Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2025

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

Report date: May 12, 2025

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated May 12, 2025 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the related notes for the three months ended March 31, 2025 and with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2024, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards"). Unless otherwise noted, all currency amounts are expressed in thousands of Canadian dollars. Additional information about the Company, including the audited financial statements and the notes thereto, for the year ended December 31, 2024, prepared in accordance with IFRS Accounting Standards, can be found on SEDAR+ at www.sedarplus.ca and on the Company's website at www.ascotgold.com.

DESCRIPTION OF THE BUSINESS

Ascot is a Canadian mining company focused on commissioning its 100%-owned Premier Gold Mine ("Premier"), which is located on Nisga'a Nation Treaty Lands, in the prolific Golden Triangle of northwestern British Columbia. On April 20, 2024, the first gold pour was achieved. The Company experienced delays in mine development in both Big Missouri ("BM") and Premier Northern Lights ("PNL") and decided to suspend the operation in early September 2024. Since December 2024, the Company has remobilized the mining contractor and continued with underground mine development. The Company continues to target stockpiling adequate materials to re-start mill operations this year and will continue to explore its properties for additional high-grade gold mineralization. Ascot's corporate office is in Vancouver, British Columbia and its shares trade on the TSX under the ticker AOT and on the OTCQX under the ticker AOTVF. Ascot is committed to the safe and responsible operation of the Premier Gold Mine in collaboration with Nisga'a Nation and the local communities of Stewart, BC and Hyder, Alaska.

The Silver Coin, Big Missouri, and Premier deposits, collectively named the Premier Gold Project ("PGP") are located near the processing facility on the historical Premier Mine site, and the Red Mountain Project ("RMP") is located 23 km to the southeast in an adjacent valley. PGP together with RMP is defined as the "Project".

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

Q1 2025 AND RECENT HIGHLIGHTS

- On January 15, 2025, the Company announced a leadership transition. Mr. Derek White, president and CEO, Mr. John Kiernan, COO, and Mr. Bryant Schwengler, VP &GM, had resigned from the Company. Mr. James (Jim) Currie was appointed as CEO and Director and served as interim COO. Ms. Coille Van Alphen, portfolio manager for Equinox Partners, was appointed to the Board of Directors of the Company. Ms. Diana Mark, Greystone Corporate Services Inc. had been hired as Corporate Secretary and KIN Communications had been retained to handle the Company's investor relations and communications.

- On March 7, 2025, the Company announced it had entered into an agreement with respect to a brokered private placement (the "2025 Offering"), to be marketed on a best-effort basis, which consisted of: (i) hard dollar units of the Company (the "HD Unit") at a price of C$0.115 per HD Unit for gross proceeds of a minimum of C$40 million and up to a maximum of C$45 million; and (ii) charity flow-through units of the Company (the "CDE Unit") at a price of C$0.1403 per CDE FT Unit for gross proceeds of approximately C$20 million. Each Unit will be comprised of one common share in the capital of the Company and one warrant to purchase a Common Share. The common shares and warrants underlying the CDE FT Units shall qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada)).

- On March 14, 2025, the first tranche of 2025 Offering closed and it consisted of 142,551,675 CDE FT Units at a price of C$0.1403 per CDE FT Unit and 191,435,095 HD Units at a price of C$0.115 per HD Unit for gross proceeds of $42 million. The second tranche of the 2025 Offering closed on April 10, 2025 which was consisted of

166,686,959 HD Units at a price of C$0.115 per HD Unit for gross proceeds of $19.2 million. Total gross proceeds raised was $61.2 million.

- On March 14, 2025, Sprott Private Resource Streaming and Royalty Corp. ("SRSR") and Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC (collectively, "Nebrari") extended their existing waiver and forbearance conditions until September 30, 2025 , pursuant to definitive agreements entered into with the Company. The Company also entered into an amending agreement to the amended and restated credit agreement with certain Nebari entities dated November 18, 2024, which amended the conversion price under the Convertible facility to C$0.155. The exercise price of the existing Nebari warrants was also amended to C$0.155. SRSR has committed to release the currently held US$7.5 million Second Stream Deposit from escrow upon achieving the agreed development and funding targets, consistent with the terms of the Company's amended and restated purchase and sale agreements, dated November 15, 2024, with SRSR.

