Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023

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

Report date: May 12, 2023

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated May 12, 2023 and provides an analysis of our unaudited consolidated interim financial results for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. 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 ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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.

Q1 2023 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 (the "Stream") 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.
- The Premier site was preserved and winterized in late 2022. The Company recommenced its construction activities in early 2023 by re-mobilizing various construction contractors to site to complete the remaining scope on mill construction and piping. Construction of the new water treatment plant began in Q1 2023. Earthworks on tailings will commence in Q2 2023 once the snow has melted.
- 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 recent 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.
- On March 23, 2023, the Company published its second annual Sustainability Report, which will continue to evolve as Ascot progresses from development into production next year. The 2022 Sustainability Report can be accessed and downloaded at https://ascotgold.com/sustainability/sustainability-reports/

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

- On April 20, 2023, the Company closed a previously announced non-brokered private placement (the "Offering"). The Offering raised total gross proceeds of $4,050 and consisted of 5,000,000 common shares of the Company, which qualify as "flow-through shares" within the meaning of the Income Tax Act (Canada) (the "FT Shares"), at a price of C$0.81 per FT Share. The proceeds from the Offering will be used to fund the 2023 exploration program at PGP. The gross proceeds from the issuance of the FT Shares will be used for "Canadian exploration expenses", and will qualify as "flow-through mining expenditures" as those terms are defined in the Income Tax Act (Canada), which will be renounced to the purchaser of the FT Shares with an effective date no later than December 31, 2023 in an aggregate amount not less than the gross proceeds raised from the issue of the FT Shares.
- On May 11, 2023, the Company announced the 2023 exploration program at PGP. The program consists of an initial 10,000 metres of surface drilling and will include exploration drilling for resource expansion as well as in-fill drilling of early mining areas at the Big Missouri and Premier deposits. The exploration drilling will focus on extending the Day Zone at Big Missouri and the Sebakwe Zone north of the Premier mill. Up to an additional 4,000 meters of drilling have been budgeted and will be deployed towards surface and underground drilling depending on results of the initial 10,000 metres

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

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. Starting from approximately 65 people working at site at the end of January, there are now approximately 130 workers on site, and this will continue to increase with the mobilization of earthworks and mining contractors in the coming months to a peak of approximately 200 workers on site. At the end of Q1 2023, detailed engineering was at 99% completion. Major procurement was more than 95% complete. Key orders remaining in the plant relate mostly to piping, instrumentation and bulk consumables. Mechanical work continued in the mill; various trommels, dust collection and chute infrastructure were installed around the SAG and Ball mills. The Intensive Leach Reactor was assembled. Electricians continued installing electrical cabinetry, pulling wire, installing cable trays, and working in the MCC room. Concrete and structural steel contractors also have been restarted and their scope updated for the mill completion. Crews have also made progress on the new water treatment plant ("WTP") and associated infrastructure, including the tailings thickener, lime silos, moving bed bio-reactor ("MBBR") tanks, and clarifier foundation pedestals. The earthworks contract was signed in March 2023. In order to de-water the tailings facility for the required upcoming earthworks, an additional temporary water treatment plant has been mobilized to site. This temporary de-watering will occur for a period of approximately 4-6 weeks. By the end of 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. At the end of Q1 2023, overall construction excluding mine development was at 35% completion.

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 Premier Northern Lights ("PNL") then ramping up production at Big Missouri ("BM"), while developing over to Silver Coin ("SC"), 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 June 2023 with the collaring of the PNL ramp portal, while development will recommence at BM in late September 2023, after completion of the plug on the 2350 level in August 2023. Engineering on a pipe and valve assembly for the 2350 plug design that was approved in February 2023 is in progress. Limitations on ore storage on surface have resulted in a realignment of the mine plan. The focus in PNL will be "just in time" with long-hole drilled inventory blasted as required, while more priority will be put on BM in the early plan because material can be stored in the Dago Pit and brought to the temporary mill pad from there. The realignment of the mine plan is expected to complete by the end of May or mid-June 2023. One of the Company's contractors continued work on underground ventilation plans in Ventsim for all three mine areas, developing a unique plan to use the historical workings in conjunction with a "pull" system near the PNL portal. This work and the SC/BM system will be finalized and added to the mine plan in mid-June 2023.

