



Ascot Resources Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended December 31, 2018

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

Report Date March 26, 2019

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated March 26, 2019 and provides an analysis of our audited financial results for the nine months ended December 31, 2018 compared to the year ended March 31, 2018. The following information should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the nine months ended December 31, 2018 and the year ended March 31, 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all currency amounts are expressed in thousands of Canadian dollars. Additional information about the Company, including the audited financial statements and the notes thereto, for the nine months ended December 31, 2018, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com and on the Company's website at www.ascotgold.com.

Change in year end - On March 26, 2018, the Company filed a notice of change of year end pursuant to Part 4 of NI 52-102 Continuous Disclosure Obligations. The Company changed its fiscal year end from March 31 to December 31 with transition year-end at December 31, 2018 to be more aligned with its peers. Consequently, the Company is reporting audited financial results for the nine month period from April 1, 2018 to December 31, 2018. Going forward, the Company will follow a customary quarterly reporting calendar based on a December 31 financial year end, with fiscal quarters ending on the last day in March, June, September, and December of each year.

Ascot is a Canadian-based junior exploration company publicly traded on the TSX Venture Exchange and OTCQX under the symbols AOT and AOTVF respectively, focused on re-starting the past producing historic Premier gold mine, located in British Columbia's Golden Triangle. The Company continues to define high-grade resources for underground mining with the near-term goal of converting the underground resources into reserves, while continuing to explore nearby targets on its Premier/Dilworth and Silver Coin properties (collectively referred to as the Premier project), situated just 25 kilometres north of the town of Stewart. The Company also has two other projects; Swamp Point, an aggregate mine in temporary closure located in British Columbia on the Portland Canal and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

2018 AND RECENT HIGHLIGHTS

- In April 2018, the Company initiated engineering studies to re-start mining operations utilizing existing infrastructure.
- On May 29, 2018, the Company announced initial drilling results of the first 11 holes from the 602 zone at Premier/Dilworth property that show robust high-grade gold mineralization.
- On June 22, 2018, the Company filed an updated NI 43-101 resource estimate for its flagship Premier/Dilworth property in BC's Golden Triangle. The additional resource includes high-grade zones from the Premier and Northern Lights areas that were modeled using a cut-off grade suitable for underground mining.
- On September 6, 2018, an induced polarization ("IP") test survey at Premier successfully detected known mineralization. The test survey also identified a previously unknown anomaly to the southwest of the Premier pit, which the Company intends to explore. The Company expanded the IP survey to a 13,500-metre line both to the south of the Premier pit to the Alaska border (3.5 kilometres) and to the north towards Big Missouri Ridge (6 kilometres) where high-grade gold mineralization is also known. The survey identified multiple high priority chargeability anomalies.
- On September 21, 2018, Ascot completed a private placement for flow-through shares with gross proceeds of \$3 million, which were used for the expanded 2018 exploration program at the Premier/Dilworth property.
- On October 16, 2018, Ascot completed its previously announced acquisition of the Premier property from Boliden Limited ("Boliden"). The Company now holds a 100% interest in the Premier/Dilworth property.
- On October 26, 2018, the Company completed the acquisition of the Silver Coin property located immediately adjacent to Ascot's Premier/Dilworth properties' Big Missouri Ridge.
- On November 1, 2018, the Company announced that diamond drilling at the Unicorn area near the Big Missouri ridge had intercepted high-grade gold mineralization. The results of the 2018 drill program have been integrated into a resource update for the entire property including Premier/Northern Lights and all parts of the Big Missouri ridge.
- On December 3, 2018, the Company announced a significantly increased high-grade gold resource estimate for its properties including Premier, Dilworth and Silver Coin (collectively referred to as the Premier project). Total

resource reported was 667,000 ounces of gold (Au) and 2.34 million ounces of silver (Ag) in the indicated category and 1.39 million ounces of gold and 4.65 million ounces of silver in the inferred category.

