Ascot Resources Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended March 31, 2018

(Express in thousands of Canadian Dollars, except where indicated)

Report Date July 5, 2018

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated July 5, 2018 and provides an analysis of our audited financial results for the year ended March 31, 2018 compared to the year ended March 31, 2017. The following information should be read in conjunction with the unaudited consolidated financial statements and the related notes for the year ended March 31, 2018 and the related notes thereto. 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 March 31, 2018, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com and on the Company's website www.ascotgold.com.

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

On October 6, 2017, the Company announced a change in management. Derek White was appointed to the position of President and Chief Executive Officer replacing John Toffan. In addition, the Board of Directors (the "Board") appointed Richard Zimmer, as a director and the non-executive Chairman of the Board and James Stypula as an independent director. The Company also appointed John Kiernan as Chief Operating Officer, Carol Li as Chief Financial Officer, Kristina Howe as VP Investor Relations and Jody Harris as Corporate Secretary. Robert Evans stepped down as an officer of the Company and remains as the only non-independent director.

On January 16, 2018, the Company announced the appointment of Donald Njegovan as a director of the Company. Mr. Njegovan replaced John Swann who retired at that time. On February 1, 2018, the Company announced the appointment of Bill Bennett as an additional director of the Company.

On March 26, 2018, the Company filed a notice of change of year end pursuant to Part 4 of NI 52-102 Continuous Disclosure Obligations. The Company is changing its fiscal year end from March 31 to December 31 with transition year-end at December 31, 2018 to be more aligned with its peers.

2018 AND RECENT HIGHLIGHTS

- New management, including CEO, COO, CFO, Corporate Secretary, and Vice President, Investor Relations joined the Company. The Board was reorganized with the appointment of four new independent directors, one of whom was named non-executive Chairman of the Board.
- The new Board has implemented various charters and policies along with the reformation of the Audit Committee and appointing a Governance & Nomination Committee, Compensation Committee and Health, Safety, Environmental & Technical Committee to meet standard governance criteria
- On May 10, 2018, the Company announced an updated NI 43-101 resource estimate for its flagship Premier-Dilworth property in BC's Golden Triangle. The additional resource includes high-grade zones from the Premier and Northern Lights areas that were modeled using a cut-off grade suitable for underground mining
- On March 22, 2018, the Company completed a private placement for flow-through shares with gross proceeds of $6.5 million, which are being used for the exploration program at Premier-Dilworth property in Stewart BC. The 45,000 metres drill program commenced on April 17, 2018
- The US Forest Service ("USFS") released a Final Decision Notice & Finding of No Significant Impact related to two prospecting permits that were submitted by Ascot USA Inc (a wholly owned subsidiary of Ascot Resources Ltd.) regarding its Mt. Margaret property, a porphyry copper-molybdenum-gold-silver deposit located 22.5 km southwest of Randle, Washington in Skamania county. Ascot will now wait for the Bureau of Land Management ("BLM") to issue its decision regarding whether to issue the prospecting permits
- On April 19, 2018, the Company commenced trading on OTCQX Market in the U.S. under the symbol "AOTVF"

- On May 29, 2018, the Company announced initial drilling results of the first 11 holes from the 602 zone at Premier-Dilworth property that show robust high-grade gold mineralization
- In April 2018, the company initiated engineering studies to re-start mining operations utilizing existing infrastructure

2018 OPERATING OVERVIEW

The year ended March 31, 2018 was transformative for Ascot. The new management team and Board of Directors has changed the focus of the company to transition from pure exploration to exploration and development.

Premier-Dilworth Project

On June 30, 2017, the Company made the final option payment on the Premier and Dilworth properties of $6.85 million. The payment has been placed in escrow and will be released to Boliden Limited ("Boliden") subject to the Company and Boliden satisfying all of closing conditions on the agreement.

