Ascot Resources Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three ended June 30, 2018

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

Report Date August 15, 2018

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated August 15, 2018 and provides an analysis of our audited financial results for the three months ended June 30, 2018 compared to the three months ended June 30, 2017. The following information should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended June 30, 2018 and the audited consolidated financial statements 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 unaudited condensed interim consolidated financial statements, and the notes thereto, for the three months ended June 30, 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 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.

CURRENT QUARTER AND RECENT HIGHLIGHTS

- On June 22, 2018, the Company filed an updated NI 43-101 resource estimate for its flagship Premier-Dilworth property in BC's Golden Triangle. The additional resource includes high-grade zones from the Premier and Northern Lights areas that were modeled using a cut-off grade suitable for underground mining
- On 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
- On June 25, 2018, the Company announced that drilling at a second target area, the Big Missouri ridge, located approximately 5km north of the Premier/Northern Lights area, has intercepted high-grade zones
- On July 18, the Company announced that drilling at Big Missouri continues to identify gold mineralization while drilling at Premier/Northern Lights demonstrates that this area of the current resource still has room to grow
- On August 9, 2018, the Company announced that drilling at Big Missouri has intercepted high-grade gold mineralization in the Unicorn and Province zones
- On August 13, 2018, the Company entered into definitive agreements with Jayden Resources Inc. ("Jayden") and Mountain Boy Minerals Ltd. ("Mountain Boy") to acquire a 100% interest in the Silver Coin property. It contains approximately 244,000 AuEq* ounces of high-grade resources with significant exploration upside that adjoins the Company's property boundary in northern BC. (see "Subsequent Event")

  * Gold equivalence was calculated using a ratio of 65:1 Ag:Au and Ag recovery of 45.2%.

THREE MONTHS ENDED JUNE 30, 2018 OPERATING OVERVIEW

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.

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

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. Closing of the purchase agreement is expected to occur before the end of September 2018.

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]

Total updated NI 43-101 resources:

Total Premier-Dilworth Project Mineral Resources

Class	Deposit	Tonnes 000's	Average Grades			Contained oz (000's)		
			Au g/t	Ag g/t	AuEq	Au	Ag	AuEq
Indicated	Open-Pit [1,2,3]	93,502	0.82	6.9	0.94	2,475	20,783	2,830
	Underground [4,5]	1,210	7.02	30.6	7.23	273	1,190	281
Total Indicated	**Open-Pit & Underground**	**94,712**	**0.90**	**7.20**	**1.02**	**2,748**	**21,973**	**3,111**
Inferred	Open-Pit [1,2,3]	79,278	0.59	7.2	0.71	1,494	18,238	1,804
	Underground [4,5]	1,640	6.01	24.9	6.18	317	1,310	320
Total Inferred	**Open-Pit & Underground**	**80,918**	**0.70**	**7.56**	**0.82**	**1,811**	**19,548**	**2,124**

Notes:
1) Mineral Resources are reported at a cut-off grade of 0.3 g/t AuEq
2) Source: Technical report prepared by Ronald G. Simpson, effective date 31 March, 2014
3) The gold equivalent grade was calculated using metal prices of $1400/oz for gold and $24/oz for silver. The gold equivalence formula is as follows: AuEq g/t = Au g/t + (Ag g/t * 0.017)
4) Mineral Resources are estimated at a cut-off grade of 3.5 g/t AuEq
5) Gold equivalence was calculated using a ratio of 65:1 Ag:Au and Ag recovery of 45.2%
6) The mineral resources presented here were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council May 10, 2014.
7) Figures are rounded and totals may not add correctly.

The updated 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.

2018 Drill Program

In April of 2018, the Company commenced the 2018 drill program with infill and step out 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. On June 25, 2018, the Company announced that drilling at the Big Missouri Ridge has intercepted high-grade zones. This area is connected to the Premier/Northern Lights area by an 8km haul road that leads to the Premier mill building. The Big Missouri ridge hosts gold mineralization over a strike length of more than 6,000m. The mineralization is very similar to that in the Premier/Northern Lights area and has produced a significant number of high-grade intercepts that indicate the presence of material suitable for underground operations.

