



Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2020

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

Report date: May 11, 2020

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated May 11, 2020 and provides an analysis of our unaudited interim financial results for the three months ended March 31, 2020 compared to the three months ended March 31, 2019. 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, 2019, 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 year ended December 31, 2019, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com and on the Company's website at www.ascotgold.com.

DESCRIPTION OF THE BUSINESS

Ascot is a Canadian-based development and exploration company publicly traded on the Toronto Stock Exchange (the "TSX") in Canada, having the trading symbol AOT. The Company is also trading on the OTCQX market in the U.S. (symbol: AOTVF) and the Frankfurt Stock Exchange in Germany (symbol: BHQ). The Company focuses on re-starting the historic past producing 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 upgrading the underground resources into reserves, while continuing to explore nearby targets on its Premier and Silver Coin properties (collectively referred to as the Premier Gold Project), situated 25 kilometres north of the town of Stewart. The Company also owns, through its wholly-owned subsidiary IDM Mining Ltd. ("IDM"), the Red Mountain Project located 15 kilometres northeast of the town of Stewart. The Company also has two other projects: Swamp Point, an aggregate mine in care and maintenance located in British Columbia on the Portland Canal, and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

Q1 2020 AND RECENT HIGHLIGHTS

- On January 15, 2020, the Company announced an updated Resource Estimate for the Premier Gold Project including the Silver Coin, Big Missouri and Premier deposits (see news release: <https://ascotgold.com/news-releases/2020/ascot-increases-indicated-resources-at-premier-gold-project-by-60/>). The update represented a 60% increase in the Indicated Category compared to the previous Resource Estimate. The resources at Premier Gold Project contained precious metals are 1,066,000 ounces of gold and 4,669,000 ounces of silver in the Indicated Category and 1,180,000 ounces of gold and 4,673,000 ounces of silver in the Inferred Category. Ascot's combined resources for the Premier and Red Mountain Projects have total contained precious metals of 1,848,600 ounces of gold and 6,824,000 ounces of silver in the Measured & Indicated Category and 1,249,300 ounces of gold and 4,769,000 ounces of silver in the Inferred Category.
- On February 25, 2020, the Company closed its previously announced non-brokered private placement (the "Offering") of 5,126,250 flow-through shares at a price of \$0.98 per Flow-Through Share, and 8,170,588 common shares at a price of \$0.64 per common share for aggregate gross proceeds of \$10,253. The net proceeds from the Offering will be primarily used to fund exploration activities, permitting, engineering and economic studies and for general corporate and working capital purposes.
- On April 15, 2020, the Company reported robust feasibility study results with after-tax internal rate of return ("IRR") of 51%. The feasibility study was prepared in accordance with an NI 43-101 technical report for Ascot's 100% owned Premier and Red Mountain gold projects. The feasibility study outlines a low capital restart plan to feed the Premier mill at 2500 tonnes per day to produce approximately 1.1 million ounces of gold and 3.0 million ounces of silver over eight years (see "Q1 2020 Operating Overview") (see news release: <https://ascotgold.com/news-releases/2020/ascot-reports-robust-feasibility-study-with-after-tax-irr-of-51/>).

Q1 2020 OPERATING OVERVIEW

Premier Gold Project ("PGP")

PGP includes the previously separate Premier, Dilworth and Silver Coin properties which are now consolidated and host the Premier, Silver Coin and Big Missouri deposits. Each deposit is accessible through historic underground infrastructure, which will be incorporated into future mining plans. Since October 2017, the Company has been focusing on identifying and developing high-grade underground resources, engineering and environmental studies to restart the mill facility. In February 2020, the Company published an updated independent National Instrument 43-101 ("NI 43-101") mineral resource estimate for the Premier Gold Project which increased Indicated resources by 60%. Indicated Resources are important because Inferred material can not be used in Feasibility Studies. The updated NI 43-101 resource estimate for the Premier Gold Project reported 1.1 million ounces of gold and 4.7 million ounces of silver in the Indicated category, and 1.2 million ounces of gold and 4.67 million ounces of silver in the Inferred category (see "**Resource Update**"). On April 15, 2020, the Company announced robust results for the feasibility study for PGP and RMP projects with an after-tax IRR of 51% and NPV_{5%} of \$341 million (see "**Feasibility Study**").

Resource Update

Since late 2017, Ascot management turned its focus towards developing high-grade underground resources. Starting with limited high-grade underground resources, Ascot now has a substantial amount of high-grade resources from four deposits (Premier, Silver Coin, Big Missouri and Red Mountain), which could feed the centrally located Premier mill.

On January 15, 2020, Ascot reported an updated independent National Instrument 43-101 mineral resource estimate for PGP titled "Resource Estimate Update for the Premier Gold Project, Stewart, British Columbia, Canada" with an effective date of December 12, 2019. The updated NI 43-101 resource estimate, filed on SEDAR on February 28, 2020, for the project reported:

- 1,066,000 ounces of gold and 4,669,000 ounces of silver in the Indicated category, and
- 1,180,000 ounces of gold and 4,673,000 ounces of silver in the Inferred category.

