



Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2025

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

Report date: August 12, 2025

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated August 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 and six months ended June 30, 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 Project ("Premier" or "PGP"), which is located on Nisga'a Nation Treaty Lands, in the prolific Golden Triangle of northwestern British Columbia. In June 2025, the Company suspended mine development and placed Premier on care and maintenance to preserve capital as the Company assesses its strategic alternatives. The Company 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 Toronto Stock Exchange ("TSX") under the ticker AOT and on the OTCQX under the ticker AOTVF. Ascot is currently under a delisting review by the TSX as a result of its reliance on the TSX Hardship Exemption (as defined below). Ascot is committed to the safe and responsible operation of Premier in collaboration with Nisga'a Nation and the local communities of Stewart, BC and Hyder, Alaska.

Premier consists of the Silver Coin ("SC"), Big Missouri ("BM"), and Premier Northern Lights ("PNL") deposits and are located near the processing facility on the historical Premier Mine site. 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.

Q2 2025 AND RECENT EVENTS

- On June 25, 2025, the Company announced that negotiations with its mining contractor have not been successful in providing a mining cost structure that was satisfactory to the Company. The lengthy negotiations, and an investigation into alternative mining contractors, had resulted in delays in mobilizing a mining fleet to the Big Missouri deposit which was a critical part of the restart plan. As a result, the Company announced the mill would not be in operation by early August 2025 as previously planned. In order to preserve capital, the Company determined the best path forward was to place PGP on care and maintenance. The pause is expected to provide the management team with the time and flexibility to assess strategic alternatives to advance the Project toward sustainable production.
- During May 2025 the Company announced that Ms. Coille Van Alphen resigned, and Mr. Rick Zimmer Chairman of the Company decided to retire, from the Board. The Board appointed Mr. Bill Bennett as Interim Chairman.
- On April 22, 2025, the Company announced that Mr. Christopher Park joined the Company as Interim Chief Financial Officer, effective May 15, 2025. He succeeded Ms. Carol Li, who retired as Chief Financial Officer and transitioned into an advisor role with the Company.
- On April 10, 2025, the Company announced it had closed the second and final tranche of its previously announced private placement of charity flow-through units and hard dollar units of the Company. Gross proceeds raised from the first and second tranches totalled approximately \$61.1 million, including significant participation from Ascot's largest shareholders. The Company relied on the financial hardship exemption under Section 604(e) of the TSX

Company Manual (the "Hardship Exemption") The TSX placed the Company under delisting review, which is customary practice when a listed issuer relies on such Hardship Exemption. No assurance can be provided as to the outcome of such review and the continued qualification for listing of the Company's shares on the TSX. The Company may delist from the TSX and pursue an alternative listing on the TSX Venture Exchange.

OPERATIONAL RESULTS

During ongoing negotiations with the Company's mining contractor regarding mining rates, a total of 874 meters of mine development at PNL was completed in Q2. Mining areas being developed were on the 310 and 330 and levels of the Prew zone of the PNL workings. A total of 1,576 meters of mine development at PNL was completed during the first half of 2025. All blasted waste materials were transported to the Premier pit from underground while the high-grade material was stockpiled on the ore pad.

The Company commenced re-opening BM. The access road to BM was plowed and infrastructure was reinstalled to commerce dewatering. However, following unsuccessful negotiations with the mining contractors, mining crews could not be mobilized, and mining was not started. There has been no additional underground development at BM since September 2024.

On June 25, 2025, the Company announced that negotiations with its mining contractor had not been successful in providing a mining cost structure that is satisfactory to the Company. Furthermore, the lengthy negotiations and an investigation into alternative mining contractors had resulted in delays in mobilizing a mining fleet to the BM deposit, which is a critical part of the restart plan. As a result, the Company announced the mill will not be in operation by early August as previously planned.

Although the Company is continuing with an exploration program and fulfilling its environmental and regulatory obligations, all underground mine development has been halted with no date to recommence mining and milling operations.

