Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2022

(Expressed in thousands of Canadian dollars, except where indicated)

Report date: March 23, 2023

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated March 23, 2023 and provides an analysis of our audited financial results for the year ended December 31, 2022 compared to the year ended December 31, 2021. The following information should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Unless otherwise noted, all currency amounts are expressed in thousands of Canadian dollars. Additional information about the Company, including the audited financial statements and the notes thereto, for the year ended December 31, 2022, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com and on the Company's website at www.ascotgold.com.

DESCRIPTION OF THE BUSINESS

Ascot is a Canadian-based development and exploration company publicly traded on the Toronto Stock Exchange (the "TSX") in Canada (symbol AOT). The Company is also trading on the OTCQX market in the U.S. (symbol: AOTVF). The Company is focused on re-starting the historic past producing Premier gold mine located in British Columbia's Golden Triangle. Ascot received the Mines Act Permit amendment ("MAPA") to re-start Premier Gold Project in December 2021. The Silver Coin, Big Missouri, and Premier deposits, collectively being named the Premier Gold Project (PGP) are located near the processing facility on the historical Premier Mine site, and the Red Mountain Project (RMP) is located 23 km to the southeast in an adjacent valley. PGP together with RMP is defined as the "Project". In addition, the Company continues to drill a number of gold-silver discoveries on its 25,000 hectares of mineral concessions that benefit from their proximity to PGP and the towns of Stewart, BC and Hyder, Alaska.

The Company also has two other properties: Swamp Point, an aggregate mine in care and maintenance located in British Columbia on the Portland Canal, and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

2022 AND RECENT HIGHLIGHTS

- On January 19, 2023, the Company closed a previously announced financing package for completion of construction of the Project. The financing package consists of US$110 million as a deposit in respect of gold and silver streaming agreements and a strategic equity investment (the "Strategic Investment") of C$45 million, a portion of which is structured as Canadian Development Expenditures flow through shares, such that the total gross proceeds to the Company was C$50 million. Concurrent with the closing of the financing package, the outstanding principal and accrued interest of the Senior Debt with Sprott Private Resource Lending II (CO) Inc. ("Sprott Lending") was repaid, the Production Payment Agreement ("PPA") in connection with the Senior Debt was terminated and the existing gold stream from the Red Mountain property with Sprott Private Resource Streaming and Royalty (B) Corp. ("Sprott Streaming") was terminated and replaced by the new gold and silver stream.
- After completion of the portal preparation work in April 2022, underground mine development work and installation of surface infrastructure at the Big Missouri commenced in May 2022. At the end of October 2022, a total of approximately 921 metres have been developed in all headings, including muck bays, sumps, ore access drift, and the main ramp. Ground conditions have been excellent and heading advancement and productivity have been going well. Development accessed initial ore in the A Zone of the Big Missouri deposit in August 2022 and sampling protocol has been developed for grade reconciliation to the block model.
- The surface infrastructure at the Big Missouri, S1 pit portal area was prepared for winter snow conditions, which commenced at the end of October 2022. The restart of mining development is planned for mid-2023.
- The Premier site was preserved and winterized in late 2022, as the Company was pursuing refinancing for the Project. Shortly after the closing of the financing package in mid-January 2023, the Company recommenced its construction activities. Various construction contractors have been re-mobilized to site to complete the remaining scope on mill construction and piping. Earthworks on tailings and the construction of the new water treatment plant will commence in Q2 2023 once the snow has melted.

(Expressed in thousands of Canadian dollars, except where indicated)

- On March 8, 2022, the Company closed a previously announced bought deal financing for total gross proceeds of C$64 million. The net proceeds from the financing were used for capital costs at PGP, for PGP's exploration program and for general corporate purposes.
- The Company's 2022 exploration drilling program ran from May to October. Exploration drill holes intercepted several zones of mineralization at the Sebakwe zone, where gold mineralization has now been traced over a strike length of over 300 metres with a vertical extent of about 80 metres. Exploration drilling at the Day zone intercepted additional mineralization, which remains open to the north and the south. In-fill drilling targeted areas of early planned stopes at the Big Missouri deposit, where drill intercepts largely confirmed the geological interpretations in the area. Drill results were announced between July 2022 and January 2023 (see "**2022 Exploration Program**" below).
- On October 17, 2022, the Company announced initial positive grade reconciliation between muck samples and the block model grade from underground development at the Big Missouri deposit at PGP. Combined results from ore drives 1 and 2 yielded overall 9% positive grade reconciliation from muck samples compared to the resource block model. As expected, the Company encountered high variability in development round grades often associated with high-grade epithermal gold deposits. Initial results suggested good potential to increase mined grades by continuously improving external mining dilution.
- On February 17, 2023, the Company reorganized its Board of Directors ("Board") by adding two new members: José Néstor Marún and Stephen Altmann, both of whom were appointed pursuant to the recently Strategic Investment with Ccori Apu S.A.C. ("Ccori Apu"). The Company also reported the voluntary resignation of Ken Carter and James Stypula from Ascot's Board. As a result, Ascot's Board maintains its size of seven directors, and its gender diversity with 29% women.

2022 OPERATING OVERVIEW

Premier Gold Project ("PGP")

The PGP comprises four claim groups, identified as the Premier, Big Missouri, Dilworth, and Silver Coin groups, and includes three mining leases totaling 392 hectares, 175 Crown grants totaling 2,354 hectares, and 107 mineral claims totaling 8,907 hectares. The total area is 8,133 hectares when overlaps are accounted for. The Company owns three mining leases, two of which expire on December 17, 2050, and the third expires on December 14, 2048.

In February 2020, the Company published an updated independent National Instrument 43-101 ("NI 43-101") mineral resource estimate for the PGP, details of which can be found in the Company's most recent Annual Information Form ("AIF") dated March 23, 2023 available on SEDAR at www.sedar.com. The updated NI 43-101 resource estimate for the PGP reported 1.1 million ounces of gold and 4.7 million ounces of silver in the indicated category, and 1.2 million ounces of gold and 4.67 million ounces of silver in the inferred category. PGP mineral reserves established in the feasibility study in accordance with NI 43-101 technical report published in May 2020 are as follows:

PGP Mineral Reserve Statement

		Grade		Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Total Probable	3,632	5.45	19.1	637	2,231

Notes for Table: CIM Definition Standards were followed for classification of Mineral Reserves

1. A mean bulk density of 2.85 t/m³ is used for Premier and of 2.80 t/m³ for all other deposit areas
2. The AuEq values were calculated using US$1,400/oz Au and a US$17/oz Ag and the following equation: AuEq(g/t) = Au(g/t)+ Ag(g/t) x 17 / 1,400
3. The following CoG based on AuEq grade were used to estimate the economic potential of the stopes: Longhole = 2.85 g/t, Inclined undercut Longhole = 3.44 g/t, cut and fill = 3.44 g/t, room & pillar = 3.82 g/t and development = 2.85 g/t

(Expressed in thousands of Canadian dollars, except where indicated)

Red Mountain Project ("RMP")

The RMP consists of 47 contiguous mineral claims for a total of 17,125 hectares. It is located approximately 18 km east-northeast of the town of Stewart and within Nisga'a Nation traditional territory. RMP mineral reserves established in the feasibility study in accordance with NI 43-101 technical report published in May 2020 are as follows:

RMP Mineral Reserve Statement

		Grade		Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Proven	2,194	6.8	21.7	471	1,530
Probable	351	5.51	13.8	62	155
Total proven and probable	**2,545**	**6.52**	**20.6**	**534**	**1,685**

Notes for Table: CIM Definition Standards were followed for classification of Mineral Reserves

1. The AuEq values were calculated using US$1,300/oz Au and a US$15/oz Ag and the following equation: AuEq(g/t) = Au(g/t) + Ag(g/t) x 15 / 1,300
2. The following CoG based on AuEq grade were used to estimate the economic potential of the stopes: Longhole = 3.11 g/t, Inclined undercut Longhole = 4.0 g/t, cut and fill = 4.1 g/t and development = 3.11 g/t

Qualified Persons and NI 43-101 Disclosure

John Kiernan, P.Eng., Chief Operating Officer of the Company is the Company's Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed, approved and takes responsibility for all of the written scientific and technical disclosure of this MD&A.