Ascot is currently in the process of finalizing a mining contract with a mine contractor for development and initial production; this process will be completed during Q2 2023.

Mine development will progress throughout 2023 and delivery of ore is expected to commence late in the fourth quarter of 2023, enabling the start of mill commissioning and first gold pour in early 2024.

As of March 31, 2023, Ascot had spent C$173 million on the project. Ascot's cash balance at March 31, 2023 was C$149 million

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.

The Company continues to work with the United States Forest Service and United States Bureau of Land Management on the exploration permits.

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 B.C. 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.

2023 EXPLORATION PROGRAM

The 2023 exploration program will commence in June with a ground geophysical induced polarization survey aimed at extensions of mineralization in various parts of the property. The initial survey consists of approximately 30 line-kilometres but can be extended if warranted by initial results. The program at Premier is targeting the western extension of the Sebakwe zone of the Premier deposit and the program at the Day Zone is targeting the northern extension of mineralization towards the Martha Ellen deposit. Another grid is planned for the northern extension of the Dilworth deposit where surface showings are abundant but previous drilling is limited. Following the geophysical work, the Company will conduct a drill program of at least 10,000 metres of drilling at Sebakwe and the Day Zone. Up to an additional 4,000 meters of drilling have been budgeted and will be deployed towards surface and underground drilling depending on results of the initial 10,000 metres and the geophysical program. Additional drill holes will target specific early mining areas of the Premier and Big Missouri deposits with the aim of expanding stope shapes and providing additional information for effective and efficient mining of these areas once operations commence.

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:

- During Q1 2023, contractors were re-mobilized to the mill and significant progress has been made since then in the area of mechanical installation, piping, electrical and related surface infrastructure
- 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, and in order to facilitate the dewatering of the tailing dam for construction, a temporary water treatment plant has been installed and dewatering activities are planned for the month of May, June and July 2023
- Advancement of the PNL 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

Operations

Three months ended March 31, 2023 compared to three months ended March 31, 2022

The Company reported a net loss of $7,589 for Q1 2023 compared to $1,370 for Q1 2022. The higher net loss is attributable to a combination of factors including:

- A $2,858 loss on extinguishment of Senior Debt and a $1,344 deferred fee written off upon extinguishment of Senior Debt;
- A $1,326 decrease in gain on derivative liability (conversion option) embedded in the Company's Convertible Debt;
- A $1,262 loss on derivative asset (Stream buyback option) embedded in the Company's Stream;
- $1,127 in fees and expenses associated with Stream;
- A $321 increase in environmental compliance costs primarily due to increased monitoring requirements;
- A $253 decrease in foreign exchange gain due to the strengthening U.S. dollar

Partially offset by:

- A $1,638 increase in other income due to a $1,426 increase in interest income and a $212 increase in flow-through share premium recognition, and
- A $596 decrease in stock-based compensation expense due to a lower number of stock options granted in Q1 2023 compared to Q1 2022 as well as no expense associated with Restricted Share Units (RSU), which all vested in 2022

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

C$000	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Mineral property, plant & equipment cost capitalized	43,274	13,859	25,361	34,380	25,088	38,430	24,732	11,330
G & A expense	1,583	1,286	1,279	1,537	1,519	1,149	1,185	1,414
Stock-based compensation	474	3,461	472	487	1,070	305	472	418
Environmental compliance costs	383	298	147	76	62	69	36	25
Net loss	(7,589)	(5,988)	(2,396)	(1,054)	(1,370)	(170)	(1,700)	(3,751)
Loss per share - basic and diluted	$ (0.01)	$ (0.03)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (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. Increasing 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 loss from Q2 2021 to Q4 2022 were caused primarily by the changes in fair value of the Company's embedded derivatives, commitments and marketable securities. The higher losses in Q4 2022 and in Q1 2023 were caused primarily by the deferred financing costs and other fees related to the Company's credit facilities being expensed. The higher mineral property costs capitalized in Q1 2023 were primarily due to a change in estimate of the Company's asset retirement obligation and higher borrowing costs capitalized.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