2025 EXPLORATION

An exploration drill program commenced in June 2025. A drill rig was mobilized to a pad near the Premier mill with the aim of exploring the down-dip extension of the Prew zone. The Prew zone is part of the Northern Light structure at the Premier deposit. Up to the end of the quarter, the drill rig completed eight drill holes for a total of 2,813 metres of drilling. Mineralization in the holes is visually very similar to known mineralized intervals. The first batch of samples has been submitted for assaying and initial results are expected in the third quarter.

A second drill rig has been mobilized to site in order to increase drilling rates for the remainder of the program. Both drill rigs are currently active at the Premier deposit but will shortly be moved to higher elevations at the Big Missouri and the Dilworth deposit further north.

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

Following the unsuccessful negotiations with its mining contractor, the Company determined the best path forward was to place PGP on care and maintenance in order to preserve capital. The pause is expected to provide the management team with the time and flexibility to assess strategic alternatives to advance the project toward sustainable production.

As noted in its June 25, 2025 news release, the Company has appointed a special committee to lead a strategic review process. The special committee has retained financial advisers to assist it in considering various strategic alternatives. The process, which commenced in June, is ongoing. Further updates will be provided as warranted. There can be no assurance that the strategic review process will result in any transaction.

SUMMARY OF RESULTS

Operations

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

C\$000	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Mineral property, plant & equipment cost capitalized	37,345	33,313	36,310	54,831	53,712	84,653	74,650	53,515
Impairment of non-current assets	(324,404)	-	-	-	-	-	-	-
G & A expense	2,660	2,216	707	1,334	2,104	1,686	1,945	1,936
Stock-based compensation	289	663	358	406	384	534	1,896	322
Net income (loss)	(325,233)	3,362	(17,018)	(11,232)	2,950	(6,208)	1,705	(1,473)
Income(Loss) per share								
- basic and diluted	(0.22)	0.00	(0.05)	\$ (0.02)	\$ 0.00	\$ (0.01)	\$ 0.00	\$ (0.00)

Factors that can cause fluctuations in the Company's quarterly results include unrealized gains and losses on credit facilities, embedded derivatives, the nature and extent of 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 until recent transition to care and maintenance, 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 and impairment of mineral properties. The higher losses in Q2 2025 and in Q4 2024 were caused primarily by impairment of mineral properties in Q2 2025 and 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 June 30, 2025 compared to three months ended June 30, 2024

The Company reported a net loss of \$325,233 for the three months ended June 30, 2025 compared to a net income of \$2,950 for the three months ended June 30, 2024. The increase in net loss of \$328,183 for the current period is primarily attributable to a combination of factors, including:

- Impairment charge of mineral properties, plant and equipment of \$324,404 for Q2 2025.
- A \$9,108 increase in loss primarily due to a decrease in the fair value of derivative assets which was mainly driven by the change in production forecast and decrease of the fair value the convertible option derivative liability due to the decrease in the Company's share price.
- Increase in general and administrative expenses by \$556 primarily due to an increase in legal and professional fees.
- Increase in finance expenses of \$339 which was largely due to an increase in accretion expenses from the asset retirement obligations.

Partially offset by:

- An increase in unrealized foreign exchange gain of \$2,772 due to the weakening of the Canadian dollar against the US dollar in which the credit facilities are denominated in.
- Increase in flow through share premium of \$2,438.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

The Company reported a net loss of \$321,871 for the first half of 2025 compared to a net loss of \$3,258 for the first half of 2024. The increase in net loss of \$318,613 for the current period is primarily attributable to a combination of factors, including:

- Impairment charge of mineral properties, plant and equipment of \$324,404 for Q2 2025.
- Increase in general and administrative expenses by \$1,086 primarily due to increase in legal and professional services and compliance and property taxes.
- Increase in finance expenses of \$790 which was largely due to increase in accretion expenses from the asset retirement obligations.
- A \$943 decrease in fair value gain primarily is due to a decrease in the fair value of derivative assets which was mainly driven by the change in production forecast which is offset by the decrease of the fair value the convertible option derivative liability due to the decrease in the Company's share price.