On August 28, 2018, the Red Mountain Project was referred by the BC EAO to the Minister of Energy, Mines and Petroleum Resources and the Minister of Environment for consideration and granted an Environmental Assessment Certificate on October 5, 2018.

RMP was subject to a gold metal stream whereby Sprott Streaming could have acquired up to 10% of the annual gold production from RMP at a price of the lower of US$1,000/oz and spot price up to a maximum of 500,000 oz produced. Alternatively, Sprott Streaming could have elected to receive a one-time cash payment of $4 million at the commencement of production in exchange for a buy-back of the gold metal stream. This gold metal stream was terminated upon closing of the new metal stream agreement of US$110 million with Sprott Streaming on the Project on January 19, 2023 (see "**Liquidity and Capital Resources**").

The Project development

In the first half of 2022, the Company made significant progress on development of the Project. Detailed engineering on the mill refurbishment, tailings storage facility, water treatment plant, power substation, overland piping and pumping and other key areas were at 95% completion at the end of June 30, 2022 and overall construction was approximately 30% complete. On April 4, 2022, the Company announced that it was unable to reach an agreement with Sprott Lending on the satisfaction of the drawdown conditions for the undrawn amount of its credit facility. Therefore, the remaining undrawn US$60M was cancelled at the end of the availability period of June 30, 2022 and Ascot pursued alternative financing options to replace the remainder of the Senior Debt. In order to preserve Ascot's cash balance, the Company decelerated various construction activities and placed certain work packages on hold while the Company was pursuing refinancing options in the second half of 2022. During this period, the Company continued to advance major equipment procurement. At the end of 2022, Ascot had ordered approximately 95% of the remaining fixed equipment for the project. Key orders remaining in the plant relate mostly to piping, instrumentation and bulk consumables.

Upon securing the new project financing in January 2023, Ascot re-engaged various contractors to progress activities in the mill building for the remainder of mill construction scope. In April 2023, the underground mining contractor will be re-mobilized to resume underground development work. In May 2023, the earthworks contractor will be mobilized to re-start work on the Cascade Creek Diversion Channel ("CCDC") and tailings facility, which is anticipated to be completed by October 2023. Mining will progress throughout 2023 and delivery of ore is expected to commence in the fourth quarter of 2023, enabling the start of mill commissioning and first gold pour in early 2024.

By the end of 2022, Ascot has invested a total of approximately $150 million in construction of PGP. Due primarily to delays associated with the deceleration of project construction and the inflation experienced in 2022 the remaining capital to achieve first gold production is expected to be approximately $153 million.

In 2022, mining development work was focused on infill drilling for initial stopes in Big Missouri, underground ramp development and mine plan and sequencing optimization. Development accessed initial ore in the A Zone of the Big Missouri deposit in August. An underground void drilling program coupled with LiDAR surveying, successfully broke through to targeted historical workings, confirming their locations. Long hole drill sampling program started in September 2022. Hardline ventilation installation was completed in September. On October 17, 2022, the Company announced initial positive grade reconciliation between muck samples and the block model grade from underground development at the Big Missouri deposit. Combined results from ore drives 1 and 2 yielded overall 9% positive grade reconciliation from muck samples compared to the resource block model. As expected, the Company encountered high variability in development round grades often associated with high-grade epithermal gold deposits. Initial results suggested good potential to increase mined grades by continuously improving external mining dilution.

In 2022, approximately 921 metres of underground development was completed including ramp, mine infrastructure and ore drives. The Company demobilized the mining contractor in late October 2022 to prepare for winter shut down, moving mobile and other equipment to Stewart, and storing some materials in the remaining sprung shop structure.

An underground diamond drilling program was successfully completed at Big Missouri to probe for voids and a number of pierce points were put into the existing 3000 level to confirm its location. Breakthroughs were scanned with a LiDAR probe, and geology was able to use the core to confirm some high-grade intercepts were within the previous wireframes. At the Premier/Northern Light ("PNL") portal location, the surface was stripped and a location was determined for a Geotech hole which was drilled 500 metres. This hole was drilled to determine the location and condition of a fault that was encountered higher up near the Northern Light/Sebakwe area. The detailed geotechnical work was completed in early November 2022, and preliminary indications were that ground conditions will be good, and that the fault in question appears to be in good condition at this deeper elevation, and can be crossed with conventional enhanced ground support.

Mine plan and sequencing optimization were completed in October 2022, developing a plan to minimize upfront development while accessing early ore in an optimized sequence starting at PNL then ramping up production at Big Missouri, while developing over to Silver Coin, where the upper levels of the deposit will be initially developed to maximize ore tonnage per linear metre. Based on the recently completed plan, we anticipate starting mine development in May 2023 with the collaring of the PNL ramp portal, while development will recommence at Big Missouri in late September 2023, after completion of the plug on the 2350 level in August 2023.

Mt. Margaret Project

The Mount Margaret porphyry copper-molybdenum-gold-silver deposit is located 22.5 kilometres southwest of Randle, Washington in Skamania County in Southwest Washington State.

Ascot obtained property title to the 50% undivided private mineral interests on the lands of a private land package MS-708 and the government of the United States owns the other 50% interest. Ascot has the right to earn a 100% interest in the property subject to a 1.5% NSR and a negotiated federal royalty.

In 2011, the Company applied for two hardrock mineral prospecting permits (the "Permits"). In December 2018, after many years of environmental analysis, the United States Forest Service and United States Bureau of Land Management (together, the "Federal Defendants") concluded the proposed prospecting activity would have no significant environmental impacts and released decisions allowing the applications to be granted. Cascade Forest Conservancy filed an action in federal court challenging those decisions; the Company intervened on the side of the Federal Defendants. On February 18, 2021, the United States District Court for the District of Oregon (the "Court") released an opinion on the litigation. The court ruled in favor of the Federal Defendants and Ascot on most issues; however, the court held that the environmental analysis performed by the Federal Defendants was insufficient in two narrow respects — one related to potential recreational impacts, and one related to potential groundwater impacts. The court ordered the parties to brief the court on what remedies are necessary to address the insufficiencies in the environmental analysis.

