



**Ascot Resources Ltd.**

**2020 Annual Information Form**

**Dated March 13, 2020**

## TABLE OF CONTENTS

About this Annual Information Form .....	3
Cautionary Statement Regarding Forward Looking Statements.....	3
About Ascot Resources Ltd. ....	5
Three Year History .....	6
Description of the Business .....	12
Risk Factors .....	13
Mineral Properties .....	22
Mineral Resource Estimate.....	63
Recommended Exploration Work .....	76
Description of Capital Structure .....	80
Market for Securities .....	80
Prior Sales.....	81
Directors and Officers .....	81
Legal Proceedings and Regulatory Actions.....	87
Interest of Management and Others in Material Transactions .....	87
Transfer Agents and Registrars .....	87
Interests of Experts .....	87
Additional Information .....	88

## About this Annual Information Form

This Annual Information Form (“AIF”) contains information about Ascot Resources Ltd. (“Ascot” or the “Company”) and its business, including the Company’s mineral exploration prospects, risks and other factors that impact the Company’s business.

This AIF is dated March 13, 2020. Unless otherwise indicated, all information in this AIF is stated as of December 31, 2019.

The information provided in this AIF is supplemented by disclosure contained in the documents listed below, which are incorporated by reference into this AIF. These documents must be read together with this AIF. The documents listed below are not contained within, nor attached to this document. They may be viewed by the reader on the SEDAR website at [www.sedar.com](http://www.sedar.com):

Document	Period end date	Filing date
Audited consolidated financial statements	December 31, 2019	March 13, 2020
Management discussion and analysis	December 31, 2019	March 13, 2020
Resource Estimate Update for the Premier Gold Project (NI 42-101 Technical Report)		February 28, 2020

## Currency

All dollar amounts in this AIF are stated in Canadian dollars, unless otherwise specified.

## Cautionary Statement Regarding Forward Looking Statements

Except for statements of historical fact, information contained herein, or incorporated by reference, constitutes “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws. Such forward-looking information and forward-looking statements include, but are not limited to, statements or information concerning the transfer of title to the Premier property and the Dilworth property, the future financial or operating performance of the Company and its business, operations, properties and condition, the future prices of gold, silver, and other metals, resource potential, quantity and/or grade of minerals, potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates and exploration programs, and the timing of other exploration and development plans at the Company’s mineral project interests. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “planned”, “expect”, “project”, “predict”, “potential”, “targeting”, “intends”, “believe”, and similar expressions, or describes a “goal”, or variation of such words and phrases or states that certain actions, events or results “may”, “should”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Statements relating to mineral resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described exist in the quantities predicted or estimated or that it will be commercially viable to produce any portion of such resources.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made, including among other things, assumptions about the satisfaction of conditions to closing for the Premier property and the Dilworth property, the future prices of gold, silver and other metals, changes in the worldwide price of other commodities such as fuel and electricity, fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability,

obtaining governmental approvals and financing on time, obtaining required licences and permits and renewals thereof, labour stability, stability in market conditions, availability of equipment, accuracy of mineral resource estimates, anticipated costs of administration and exploration expenditures at the Company's mineral properties and its ability to achieve its goals. Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of the Company and could thus cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information.

Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information, including, without limitation, the following:

- the potential for no commercially mineable deposits due to the speculative nature of the Company's business;
- none of the properties in which the Company has an interest have any mineral reserves;
- the Company's properties are in the exploration stage, and most exploration projects do not result in commercially mineable deposits;
- estimates of mineral resources are based on interpretation and assumptions which are inherently imprecise;
- no guarantee of the Company's ability to obtain all necessary licenses and permits that may be required to carry out exploration and development of its mineral properties and business activities;
- the effect of global economic and political instability on the Company's business;
- risks related to maintaining a positive relationship with the communities in which the Company operates;
- the Company's history of losses and no revenues from operations;
- risks related to the Company's ability to arrange additional financing;
- risks related to a lack of adequate funding;
- risks related to the Company's ability to access a skilled workforce;
- risks relating to the absence of a preliminary economic assessment or feasibility study;
- risks related to title, challenge to title, or potential title disputes regarding the Company's mineral properties;
- risks related to the influence of the Company's significant shareholder over the direction of the Company's business;
- the potential for legal proceedings to be brought against the Company;
- risks related to environmental regulations;
- the highly competitive nature of mineral exploration industry;
- risks related to equipment shortages, access restrictions and lack of infrastructure on the Company's mineral properties;
- the Company's dependence upon key personnel;
- risks related to the Company's ability to hire, train, deploy and manage qualified personnel in a timely manner;

- risks related to directors being, or becoming, associated with other natural resource companies which may give rise to conflicts of interest;
- risks related to mining operations generally;
- risks related to fluctuation of mineral prices and marketability;
- funding and property commitments that may result in dilution to the Company's shareholders;
- the volatility of the price of the Company's Common Shares;
- the uncertainty of maintaining a liquid trading market for the Company's Common Shares;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders sell substantial amounts of Common Shares;
- risks related to dilution to existing shareholders if stock options or other convertible securities are exercised; and the history of the Company with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future.

Please see "*Risk Factors*" in this AIF for additional information on the risks faced by the Company.

Although the Company has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this AIF and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or forward-looking information.

### **About Ascot Resources Ltd.**

Ascot is a Canadian-based junior mineral exploration and development company with four properties: the Premier Gold Project ("PGP") includes the previously separated Premier, Dilworth and Silver Coin properties which are now consolidated and host the Premier, Dilworth, Silver Coin and Big Missouri deposits. PGP is a gold, silver, base metals project located near the town of Stewart in northwestern British Columbia; the Red Mountain Project ("RMP"), which was acquired on March 28, 2019 through the acquisition of IDM Mining Ltd., located 15 kilometres northeast of the town of Stewart; the Mt. Margaret property, a copper and gold play located in Washington, USA; and Swamp Point, a sand and gravel deposit on the Portland Canal in northwestern British Columbia. The Mt. Margaret property is held by Ascot's wholly owned subsidiary, Ascot USA Inc.

### ***Name, Address and Incorporation***

#### **Corporate Head Office**

---

1095 West Pender Street, Suite 1050  
 Vancouver, BC, V6E 2M6 Canada  
 Email: [jharris@ascotgold.com](mailto:jharris@ascotgold.com)  
 Tel: 778 725-1060  
 Fax: 778 725-1070

#### **Registered and Records Office**

---

Blake, Cassels & Graydon LLP  
 595 Burrard Street, Suite 2600  
 Vancouver, BC, V7X 1L3  
 Canada

Ascot is a reporting issuer in Ontario, British Columbia and Alberta. The Company's common shares traded on the TSX Venture Exchange ("TSX-V") under the stock symbol "AOT" until October 1, 2019 at which time the Company delisted from the TSX-V and listed on the Toronto Stock Exchange ("TSX") under the same symbol "AOT". The Company is also listed on the OTCQX under the symbol "AOTVF" (since April 19, 2018).

Ascot was incorporated under the *Company Act* (British Columbia) on May 20, 1986, under the name Ascot Resources Ltd. Effective March 29, 2004, the *Company Act* (British Columbia) was replaced by the *Business Corporations Act* (British Columbia). Accordingly, the Company transitioned to the *Business Corporations Act* (British Columbia) on September 9, 2004. Effective January 1, 2020 the Company amalgamated with Ascot Gold Ridge Ltd., a company incorporated in 2018 when the Company acquired Jayden Resources (Canada) Ltd.

### ***Intercorporate Relationships***

Ascot has three wholly-owned subsidiaries: (i) Ascot USA Inc., which was incorporated in the state of Washington, United States; (ii) Ascot Power Ltd., which was incorporated under the *Business Corporations Act* (British Columbia); and (iii) IDM Mining Ltd ("IDM"), which was incorporated under the *Business Corporations Act* (British Columbia). Ascot acquired 100% issued and outstanding shares of IDM through a Plan of Arrangement on March 28, 2019. In October 2018, the Company incorporated, under the *Business Corporations Act* (British Columbia), Ascot Gold Ridge Ltd., a subsidiary of the Company acquired in connection with the acquisition of Jayden Resources (Canada) Ltd., which later amalgamated with the Company effective January 1, 2020

## **Three Year History**

### ***Year ended March 31, 2018***

On April 6, 2017, Ascot provided an update on the surface drilling portion of its exploration and development program at Premier.

On May 25, 2017, Ascot outlined the first set of 2017 drill results for Premier.

On June 30, 2017, Ascot paid the final option payments in respect of the Premier and Dilworth properties. The final payment of \$4,775,000 in respect of the Premier property option (the "**Premier Payment**") was paid and placed into escrow and was released to Boliden on closing, October 16, 2018, pursuant to the Boliden Definitive Agreement (as defined herein). Ascot, Boliden and Rick Kasum amended the Dilworth Option Agreement to allow Ascot to make a final payment of \$1,037,500 to Mr. Kasum and title to Mr. Kasum's portion of the Dilworth property was transferred to Ascot. The final payment of \$1,037,500 in respect of Boliden's portion of the Dilworth property (the "**Boliden Dilworth Payment**") was also paid, with such payment placed into escrow and was released to Boliden concurrently with the release of the Premier Payment.

On August 24, 2017 the United States Forest Service ("USFS") released a Draft Decision Notice & Finding of No Significant Impact related to two prospecting permits that were submitted by Ascot subject to a 45-day objection period. The draft decision was based on the detailed analysis of potential environmental impacts that are contained within a Modified Environmental Assessment related to the prospecting permits.

In October and November, 2017, John Toffan and Bob Evans stepped down from management positions with Ascot. Mr. Evans remains a member of the Ascot Board. During the same time period, Ascot appointed a new management team: Derek White, President and CEO; John Kiernan, Chief Operating Officer; Carol Li, Chief Financial Officer; Jody Harris, Corporate Secretary and Kristina Howe, VP Investor Relations and two new board members: Rick Zimmer and Jim Stypula, with Mr. Zimmer appointed to the position of non-executive Chair of the Ascot Board.

On December 11, 2017, Ascot reported that 118,800 metres of drilling, encompassing 379 drill holes, were completed during the 2017 drill program specifically exploring for high priority targets with a focus on the Northern Lights area of the Premier-Dilworth Property. Work in the Northern Lights used a combination of broad drilling to outline the target, as well as tightening drill spacing on specific higher-grade areas for inclusion in a new resource estimate.

On January 16, 2018 and February 1, 2018, Don Njegovan and Bill Bennett were appointed to the Ascot Board.

On February 12, 2018, Ascot reported that USFS recently 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. The USFS decision provided consent to the Bureau of Land Management (“**BLM**”) to issue two hardrock mineral prospecting permit applications on National Forest System lands. Ascot was waiting for the BLM to issue its decision regarding whether to issue the prospecting permits. The BLM decision was also subject to a 45-day appeal period.

On March 22, 2018, Ascot completed a brokered private placement of 4,362,350 flow-through Ascot Shares at a price of \$1.49 per flow-through Ascot Share for aggregate gross proceeds of \$6,499,902. In connection with the offering, the Agents received an aggregate cash commission equal to 6% of the gross proceeds raised under the offering.

On March 27, 2018, Ascot changed its fiscal year end to December 31, 2018 to have reporting periods more aligned with its peers. December 31, 2018 is the new financial year end.

#### ***Transition period for the nine months ended December 31, 2018***

On April 18, 2018, Ascot announced its 2018 drill program comprised of approximately 45,000 metres in 200 drill holes, targeting infill and expansion in various areas on the Premier-Dilworth property. The majority of Ascot’s 2018 drill program was conducted in the Big Missouri area, which is on the northern part of the property. The drill program was ramped up to involve a total of seven rigs operating simultaneously. The overarching objective of the program was to add additional high-grade resources that can be incorporated into the planned engineering studies. Approximately 80 drill holes were targeted on high-grade areas near the S1 pit at Big Missouri. Focus shifted from the previous open pit mining scenario towards developing higher grade, underground resources. Operations may be re-started within a potentially shorter time-frame by the using the existing underground infrastructure.