The conditions of closing of the agreement include the assumption of the environmental bonding on the Premier property, the amount of this bonding will be determined in discussion with the Province of British Columbia. The Company became responsible for certain operating expenses of the Premier and Dilworth properties after the agreement date of June 30, 2017.

The 2017 drill program was concluded with 379 holes drilled for a total 118,800 metres with the specific goal of further exploration of high priority targets outlined in previous campaigns, with a focus on the Northern Lights area ("Northern Lights"). The drill results showed high-grade and thicker material intercepted in the 602 zone, as well as outlining coherent zones of high-grade mineralization from the Northern Lights area ("Ben" and "Prew" subzones). On December 11, 2017, the Company announced the completion of the Company's 2017 drilling program.

The newly outlined Northern Lights zones are located to the northeast of the Premier pit and trend in that direction. The zone that is closest to the surface was designated the Ben zone and is dipping steeply. The down dip extension of the Ben zone was named the Prew zone. It dips less steeply to the northwest and shows favorable thickness analogous to the 602 zone in the Premier area which is thicker and does not dip as steeply as the historical stopes mined on the upper levels. Both of these zones were successfully integrated in the new underground resource (see below) that was announced on May 10, 2018. Detailed drill results from the 2017 program can be found on the Company's website.

With the successful completion of the 2017 program, the Company developed drill plans for 2018, which commenced in April 2018. The program is designed to extend mineralized zones at Premier/Northern Lights, converting existing resources from inferred to indicated in existing zones (including the 602 zone), and to delineate high-grade underground zones in the Big Missouri/Martha Ellen area located 5 kilometres further north. The overall purpose of the drill program is to expand the existing resource base and develop new resources to support initial engineering studies.

In November of 2017, the Company engaged Mr. David Rennie, P.Eng. of RPA Inc ("RPA") to prepare an updated NI 43-101 mineral resource estimate focused on eight high-grade zones in the Premier-Northern lights area. The modeled high-grade zones outline two curvilinear structural planes where quartz breccias and stockwork development host gold mineralization in mineralized fault zones. Historic mining at the Premier mine focused on narrow steeply dipping zones close to surface. New modeling has revealed that the dip of the structural zones decreases at depth into more flat lying bodies. The thickness of the mineralized zones with moderate dip appears to be more substantial.

The updated NI 43-101 resource estimate for the Premier-Northern Lights zone (as at May, 2018) resulted in the following additional resources:

- 281,059 AuEq oz in the indicated category (1.21 Million tonnes ("Mt") grading 7.23g/t AuEq at 3.5g/t AuEq cut-off)[5]
- 319,675 AuEq oz in the inferred category (1.64 Mt grading 6.18g/t AuEq at 3.5g/t AuEq cut-off)[5]

(Express in thousands of Canadian Dollars, except where indicated)

Total updated NI 43-101 resources as at May 2018:

Total Premier-Dilworth Project Mineral Resources

Class	Zone	Cut-Off Grade (g/t AuEq)	Tonnage (kt)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)
Indicated	Big Missouri	0.3	61,900	0.91	5.8	1.01	1,810	11,500
	Martha Ellen	0.3	8,350	1.15	9.9	1.32	309	2,660
	Dilworth	0.3	23,300	0.48	8.8	0.63	357	6,590
	Sub-Total	**0.3**	**93,500**	**0.82**	**6.9**	**0.94**	**2,480**	**20,800**
	Premier	3.5	1,210	7.02	30.6	7.23	273	1,190
Inferred	Big Missouri	0.3	34,700	0.74	8.0	0.88	825	8,320
	Martha Ellen	0.3	3,240	0.70	11.6	0.90	73	1,210
	Dilworth	0.3	41,400	0.45	6.1	0.55	596	8,120
	Sub-Total	**0.3**	**79,300**	**0.59**	**7.2**	**0.71**	**1,490**	**18,200**
	Premier	3.5	1,640	6.01	24.9	6.18	317	1,310