On January 31, 2022, the Company received the court's order vacating the December 2018 Decision Record and December 2018 findings approving the issuance of the Permits by BLM and also vacating the February 2018 decision notice and findings consenting to the issuance of the Permits. The matter was remanded to the Federal Defendants for further action consistent with the court's February 2021 opinion and order. This court decision allows the Federal Defendants to proceed with the additional groundwater monitoring without direct oversight or involvement from the court. The most recent court decision does not prevent further exploration of Mt. Margaret, but gives the Federal Defendants more time to perform further groundwater analyses to address the deficiencies identified in the court's February 2021 decision. The Company requested from the Federal Defendants a proposed timeline and strategy to address the limited deficiencies identified by the court.

Swamp Point Project

Ascot acquired the aggregate deposit in 2002 to access potential local markets such as the port expansions in Prince Rupert along with the California markets, which were quickly running out of readily available local supply. Surface transport costs are much higher than seaborne transport making BC sourced aggregate cost competitive. The property is subject to two royalties; one to the BC Provincial Government and one to a private company owned by the former management of Ascot. Swamp Point was put on care and maintenance in 2008 as a result of the economic downturn.

The site has some existing onsite infrastructure and a deep-water port which have been maintained by the Company, giving it the advantage of being able to re-start within a short lead time, with some further site preparation required. The Company continues to seek to divest Swamp Point, which it considers a non-core asset, and intends to use any proceeds from the sale for general working capital purposes.

2022 EXPLORATION PROGRAM

The Company completed its 2022 exploration drill program in early October for a total of 12,575 metres in 78 drill holes. The exploration program started in early May of 2022 with a series of drill holes at the Sebakwe zone to the north of the Premier mine. These holes were designed to follow up on very encouraging initial drill results from two drill holes that were completed at the end of the 2021 season. The follow up program consisted of 15 drill holes along strike and down dip from the two 2021 holes and intercepted several zones of mineralization highlighted by an intercept of 193g/t gold over one meter in hole P22-2393 at a depth of 315 metres. Gold mineralization at Sebakwe has now been traced over a strike length of over 300m with a vertical extent of about 80m. The westernmost holes intercepted a northwest trending dyke swarm without penetrating the western edge of the dyke swarm. There is significant potential to pick up mineralization to the west of the dyke swarm and trace it to the west and northwest. This area requires further exploration in the future.

After completing the program around Premier, snow conditions improved at higher elevations at the Big Missouri Ridge and activities moved to that area. Drilling focused on the areas of early mining stopes that had not previously been tested by additional drill holes. Drill intercepts largely confirmed the geological interpretations in the area and adjusted the geometry of known zones minimally. Drill results were reported in four batches highlighted by an intercept of 488g/t gold over a meter which represents the highest-grade intercept on the property since 2017.

Drilling in 2020 and 2021 resulted in some exciting results in the Day Zone on the west side of the ridge where mineralization occurs close to the expected elevation of the western extension of the Big Missouri zone from the east side of the ridge. During the 2022 drill program, the Company completed another 12 drill holes from two different pads targeting a large gap in the previous drill pattern. Mineralization was intercepted at expected depth on the southern pad but drill holes from the northern pad established a slightly different orientation but mineralization persisted. The 2022 drilling at the Day Zone was highlighted by an intercept of 199g/t over one metre. The Day Zone mineralization remains open to the north and the south and may even connect to the Martha Ellen deposit approximately a kilometer to the north.

The 2022 drill program has successfully expanded mineralization in exploration zones at Sebakwe to the north of Premier and at the Day Zone on the western side of the Big Missouri ridge. Definition drilling in early mining areas added crucial geological and grade information to the areas of early mining. The drill results from this successful campaign highlight areas of exploration potential at Sebakwe and the Day Zone providing organical targets for the 2023 drill season.

A summary of the results of the 2022 drilling program is as follows (see full news releases at www.ascotgold.com):

- On July 14, 2022, the Company announced results from the first batch of assays from the 2022 exploration drill program at PGP. These results were from surface exploration drilling at the emerging Sebakwe Zone near the past-producing Premier mill, and with assays of up to 193 g/t gold, they continued to highlight the high-grade tenor of the Sebakwe Zone. Highlights from the drill results included:
  - 193.00 g/t Au and 41.8 g/t Ag over 1.0m from a depth of 315m in hole P22-2393;
  - 17.78 g/t Au and 20.1 g/t Ag over 3.0m from a depth of 366m in hole P22-2393, including 51.00 g/t Au and 54.6 g/t Ag over 1.0m;
  - 4.77 g/t Au and 18.2 g/t Ag over 4.5m from a depth of 331m in hole P22-2393, including 12.10 g/t Au and 34.5 g/t Ag over 1.6m, and
  - 25.90 g/t Au and 21.0 g/t Ag over 1.0m from a depth of 413m in hole P22-2389.

- On August 22, 2022, the Company announced the second batch of assay results from the 2022 exploration drill program at the Sebakwe Zone at PGP. These results expanded the known mineralization at the Sebakwe Zone to a strike length of 350 metres. Highlights from the drill results included:
  - 11.83 g/t Au and 56.3 g/t Ag over 2.73m, including 20.10 g/t Au and 82.4 g/t Ag over 1.40m, from a depth of 335.47m in hole P22-2394;
  - 6.33 g/t Au and 6.6 g/t Ag over 3.20m, including 11.25 g/t Au and 10.7 g/t Ag over 1.60m, from a depth of 290.10m in hole P22-2396, and
  - 8.25 g/t Au and 15.7 g/t Ag over 1.45m from a depth of 290.55m in hole P22-2400.

- On September 13, 2022, the Company announced the first batch of assay results from the 2022 exploration drill program at Big Missouri at PGP. These results are from surface drilling for in-fill and exploration purposes at the Big Missouri deposit, approximately six kilometres north of the past-producing Premier mill. Highlights from the drill results included:
  - 71.28 g/t Au and 23.00 g/t Ag over 2.00m from a depth of 57.74m in hole P22-2405, including 136.50 g/t Au and 39.7 g/t Ag over 1.00m;
  - 5.09 g/t Au and 6.60 g/t Ag over 12.00m from a depth of 37.50m in hole P22-2404, including 7.17 g/t Au and 6.70 g/t Ag over 7.50m;
  - 3.28 g/t Au and 7.40 g/t Ag over 14.65m from a depth of 78.31m in hole P22-2412, including 15.74 g/t Au and 6.8 g/t Ag over 2.51m, and
  - 16.55 g/t Au and 25.40 g/t Ag over 2.00m from a depth of 57.00m in hole P22-2406, including 29.90 g/t Au and 47.0 g/t Ag over 1.00m.

- On October 27, 2022, the Company announced the second batch of assay results from the 2022 exploration drill program at Big Missouri at PGP. Highlights from the drill results included:
  - 31.92 g/t Au and 22.21 g/t Ag over 10.69m from a depth of 90.00m in hole P22-2428, including 330.00 g/t Au and 192.00 g/t Ag over 1.00m;
  - 15.91 g/t Au and 31.50 g/t Ag over 8.00m from a depth of 90.50m in hole P22-2420, including 35.50 g/t

  Au and 65.20 g/t Ag over 2.00m;
  - 19.65 g/t Au and 23.10 g/t Ag over 1.67m from a depth of 58.83m in hole P22-2430;
  - 6.04 g/t Au and 6.53 g/t Ag over 4.03m from a depth of 48.50m in hole P22-2430, including 21.70 g/t Au and 8.40 g/t Ag over 1.00m, and
  - 11.70 g/t Au and 9.70 g/t Ag over 2.00m from a depth of 67.00m in hole P22-2429.