On May 10, 2018, Ascot reported an updated independent National Instrument 43-101 compliant mineral resource estimate for Ascot’s Premier-Dilworth Gold-Silver Project located near Stewart, British Columbia. The additional resource included high-grade zones from the Premier and Northern Lights area that were modeled using a cut-off grade that is suitable for underground mining. The updated independent National Instrument 43-101 compliant mineral resource estimate titled “Technical Report on the Premier-Dilworth Project, Stewart, British Columbia, Canada” (the “**Premier-Dilworth Technical Report**”), was authored by David W. Rennie, P.Eng of Roscoe Postle Associates Inc. (“**RPA**”) and Ronald G. Simpson, P.Geo. of Geosim Services Inc. (“**Geosim**”). The Premier-Dilworth Technical Report was publicly filed on June 21, 2018.

On May 29, 2018 initial drilling results from the 2018 drill program were released from the first eleven holes from the 602 zone at Ascot’s flagship Premier-Dilworth project. Several holes intercepted wide intervals of high-grade gold mineralization including 12.1m of 11.65g/t gold (“**Au**”) in hole P18-1605 and 9.61m of 24.64g/t gold in hole P18-1609 (see news release dated May 29, 2018).

On June 25, 2018, Ascot reported results from 25 holes drilled at Big Missouri, the second target in the 2018 drill program and located approximately 5 kilometres north of the Premier/Northern Lights Area,

intercepting highgrade gold zones. The most notable intercepts were 7.3 metres of 15.34g/t gold equivalent (“**AuEq**”) in hole P18-1652 and 7 metres of 10.34g/t AuEq in hole P18-1617 (see news release dated June 25, 2018). Gold equivalence was calculated using a ratio of 65:1 Ag:Au and Ag recovery of 45.2%.

On August 27, 2018, BDO Canada LLP (“**BDO**”) resigned as the auditor of Ascot and PricewaterhouseCoopers LLP (“**PWC**”) was appointed as the new auditor of Ascot effective August 27, 2018 and was approved by the shareholders of Ascot at a meeting of shareholders held on December 18, 2018.

On September 5, 2018, Ascot reported that drilling at the Big Missouri ridge had continued to intercept high-grade mineralization gold mineralization at all three known horizons: the Province zone close to the surface; the Big Missouri zone at a depth of 160-200 meters; and an unnamed zone 100 metres below the Big Missouri zone. In addition, gold mineralization was intercepted at the separate Unicorn zone. All areas are located at Ascot’s Premier-Dilworth property.

On September 6, 2018, Ascot announced that an induced polarisation (“**IP**”) test survey at Premier had successfully detected known mineralization. The test survey also identified a previously unknown anomaly to the southwest of the Premier pit, which Ascot intends to explore. Ascot expanded the IP survey to a 13,500-metre line both to the south of the Premier pit to the Alaska border (3.5 kilometres) and to the north towards Big Missouri Ridge (6 kilometres) where high-grade gold mineralization is also known. The survey identified multiple high priority chargeability anomalies.

On September 18, 2018, Ascot announced that drilling to the west of the 602 and 609 zones at Premier had extended mineralization 150 metres from the resource area. In addition, drilling at Big Missouri continued to add high-grade gold intercepts.

On September 24, 2018, Ascot completed a non-brokered private placement of 3,000,000 flow-through shares at a price of \$1.00 per flow-through share for gross proceeds of \$3,000,000. In connection with the offering, the finders received a cash commission equal to 6.5% of the gross proceeds raised under the offering by the finders and 190,125 finder’s warrants equal to 6.5% of the flow-through shares sold pursuant to the efforts of the finders. Each finder’s warrant is exercisable to purchase one Ascot Share for a period of 18 months from the closing of the offering at an exercise price of \$1.00 per finder’s warrant. The proceeds from the flow-through shares were used for the expanded 2018 exploration program at the Premier-Dilworth property.

On September 25, 2018, Ascot announced that drilling at the North Star prospect had intercepted highgrade gold mineralization with individual intervals greater than 10g/t gold in every drill hole that had been completed. Additional high-grade intercepts were added in the Big Missouri zone. Ten holes were completed at the Martha Ellen prospect.

On October 16, 2018, Ascot completed its acquisition of the Premier Property from Boliden pursuant to a definitive asset purchase agreement (the “**Boliden Definitive Agreement**”) dated July 31, 2017 with Boliden whereby Ascot purchased the rights, lands, permits, licenses and other assets held by Boliden in connection with the Premier Gold Mine for a total purchase price of \$11,050,000. The Boliden Definitive Agreement was entered into as one of the conditions of Ascot’s exercise of its option to purchase the Premier property, under the Premier Option Agreement. Pursuant to the terms of the Boliden Definitive Agreement, Ascot paid the Premier payment with any necessary adjustments on closing (for clarity, the Premier payment was paid into escrow on June 30, 2017 and was released to Boliden as described above). In addition, Ascot agreed to pay to Boliden a net smelter royalty of 5% on any future mine production at the Premier property, which royalty may be purchased by Ascot for the sum of \$9,550,000. Pursuant to the Boliden Definitive Agreement, Ascot assumed all obligations and liabilities of Boliden in connection with the Premier property, subject to certain exceptions. In addition, Boliden has a right of first refusal in the event that Ascot wishes to dispose of all or any part of its interest in the Premier property following the establishment of the presence of significant base metal



mineral reserves at the Premier property. Under the Boliden Definitive Agreement, Boliden has the option to enter into a long term offtake agreement with respect to base metals with Ascot upon the commencement of commercial production on the Premier Property.

On October 29, 2018, Ascot completed its acquisition of a 100% interest in the Silver Coin property in northwestern British Columbia from Jayden Resources Inc. (“**Jayden**”) and Mountain Boy Minerals Ltd. (“**MBM**”) pursuant to a definitive share purchase agreement (the “**Jayden Definitive Agreement**”) with Jayden dated August 12, 2018 and a definitive purchase agreement (the “**MBM Definitive Agreement**”) with MBM dated August 12, 2018, respectively. Pursuant to the Jayden Definitive Agreement, Ascot acquired all of the issued and outstanding shares of Jayden’s subsidiary, Jayden Resources (Canada) Inc. (“**Jayden Canada**”), in exchange for 14,987,497 Ascot Shares. In addition, Ascot issued an additional 192,000 Ascot Shares for the settlement of options and warrants exercised prior to the closing date with the net proceeds of the warrants accruing to Ascot. Jayden Canada owned an 80% joint venture interest in the Silver Coin property pursuant to a joint venture agreement with MBM and Ascot acquired the remaining 20% joint venture interest in the Silver Coin property from MBM in exchange for 3,746,874 Ascot Shares pursuant to the MBM Definitive Agreement. In addition, Ascot issued 48,000 additional Ascot Shares to MBM for the settlement of Jayden options and warrants that were exercised before closing. Certain shareholders of Jayden and all of the officers and directors of Jayden (collectively, the “**Jayden Locked-Up Shareholders**”) entered into voting support agreements with Ascot, whereby they agreed to restrict trading of Ascot Shares distributed by Jayden to its shareholders pursuant to the acquisition for a period of 6 months following closing. The Jayden Locked-Up Shareholders owned or had control or direction of over approximately 31.4% of the issued and outstanding shares of Jayden. The Silver Coin property contains approximately 244,000 AuEq ounces of high-grade resources with significant exploration upside that adjoins Ascot’s property boundary in northern British Columbia.

On November 1, 2018, Ascot announced that the diamond drilling at the Unicorn area near the Big Missouri ridge had intercepted high-grade gold mineralization and that the 2018 drill program was complete.

On December 3, 2018, Ascot reported an updated independent National Instrument 43-101 mineral resource estimate for Ascot’s Premier Project (including the formerly separate Premier, Dilworth and Silver Coin properties) located near Stewart, British Columbia. The updated resource includes high-grade zones from the Premier and Northern Lights, Big Missouri (including North Star, Province and Unicorn), Martha Ellen, Dilworth and Silver Coin areas. The outlines of these zones were modeled with a potential high-grade underground scenario in mind. The updated independent National Instrument 43-101 mineral resource estimate titled “Technical Report on the Premier Project, Stewart, British Columbia, Canada”, was authored by David W. Rennie, P.Eng of RPA, Sue C. Bird, P.Eng of Moose Mountain Technical Services (“**Moose Mountain**”) and Sean P. Butler, P.Geo, geological consultant (the “**Premier Technical Report**”). The Premier Technical Report was publicly filed on January 17, 2019.

On December 6, 2018, Ascot announced the release of the Bureau of Land Management Decision Record for Hardrock Prospecting Permit Applications with a Finding of No Significant Impact related to two prospecting permits that were submitted by Ascot USA, Inc. regarding its Mt. Margaret property.

### ***Year Ended December 31, 2019 and Recent Developments***

On January 7, 2019, the Company entered into a definitive arrangement agreement with IDM pursuant to which Ascot would acquire all of the issued and outstanding common shares of IDM (the “Transaction”). Each IDM shareholder was entitled to receive 0.0675 of a common share of Ascot for each share of IDM held. The Transaction was approved by the securityholders of IDM on March 20, 2019 and closed on March 28, 2019. The Transaction consolidated Ascot’s Premier Gold Project and IDM’s Red Mountain Project, to create the leading high-grade gold development and exploration

company in northwestern British Columbia's Golden Triangle. The combined entity benefits from numerous operational and development synergies.

On January 21, 2019, the Company announced that it had entered into a subscription and note agreement related to a convertible loan for gross proceeds of US\$10 million (the "Note") split between Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership for US\$8.83M and US\$1.17M respectively. The Note will mature in two years with an interest rate of 8% to 8.5% and subject to certain terms will be convertible into common shares in the capital of the Company at a conversion price of US\$1.13 per share (the "Conversion Shares").

On February 15, 2019, both the BC Environmental Assessment Office and the Canadian Environmental Assessment Agency confirmed that the Premier Gold Project is not reviewable under the regulation. As a result, a Mines Act Permit Amendment will be submitted.

On April 10, 2019, the Company and Nisga'a Nation entered into a Benefits Agreement (the "Agreement") through Ascot's wholly-owned subsidiary IDM for the Red Mountain Underground Gold Project ("Red Mountain" or the "Project"). The comprehensive Agreement sets the basis for a long-term success of the Project, which will benefit Nisga'a Nation, its citizens, and businesses as well as the shareholders, management and employees of Ascot Resources. The Nisga'a Nation has rights and interests as set out under the Nisga'a Final Agreement with Canada and British Columbia, encompassing the entirety of the Red Mountain Project site.

In late April 2019, the Company commenced its Phase I drilling program and then expanded the program to approximately 53,000 metres to undertake infill and exploration drilling at the Premier site of which 43,000 metres was focused on an infill drill program to improve the confidence level and classification of the PGO resource from the Inferred Category to the Indicated Category. In addition, the Company drilled new resources in an exploration drill program targeting geophysical anomalies in areas outside the known resources.

On May 2, 2019 the Company announced a concurrent brokered and non-brokered private placement offering of units and common shares which qualify as "flow-through shares" for aggregate gross proceeds of \$10 million. On May 7, 2019, the Company announced an upsize of the private placement offering to \$15.7 million. On May 22, 2019, the Company closed its concurrent brokered and non-brokered private placement offering of units and common shares which qualify as "flow-through shares" for aggregate gross proceeds of \$15.9 million.