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Big Missouri, Martha Ellen, and Dilworth:
   a. Mineral Resources are estimated at a cut-off grade of 0.30 g/t gold equivalent (AuEq).
   b. Mineral Resources are estimated using long-term metal prices of US$1,400/oz Au and $24/oz Ag.
   c. Gold equivalence is estimated using the following equation: AuEq = Au g/t + (Ag g/t x 0.017). Includes provisions for gold recovery of 90% and silver recovery of 65%.
   d. The bulk density varies from 2.76 t/m^3 to 2.80 t/m^3 dependent on the rock type.
   e. Mineral Resources are constrained by pit shells.
3. Premier:
   a. Mineral Resources are estimated using a cut-off grade of 3.5 g/t AuEq.
   b. Mineral Resources are estimated using a long-term metal prices of US$1,350/oz Au and US$20/oz Ag.
   c. Gold equivalence is estimated using the following equation: AuEq = Au g/t + (Ag g/t x 0.00695). This includes a provision for silver metallurgical recovery of 45.2%.
   d. A minimum mining width of 2.5 m was used for steeply dipping zones and 3.0 m for flatter dipping zones.
   e. A mean bulk density of 2.84 t/m^3 was used for all zones.
4. Numbers may not add due to rounding.

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

Qualified Person

Graeme Evans, P. Geo and Lawrence Tsang, P. Geo provide the field management for the Premier exploration program. Graeme Evans, is the Company's qualified person, reviewing the exploration projects described throughout the MD&A and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results.

Each of David W. Rennie, P. Eng. of RPA and Ronald G. Simpson, P.Geo., Geosim Services Inc., is an independent "qualified person" (as defined in NI 43-101) responsible for this mineral resource estimate. RPA and Geosim Services have conducted independent data verification relating to drill hole location and orientation, sampling methodology, assay QA/QC and database integrity and found the results satisfactory. RPA and Geosim Services acknowledge that they have reviewed the technical content presented in this MD&A and approved the written disclosure.

In April of 2018, the Company commenced the 2018 drill program with infill drilling on the 602 zone. On May 29, 2018, results from the first 11 holes from the 602 zone at Premier-Dilworth project were announced. Several holes intercepted wide intervals of high-grade gold mineralization including 12.1m of 11.65 g/t gold in hole P18-1605 and 9.61m of 24.64 g/t gold in hole P18-1609. The 602 zone, which has not been previously mined, is likely to be accessed first in a re-start scenario due to its proximity to the main underground portal.

There is significant potential to expand the 602 zone to the west and down dip. Other areas in the Premier-Northern Lights zone that have expansion potential are the Ben, Prew and the 609 zones. These possible extensions will be tested later in the year. Currently, however, the focus is on the Big Missouri area, to infill and add additional high-grade resources. The Company will also be exploring other attractive targets on the property later in the summer.
During the year ended March 31, 2018, the Company incurred $11,358 deferred exploration cost and $6,851 acquisition cost on Premier-Dilworth project.

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

Mt. Margaret Project

The Mount Margaret porphyry copper-molybdenum-gold-silver deposit is located 22.5 kilometres southwest of Randle Washington in Skamania county in Southwest Washington State.

Ascot obtained property title to the 50 percent undivided private mineral interests on the lands on a private land package MS-708 and the government of the United States owns the other 50 percent interest. Ascot has the right to earn a 100% interest subject to a 1.5 NSR and a negotiated federal royalty.

On February 8, 2018, the United States Forest Service ("USFS") released a Final Decision Notice & Finding of No Significant Impact related to these two prospecting permits that were submitted by Ascot USA Inc., a wholly owned subsidiary of Ascot Resources Ltd. The decision is based on the detailed analysis of potential environmental impacts that are contained within a Modified Environmental Assessment related to the prospecting permits.

The USFS decision provides consent to the Bureau of Land Management ("BLM") to issue two hardrock mineral prospecting permit applications on National Forest System lands. Ascot will now wait for the BLM to issue its decision regarding whether to issue the prospecting permits.

