ASCOT RESOURCES

Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2023

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

Report date: March 25, 2024

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated March 25, 2024 and provides an analysis of our audited financial results for the year ended December 31, 2023 compared to the year ended December 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, 2023, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards"). 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, 2023, prepared in accordance with IFRS Accounting Standards, can be found on SEDAR+ at www.sedarplus.ca 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. The Company filed a feasibility study in accordance with NI 43-101 for its Premier Gold Project and Red Mountain Project in May 2020. In December 2021, Ascot received the Mines Act Permit amendment to restart the Premier Gold Project. The Environmental Management Act Permit amendment was received in January 2022. 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. The Company commenced full scale construction of PGP in January 2023, and as of December 31, 2023, it was 86% complete. The Company expects to complete construction and have its first ore delivery to the mill by the end of Q1 2024. 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.

2023 AND RECENT HIGHLIGHTS

- On February 20, 2024, the Company closed its previously announced financing package for a total of US$50 million from Sprott Resource Streaming and Royalty Corp. and its affiliates ("Sprott Streaming") and Nebari Credit Fund II, LP ("Nebari Credit Fund II"), as described in the Company's news release dated January 22, 2024. $13,700 of the above proceeds would be used to buy back two existing 5% NSR royalties on various PGP property claims, which was completed on March 15, 2024.
- On February 20, 2024, concurrently with the above-noted financing package, the Company closed its previously announced bought deal private placement financing, under which the Company issued a total of 65,343,000 common shares of the Company (the "Common Shares") at a price of C$0.44 per Common Share, for gross proceeds of $28,751.
- At the end of Q4 2023, overall construction excluding mine development was 86% complete (approximately 94% as of February 29, 2024), compared with 66% complete at the end of Q3 2023. Numerous pre-commissioning activities in the mill have commenced. The Company anticipates introducing first ore into the mill by the end of March 2024, and pouring first gold in April (see "**Development of the Project**").
- PGP reached an important safety milestone in Q4 of 2023: one million hours without lost time incidents ("LTI"). By the end of Q4 2023, this figure reached 1,143,029 hours LTI free. The total recordable incident frequency has been reduced yet again from 0.69 at the end of Q3 2023 to 0.52 by the end of Q4 2023.
- At the tailings storage facility, the south dam, north dam, and southeast dam have been completed. The minor remaining work is focused on the smaller east dam and spillway which is expected to be completed by the end of

March. The new electrical substation was completed and all 138kV power lines were pulled and linked up with the BC Hydro grid. Site powerup on the 138 kV line was completed in January 2024.

- The new water treatment plant was fully commissioned and began operations in February 2024. The high-density sludge plant has been successfully commissioned and water is being treated and discharged into the environment. The moving bed bio-reactor is mechanically and electrically complete and media is being loaded into the tanks. The plant is anticipated to be brought into service by the end of March 2024.
- In October 2023, the Company obtained a temporary use permit to install a camp facility in the town of Stewart to provide additional accommodations for workers at the Project. The Company mobilized and installed living quarters with an initial capacity of 76 beds in early December 2023. This has alleviated some of the pressure caused by the extended earthworks schedule.
- On September 19, 2023, the Company acquired a full-service laboratory facility ("Assay Lab") in Stewart, BC from Seacan Labs Corp. The Assay Lab will be used to perform the testing required by Ascot for mineral exploration, mining operation, and environmental monitoring. During Q4 2023, the Assay Lab was re-commissioned for use and is currently ramping up toward full capacity of 250-300 samples per day with a 24-hour turnaround.
- In Q3 2023, the Company's underground mining contractor Procon Mining & Tunnelling mobilized to site. In Q4 2023, underground development at Big Missouri was re-commenced and is ongoing. As of March 21, 2024, underground development at Big Missouri totaled approximately 2,091 metres. In late 2023, underground decline development commenced on the new Premier Portal close to the mill. Mining development is being advanced down into the Premier deposit for initial mining in the Prew Zone, with ore development anticipated to begin in Q2 2024, and stope production following in Q3 2024. As of March 15, 2024, underground development at Premier totaled approximately 32 metres.
- On June 27, 2023, the Company closed a previously announced US$14 million subordinated convertible credit facility (the "Convertible Facility") with Nebari Gold Fund 1, LP ("Nebari"). The full proceeds from the Convertible Facility were used to repay principal, accrued interest and fees of Ascot's existing subordinated convertible credit facility with Beedie Investments Ltd. ("Beedie")
- On April 20, 2023, the Company closed a previously announced non-brokered private placement for total gross proceeds of $4,050 and consisted of 5,000,000 common shares of the Company, which qualified 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 Company's 2023 exploration program at PGP commenced in May, which consisted of 88 holes totaling 11,886 metres and included exploration drilling for resource expansion as well as in-fill drilling of initial mining areas at the Big Missouri and Premier deposits. Assay results were announced between August 2023 and January 2024. Multiple high-grade intercepts were drilled, including 98.84 g/t Au over 6.48m from a depth of 51.5m in hole P23-2490, including 691.50 g/t Au over 0.90m. This was the all-time second highest-grade drill intercept at Big Missouri and is the Company's highest-grade drill intercept property-wide since 2015 (see "**2023 Exploration Program**").
- On January 19, 2023, the Company closed a previously announced financing package. The financing package consisted of US$110 million as a deposit in respect of gold and silver streaming agreements and a strategic equity 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.