- On April 15, 2025, the Company provided an update on mine development and restart of operations. Through April 13, 2025, Procon has completed more than 800 metres of mine development since remobilization in late December 2024. The Company has commenced the re-opening of the Big Missouri workings, where work was paused when PGP was placed on care and maintenance last fall. Power availability and camp space capacity are expanding to accommodate the increase in productive operations. With contributions from both PNL and Big Missouri, Ascot targets the stockpiling of 40,000 tonnes of material for processing prior to mill startup August 2025.

- On April 22, 2025, the Company announced that Mr. Christopher Park will be joining the Company as Interim Chief Financial Officer, effective May 15, 2025. He succeeds Ms. Carol Li, who will retire as Chief Financial Officer and transition into an advisor role with the Company effective May 15, 2025.

- On May 12, 2025, the Company announced that Ms. Coille Van Alphen has resigned from the Board of Directors. The Company also advises that Mr. Rick Zimmer, Chairman of the Company, has announced his retirement from the Board, effective immediately, due to family health reasons. The Board has elected Mr. Bill Bennett as Interim Chairman.

OPERATIONAL RESULTS

Mining

Through the end of April 2025, the Company's mining contractor Procon Mining and Tunnelling ("Procon") has completed more than 1,000 metres of mine development at Premier Norther Lights ("PNL") since remobilization in late December 2024. Mining areas are being developed on the 310 and 330 and levels of the Prew zone of the PNL workings. The development advancement was impacted by limited power supply and unplanned delay in implementing a full nightshift caused by the time required to complete the Mine Rescue certification, which was necessary to remain compliant with the regulation. With the closing of the 2025 Offering, the Company has addressed the critical issue of expanding power capacity by ordering a 4160v transformer for PNL workings and additional camp space to allow for ramping up of mining contractor personnel. The newly installed transformer is expected to allow several pieces of equipment to operate simultaneously, that was previously constrained by power capacity limits. The Company has ordered a 76-bed expansion for the camp (a 100% increase) to accommodate additional personnel as the Company proceeds toward a restart of operations. The first 38 beds have already been installed, with the remainder expected to be installed in June 2025. With the additional power capacity and camp space, the Company anticipates that its mining contractor, Procon, would be positioned to increase development.

In April, the Company commenced the re-opening of the Big Missouri workings, where work was paused when the operation was placed on care and maintenance last fall. The road to Big Missouri has been plowed and infrastructure is being reinstalled to begin pumping the accumulated water in the heading. Procon is in the process of remobilizing equipment for Big Missouri with development expected to start there in May 2025. With contributions from both PNL and Big Missouri, the Company targets the stockpiling of 40,000 tonnes of material for processing prior to mill startup. Concurrent with closing of the first tranche of the 2025 Offering, Procon agreed to amend the addendum to the mining contract dated November 18, 2024 and defer the payment of the promissory note to commence on September 30, 2025. The amendment also allowed Procon to review the new scope of work and adjust the mining contract rates commencing in May 2025. Subsequent to Q1 2025, the Company has been renegotiating the mining and development contract rates, which are trending higher than current rates. If negotiations on viable mining and development contract rates are unsuccessful, the Company's cash flows, mine development progress, and timeline for restarting mill operations will be adversely affected

Milling

During Q1 2025, the mill was on care and maintenance, and ongoing maintenance work was performed in the reagent area, carbon safety screen and elution circuit. In preparation for the mill restart, inspections were conducted to identify potential issues, the main frame for the loaded carbon screen was ordered and the first set of SAG mill liners ordered last July were in transit. The mill operation will resume as soon as the mine development required for sufficient ore feed is completed which is anticipated to be early August.

Permitting and Environmental Compliance

The amended mines act permit M-179 permit was issued on March 27, 2025 to update the schedule for reclamation bonding that had been included in the previous amendment. Ascot's proposed bonding schedule requiring bonding of $3 million by March 31, 2026 and $6.7 million by December 15, 2026 was accepted by the regulator.

An amended air permit (Authorization #110103) was issued March 3, 2025 to extend the use of the temporary crusher and reclaim feeder to March 1, 2027.

The Moving Bed Bio-Reactor ("MBBR") is operating as designed with concentrations of ammonia, nitrite and nitrate within design range.

The High-Density Sludge ("HDS") plant continues to be challenged to meet discharge limits for total Zinc, and less frequently Total Suspended Solids (TSS) due to continued issues with the clarifier and sludge management systems. Operators at the Water Treatment Plant with the design engineer contractor continue to evaluate options to address these issues.