- On December 6, 2018, the Bureau of Land Management (“BLM”) released its Decision Record for Hardrock Prospecting Permit Applications with a Finding of No Significant Impact (“FONSI”) related to two prospecting permits that had been submitted by Ascot regarding its Mt. Margaret property. Previously the United States Forest Service (“USFS”) released its final decision to consent to the BLM to issue prospecting permit applications on February 8, 2018. The prospecting permits grant Ascot the exclusive right to prospect on and explore for hardrock mineral deposits during the term of the permits. Any future proposal for leasing and site development would be subject to public notification, separate National Environmental Policy Act analysis, and administrative action by the BLM and USFS.
- On January 7, 2019, the Company entered into a definitive arrangement agreement with IDM Mining Ltd. (“IDM”) pursuant to which Ascot would acquire all of the issued and outstanding common shares of IDM (the “Transaction”). Each IDM shareholder will be entitled to receive 0.0675 of a common share of Ascot for each share of IDM held. The Transaction was approved by the securityholders of IDM on March 20, 2019. The Transaction will consolidate Ascot’s Premier project and IDM’s Red Mountain project (“Red Mountain”), to create the leading high-grade gold development and exploration company in northwestern British Columbia’s Golden Triangle. The combined entity will benefit from numerous operational and development synergies.
- On January 21, 2019, the Company announced that it had entered into a subscription and note agreement related to a convertible loan for gross proceeds of US\$10 million (the “Note”) split between Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership for US\$8.83M and US\$1.17M respectively. The Note will mature in two years with an interest rate of 8% to 8.5% and subject to certain terms will be convertible into common shares in the capital of the Company at a conversion price of US\$1.13 per share (the “Conversion Shares”).
- On February 15, 2019, both the Environmental Assessment Office and the Canadian Environmental Assessment Agency confirmed that the Premier project is not reviewable under the regulation.

2018 EXPLORATION PROGRAM

After the successful completion of the 2017 program at Premier/Dilworth, the Company announced its 2018 drill program comprised of approximately 45,000 metres in 200 drill holes, targeting infill and expansion in various areas on the Premier-Dilworth property. The program started with two drill rigs at lower elevation around the Premier mine and later expanded to a total of five rigs when the focus shifted to the Big Missouri ridge that is situated at higher elevation. The focus of the Company shifted from the previous open pit mining scenario towards developing higher grade, underground resources.

The program was designed to extend mineralized zones at Premier/Northern Lights, converting existing resources from inferred to indicated in existing zones (including the 602 zone), and to delineate high-grade underground zones in the Big Missouri/Martha Ellen area located 5 kilometres further north.

The drill program successfully outlined and extended a number of high-grade zones in the Big Missouri and Unicorn areas and particularly at the North Star prospect where multiple holes intersected high-grade mineralization near surface. The drill spacing was tightened in many areas to allow for the definition of underground resources in these areas that had previously been explored with a large open pit scenario in mind. There is significant potential for additional resources and new mineralized zones in this part of the property. The 2018 drill results were utilized in the resource update for the property, announced in December 2018 (see operations below).

The drilling at Premier succeeded in extending mineralization of the 602 and 609 zones towards the west. Mineralization remains open in that direction. Part of the resource inventory at the 602 zone was upgraded into the indicated category.

Individual drill results are listed in a number of news releases between May and November. Some of the new intercepts are spectacular and underline the success of the 2018 program in achieving the original goals of the program as outlined above. Following the observation that gold mineralization at Premier is accompanied by disseminated pyrite, the Company conducted a geophysical ground survey in the hope of establishing a geophysical signature of the mineralization that can

be employed for regional exploration on the property. On September 6, 2018, Ascot announced that an induced polarisation (“IP”) test survey at Premier had successfully detected known mineralization. The test survey also identified a previously unknown anomaly to the southwest of the Premier pit, which Ascot intends to explore. Ascot then expanded the IP survey to a 13,500-metre line both to the south of the Premier pit to the Alaska border (3.5 kilometres) and to the north towards Big Missouri Ridge (6 kilometres) where high-grade gold mineralization is also known. The survey identified multiple high priority chargeability anomalies.