During the year ended March 31, 2018, the Company incurred $146 deferred exploration/permitting cost on Mt. Margaret project.

Swamp Point Project

Ascot acquired the aggregate deposit in 2002 to access potential local markets such as the port expansions in Prince Rupert along with the California markets, which were quickly running out of readily available local supply. Surface transport costs are much higher than seaborne transport making BC source aggregate cost competitive. The property is subject to two royalties; one to the BC Provincial Government and one to the former management of Ascot. The project was put on care and maintenance in 2008 as a result of the economic downturn.

The site has some existing onsite infrastructure, giving it the advantage of being able to re-start within a short lead time, with some further site preparation required. Management would like to realize value for its shareholders through a potential sale as this project is not part of the Company's strategic outlook.

MANAGEMENT'S OUTLOOK FOR 2018

Management is planning a number of activities for the calendar year 2018 which include:

- Infill and exploration drilling to add high-grade resources to what been previously announced. This will include drilling at Premier-Northern Lights, Big Missouri, and the Martha Ellen part of the property
- Undertaking and completing engineering studies related to restarting the mine and mill operations
- Commencing ground water, climate and ecological studies related to re-starting the mine
- Re-building the historical data base of information from previous mining activities

SUMMARY OF RESULTS

The consolidated financial statements of the Company to which the MD&A relates have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Selected financial data (C$000)	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Employee salaries and benefits	708	489	-
Management fees	435	365	404
Share-based payment	5,072	5,376	-
Legal and professional services	580	228	139
Office and administration expenses	270	104	73
Promotion and shareholders costs	323	339	136
Property maintenance costs	599	163	4
Deferred income tax expense	2,709	1,379	550
Net loss	9,064	8,378	1,265
Loss per share (basic and diluted)	$ 0.06	$ 0.06	$ 0.01
Total assets	92,536	82,084	49,752

Operations

For the year ended March 31, 2018 compared with the year ended March 31, 2017:

The Company reported a net loss of $9,064 in 2018 compared to $8,378 in 2017. The loss in current year is driven by share-based payments of $5,072 (2017 - $5,376) and deferred income tax expenses of $2,709 (2017 - $1,379). Shared-based payment, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period. The calculation of the fair value of options is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of Ascot's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years. Higher deferred income tax expenses in 2018 was a result of higher flow through share expenditures.

Since the new management and Board of Directors joined the Company in October, the level of activity at the Company has increased. As a result, employee salaries and benefits, legal and professional fees, office and communication expenses in

2018 were higher than 2017. Higher legal fees in 2018 were also due to the property purchase agreement with Boliden signed in June 2017.

The Company signed a purchase agreement (“Agreement”) with Boliden to purchase the Premier-Dilworth property in June 2017 with closing on or before September 2018. Under the terms of the Agreement, the Company is responsible for care and maintenance costs relating to the Premier property. As of March 31, 2018, the Company reimbursed Boliden $599 for property maintenance costs. The property maintenance costs of $163 in 2017 were for the Swamp Point project.

Other income of $2,010 in 2018 (2017 - $455) is mainly comprised of the premium on flow-through shares (“FTS”) and interest income. The premium on flow-through shares was $1,762 for financial year 2018 as compared to $297 for the financial year 2017. This premium is the recognition received on the issue of flow through-shares as the funds are spent. The number is thus a function of the premium received and the expenditures made. Interest income of $249 (2017: $152) for the year ended March 31, 2018, reflects interest earned on cash held on deposit and invested in short-term market instruments. The increase in interest income is primarily due to Ascot’s larger average treasury balance in the current year.

During the year ended March 31, 2018, the Company purchased two properties, located in Stewart, BC, for the aggregate total of $454. The first property consists of land and a workshop, the second purchase is an adjoining parcel of land.