In July and August, 2019, the Company announced four sets of drill results from the Big Missouri Ridge. The highlights of the drilling results included intercepts of 56.80g/t Au over 1.65m in hole P19-1911, 320g/t Au over 1.00m in hole P19-1954 and 48.9g/t Au over 1.00m in hole P19-1949.

On September 5, 2019, the Company announced excellent drill results from its Silver Coin deposit acquired in 2018. The highlights of this release included 11.44g/t Au over 6.00m in hole P19-2025, 5.58g/t Au over 14.08m in hole P19-2024 and 6.45g/t Au over 4.06m in hole P19-2039.

On September 10, 2019, the Company announced the initial results from three exploration drill holes targeting geophysical and deep anomalies southeast of the Big Missouri resource area and south of the Silver Coin deposit. The drill holes intercepted sulfide zones with anomalous gold, silver and base metals at the depth indicated by the geophysical data. The highlights of this release included 0.67g/t Au and 20.0 g/t Ag over 2.00m in hole P19-2049 and 0.22g/t Au and 3.1g/t Ag over 10.05m in hole P19-2049.

On September 19, the Company announced excellent drill results from the past-producing Premier mine. Five holes intersected robust mineralization down-dip from historically mined stopes. The highlights of this release included 24.45 g/t Au over 8.43m in hole P19-2013 including 150 g/t Au over 1.0m and 7.34 g/t Au over 7.01m in hole P19-2009 including 30.4 g/t Au over 1.0m.

On September 30, 2019, the Company's common shares were approved for listing on the TSX and commenced trading on the TSX at the opening of market on October 1, 2019. Concurrent with the TSX listing, the common shares of Ascot were de-listed from the TSX Venture Exchange. Ascot's trading symbol remained "AOT".

On October 31, 2019, the Company announced the results of an updated mineral resource estimate for its Red Mountain project titled "2019 Mineral Resource Update for the Red Mountain Gold Project, Northwestern BC, Canada" with an effective date of August 30, 2019, with Measured and Indicated Categories of 782,600 ounces at a grade of 7.63g/t gold and Inferred Category of 69,300 ounces at a grade of 5.32g/t gold, an increase of 198,000 ounces in comparison to the 2017 feasibility study or 78,000 ounces in comparison to the 2018 resource in the measured and indicated resource categories.

On November 7, 2019, the Company announced that its field crews had identified a series of sulfide veins and quartz stockwork in outcrop near the historical Silver Hill prospect on Ascot's property, nine kilometres north of the Premier mill. Two surface grab samples from surface exploration at the Silver Hill prospect returned results as follows: 9.37 g/t Au, 14,898 g/t Ag, 5.90% Pb, 5.75% zinc (Zn) and 0.05 g/t Au, 12,393 g/t Ag, 3.42% lead (Pb) and 4.86% Zn.

On December 5, 2019, the Company announced the results from exploration drill holes completed in a potential discovery to the west of the Premier deposit. The highlights of this release included 17.29 g/t Au over 3.58 m in hole P19-2177, 12.83 g/t Au over 4.20 m in hole P19-2177 and 15.30 g/t Au over 1.0 m in hole P19-2180.

On December 16, 2019, the Company announced high-grade silver drill results from exploration drilling at the Silver Hill prospect as a follow up to high-grade grab samples reported in the Company's news release of November 7, 2019. Highlights of this release included 880 g/t Ag over 1.00 m in hole P19-2170, 787 g/t Ag over 1.00 m in hole P19-2170 and 220 g/t Ag over 0.85 in hole P19-2163.

On January 6, 2020, the Company announced the results from drill holes completed in the Silver Coin deposit of Ascot's Premier Gold Project. The highlights from 30 drill holes included 30.81 g/t Au over 6.69 m in hole P19-2137, 28.96 g/t Au over 3.20 m in hole P19-2136 and 12.24 g/t Au over 4.59 m in hole P19-2130.

The Company engaged a number of consulting engineering and environmental firms to assist the Company to undertake the feasibility study at Red Mountain and Premier and progressing the Mines Act and Environmental Management Act amendment applications for the Premier site.

On January 15, 2020, the Company announced an updated Resource Estimate for the PGP including the Premier, Big Missouri, Silver Coin, Martha Ellen and Dilworth deposits, titled "Resource Estimate Update for the Premier Gold Project, Stewart, British Columbia, Canada" with an effective date of December 12, 2019. The update represents a 60% increase in the Indicated Category compared to the previous Resource Estimate. The contained precious metals at the Premier Gold Project are 1,066,000 ounces at a grade of 8.01g/t gold and 4,669,000 ounces at a grade 35.1 g/t silver in the Indicated Category and 1,180,000 ounces at a grade of 7.25g/t gold and 4,673,000 ounces at a grade 28.7g/t silver in the Inferred Category. Ascot's combined resources for the Premier and Red Mountain Projects have total contained precious metals of 1,849,000 ounces at a grade of 7.85g/t gold and 6,824,000 ounces at a grade of 29.0g/t silver in the Measured & Indicated Category and 1,250,000 ounces at a grade of 7.11g/t gold and 4,769,000 ounces at a grade of 27.1g/t silver in the Inferred Category.

On February 25, 2020, the Company closed the non-brokered private placement (the "Private Placement") of 5,126,250 flow-through shares (the "Flow-Through Shares") at a price of C\$0.98 per Flow-Through Share, and 8,170,588 common shares (the "Common Shares" and together with the Flow-Through Shares, the "Securities") at a price of C\$0.64 for aggregate gross proceeds of C\$10.3 Million. The net proceeds from the Private Placement will be primarily used to fund exploration activities, permitting, engineering and economic studies and for general corporate and working capital

purposes. The gross proceeds from the issuance of Flow-Through Shares will be used for “Canadian exploration expenses”, and will qualify as “flow-through mining expenditures” as those terms are defined in the *Income Tax Act* (Canada), which will be renounced to the initial purchasers of the Flow-Through Shares with an effective date no later than December 31, 2020 in an aggregate amount not less than the gross proceeds raised from the issue of the Flow-Through Shares.

### ***Significant Acquisitions***

No “significant acquisition” (as such term is defined in National Instrument 51-102) was completed during the most recently completed financial year.

### **Description of the Business**

#### ***Specialized Skill and Knowledge***

The nature of Ascot’s business requires specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, implementation of exploration programs, operations, treasury and accounting. To date, Ascot has been successful in locating and retaining employees and consultants with such skills and knowledge and believes it will continue to be able to do so.

#### ***Competitive Conditions***

As a mineral resource company, Ascot may compete with other entities in the mineral resource business in various aspects of the business including: (a) seeking out and acquiring mineral exploration properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations.

The mining industry is intensely competitive in all its phases, and Ascot may compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect Ascot’s ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations.

#### ***Cycles***

The mining business is subject to mineral price cycles. The marketability of minerals is also affected by global economic cycles.

#### ***Economic Dependence***

Ascot’s business is not substantially dependent on any contract such as a contract to sell the major party of its products or services or to purchase the major part of its requirements for good, services or its raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

#### ***Environmental Protection***

Ascot currently conducts exploration activities. Such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which Ascot operates may affect the financial position, operational performance and earnings of Ascot. Management believes all of Ascot’s activities are materially in compliance with applicable environmental legislation.

## ***Employees***

Ascot has 7 consultants and 8 employees at its head office. Ascot relies on consultants to carry on many of its activities including management services and supervision of work programs on its mineral properties.

In addition, Ascot has 4 employees at its project site, not including the drilling contractor's personnel.

## ***Foreign Operations***

Ascot, through its wholly-owned subsidiary Ascot USA Inc., holds a 100% interest in the Mt. Margaret deposit which is located near Randle, Washington (USA). Ascot is not dependent upon its operations at Mt. Margaret.

## ***Social or Environmental Policies***

Ascot has not adopted formal social or environmental policies.

Ascot is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. Ascot may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. Ascot conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

## ***Risk Factors***

The exploration, development and mining of natural resources are highly speculative in nature and are subject to significant risks. The risk factors noted below do not necessarily comprise all those faced by Ascot. Additional risks and uncertainties not presently known to Ascot or that Ascot currently considers immaterial may also impair the business, operations and future prospects of Ascot. If any of the following risks actually occur, the business of Ascot may be harmed and its financial condition and results of operations may suffer significantly, along with a possible significant decline in the value and/or share price of Ascot's publicly traded stock.

Ascot's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in Ascot's regulatory filings prior to making an investment in Ascot. Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in Ascot's securities.

***Mineral exploration and development is a highly speculative business and most exploration projects do not result in the discovery of commercially mineable deposits.***

Exploration for minerals is a highly speculative venture necessarily involving substantial risk. The expenditures made by Ascot described herein may not result in discoveries of commercial quantities of minerals. The failure to find an economic mineral deposit on any of Ascot's exploration concessions will have a negative effect on Ascot.

***None of the properties in which Ascot has an interest has any mineral reserves.***

Currently, there are no mineral reserves (within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* "NI 43-101") on any of the properties in which Ascot has an interest. Only those mineral deposits that Ascot can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The resource estimates contained in Ascot's technical report are indicated and inferred resource

estimates only and no assurance can be given that any particular level of recovery of gold, silver or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. In particular, inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Further, there is currently no certainty that a preliminary economic assessment will be realized at Ascot's properties.

***Most exploration projects do not result in commercially mineable deposits.***

Ascot's property interests are at the exploration stage. None of Ascot's properties have known commercial quantities of minerals. Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond Ascot's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render resources and deposits containing relatively lower grades of mineralization uneconomic. Further exploration or delineation will be required to determine the economic and legal feasibility of any of Ascot's properties. Even if Ascot completes its exploration programs and is successful in identifying mineral deposits, it will have to spend substantial funds on further drilling and engineering studies before it will know if it has a commercially viable mineral deposit or reserve. Most exploration projects do not result in the discovery of commercially mineable deposits of ores.

Estimates of reserves and resources, mineral deposits and production costs can be affected by such factors as environmental permit regulations and requirements, indigenous communities' rights, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. As a result, there is a risk such estimates are inaccurate. For example, the PGP Technical Report includes a resource estimate prepared by each of Sue C. Bird, P.Eng and Tracey Meintjes, P.Eng, geological consultants in accordance with NI 43-101. The grade of precious and base metals ultimately discovered may differ from the indicated drilling results. If the grade of the resource was lower, there would be a negative impact on the economics of the Premier Project. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The probability of an individual prospect ever having reserves is remote. If a property does not contain any reserves, any funds spent on exploration of that property will be lost. The failure of Ascot to find an economic mineral deposit on any of its exploration concessions will have a negative effect on Ascot.

Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious and base metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The grade of the reported mineral resource estimates are uncertain in nature and it is uncertain whether further technical studies will result in an upgrade to them. Further drilling on the mineralized zones is required to complement the current bulk sample and add confidence in the continuity of mineralized zones in comparison to the current block model. Any material change in the quantity of mineralization, grade or ore to waste ratio or extended declines in market prices for gold, silver and precious metals may render portions of Ascot's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of Ascot's ability to extract this mineralization, could have a material adverse effect on Ascot's results of operations or financial condition.

***There is no guarantee that licenses and permits required by Ascot to conduct business will be obtained, which may result in an impairment or loss in Ascot's mineral properties.***

Ascot's current and anticipated future operations, including further exploration, development activities and commencement of production on Ascot's properties, require permits from various national,

provincial, territorial, state, and local governmental authorities. Ascot may not be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. In addition, the grant of required licenses and permits may be delayed for reasons outside Ascot's control. Failure to obtain such licenses and permits on a timely basis, or failure to comply with the terms of any such licenses and permits that Ascot does obtain, may adversely affect Ascot's business as Ascot would be unable to legally conduct its intended exploration, development or mining work, which may result in increased costs, delay in activities or Ascot losing its interest in its mineral properties.