All required annual reports were submitted to the Ministry of Environment and Ministry of Mining and Critical Metals by March 31, 2025.

2025 EXPLORATION PROGRAM

The exploration drill program is set to commence on or about June 10, 2025. A drilling contractor has been secured, and key personnel is available for the start of the field season. The drill program will commence with one drill rig near the Premier mill, testing the down-dip extension of the high-grade Prew zone of the Northern Light structure at PNL. The rig will then move to the western extension of the Sebakwe structure where induced polarization geophysical data indicates the extension of the structure in that direction. When drilling near the Premier mill has been completed, the drill rig will be moved to higher elevations at Big Missouri, the Day Zone and near the Dilworth deposit further north. The program is designed to test along strike and down dip extensions of known mineralized zones as well as several exciting exploration targets indicated by geophysical data. The program is expected to last into October with a targeted overall meterage of more than 10,000 metres.

The exploration group is in the process of assembling data and documentation from the 2010 drill program at the Mount Margaret copper-gold project in Washington State. The drill program was conducted with a robust QA/QC program in place and the core from this 11-hole program is still available near the project area. The aim of this compilation is to evaluate if a resource estimate for the deposit is possible using the existing data. The 2010 drilling covers approximately a third of the overall system but older drilling is not documented sufficiently to be used in a modern resource estimate.

Technical Information

James A. (Jim) Currie, P.Eng., Chief Executive Officer of the Company is the Company's Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed and approved the technical contents of this MD&A.

MANAGEMENT'S OUTLOOK FOR 2025

The Company has been working to transition from the development of the mine and related infrastructure to steady state gold production. The key priorities in the remainder of 2025, subject to the outcome of contract negotiations as noted above include:

- Continue with optimizing a comprehensive plan to accelerate mine development at PNL in order to achieve a successful restart of production.
- In order to operate the processing plant at 2,400 tpd (100 tph) the company needs to complete the mine development of PNL, ensuring that it, in conjunction with Big Missouri production (if achieved), supplies sufficient mill feed to the processing plant on a 2-weeks-on and 2-weeks off basis.
- Making progress towards achieving steady state production.
- Completing various environmental initiatives to ensure compliance with the Mine's environmental permits.

SUMMARY OF RESULTS

Operations

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

C$000	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Mineral property, plant & equipment cost capitalized	33,313	36,310	54,831	53,712	84,653	74,650	53,515	41,843
G & A expense	2,216	707	1,334	2,104	1,686	1,945	1,936	1,971
Stock-based compensation	663	358	406	384	534	1,896	322	393
Net income (loss)	3,362	(17,018)	(11,232)	2,950	(6,208)	1,705	(1,473)	(3,073)
Income(Loss) per share - basic and diluted	0.00	(0.05)	$ (0.02)	$ 0.00	$ (0.01)	$ 0.00	$ (0.00)	$ (0.01)

Factors that can cause fluctuations in the Company's quarterly results include unrealized gains and losses on credit facilities, embedded derivatives, the nature and extent of mine development and exploration activities carried out under specific work programs, finance costs, grants and vesting of stock options and units, and the issuance of shares. Over the past eight quarters, the Company has been focused mainly on construction of PGP mine and site infrastructure, commissioning the processing plant, pre-production of gold dore, and advancing underground mine development to target stockpiling before the mill restarts, as well as continuing exploration on the PGP properties. Increasing mineral property, plant and equipment costs are a result of the Company's large-scale project construction and pre-operating activities. The quarterly fluctuations in net loss over the past two years were caused primarily by the changes in fair value of the Company's derivatives. The higher losses in Q4 2024 and in Q3 2024 were caused primarily by the change in the terms of Company's credit facilities resulting in loss on derecognition of the existing credit facility being expensed and the decrease in the fair value of the derivatives. The higher mineral property, plant and equipment costs capitalized in 2023 and 2024 were primarily due to increased construction activities and capital spending at the pre-operating phase, a change in estimate of the Company's reclamation provision and higher borrowing costs capitalized.