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

C$000	Mar 31, 2018 Q4	Dec 31, 2017 Q3	Sep 30, 2017 Q2	Jun 30, 2017 Q1	Mar 31, 2017 Q4	Dec 31, 2016 Q3	Sep 30, 2016 Q2	Jun 30, 2016 Q1
Mineral property cost deferred	654	2,219	4,686	10,796	553	1,587	2,699	1,426
G & A expense, excluding share-based payments	1,049	636	504	437	393	925	270	195
Share-based payments	989	4,083	-	-	1,875	145	3,356	-
Property maintenance costs	339	121	139	-	2	8	148	5
Net loss	2,590	5,012	843	619	2,266	1,615	4,277	220
Loss per share (basic and diluted)	$ 0.02	$ 0.03	$ 0.01	$ 0.00	$ 0.02	$ 0.01	$ 0.03	$ 0.00

Factors that can cause fluctuations in the Company’s quarterly results include the nature and extent of exploration activities carried out under specific work program, stock option grant and vesting, and issuance of shares. Over the past eight quarters, the Company has been focused on the exploration on Premier-Dilworth property next Stewart, BC. During the period ended June 30 2017, the Company made final option payments to acquire the Premier-Dilworth property. The Company carried out an exploration program on the Premier-Dilworth property from May to October 2017 with the program wrapping up in December 2017. New management and Board of Directors joined the Company in October 2017, level of activities increased resulting in higher G&A expenses.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During the year ended March 31, 2018, a total of 7,058,941 warrants were exercised for proceeds of $7,474 and 155,000 options were exercised for proceeds of $144. Subsequent to the year ended March 31, 2018, a total of 15,000 options were exercised for proceeds of $14. These funds will be used to continue the Company’s program on the Premier-Dilworth property as well as for general administrative costs.

On March 22, 2018, the Company closed a private placement of 4,362,350 flow-through shares at a price of $1.49 per share for a total gross proceed of $6,500. The private placement was subject to 6% finder’s fee, payable in cash, resulting in total net proceeds of $5,955. The proceeds are being used to fund the 2018 drill program that commenced in April 2018.

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

(Express in thousands of Canadian Dollars, except where indicated)

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

Liquidity

As at March 31, 2018, the Company had working capital of $19,591 (March 31, 2017 - $27,177). As at March 31, 2018, cash totaled $20,511, a decrease of $8,579 as at March 31, 2017. The decrease was due to (a) operating activities of $2,974; (b) expenditures on mineral properties of $18,393; (c) acquisition of two properties, located in Stewart, BC for $454; and (d) the purchase of diamond drills and field equipment for $314. This was offset by the exercise of warrants and options and the issuance of flow-through shares of $13,573. The Company expects to have sufficient funds to meet its obligations in transition year 2018.

SEGMENT INFORMATION

As at March 31, 2018, the Company had two reportable geographic segments, Canada and the United States. The United States assets relate solely to expenditures on the Mt. Margaret option, which is included in exploration and evaluation assets at March 31, 2018 at $5,352 (March 31, 2017 - $5,206). All of the Company's current assets are located in Canada.

RELATED PARTY TRANSACTIONS

During the year ended March 31, 2018, a former director and his partner were paid $1,038 (2017 - $25) for his share of the option payment made on the Dilworth property.

During the year ended March 31, 2018, directors and officers were granted 7,070,000 stock options at a weighted average price of $1.57 (2017 – 3,150,000 at a weighted average price of $1.77). Using the Black-Scholes model, (see Note 15 b) the fair value of the options granted to directors was determined at $4,903 (2017 - $3,906).

Included in accounts payable are $36 (2017 - $24) due to related party, of which $21 pertains to royalties on gravel product sold by the Company's Swamp Point mine during the year ended March 31, 2008.