***Economic and political instability may affect Ascot's business.***

The volatile global economic environment has created market uncertainty and volatility in recent years, including as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. These macro-economic events negatively affected the mining and minerals sectors in general, and Ascot's market capitalization has been reduced in periods of market instabilities. Many industries, including the mining industry, are impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect Ascot's growth and profitability. Future economic shocks may be precipitated by a number of causes, including a continued rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact Ascot's ability to obtain equity or debt financing in the future on terms favourable to Ascot or at all. In such an event, Ascot's operations and financial condition could be adversely impacted.

Ascot's future profitability and the viability of development depends in part upon the world market price of gold, silver, and other metals. Prices fluctuate widely and are affected by numerous factors beyond Ascot's control. The price of gold and silver is influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales by producers and speculators as well as other global or regional political, social or economic events. The supply of gold, silver and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers, which could increase due to improved mining and production methods.

Prices and availability of commodities consumed or used in connection with exploration and development and mining, such as natural gas, diesel, oil and electricity, also fluctuate, and these fluctuations affect the costs of production at various operations. These fluctuations can be unpredictable, can occur over short periods of time and may have a material adverse impact on Ascot's operating costs or the timing and costs of various projects.

***Community relations may affect Ascot's business.***

Maintaining a positive relationship with the communities in which we operate is critical to continuing successful exploration and development. Community support for operations is a key component of a successful exploration or development project. As a business in the mining industry, we may come under pressure in the jurisdictions in which we explore or develop, to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. We may face opposition with respect to our current and future development and exploration projects which could materially adversely affect our business, results of operations, financial condition and share price.

***Ascot's Properties are Subject to Aboriginal Treaty Rights and Claims.***

The Premier, Big Missouri and Silver Coin Projects lie within the treaty lands of the Nisga'a Nation. The projects are within the Nass Area, as defined in the Nisga'a Final Agreement, a tripartite treaty and land claims agreement between the Nisga'a Nation and the provincial and federal governments which came into effect on May 11, 2000. The Nisga'a Final Agreement exhaustively sets out the Nisga'a Nation's Aboriginal rights and title under Canadian law. The clarity and certainty provided by the Nisga'a Final Agreement, including Chapter 10, which sets out the required processes for the assessment of environmental effects on Nisga'a Nation treaty rights from projects such as mines, is distinct from other parts of British Columbia where claims of Aboriginal rights and title are not yet resolved.

The projects are also located in an area where Tsetsaut Skii km Lax Ha Nation asserts Aboriginal rights and title. Based on correspondence with the provincial government, it is the Company's understanding that Tsetsaut Skii km Lax Ha Nation's claims of Aboriginal rights and title are weak, and the corresponding obligation for Crown consultation with Tsetsaut Skii km Lax Ha Nation regarding potential effects to their interests will be at the low end of the spectrum under Canadian law.

Notwithstanding the certainty provided by the Nisga'a Final Agreement, and given the evolving nature of legislation and Aboriginal consultation in British Columbia, there can be no guarantee that there will not be delays in project approval, unexpected interruptions in project progress, requirements for Aboriginal consent, cancellation of permits and licenses, or additional costs to advance the Company's projects. It is also not yet clear what effect, if any, the *Declaration on the Rights of Indigenous Peoples Act* enacted in British Columbia in November 2019 will have on regulatory processes for the projects.

In order to facilitate further development, mine permitting and the commencement of mining activities, the Company may deem it necessary and prudent to obtain the cooperation and approval of the Nisga'a Nation. Any cooperation and approval may be predicated on the Company's commitment to take measures to limit the adverse impacts on Nisga'a Nation's treaty rights and ensuring that some of the economic benefits of the construction and mining activity will be enjoyed by the Nisga'a Nation. There can be no guarantee that any of the Company's efforts to secure such cooperation or approval will be successful or that other assertions of Aboriginal rights and title, or claims of insufficient consultation or accommodation, will not create delays in project approval or unexpected interruptions in project progress, requirements for Aboriginal consent, cancellation of permits and licenses, or result in additional costs to advance.

***Compliance with emerging climate change regulations could result in significant costs and the effects of climate change may present physical risks to Ascot's operations.***

Climate change refers to any changes in climate over time that is directly or indirectly attributable to human activity. This includes changes in weather patterns, frequency of extreme weather events, temperatures, sea levels and water availability. We recognize that climate change is an international and community concern which may affect our business and operations directly or indirectly as described below.

Governments at all levels may be moving towards enacting legislation to address climate change concerns, such as requirements to reduce emission levels and increase energy efficiency. Where legislation has already been enacted, such regulations may become more stringent, which may result in increased costs of compliance. There is no assurance that compliance with such regulations will not have an adverse effect on our results of operations and financial condition.

Extreme weather events (such as increased periods of snow and increased frequency and intensity of storms) have the potential to disrupt our exploration and development plans. Where appropriate, our



facilities have developed emergency plans for managing extreme weather conditions; however, extended disruptions could have adverse effects on our results of operations and financial condition.

***Ascot has a history of losses and values attributed to Ascot's assets may not be realizable.***

Ascot has a history of losses and has no revenues from operations. None of Ascot's properties is currently in production, and there is no certainty that Ascot will succeed in placing any of its properties into production in the near future, if at all. Ascot has no proven history of performance, revenues, earnings or success. Ascot anticipates continued losses for the foreseeable future until it can successfully place one or more of its properties into commercial production on a profitable basis. It could be years before Ascot receives any revenues from any production of metals, if ever. If Ascot is unable to generate revenues with respect to its properties, Ascot will not be able to earn profits which would adversely affect its business and prospects.

***Ascot's future liquidity will depend upon its ability to arrange significant additional debt or equity financing.***

Ascot's future liquidity is dependent upon the ability of Ascot to obtain the necessary financing to complete the development of its interests and future profitable production or, alternatively, upon Ascot's ability to dispose of its interests on a profitable basis. Given Ascot has incurred losses from inception and does not have any operating cash flow, there can be no assurance that additional capital or financing will be available if needed or that, if available, the terms of such financings will be acceptable to Ascot. If Ascot raises additional funds through the sale of equity securities or securities convertible into equity securities, shareholders may have their equity interest in Ascot diluted.

***Adequate funding may not be available for further exploration and development.***

Sufficient funding may not be available to Ascot for further exploration and development of its property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of Ascot's properties.

Ascot will require new capital to continue to operate its business and to continue with exploration on its properties, and additional capital may not be available when needed, if at all.

***Ascot has Outstanding Indebtedness.***

As of the date of this AIF, the Company has outstanding US\$10 million principal amount of the Convertible Note that bears interest at a rate of 8% or 8.5% per annum, which is unsecured. The Convertible Note is convertible into Ascot Shares, which may cause dilution to shareholders.

As a result of this indebtedness, the Company is required to use a portion of its cash flow to service the principal and interest on these debts, which will limit the cash flow available for other business opportunities.

The Company's ability to pay interest, repay the principle or to refinance its indebtedness depends on the Company's future performance, which is subject to economic, financial, competitive and other factors beyond its control. The Company currently does not generate cash flows from operations and relies on financing. If the Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

***The contemplated development of Ascot's mineral interests may be adversely impacted by a lack of access to a skilled workforce.***

The development of Ascot's mineral interests will depend on availability of a skilled workforce, including but not limited to mining and mineral, metallurgical and geological engineers, geologists, environmental and safety specialists, and mining operators to explore and develop the project. Inadequate access to an available skilled workforce could compromise many aspects of the project's feasibility, viability and profitability, including, but not limited to the construction schedule, capital and operating costs.

***Risks Associated with the Financial Results and the Contemplated Development***

Ascot has not completed a preliminary economic assessment, pre-feasibility study or feasibility study on any of its properties and, accordingly, there is no estimate of mineral reserves.

***Ascot's mineral properties are subject to title risk and any challenge to the title to any of such properties may have a negative impact on Ascot.***

Ascot's mineral property rights and interests may be subject to prior unregistered agreements, transfers and claims and title may be affected by, among other things, undetected defects. Any challenge to the title or access to any of the properties in which Ascot has an interest may have a negative impact on Ascot as Ascot will incur delay and expenses in defending such challenge and, if the challenge is successful, Ascot may lose any interest it may have in the subject property.

***Ascot has no significant shareholders that may be able to exert influence over the direction of Ascot's business.***

Based upon Ascot's review of the insider reports filed with System for Electronic Disclosure by Insiders ("SEDI") as at the date of this AIF, Ascot believes that no shareholder, directly or indirectly, holds a significant amount of Ascot Shares to have influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders of Ascot for approval, including business combinations and any proposed sale of all or substantially all of Ascot's assets.

***Ascot may be subject to litigation, the disposition of which could negatively affect Ascot's profits to varying degrees.***

All industries, including the mining industry, are subject to legal claims, with and without merit. Due to the nature of its business, Ascot may, in the future, be subject to claims (including class action claims and claims from government regulatory bodies) based on allegations of negligence, breach of statutory duty, public nuisance or private nuisance or otherwise in connection with its operations or investigations relating thereto. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on Ascot's operations and financial position. Results of litigation are inherently uncertain and there can be no assurances as to the final outcome. Ascot's liability insurance may not fully cover such claims.

***Environmental regulations are becoming more onerous to comply with, and the cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of Ascot's operations.***

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development, the possibility of affected parties pursuing class action lawsuits and a higher level of responsibility for companies and their officers, directors and employees. Ascot's

operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. Failure to comply with such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, and more stringent fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of Ascot's operations. Compliance with environmental laws and regulations may require significant capital outlays on behalf of Ascot and may cause material changes or delays in Ascot's intended activities. The environmental impact assessments may impose the condition to Ascot of obtaining the authorization from the indigenous communities where the mining activities are to be carried out.

***Mineral exploration is a highly competitive industry.***

The mineral exploration industry is intensely competitive in all of its phases and Ascot must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than Ascot to withstand losses. Ascot's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion of their operations, than Ascot can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect Ascot's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect Ascot's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. Ascot may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on Ascot's business, financial condition or results of operations.

***Ascot may face equipment shortages, access restrictions and a lack of infrastructure.***

Ascot's interest in mineral properties will require adequate infrastructure, such as roads, bridges and sources of power and water, for future exploration and development activities. The lack of availability of these items on terms acceptable to Ascot or the delay in availability of these items could prevent or delay exploitation or development of Ascot's mineral properties. In addition, unusual weather phenomena, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations and profitability. Natural resource exploration, development, processing and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to Ascot and may delay exploration, development or extraction activities. Certain equipment may not be immediately available, or may require long lead time orders. A delay in obtaining necessary equipment could have a material adverse effect on Ascot's operations and financial results.

***Ascot is dependent on its key personnel.***

Ascot is dependent upon the continued availability and commitment of its key management, employees and consultants, whose contributions to immediate and future operations of Ascot are of central importance. The loss of any member of the senior management team could impair Ascot's ability to execute its business plan and could therefore have a material adverse effect on Ascot's business, results of operations and financial condition.

***If Ascot is unable to hire, train, deploy and manage qualified personnel in a timely manner, its ability to manage and grow its business will be impaired.***

Recruiting and retaining qualified personnel is critical to Ascot's success. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the business activity grows, additional key financial, administrative and mining personnel as well as additional operations staff may be required. Ascot may not be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If Ascot is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on Ascot's future cash flows, earnings, results of operations and financial condition.

***Conflicts of interest may arise among Ascot's directors as a result of their involvement with other natural resource companies.***

Some of the directors of Ascot are also directors, officers and shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to Ascot. Although Ascot has policies which address such potential conflicts and the *Business Corporations Act* (British Columbia), has provisions governing directors in the event of such a conflict, none of Ascot's constating documents or any of its other agreements contains any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of Ascot. If any such conflicts are not resolved in favour of Ascot, Ascot may be adversely affected.