In order to successfully execute its exploration plans, on September 24, 2018, Ascot completed a non-brokered private placement of 3,000,000 flow-through shares at a price of \$1.00 per flow-through share for gross proceeds of \$3,000. In connection with the offering, the finders received a cash commission equal to 6.5% of the gross proceeds raised under the offering by the finders and 190,125 finder’s warrants equal to 6.5% of the flow-through shares sold pursuant to the efforts of the finders. Each finder’s warrant is exercisable to purchase one Ascot Share for a period of 18 months from the closing of the offering at an exercise price of \$1.00 per finder’s warrant. The proceeds from the flow-through shares were used for the expanded 2018 exploration program at the Premier-Dilworth property.

2018 OPERATING OVERVIEW

Premier project

On May 10, 2018, Ascot reported an updated independent National Instrument 43-101 compliant mineral resource estimate for Ascot’s Premier-Dilworth Gold-Silver Project located near Stewart, British Columbia. The additional resource included high-grade zones from the Premier and Northern Lights area that were modeled using a cut-off grade that is suitable for underground mining. The updated independent National Instrument 43-101 compliant mineral resource estimate titled “Technical Report on the Premier-Dilworth Project, Stewart, British Columbia, Canada”, was authored by David W. Rennie, P.Eng of Roscoe Postle Associates Inc. (“RPA”) and Ronald G. Simpson, P.Geo. of Geosim Services Inc. (“Geosim”) (the “Premier-Dilworth Technical Report”). The Premier-Dilworth Technical Report was publicly filed on June 21, 2018. This report did not include any 2018 drilling and contained new underground resource shapes for the Premier and Northern Lights area only. The Big Missouri, Martha Ellen and Dilworth resources restated the 2014 resource report for an open pit scenario as no new work had been undertaken in these areas.

On October 16, 2018, Ascot completed its acquisition of the Premier Property from Boliden pursuant to a definitive asset purchase agreement (the “Boliden Definitive Agreement”) dated July 31, 2017 with Boliden whereby Ascot purchased the rights, lands, permits, licenses and other assets held by Boliden in connection with the Premier Gold Mine for a total purchase price of \$11,050. The Boliden Definitive Agreement was entered into as one of the conditions of Ascot’s exercise of its option to purchase the Premier property, under the Premier Option Agreement. Pursuant to the terms of the Boliden Definitive Agreement, Ascot paid the Premier payment with any necessary adjustments on closing (for clarity, the Premier payment was paid into escrow on June 30, 2017 and was released to Boliden as described above). In addition, Ascot agreed to pay to Boliden a net smelter royalty of 5% on any future mine production at the Premier property, which royalty may be purchased by Ascot for the sum of \$9,550. Pursuant to the Boliden Definitive Agreement, Ascot assumed all obligations and liabilities of Boliden in connection with the Premier property, subject to certain exceptions. In addition, Boliden has a right of first refusal in the event that Ascot wishes to dispose of all or any part of its interest in the Premier property following the establishment of the presence of significant base metal mineral reserves at the Premier property. Under the Boliden Definitive Agreement, Boliden has the option to enter into a long-term offtake agreement with respect to base metals with Ascot upon the commencement of commercial production on the Premier Property.