Red Mountain Project ("RMP")

The 17,125-hectare Red Mountain Project is located 15 km northeast of the town of Stewart and within Nisga'a Nation traditional territory. A previous Feasibility Study announced by IDM in June 2017 confirmed the positive economics for a near-term, high-grade, bulk mineable underground gold operation at Red Mountain.

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

Feasibility Study for PGP and RMP ("the Study")

Overview

The Study is based on four underground mining operations feeding a centralized 2500 tpd processing facility, located at PGP. The four mining operations known as Silver Coin, Big Missouri, Premier and Red Mountain will be sequenced over an 8-year period to initially produce 1.1 Moz. of gold and 3.0 Moz. of silver. PGP benefits from existing road access, historical mining, milling, the nearby Long Lake Hydro power plant, tailings and mine waste stockpile infrastructure resulting in a low initial capital refurbishment cost. Mining will commence from the Silver Coin and Big Missouri deposits, which will be followed by the Red Mountain deposit in year 3 and then the Premier deposit. In the four planned operations, access for production will be through both new and existing adits (side hill portal access) utilizing a combination of new ramp development and refurbishment of existing underground infrastructure. Mining methods will largely consist of low-cost long hole stoping for most of the ore, with limited use of inclined undercut long hole, room & pillar and cut & fill mining

methods in specific shallow or flat lying stopes. Ore will be trucked to the processing facility and mining waste will be used underground as a combination of rockfill and cemented rockfill.

The existing processing facility will be refurbished within a construction period of approximately 40 weeks. The process plant will utilize conventional crushing, grinding and gravity circuits followed by a standard carbon-in-leach ("CIL") process to produce a gold doré. The plant refurbishment will consist of a combination of existing, new and repaired equipment and supporting plant infrastructure. Prior to ore from RMP being treated, the plant will add an energy efficient fine grinding mill and an additional pre-leach thickener to accommodate processing of the harder ore feed and the finer grind required for recovery purposes.

PGP has an existing tailings storage facility and water treatment plant, and is adjacent to the Long Lake Hydro power plant, which currently supplies Pretium's Brucejack Mine and connects to the BC Hydro grid. Currently, the site receives power via a 25-kiloVolt power line from the town of Stewart. This arrangement would be modified with a new substation to be constructed adjacent to the processing plant that would receive power from the Long Lake power plant approximately 800 metres south of the processing plant. Power would be distributed to the site from this substation. The Study has two key enhancements to the existing infrastructure: the tailings dam would be successively raised using centreline lifts throughout the mine life with approximately 1.2 million cubic metres ("m³") of non-acid generating rock excavated from a nearby quarry; and the water treatment plant would be modified to nearly double the existing capacity to accommodate additional water treatment from the Big Missouri and Silver Coin operations, and would also include an ammonia treatment plant, a water clarifier and lime high density sludge system.

In order to complete this study, Ascot engaged a team of highly experienced professional consultants led by Sacre-Davey Engineering Inc. ("SDE"). SDE was responsible for overall coordination, infrastructure and the economic evaluation; InnovExplo Inc. and Mine Paste Ltd. for mining; Sedgman Canada Limited (a member of CIMIC Group) for metallurgy and processing; Knight Piésold Ltd. for tailings and water management; SRK Consulting (Canada) Inc. for the water treatment plant; Paul Hughes Consulting Ltd. for site geotechnical; McElhanney Ltd. for access roads; Prime Engineering for the Electrical substation; Palmer Environmental Consulting Group Inc. for geochemistry, hydrology and water quality modelling; and Falkirk Environmental Consultants and EcoLogic Consultants for environmental studies.

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

Table 1: Life of Mine Summary

Assumptions	
Gold Price (US\$)	1400
Exchange Rate (US\$/C\$)	0.76
Payable Metals	
Gold Production (koz)	1059
Silver Production (koz)	2964
Mining & Processing	
Mine Life (Years)	8
Total Tonnage Milled (Mt)	6.2
Gold Recovery (%)	91.4
Silver Recovery (%)	76.5
Processing Throughput (tpd)	2500
Diluted Average Gold Grade (g/t)	5.9
Diluted Average Silver Grade (g/t)	19.7
Capital Expenditure Costs	
Initial CAPEX (C\$M)	146.6
Sustaining Capital (C\$M)	157.1
Closure Costs (C\$M)	20.5
Operating Costs	
UG Mining Cost (C\$/t Milled)	97.00
Processing Cost (C\$/t Milled)	31.05
G&A Cost (C\$/t Milled)	7.93
Site Services (C\$/t Milled)	3.36
Total Operating Costs (C\$/t Milled)	139.34
Effective Taxation rate %	33.6
Metrics	
Direct Cash Costs ¹ ("C1") (US\$/oz)	642
All in Sustaining Cash Costs ¹ ("ASIC") (US\$/oz)	769
LOM Pre Tax Free Cash Flow (C\$M)	710
Pre-Tax IRR (%)	62
Pre-Tax NPV ₅ (C\$M)	516
After-Tax IRR (%)	51
After-Tax NPV ₅ (C\$M)	341
After-Tax Payback Period (years)	1.8