***Mining operations generally involve a high degree of risk and potential liability and insurance coverage may not cover all potential risks associated with Ascot's operations.***

Unusual or unexpected formations, power outages, labour disruptions, first nations communities complaints, industrial accidents, flooding, explosions, cave-ins, seismic activity, rock bursts, landslides, pollution, inclement weather, fire, mechanical equipment failure and the inability to obtain suitable or adequate machinery, equipment or labour are several of the hazards and risks involved in the conduct of exploration programs in Ascot's mineral properties, any of which could result in personal injury or death, damage to property, environmental damage and possible legal liability for any or all damage. Ascot maintains insurance against risks in the operation of its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage and Ascot's insurance may not cover all potential risks associated with Ascot's operations. There can be no assurance that any such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk. Losses resulting from any uninsured events may cause Ascot to incur significant costs that could have a material adverse effect on Ascot's operations and financial condition. In addition, from time to time Ascot may be subject to governmental investigations and claims and litigation filed on behalf of persons who are harmed while at its properties or otherwise in connection with Ascot's operations. To the extent that Ascot is subject to personal injury or other claims or lawsuits in the future, it may not be possible to predict the ultimate outcome of these claims and lawsuits due to the nature of personal injury litigation. Similarly, if Ascot is subject to governmental investigations or proceedings, it may incur significant penalties and fines, and enforcement actions against it could result in the closing of certain of Ascot's mining operations. If claims and lawsuits or governmental investigations or proceedings are finally resolved against Ascot, as applicable, Ascot's financial performance, financial position and results of operations could be materially adversely affected.

***Metal prices and marketability fluctuate and any decline in metal prices may have a negative effect on Ascot.***

Metal prices, including gold and silver prices, have fluctuated widely in recent years. The marketability and price of any metals that may be acquired or produced by Ascot may be affected by numerous factors beyond the control of Ascot. These factors include delivery uncertainties related to the proximity of potential reserves to processing facilities and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals and many other aspects of the mining business.

Declines in metal prices may have a negative effect on Ascot and on the trading value of its shares.

***Funding and property commitments may result in dilution to Ascot's shareholders.***

Ascot may sell equity securities in public offerings (including through the sale of securities convertible into equity securities) and may issue additional equity securities to finance operations, exploration, development, acquisitions or other projects. Ascot cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt instruments or other securities convertible into equity securities or the effect, if any, that future issuances and sales of Ascot's securities will have on the market price of the Ascot Shares. Any transaction involving the issuance of previously authorized but unissued Ascot Shares, or securities convertible into Ascot Shares, would result in dilution, possibly substantial, to security holders. Exercises of presently outstanding share options may also result in dilution to security holders.

The Ascot Board has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that Ascot will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Ascot Shares at prices less than the current market price for the Ascot Shares.

Sales of substantial amounts of Ascot's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for Ascot's securities and dilute investors' earnings per share. A decline in the market prices of Ascot's securities could impair Ascot's ability to raise additional capital through the sale of securities should Ascot desire to do so.

***The price of Ascot Shares is volatile.***

Publicly quoted securities are subject to a relatively high degree of price volatility. It should be expected that continued fluctuations in price will occur, and no assurances can be made as to whether the price per share will increase or decrease in the future. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The factors influencing such volatility include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Ascot Shares is also likely to be significantly affected by short-term changes in precious metal prices or other mineral prices, currency exchange fluctuations and Ascot's financial condition or results of operations as reflected in its earnings reports. Other factors unrelated to the performance of Ascot that may have an effect on the price of the Ascot Shares include the following: the extent of analyst coverage available to investors concerning the business of Ascot may be limited if investment banks with research capabilities do not follow Ascot's securities; lessening in trading volume and general market interest in Ascot's securities may affect an investor's ability to trade significant numbers of securities of Ascot; and a substantial decline in the price of the securities of Ascot that persists for a significant period of time could cause Ascot's securities to be delisted from an exchange, further reducing market liquidity.

Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. Ascot may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

***There is no assurance of a sufficient liquid trading market for Ascot Shares in the future.***

Shareholders of Ascot may be unable to sell significant quantities of Ascot Shares into the public trading markets without a significant reduction in the price of their Ascot Shares, or at all. There can be no assurance that there will be sufficient liquidity of Ascot Shares on the trading market, and that Ascot will continue to meet the listing requirements of the exchange on which Ascot Shares are listed.

***Ascot has outstanding Ascot Share equivalents which, if exercised, could cause dilution to existing shareholders.***

As at the date of this AIF, Ascot had 18,993,500 Ascot Share equivalents issued consisting of Ascot Shares issuable upon the exercise of: 18,473,500 outstanding exercisable stock options (with a weighted average exercise price of C\$1.50 per share), 340,000 Restricted Share Units ("RSU"); 180,000 Deferred Share Units ("DSU"); or issuable upon the conversion of 19,042,972 Ascot Share purchase warrants. The exercise of any of these instruments and the subsequent resale of such Ascot Shares in the public market could adversely affect the prevailing market price and Ascot's ability to raise equity capital in the future at a time and price which it deems appropriate. Ascot may also enter into commitments in the future which would require the issuance of additional Ascot Shares and Ascot may grant additional share purchase warrants and stock options. Any share issuances from Ascot's treasury will result in immediate dilution to existing shareholders' percentage interest in Ascot.

***Ascot has not paid dividends and may not pay dividends in the foreseeable future.***

Payment of dividends on Ascot Shares is within the discretion of the Ascot Board and will depend upon Ascot's future earnings if any, its capital requirements and financial condition, and other relevant factors. Ascot anticipates that all available funds will be invested to finance the growth of its business for the foreseeable future.

***Activities of the Company may be impacted by the spread of the COVID-19***

The Company's business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease, including the recent outbreak of respiratory illness caused by a novel coronavirus ("COVID-19"). The Company cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Company's services and likely impact operating results.

## **Mineral Properties**

### **1. Premier Gold Project**

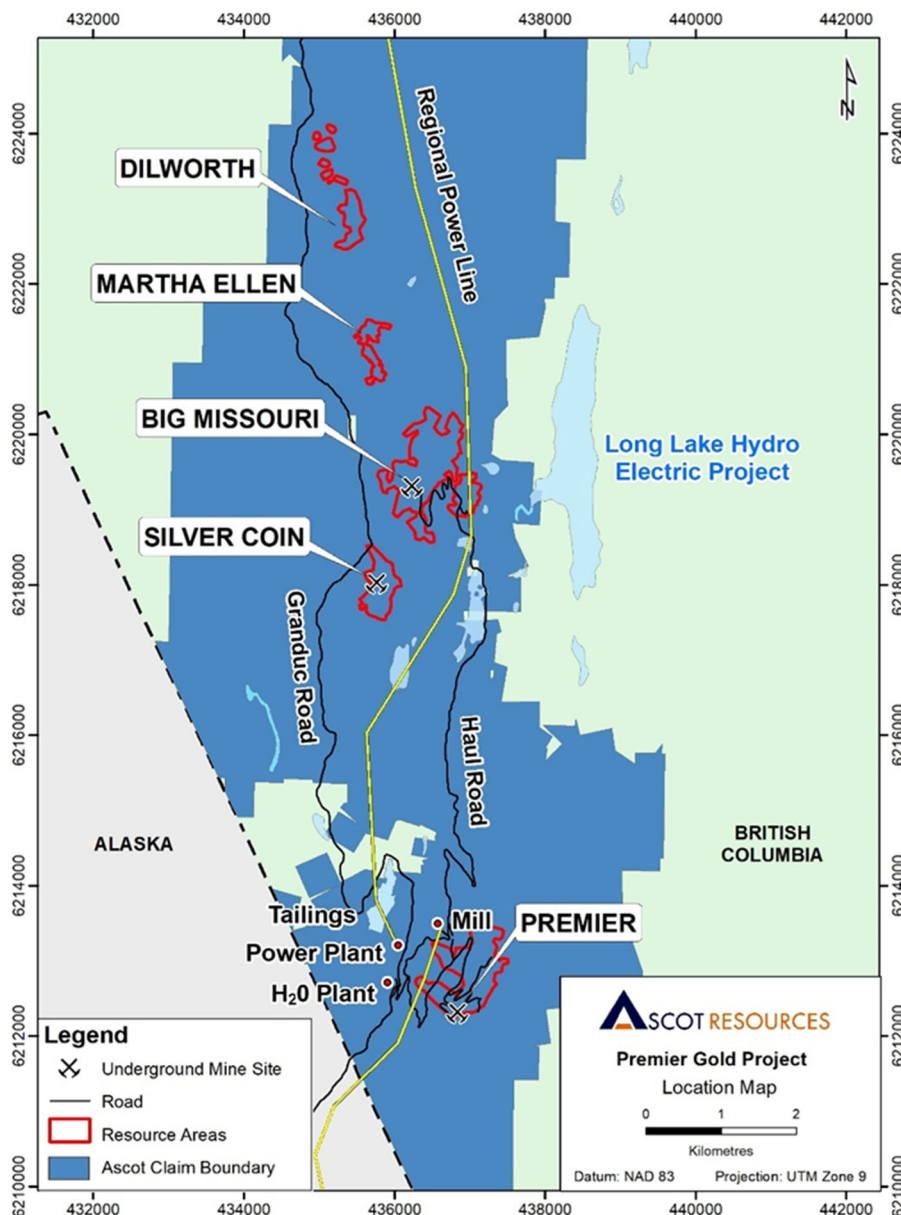
The Company's only material property is the Premier Project. For a complete description of the Premier Gold Project (the "PGP" or the "Property") see the report entitled "Resource Estimate Update for the Premier Gold Project, Stewart, BC, Canada," dated December 12, 2019 (the "Technical Report"), prepared by Sue Bird, P.Eng. and Tracey Meintjes, P.Eng, the authors and Qualified Persons responsible for this. The Technical Report has been filed with Canadian securities regulatory authorities on SEDAR

(available at [www.sedar.com](http://www.sedar.com)). The information contained in this section has been derived from the Technical Report, is subject to certain assumptions, qualifications and procedures described in the Technical Report and is qualified in its entirety by the full text of the Technical Report. Reference should be made to the full text of the Technical Report.

### 1.1 Property Description and Location

The Premier Gold Project (PGP) is located in the Skeena Mining Division, in the Province of British Columbia, Canada. The Big Missouri deposit is located in the central part of the Property at Latitude 56° 7'N and Longitude 130° 1'W. UTM coordinates (NAD 83, Zone 9V) are 437,785 mE, 6,219,530 mN. The Property lies approximately 20 km north-northeast of Stewart, British Columbia, 190 km north of Prince Rupert, and approximately 900 km north-northwest of Vancouver, British Columbia as illustrated in Figure 1-1. The southern part of the Property abuts the International boundary between British Columbia, Canada and Alaska, USA.

**Figure 1-1: Location Map**



## 1.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

### *Accessibility*

The Property is readily accessible from Stewart along the gravel surfaced Granduc Mining Road from Stewart, BC through the town of Hyder, Alaska and back into BC. The Big Missouri deposit area is approximately 28 km from Stewart via the Granduc Mining Road, Premier Mine Road, and then Big Missouri Haul Road. From the Granduc Road, the Premier Mine and Big Missouri Mine roads provide further access to the central part of the Property. Additional access is provided by old haul and skidder roads that are accessible by ATV, snowmobiles, or hiking. Several helicopter companies maintain summer bases in Stewart.

### *Climate*

Located at sea level, Stewart has a coastal rainforest climate, with approximately 1,843 mm per year of precipitation, much of it as snow, and an average yearly temperature of 6°C, according to Environment Canada. Average monthly temperatures are minus 3.7°C in January and 15.1°C in July. Significant snowfall accumulations restrict field work at higher elevations.