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

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and short-term benefits	$ 349	$ 365
Management fees	421	365
Exploration and evaluation costs	788	201
Share-based payment transactions	4,838	3,906
	$ 6,396	$ 4,837

CRITICAL ACCOUNTING ESTIMATES

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

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

Impairment of long-lived assets

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

Income taxes

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

Stock-based compensation

Compensation expense for options granted to employees, directors and certain service providers is determined based on estimated fair values of the options at the time of grant using the Black-Scholes option pricing model, which takes into account, as of the grant date, the fair market value of the shares, expected volatility, expected life, expected forfeiture rate, expected dividend yield and the risk-free interest rate over the expected life of the option. The use of the Black-Scholes option pricing model requires input estimation of the expected life of the option, volatility, and forfeiture rate which can have a significant impact on the valuation model, and resulting expense recorded.

Provision for decommissioning and site restoration

The future obligations for site closure activities are estimated by the Company based on the laws and regulations of the countries in which it operates, with due consideration to the fact that the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resources companies. As the estimate of obligations is based on future expectations, a number of assumptions and judgments are made by management in the determination of closure provisions. The decommissioning and site restoration provisions are more uncertain the further into the future the site closure activities are to be carried out.

NEW ACCOUNTING PRONOUNCEMENTS

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

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, deposits, investments, accounts payable and accrued liabilities, and embedded derivatives. The fair value of the financial instruments approximates their carrying value due to the short-term nature of their maturity. Our financial instruments initially measured at fair value and then held at amortized cost include cash and cash equivalents, accounts receivable, deposits, and accounts payable and accrued liabilities. The Company's investments are held for trading and are marked-to-market at each period end with changes in fair value recorded to the statement of loss.

Currency risk

Currency risk is the risk of a fluctuation in financial asset and liability settlement amounts due to a change in foreign exchange rates. The Company operates in Canada and the United States. Our exposure to currency risk at March 31, 2018 is limited to U.S dollar cash balances and U.S. dollar accounts payable, which were minimal.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company holds cash and cash equivalents with Canadian Chartered financial institutions. The Company's accounts receivable consists of GST receivable from the Federal Government of Canada, and other receivables for recoverable expenses. The Company's exposure to credit risk is equal to the balance of cash and cash equivalents and accounts receivable as recorded in the financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties raising funds to meet its financial obligations as they fall due. The Company is in the exploration stage and does not have cash inflows from operations; therefore, the Company manages its liquidity risk through the management of its capital structure and financial leverage. Management may monetize some of its investments held over the next year to assist in meeting its operational requirements. Future sources of liquidity may be the sale of investments, equity financing, the exercise of mineral property options, debt financing, convertible debt, or other means. The Company's contractually obligated cash-flow is disclosed under the section titled "Contractual Obligations."

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk with respect to interest earned on cash and cash equivalents. Based on balances as at March 31, 2018, a 1% change in interest rates would result in a change in net loss of $200, assuming all other variables remain constant. As the Company is currently in the exploration phase none of our financial instruments are exposed to commodity price risk; however, our ability to obtain long-term financing and its economic viability could be affected by commodity price volatility.

OUTSTANDING SHARE DATA

As at July 5, 2018, the Company had 152,281,839 common shares outstanding, 17,140,000 share options outstanding under its stock-based incentive plan and 10,145,769 share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The Company's securities should be considered a highly speculative investment and investors are directed to carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company, including the risk factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form ("AIF") dated July 5, 2018 available on SEDAR at www.sedar.com and www.sec.gov.

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

(a) Exploration

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

(b) Estimation of mineralization, resources and reserves

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

(c) Market

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

(d) Commodity price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in British Columbia, Canada. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

(e) Title

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

(f) Financing

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

(g) Share Price Volatility and Price Fluctuations

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

(h) Key personnel

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

(i) Completion

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

(j) Realization of assets

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

(k) Environmental and Other Regulatory Requirements

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

(l) History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations

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

(m) Uninsurable

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

(n) Legal proceedings

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

Cautionary Note

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