

The Northern Lights West Zone, which is a Northwest striking steep NE dipping zone, is also providing impressive numbers. Hole P17-1227, as an example, returned 4.05 g/t Au over 10.00 m's. Previously, in 2016, this zone had been substantially extended to the northwest by hole P16-1156 which intersected an uncut average of 82.30 g/t gold over a core length of 1.00 meters within a broader interval grading 2.70 g/t Au over 41.33 meters.

On June 13, 2017, the Company released the second set of results for 2017, many of the drill highlights are coming from a new portion of the Northern Lights Main zone (see press release dated June 13, 2017). A number of results are from this new zone and include P17-1269 with 1135.00 g/t Au over 0.50 meters within a wider interval grading 36.31 g/t Au (uncut) over 16.15 meters. Another hole in this target area, P17-1271, returned 84.2 g/t Au over 1.50 meters within a broader zone of 4.45 g/t Au (uncut) over 32.00 meters. Present drilling shows this gently northwest dipping zone to have continuous higher grade mineralization over a present strike length of 450+ meters with a typical dip length of 200+ meters. This zone remains open in all directions and several visible gold intersections have been obtained, presently three Ascot drill rigs are testing and expanding this central area.

Recent drilling has extended the Northern Lights Main zone updip into an area covered by old waste dumps. Drilling to date has been encountering more complex sulphide rich quartz breccias in a more focused structural setting. These early holes have extended this mineralization a further 200 meters updip and the new extension remains open on strike.

Recent in-house modelling indicates much of the Premier area drilled to date would be amenable to high grade underground mining. This new modelling demonstrates the potential of the Premier and northern lights area a high-grade underground target close to existing underground infrastructure. Further studies will be needed to determine the optimum approach moving forward.

Recent drilling has extended the Northern Lights main zone to a strike length of 600 meters and a dip length of 700 meters and it remains open in all directions. This loosely defined new discovery of a higher grade is in a subzone in the central and upper portion of the Northern Lights main zone has been named the "Ben Zone" and the "Prew Zone" in honor of Ben Stevens and Mike Prew, believers in the project, who both passed away in 2017.

The Northern Lights main zone continues to deliver good results including P17-1313 which returned 70.70 g/t Au over 1.00 meter within a zone grading 10.31 g/t Au over 11.90 meters. Another example is P17-1320 which returned 15.79 g/t over 4.90 meters (see press release dated June 13, 2017).

Good results are also coming from the unexplored down dip extension of the 602 zone. An example is hole P17-1278 which returned 17.60 g/t Au over 2.00 meters within a broader zone of 3.68 g/t Au over 12.00 meters. This gently NW dipping zone continues to demonstrate good grades and thicknesses. Hole P17-1297 contained 199.50 g/t Au over 1.00 meter within a wider interval grading 11.80 g/t Au over 27.70 meters. Another hole in this target area on the same section, P17-1306, returned 37.20 g/t Au over 1.00 meter within a broader zone of 4.81 g/t Au over 15.30 meters. P17-1306 is the furthest downdip hole in this section and the 602 zone remains open downdip in this area.

On July 28, 2017, the Company announced the fourth set of results for 2017. The Northern Lights main zone continues to deliver good results. Most holes come from the newly discovered Ben Subzone in the upper southeast portion of the Northern Lights main zone. Hole Pl 7-1366 returned 190.50 g/t Au over 1.20 meters within a zone grading 8.57 g/t Au over 30.57 meters and Hole Pl 7-1334 returned 99.60 g/t over 1.00 meter within a zone grading 17.30 g/t Au over 6.50 meters. This loosely defined new discovery of a higher grade in the Ben subzone has a general gentle west plunge and remains open in both plunge directions.

A new subzone is being defined below the Ben Subzone with a similar gentle westerly plunge. Recent results from this zone include Pl 7-1313 with 70.70 g/t Au over 1.00 meter within a wider interval grading 10.31 g/t Au over 11.90 meters. A previously reported hole in this target area Pl 7-1269, returned 1135.00 g/t Au over 0.50 meter within a broader zone of 36.31 g/t Au over 16.15 meters. This subzone also remains open in both plunge directions.