In Q1 2023, the Company issued 109,208,928 common shares (Q1 2022: 59,271,000), no warrants (Q1 2022: 13,710,500), 400,000 stock options (Q1 2022: 3,432,211), 18,963 Deferred Share Units ("DSU") (Q1 2022: 113,665), no Restricted Share Units ("RSU") (Q1 2022: 721,432) and no Performance Share Units ("PSU") (Q1 2022: 162,162). Also, 500,000 stock options expired unexercised and 55,530 stock options and 653,398 RSUs were exercised in Q1 2023.

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

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") 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. The existing 10% gold stream arrangement that SRSR had on RMP production was terminated.

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. 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. Total payments to Sprott Lending to extinguish the Senior Debt and PPA including the prepayment fee were $35,185.

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.

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.

During Q1 2023, the Company spent $1,168 on qualifying flow-through mining expenditures. As at March 31, 2023, $29,161 remains to be spent on flow-through expenditures prior to December 31, 2023 ($286) and June 30, 2024 ($28,875).

As at March 31, 2023, the Company had cash & cash equivalents of $149,261 (December 31, 2022: $7,474) and working capital of $131,631 excluding the current portion of the credit facilities (December 31, 2022: $1,658). The increase in cash & cash equivalents was due to net proceeds from the Stream of $113,007, proceeds from the Strategic Investment of

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$49,885 and proceeds from exercise of stock options of $25, offset by expenditures on mineral properties, plant and equipment of $13,946; cash outflows from operating activities of $4,989; share issue costs of $2,093 and payment for lease liabilities of $106.

RELATED PARTY TRANSACTIONS

Included in accounts payable and accruals at March 31, 2023 is $755 (December 31, 2022: $630) due to the Company's officers and directors.

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:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Salaries, short-term benefits and management fees	$ 378	$ 335
Project development costs	21	27
Share-based payment transactions	353	772
	$ 752	$ 1,134

During Q1 2023, key management personnel were granted 400,000 stock options at a weighted average exercise price of $0.66. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at $153. Also, during Q1 2023, 500,000 stock options held by the Company's key management personnel expired unexercised.

During Q1 2023, the Company granted 18,963 DSUs to its directors. Based on the Company's share price on grant dates, the total fair value of the DSUs was $13.

COMMITMENTS, CONTRACTUAL AND OTHER OBLIGATIONS

As at March 31, 2023, 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	$ 17,515	$ -	$ -	$ -	$ 17,515
Equipment engineering and procurement	2,696	-	-	-	2,696
Convertible debt principal, interest and fees (a)	18,958	-	-	-	18,958
Reclamation liabilities (b)	729	504	504	52,025	53,762
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	415	355	-	-	770
	$ 40,863	$ 1,659	$ 1,279	$ 52,925	$ 96,726

(a) 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) 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 indicators 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 March 31, 2023, no impairment indicators were noted for the Project.

The Stream

Upon initiation of the Stream and at each reporting period, management applies judgment in assessing the appropriate accounting treatment of the Stream. One of the areas of significant judgement is the Company's potential obligation to settle a portion of the Stream in cash. Management noted that the lender has limited ability to cancel the Stream or seek cash reimbursement except under certain circumstances of breach and default of covenants (i.e., a contingent settlement provision). Management determined that the Company is able to settle the Stream through delivery of the commodities based on Ascot's most recent mine plan. Based on these considerations, management concluded that the Stream does not meet the definition of a financial liability and has been accounted for as a contract liability for the future delivery of an unknown quantity of gold and silver ounces, with each ounce representing a separate performance obligation.

A market-based discount rate is utilized at the inception of the Stream to determine a discount rate for computing the interest charges for the significant financing component of the deferred revenue balance. As gold and silver are delivered, the deferred revenue amount including accreted interest will be drawn down. The drawdown rate requires the use of proven and probable reserves and certain resources in the calculation that are beyond indicated and inferred resources, which management is reasonably confident are transferable to proven and probable reserves. Key estimates used in determining the significant financing component include the discount rate and the reserve and resources assumed for conversion.