Partially offset by:

- Decrease in financing cost of \$711.
- Increase in flow through share premium of \$2,062.
- Increase in unrealized foreign exchange gain of \$3,182.
- There was no loss recognized from the sale of mineral interest this quarter as compared to a loss of \$801 in Q2 2024.

LIQUIDITY AND CAPITAL RESOURCES**Capital Resources**

In H1 2025, the Company issued 503,677,029 common shares (H1 2024: 75,803,225), 500,673,729 warrants (H1 2024: 10,164,528), and granted 6,104,603 stock options (H1 2024: 210,000), 43,181 Deferred Share Units ("DSUs") (H1 2024: 28,667) and 3,933,332 Restricted Share Units ("RSU") (H1 2024: none). Also, 7,873,711 stock options expired or were forfeited or cancelled (H1 2024: 3,965,015), 784,398 RSUs were forfeited or expired, (H1 2024: 151,674) and nil warrants expired (H1 2024: 13,710,500). No stock options (H1 2024: 371,369), no DSUs (H1 2024: 137,533) and 3,003,300 RSUs (H1 2024: 303,092) were exercised in H1 2025.

The Company considers its capital structure to be primarily funded by equity, debt, metal streaming arrangements, promissory notes 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

On March 14, 2025, the Company closed the first of the two tranches of a best-efforts private placement offering (the "2025 Offering"). The closing of the 2025 Offering consisted of 142,551,675 charity flow-through units ("CDE FT Units") at a price of \$0.1403 per CDE FT Unit and 358,122,054 hard dollar ("HD") Units at a price of \$0.115 per HD Unit for net proceeds of approximately \$59 million. The net proceeds of the private placement is used to advance the Premier Gold project and for general corporate purposes.

The Company has two credit facilities being the Convertible facility and Cost Overrun facility ("COF"). The Convertible facility was entered into with Nebari Gold Fund 1, LP ("Nebari Group") and the COF was entered into with Nebari Natural Resources Credit Fund II, LP ("Nebari Group"). On March 14, 2025, the Company entered into an amending agreement to the amended and restated credit agreement with Nebari Group dated November 18, 2024, which amended the conversion price to \$0.155 and deferred interest payment commencing from May 2025 to September 2025 under the amended Convertible facility. The COF was amended on March 14, 2025, the exercise price of the existing Nebari warrants was also amended to \$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.

The Company also entered into an agreement with its mining contractor on March 14, 2025 which amended the promissory note amortization, with interest and principal payments deferred to commence in September 2025 compared to May 2025 prior to the amendment.

To advance mine development and the restart of milling operations the Company had US\$7.5 million of additional funding, in a second stream advance, available from Sprott Private Resource Streaming and Royalty Corp. ("SRSR") which the Company will not receive as Project development has been halted with no date to recommence mining and milling operations.

Liquidity and Going Concern

As at June 30, 2025, the Company had cash and cash equivalents of \$21,633 (December 31, 2024: \$27,974) and a working capital deficiency (current assets minus current liabilities) of \$260,531 (December 31, 2024: \$47,551). The decrease in cash and cash equivalents since December 31, 2024 was mainly due to expenditures in mine development, plant and equipment of \$53,312 and payment of lease liabilities of \$2,249 and reclamation deposit of \$2,000 offset by the net proceeds of approximately \$59 million the Company received from the closing of the first and final tranche of the 2025 Offering in H1 2025.

The Company's negotiations with its mining contractor were unsuccessful in securing a mining cost structure that would be satisfactory to the Company and on June 25, 2025, the Company suspended mine development and placed the Project on care and maintenance. The Project remains on care and maintenance while the strategic review process is underway. While the suspension of mine development has resulted in technical defaults under Ascot's credit facilities and stream agreements, the Company has been in regular communications with its creditors.