DEVELOPMENT OF THE PROJECT

Project financing

In January 2023, the Company closed a project financing package consisting of US$110 million as a deposit from Sprott Streaming 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 were C$50 million. Upon securing the new project financing, Ascot re-mobilized various contractors to progress activities for the remainder of the construction scope for the Project. 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 Streaming was terminated and replaced by the new Stream.

On February 20, 2024, the Company closed a bought deal private placement and a financing package for the completion and ramp-up of PGP. The financing package consisted of a royalty restructuring and a cost overrun facility, as detailed below.

The bought deal private placement was completed with a syndicate of underwriters. Under the bought deal financing, the Company issued a total of 65,343,000 common shares of the Company (the "Common Shares") at a price of C$0.44 per Common Share, for gross proceeds of $28,751, which included the full exercise of the underwriters' option.

Under the royalty restructuring, the Company received US$30 million gross proceeds to grant and sell to Sprott Streaming a new 3.10% NSR royalty covering the PGP property package (the "Sprott Royalty"). Until the end of 2026, up to 50% of the new royalty can be repurchased for varying amounts depending on timing and cumulative production. The repurchase price would be payable in ounces of gold bullion or the equivalent value in cash and is equal to 19,200, 21,600, and 24,000 gold equivalent ounces in 2024, 2025, and 2026 respectively, less the cumulative gold equivalent ounces delivered prior to the repurchase date, with the difference multiplied by the buyback percentage. $13,700 of the gross proceeds was used to buy back two existing 5% NSR royalties on various PGP property claims which was completed on March 15, 2024, resulting in net proceeds of approximately US$20 million. Up to 50% of the Sprott Royalty may be repurchased until the end of 2026.

Under the cost overrun facility ("COF"), the Company received US$20 million, net of an original issue discount of US$0.8 million, from Nebari Credit Fund II, which matures in June 2027. The interest rate is 10.0% plus the greater of: (i) 3.5% and (ii) the three-month secured overnight financing rate ("SFOR") per annum. A 1% arrangement fee was paid to Nebari Credit Fund II upon closing of the COF. The COF follows a progressive amortization schedule with interest and principal payments due monthly for the term of the COF, starting in July 2024. Subject to the terms and conditions of the COF, Ascot may prepay the outstanding principal at any time, subject to a minimum prepayment amount of US$1 million and Nebari achieving a minimum absolute return of 15%. Nebari Credit Fund II was granted warrants to purchase 10,164,528 Common Shares of the Company at a price of C$0.53 per share. The warrants expire on June 27, 2027. In connection with the COF, Ascot amended certain terms of the Convertible Facility, including the conversion price amendment from C$0.72 to C$0.53.

Construction progress key performance indicators

At the end of Q4 2023, overall construction excluding mine development was 86% complete (approximately 94% as of February 29, 2024), compared with 66% complete at the end of Q3 2023. Numerous pre-commissioning activities in the mill are ongoing. The Company anticipates introducing first ore into the mill by the end of March 2024, and pouring first gold in April.

Capital costs, including mining costs, incurred as of December 31, 2023 were approximately $292,000 (approximately $320,000 as of February 29, 2024). As of December 31, 2023, the remaining project construction capital required to complete construction and achieve the first gold pour was approximately $51,000 including mine development costs but excluding certain pre-operating costs and operations working capital (approximately $23,000 as of February 29, 2024). This implies a total project capital cost of $343,000, which is slightly higher than the most recent total project budget of $334,000 as reported in Q3 2023. The increase was mainly attributable to the increase in duration of the earthworks and project indirect costs.

Safety

The Premier Gold Project reached an important safety milestone in Q4 of 2023: one million hours without lost time incidents ("LTI"). By the end of Q4 2023, this figure reached 1,143,029 hours LTI free. The total recordable incident frequency has been reduced yet again from 0.69 at the end of Q3 2023 to 0.52 by the end of Q4 2023. The frequency of total incidents including property damage, first aid injuries, and near misses, was relatively similar to Q3 2023. Reporting activity continues to improve, and the Company will continue to work on proactive safety training and measures to reduce overall incidents on site, especially with pending transition from construction to the operations phase.

Processing plant

Mechanical and electrical work in the mill was substantially advanced throughout 2023. In Q4 2023, work in the mill focused on piping, systems & controls as well as remaining electrical terminations.