1. C1 includes mining processing, site services, G&A, refining & transportation cost and royalty cost less by-product credits. ASIC includes C1 cost plus sustaining capital. C1 and ASIC costs are non-GAAP performance measures;

Sensitivities

After-tax economic sensitivities are presented in Table 2 illustrating the effects of varying precious metals prices and exchange rates to LOM base-case. Additional project sensitivities will be presented in the Technical Report.

Table 2: After-Tax NPV (5%) and IRR Sensitivities to Gold Prices & Exchanges rate

Sensitivities	Lower Case	Base Case	Higher Case
Gold Price (US\$/oz)	1200	1400	1600
CAD to USD exchange rate	0.80	0.76	0.71
After-Tax Payback Period (years)	2.5	1.8	1.4
After-Tax NPV (5%) (C\$M)	177	341	534
After-Tax IRR (%)	31	51	71

Mineral Resource Estimate

The Company's Mineral Resources at the PGP noted in Table 3 and for RMP in Table 4 are combined to form the basis of the mineral reserves in this Study. The QP for the resource estimation work for RMP was completed by independent* consultant Dr. Gilles Arseneau, P.Geo (APEGBC) with an effective date of the Mineral Resource Statement of August 30, 2019. The QP for the resource estimation work at PGP was completed by independent* consultant Susan Bird, P.Eng (APEGBC) with an effective date of the Mineral Resource Statement of December 12, 2019.

* Independent 'qualified persons' within the meaning of NI 43-101

Table 3: PGP Mineral Resource Statement reported at 3.5g/t AuEq cut-off

	Grade			Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Total Indicated	4,141	8.01	35.1	1,066	4,669
Total Inferred	5,061	7.25	28.7	1,180	4,673

Notes for Table 3:

1. Mineral Resources are estimated at a cut-off grade of 3.5g/t AuEq based on metal prices of US\$1,300/oz Au and US\$20/oz Ag.
2. The AuEq values were calculated using US\$1,300/oz Au, US\$20/oz Ag, a silver metallurgical recovery of 45.2%, and the following equation: $AuEq(g/t) = Au(g/t) + 45.2\% \times Ag(g/t) \times 20 / 1,300$.
3. A mean bulk density of 2.85 t/m3 is used for Premier and of 2.80t/m3 for all other deposit areas.
4. A minimum mining width of 2.5m true thickness is required in order to be classified as Resource material.

Mineral Resources are inclusive of Mineral Reserves declared below. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category.

Table 4: RMP Mineral Resource Statement reported at 3.0g/t Au cut-off

	Grade			Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Total Measured	1,920	8.81	28.3	543.8	1,747
Total Indicated	1,271	5.85	10.01	238.8	409
Total Measured and Indicated	3190	7.63	21.02	782.6	2,156
Total Inferred	405	5.32	7.33	69.3	95.5

Notes for Table 4:

1. RMP Resources are reported at a 3.0g/t Au cut-off for underground long hole stoping.
2. Reported Mineral Resources are inclusive of Mineral Reserves declared below. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category.

Mining and Mineral Reserves

The mineral resources were determined using conservative cut-off grade estimates and incorporating mining thicknesses into wireframing and converted to reserves, by applying mining economics to the resources, including allowing for recovery and dilution underground. As part of the mine planning exercise, the indicated mineral resource was run through the Deswik Stope Optimizer and evaluated under a number of different mining methods.

The Study's mine plan generally utilizes a combination of three mining methods: longhole (64%), inclined undercut longhole (14%), and room & pillar (12%), with minor amounts of cut and fill (2%) and development ore (8%) to extract the mineral reserves. A particular mining method was chosen based on an economic assessment of each method for a given geometry and geotechnical characteristics depending on its location in the deposit. The stope shapes and mine access development were individually modelled and evaluated to form the final mineable reserve. Mining dilution occurs at various rates depending on the mining method and ground conditions based on rock quality in geotechnical domains in the block model. Dilution comes in from a number of sources: planned dilution is material taken within the bounds of a stope layout while unplanned material comes from the hanging wall and footwall outside the stope boundary. Dilution generally ranges from 10 to 40%. In some cases where two wireframes are very close together, the waste parting between the wireframes was taken provided that it was economically justified. The over-arching philosophy was to maximize the extraction of resource ounces at the lowest cost per ounce.