To further mine development and restart milling operations the Company will need access to additional sources of financing and there is no assurance it will be able to raise capital in the future. These conditions, and the conditions described above, 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 and six months ended June 30, 2025.

COMMITMENTS, CONTRACTUAL AND OTHER OBLIGATIONS

As at June 30, 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	\$ 14,093	\$ -	\$ -	\$ -	\$ 14,093
Convertible Facility principal and interest (a)/(c)	27,275	-	-	-	27,275
Cost Overrun Facility principal and interest (b)/(c)	35,450	-	-	-	35,450
Reclamation liabilities (d)	-	-	-	194,135	194,135
Promissory note	15,504	5,925	-	-	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	4,608	6,690	1,759	-	13,057
	\$ 96,980	\$ 13,015	\$ 2,934	\$ 194,985	\$ 307,914

- (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 is in technical non-compliance with certain covenants and the suspension of operations has resulted in defaults under its credit facilities and stream agreements.
- (d) The amount in reclamation liabilities are undiscounted cash expenditures.

As of June 30, 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 Q2 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.

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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Salaries, directors' and consulting fee and short-term benefits	\$ 327	\$ 426	\$ 967	\$ 865
Share-based payment transactions	212	189	576	517
	\$ 539	\$ 615	\$ 1,543	\$ 1,382

During the six months ended June 30, 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.

During the six months ended June 30, 2025, new members of the Company's executive management were granted 5,004,603 stock options at an exercise price of \$0.17 and 3,333,332 RSUs with the total fair value of \$528 and \$528, respectively to retain their services.

Included in accounts payable and accruals at June 30, 2025 is \$71 (December 31, 2024: \$77) due to the Company's 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

In addition to 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, Management identified the following new area involving critical judgements in applying accounting policies:

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). In June 2025, the suspension of mine development has resulted in a default on Ascot's stream agreements. Given the default, SRSR has the right to issue a written notice requiring a refund of the upfront deposit plus 12% of interest in addition to other remedies available to the Company. Accordingly, the entire balance of the contract liabilities for the Sprott Stream is classified as a current liability. Management determined that the Company is able to settle the first Sprott Stream through physical delivery of the commodities. 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 contract liabilities balance. As gold and silver are delivered, the contract liabilities 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 with SRSR in November 2024. The Company did not meet the performance conditions for the release of the Second Stream Deposit; the US\$7.5 million prepayment will not be released from escrow and the Company will not receive it.

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.

During the quarter ended June 30, 2025, Management placed the Project on care and maintenance, and as a result, an impairment indicator was identified. The Company completed an impairment test for the Project as of June 30, 2025 by calculating the recoverable amount as the fair value less costs of disposal (FVLCD) and comparing it to the carrying value and recorded an impairment loss as a result (refer to Note 5 to the Company's unaudited condensed interim consolidated financial statements for the three and six months period ended June 30, 2025). The determination of the FVLCD of the mineral properties, plant and equipment is based on market information and is subjective. Changes in estimates, assumptions and judgments may materially affect the value of the mineral properties plant and equipment.

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.

On June 25, 2025, the Company decided to suspend underground development and placed PGP on care and maintenance. Given the presence of this impairment indicator, Management completed an impairment test for the Project CGU as of June 30, 2025. An impairment loss is recognized for the amount by which the CGU's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the CGU's value in use and FVLCD. The FVLCD was determined using a market-based valuation method which included estimating the value per in-situ ounces based on comparable market transactions as well as comparing post announcement trading prices after the Company halted development and put the Project on care and maintenance on June 25, 2025.

Using this approach, Management determined the FVLCD of the Project to be \$133,844 and the carrying value of the Project at June 30, 2025 was \$458,248. As at June 30, 2025, the carrying value of the Project CGU exceeded its FVLCD by \$324,404, which was recognized as an impairment loss in the consolidated statements of comprehensive income (loss).