Piping installation included work inside the mill building and also outside connections to the carbon-in-leach ("CIL") tanks, and cyanide destruction and tailings thickener lines. Piping installation at the mill is over 90% complete. Electrical work progressed in completing terminations and installation of the fire detection system. Instrumentation and controls installations are advancing well. Staged commissioning has started on the Ball and SAG mills, CIL circuit, and cyclone feed pumps. As a part of the commissioning process, both Ball and SAG mills have been energized and rotated. The Ball mill has been loaded with water and successfully rotated for an 8-hour period with no issues. The SAG mill has been rotated for several hours and undergone a water load testing. As of mid March 2024, all systems relating to first ore have been completed and pre-commissioned with the focus now on completing and pre-commissioning first gold critical systems.

Tailings storage facility ("TSF") earthworks

The earthworks contract for the TSF and Cascade Creek Diversion Channel ("CCDC") was signed in March 2023 and the contractor was mobilized to the site in April 2023. In order to de-water the tailings facility for the required earthworks, an additional temporary water treatment plant ("WTP") was mobilized to site and commissioned in May 2023. By the end of June 2023, dewatering was completed and the temporary WTP was demobilized. Drilling and blasting had started on the CCDC in May 2023 and completed in January 2024.

During Q3 2023, the earthworks contractor focused on the reconstruction of the North Dam area where historical old tailings needed to be removed and underlying bedrock needed to be exposed and new dam material placed. The bedrock was deeper in certain areas and this required the removal and replacement of ~100,000 bank cubic metres that was not previously planned for. In addition, the drill and blasting of CCDC for new construction material was more complicated and took longer than previously expected.

Despite these challenges, the earthworks contractor completed the North Dam and has completed the liner install in the North Dam and spillway. The earthworks contractor occupies a significant portion of the site camp accommodation and this has resulted in delay in bringing other construction workers to site to focus on other aspects of the project. To mitigate the impact of this delay, Ascot was successful in obtaining a temporary use permit to construct a temporary camp in Stewart, which was completed in November 2023. With the milder-than-average winter season, much work was progressed on the TSF earthworks in Q4 2023 and into early 2024. The South Dam, North Dam, and Southeast Dam have been completed. The minor remaining work is focused on the smaller East Dam and spillway which is expected to be completed by the end of March 2024.

Water treatment plant ("WTP")

By the end of Q3, 2023 construction of all major pieces of equipment was complete with major milestones of mechanical completion tests for the clarifier and Moving Bed Bio-Reactor ("MBBR") tanks successful. Commissioning of the WTP components started in Q4 2023, with most areas being commissioned in isolation. Upon the delivery and installation of two transformers and a buffer tank in December 2023, and the 138 kV power connection in January 2024, the final commissioning for the WTP was completed on February 23, 2024. The High-Density Sludge ("HDS") plant has been successfully commissioned and water is being treated and discharged into the environment. The MBBR is mechanically and electrically complete and media is being loaded into the tanks. The WTP is operating normally, in time for mill start-up.

Site infrastructure

During Q3 2023, most of the new electrical substation was mechanically completed, and crews completed the 138kV power line to connect to the power grid less than 500 metres away. In Q4 2023, all 138kV lines were pulled and linked up with the

BC Hydro grid. Site electrification was originally planned for mid-December, but three new switches were required. Once these were delivered in early January 2024, site powerup on the 138 kV line was completed on January 14, 2024.

Off-site infrastructure

On October 3, 2023, the town council of Stewart, B.C. approved a Temporary Use Permit ("TUP") to install a camp facility in the town to provide additional accommodations for workers at the Project. The TUP is for a three-year term with potential to renew for another three years afterwards. The Company quickly mobilized and installed living quarters with an initial capacity of 76 beds in early December.

On September 19, 2023, the Company acquired the Assay Lab in Stewart, BC from Seacan Labs Corp. The Assay Lab will be used to perform the testing required by Ascot for mineral exploration, mining operation, and environmental monitoring. During Q4 2023, the Assay Lab was re-commissioned for use and is currently ramping up toward full capacity of 250-300 samples per day with a 24-hour turnaround.

Mine development

After an extensive and competitive process involving six contracting companies, in August 2023, Ascot selected Procon Mining & Tunnelling ("Procon") for a 3-year contract to advance the underground portion of the project. Procon has extensive underground mining experience in the province, including its current mining and development contract at the nearby Brucejack underground gold mine. In Q3 2023, Procon began their initial mobilization to site and deployed senior project management personnel to coordinate storage and laydown areas ahead of operating crew mobilization. As of February 29, 2024, Procon had about 46 employees at site, of which 31 were miners and 10 were maintenance workers.