On August 21, 2017, the Company announced the fifth set of results for 2017, the Northern Lights main zone continues to deliver good results. These results came from the newly discovered Ben Subzone in the upper southeast portion of the Northern Lights main zone. Hole P17-1378 returned 80.90 g/t Au over 2.20 meters within a wider zone grading 17.03 g/t Au over 11.00 meters and Hole P17-1388 returned several high-grade intervals within a zone grading 18.93 g/t Au over 11.00 meters. This new discovery of a higher grade in the Ben subzone has a general gentle west plunge and has been traced for a plunge length of 500 meters and remains open in both plunge directions. This zone has a general width of 200 meters and once all initial results are in, the area will be infill drilled for resource definition purposes.

A new subzone is being defined below the Ben Subzone with a similar gentle westerly plunge. Recent results from this zone include P17-1313 with 70.70 g/t Au over 1.00 meter within a wider interval grading 10.31 g/t Au over 11.90 meters. New results in this release include holes P17-1367 and P17-1374. This subzone also remains open up dip and has been traced for 400+ meters of plunge length with a general width of 100-150 meters. This subzone will also be infill drilled, later in the season, for resource definition purposes.

A series of exploration drill holes are presently testing, in large 0.5 to 1.0 km step outs, prospective areas on the property that have the potential to expand the mineralized sheets. This includes areas in the Premier Mine area, North and West of Sebakwe and areas potentially linking Big Missouri and Martha Ellen and extensions West on Martha Ellen. The previously defined pittable resources in the Big Missouri, Martha Ellen and Dilworth had only tested 30% of the potential target area.

On August 30, 2017**,** the Company announced the sixth set of results for 2017, the Northern Lights main zone continues to deliver good results. In the New Subzone hole P17-1400 returned 321.00 g/t Au over 2.50 meters within a wider zone grading 87.66 g/t Au over 9.50 meters and P17-1399 returned several high-grade intervals within a zone grading 10.26 g/t Au over 11.00 meters. These holes are approximately 60 meters dip length apart and together with earlier holes they demonstrate the good continuity of the high grade. This New Subzone remains open up dip and has been traced for 400+ meters of plunge length with a general width of 100-150 meters. This area will be infill drilled, later in the season, for resource definition purposes.

The Ben Subzone results include P17-1410 with 50.80 g/t Au over 2.00 meter within a wider interval grading 7.95 g/t Au over 14.30 meters and hole P17-1408 with 49.40 g/t Au over 1.00 meter within a wider interval grading 8.18 g/t Au over 8.60 meters. This discovery of a higher grade in the Ben subzone has a gentle west plunge and has been traced for a plunge length of 500 meters and remains open in both plunge directions. This zone has a general width of 200 meters and once all initial results are in, the area will be infill drilled for resource definition purposes.

On September 7**,** 2017, the Company announced the seventh set of results for 2017, the Northern Lights main zone continues to deliver good results. In the Ben Subzone hole P17-1411 returned 124.50 g/t Au over 2.00 meters within a wider zone grading 32.43 g/t Au over 14.03 meters. This discovery of a higher grade in the Ben subzone has a gentle west plunge and has been traced for a plunge length of 500 meters and remains open in both plunge directions. This zone has a general width of 200 meters and once all initial results are in, the area will be infill drilled for resource definition purposes.

The New Subzone results include P17-1422 with 91.80 g/t Au over 2.00 meter within a wider interval grading 7.74 g/t Au over 26.20 meters. This New Subzone remains open up dip and has been traced for 400+ meters of plunge length with a general width of 100-150 meters. This area will be infill drilled, later in the season, for resource definition purposes.

Initial results from recce drilling is demonstrating the good continuity to the mineralized zones in areas that have never been drill tested. Results from P17-1420 include 10.8 g/t Au over 2.0 meters in a flat lying mineralized zone approximately 500 meters north of the Northern Lights zone in the Sebakwe area.

On October 19, 2017, the Company announced the eighth set of results for the 2017 season reporting 32 holes P17-1438-1469.