On July 18, 2018, the Company announced the results of 9 drill holes at Big Missouri and 21 drill holes in the Premier/Northern Lights area. Drilling at Big Missouri continues to identify high-grade gold mineralization while drilling at Premier/Northern Lights demonstrates that this area of the current resource still has room to grow. Notable intercepts include:

- 4.29m of 8.07g/t AuEq* in hole P18-1661 at Big Missouri
- 5.5m of 7.74g/t AuEq in hole P18-1665 at Big Missouri
- 2m of 9.91g/t AuEq in hole P18-1648 at the 602 zone at Premier/Northern Lights
- 2m of 10.34g/t AuEq in hole P18-1651 at the 602 zone at Premier/Northern Lights

On August 9, 2018, the Company announced the results from 37 drill holes at the Big Missouri ridge at Premier-Dilworth Property. Drilling at this area has intercepted high-grade gold mineralization in the Unicorn and Province zones. Highlights of the results include:

- 5.8m of 14.30g/t AuEq* in hole P18-1678 at the Unicorn zone
- 4.0m of 6.53g/t AuEq in hole P18-1708 at the Unicorn zone
- 2.0m of 25.45g/t AuEq in hole P18-1691 at the Province zone
- 2.0m of 14.65g/t AuEq in hole P18-1696 at the Province zone

* Gold equivalence was calculated using a ratio of 65:1 Ag:Au and Ag recovery of 45.2%.

These new results increase the confidence that the resource update for the Premier and Big Missouri areas will establish a sufficient resource base to restart the Premier Mill. The Company will also be exploring other attractive targets on the property later in the summer.

During the three months ended June 30, 2018, the Company incurred $5,200 deferred exploration 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% undivided private mineral interests on the lands on a private land package MS-708 and the government of the United States owns the other 50% interest. Ascot has the right to earn a 100% interest subject to a 1.5 NSR and a negotiated federal royalty.

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 has previously been 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 re-starting 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 Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2018 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").

Operations

For the three months ended June 30, 2018 compared with the three months ended June 30, 2017:

The Company reported a net loss of $1,987 for the three months ended June 30, 2018 compared to $619 for the same period in 2017. The loss in the current year is driven by share-based payments of $577 (three months ended June 30, 2017: $Nil), property maintenance costs for the Premier property of $127 (three months ended June 30, 2017: $3) and deferred income tax expenses of $1,294 (three months ended June 30, 2017: $940). 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 current quarter of 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 substantially as indicated by the progress to date. 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 the current quarter of 2018 were also due to the closing of 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. For the three months ended June 30, 2018, the Company reimbursed Boliden $127 for property maintenance costs. The property maintenance costs of $3 for the same period in 2017 were for the Swamp Point project.

Other income of $833 for the three months ended June 30, 2018 (three months ended June 30, 2017: $795) is mainly comprised of the premium on flow-through shares ("FTS") and interest income. The premium on flow-through shares was $772 for three months ended June 30, 2018 as compared to $735 for the same period in 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 $61 for the three months ended June 30, 2018 (three months ended June 30, 2017: $60), reflects interest earned on cash held on deposit and invested in short-term market instruments.

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

C$000	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Mineral property cost deferred	5,200	654	2,219	4,686	10,796	553	1,587	2,699
G & A expense, excluding share-based payments	809	1,055	636	504	431	393	925	270
Share-based payments	577	989	4,083	-	-	1,875	145	3,356
Property maintenance costs	127	339	121	139	3	2	8	148
Net loss	1,987	2,590	5,012	843	619	2,266	1,615	4,277
Loss per share (basic and diluted)	$ 0.01	$ 0.02	$ 0.03	$ 0.01	$ 0.00	$ 0.02	$ 0.01	$ 0.03

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 the Premier-Dilworth property near 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. 2018 drill program commenced April 2018.

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

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During the three months ended June 30, 2018, a total of 15,225 warrants were exercised for proceeds of $18 and 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. Subsequent to the quarter ended June 30, 2018, 305 warrants were exercised and the remainder of 10,145,464 warrants expired unexercised.

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

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

Liquidity

As at June 30, 2018, the Company had working capital of $14,395 (March 31, 2018 - $19,951). As at June 30, 2018, cash totaled $14,171, a decrease of $6,340 as at March 31, 2018. The decrease was due to (a) operating activities of $1,055 and (b) expenditures on mineral properties of $5,323. This was partially offset by the exercise of warrants and options and refund of share issue cost of $38. The Company expects to have sufficient funds to meet its obligations in the transition year 2018.