In 2022, work commenced on the Big Missouri portal and approximately 907 metres of underground development was completed before being paused for the winter. In August 2023, Procon brought in mining personnel and equipment to do the initial work on dewatering of this existing Big Missouri development and re-establishing mine infrastructure. In Q4 2023, once the Big Missouri Portal infrastructure and mine services were re-established, underground development was re-commenced. Procon advanced underground waste and ore development including the decline, which will eventually connect to the Silver Coin deposit. In January 2024, the Company started stockpiling mineralized material from Big Missouri in the Diego pit, ready for processing. Underground development rates at Big Missouri have been gradually improving, with linear advances as high as 16 metres per day achieved, and on average crews are achieving approximately 10 to 12 metres per day currently. Including development in 2022, underground development at Big Missouri totaled 1,300 metres as of December 31, 2023, and approximately 2,091 metres as of March 21, 2024.

Recently at Big Missouri, the geology team noted an occurrence of coarse, visible gold. This material was within a geological wireframe approximately on dip with an existing stope shape about 20 metres away. In conjunction with exploration drilling intercepting high-grade gold mineralization outside of existing stope shapes in 2023, this occurrence provides further evidence of the potential for expansion beyond the current mine plan.

In August 2023, surface work commenced on the new Premier Portal close to the mill. In Q4 2023, Procon continued the portal face preparations including holes for cable bolts and other ground support and began clearing a pad area for service infrastructure including generators and compressors. The underground decline development started in early December with initial rounds and placement of shotcrete arches similar to what was done at Big Missouri in 2022. Poor ground conditions near surface and extreme cold temperatures slowed advance in January 2024, but conditions have improved in February. Mining development is being advanced down into the Premier deposit for initial mining in the Prew Zone, with ore development anticipated to begin in Q2 2024, and stope production following in Q3 2024. The ramp has been strategically laid out to allow for underground drilling on the Sebakwe Zone in 2024 and will eventually connect a footwall ramp over to the 602 area at the southern end of the Premier deposit. Underground development at Premier totaled approximately 32 metres as of March 15, 2024.

Recruitment

During Q2 2023, Ascot hired and onboarded a full-time recruitment professional to lead the Company's staffing efforts as it advances towards production in 2024. Recruitment activity materially increased in Q3 and Q4, as Ascot continues to have many qualified candidates applying for open positions. In January 2024, Ascot representatives attended a recruitment fair in Campbell River, BC, after it was announced that the nearby Myra Falls underground mine and mill was being placed on care & maintenance. During the job fair Ascot conducted two hundred in person and virtual interviews, and the Company has since been able to fill many open positions for skilled trades and operators.

Key senior level roles filled during Q4 2023 and into Q1 2024 include an Operations Manager, a second Mine Superintendent, a Senior Mining Engineer, Maintenance Superintendent, Maintenance General Foreman, Mill Operations General Foreman and a number of Supervisors.

Permitting and Environmental Compliance

A Joint Permit Amendment Application ("JPAA") was required to be re-aligned with the project completion dates and was submitted in October 2023. The JPAA has passed the government screening process and is currently in application review. In addition, a Mines Act Permit Amendment was submitted in June 2023 with respect to changing the location of the Premier portal from the southern location to an area closer to the mill facility, for which the Company received approval in September 2023.

OTHER PROJECTS

Mt. Margaret Project

The Mt. Margaret porphyry copper-molybdenum-gold-silver deposit is located 22.5 kilometres southwest of Randle, Washington in Skamania County in Southwest Washington State. Ascot owns 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 for exploration of the Mt. Margaret property. The permits are still pending due to a court decision to order the U.S. regulators to perform further groundwater analysis.

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.

2023 EXPLORATION PROGRAM

The exploration program commenced on June 21, 2023 when a drill rig was mobilized to the Prew Zone of the Premier deposit. After 16 holes were drilled totaling 5,347 metres at the Prew Zone, drilling was moved north to the Big Missouri deposit and the Day Zone, where a further 72 holes were drilled totaling 6,539 metres. Drilling was completed in late October, and the total 2023 drilling program was comprised of 88 holes totaling approximately 11,886 metres. Assay results from the 2023 drilling season included the following highlights:

- 32.85 g/t Au and 216.18 g/t Ag over 4.90m from a depth of 273.1m in hole P23-2468, including 165.00 g/t Au and 940.00 g/t Ag over 0.90m
- 23.37 g/t Au and 54.28 g/t Ag over 6.52m from a depth of 253.48m in hole P23-2465, including 148.50 g/t Au and 315.00 g/t Ag over 0.95m
- Both of the above high-grade intercepts from holes P23-2468 and P23-2465 occurred outside existing stope shapes