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 June 30, 2025 would result in an additional \$4,564 foreign exchange loss (gain) reported in the Company's statement of comprehensive income (loss) for the six months ended June 30, 2025 (six months ended June 30, 2024: \$3,155).

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 \$245 of interest added to the balance of the credit facilities and lease liability and \$51 interest paid for the six months ended June 30, 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. On June 25, 2025, the Company decided to place the Project into care and maintenance. Future cash flows are dependent upon the successful conclusion of the strategic review process currently underway. Refer to "Liquidity and Going Concern" section above.

The Company monitors 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 August 12, 2025, the Company had 1,487,151,720 common shares outstanding, 29,555,393 stock options, 585,268,257 share purchase warrants, 2,523,883 deferred share units, 8,330,638 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 Nisga'a Nation and our local communities beyond mining, and to steward the land, water, and air around us. Ascot continues to build strong relationships with our partner Nisga'a Nation and the local communities. We strive to be a sustainable contributor to northwestern British Columbia and southeastern Alaska. We thank Nisga'a Nation for hosting us on their Treaty Lands and working with us closely and collaboratively even through the unforeseen delays and challenges experienced over the past year. We thank our employees, the communities of Stewart and Hyder, our financial and government partners, and our shareholders for their ongoing support.

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 promotes strong relationships built on trust and transparency including with 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 Nisga'a Treaty signed in 2000. In July of 2021, Ascot and Nisga'a Nation signed a benefits agreement and over the years, Ascot and Nisga'a Nation have established strong lines of communication and a respectful engagement process. In Q2 2025, the Ascot/ Nisga'a oversight committees established in accordance with the benefits agreement met twice and no substantive concerns were raised. Key topics of conversation with the oversight committees were the ongoing performance of the water treatment plant, contracts, employment and the progress of the mine generally. Employment, contracts and water remain important issues for Nisga'a Nation.

In Q2 2025, Ascot has actively supported educational opportunities for Nisga'a youth. Ascot hosted or collaborated in various activities including educational outreach to three Nass Valley schools in collaboration with MineralsEd, a site tour for Nisga'a Lands and Resources Department and various meetings with several departments within the Nisga'a Government.

Ascot staff attended several community events held in Stewart including a display with STEM activities for children of all ages at the Stewart Market Day and supporting the Stewart Museum with materials for Mining Month.

Nisga'a Employment

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

At the end of Q2 of 2025, 16 Nisga'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.

During Q2 there was a total of 11 incidents, all of which were minor first aid injuries. There were no lost time incidents during the quarter.

Our Total Recordable Injury Frequency Rate ("TRIFR") and Lost time Injury Frequency Rate ("LTIFR") for the quarter was 0.00 per 200,000 hours worked. During the six month ended June 30, 2025, our injury rates are 2.77 for TRIFR and 0.00 for LTIFR.

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).

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 six months ended June 30, 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 herein and 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.

On June 25, 2025, the Company suspended mine development and placed the Project on care and maintenance. The Project remains on care and maintenance while the strategic review process is underway. The suspension of mine development has resulted in defaults under Ascot's credit facilities and stream agreements. To further mine development and restart milling operations the Company will need to access to additional sources of financing and there is no assurance it will be able to raise capital in the future.

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 strategic review process, the ability to preserve capital, the availability of strategic alternatives, achieving production at the Project, the ability of the Company to accomplish its business objectives and future plans, development and operations of the Company. 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 potential defaults under the Company's credit facilities and stream agreements; the need for future waivers or forbearance agreements from the secured creditors of the Company; the inability to negotiate strategic alternatives or access additional capital; 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 and the timing thereof; 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, 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 AIF of the Company in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs and timelines associated with the development plans; the ability to maintain throughput and production levels at the Big Missouri mine and the Premier Northern Lights mine; the grade of mineral resources and mineral reserves; the ability of the Company to convert inferred mineral resources to other

categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; the ability of the Company to raise additional financing; and compliance with the covenants in Ascot's credit agreements. 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.