SEGMENT INFORMATION

As at June 30, 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 June 30, 2018 at $5,352 (March 31, 2018 - $5,352). All of the Company's current assets are located in Canada.

RELATED PARTY TRANSACTIONS

Included in accounts payable are $50 (June 30, 2017 - $21) due to related parties, of which $21 pertains to royalties on gravel product sold by the Company's Swamp Point mine during the year ended March 31, 2008.

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

	Three months ended June 30, 2018	Three months ended June 30, 2017
Salaries and short-term benefits	$ 100	$ 65
Management fees	84	65
Exploration and evaluation costs	-	69
Share-based payment transactions	496	-
	$ 680	$ 199

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. There have been no material changes to the critical accounting estimates discussed in the March 31, 2018 annual MD&A filed on SEDAR on July 6, 2018.

NEW ACCOUNTING PRONOUNCEMENTS

Certain recent accounting pronouncements have been included under note 3 in the Company's June 30, 2018 unaudited condensed interim 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 June 30, 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 June 30, 2018, a 1% change in interest rates would result in a change in net loss of $142, 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 August 15, 2018, the Company had 152,282,144 common shares outstanding, 17,140,000 share options outstanding under its stock-based incentive plan and Nil share purchase warrants outstanding.

SUBSEQUENT EVENT

On August 13, 2018, the Company entered into a definitive agreement with Jayden Resources Inc. ("Jayden") and Mountain Boy Minerals Ltd. ("Mountain Boy") to acquire a 100% interest in the Silver Coin property (the "Property") in northwestern British Columbia (the "Transaction").

Pursuant to the share purchase agreement with Jayden (the "Jayden SPA"), Ascot will acquire all of the issued and outstanding shares of Jayden's subsidiary, Jayden Resources (Canada) Inc. ("Jayden Canada"), in exchange for 14,987,497 Ascot common shares ("Ascot Shares"). In addition, Ascot will issue up to 1,715,684 additional Ascot Shares for the settlement of options and warrants exercised before the closing date with the net cash proceeds of the warrants accruing to Ascot. Jayden Canada owns an 80% joint venture interest in the Property pursuant to a joint venture agreement with Mountain Boy (the "JV Agreement"). Concurrent with the entering into the Jayden SPA, Ascot has entered into a purchase agreement with Mountain Boy ("Mountain Boy Purchase Agreement") to acquire the remaining 20% joint venture interest in the Property in exchange for 3,746,874 Ascot Shares. In addition, Ascot will issue up to 428,921 additional Ascot shares to Mountain Boy for the settlement of Jayden options and warrants which may be exercised before closing. Pursuant to the Mountain Boy Purchase Agreement, Mountain Boy has also agreed to waive its right of first refusal under the JV Agreement. The Mountain Boy Purchase Agreement provides that Ascot's acquisition of the 20% interest in the Property from Mountain Boy is conditional on the acquisition of the 80% interest in the Property from Jayden.

The Jayden SPA contains standard representations, warranties and covenants for a transaction of this nature. The Jayden SPA also includes standard non-solicitation provisions of Jayden in favour of Ascot and requires Jayden to pay Ascot a break fee of $450 in the event of the acceptance by Jayden of a superior offer or a change in recommendation by the Jayden board of directors in respect of the Transaction. Completion of the Transaction is subject to a number of conditions, including receipt of shareholder approval by the Jayden shareholders and receipt of approval by the TSX Venture Exchange. Certain shareholders of Jayden and all of the officers and directors of Jayden (collectively, the "Locked-up Shareholders") have entered into voting support agreements with Ascot, whereby they have agreed to vote their Jayden common shares in favour of the Transaction and to restrict trading of Ascot Shares distributed by Jayden to its shareholders pursuant to the Transaction for a period of 6 months following closing of the Transaction. The Locked-up Shareholders own or have control or direction of over approximately 31.4% of the current issued and outstanding shares of Jayden. The Jayden shareholder meeting is expected to occur in early October, 2018 and the Transaction is expected to close shortly thereafter.

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. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's March 31, 2018 MD&A that was filed on Sedar on July 6, 2018.

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.*