and therefore implied stope extensions
- 18.93 g/t Au over 6.87m from a depth of 278.1m in hole P23-2475, including 44.55 g/t Au over 2.30m
- 21.98 g/t Au over 4.28m from a depth of 279.2m in hole P23-2472, including 85.80 g/t Au over 1.05m
- 23.24 g/t Au over 3.86m from a depth of 290.1m in hole P23-2480, including 55.00 g/t Au over 1.00m and including an occurrence of coarse visible gold
- 28.45 g/t Au over 2.51m from a depth of 318.8m in hole P23-2476, including 55.00 g/t Au over 1.18m
- 42.20 g/t Au over 1.68m from a depth of 274.8m in hole P23-2471
- 98.84 g/t Au over 6.48m from a depth of 51.5m in hole P23-2490, including 691.50 g/t Au over 0.90m, which was the all-time second highest-grade drill intercept at Big Missouri and the Company's highest-grade drill intercept property-wide since 2015
- 22.30 g/t Au over 9.72m from a depth of 58.3m in hole P23-2484, including 98.10 g/t Au over 1.91m
- 17.72 g/t Au over 5.65m from a depth of 21.4m in hole P23-2494, including 31.90 g/t Au over 1.60m
- 58.18 g/t Au over 1.99m from a depth of 70.8m in hole P23-2532, including 77.45 g/t Au over 0.99m
- 9.89 g/t Au over 6.94m from a depth of 22.7m in hole P23-2509B, including 51.00 g/t Au over 1.19m
- 8.26 g/t Au over 7.35m from a depth of 7.35m in hole P23-2506, including 30.88 g/t Au over 1.44m
- 8.26 g/t Au over 5.57m from a depth of 16.9m in hole P23-2499, including 15.75 g/t Au over 1.27m

The 2023 ground geophysical induced polarization ("IP") survey was completed in the summer. The program comprised of 28 IP lines totaling 29 line-kilometers across three grids – one grid near the Premier mill targeting the western extension of the Sebakwe Zone, one grid targeting the northern extension of the Day Zone at the Big Missouri deposit, and one grid testing the strike and depth of the Dilworth deposit. The results were highly encouraging, and are summarized as follows:

- Strong IP anomaly shows potential that the Sebakwe Zone structure extends approximately 1,000 metres beyond the westernmost extent of surface drilling from 2022;
- Day Zone IP signature continues approximately 800 metres to the north of previous surface drill results, and
- Dilworth IP shows strong chargeability anomaly to the west and below where most drilling was previously focused.

MANAGEMENT'S OUTLOOK FOR 2024

With the financing package closed on February 20, 2024, the Company believes that it has sufficient funding to complete construction and ramp-up of PGP in 2024. The key activities for remainder of 2024 include:

- Advancing the mining development at Big Missouri and at Premier, with stoping activity at Premier starting in Q3 2024
- Completing recruitment of operating team personnel by the end of March 2024
- First ore to the mill by the end of March 2024 and first gold pour in April 2024, and commercial production in Q3 2024

SUMMARY OF RESULTS

The consolidated financial statements of the Company, to which the MD&A relates, have been prepared in accordance with IFRS Accounting Standards. 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, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Employee salaries & benefits and management fees	3,476	3,490	3,378
Legal and professional services	1,072	766	728
Office and administration expenses	709	606	449
Promotion and shareholders costs	471	474	372
Stock-based compensation	3,085	5,490	1,723
Environmental compliance costs	1,830	438	216
Net loss	(10,430)	(10,808)	(2,948)
Loss per share - basic and diluted	$ (0.02)	$ (0.03)	$ (0.01)
Total assets	630,388	379,096	339,046

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

C$000	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Mineral property, plant & equipment cost capitalized	74,650	53,515	41,843	43,274	13,859	25,361	34,380	25,088
G & A expense	1,287	1,452	1,666	1,583	1,286	1,279	1,537	1,519
Stock-based compensation	1,896	322	393	474	3,461	472	487	1,070
Environmental compliance costs	658	484	305	383	298	147	76	62
Net income (loss)	1,705	(1,473)	(3,073)	(7,589)	(5,988)	(2,396)	(1,054)	(1,370)
Loss per share - basic and diluted	$ 0.00	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.01)	$ (0.00)	$ (0.00)

Factors that can cause fluctuations in the Company's quarterly results include unrealized gains and losses on credit facilities, embedded derivatives, the nature and extent of construction and exploration activities carried out under specific work programs, finance costs, grants 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, plant and equipment costs are a result of the Company's large-scale Project construction activities. The quarterly fluctuations in net loss over the past two years were caused primarily by the changes in fair value of the Company's embedded derivatives. 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 net income in Q4 2023 was caused primarily by an increase in fair value of the Company's embedded derivatives. The higher mineral property, plant and equipment costs capitalized in 2023 were primarily due to increased construction activities, a change in estimate of the Company's reclamation provision and higher borrowing costs capitalized.

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

The Company reported a net income of $1,705 for Q4 2023 compared to a net loss of $5,988 for Q4 2022. The increase in income for the current period is attributable to a combination of factors including:

- A $4,771 decrease in financing costs, where the higher financing costs in Q4 2022 were mainly due to the write-off of deferred fees and expenses related to the Company's extinguished senior debt;
- A $4,367 increase in gain on change in fair value of derivatives mainly due to an increase in gold prices and a decrease in market credit spreads, which are the key variables used in the calculation of the fair value of the buyback option of the Company's Stream;
- A $1,565 decrease in stock-based compensation, where the higher expense in Q4 2022 was mainly due to

accelerated vesting of Restricted Share Units ("RSUs")

Partially offset by:

- A $1,202 increase in deferred income tax expense;
- A $675 decrease in other income, where the higher other income in Q4 2022 was mainly due to a gain on change in estimate of the Company's PPA liability, and
- A $470 increase in environmental compliance costs due to increased compliance requirements as a result of the receipt of JPAA.