On October 29, 2018, Ascot completed its acquisition of a 100% interest in the Silver Coin property in northwestern British Columbia from Jayden Resources Inc. (“Jayden”) and Mountain Boy Minerals Ltd. (“MBM”) pursuant to a definitive share purchase agreement (the “Jayden Definitive Agreement”) with Jayden dated August 12, 2018 and a definitive purchase agreement (the “MBM Definitive Agreement”) with MBM dated August 12, 2018, respectively. Pursuant to the Jayden Definitive Agreement, Ascot acquired all of the issued and outstanding shares of Jayden’s subsidiary, Jayden Resources (Canada) Inc. (“Jayden Canada”), in exchange for 14,987,497 Ascot Shares. In addition, Ascot issued an additional 192,000 Ascot Shares for the settlement of options and warrants exercised prior to the closing date with the net proceeds of the warrants accruing to Ascot. Jayden Canada owned an 80% joint venture interest in the Silver Coin property pursuant to a

joint venture agreement with MBM and Ascot acquired the remaining 20% joint venture interest in the Silver Coin property from MBM in exchange for 3,746,874 Ascot Shares pursuant to the MBM Definitive Agreement. In addition, Ascot issued 48,000 additional Ascot Shares to MBM for the settlement of Jayden options and warrants that were exercised before closing. Certain shareholders of Jayden and all of the officers and directors of Jayden (collectively, the “Jayden Locked-Up Shareholders”) entered into voting support agreements with Ascot, whereby they agreed to restrict trading of Ascot Shares distributed by Jayden to its shareholders pursuant to the acquisition for a period of 6 months following closing. The Jayden Locked-Up Shareholders owned or had control or direction of over approximately 31.4% of the issued and outstanding shares of Jayden. The Silver Coin property contains approximately 244,000 AuEq ounces of high-grade resources with significant exploration upside that adjoins Ascot’s property boundary in northern British Columbia.

Ascot’s neighbouring infrastructure creates key synergies with the Silver Coin project. Ascot’s existing resources, together with the above noted Silver Coin high-grade resources combined to form the initial resource base for the Company’s ongoing engineering studies. The consolidated ownership of the Big Missouri Ridge area creates a platform for future exploration success in the geologically prospective area. Silver Coin resources are included in the current mine plan for an engineering study.

On December 3, 2018, Ascot reported an updated independent National Instrument 43-101 mineral resource estimate for Ascot’s Premier Project (including the formerly separate Premier, Dilworth and Silver Coin properties) located near Stewart, British Columbia. The updated resource includes high-grade zones from the Premier and Northern Lights, Big Missouri (including North Star, Province and Unicorn), Martha Ellen, Dilworth and Silver Coin areas. The outlines of these zones were modeled with a potential high-grade underground scenario in mind. The updated independent National Instrument 43-101 mineral resource estimate titled “Technical Report on the Premier Project, Stewart, British Columbia, Canada”, was authored by David W. Rennie, P.Eng of RPA, Sue C. Bird, P.Eng of Moose Mountain Technical Services (“Moose Mountain”) and Sean P. Butler, P.Geo, geological consultant (the “Premier Technical Report”). The Premier Technical Report was publicly filed on January 17, 2019. This report supersedes any previous resource estimates involving open pit scenarios and establishes an initial resource base for an underground scenario for the Premier project.

The updated NI 43-101 resource estimate for the Premier project reported:

- 667,000 ounces of gold (Au) and 2.34 million ounces of silver (Ag) in the Indicated category, and
- 1.39 million ounces of gold and 4.65 million ounces of silver in the Inferred category.

The undiluted and in-situ Mineral Resource estimate for the Premier project reported at an underground cut-off grade of 3.5g/t AuEq:

Total Premier Project Mineral Resources

Class	Deposit	Tonnes 000's	Average Grades			Contained oz (000's)		
			Au g/t	Ag g/t	AuEq	Au	Ag	AuEq
Indicated	Premier/Northern Lights	1,250	6.97	30.2	7.18	281	1,220	289
Indicated	Big Missouri	539	8.19	20.5	8.34	142	355	144
Indicated	Silver Coin	859	8.01	20.5	8.16	221	566	225
Indicated	Martha Ellen	130	5.47	48.0	5.80	23	201	24
Total Indicated	All Above	2,780	7.46	26.2	7.64	667	2,340	682