As part of the 2017 exploration program at the Northern Lights zone, drilling continues to deliver good results. The new Prew Subzone results include hole P17-1452 which had an interval grading 8.04 g/t Au over 12.50 meters including 48.00 g/t Au over 1.65 meters. The Prew Subzone remains open along strike and has been traced for 500 meters down plunge, with a general width of 150-200 meters. This subzone is presently being infill drilled for resource definition purposes.

In the Ben Subzone, currently being drilling for resource definition purposes, hole P17-1449 returned 7.58 g/t Au over 1.5 meters and hole P17-1450 returned 83.00 g/t Au over 1.00 meters. This higher grade area in the Ben subzone has been traced down plunge for 700 meters.

On November 7, 2017, the Company announced the ninth set of results for the 2017 drill season and includes 62 holes P17-1470-1533 inclusive (P17-1527 & 1530 still pending). During 2017, 379 holes were drilled for a total 118,800 metres. The goal of the program was to follow up on high-grade targets from previous drill programs including the newly discovered Ben and Prew subzones in the Northern Lights area. Work included a combination of broadly spaced drilling to outline targets, as well as tighter drill spacing on specific higher-grade areas for inclusion in a new resource estimate. The balance of drilling consisting of 72 holes P17-1534-1603 which completes the 2017 program.

The new Prew Subzone continues to deliver good results specifically hole P17-1506 which had an interval grading 10.57 g/t Au over 6.00 metres including 22.10 g/t Au over 2.00 metres and P17-1493 which had an interval of 15.90 g/t Au over 4.22 metres including 46.70 g/t Au over 1.00 m. The Prew Subzone remains open along strike and has been traced for 500 metres down plunge, with a general width of 150-200 metres.

In the Ben Subzone, currently being drilled for resource definition purposes, hole P17-1529 returned 7.37 g/t Au over 4.9 metres, which included 36.00g/t Au over 0.87 metres. Hole P17-1533 in higher grade area returned 71.90 g/t Au over 1.00 m. This higher-grade area in the Ben subzone has been traced down plunge for 700 metres with a general width of 200 metres.

In the Northern Lights West zone, hole P17-1498 returned 3.85 g/t Au, 90.0 g/t Ag and 5.09% Zn over 15.4 metres including 9.18 g/t Au over 2.00 metres. This steeply dipping limb has been traced for 400+ metres of strike length with 150-200 metres of dip length.

On November 22, 2017**,** the Company announced the tenth set of results for the 2017 drill program reporting 32 holes in the Northern Lights area.

The new Prew Subzone continues to deliver exceptional results including hole P17-1558 which had an interval of 25.10 metres averaging 6.47 g/t Au, including two high-grade intervals of 1.00 metre each, grading 57.30 g/t Au and 43.50 g/t Au. The Prew Subzone (named in memory of Mr. Mike Prew) remains open along strike and has been traced for 500 metres down plunge, with a general width of 150-200 metres.

In the Ben Subzone hole P17-1536 returned 14.89 g/t Au over 6.0 metres which included 44.00 g/t Au over 2.00 metres. Hole P17-1552 returned 109.00 g/t Au over 1.00 m. This higher-grade area in the Ben Subzone has been traced down plunge for 700 metres, with a general width of 200 metres.

In the Northern Lights West zone, hole P17-1563 returned 9.76 g/t Au over 9.15 metres including 17.67 g/t Au over 4.15 metres. This northwest striking steep northeast dipping limb has been traced for 400+ metres of strike length with 150-200 metres of dip length.

On December 11, 2017, the Company announced the completion of the Company's 2017 drilling program. Work in the Northern Lights used a combination of broad drilling to outline the target, as well as tightening drill spacing on specific higher-grade areas for inclusion in a new resource estimate.

In the Northern Lights West zone, hole P17-1570 returned 10.66 g/t Au over 4.70 metres and P17-1575 returned 9.05 g/t Au over 8.35 metres. This northwest striking steeply northeast dipping limb has been traced for 400+ metres of strike length with 150-200 metres of dip length and remains open to the northwest.