Three months ended March 31, 2025 compared to three months ended March 31, 2024

The Company reported a net income of $3,362 for Q1 2025 compared to a net loss of $6,208 for Q1 2024. The increase in net income of $9,570 for the current period is primarily attributable to a combination of factors, including:

- A $8,165 increase in gain due to the increase in the fair value of derivative assets which was mainly driven by the higher gold and silver prices and the decrease of the fair value the convertible option derivative liability due to the decrease in the Company's share price.
- A decrease in financing costs of $690.
- An increase in unrealized foreign exchange gain of $410 due to the weakening of the Canadian dollar against the US dollar in which the credit facilities are denominated in.
- There was no loss recognized from the sale of mineral interest this quarter as compared to a loss of $801 in Q1 2024.

Partially offset by:

- Increase in general and administrative expenses by $530 primarily due to increase in legal and professional fee.
- Increase in finance expenses of $451 which was largely due to increase in accretion expenses from the asset retirement obligations.
- Decrease in flow through share premium of $551.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

In Q1 2025, the Company issued 335,203,202 common shares (Q1 2024: 67,807,1345), 333,986,770 warrants (Q1 2024: 10,164,528), and granted 4,372,016 stock options (Q1 2024: 110,000), 43,181 Deferred Share Units ("DSUs") (Q1 2024: 28,667) and 2,564,102 Restricted Share Units ("RSU") (Q1 2024: none). Also, 6,059,740 stock options expired or were forfeited (Q1 2024: 100,766), 419,623 RSUs were forfeited, (Q1 2024: 24,427). No stock options (Q1 2024: 99,039), no DSUs (Q1 2024: 137,533) and 1,216,432 RSUs (Q1 2024: 158,726) were exercised in Q1 2025.

The Company considers its capital structure to be primarily funded by equity, debt, metal streaming arrangements, promissory note and NSR royalty arrangements. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As a development stage company, the Company has relied on various sources of financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

Financing in Q1 2025

On March 14, 2025, the Company closed the first of the two tranches of the best-efforts private placement offering. The Tranche 1 closing consisted of 142,551,675 CDE FT Units at a price of C$0.1403 per CDE FT Unit and 191,435,095 HD Units at a price of C$0.115 per HD Unit for net proceeds of $40 million. On April 10, 2025, the second and final tranche of the 2025 Offering was closed, pursuant to which the Company issued an additional 162,000,000 HD Units at a price of C$0.115 per HD Unit for additional net proceeds of $19 million. In total, the Company received $59 million of net proceeds from the 2025 Offering. The net proceeds of the private placement will be used to advance the Premier Gold project and for general corporate purposes. In addition, the Company and its secured creditors, SRSR and Nebari extended their existing waiver and forbearance conditions until September 30, 2025. On March 14, 2025, the Company also entered into an amending agreement to the amended and restated credit agreement with certain Nebari entities dated November 18, 2024, which amended the conversion price to C$0.155 and deferred interest payment commencing from May 2025 to September 2025 under the amended Convertible facility. For the Cost Overrun Facility ("COF") amendment on March 14, 2025, the exercise price of the existing Nebari warrants was also amended to C$0.155 and interest and principal payments that are due monthly for the term of the COF are deferred to commence from May 2025 to September 2025. SRSR has committed to release the US$7.5 million Second Stream Deposit from escrow upon achieving agreed development and funding targets, consistent with the amended and restated Purchase and Sale Agreement. The Company also entered into an agreement with its mining contractor on March 14, 2025 in amending the amortization schedule with interest and principal payments due monthly and deferred payments commencing in September 2025 rather than May 2025.

Liquidity and Going Concern

As at March 31, 2025, the Company had cash and cash equivalents of $36,151 (December 31, 2024: $27,973) and a working capital deficiency (current assets minus current liabilities) of $40,724 (December 31, 2024: $47,551). Excluding the current portion of deferred revenue of $11,765 and $21,919 of convertible facility which is classified as current due to the lender's right to exercise the conversion option at any time at a variable price, the working capital deficiency was $7,040 (December 31, 2024: $16,325). The increase in cash and cash equivalents since December 31, 2024 was mainly due to the receipt of net proceeds from the first tranche of the 2025 Offering partially offset by expenditures in mine development, plant and equipment of $27,823, share issue costs of $1,920, financing costs $585 and payment of lease liabilities of $886.

The delay in underground development, suspension of operations and the builder's liens filed on the mineral properties would have resulted in a default on Ascot's credit facilities and stream arrangement. However, the Company obtained waivers and forbearance conditions from its secured lenders providing for limited suspension of covenant compliance requirements until September 30, 2025. The waivers were in effect as of March 31, 2025 and until September 30, 2025.