- On December 8, 2022, the Company announced the third batch of assay results at the Big Missouri deposit at PGP. Highlights from the drill results included:
  - 62.76 g/t Au and 27.36 g/t Ag over 7.90m from a depth of 90.00m in hole P22-2445, including 488.00 g/t Au and 181.00 g/t Ag over 1.00m;
  - 30.98 g/t Au and 9.35 g/t Ag over 3.00m from a depth of 112.00m in hole P22-2445, including 90.70 g/t Au and 19.75 g/t Ag over 1.00m;
  - 6.75 g/t Au and 12.44 g/t Ag over 14.5m from a depth of 26.00m in hole P22-2444, including 26.00 g/t Au and 28.30 g/t Ag over 1.43m and 28.80 g/t Au and 30.20 g/t Ag over 1.00m;
  - 8.03 g/t Au and 19.13 g/t Ag over 9.52m from a depth of 23.38m in hole P22-2441, including 44.50 g/t Au and 109.00 g/t Ag over 1.00m, and
  - 6.26 g/t Au and 8.13 g/t Ag over 10.80m from a depth of 29.40m in hole P22-2442, including 43.60 g/t Au and 30.10 g/t Ag over 1.00m.

- On January 23, 2023, the Company announced the last remaining assay results from the 2022 exploration drill program at PGP. These results were from surface drilling for in-fill and exploration purposes at the Day Zone and the Big Missouri deposit. Highlights from the drill results included:
  - 26.56 g/t Au and 10.00 g/t Ag over 8.00m from a depth of 42.50m in hole P22-2459 at the Day Zone, including 198.50 g/t Au and 59.60 g/t Ag over 1.00m;
  - 43.30 g/t Au and 20.90 g/t Ag over 1.50m from a depth of 55.00m in hole P22-2460 at the Day Zone;
  - 6.13 g/t Au and 2.95 g/t Ag over 8.00m from a depth of 38.00m in hole P22-2449 at the Day Zone, including 14.70 g/t Au and 4.00 g/t Ag over 2.00m;
  - 8.84 g/t Au and 10.45 g/t Ag over 5.07m from a depth of 87.93m in hole P22-2464 at the Big Missouri deposit, including 21.40 g/t Au and 20.10 g/t Ag over 1.00m, and
  - 9.11 g/t Au and 10.88 g/t Ag over 4.19m from a depth of 92.43m in hole P22-2462 at the Big Missouri deposit, including 16.95 g/t Au and 20.90 g/t Ag over 1.14m.

- From a total of 3,761 assays in the 2022 drill campaign, 42 assays (or 1.12%) returned in excess of 10 g/t Au. Those 42 samples averaged 53 g/t Au.

MANAGEMENT'S OUTLOOK FOR 2023

With the financing package closed on January 19, 2023, the Company believes that it has sufficient funding to complete construction of the Project and achieve first gold production in early 2024. The key activities for 2023 include:

- Construction of the process plant and associated surface infrastructure such that the plant is expected to be in pre-commissioning by the end of 2023
- Completion of the tailings dam improvements and start up of the new water treatment plant by Q4 2023
- Advancement of the Premier North Lights portal and underground development and additional underground development of the Big Missouri mine
- Maintaining a Health and Safety record of zero lost time incidents and achieving the 2023 goals outlined in the Company's 2022 Sustainability Report
- Advancing the recruitment of site personnel in line with the site personnel plan by the end of 2023
- Maintaining permitting and environmental compliance so that there are no delays in the project construction schedule
- More exploration and infill drilling north and west of existing resources

SUMMARY OF RESULTS

The consolidated financial statements of the Company, to which the MD&A relates, have been prepared in accordance with IFRS. The following table was prepared based on the Company's consolidated financial statements for the fiscal periods noted:

Selected financial data (C$000)	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Employee salaries & benefits and management fees	3,490	3,378	2,919
Legal and professional services	766	728	779
Office and administration expenses	606	449	328
Promotion and shareholders costs	474	372	397
Share-based payments	5,490	1,723	3,092
Environmental compliance costs	583	216	354
Net loss	(10,808)	(2,948)	(8,427)
Loss per share - basic and diluted	$ (0.03)	$ (0.01)	$ (0.03)
Total assets	379,096	339,046	249,982

Operations

Three months ended December 31, 2022 compared to three months ended December 31, 2021

The Company reported a net loss of $5,988 for Q4 2022 compared to $170 for Q4 2021. The increase in the net loss is attributable to a combination of factors including:

- Financing costs of $4,848 expensed during the period, which include deferred costs of $3,962 attributable to the original issue discount associated with the PPA (which was terminated on January 19, 2023), deferred costs of $670 attributable to the undrawn portion of the Convertible Facility (which was cancelled on December 12, 2022) and $216 of other costs attributable to project financing;
- A $3,156 increase in stock-based compensation expense due to accelerated vesting of Restricted Share Units (RSU) in Q4 2022 as well as stock options and units granted in Q4 2022 (no stock options were granted in Q4 2021)

Partially offset by:

- A $1,655 increase in other income primarily due to a higher gain on change in estimate of PPA liability as well as a higher flow-through premium recognition, as the premium on flow-through shares issued in 2022 was higher than the premium on flow-through shares issued in 2021.

Year ended December 31, 2022 compared to year ended December 31, 2021

The Company reported a net loss of $10,808 in 2022 compared to $2,948 in 2021. The increase in the net loss is attributable to a combination of factors including:

- Financing costs of $5,969 during the period, which include deferred costs of $3,962 attributable to the original issue discount associated with the PPA (which was terminated on January 19, 2023), $1,113 attributable to the undrawn portion of the Senior Facility (which was cancelled on June 30, 2022), deferred costs of $670 attributable to the undrawn portion of the Convertible Facility (which was cancelled on December 12, 2022) and $224 of other costs attributable to project financing;
- A $3,767 increase in stock-based compensation expense due to accelerated vesting of RSUs in 2022 as well as stock options and units granted in 2022, some of which were deferred from December 2021;
- A $2,609 increase in foreign exchange loss due to the strengthening U.S. dollar;
- A $558 increase in general and administrative expense due to higher insurance, promotional and shareholder's cost and environmental compliance cost related to key permits in 2022

Partially offset by:

- A $4,633 increase in other income primarily due to a higher flow-through premium recognition, as the premium on flow-through shares issued in 2022 was higher than the premium on flow-through shares issued in 2021, as well as a higher gain on change in estimate of PPA liability.