Initial mining commences at Silver Coin (1.794Mt) and Big Missouri (0.809Mt), followed by RMP (2.545Mt) and Premier (1.028Mt). This sequencing allows mobile mining equipment and some fixed assets (electrical and ventilation) to most effectively be remobilized and re-used at different deposits as dictated by mine schedules. The Study assumes a lease to own cost for the mobile mining equipment, which primarily consists of the following key pieces of equipment: 2 scissor lifts, 3 jumbo drills, 5 haul trucks, 5 load-haul-dump machines, 15 ventilation fans, and several other smaller supporting pieces of equipment.

The mineral reserve figures are shown below in tables 5 and 6. The QP for the mineral reserve estimation work for the Project is the independent* consultant Frank Palkovits, P.Eng.

* Independent 'qualified persons' within the meaning of NI 43-101

Table 5: PGP Mineral Reserve Statement

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

Notes for Table 5: CIM Definition Standards were followed for classification of Mineral Reserves

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

Table 6: RMP Mineral Reserve Statement

	Grade			Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Proven	2,194	6.68	21.7	471	1,530
Probable	351	5.51	13.8	62	155
Total Proven and Probable	2545	6.52	20.6	534	1685

Notes for Table 6 CIM Definition Standards were followed for classification of Mineral Reserves

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

Metallurgical & Processing Overview

During 2019, an engineering assessment was conducted by CGT Industrial on the existing processing facility to establish its working condition and provide the basis for the recently completed Study.

The existing plant arrangement is suitable for a semi autogenous grinding ("SAG") and ball milling flowsheet followed by the refurbished carbon-in-leach circuit. Over the mine life, the plant will operate 365 days a year to produce gold doré with an overall plant availability of 92% and an average throughput of 2500 tpd. In the latter part of year three, ore from RMP will be introduced to the existing mill facility.

Ore will be fed from either one of the PGP or the RMP stockpiles using a campaigning methodology. Ore from PGP will be primary crushed, stockpiled and fed into the existing SAG and Ball Milling arrangement to be ground to a particle size ("P80") of 80 microns ("µm"). An integrated gravity circuit will remove coarse gold for cyanidation in the intensive leach reactor ("ILR") with the remainder to be cyanide leached in a conventional CIL circuit. Gold will be recovered on carbon, eluted and then electro-won to produce a silver/gold doré. Gold recovered from the ILR will be electro-won separately to produce a separate gold doré.

Leached tails will be detoxified in an Air and Sulphur Dioxide cyanide destruction circuit, then thickened and pumped to a tailings storage facility ("TSF"). Raw water required for fresh water make-up is pumped to the plant from Cascade Creek whilst process water is recovered from the TSF decant water, which will be used for grinding and utility water.

For the processing of the RMP ores, the initial circuit flow sheet will be adapted in the latter part of year two of production. Gravity recoverable gold is absent from the RMP ore; therefore, the gravity circuit will be bypassed whilst processing this

ore. The RMP gold and silver recovery is sensitive to grind size, and as such a P80 target of 25µm is required to optimize precious metals recoveries in the leaching circuit. In order to achieve the targeted fine grind, a tertiary/fine stirred mill will be installed in the plant. The grinding circuit product will require thickening prior to introduction to the CIL circuit. Based on the current and historical test work, a 27-meter diameter pre-leach thickener will be required for this application. When PGP ores are campaigned, the fine grinding circuit will be bypassed. Estimated gold and silver recoveries used for the design of the processing facilities are shown in Table 7 below.

Table 7: Recovery by Deposit

	PGP plant gravity and leach recovery		RMP plant leach recoveries		LOM average	
	Au %	Ag %	Au %	Ag %	Au %	Ag %
Premier	98.4	69.2				
Silver coin	94.5	74.2				
Big Missouri	93.5	68.6				
Marc	-	-	91.9	89.7		
AV	-	-	80.6	75.5		
JW	-	-	90.1	87.5		
Average	95.4	71.5	86.8	83.6	91.4	76.5

Tailings and Water Management

Tailings will be managed in the existing Tailings Storage Facility (“TSF”) that will be progressively raised to store 100% of the tailings during the design operating life. Knight Piésold is the Engineer of Record for the TSF. Upgrades to the TSF include modification of water management structures, additional material added to the embankment to flatten the slopes to meet current codes, and installation of new tailings distribution and reclaim water systems.

Non-contact water diversion structures located upstream of the TSF will be upgraded to minimize flood routing through the TSF. Site surplus water and underground dewatering will be directed to the new water treatment plant for treatment as required prior to release.