A weather station has been established at the site since 2001.

### *Local Resources*

Stewart reportedly had a population of 494 in 2013. The town provides services including fuel, groceries, lodging, helicopters, and a work force. Being situated at the head of the Portland Canal, Stewart has a deep seaport and loading facilities and is Canada's most northerly ice-free port. Nearby, Hyder, Alaska, has a population of approximately 90.

### *Infrastructure*

Principal infrastructure on the Property consists of the following:

- Crush-grind-cyanidation processing plant building (SAG mill and ball mill removed at time of closure) with rated capacity of 2,000 tpd up to 3,000 tpd depending on grind size and ore hardness
- Mill, shop, assay laboratory, cold storage buildings
- Camp and environmental monitoring office at 6 Level
- 1.6 MWh generator
- Mine Water Treatment Plant (MWTP)
- Tailings storage facility
- Water monitoring and treatment systems, including settling ponds
- Power line (25 kV from Stewart)
- Access and site roadways
- Underground development and portals

In addition to the above, 700 m from the mill and adjacent to the MWTP, there is a 31 MW power plant, owned by Long Lake Hydro Inc., and built to supply the Brucejack mine (Pretium Resources Inc.).

### *Physiography*

The Property is located along the eastern margin of the Coast Mountains. The Salmon River and Salmon Glacier bound the Property to the west. In the southern part of the Premier property, the Bear Ridge forms a height of land bounding the property to the east, while in the north, Mount Dilworth, elevation 1,660 m, dominates the Dilworth property. The lowest elevations are approximately 200 m on the easterly valley of the Salmon River. The Salmon Glacier occupies the Salmon River valley to the west of the northern part of the Property. The Mt. Dilworth icefield covers a significant part of the Dilworth property.



The elevation around the main exploration areas at Big Missouri varies from 900 m to 1,100 m and the terrain is variable ranging from gently rolling to rugged (Kirkham and Bjornson, 2012). The lower elevations on the Property are moderately forested with hemlock and low brush. Mid-elevations are blanketed with heather and thick moss with some small trees. Higher elevations are mostly vegetation free with the exception of moss and lichens (Christopher, 2009).

### 1.3 Land Tenure

The Project area extends 22 km in a north-south direction and up to 4 km east-west. It comprises four claim groups identified as the Premier, Big Missouri, Dilworth, and Silver Coin groups. The combined Property includes three Mining Leases, totalling 392 ha, 175 Crown Grants totaling, 2,354 ha, and 107 Mineral Claims totaling 8,907.1 ha. The total area is 8133 ha when overlaps are accounted for.

The Property is covered by NTS Mapsheets 104A/04 and 104B/01, and BCGS Mapsheets 104A.001/011/021 and 104B.010/020/030. Coordinates for the area are as follows: Premier - Latitude 56° 4'N, Longitude 130° 1'W (437,703 mE, 6,213,966 mN); Big Missouri - 56° 7'N, 130° 1'W (437,785 mE, 6,219,530 mN); Dilworth - 56° 10'N, 130° 1'W (436,867 mE, 6,225,095 mN); and Silver Coin - 56° 01'N, 130° 00'W (436,000mE, 6,219,000mN). The Premier, Big Missouri, Dilworth, and Silver Coin properties are contiguous with one another. The Martha Ellen deposit is located within the Big Missouri Claim group.

Mineral tenure is illustrated in Figures 1-2 and 1-3 summarized in Table 1-1.

**Table 1-1: Land Tenure Summary**

Claim type	Number	Area (ha)
Premier Mineral Claims	46	2,388.05
Premier Mining Leases	3	392.00
Premier Grants, Mineral and surface title	13	178.53
Premier Grants, Mineral title only	128	1,711.50
Big Missouri Grants, Mineral and surface title	3	30.46
Big Missouri Grants, Mineral title only	26	367.66
Big Missouri Grants, Surface title only	1	10.2
Dilworth Mineral Claims	17	3,624.34
Dilworth Crown Grants, Mineral title only	3	35.80
Silver Coin Mineral Claims	44	2,892.72
Silver Coin Grants	1	19.50

Ascot's involvement dates back to 2007, when the first option agreement with Boliden was made on the Dilworth property. Two years later, Ascot acquired the Big Missouri - Premier property via a second option agreement with Boliden. From then until the present time, these agreements have undergone several amendments but, currently, have been exercised, giving Ascot 100% ownership. The Silver Coin property, which is adjacent to the Big Missouri property, was acquired in October 2018 from Jayden and MBM. Details of the property agreements and amendments are provided in the following subsections.

Figure 1-2: Claim Map for Premier, Big Missouri, Martha Ellen and Silver Coin Areas

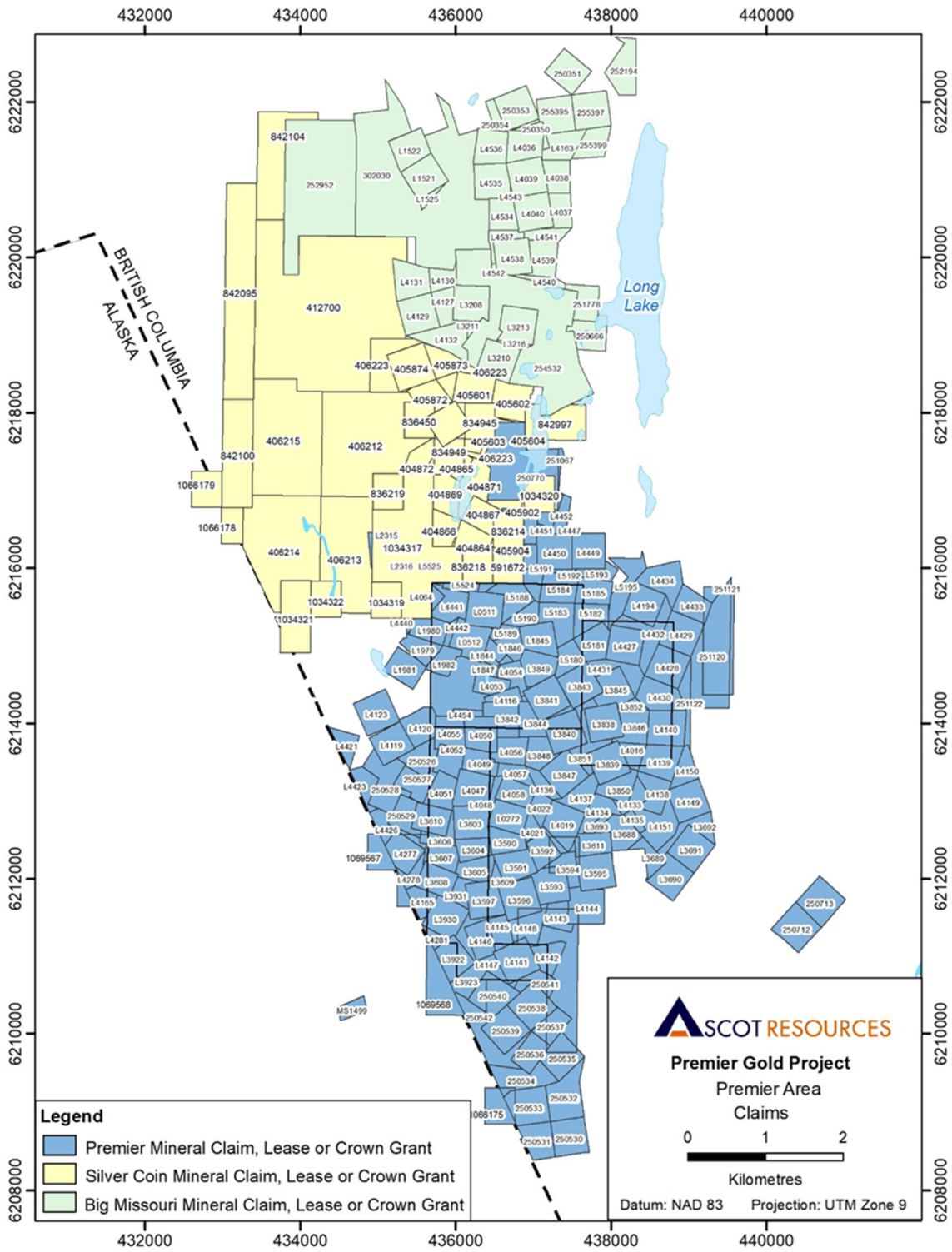
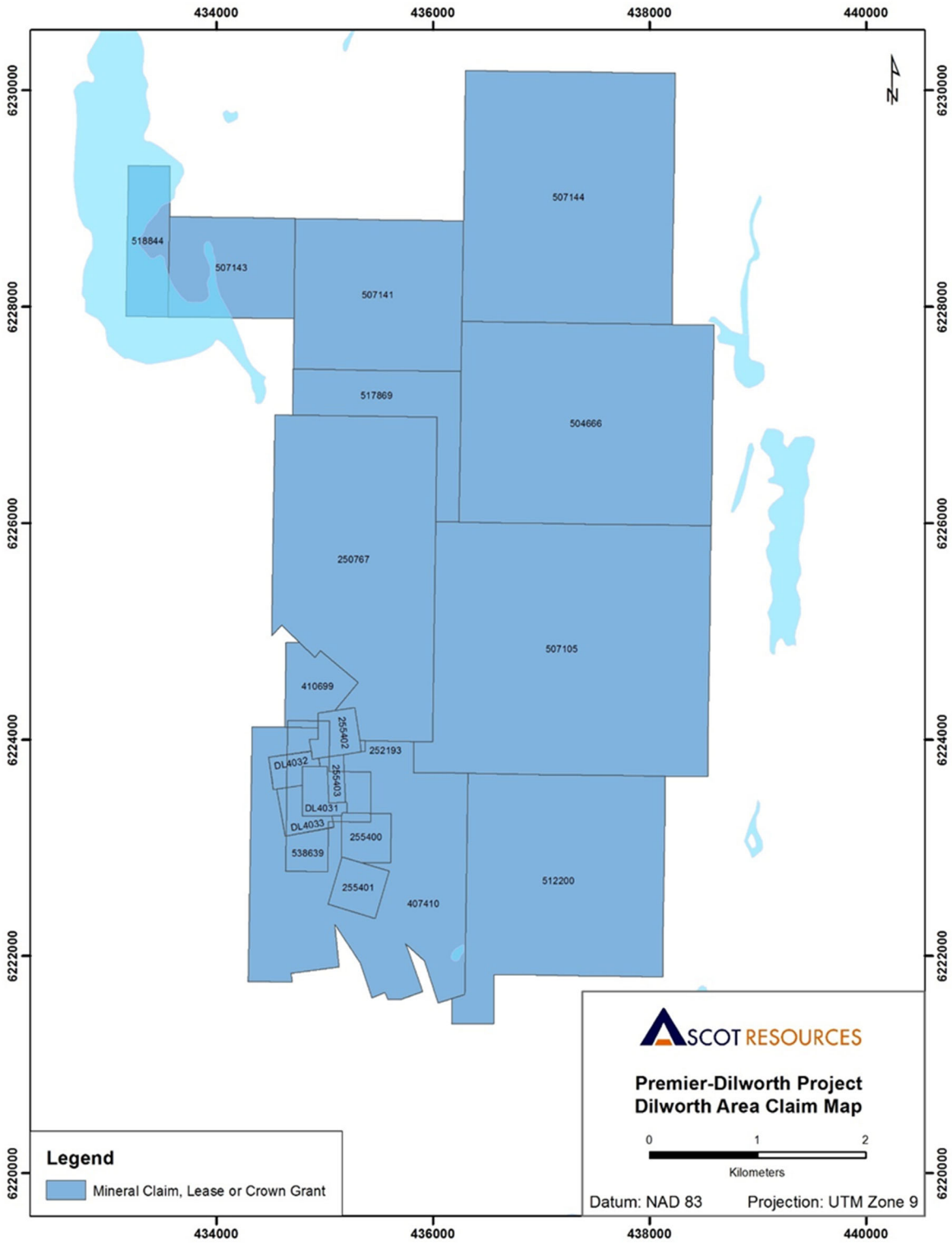


Figure 1-3: Claim Map for Dilworth



#### 1.4 Premier, Big Missouri, Martha Ellen and Dilworth Option Agreements

The original Dilworth property agreement between Ascot and owners Boliden Limited (Boliden), R. Kasum, and the estate of J. Wang was signed in March 2007. Under the original terms, Ascot acquired the right to earn a 100% interest in the Dilworth property, subject to a 5% net smelter royalty (NSR), by making staged option payments over five years totaling \$10.5 million.