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Class	Deposit	Tonnes 000's	Average Grades			Contained oz (000's)		
			Au g/t	Ag g/t	AuEq	Au	Ag	AuEq
Inferred	Premier/Northern Lights	1,740	5.95	24.2	6.12	333	1,350	342
Inferred	Big Missouri	2,250	8.25	18.4	8.38	596	1,330	605
Inferred	Silver Coin	1,160	7.78	22.1	7.93	289	821	295
Inferred	Martha Ellen	653	6.12	34.3	6.36	129	720	134
Inferred	Dilworth	235	6.13	56.0	6.51	46	424	49
Total Inferred	All Above	6,030	7.18	24.0	7.35	1,390	4,650	1,420

Notes:

- CIM (2014) definitions were followed for Mineral Resources.
- Mineral Resources are estimated at a cut-off grade of 3.5g/t AuEq.
- Mineral Resources are estimated using long-term metal prices of US\$1,350/oz Au and US\$20/oz Ag.
- Gold equivalence was calculated using a ratio of 65:1 Ag:Au and Ag recovery of 45.2%.
- For Premier/Northern Lights, an average bulk density of 2.84 t/m³ was used. For all other zones, the average bulk density was 2.80 t/m³.
- For Premier/Northern Lights, the zones were interpreted using a minimum true width of 2.5 m for steep dipping zones and 3.0 m for moderate to flat dipping zones. For all other zones, a minimum true width of 2.5 m was used.
- Numbers may not sum due to rounding.

The updated resource estimate provides the basis for an engineering study to explore mining opportunities utilizing the existing mine and plant infrastructure.

Qualified Person

Lawrence Tsang, P. Geo provides the field management for the Premier exploration program. John Kiernan, P.Eng. and Chief Operating Officer is the Company's qualified person and has reviewed the technical information throughout the MD&A.

During the nine months ended December 31, 2018, the Company incurred \$11,455 in deferred exploration, permitting and environmental studies costs on its Premier/Dilworth and Silver Coin properties.

Quality assurance / quality control

Analytical work is being carried out by ALS Lab Group. Quality assurance and quality control programs include the use of analytical blanks and standards and duplicates in addition to the labs own internal quality assurance program. All samples were analyzed using multi-digestion with ICP finish and fire assay with AA finish for gold. Samples over 100 ppm silver were reanalyzed using four acid digestion with an ore grade AA finish. Samples over 1,500 ppm silver were fire assayed with a gravimetric finish. Samples with over 10 ppm gold were fire assayed with a gravimetric finish. Identified or suspected metallic gold or silver are subjected to "metallics" assays. For extreme high gold grades, a concentrate analysis is performed with a fire assay and gravimetric finish accurate up to 999985 ppm Au limit (ALS Au-CON01) method. Sampling and storage are at the company's secure facility in Stewart with bi-weekly sample shipments made to ALS Labs Terrace prep site.

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 on 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 subject to a 1.5% NSR and a negotiated federal royalty.

On December 6, 2018, the Bureau of Land Management (“BLM”) released its Decision Record for Hardrock Prospecting Permit Applications with a Finding of No Significant Impact (“FONSI”) related to two prospecting permits that had been submitted by Ascot regarding its Mt. Margaret property. Previously the United States Forest Service (“USFS”) released its final decision to consent to the BLM to issue prospecting permit applications on February 8, 2018. The prospecting permits grant Ascot the exclusive right to prospect on and explore for hardrock mineral deposits during the term of the permits. Any future proposal for leasing and site development would be subject to public notification, separate National Environmental Policy Act analysis, and administrative action by the BLM and USFS.

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 source aggregate cost competitive. The property is subject to two royalties; one to the BC Provincial Government and one to the former management of Ascot. The project was put on care and maintenance in 2008 as a result of the economic downturn.

The site has some existing onsite infrastructure, giving it the advantage of being able to re-start within a short lead time, with some further site preparation required. The Company is seeking to divest Swamp Point, which it considers a non-core asset, and use proceeds from the sale for general working capital purposes and to assist in funding the Company’s Premier project.