Capital Costs

The Project benefits from significant existing infrastructure, which helps reduce the initial capital cost. Total initial pre-production capital cost (capex) is C\$146.6M inclusive of construction indirect costs, engineering-procurement-construction-management (“EPCM”), contingencies and owners’ costs. The mobile equipment is leased and these costs have been included in the operating costs. The sustaining capital is C\$157.3M inclusive of mine development capital, road construction to RMP, and process plant modifications for the fine grind and additional pre-leach thickener. The total life of mine capex is C\$324M inclusive of closure costs. Underground mining and haulage are anticipated to be completed using an owner-operator development model operating 365 days per year. Table 8 shows the capital cost breakdown.

Table 8: Project Capital Cost Estimate (C\$M)

	Initial	Sustaining	LOM Total
Mine	14.0	110.2	124.2
Processing	35.6	10.3	45.9
On-Site Services	50.4	20.3	70.7
Tailings & Water Management	15.7	9.3	25.0
Roads	5.9	0.0	5.9
Site Services & water treatment *	28.8	11.0	39.8
Total Directs	100.0	140.9	240.9
Indirects (EPCM, Contingency, Owners Costs)	46.6	16.3	62.9
Total Directs + Indirects	146.6	157.1	303.7
Additional Costs			
Closure		20.5	20.5
Project Total			
Grand Total	146.6	177.6	324.2

* includes the RMP road

Operating Costs

Life of mine operating costs for the project were developed from first principles for mining, processing, site services and administration using the mine and processing plans, incorporating development rates, labour, materials, consumables, and certain contract services for a 2500 tpd processing rate. Processing cost in year 3 increases by \$4.25 per tonne processed due the higher grinding requirements for harder ore from RMP. Table 9 shows the breakdown of LOM operating costs.

Table 9: Project LOM Operating Costs (C\$/t milled)

Operating Costs	CAD\$/t	US\$/oz Au
Mining Cost	97.00	430
Processing Cost	31.05	138
G&A Cost	7.93	35
Site Services Cost	3.36	15
Royalties	15.30	68
Refining & Transportation	0.90	4
By-product Credits	-10.74	-48
Total Cash Cost	144.81	642

Permitting Process

PGP is currently in care and maintenance with existing permits for continued reclamation and mine water discharge. The site has been maintained in good standing with reclamation activities and environmental monitoring ongoing. In 2018 and 2019, Ascot undertook additional environmental baseline monitoring and data collection to support permit amendments for the Mine's Act and the Environmental Management Act, and several ancillary permits, which will be required to bring PGP back into operation. In 2018, Ascot received confirmation from both the BC Environmental Assessment Agency and the Canadian Environmental Assessment Agency that PGP will not need to undergo an environmental assessment pursuant to provincial and federal environmental assessment legislation. Nisga'a Lisims Government (NLG) confirmed that an assessment of the impacts of the proposed PGP and amendments to the proposed RMP on Nisga'a Nation treaty interests will need to be conducted pursuant to the Nisga'a Final Agreement.

In 2019, RMP received federal approval and issuance of a provincial Environmental Assessment Certificate ("EAC"). The decision also included a determination of the potential effects of the Nisga'a Final Agreement (2000). RMP will next require issuance of the necessary statutory permits and authorizations to commence construction of the project. Any changes to the project description, resulting from coupling activities or toll milling with PGP, will first require an amendment to the RMP EAC before proceeding to detailed design and ensuing permit applications.

Aboriginal and Community Stakeholders

PGP is located in the Nass Area and RMP is located in the Nass Wildlife Area, as defined in the Nisga'a Final Agreement (2000), a modern treaty between the federal government, provincial government, and Nisga'a Nation, which sets out Nisga'a Nation's rights under Section 35 of the Canadian Constitution Act. Nisga'a Nation's Treaty rights under the Nisga'a Final Agreement include: establishing the boundaries and the Nisga'a Nation's ownership of Nisga'a Lands and Nisga'a Fee Simple Lands; water allocations; the right of Nisga'a citizens to harvest fish, wildlife, plants and migratory birds; and the legislative jurisdiction of the NLG. Nisga'a citizens have Treaty rights to manage and harvest wildlife in the Nass Wildlife Area and to harvest fish, aquatic plants, and migratory birds within the Nass Area. The clarity and certainty provided by the Nisga'a Final Agreement, including Chapter 10, which sets out the required processes for the assessment of environmental effects on Nisga'a Nation Treaty rights from projects such as this one, is a major advantage to development.

The nearest communities to RMP and PGP are the town of Stewart, British Columbia and the village of Hyder, Alaska. Both communities have a long-standing history with mining projects and have historically been supportive of mining activities. Broader stakeholders may include overlapping tenure holders (such as trapline holders, guide outfitters, and independent power producers), local and regional governments, and government regulatory agencies.

Ascot is committed to meaningful, timely and transparent engagement and consultation with the NLG, community members, stakeholders and the public. Ascot will maintain this commitment throughout the proposed development, construction, operation and closure of the Project.