Key financial results for the last eight quarters are provided in the table below:

C$000	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Mineral property, plant & equipment cost capitalized	13,859	25,361	34,380	25,088	38,430	24,732	11,330	85
G & A expense	1,286	1,279	1,537	1,519	1,149	1,185	1,414	1,315
Stock-based compensation	3,461	472	487	1,070	305	472	418	528
Environmental compliance costs	298	147	76	62	69	36	25	86
Net (loss) income	(5,988)	(2,396)	(1,054)	(1,370)	(170)	(1,700)	(3,751)	2,673
(Loss) income per share - basic and diluted	$ (0.03)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ 0.01

Factors that can cause fluctuations in the Company's quarterly results include unrealized gains and losses on credit facilities, embedded derivatives, commitments and marketable securities, the nature and extent of construction and exploration activities carried out under specific work programs, finance expenses, grant and vesting of stock options and units, and the issuance of shares. Over the past eight quarters, the Company has been focused mainly on the exploration, engineering studies, permitting and construction of PGP. Higher mineral property costs since Q2 2021 are a result of the Company commencing large-scale construction activities at PGP in 2021. The Company's exploration season generally runs from late May to late October. The fluctuations in net income (loss) from Q1 2021 to Q3 2022 were caused primarily by the changes in fair value of the Company's embedded derivatives, commitments and marketable securities. The higher loss in Q4 2022 was caused primarily by the expensing of deferred financing costs related to the undrawn portions of the Company's credit facilities.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During 2022, the Company issued 59,510,018 common shares (2021: 98,027,377), 13,710,500 warrants (2021: none), 13,049,779 stock options (2021: 603,190), 1,447,298 Deferred Share Units ("DSU") (2021: 40,781), 3,579,588 Restricted Share Units ("RSU") (2021: none) and 162,162 Performance Share Units ("PSU") (2021: none). Also, 7,881,125 stock options expired, 56,447 stock options were cancelled and 62,000 DSUs, 122,964 RSUs and 54,054 PSUs were exercised during 2022. Subsequent to December 31, 2022, 108,500,000 common shares were issued for private placement, 400,000 stock options and 7,517 DSUs were issued, 500,000 options expired unexercised and 55,530 options and 653,398 RSUs were exercised.

The Company considers its capital structure to be primarily through shareholders' equity and debt and metal streaming arrangements. 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 and development stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity, debt financings and metal streaming arrangements.

Although the Company has been successful in the past in obtaining financing, 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 favourable.

Liquidity

In December 2020, the Company closed a project financing package with Sprott Lending and Beedie Investments Ltd. ("Beedie") for the development of the Project. The financing package consisted of a) US$80 million Senior Debt; b) the PPA, and c) US$25 million Convertible Debt. Upon closing of the package, the Company made an initial draw-down of US$20 million from the Senior debt for net proceeds of US$13.2 million (C$16.9 million) and received PPA consideration of US$5.0 million (C$6.4 million). The Company also made an initial draw-down of US$10 million from the Convertible Debt. The proceeds were used to repay the existing convertible note. The availability of the Senior and Convertible Debt was subject to certain conditions and covenants, including the maintenance of minimum cash and working capital balances.

In April 2022, the Company announced that it was unable to reach an agreement with Sprott Lending on the satisfaction of the draw conditions for the remaining US$60 million of the Senior Debt, which was cancelled and Sprott Lending waived the 5% cancellation fee. The Company pursued alternative financing options to replace the Senior Debt and on January 19, 2023, concurrent with the closing of the financing package, the Company used US$26 million of the gross proceeds to repay in full the outstanding principal and accrued interest of the Senior Debt, including a 2% prepayment fee and the termination fee for termination of the PPA.

During 2022, the Company spent $22,825 on qualifying flow-through mining expenditures. As at December 31, 2022, $329 remains to be spent on flow-through expenditures by December 31, 2023.

As at December 31, 2022, the Company had cash & cash equivalents of $7,474 (December 31, 2021: $59,129) and working capital of $1,658 excluding the current portion of the credit facilities (December 31, 2021: $47,001). The decrease in cash & cash equivalents was due to expenditures on mineral properties, plant and equipment of $105,898; cash outflows from operating activities of $5,035; deferred financing costs of $410, payment for lease liabilities of $607, and payment for pre-production royalty of $50 partially offset by net proceeds of $60,345 from the Offering.

On January 19, 2023, the Company closed the previously announced Project financing package, for aggregate gross proceeds to the Company of approximately $200 million. The Project financing package consists of:

a) Gold and silver stream

An upfront payment of US$110 million from Sprott Streaming as a deposit (the "Deposit") in respect of gold and silver streaming agreements (the "Stream"). The Company terminated the existing 10% streaming agreement it had on RMP in return for the delivery of 8.75% and 100% of gold and silver production, respectively, from PGP and RMP in exchange for the reduction of the Deposit and ongoing payments from Sprott Streaming equal to 10% of prevailing gold and silver prices, including after the Deposit is reduced to nil. Silver production from the Silver Hill Target at the northeastern part of the PGP property has been excluded from the Stream.

From January 1, 2025 until December 31, 2026, Ascot has the right to buyback 50% of the stream for US$80 million in cash (the "Buyback"). Once 150,000 ounces of gold have been delivered ("Delivery Threshold"), the stream deliveries for gold and silver shall be reduced by 50% to 4.375% and 50%, respectively. In the case that the Buyback is exercised, then the remaining Delivery Threshold at that time will be reduced by the Buyback percentage, and once the threshold is met the stream deliveries for gold and silver shall be reduced by a further 50% to 2.1875% and 25%, respectively. The Delivery Threshold and the Buyback shall apply to both PGP and RMP. Sprott Streaming has been granted first-ranking security to secure the obligations under the Stream, which security will be subordinated to any operating loan on the earlier the Buyback being exercised or the Deposit being reduced to zero. The Stream also contains certain customary covenants including minimum cash balance of US$5 million and positive working capital.

Concurrent with the closing of the Stream, the outstanding principal and accrued interest of the Senior Debt with Sprott Lending was repaid and the PPA between Sprott Lending and the Company dated December 10, 2020 in connection with the Senior Debt was also terminated.

b) Strategic equity investment

Ccori Apu's Strategic Investment of C$45 million, a portion of which is structured as Canadian Development Expenditures flow through shares ("CDE flow through"), such that the total gross proceeds to the Company was C$50 million. Ccori Apu's ownership of Ascot is 19.9% upon closing and it received participation rights to maintain its pro rata ownership in subsequent equity issuances. Ccori Apu has the right to nominate up to two people to Ascot's Board of Directors as long as its ownership remains above 10% of Ascot common shares outstanding. If Ccori Apu's ownership falls below 10%, it will have the right to nominate one person to Ascot's Board of Directors, and if its ownership falls below 5% then it will not have the right to nominate anyone to Ascot's Board of Directors.

(Expressed in thousands of Canadian dollars, except where indicated)

The Strategic Investment consisted of 48,500,000 Common Shares of the Company at a price of C$0.41 per Common Share for gross proceeds of $19,885 and 60,000,000 Common Shares of the Company that qualify as "flow through shares", as defined in the Income Tax Act (Canada) (the "CDE Common Shares"), at a price of C$0.50 per CDE Common Share for gross proceeds of $30,000. The Common Shares and CDE Common Shares were offered by way of private placement pursuant to applicable prospectus exemptions and will be subject to hold periods in accordance with applicable securities laws.

The net proceeds from the sale of the Common Shares will be used for capital costs at the Project and for general corporate purposes.