MANAGEMENT’S OUTLOOK FOR 2019

Management is planning a number of activities for the calendar year 2019 which include:

- Infill and exploration drilling to add high-grade resources to what has been previously announced. This will include drilling at Premier-Northern Lights, Big Missouri and Silver Coin.
- Converting selected inferred resources to the indicated category in order to allow the conversion of resources to reserves at PFS or FS level.
- Completing engineering studies related to restarting the mine and mill operations.
- Continuing consultation with local communities and First Nations and submitting Mines Act Permit Amendment.
- Continuing ground water, climate and ecological studies related to re-starting the mine.
- Re-building the historical database of information from previous mining activities.
- Completing the acquisition of IDM and integrating the Red Mountain project into Ascot’s project portfolio.

SUMMARY OF RESULTS

The consolidated financial statements of the Company to which the MD&A relates have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The following table was prepared based on the Company’s consolidated financial statements for the fiscal periods noted.

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

Selected financial data (C\$000)	Nine months ended December 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017
Employee salaries and benefits	1,300	708	489
Management fees	493	435	365
Share-based payments	1,303	5,072	5,376
Legal and professional services	394	580	228
Office and administration expenses	326	270	104
Promotion and shareholders costs	153	323	339
Property maintenance costs	397	599	163
Deferred income tax expense (recovery)	(9,856)	2,709	1,379
Net income (loss)	6,251	(9,064)	(8,378)
Earnings (loss) per share - basic and diluted	\$ 0.04	\$ (0.06)	\$ (0.06)
Total assets	124,860	92,536	82,084

Operations

For the nine months ended December 31, 2018 compared with the year ended March 31, 2018:

The Company reported net income of \$6,251 for the nine months ended December 31, 2018 compared to a net loss of \$9,064 for the year ended March 31, 2018. The net income for the nine months ended December 31, 2018 is mainly driven by the deferred income tax recovery of \$9,856 (year ended March 31, 2018: deferred tax expense of \$2,709), partially offset by share-based payments of \$1,303 (year ended March 31, 2018: \$5,072) and employee salaries and benefits of \$1,300 (year ended March 31, 2018: \$708). Share-based payment, a non-cash cost, reflects the amortization of the estimated fair value of stock options over their vesting period. The calculation of the fair value of options is based to a large degree on the Company's share price and its volatility. In addition, as the granting of options and their vesting is at the discretion of the Board of Directors, the related expense is unlikely to be uniform across quarters or financial years. During the nine months ended December 31, 2018, no stock options were granted (year ended March 31, 2018: 7,440,000 stock options granted). Lower deferred income tax expense in 2018 was a result of lower flow-through share expenditures.

Since early 2018, the Company has changed from an exploration company to an exploration/development company focusing on restarting the Premier mine. As a result, employee salaries and benefits, management fees and office and administration expenses for the nine months ended December 31, 2018 were higher than for the year ended March 31, 2018. Higher legal fees for the year ended March 31, 2018 were mainly due to the property purchase agreement with Boliden signed in June 2017.

The Company had signed a purchase agreement (the "Agreement") with Boliden to purchase the Premier/Dilworth property in June 2017, which closed on October 16, 2018. Under the terms of the Agreement, the Company was responsible for care and maintenance costs relating to the Premier property. For the nine months ended December 31, 2018, the Company reimbursed Boliden \$397 (year ended March 31, 2018: \$599) for property maintenance costs.

Other income of \$1,414 for the nine months ended December 31, 2018 (year ended March 31, 2018: \$2,010) is mainly comprised of the premium on flow-through shares and interest income. The premium on flow-through shares was \$1,194 for the nine months ended December 31, 2018 as compared to \$1,762 for the year ended March 31, 2018. This premium is the recognition received on the issue of flow-through shares as the funds are spent. Interest income of \$220 (year ended March 31, 2018: \$248) for the nine months ended December 31, 2018 reflects interest earned on cash held on deposit and invested in short-term market instruments. The annualized increase in interest income is primarily due to Ascot's larger average treasury balance during the nine months ended December 31, 2018.