Project Opportunities and Value Enhancements

The Study focused on existing indicated mineral resources and utilized proven conventional mining and processing methods. The Study did not consider potential alternatives or additional resources to improve value. During the course of study, a number of value enhancements to the project were identified, including:

- Reducing mining dilution and development by undertaking further studies and testing of an emerging mining method called the shallow angle mining system ("**SAMS**") which is currently being tested by its developer Minrail at Eldorado Gold Corporation's Lamaque Mine in Val D'or Quebec. SAMS is similar to Alimak mining but at a low angle, with a central drive and long holes drilling laterally, offering the potential to significantly reduce dilution, operating costs and mine capital development costs;
- Conversion of Inferred resources that could extend the mine life and increase throughput rates. The resource inventory of the Premier, Silver Coin and Big Missouri deposits currently contains 4.173Mt in the Inferred Category. Approximately 2.2Mt of Inferred resources (approximately 53%) are located within 100 metres of existing or planned underground development. The Company will focus on converting these resources to the Indicated Category and make them available for conversion to reserves in future mine plans;
- Completion of testwork opportunities to further optimize the reagent consumption rates over the processing cycle which could reduce processing costs;
- Completion of value enhancement studies that will potentially lower the capital and operating costs particularly for the RMP ore that will be introduced in approximately year 3 of production.

Recommendations and Next Steps

Given the positive economics of the Project and potential for further value enhancements to the Project economics, the Company will continue to advance the Project towards development. Ascot will seek funding from capital sources for the construction and development of the Project over the coming months. In addition, the Company will do the following activities:

- Continue working with NLG and Provincial regulators to promote a cooperative and mutually respectful relationship to advance the permit amendment applications for PGP;
- Continue with the optimization of the project execution and construction schedule, including procurement and permitting;
- Commencement of further detailed engineering and design activities to investigate value enhancements to the project noted above;
- Continue additional drilling to advance the discovery and conversion of additional resources on the project sites.

Qualified Persons and NI 43-101 Disclosure

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

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 in the property 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. The United States Forest Service ("USFS") released its final decision to consent to the BLM to issue prospecting permit applications on February 8, 2019. The prospecting permits grant Ascot the exclusive right to prospect on and explore for hard rock 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. Both BLM decision and USFS decisions were subject to appeal period (45-day and 30-day respectively). Subsequently, there have been appeals and lawsuits against BLM and USFS decisions. In June 2019, the Company filed a Motion to Intervene to move under U.S. Federal Rule of Civil Procedure 24(a) and (b) to intervene in this action and the Court entered a minute order granting the Company's motion to intervene.

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 a private company owned by 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 and a deep-water port, 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 Gold Project.

2020 EXPLORATION PROGRAM

With positive results from the 2019 exploration program, the Company plans to expand its exploration targets on Silver Hill, north of Silver Coin and Lost Valley. The Company raised \$5,024 in February 2020 through issuance of flow-through shares (see “**Liquidity**” section below) to fund its 2020 exploration program. The program will consist of a systematic approach from prospecting, through geophysical surveys to drill testing with the aim of discovering mineralization away from the established resources. Due to COVID-19 pandemic, the commencement of the exploration program is expected to begin in Q2 2020.

MANAGEMENT'S OUTLOOK FOR 2020

Management's outlook for the remainder of 2020 include:

- Continuing exploration drilling to follow up high priority geophysical anomalies in previously unexplored areas like Silver Hill;
- Performing follow-up drilling at the western edge of Premier in order to extend the resource to the west and continuing to explore targets east of the Silver Coin deposit;
- Prospecting of the Red Mountain property and drill testing the Lost Valley prospect;
- Continuing consultation with local communities, Nisga'a Lisims Government;
- Investigating the project execution and long lead time orders;
- Preparing the Mines Act Permit Amendment application for the Premier Gold Project, and
- Progressing the project financing for the restart of operations.

The COVID-19 global outbreak may have an impact on the Company's business. Management has put in place all necessary measures to protect its employees' safety and to secure essential site activities. The Company continues to monitor the situation and the impact the virus may have on the Company's Projects.

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”). The following table was prepared based on the Company's consolidated financial statements for the fiscal periods noted:

Operations

Q1 2020 compared with Q1 2019

The Company reported a net loss of \$3,484 for Q1 2020 compared to \$1,336 for the same quarter in 2019. Higher net loss for Q1 2020 was mainly due to \$842 higher stock-based compensation charge and \$1,081 foreign exchange loss. Higher stock-based compensation for Q1 2020 was a result of the new grant of stock options, deferred share units (“DSU”) and restricted share units (“RSU”). No new grant of stock options, DSUs and RSUs were issued in Q1 2019. Foreign exchange loss for Q1 2020 was due to the effect of strengthened U.S. Dollar on the U.S. Dollar denominated convertible note.