An amount equal to the gross proceeds from the issuance of the CDE Common Shares will be used to incur "Canadian development expenses" as defined in the Income Tax Act (Canada) ("Qualifying Expenditures"). The Qualifying Expenditures will be incurred on or before June 30, 2024 and will be renounced by the Company to the subscribers with an effective date no later than June 30, 2024 to the initial purchasers of the CDE Common Shares in an aggregate amount not less than the gross proceeds raised from the issue of the CDE Common Shares.

Use of proceeds from financings

On April 9, 2021, the Company closed a bought deal financing. A total of 70,700,000 common shares of the Company were sold at a price of $0.86 per common share for gross proceeds of $60,802. The table below summarizes the expected use of proceeds as of the date of the financing compared to the actual use:

Principal purposes	Expected use of proceeds C$ in million	Actual use of proceeds (as of June 30, 2022) C$ in million	Difference C$ in million
Mineral property evaluation and detailed project engineering	8.0	8.5	(0.5)
Procurement and fabrication of equipment	12.0	12.8	(0.8)
Project construction	20.0	21.3	(1.3)
General, corporate and administrative expenses	17.2	14.6	2.6
Total	57.2	57.2	-

On April 20, 2021, the Company closed a bought deal private placement. A total of 24,000,000 common shares of the Company were sold at a price of $0.86 per common share for gross proceeds of $20,640. The table below summarizes the expected use of proceeds as of the date of the financing:

Principal purposes	Expected use of proceeds C$ in million	Actual use of proceeds (as of September 30, 2022) C$ in million	Difference C$ in million
Project construction	9.7	17.6	(7.9)
General, corporate and administrative expenses	9.6	1.7	7.9
Total	19.3	19.3	0.0

On March 8, 2022, the Company closed a previously announced bought deal financing (the "Offering"). The Offering consisted of (i) 28,610,000 common shares of the Company (the "Offered Shares") sold at a price of $1.02 per Offered Share for aggregate gross proceeds of $29,182; (ii) 12,831,000 hard dollar units of the Company (the "HD Units") at a price of $1.02 per HD Unit for gross proceeds of $13,088; (iii) 14,590,000 units of the Company that qualify as "flow through shares", as defined in the Income Tax Act (Canada) (the "CDE FT Units") at a price of $1.255 per CDE FT Unit for gross proceeds of $18,310; and (iv) 3,240,000 common shares of the Company that qualify as "flow-through shares" (the "CEE FT Shares", and together with the Offered Shares, HD Units and CDE FT Units, the "Offered Securities") as defined in the Income Tax Act (Canada) at a price of $1.13 per CEE FT Share for gross proceeds of $3,661. Each HD Unit and CDE FT Unit is comprised of one common share of the Company and one half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") with each Warrant entitling the holder to purchase one common share of the Company at a price of $1.25 for a period of 24 months subject to acceleration. In aggregate, the gross proceeds to the Company totaled $64,241.

(Expressed in thousands of Canadian dollars, except where indicated)

The net proceeds from the sale of Offered Shares and HD Units are being used for capital costs at PGP and for general corporate purposes. The gross proceeds of the sale of CDE FT Units are being used to incur underground capital development expenditures at PGP in 2022. The gross proceeds of the sale of CEE FT Shares have been used to support PGP's exploration program in 2022.

The table below summarizes the expected use of proceeds as of the date of the financing and the actual use of proceeds:

Principal purposes	Expected use of proceeds C$ in million	Actual use of proceeds (as of December 31, 2022) C$ in million	Difference C$ in million
Procurement and fabrication of equipment	5.0	5.0	-
Project construction	31.2	31.2	-
Mine development	18.3	18.3	-
Exploration	3.7	3.4	0.3
General, corporate and administrative expenses	2.2	2.2	-
Total	60.4	60.1	0.3

The actual use of proceeds shown in the above table represents funds spent to date. The Company does not expect the final use of proceeds to differ materially from the expected use of proceeds.

RELATED PARTY TRANSACTIONS

Included in accounts payable and accruals at December 31, 2022 is $630 (December 31, 2021: $384) due to the Company's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO).

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors as well as the Company's CEO, CFO and COO. Key management personnel compensation comprised:

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries, short-term benefits and management fees	$ 1,425	$ 1,147
Project development costs	107	106
Share-based payment transactions	3,624	858
	$ 5,156	$ 2,111

During 2022, key management personnel were granted 7,907,647 stock options at a weighted average exercise price of $0.64. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at $2,732. Also, during 2022, 6,567,500 stock options held by the Company's key management personnel expired or were cancelled unexercised.

During 2022, the Company granted 1,447,298 DSUs to its directors. Based on the Company's share price on grant dates, the total fair value of the DSUs was $733. During 2022, the Company granted 1,617,281 RSUs to the Company's CEO, CFO and COO. Based on the Company's share price on grant dates, the fair value of the RSUs granted to key management personnel was determined at $973.

Share-based and option-based awards for 2021 were not granted until February 2022 as there was a Company-imposed blackout in December 2021, the time at which the annual grant is normally made. Therefore, the compensation for related parties in 2022 is higher than in 2021 due to the postponed equity grants.

(Expressed in thousands of Canadian dollars, except where indicated)

COMMITMENTS, CONTRACTUAL AND OTHER OBLIGATIONS

As at December 31, 2022, the Company's contractual and other obligations are as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	Total
Accounts payable and accrued liabilities	$ 6,504	$ -	$ -	$ -	$ 6,504
Equipment engineering and procurement	2,130	-	-	-	2,130
Senior and convertible debt principal, interest and fees (a)	29,270	29,507	-	-	58,777
Production payment agreement (b)	-	1,981	-	-	1,981
Reclamation liabilities (c)	788	756	616	38,194	40,354
Benefits agreement - PGP and RMP	500	700	675	800	2,675
Pre-production royalty - Red Mountain project	50	100	100	100	350
Minimum lease payments	430	415	-	-	845
	$ 39,672	$ 33,459	$ 1,391	$ 39,094	$ 113,616

(a) Interest on the Senior Debt from December 10, 2020 until June 30, 2022 (the "Availability Period") was capitalized and added to the principal loan amount. At all times following the last day of the Availability Period, all interest was payable in cash. Sprott Lending provided a waiver to the company to waive the cash payment of interest until January 30, 2023, so interest was capitalized and added to the principal until then. Principal and accrued interest were to be payable quarterly from September 30, 2023 to December 31, 2025, with quarterly repayments equal to 10% of the total amount outstanding at the end of the Availability Period. On January 19, 2023, the Company repaid in full the outstanding principal and accrued interest of the Senior Debt and paid 2% prepayment fee to Sprott Lending.

Interest on the Convertible Debt is compounded quarterly and is added to the principal loan amount prior to the date which will occur when construction is complete and PGP has successfully completed an agreed completion test ("Completion Date"). All interest incurred after the Completion Date is payable in cash quarterly. Principal and capitalized interest are payable on December 10, 2023 (the maturity date, which may be extended by one year if all material permits, contracts and authorizations for PGP are in place). Any undrawn balance of the Convertible Debt incurred a standby fee of 3% beginning on December 10, 2020. The undrawn balance was cancelled on December 12, 2022.

(b) Under the PPA, the Company paid a termination fee of $1,968 to Sprott Lending on January 19, 2023.

(c) The amount in reclamation liabilities are undiscounted cash expenditures.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates. These estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements.