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

C\$000	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Mineral property cost deferred	18,684	4,449	5,200	654	2,219	4,686	10,796	553
G & A expense, excluding share-based payments	1,393	965	809	1,055	636	504	431	393
Share-based payments	191	535	577	989	4,083	-	-	1,875
Property maintenance costs	133	137	127	339	121	139	3	2
Net income (loss)	10,103	(1,865)	(1,987)	(2,590)	(5,012)	(843)	(619)	(2,266)
Income (loss) per share - basic and diluted	\$ 0.06	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.01)	\$ (0.00)	\$ (0.02)

Included in mineral property cost additions in the quarter ended December 31, 2018 is \$17,084 representing the cost of the Silver Coin property acquired on October 26, 2018. Factors that can cause fluctuations in the Company's quarterly results include the nature and extent of exploration activities carried out under specific work program, stock option grant and vesting, and issuance of shares. Over the past eight quarters, the Company has been focused mainly on the exploration of its Premier/Dilworth property near Stewart, BC. The Company carried out an exploration program on the Premier/Dilworth property from April to October 2018 with the program wrapping up in November 2018. Level of activity increased since October 2017, resulting in higher G&A expenses.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During the nine months ended December 31, 2018, a total of 15,530 warrants were exercised for proceeds of \$18 and 15,000 options were exercised for proceeds of \$14. During the nine months ended December 31, 2018, a total of 10,145,464 warrants and 2,450,000 options expired, and 450,000 options were cancelled.

On September 21, 2018 the Company raised \$3,000 by issuing 3,000,000 flow-through shares at \$1.00 per share. In connection with the issuance, the Company paid finder's fees in cash in the amount of \$190 and issued 190,125 non-transferable warrants, which are exercisable at \$1.00 per warrant into common shares of the Company for a period of eighteen months from the closing of the private placement. The proceeds were used to fund the fall 2018 drill program at Premier/Dilworth.

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

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

Liquidity

As at December 31, 2018, the Company had working capital of \$5,745 (March 31, 2018: \$19,591). As at December 31, 2018, cash totaled \$6,530, a decrease of \$13,981 from March 31, 2018 cash balance. The decrease was due to (a) operating activities of \$2,229; (b) expenditures on mineral properties of \$11,959, and (c) environmental bond deposits of \$2,597. This was offset by the exercise of warrants and options and the issuance of flow-through shares of \$2,804. The Company expects to have sufficient funds to meet its obligations in 2019.

On January 21, 2019, the Company entered into a subscription and note agreement related to a convertible loan for gross proceeds of US\$10 million. The Note will mature in two years with an interest rate between 8% and 8.5% and subject to certain terms will be convertible into common shares in the capital of the Company at a conversion price of US\$1.13 per share. The proceeds of the Note will be used to fund: the acquisition of milling equipment; a convertible loan by the Company to IDM; the development of the Premier Project; and for other general corporate purposes of the Company.

SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration, evaluation and development of mineral properties. The Company has two geographic centres, Canada and the US. The United States assets relate solely to expenditures on the Mt. Margaret option, which is included in exploration and evaluation assets at December 31, 2018 at \$5,352 (March 31, 2018: \$5,352). All of the Company's current assets are located in Canada.