The Ben Subzone continues to deliver excellent results including hole P17-1580 which returned 5.87 g/t Au over 17.4 metres including 58.5 g/t Au over 1.40 metres. This higher-grade area in the Ben Subzone has been traced down plunge for 700 metres, with a general width of 200 metres.

Previously reported drilling at Big Missouri delineated two mineral zones; the Province near surface and the deeper Big Missouri. Recently completed reconnaissance drilling between the Big Missouri and Martha Ellen comprised of holes P17-1564, 1565 and 1566, demonstrated the presence of two mineralized horizons, which may continue to Martha Ellen. This suggests that the highly mineralized Martha Ellen zone may be equivalent to the equally prospective Province horizon. Deeper drilling at Martha Ellen is required to confirm the continuity of the Big Missouri horizon.

The company has engaged David Rennie of Roscoe Postle Associates Inc. ("RPA") as the qualified person to assist management in the development of the new resource estimate, which is anticipated to be completed by Q1 2018. The new resource estimate will provide the basis for a Preliminary Economic Assessment ("PEA") to explore mining opportunities utilizing the existing mine and plant infrastructure.

Qualified Person

Graeme Evans, P. Geo and Lawrence Tsang, P. Geo provide the field management for the Premier exploration program. Graeme Evans, is the Company's qualified person, reviewing the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

Management's Vision for 2018

Optimize 3 key factors on the Premier-Dilworth property:

1. Converting high-grade targets into maiden resources
2. Exploiting the tremendous exploration potential to discover additional resources
3. Utilize the superior infrastructure

Interim Period Financial Position

Capital Resources

During the nine months ended December 31, 2017, a total of 7,037,941 warrants were exercised for proceeds of $7,447,798 and 100,000 options were exercised for proceeds of $91,500. Subsequent to the period ended December 31, 2017, a total of 21,000 warrants were exercised for proceeds of $26,250. These funds will be used to continue the Company's program on the Premier property as well as for general administrative costs.

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity financings.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

Liquidity

As at December 31, 2017, the Company had working capital of $16,258,071 (March 31, 2017 - $27,177,489). As at December 31, 2017, cash totaled $16,517,188, a decrease of $12,512,396 as at March 31, 2017. The decrease was due to (a) operating activities of $1,320,484 (b) expenditures on mineral properties of $18,014,579 (c) acquisition of two properties, located in Stewart, BC for $454,250 and (d) the purchase of diamond drills for $282,000, this was off set by the exercise of warrants and options of $7,539,298.

Summary of Quarterly Results and Discussion of Operations

The consolidated financial statements of the Company to which the MD&A relates have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

	In accordance with IFRS							
	Dec 31 2017 Q3	Sep 30 2017 Q2	Jun 30 2017 Q1	Mar 31 2017 Q4	Dec 30 2016 Q3	Sep 30 2016 Q2	Jun 30 2016 Q1	Mar 31 2016 Q4
Mineral property costs deferred, net	2,219,4784	4,686,143	10,796,184	543,140	1,586,962	2,699,482	1,425,623	315,088
G&A (incl. share-based payments)	(4,840,713)	(642,999)	(437,001)	(2,745,509)	(1,078,070)	(3,627,769	(196,783,)	(214,304)
Share-based payments	4,083,359	-	-	1,874,594	145,229	3,355,797	-	-
Adjusted G&A (less share-based payments)	(757,354)	(642,299)	(437,001)	(870,915)	(932,841)	(2,71,972)	(196,783)	(214,304)
Net loss	(5,011,834)	(842,890)	(618,724)	(2,267,242)	(1,614,993)	(4,276,513)	(219,584)	(214,410)
Loss per share – basic and diluted	(0.03)	(0.01)	(0.00)	(0.06)	(0.02)	(0.03)	(0.00)	(0.01)
Weighted average common shares outstanding - basic	147,690,164	144,925,541	142,255,806	139,861,202	136,341,950	128,260,401	113,346,268	112,946,491

Operations

For the three months ended December 31, 2017 compared with the three months ended December 31, 2016:

Excluding the non-cash depreciation of $75,496 (2016 - $27,587) and share-based compensation of $4,083,359 (2016 - $145,229), the Company's general and administrative expenses amounted to $681,858 (2016 - $905,254) an decrease of $223,396. The major differences are in profession fees, office and administration, promotion and shareholder costs. The trend will be for these costs to increase as the Company increase its level of activity, however some individual costs like professional fees will decline.