In Q1 2025, the Company closed the first tranche of the 2025 Offering and received net proceeds of $40 million and subsequent to the quarter end, it closed the second and final tranche of the 2025 Offering and received net proceeds of $19 million. In addition, SRSR has committed to release the currently held US$7.5 million Second Stream Deposit from escrow upon achieving the agreed development and funding targets in 2025. While the Company has received the funding from 2025 Offering, the timeline to complete mine development required for sufficient ore fee and restart its operations and bring the Project into steady state production and profitable operations is uncertain and therefore additional funding may be required. These considerations indicate material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern (refer to Note 1 to the Company's unaudited condensed interim consolidated financial statements for the three months period ended March 31, 2025).

Subsequent to the end of Q1 2025, the Company has been renegotiating the mining and development contract rates with the contractor, which are trending higher than current rates. If negotiations on viable mining and development contract rates are unsuccessful, the Company's cash flows, mine development progress, and timeline for restarting mill operations will be adversely affected. The Company may not have sufficient funding for the next twelve months of operations and additional funding may be required.

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

COMMITMENTS, CONTRACTUAL AND OTHER OBLIGATIONS

As at March 31, 2025, the Company's contractual and other obligations are as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	Total
Trade and other payables	$ 14,620	$ -	$ -	$ -	$ 14,620
Convertible Facility principal and interest (a)/(c)	2,946	25,625	-	-	28,571
Cost Overrun Facility principal and interest (b)/(c)	19,545	17,621	-	-	37,166
Reclamation liabilities (d)	-	-	-	194,135	194,135
Promissory note	9,307	12,122	-	-	21,429
Benefits agreement - PGP and RMP	-	300	1,075	800	2,175
Pre-production royalty - Red Mountain project	50	100	100	50	300
Minimum lease payments	5,018	6,759	2,547	-	14,324
	$ 51,486	$ 62,527	$ 3,722	$ 194,985	$ 312,720

(a) Interest on the Convertible Facility is compounded quarterly and is added to the principal loan amount prior to September 30, 2025. Commencing September 30, 2025, interest is payable in cash quarterly. Principal and accrued interest are payable on June 27, 2027.

(b) Interest on the COF is payable monthly starting in February 2024 and principal payment is payable monthly starting in July 2024. Following the amendment of COF on March 14, 2025, it follows a progressive amortization schedule with interest and principal payments due monthly for the term of COF, starting September 30 2025.

(c) The Company had negative working capital at the end of March and was in technical non-compliance with certain covenants. The Company obtained waivers for this non-compliance until September 30, 2025. The waivers were in effect as of March 31, 202 and until September 30, 2025.

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

As of March 31, 2025, the Company had an outstanding purchase commitment of $1,957 for surface mining equipment, which will be financed under a master lease agreement for an equipment lease facility. The Company is also required to make a yearly service fee of $1,010 plus reasonable maintenance costs for each calendar year until termination (which can be done on 6 months' notice) under an agreement for electrical power interconnection and transmission service. In Q1 2025, the lease terms were amended to defer the Q1 2025 principal payment to the end of the lease.

CONTINGENCY

On February 26, 2025, a former contractor to the Company provided the Company with a formal notice that a dispute has arisen. Pursuant to the terms of the contract, Ascot is required to adhere to the dispute resolution timeline. At this time, the Company is not able to determine the outcome of the dispute resolution process, which could be material.

RELATED PARTY TRANSACTIONS

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Salaries, short-term benefits and management fees	$ 640	$ 439
Share-based payment transactions	364	328
	$ 1,004	$ 767

During the first quarter ended March 31, 2025, one of the Company's directors was granted a total of 43,181 DSUs in lieu of cash fees. Based on the Company's share price on the day prior to the grant dates, the fair value of the DSUs granted to directors was $5. A member of the Company's executive management was granted 3,872,016 stock options at an exercise price of $0.195 and 2,564,102 RSUs with the total fair value of $480 and $480, respectively.

Included in accounts payable and accruals at March 31, 2025 is $nil (December 31, 2024: $77) due to the Company's directors and executive management.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in compliance with IFRS Accounting Standards requires the use of certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Company's critical accounting estimates are disclosed in the notes to the audited consolidated financial statements for the year ended December 31, 2024.