RELATED PARTY TRANSACTIONS

Included in accounts payable at December 31, 2018 is \$213 (March 31, 2018: \$36) due to related parties, of which \$21 pertains to royalties on gravel product sold by the Company's Swamp Point mine during the year ended March 31, 2008.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation comprised:

	Nine months ended December 31, 2018	Twelve months ended March 31, 2018
Salaries and short-term benefits	\$ 369	\$ 349
Management fees	455	421
Exploration and evaluation costs	-	788
Share-based payment transactions	1,164	4,838
	\$ 1,988	\$ 6,396

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and 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 of judgment and estimates that have the most significant effect on the amounts recognized in the financial statements are:

Impairment of long-lived assets

Management assesses the possibility of impairment in the carrying value of its long-lived assets whenever events or circumstances indicate that the carrying amounts of the asset or asset group may not be recoverable. Significant judgments are made in assessing the possibility of impairment. Management considers several factors in considering if an indicator of impairment has occurred, including but not limited to, indications of value from external sources, significant changes in the legal, business or regulatory environment, and adverse changes in the use or physical condition of the asset. These factors are subjective and require consideration at each period end. If an indicator of impairment is determined to exist, management calculates the estimated undiscounted future net cash flows relating to the asset or asset group using estimated future prices, mineral resources, and operating, capital and reclamation costs. When the carrying value of an asset exceeds the related undiscounted cash flows, the asset is written down to its estimated fair value, which is usually determined using discounted future cash flows. Management's estimates of mineral prices, mineral resources, foreign exchange rates, production levels and operating capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset.

Income taxes

Management must make estimates and judgments in determining the provision for income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits including interest and penalties. The Company is subject to income tax law in the United States and Canada. The evaluation of tax liabilities involving uncertainties in the application of complex tax regulation is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. The evaluation of an uncertain tax position requires significant judgment, and a change in such recognition would result in an additional charge to the income tax expense and liability.

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.

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. As the estimate of obligations is based on future expectations, a number of assumptions and judgments are made by management in the determination of closure provisions. The decommissioning and site restoration provisions are more uncertain the further into the future the site closure activities are to be carried out.

NEW ACCOUNTING PRONOUNCEMENTS

Certain recent accounting pronouncements have been included under Note 3 in the Company's December 31, 2018 audited consolidated financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, interest and other receivables, reclamation bond, trade and other payables and other liabilities. The recorded amounts of cash and cash equivalents, interest and other receivables, reclamation deposits, trade and other payables and other liabilities approximate their respective fair values due to their short-term nature.

Credit risk

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

Currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is insignificant.

Interest risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at bank and GIC's carried at fixed interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The exposure to interest rates for the Company is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company ensures 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. Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

OUTSTANDING SHARE DATA

As at March 26, 2019, the Company had 174,377,951 common shares outstanding, 14,240,000 share options outstanding under its stock-based incentive plan and 190,125 share purchase warrants outstanding.

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 Canadian and U.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 26, 2019 available on SEDAR at www.sedar.com and www.sec.gov.

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring 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. The following sets out the principal risks faced by the Company.

(a) Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

(b) Estimation of mineralization, resources and reserves

There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material change in quantity of reserves, mineralization or grade may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under onsite conditions or during production.

(c) Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

(d) Commodity price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in British Columbia, Canada. There can be no assurance that favourable price levels for these precious metals will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

(e) Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

(f) Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

(g) Share price volatility and price fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

(h) Key personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

(i) Completion

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

(j) Realization of assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(k) Environmental and other regulatory requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits.

(l) History of net losses, accumulated deficit and lack of revenue from operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

(m) Indebtedness

As of the date of this MD&A, the Company has outstanding US\$10 million principal amount of the Convertible Note that bears interest at a rate between 8% and 8.5% per annum, which is unsecured. The Convertible Note is convertible into Ascot Shares, which may cause dilution to shareholders. As a result of this indebtedness, the Company is required to use a portion of its cash flow to service the principal and interest on these debts, which will limit the cash flow available for other business opportunities.

The Company's ability to pay interest, repay the principal or to refinance its indebtedness depends on the Company's future performance, which is subject to economic, financial, competitive and other factors beyond its control. The Company currently does not generate cash flows from operations and relies on financing. If the

Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

(n) Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

(o) Legal proceedings

As at the date of the Report, there were no legal proceedings against or by the Company.

Cautionary Note

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