Finance expenses for Q1 2020 were \$193, \$440 lower than Q1 2019. This was offset by lower other income and higher other expenses. Lower finance expense for Q1 2020 was mainly due to higher capitalized borrowing costs as a result of increased expenditures on qualifying assets. Other income in Q1 2020 was \$296 lower than Q1 2019 due to the decrease in fair value of the marketable securities. In Q1 2019, the Company recorded a gain of \$101 on marketable securities while a loss of \$203 was recorded in Q1 2020, which was included in other expense.

Ascot Resources Ltd
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2020

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

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

C\$000	Q1, 2020	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019	Q4, 2018	Q3, 2018	Q2, 2018
Mineral property cost capitalized	8,645	4,585	8,641	6,676	36,338	18,684	4,449	5,200
G & A expense (excluding depreciation)	1,098	1,453	1,053	1,157	1,036	1,253	881	727
Stock-based compensation	1,017	195	307	870	175	191	535	577
Property maintenance costs	3	149	69	157	37	133	137	127
Net income (loss)	(3,484)	(2,956)	(2,215)	(1,274)	(1,336)	10,103	(1,865)	(1,987)
Income (loss) per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ 0.06	\$ (0.01)	\$ (0.01)

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, finance expenses, stock option grant and vesting, and issuance of shares. Over the past eight quarters, the Company has been focused mainly on the exploration, engineering studies and permitting of its Premier Gold Project near Stewart, BC. The Company carried out an exploration program on the Premier Gold Project in 2019, which wrapped up in October 2019. High mineral property costs in Q4 2018 and Q1 2019 were mainly due to the acquisitions of Silver Coin property (\$17,880) and IDM's Red Mountain Project (\$34,896), respectively.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During quarter ended March 31, 2020, the Company issued 13,949,453 common shares (Q1 2019: 35,078,939), 3,850,000 stock options (Q1 2019: 4,345,500), 340,000 DSUs (Q1 2019: nil) and 180,000 RSUs (Q1 2019: nil). Also, 190,125 warrants expired, and 200,000 stock options were forfeited during this period.

The Company considers its capital structure to be primarily through shareholders' equity and convertible debt. 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 and debt 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

On February 25, 2020, Ascot closed a non-brokered private placement (the "Offering") of 5,126,250 flow-through shares (the "Flow-Through Shares") at a price of \$0.98 per Flow-Through Share, and 8,170,588 common shares (the "Common Shares" and together with the Flow-Through Shares, the "Securities") at a price of \$0.64 per common share for aggregate gross proceeds of \$10,253. The gross proceeds from the issuance of Flow-Through Shares will be used for "Canadian exploration expenses", and will qualify as "flow-through mining expenditures" as those terms are defined in the Income Tax Act (Canada), which will be renounced to the initial purchasers of the Flow-Through Shares with an effective date no later than December 31, 2020 in an aggregate amount not less than the gross proceeds raised from the issue of the Flow-Through Shares. The remaining of the net proceeds from the Offering will be used for engineering studies, permitting, and general corporate purposes. In connection with the Offering, the Company paid a cash fee equal to 6.2% of the proceeds from the sale of Common Shares and Flow-through Shares to advisors and finders.

As at March 31, 2020, the Company had working capital deficit of \$5,671 (December 31, 2019: \$3,003 working capital surplus). The working capital deficit at March 31, 2020 was due to the reclassification of the convertible note from long-term liabilities to current liabilities. The convertible note will mature on January 18, 2021. As at March 31, 2020, cash totaled

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\$11,329, an increase of \$6,911 from December 31, 2019 cash balance. The increase was due to the net proceeds of \$9,518 from the Offering partially offset by operating activities of \$811; expenditures on mineral properties of \$1,596; acquisitions of property, plant and equipment of \$21; net payment for reclamation provision of \$109 and payment for liability of \$56. In order to meet its obligations in 2020 and repay the convertible debt when it comes due, the Company will need to obtain financing from equity or debt. As of March 31, 2020, there are material uncertainties, which may cast significant doubt upon the Company's ability to continue as a going concern (see Note 1 in the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020).

SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration, evaluation and development of mineral properties. The Company has two geographic areas, Canada and the US. The United States assets relate solely to expenditures on the Mt. Margaret property, which is included in exploration and evaluation assets at March 31, 2020 at \$5,418 (December 31, 2019: \$5,418). All of the Company's material assets are located in Canada.

RELATED PARTY TRANSACTIONS

Included in accounts payable at March 31, 2020 is \$333 (December 31, 2019: \$274) due to key management personnel.

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:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Salaries and short-term benefits	\$ 99	\$ 107
Management fees	159	113
Exploration and evaluation costs	21	-
Share-based payment transactions	771	165
	\$ 1,050	\$ 385

During Q1 2020, key management personnel were granted 2,630,000 stock options at a price of \$0.82. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at \$913.

During Q1 2020, key management personnel were granted 270,000 RSUs. Based on the Company's share price on grant date, the fair value of the RSUs granted to key management personnel was determined at \$189.