Critical Accounting Judgements

The areas requiring critical judgments that have the most significant effect on the amounts recognized in the financial statements, which are disclosed in the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2024, are:

Accounting for the Sprott Stream

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

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

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

The first Sprott Stream deposit is not affected by the second stream arrangement, which was entered into an agreement with SRSR in November 2024. As of March 31, 2025, the conditions for release of the Second Stream Deposit has not been met, the US$7.5 million prepayment has not been received by the Company. As the Second Stream Deposit has not been released from escrow and therefore is unrecognized in these financial statements, the accounting for it is under review and will be reflected on closing.

Accounting for debt financing transactions

Upon entering into a debt financing transaction, management applies judgment in assessing the appropriate accounting treatment by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. In assessing the credit facilities, management identified a conversion option embedded derivative within the Convertible facility. The embedded derivative is required to be revalued at each period end with the movements recorded as gains or losses in the statement of comprehensive loss. The fair value of the derivative is estimated using the Finite Difference Method. The key assumptions used in the model are risk-free rates and the forecast price and volatility of the Company's stock.

Impairment of Mineral Properties

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to the Company's mineral properties. If any such indicator exists, then an impairment test is performed by management.

As of March 31, 2025 based on management's assessment of impairment indicator, no new impairment indicators were noted that would require the Company to perform an impairment test.

Critical Accounting Estimates

The key areas of estimation uncertainty at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months, which are disclosed in the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2024, are:

Reclamation provision

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

Impairment of mineral properties

Impairment of mineral properties is a key area of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months. The estimates and associated assumptions are based on the Company's mine plan and other factors that are considered to be relevant. Actual results may differ from these estimates.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, trade and other receivables, reclamation deposits, Stream Buyback option, trade and other payables, credit facilities and other liabilities. The recorded amounts of cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short-term nature. The carrying value of the reclamation deposit approximates its fair value, as it is cash-based.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents and reclamation deposits. The Company limits its exposure to credit loss by placing its cash, cash equivalents and reclamation deposits with high credit quality financial institutions. Substantially all of our cash and cash equivalents held with financial institutions exceeds government-insured limits. We seek to minimize our credit risk by entering into transactions with investment grade worthy and reputable financial institutions and by monitoring the credit standing of the financial institutions with whom we transact. We seek to limit the amount of exposure with any one counterparty. The carrying amount of financial assets represents the maximum credit exposure.

Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company's significant financial instruments denominated in a foreign currency (U.S. dollar) are the credit facilities and cash in treasury account. A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at March 31, 2025 would result in an additional $4,472 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the year ended March 31, 2025 (three months ended March 31, 2024: $3,140).

Interest Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash in treasury accounts carried at variable interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the Stream and Royalty buyback options and the derivative components of the credit facilities. The Company's credit facilities and mining equipment lease liability are carried at floating interest rates. The Company has estimated that a one percentage point increase in the interest rate on its credit facilities and mining equipment lease would result in an additional $122 of interest added to the balance of the credit facilities and lease liability and $26 interest paid for the three months ended March 31, 2025. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company is in commissioning and ramp up stage and has not yet reached commercial production. On September 6, 2024, the Company suspended operations and is seeking funding to complete the mine development required for sustainable operations. Future cash flows are dependent on successful completion of the financing and restart of the operation in Q3 2025. If the restart plan is further delayed, additional funding may be required. Refer to "Liquidity and Going Concern" section above.

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

OUTSTANDING SHARE DATA

As at May 12, 2025, the Company had 1,484,835,695 common shares outstanding, 28,205,013 stock options, 585,268,257 share purchase warrants, 3,166,222 deferred share units, [8,728,574] restricted share units and no performance share unit outstanding. Also, 25,767,777 unvested Prepayment Warrants issued to Nebari are outstanding.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

Our most recent Sustainability Report was released in June 2024 and highlights the measures taken and successes thus far in community relations, employment, health and safety, environmental stewardship and governance. The Sustainability Report also outlines the Company's future sustainable goals. Ascot's 2023 Sustainability Report can be found online at https://ascotgold.com/sustainability/sustainability-reports/.

Community Relations and Employment

For the past six years, Ascot has proactively engaged both formally and informally with the surrounding communities via Townhalls, Council Meetings, face-to-face meetings, and virtual meetings. Employment and housing are significant concerns for the community, along with attracting tourists in both the summer and winter months. Ascot's relationships with the leadership and community members of the District of Stewart are strong. Also, while PGP is within the Canadian provincial jurisdiction of British Columbia, we recognize that our project is very close to our neighbours in Alaska.