Year ended December 31, 2023 compared to year ended December 31, 2022

The Company reported a net loss of $10,430 for 2023 compared to $10,808 for 2022. The lower net loss in current year is attributable to a combination of factors including:

- A $3,570 change in foreign exchange impact on U.S. dollar denominated financial instruments, from a $2,851 loss in 2022 to a $719 gain in 2023, where the loss in 2022 was due to the strengthening U.S. dollar's impact on the value of the Company's senior and convertible debt;
- A $3,402 decrease in financing costs, where the higher financing costs in 2022 were mainly due to the write-off of deferred fees and expenses related to the Company's extinguished senior debt;
- A $2,405 decrease in stock-based compensation, where the higher expense in 2022 was attributable primarily to the accelerated vesting of RSUs;
- A $1,539 increase in gain on derivatives mainly due to an increase in gold prices and a decrease in market credit spreads, which are the key variables used in the calculation of the fair value of the buyback option of the Company's Stream

Partially offset by:

- A $5,120 loss on extinguishment of senior and convertible debt;
- A $1,857 decrease in other income mainly due to decrease in flow-through share premium recognition and capitalization of interest income;
- A $1,392 increase in environmental compliance costs due to increased compliance requirements as a result of compliance requirements in the JPAA;
- A $1,202 increase in deferred income tax expense, and
- A $410 increase in finance expense mainly due to an increase in the Company's reclamation provision and a corresponding increase in its accretion expense.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During 2023, the Company issued 120,186,206 common shares (2022: 59,510,018), issued no vested warrants (2022: 13,710,500), granted 9,789,358 stock options (2022: 13,049,779), issued 1,449,973 Deferred Share Units ("DSUs") (2022: 1,447,298), 2,606,908 RSUs (2022: 3,579,588) and issued no Performance Share Units ("PSUs") (2022: 162,162). Also, 564,152 stock options expired or were forfeited, and 55,530 stock options, 452,006 DSUs and 721,597 RSUs were exercised in 2023.

The Company considers its capital structure to be primarily funded 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.

Financings during the year ended December 31, 2023

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 for the delivery of 8.75% and 100% of gold and silver production, respectively, from the Project 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 Sprott Streaming had on RMP production was terminated.

From January 1, 2025 until December 31, 2026, Ascot has the right to buy back 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 Delivery 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 was 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 were 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.

On April 20, 2023, the Company closed a 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 "CEE FT Shares"), at a price of C$0.81 per CEE 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 CEE FT Shares are being used for "Canadian exploration expenses", and qualify as "flow-through mining expenditures" as those terms are defined in the Income Tax Act (Canada), which were renounced to the purchaser of the CEE FT Shares with an effective date of December 31, 2023 in an aggregate amount equal to the gross proceeds raised from the issue of the CEE FT Shares.

During 2023, the Company spent $28,127 on qualifying flow-through expenditures. As at December 31, 2023, $6,251 remains to be spent on flow-through expenditures prior to June 30, 2024 ($5,092) and April 30, 2025 ($1,159).

On June 27, 2023, the Company closed the US$14 million Convertible Facility with Nebari. The Company incurred $693 of legal and due diligence expenses in relation to obtaining the Convertible Facility. Net proceeds from the Convertible Facility were used to repay principal and accrued interest and fees of Ascot's existing subordinated convertible credit facility with Beedie. Pursuant to the terms of the Convertible Facility, interest will accrue at a floating rate equal to the base rate of 5.00% plus the greater of the three month secured overnight financing rate ("SOFR") and 3.00% per annum. The interest is compounded quarterly and is added to the principal loan amount prior to commercial production as defined in the Convertible Facility agreement. All interest incurred after the declaration of commercial production shall be payable in cash quarterly. Principal and accrued interest are payable on June 27, 2027.

Nebari had the option to convert all or a portion of the Convertible Facility's outstanding principal into common shares of Ascot at a conversion price of C$0.72 per share (the "Conversion Price"). In connection with the COF that closed on February 20, 2024, the Conversion Price was amended to C$0.53. The Company has the one-time right to convert up to 50% of the Convertible Facility's outstanding principal into common shares of Ascot in the event that for over 20 consecutive trading days, Ascot's shares' 30-day volume weighted average price ("VWAP") exceeds 145% of the Conversion Price (the "Conversion Trigger"). The Company may not force conversion if at any time after the Conversion Trigger the 30-day VWAP is less than 105% of the Conversion Price.