On June 15, 2009, Ascot announced the signing of an option agreement to acquire a 100% interest in the mineral claims, mining leases, Crown granted mineral claims, and freehold and surface titles of the Premier Gold Mine held by Boliden in the Premier Gold Camp. The Big Missouri claims were included in this agreement. The original agreement included cash payments totaling \$20,300,000 over a period of three years and included a provision that in order to exercise the Premier option, Ascot would also exercise the Dilworth option.

The terms of both of these agreements have been amended several times, with revisions to payment due dates, the payment amounts, and NSRs. On October 17, 2018, Ascot announced that it had fulfilled the current terms of the agreements and acquired 100% of both the Dilworth and Premier properties. In order to fulfill the agreements, Ascot completed payments to Boliden totaling \$11,050,000 and agreed to grant a 5% NSR to both Boliden and R. Kasum. Boliden retains the right of first refusal in the event that Ascot wishes to dispose of all or any part of its interest in the Premier property following establishment of the presence of significant base metal mineral reserves. Boliden also retains an option to enter a long-term base metals offtake agreement with Ascot on commencement of commercial production at Premier.

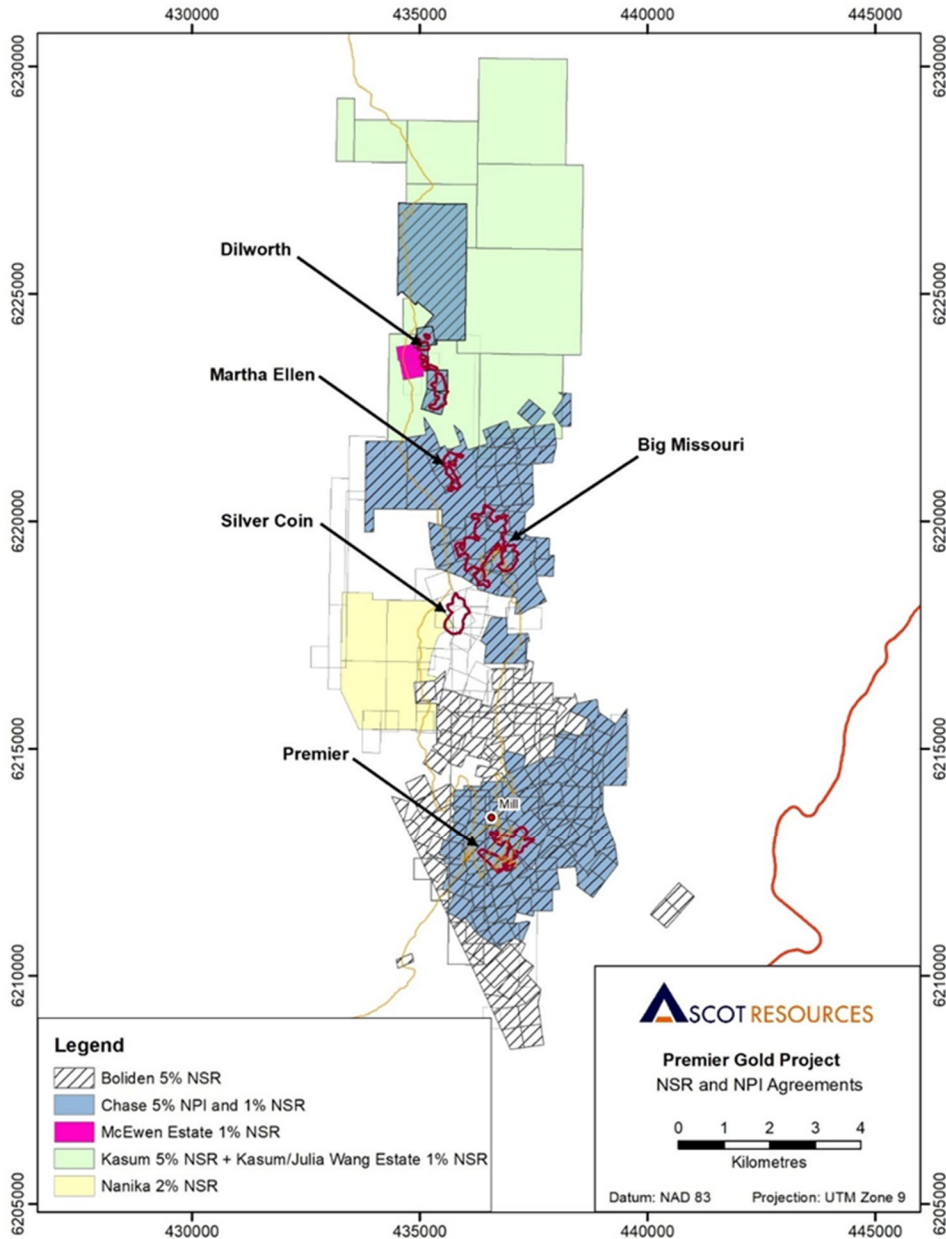
In November 2007, Ascot purchased from F. McEwan three Crown Grants that were surrounded by the Dilworth property. The purchase price was 200,000 shares of Ascot, \$100,000, and a 1% NSR on the Crown Grants. At the time of writing, the payments have been made but the Crown Grants have not yet been signed over to Ascot, pending resolution of the estate of Mr. McEwan.

It is noted that in addition to the 5% NSR agreed to Boliden and Kasum, there are a number of other NSR and Net Profit Interest (NPI) obligations attached to certain claim groups from earlier property agreements. The current schedule of NSRs owing on the various claim packages are summarized as follows:

- Kasum Claims (Dilworth Option)
  - 5% NSR to R. Kasum can be purchased for \$2.075M
  - 1% NSR to R. Kasum and the estate of J. Wang (can be purchased for \$1 million)
- Boliden Claims (Dilworth Option)
  - 5% NSR to Boliden can be purchased for \$2.075M
  - 1% NSR to Chase Manhattan Bank (now JP Morgan Chase Bank, N.A.) (Chase)
  - 5% Net Profits Interest (NPI) to Chase
- Boliden Claims (Premier Option)
  - 5% NSR to Boliden can be purchased for \$9.55M
  - 1% NSR to Chase
  - 5% NPI to Chase
- McEwan Claims
  - 1% NSR to the estate of F. McEwan

Note that the 1% NSR and 5% NPI owing to Chase result from earlier agreements that predate Ascot's involvement in the Property. The agreements for these various land packages are shown on the map of Figure 1-4.

**Figure 1-4: NSR and NPI Agreements**



### 1.5 Silver Coin Agreement

The Silver Coin property is 100% owned by Ascot. Prior to Ascot’s acquisition, the Property was held under a joint venture agreement between Jayden Resources (Canada) Inc. (Jayden Canada), a subsidiary of Jayden, and Mountain Boy Minerals Inc. (MBM). Jayden Canada owned 80% of the Property with the remaining 20% owned by MBM. On October 29, 2018, Ascot announced that it had completed the purchase of the outstanding shares of Jayden Canada in exchange for 14,987,497 Ascot shares, plus an additional 192,000 Ascot shares for settlement of options and warrants. Concurrent with this, Ascot acquired MBM’s 20% interest in exchange for 3,746,874 Ascot shares, plus an additional 48,000 shares for settlement of Jayden options and warrants.

Nanika Resources Inc. (Nanika) retains a 2% NSR on the INDI claims pursuant to an earlier purchase agreement with Jayden. The NSR can be bought back for \$1,000,000 for each 1% NSR.

## 1.6 Property Commitments

The property encompasses Mineral Claims, Crown Grants, and Mining Leases, all of which have different annual requirements to maintain tenure. Mineral Claims require either completion of exploration or development work (Assessment Work) above a certain minimum value or a payment of cash. The value of Assessment Work required to hold a Mineral Claim for one year is on a scaled rate which depends on the age of the claims. For the first two years, the work required is \$5.00/ha per year; in years three and four, \$10.00/ha per year; years five and six, \$15.00/ha per year; and thereafter, \$20.00/ha per year. If the total value of the work done exceeds the amount required for the current year, the balance can be applied to subsequent years.

Crown Grants require an annual payment of taxes to the Provincial Government in the amount of \$1.25/ha. Ascot reports that all taxes for the Crown Grants are current and paid to July 2, 2019. The due date for the next tax payment is July 2, 2020.

Ascot owns three Mining Leases, two of which expire on December 17, 2020, and the third, which has recently been renewed, on December 14, 2048. The leases require an annual fee paid to the Provincial Government of \$20.00/ha. Ascot reports that the Mining Lease fees have been paid for the current year.

## 2. HISTORY

### 2.1 Prior Ownership

#### 2.1.1 *Premier, Big Missouri, Martha Ellen, and Dilworth*

Exploration commenced in the region in the latter part of the 19<sup>th</sup> century, with the first discoveries in the district occurring in 1898 (McConnell, 1913). Prospectors looking unsuccessfully for placer deposits turned to hard-rock exploration, and staked the first claims along Bitter Creek, located northeast of present-day Stewart. At that time, the border between Alaska and British Columbia had not been formally established and these initial claims in the district were staked under American mining law.

Claims were first staked on the Big Missouri deposit, located eight kilometres north of the Premier area, in 1904 (Kirkham and Bjornson, 2012). Prospecting and development were conducted by Big Missouri Mining Co. Ltd. until 1927, when the property was acquired by Buena Vista Mining Co. Ltd. (<http://www.stewartbc.com>). Consolidated Mining and Smelting Company (Cominco) subsequently took over the property, commencing production in 1938. Wartime economic pressures caused the mine to be shut down in 1941.

The first claims over the present Premier property were staked in 1910 by the Bunting brothers and W. Dilworth (Brown, 1987) and still form part of the present-day land holdings. Salmon-Bear Mining Co. conducted development work on the property until 1914, when the property was optioned to a group based in New York. Following the completion of underground development that did not produce positive results, the option was dropped. Work resumed in 1918, and Premier Gold Mining Company, Limited (Premier Gold) was incorporated early the following year to undertake exploration. American Smelting and Refining Company (Asarco) acquired a 52% interest in the property from Premier Gold in 1919 by agreeing to finance the development work. All ore produced was shipped directly to a smelter in Tacoma, Washington until 1921, when a 200 tpd mill was completed. In 1926, the mill throughput was increased to 400 tpd, and again in 1933 to 500 tpd. Despite this, from 1924 to 1931, 45% of the production was direct-shipped to the smelter (Brown, 1987).

The Indian Mine, located five kilometres north of Premier, was first staked in 1910. A tram-line from the property to the mill (Premier Mill) was completed in 1951, but commercial production ceased soon afterwards, in 1953, due to low metal prices.

Mining and development work continued on various showings in and around the Premier property until 1936, when Premier Gold, Sebakwe and District Mines Ltd., and B.C. Silver Mines Ltd. merged to form Silbak Premier Mines Limited (Silbak Premier). This effectively consolidated a collection of adjacent

and contiguous claims and workings into a much larger block. Continuous production took place on the property up to 1953, when low metal prices forced a temporary closure. A fire destroyed the mill and other surface infrastructure in 1956. Intermittent mining and development activity extended into the 1970s under various lessors and management groups.