Areas requiring estimates that have the most significant effect on the amounts recognized in the financial statements are:

Impairment of mineral properties

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to the Company's mineral properties. If any such indicator exists, then an impairment test is performed by management. As of September 30, 2022, management identified two factors that required an impairment test to be performed in respect of the Project. The impairment test compared the carrying amount of the Project to its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs of disposal (FVLCD). The Project's FVLCD was determined by using a discounted cash flow projections model based on life-of-mine financial forecasts. The key assumptions used in the cash flow projections model are forecast gold and silver prices, mining and processing costs, capital expenditures, reserve and resource quantities, reclamation and closure costs, discount rates, recovery rates, foreign exchange rates and estimated gold grades. No impairment was recorded as a result of the impairment test. As of December 31, 2022, no impairment indicators were noted for the Project.

Stock-based compensation

Compensation expense for options granted to employees, directors and certain service providers is determined based on estimated fair values of the options at the time of grant using the Black-Scholes option pricing model, which takes into account, as of the grant date, the fair market value of the shares, expected volatility, expected life, expected forfeiture rate, expected dividend yield and the risk-free interest rate over the expected life of the option. The use of the Black-Scholes option pricing model requires input estimation of the expected life of the option, volatility, and forfeiture rate which can have a significant impact on the valuation model, and resulting expense recorded.

Compensation expense for RSUs and PSUs granted to employees and consultants of the Company is calculated based on the fair value of RSUs or PSUs awarded, measured on their grant date. The fair value of RSUs and PSUs is based on the quoted market price of the Company's common shares on the day prior to the RSU or PSU grant date. Compensation expense for DSUs granted to directors is based on the fair value of DSUs awarded, calculated based on the quoted market price of the Company's common shares on the DSUs grant date.

Provision for decommissioning and site restoration

The future obligations for site closure activities are estimated by the Company based on the laws and regulations of the countries in which it operates, with due consideration to the fact that the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resources companies. Management's estimation of the Company's decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its estimate of the probable costs and timing of such activities and measures.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, interest and other receivables, reclamation bonds, trade and other payables, senior and convertible debt and other liabilities. The recorded amounts of cash and cash equivalents, interest and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short-term nature. The carrying value of the reclamation deposit approximates its fair value, as it is cash-based. The carrying values of PPA and liability components of senior and convertible debt approximate their fair values since the increase in the market interest rates between the date of the debt inception (December 10, 2020) and December 31, 2022 is being offset by a decrease in the Company's overall risk profile, as Ascot now has all necessary permits for construction of the Project, which is expected to be completed in late 2023.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company's significant financial instruments denominated in foreign currency (U.S. dollar) are the credit facilities. A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at December 31, 2022 would result in an additional $4,197 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the year ended December 31, 2022 (year ended December 31, 2021: $3,288).

Interest risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at bank and GIC's carried at fixed interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the derivative components of the senior and convertible debt. The Company's senior debt is carried at a floating interest rate. The Company has estimated that a one percentage point increase in the interest rate on its senior debt would have an annual impact on net earnings of approximately $470 for the year ended December 31, 2022. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal.

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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing annual capital and administrative expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable as well as the senior and convertible debt. Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Refer to "**LIQUIDITY AND CAPITAL RESOURCES**" section above.

OUTSTANDING SHARE DATA

As at March 23, 2023, the Company had 545,070,074 common shares outstanding, 23,629,298 stock options, 13,710,500 share purchase warrants, 1,883,929 deferred share units, 3,826,930 restricted share units and 108,108 performance share units outstanding.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Ascot remains committed to focusing on working safely, being transparent, building lasting relationships with Nisga'a Nation and our local communities beyond mining, and to steward the land, water, and air around us. Ascot continues to build strong relationships with our partner Nisga'a Nation and the local communities. We strive to be a sustainable contributor to northwestern British Columbia and southeastern Alaska. We thank Nisga'a Nation for hosting us on their Treaty Lands and working with us closely and collaboratively even through the unforeseen delays and challenges experienced over the past year. We thank our employees, the communities of Stewart and Hyder, our financial and government partners, and our shareholders for their ongoing support.

Our Sustainability Report, being released concurrent with this MD&A, highlights the measures taken and successes thus far in community relations, employment, health and safety, environmental stewardship and governance. The Sustainability Report also outlines the Company's future sustainable goals. Ascot's 2022 Sustainability Report can be found online at https://ascotgold.com/sustainability/sustainability-reports/.

(Expressed in thousands of Canadian dollars, except where indicated)

Senior Management 42% Female	Ascot Employees 40% Female	Board of Directors 29% Female	Site Based Employees 38% Nisga'a Citizens	Safety MTI frequency 4.0 Zero fatalities Zero lost time incidents	COVID-19 909 tests administered 17 positive cases	GHG Emissions Inaugural audit completed, 4.4 kt CO2e emitted across Scopes 1 and 2	Water One minor spill, and 2.609 million m3 of water treated	Training Conducted 1,266 hours in Emergency Preparedness exercises

Community Relations and Employment

For the past five years, Ascot has proactively engaged both formally and informally with the surrounding communities via Townhalls, Council Meetings, face-to-face meetings, and virtual meetings. Employment and housing are significant concerns for the community, along with attracting tourists in both the summer and winter months. In 2022, Ascot held a Townhall for everyone in Stewart & Hyder to attend to get an update on the Projects' activities and to answer any questions. Ascot also took the time to present an update to the Mayor and Council of Stewart. Ascot prides itself on being approachable and there are several methods that communities can get in touch with us, when we are not there in person, whether it is via email, telephone or on our social media channels.

While PGP is within the Canadian provincial jurisdiction of British Columbia, we recognize that our project is very close to our neighbours in Alaska. We ensure that we also meet with the Hyder Community Association to discuss their needs and concerns, one of which is the condition of the road through Hyder enroute to the project. We believe in keeping our people and workers safe and will work with the communities on mutually agreeable solutions where possible.

In 2022, 16 (or 43%) of Ascot's 37 site employees were full-time Stewart residents. Ascot will continue to prioritize hiring Stewart residents as the mine moves into construction and operations. It is our hope that people working away from their hometown will consider returning with their families to Stewart.

Nisga'a Employment

Throughout the life of the company, employing Nisga'a citizens has been a priority for Ascot. As we transition into construction and operations, there will be an increase in opportunities to hire, train and support the career development of Nisga'a citizens interested in working with Ascot. In 2022, Ascot developed a database of Nisga'a citizens interested in working in the mining industry to better target our Nisga'a training and employment strategies. In 2022, Nisga'a citizens represented 38% of our site-based and Stewart-based employees. Ascot increased the total number of Nisga'a citizens employed by the Company from 12 to 16. Nisga'a citizens worked with the Company as Geotech Technicians and Core Cutters in the core shack, Geotech Drill Helpers, Field Assistants, Labourers, Brush Cutters, Mine Trainees, First Aid Attendants, Environmental Monitoring and Water Treatment Plant Operation. In addition, Ascot has offered on-the-job training to many of these individuals where appropriate and has supported them in obtaining necessary certifications (i.e., Mine Rescue, First Aid, Confined Space, etc.) to complete their jobs.