The Company has also taken on the responsibility of the environmental costs relating to the Premier property and has expensed $479,126 (2016 – Nil).

Premium on flow-through shares was $Nil for the three months ended December 31, 2017 as compared to $75,588 for the period ended December 31, 2016. This premium is the recognition received on the issue of flow through shares as the funds are spent. The number is thus a function of the premium received and the expenditures made.

Significant items included in the current results of operation are as follows:

	December 31, 2017	December 31, 2016
Interest	$55,191	$59,882
Professional fees	$256,228	$559,446
Office and administration	$373,458	$140,807
Promotion and shareholders' costs	$52,172	$250,001
Deferred taxes	$71,025	$670,357

Deferred taxes a non-cash item that is made up of the tax applicable to the expenditure of flow through funds and the tax applicable to the fluctuations in value of the Company's "available for sale" investment.

For the nine months ended December 31, 2017 compared with the nine months ended December 31, 2016

Excluding the non-cash depreciation of $202,368 (2016 - $40,214) and share-based compensation of $4,083,359 (2016 - $3,501,026), the Company's general and administrative expenses amounted to $1,634,986 (2016 - $1,357,382) an increase of $277,604. The major differences are in profession fees, office and administration, promotion and shareholder costs. The trend will be for these costs to continue to increase as the Company increase its level of activity, however some individual costs like professional fees will decline.

The Company has also taken on the responsibility of the environmental costs relating to the Premier property and has expensed $256,427 (2016 – Nil).

During the period ended December 31, 2017, the Company purchased two properties, located in Stewart, BC, for the aggregate total of $454,250. The first property consists of land and a work shop, the second purchase is land adjoining the previous purchase.

Premium on flow-through shares was $1,749,678 for the period ended December 31, 2017 as compared to $231,864 for the period ended December 31, 2016. This premium is the recognition received on the issue of flow through shares as the funds are spent. The number is thus a function of the premium received and the expenditures made.

Significant items included in the current results of operation are as follows:

	December 31, 2017	December 31, 2016
Interest	$173,624	$91,161
Professional fees	$723,785	$860,292
Office and administration	$679,072	$183,515
Promotion and shareholders' costs	$232,129	$313,575
Deferred taxes	$2,148,192	$1,368,393

Deferred taxes a non-cash item that is made up of the tax applicable to the expenditure of flow through funds and the tax applicable to the fluctuations in value of the Company's "available for sale" investment.

Segmented information

As at December 31, 2017, the Company had two reportable geographic segments, Canada and the United States. The United States assets relate solely to expenditures on the Mt. Margaret option, which is included in exploration and evaluation assets at December 31, 2017 at $5,302,440 (March 31, 2017 - $5,206,402). All of the Company's current assets are located in Canada.

Related Party Transactions:

A director was paid $1,037,500 (2016 - $Nil) for his share of the option payment made on the Dilworth property.

Risk Factors

In our MD&A filed on SEDAR July 28, 2017 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the

Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

Disclosure of Outstanding Share Capital

The authorized share capital of the Company consists of an. unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at December 31, 2017:

	Issued and Outstanding	
	December 31, 2017	January 26, 2018
Common shares outstanding	147,813,267	147,834,267
Stock Options	16,810,000	17,010,000
Warrants	10,160,994	10,160,994
Fully diluted common shares outstanding	174,784,261	175,005,261

Subsequent Event

On January 16, 2018, the Company appointed Mr. Don Njegovan to the Board of Directors and granted 200,000 incentive stock options to Mr. Njegovan with an exercise price of $1.31 per share for a five-year period from date of grant.

Cautionary Note

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled'; "estimates': "forecasts': "intends': "anticipates", or results "may", "could'; "would", "might' or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parametres as *plans continue to be refined; future prices of minerals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and the Corporation disclaims any obligation to update any forward- looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*