Ascot contributes where it can to its surrounding communities and has established a Donations & Sponsorship Committee, which regularly reviews inbound requests.

PGP is also located within the Nass Area as defined by the Nisg̱a'a Treaty signed in 2000. In July of 2021, Ascot and Nisg̱a'a Nation signed a benefits agreement and over the years, Ascot and Nisg̱a'a Nation have established strong lines of communication and a respectful engagement process. In Q1 2025, the Ascot/ Nisg̱a'a oversight committees established in accordance with the benefits agreement met and no substantive concerns were raised. Key topics of conversation with the oversight committees were the ongoing commissioning of the water treatment plant, the project restart, employment and the leadership transition. Employment and water remain two of the most important issues for Nisg̱a'a Nation.

In Q1 2025, Ascot has actively supported educational opportunities for Nisg̱a'a youth. In January, in collaboration with Newmont, Nisg̱a'a Lisims Government and Nisg̱a'a Growth Corp, Ascot organized for four Nisg̱a'a grade 12 students to attend MineralsEd's Career Exploration Day at AME's Roundup Conference and to tour mining-related programs at certain post secondary institutions in British Columbia, Canada. In February, Ascot staff did STEM workshops with kindergarten to grade three students at two elementary schools in the Nass Valley.

Moreover, Ascot staff attended several community events held in Stewart including the Granduc Slide 60th Anniversary Commemoration Event and the Curling Funspiel during Q1 2025.

Nisg̱a'a Employment

Throughout the life of the Company, employing Nisg̱a'a citizens has been a priority for Ascot. As we move into operations, opportunities to hire, train and support the career development of Nisg̱a'a citizens interested in working with Ascot are increasing and Ascot continues to prioritize hiring qualified Nisg̱a'a citizens wherever possible and supporting our existing Nisg̱a'a employees to grow in their roles.

In Q1 of 2025, 12 Nisg̱a'a citizens were employed with the Company in various roles including site services labourer, cleaner, security guard, and truck driver. Ascot has offered on-the-job training to many of these individuals where appropriate and has supported them in obtaining necessary certifications (i.e., Mine Rescue, First Aid, Confined Space, etc.) to complete their jobs.

Health and Safety

The health and safety of our employees, contractors, and local communities will continue to be a top priority as the Company moves toward production.

During Q1 there was a total of 12 incidents, 10 of which were minor first aid injuries, 1 medical treatment injury and 1 restricted duty injury. There were no lost time incidents during the quarter.

Our Total Recordable Injury Frequency Rate for the quarter was 3.99 incidents and our Lost Time Injury Frequency Rate was 0.00 per 200,000 hours worked.

Corporate Governance

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

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

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

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

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

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

INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management's Report on ICFR

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

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

There have been no changes in the Company's ICFR during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Limitation of Controls and Procedures

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

RISKS AND UNCERTAINTIES

The Company's securities should be considered a highly speculative investment and investors are directed to carefully consider all of the information disclosed in the Company's regulatory filings prior to making an investment in the Company, including the risk factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form ("AIF") dated March 24, 2025 available on SEDAR+ at www.sedarplus.ca.

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

Cautionary Statement Regarding Forward-Looking Information

All statements and other information contained in this press release about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward- looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeted", "outlook", "on track" and "intend" and statements that an event or result "may", "will", "should", "could", “would” or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the leadership transaction and the ability of the Company to accomplish its business objectives. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks related to the need for future waivers or forbearance agreements from the secured creditors of the Company; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainty of estimates and projections relating to development, production, costs and expenses, and health, safety and environmental risks; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of Ascot's properties and the issuance of required permits; the need to obtain additional financing to finance operations and uncertainty as to the availability and terms of future financing; the possibility of delay in future plans and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; the need for TSX approval, including the Exemption, and other regulatory approvals and other risk factors as detailed from time to time in Ascot's filings with Canadian securities regulators, available on Ascot's profile on SEDAR+ at www.sedarplus.ca including the Annual Information Form of the Company in the section entitled "Risk Factors”. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Ascot can give no assurance that such expectations will prove to be correct. Ascot does not undertake any obligation to update forward-looking statements, other than as required by applicable laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.