Wherever possible, Ascot has encouraged contractors to hire Nisga'a citizens. In 2022, in addition to the 16 Nisga'a citizens employed directly by Ascot, there were 30 Nisga'a citizens as part of the staff of our third-party contractors related to construction and construction support throughout the year.

Health and Safety

Doing "no harm" is paramount to our work at Ascot. The health and safety of our employees, contractors, and local communities has and will continue to be a top priority as the Company evolves from exploration to development and through production. Ascot's journey towards production presents new and unique health and safety conditions which must be proactively planned for and adapted to.

During 2022, the severity of the COVID-19 pandemic eased up, allowing a gradual relaxation of the rigorous protocols Ascot developed in 2021. However, as project activities progressed into full-scale construction in 2022, the Company faced ever-changing conditions requiring thorough and dynamic safety training and awareness. Compared to 2021, 2022 saw many more workers on site from multiple contractors. With the flurry of activity on site, a key theme required was constant communication, especially on the site roadways.

In 2021 as Ascot advanced the Early Works construction program at PGP, the Company successfully adapted to the evolving COVID-19 pandemic and resulting restrictions and safeguards. In 2022, as COVID-19 became less of a risk to Ascot's workforce, project activities continued through the winter for the first time. Work activities and safety programs adapted to the changing weather conditions. This required safely managing large quantities of snow at times and included precautionary blasting to reduce the risk of avalanches on the roadways and other project areas. As full-scale construction commenced in the spring of 2022, new work areas required evolving safety programs.

In 2022 Ascot continued to undertake various training exercises, including mine rescue, site alarm response, avalanche rescue and vehicle extraction. As the Company advances the project towards production, emergency response preparedness is critical and is a top priority for the Company. In 2022, Ascot performed 1,266 hours in formal training exercises and conducted 398 orientations for visitors, staff, and contractors.

Environmental Stewardship

As outlined in the Company's ESG Policy, which can be found at https://ascotgold.com/corporate/corporate-governance/, Ascot recognizes the importance of advancing its operations and development while embracing its commitment to wise environmental stewardship and protection. Ascot's employees and contractors care about protecting the environment for future generations while providing for safe, responsible and profitable projects by developing natural resources for the benefit of its employees, shareholders, stakeholders, and communities and do so by conducting their activities in an environmentally responsible and conscientious manner.
Key features of our approach include the following:

- Reducing the disturbance footprint by the consolidation of several mining areas to feed a common process plant and tailings facility;
- Ongoing collaboration with Nisga'a Nation and recognizing the environmental considerations of the Nisga'a Treaty final agreement;
- Ensuring the cleanest possible water through modernization of the water treatment processes;
- Minimizing surface disturbance through updated mining methods and re-use of pre-existing infrastructure wherever possible;
- Effective tailings management; and
- Addressing the impacts of mining activities and ensuring that we leave the land better than we found it.

As previously announced, Ascot received its Mines Act Permit in December 2021 and its Environmental Management Act Permit in January 2022.

2022 marked the transition from permitting engagement to ongoing engagement under the Benefits Agreement (BA) signed in July of 2021. In late spring, the Ascot-Nisga'a Environmental Committee was formed to oversee environmental compliance and manage any environmental issues that might arise. The Environmental Committee met quarterly in July, September, and December. In the fall of 2022, 6 additional meetings were held between Ascot and Nisga'a Nation to discuss environmental matters and to ensure adequate communication and consultation. As identified early in the permitting consultation process, water and tailings management continue to be areas of particular interest for Nisga'a Nation.

Ascot is a member of the British Columbia Regional Mining Alliance ("BCRMA"). BCRMA is a partnership between, Nisga'a Lisims Government, the Association of Mineral Exploration BC, the British Columbia provincial government and some industry companies with projects in the Golden Triangle of northwestern British Columbia. This unique collaboration aims to promote mining investment and education in the Golden Triangle.

Corporate Governance

Management and the Board recognize the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board currently has six board-appointed committees: the Audit Committee, the Compensation Committee, the Governance and Nominating Committee, the Finance Committee, the Disclosure Committee, and the Health, Safety, Environmental and Technical Committee. Each Committee (with exception of the Disclosure Committee which works from the Timely Disclosure, Confidentiality and Insider Trading Policy) has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources. All of the committees are comprised completely of independent directors with exception to the Disclosure Committee, which is comprised of management and one independent director.

The Board has also adopted a Code of Ethics, which governs the ethical behavior of all employees, management, and directors. Separate Timely Disclosure, Confidentiality and Insider Trading Policy, Whistleblower Policy, Diversity Policy and Compensation Recovery Policy are all also in place. For more details on the Corporation's corporate governance practices, refer to Ascot's website (https://ascotgold.com/corporate/corporate-governance/).

The Corporation's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing, and the securities industry. The Board and Audit Committee meet at least four times per year and the other committees convene on an as required basis (see the Company's Information Circular for more details).

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is accumulated and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Management's Report on ICFR

Management of the Company is responsible for establishing and maintaining effective ICFR as such term is defined in the rules of the National Instrument 52-109 in Canada ("NI 52-109"). The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS. The Company's ICFR include policies and procedures for:

- Maintaining records, that in reasonable detail, accurately and fairly reflect our transactions and dispositions of the assets of the Company;
- Providing reasonable assurance that transactions are recorded as necessary for preparation of the consolidated financial statements in accordance with IFRS;
- Providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and
- Providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis.

The Company's management assessed the effectiveness of the Company's ICFR as of December 31, 2022. In doing so, management used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of

Sponsoring Organizations of the Treadway Commission ("COSO"). Based on their assessment, management has concluded that, as of December 31, 2022, the Company's ICFR were effective based on COSO criteria.

There have been no changes in the Company's ICFR during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Limitation of Controls and Procedures

The Company's management, including its CEO and CFO, believe that any DC&P or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

RISKS AND UNCERTAINTIES

The Company's securities should be considered a highly speculative investment and investors are directed to carefully consider all of the information disclosed in the Company's regulatory filings prior to making an investment in the Company, including the risk factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form ("AIF") dated March 23, 2023 available on SEDAR at www.sedar.com and www.sec.gov.

Resource exploration and project development are speculative businesses and involve a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring and developing its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial.

Cautionary Statement Regarding Forward-Looking Information

All statements and other information contained in this MD&A about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeted", "outlook", "on track" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the use of proceeds of the Offering, the advancement and development of the PGP and the timing related thereto, the exploration of the Company's properties and management's outlook for 2023. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks associated with the business of Ascot; risks related to exploration and potential development of Ascot's projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; risks associated with COVID-19 including adverse impacts on the world economy, construction timing and the availability of personnel; and other risk factors as detailed from time to time in Ascot's filings with Canadian securities regulators, available on Ascot's profile on SEDAR at www.sedar.com including the Annual Information Form of the Company dated March 23, 2023 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs associated with construction of the Project; the timing of the anticipated start of production at the Project; the ability to maintain throughput and production levels at the Premier Mill; the tax rate applicable to the Company; future commodity prices; the grade of Resources and Reserves; the ability of the Company to convert inferred resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; and exploration plans. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Ascot can give no assurance that such expectations will prove to be correct. Ascot does not undertake any obligation to update forward-looking statements. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.