The buyback option included in the Stream is an embedded derivative, the fair value of which is estimated using the Monte Carlo Simulation Method. The key assumptions used in the model are risk-free rates, the Company's forecast mineral production, forecast gold and silver prices and volatility and credit spread.

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, trade and other receivables, reclamation deposits, stream buyback option, trade and other payables, credit facilities and other liabilities. The recorded amounts of cash and cash equivalents, trade 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 value of liability component of the Convertible Debt approximates its fair value since the increase in the market interest rates between the date of the debt inception (December 10, 2020) and March 31, 2023 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.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents and reclamation deposits. The Company limits its exposure to credit loss by placing its cash, cash equivalents and reclamation deposits with high credit quality financial institutions. Substantially all of our cash and cash equivalents held with financial institutions exceeds government-insured limits. We seek to minimize our credit risk by entering into transactions with investment grade worthy and reputable financial institutions and by monitoring the credit standing of the financial institutions with whom we transact. We seek to limit the amount of exposure with any one counterparty. 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 a foreign currency (U.S. dollar) are the credit facilities and cash in treasury account. A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at March 31, 2023 would result in an additional $1,010 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the three months ended March 31, 2023 (three months ended March 31, 2022: $3,330).

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 in treasury accounts carried at variable interest rates and GICs carried at fixed interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the stream buyback option and the derivative component of the convertible debt. 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 insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations 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 May 12, 2023, the Company had 555,557,147 common shares outstanding, 23,709,048 stock options, 13,710,500 share purchase warrants, 1,895,375 deferred share units, 3,796,930 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 recent Sustainability Report released on March 23, 2023 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/.

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. Ascot's relationships with the leadership and community members of the District of Stewart are strong.

While PGP is within the Canadian provincial jurisdiction of British Columbia, we recognize that our project is very close to our neighbours in Alaska. Ascot has been in regular communication with the Hyder Community Association particularly as it relates to their request for support from Ascot for a joint request for funds for a road upgrade in Hyder to the Alaskan Government.

Ascot and Nisga'a Nation have established strong lines of communication and a respectful engagement process. During Q1 2023, the Ascot/Nisga'a oversight committees established in accordance with the benefits agreement met and no substantive issues were raised.

Ascot contributes where it can to its surrounding communities and has established Donations & Sponsorship Committee, which regularly reviews inbound requests. In Q1 2023, Ascot contributed to various events, including funds towards the Bear Valley School graduates in Stewart for their fundraising efforts for a grad trip. Ascot also donated to two Nisga'a New Year celebrations (Hoobiyee) in Laxgalts'ap in February and Vancouver in March 2023. As a member of the BCRMA (BC Regional Mining Alliance) Ascot participated at Round-up in Vancouver and at PDAC in Toronto, where Ascot was featured on a public panel with Nisga'a and Industry representatives. Two Nisga'a high school students attended educational session for high-school students at Round-up.

Along with contributing funds to various events in the communities, staff have developed and presented an educational "Pebbles Plus Program" to grades K-7 students in the communities of Gingolx and Gitlaxt'aamiks so that students can learn more about mineral exploration and mining and what we do at Ascot. Staff also volunteered at Round-up with Minerals Ed, focussed on education for students (elementary school students & high school students).

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 Q1 2023, Ascot has prioritized hiring qualified Nisga'a citizens wherever possible and approximately 40% of our site-based new hires have been Nisga'a citizens. As of March 31, 2023, 31% of Ascot's site-based employees were Nisga'a citizens.

Wherever possible, Ascot encourages contractors to hire Nisga'a citizens. In Q1 2023, there have been at least 16 Nisga'a citizens employed at all times 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.

Corporate Governance

Management and the Board recognize the value of good corporate governance and the need to adopt best practices. The Company 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 Company's corporate governance practices, refer to Ascot's website (https://ascotgold.com/corporate/corporate-governance/).

The Company'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.

There have been no changes in the Company's ICFR during the three months ended March 31, 2023 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.