The Company may elect to prepay the outstanding principal and accrued interest balance in whole or in part at any time. As part of this prepayment condition, Ascot issued to Nebari 25,767,777 unvested share purchase warrants (the "Prepayment Warrants"). Voluntary prepayment is subject to the conditions of the Stream as well as vesting of a number of Prepayment Warrants that is equal to the quotient of the principal being prepaid divided by the initial US$14 million advance, with each Prepayment Warrant entitling the holder to purchase one Ascot common share at an exercise price equal to the Conversion Price.

Liquidity

As at December 31, 2023, the Company had cash & cash equivalents of $26,974 (December 31, 2022: $7,474) and working capital deficiency (current assets less current liabilities) of $18,337 (December 31, 2022: working capital of $1,658). The increase in cash & cash equivalents was due to net proceeds from the Stream of $113,006, proceeds from the Strategic Investment of $49,885, proceeds from the Offering of $4,050 and proceeds from the exercise of stock options of $25, offset by expenditures on mineral properties, plant and equipment of $128,349; cash outflows from operating activities of $13,254; share issue costs of $2,361, net payment on the extinguishment of convertible debt of $565, payment for lease liabilities of $1,686, payment for environmental bond deposit of $1,000 and payment for pre-production royalty of $50.

On February 20, 2024, the Company closed a bought deal private placement for gross proceeds of $28,751 and a US$50 million financing package consisting of a royalty restructuring and a cost overrun facility (see "**Project financing**"). Management considered the negative net working capital and the commitments that had existed at December 31, 2023 as well as the funding received subsequent to year end and concluded that the Company now has sufficient funding for the next twelve months of operations, including to progress from construction to first gold pour, ramp-up, commercial production and eventually steady-state operations.

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

COMMITMENTS, CONTRACTUAL AND OTHER OBLIGATIONS

As at December 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	$ 33,117	$ -	$ -	$ -	$ 33,117
Convertible Facility principal and interest (a)	1,085	4,306	19,566	-	24,957
Reclamation liabilities (b)	477	-	-	60,547	61,024
Benefits agreement - PGP and RMP	300	1,075	800	-	2,175
Pre-production royalty - Red Mountain project	50	100	100	50	300
Minimum lease payments	3,707	5,000	1,572	-	10,279
	$ 38,736	$ 10,481	$ 22,038	$ 60,597	$ 131,852

(a) Interest on the Convertible Facility is compounded quarterly and is added to the principal loan amount prior to commercial production as defined in the Convertible Facility agreement. All interest incurred after the declaration of commercial production shall be payable in cash quarterly. Principal and accrued interest are payable on June 27, 2027.

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

As of December 31, 2023, the Company had an outstanding purchase commitment of $7,991 for surface mining equipment, which is financed under a master lease agreement for an equipment lease facility. The Company is also required to make a yearly service fee of $1,010 plus reasonable maintenance costs for each calendar year until termination (which can be done on 6 months' notice) under an agreement for electrical power interconnection and transmission service.

RELATED PARTY TRANSACTIONS

Included in accounts payable and accruals at December 31, 2023 is $591 (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:

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, short-term benefits and management fees	$ 1,517	$ 1,425
Project development costs	85	107
Share-based payment transactions	2,316	3,624
	$ 3,918	$ 5,156

During 2023, key management personnel were granted 5,332,551 stock options at a weighted average exercise price of $0.50. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at $1,403.

During 2023, executive management were granted 965,625 RSUs. Based on the Company's share price on the day prior to the grant dates, the fair value of the RSUs granted to executive management was $425.

During 2023, the Company's directors were granted a total of 1,449,973 DSUs. Based on the Company's share price on the day prior to the grant dates, the fair value of the DSUs granted to directors was $643.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards 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 assesses 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. No impairment indicator was identified as of December 31, 2023.

The Stream

Upon initiation of the Stream and at each reporting period, management assesses the appropriate accounting treatment of the Stream. One of the areas of significant estimation 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.

The Convertible Facility

In assessing the Convertible Facility, management identified a conversion option embedded derivative within the convertible debt. The fair value of the derivative is estimated using the Finite Difference Method. The key assumptions used in the model are risk-free rates and the forecast price and volatility of the Company's stock.

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 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.

Reclamation provision

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, Convertible Facility 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 the liability component of the Convertible Facility approximates its fair value since only a short period of time has passed between from the date of the debt inception (June 27, 2023) to December 31, 2023.

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 U.S. 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 Convertible Facility and cash in treasury account. A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at December 31, 2023 would result in an additional $937 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the year ended December 31, 2023 (year ended December 31, 2022: $4,197).

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 Facility. The Company's Convertible Facility and mining equipment lease liability are carried at floating interest rates. The Company has estimated that a one percentage point increase in the interest rate on its Convertible Facility and mining equipment lease would result in an additional $101 of interest added to the balance of the Convertible Facility and $11 interest paid for the year ended December 31, 2023. 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, lease liabilities and the Convertible Facility. Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Refer to the "**LIQUIDITY AND CAPITAL RESOURCES**" section above.