During Q1 2020, the Company's directors were granted 180,000 DSUs. As of March 31, 2020, based on the Company's share price, the fair value of the DSUs was \$94.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

As at March 31, 2020, the Company's commitments are as follows:

	Within 1 year	1-5 years	After 5 years
Reclamation liabilities	\$ 347	\$ 3,788	\$ 31,570
Surety bond	1,860	-	-
Funding agreement - Premier Gold project	175	-	-
Benefits agreement - Red Mountain project	-	1,450	500
Pre-production royalty - Red Mountain project	50	250	-
Minimum lease payments	170	913	-
	\$ 2,602	\$ 6,401	\$ 32,070

CRITICAL ACCOUNTING ESTIMATES

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

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

Impairment of 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.

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.

Derivative liability

When debt includes an embedded derivative component, its fair value is estimated using the Black-Scholes option pricing model. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the remaining term of the corresponding debt instrument.

NEW ACCOUNTING PRONOUNCEMENT

In October 2018, the International Accounting Standards Board (IASB) issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the

definition of outputs. The amendments are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively. The Company assessed this amendment and the adoption does not have a material impact on the financial position or results of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, interest and other receivables, reclamation bond, trade and other payables, convertible note and other liabilities. The recorded amounts of cash and cash equivalents, interest and other receivables, reclamation deposits, trade and other payables, convertible note 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. The Company's significant financial instruments denominated in foreign currency (US dollar) as at March 31, 2020 are the convertible note and term deposit. A 10% decrease (increase) of the value of the Canadian dollar relative to the US dollar as at March 31, 2020 would result in an additional \$1,291 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the three months ended March 31, 2020 (three months ended March 31, 2010: \$1,111).

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 12 months and are subject to normal trade terms.

As of March 31, 2020, there are material uncertainties, which may cast significant doubt upon the Company's ability to continue as a going concern (See Note 1 in the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020).

OUTSTANDING SHARE DATA

As at May 11, 2020, the Company had 246,428,263 common shares outstanding, 18,460,000 stock options, 180,000 deferred share units, 340,000 restricted share units outstanding and 17,987,912 share purchase warrants outstanding.

NON-GAAP MEASURES

Alternative performance measures in this document such as "cash cost" and "AISC" are furnished to provide additional information. These non-GAAP performance measures are included in this MD&A because these statistics are used as key performance measures that management uses to monitor and assess performance of PGP and RMP, and to plan and assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

DISCLOSURE CONTROLS AND PROCEDURES

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

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as such term is defined in the rules of the National Instrument 52-109 in Canada ("NI 52-109"). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS as issued by the IASB. The Company's internal control over financial reporting includes:

- 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 as issued by the IASB;
- Providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and
- Providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis.

There were no changes in internal controls of the Company during the three months ended March 31, 2020 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

Limitation of Controls and Procedures

The Company's management, including its CEO and CFO, believe that any disclosure controls and procedures or internal control over financial reporting, 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 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 13, 2020 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. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's December 31, 2019 MD&A that was filed on SEDAR on March 13, 2020.

The outbreak of the coronavirus (COVID-19) may affect our operations

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

The Company's business could be adversely impacted by the effects of the coronavirus or other epidemics. In December 2019, a novel strain of the coronavirus emerged in China and the virus has now spread to several other countries, including Canada and the U.S., and infections have been reported globally. The extent to which the coronavirus impacts the Company's business, including exploration and development activities and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus and travel and other restrictions established to curb the spread of the coronavirus, could materially and adversely impact the Company's business including without limitation, the planned exploration programs during the upcoming field season, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs or insurance premiums as a result of these health risks.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and our future prospects.

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this MD&A about anticipated future events or results constitute 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” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the closing of the Private Placement and the use of proceeds. 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 the Ascot can give no assurance that such expectations will prove to be correct. 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 the risks, uncertainties and other factors identified in the Ascot’s periodic filings with Canadian securities regulators, and assumptions made with regard to: the estimated costs associated with construction of the Project; the timing of the anticipated start of production at the Projects; the ability to maintain throughput and production levels at the Premier Mill; the tax rate applicable to the Company; future commodity prices; the grade of Resources and Reserves; the ability of the Company to convert inferred resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from Ascot’s expectations include risks associated with the business of Ascot; risks related to exploration and potential development of Ascot’s projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; risks associated with COVID-19 including adverse impacts on the world economy, construction timing and the availability of personnel; and other risk factors as detailed from time to time and additional risks identified in Ascot’s filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com). The timing of future economic studies; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of Project as well as those factors discussed in the Annual Information Form of the Company dated March 13, 2020 in the section entitled “Risk Factors”, under Ascot’s SEDAR profile at www.sedar.com. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Ascot does not undertake any obligation to update forward-looking statements.