OUTSTANDING SHARE DATA

As at March 25, 2024, the Company had 623,854,487 common shares outstanding, 32,864,699 stock options, 10,164,528 vested share purchase warrants, 2,736,846 deferred share units, 6,206,913 restricted share units and 108,108 performance share units outstanding. Also, 25,767,777 unvested Prepayment Warrants issued to Nebari are outstanding.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Ascot remains committed to 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.

The 2023 Sustainability Report will be released in June 2024 and will highlight the measures taken and successes thus far in community relations, employment, health and safety, environmental stewardship and governance. The Sustainability Report also outlined the Company's future sustainable goals. Ascot's Sustainability Report can be found online at https://ascotgold.com/sustainability/sustainability-reports/. In an effort to compile relevant data required when incorporating the SASB framework in future Sustainability Reports, Ascot anticipates releasing future Sustainability Reports mid-year.

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. Also, while PGP is within the Canadian provincial jurisdiction of British Columbia, we recognize that our project is very close to our neighbours in Alaska.

In July 2023, Ascot held a community open house in Stewart. In September 2023, Ascot held three information sessions, two in Stewart and one in Hyder, open to anyone that wanted to attend. A formal update on PGP was given to the attendees, followed by Q&A.

Ascot contributes where it can to its surrounding communities and has established a Donations & Sponsorship Committee, which regularly reviews inbound requests. The Company supported and participated in several community events, including International Days in Stewart and Hyder during the summer months, and donated funds to the town's new library building project, which will have a significant positive impact in the community. Ascot supports students at every level where it can, including events at the Bear Valley School in Stewart, and Engineering university students for their mine rescue events, mining games or graduation trips.

PGP is also located within the Nass Area as defined by the Nisg̱a'a Treaty signed in 2000. In July of 2021, Ascot and Nisg̱a'a Nation signed a benefits agreement and over the years, Ascot and Nisg̱a'a Nation have established strong lines of communication and a respectful engagement process.

During 2023, the Ascot/Nisg̱a'a oversight committees established in accordance with the benefits agreement met and no substantive issues were raised. Ascot participated in Nisg̱a'a community events throughout the year, including the Hoobiyee (Nisg̱a'a New Year) events held in the Nisg̱a'a village of Lax̱g̱alts'ap and Vancouver, the National Indigenous People's Day celebration in the Nisg̱a'a village of Gitlaxt'aamiks and the ceremony held in Lax̱g̱alts'ap to celebrate the return of the Ni'isjoohl totem pole. Ascot also hosted Nisg̱a'a leadership in Stewart for a site tour in July 2023.

In September 2023, Ascot hosted the Company's second annual Truth and Reconciliation Luncheon for site employees. Also in September 2023, Ascot sponsored Stewart's Community Connections Association to host a youth workshop on indigenous art where participants made their own orange shirts.

Nisg̱a'a Employment

Throughout the life of the Company, employing Nisg̱a'a citizens has been a priority for Ascot. As we transition from construction and into operations, there will be an increase in opportunities to hire, train and support the career development of Nisg̱a'a citizens interested in working with Ascot. In 2023, Ascot prioritized hiring qualified Nisg̱a'a citizens wherever possible and supporting our existing Nisg̱a'a employees to grow in their roles.

As of December 31, 2023, 21% of Ascot's site-based employees were Nisg̱a'a citizens who were employed in a variety of roles including site services labourer, geology labourer, cleaner, assay lab technician, core cutter, heavy equipment operator, truck driver, and water treatment plant operator. 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. We have also begun to see Nisg̱a'a workers who are successful in their roles moving into more skilled and senior roles.

Wherever possible, Ascot has encouraged contractors to hire Nisg̱a'a citizens. As of December 31, 2023, there were 16 Nisg̱a'a citizens employed as part of the staff of our third-party contractors related to construction and construction support.

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 five board-appointed committees: the Audit Committee, the Compensation Committee, the Governance and Nominating 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 composed completely of independent directors with exception to the Disclosure Committee, which is composed 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 DC&P 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 CONTROL 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 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 Accounting Standards. 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 Accounting Standards;
- 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, 2023. 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, 2023, the Company's ICFR was effective based on COSO criteria.

There have been no changes in the Company's ICFR during the year ended December 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 25, 2024 available on SEDAR+ at www.sedarplus.ca.

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 press release 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", "would" 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 advancement and development of the PGP and the timing related thereto, the completion of the PGP mine, the production of gold and management's outlook for the remainder of 2024 and beyond. 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 entering into definitive agreements for the transactions described herein; 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 Ascot's 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; 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.sedarplus.ca including the Annual Information Form of the Company dated March 25, 2024 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 PGP mill; the tax rate applicable to the Company; future commodity prices; the grade of mineral resources and mineral reserves; the ability of the Company to convert inferred mineral 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, other than as required by applicable laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.