Silbak Premier underwent a name change to British Silbak Premier Mines Limited (BSP) in 1977, and in 1983 optioned a 50% interest in the property to Westmin. Canaccord Resources Inc. (Canaccord) earned 18.75% of Westmin's interest by funding exploration drilling in 1986 and 1987. Pioneer Metals Corporation (Pioneer) purchased controlling interest in BSP in 1987, amalgamating the two companies the following year.

Westmin acquired the Big Missouri property in 1978 from Tournigan Mining Explorations Ltd. (Tournigan). The BC government MINFILE website (<http://minfile.gov.bc.ca>) reports that in 1987 the ownership of the entire Premier-Dilworth-Big Missouri property was 50.1% Westmin, 40.0% Pioneer, and 9.9% Canaccord, with Tournigan holding a 5% NSI. This ownership arrangement was via a joint venture agreement between the various stakeholders. Pioneer and Canaccord subsequently defaulted and forfeited their interests, giving Westmin 100% ownership.

After undertaking a drill program, Westmin built a mill and started operations on the old Silbak-Premier property in 1989 (<http://www.ascotgold.com>). Production from open pit and underground began in March 1989 and continued to 1996. The mill capacity was 2,850 tons per day and incorporated a carbon in leach (CIL) circuit for gold and silver extraction, followed by zinc cementation of the precious metals and smelting of a doré product. Reported metallurgical recoveries were 91% for gold and 45% for silver. Production to 1996 totaled approximately 260,000 ounces of gold and 5.1 million ounces of silver (Westmin, 1997).

In 1998, Boliden purchased Westmin and assumed ownership of the properties. Ascot acquired its interest through an option agreement with Boliden in 2007. Terms of this agreement have evolved over time, and the current property ownership is described in more detail in the section of this report entitled Land Tenure.

### **2.1.2 Silver Coin**

This history of the property is largely derived from the Silver Coin technical report by Minarco-MineConsult (MMC), dated April 13, 2011.

The Silver Coin project includes the historical Terminus, Silver Butte, and Silver Coin properties. The Terminus property includes the Silver Coin 3 and 4 mineral claims. The Silver Butte property includes the Winer, Big Missouri, and Kansas claims. The Silver Coin property includes the Silver Coin, Idaho, Idaho Fraction, and Dan Fraction mineral claims.

The Silver Coin group of claims was located in 1904 along the Big Missouri Ridge. The property was owned by the Noble family from the 1930s until 2003. In the early 1930s, a short adit was completed on the Dan showing. A number of pits were excavated on the Silver Coin and Idaho claims in the late 1930s. In 1967, Granduc Mines Ltd. cleared the adit on the Dan showing and completed sampling and trenching.

MBM first acquired a 100% interest in the Silver Coin property in 2003. Along with the Silver Coin property, MBM held a 55% interest in the adjacent Dauntless property. The following year, MBM sold 51% of its respective property interests to Pinnacle Mines Ltd. (Pinnacle) in exchange for exploration expenditures of \$1.75 million over a three year period. In 2006, these terms were fulfilled, and Pinnacle earned the 51% ownership. Later that same year, Pinnacle and Tenajon Resources Corp. (Tenajon) concluded an agreement wherein Pinnacle could earn up to 60% of the Kansas claim, a Crown Grant completely surrounded by the Silver Coin claims. Under the terms of the original Silver Coin sale agreement, MBM retained the right to participate and acquire 49% of Pinnacle's interest in the Kansas claim.

In July 2009, MBM and Pinnacle entered into a purchase agreement under which Pinnacle could increase its ownership of the Project to 70% by paying MBM \$440,000. A further 10% interest could be acquired by Pinnacle by spending \$4 million on exploration. On completion of this deal, Pinnacle held 80% of the Silver Coin Project, and MBM held 20%.

In June 2010, Pinnacle changed its company name to Jayden Resources Inc.

## 2.2 Exploration and Development History

The main events of the PGP history prior to Ascot's involvement are summarized in Table 2-1.

**Table 2-1 - Summary Of Property History**

Year	Operator	Exploration
1886	United States Army Corps of Engineers	First report of activity in the area was a survey undertaken by the United States Army Corps of Engineers.
1898	Prospectors	Prospectors first trekked inland from the head of the Portland Canal to Meziadin Lake in search of placer gold. Their search failed but later attempts by prospectors through the Klondike area started an influx of settlement in the area.
1904		Big Missouri claims, 8 km north of Premier, were staked.
1905	Stewart Bros.	Post office was established in Stewart by two brothers, John and Robert Stewart.
1907		Townsite of Stewart incorporated.
1910		Population of Stewart almost reached 2000 and later experienced population high of more than 10,000. Premier was first discovered by Charles Buntin and William Dilworth. The Indian Mine, located on Indian Ridge, 5 km north of Premier, was also discovered.
1917-1918		Population of Stewart decreased rapidly in First World War and only three people remained in town during winter of 1917-1918.
1918-1968	Various	The Silbak-Premier Mine reported to have produced 7.3 million tons of gold-silver-lead-zinc-copper mineralization almost continuously with minor amounts from 1976 to 1979 and 1989 to 1996. Original production was from underground mining operations.
1927-1942	Various	The Big Missouri deposit reported to have mined 768,941 tonnes yielding 58,383 oz gold and 52,676 oz silver using underground mining methods.
1952-1953		The majority of the Indian Mine mineralization was produced in 1952 and transported by a two mile aerial tramline for concentration at the Premier Mill. The mine closed in 1953 due to low metal prices.
1972	Consolidated Silver Butte Mines Ltd.	Acquired Big Missouri claims.
1973	Giant Mascot Mines Ltd	Option - 11 holes drilled in 1974 on the Province claim.
1976	Tournigan Mining Explorations Inc.	Acquired the Big Missouri property from Silver Butte.
1976	Tapin Copper Mines	Option – 8 holes drilled and IP survey completed.



Year	Operator	Exploration
1978	Westmin Resources Ltd. (formerly Western Mines Ltd.)	Acquired the Big Missouri property from Tournigan.
1979		Westmin commenced exploration on the properties.
1982		Westmin acquired the Silbak Premier property.
1988-1989		The new, 2,000 tpd, Premier Mill facility, was constructed.
1989		Westmin brought the Premier Mill to operation after the consolidation of the Premier Mining Camp. It acquired a 100% interest in Premier and Big Missouri, as well as partial interest in the Indian and Silver Butte mines. The Premier Pit and the S1 and Dago zones at Big Missouri were mined using open pit mining methods.
Dec 1996		The Premier Mill was closed due to low metal prices. The Property has been under care and maintenance since closure in 1996. From 1989 to 1996, Premier Gold was reported to produce 3,039,680 tons grading 0.085 oz/ton Au and 1.67 oz/ton Ag. At the time of the mill closure in 1996, the Property was reported to contain 350,140 tonnes of ore grading 7.19 gpt Au, 37.7 gpt Ag, and 1.6% Zn. Note that this estimate predates NI 43-101, is historical in nature, and should not be relied upon.

### 2.3 Previous Mineral Resource Estimate

A Mineral Resource Estimate for all five deposits of the Premier Gold Project was announced in December 2018 by Ascot. This estimate is summarized in Table 2-2.

**Table 2-2: Previous Resource Estimate (Ascot 2018)**

Class	Deposit	In situ	In situ Grades			Metal	
		Tonnage (Ktonnes)	AuEq (gpt)	Au (gpt)	Ag (gpt)	Au (kOz)	Ag (kOz)
<b>Indicated</b>	Premier	1,250	7.18	6.97	30.20	280	1,214
	Big Missouri	539	8.34	8.19	20.50	142	355
	Silver Coin	859	8.16	8.01	20.50	221	566
	Martha-Ellen	130	5.80	5.47	48.00	23	201
	Dilworth					0	0
	<b>Total</b>	<b>2,778</b>	<b>7.64</b>	<b>7.46</b>	<b>26.15</b>	<b>666</b>	<b>2,336</b>
<b>Inferred</b>	Premier	1,740	6.12	5.95	24.20	333	1,354
	Big Missouri	2,250	8.38	8.25	18.40	597	1,331
	Silver Coin	1,160	7.93	7.78	22.10	290	824
	Martha-Ellen	654	6.36	6.12	34.30	129	721
	Dilworth	235	6.52	6.13	56.00	46	424
	<b>Total</b>	<b>6,039</b>	<b>7.35</b>	<b>7.18</b>	<b>23.97</b>	<b>1,395</b>	<b>4,654</b>

#### 2.3.1 Past Production

The Silbak Premier Mine produced gold-silver-lead-zinc-copper ore intermittently from 1918 to 1996 from both open pit and underground mines. Historical production during the peak years of operation (1918 to 1952) totaled 2 million oz of gold, 42.8 million oz of silver, 54 million lbs of lead, 17.6 million lbs of zinc, 4.1 million lbs of copper, and 177,785 lbs of cadmium. The Big Missouri deposit produced 847,612 tons of ore from underground from 1927 to 1942. Metal production totaled 58,383 oz of gold, 52,676 oz of silver, 3,920 lbs of zinc, and 2,712 lbs of lead. The S1 and Dago zones at Big Missouri property were mined using small open pits. In the Dago pit, 384,000 tonnes of ore grading 1.2 gpt Au and 10.0 gpt Ag were produced in 1988 and 1989. In 1990, a total of 304,000 tonnes of ore grading 2.4 gpt Au and 10.0 gpt Ag were produced in the S1 pit.

Westmin conducted extensive exploration from 1979 to 1996 on the Premier and Big Missouri properties. A 2,000 tpd mill facility was put into operation in 1989 and was closed in 1996 due to low metal prices. Premier Gold Mine's total production amounted to 5.6 million tons grading 0.331 oz/ton Au and 7.117 oz/ton Ag from 1918 to 1987 and 3 million tons grading 0.085 oz/ton Au and 1.67 oz/ton Ag from 1989 to 1996. At the time of the mill closure in 1996, the Property reportedly had remaining reserves totaling 350,140 tonnes grading 7.19 gpt Au, 37.7 gpt Ag, and 1.6% Zn.

In the area of the Silver Coin property, a short adit was driven on massive galena veins in the Terminus Zone (the present Silver Coin 2 claim) during the 1930s. Work continued intermittently with little documentation. Also, in the early 1930s, a short adit was driven on the Dan Zone in the area of the Dan Fraction claim. Several small open pits were excavated on the property, including pits on the Silver Coin and Idaho zones.

Between 1987 and 1994, Tenajon and Westmin completed approximately 1,220 m of underground drifting on three levels, 103 m of crosscutting on one level, and 130 m of Alimak raising at Silver Coin. In 1991, Westmin mined the Facecut-35 Zone producing 102,539 tonnes at an average grade of 8.9 gpt Au and 55.50 gpt Ag. Mining was primarily by sub-level retreat with a minor amount of benching. Base metal rich – low gold sections of the Facecut-35 Zone were not mined. No base metal values were recovered as the ore was processed using a cyanide leach process at the Premier Mill 5 km south of Silver Coin. Recoveries reportedly averaged 92.9% for gold and 45.7% for silver. Westmin estimated that 111,000 tonnes of material grading 0.61 gpt Au, 29 gpt Ag, and 3.46% Zn were directed to the tailings pond. Sampling in 2004 by MBM and Jayden (then Pinnacle) indicated that the mine tailings from the Facecut-35 Zone averaged 0.72 gpt Au, 31.2 gpt Ag, 0.388% Cu, 0.48% Pb, and 3.61% Zn in two samples (Stone et al., 2007).

### **3. GEOLOGICAL SETTING AND MINERALIZATION**

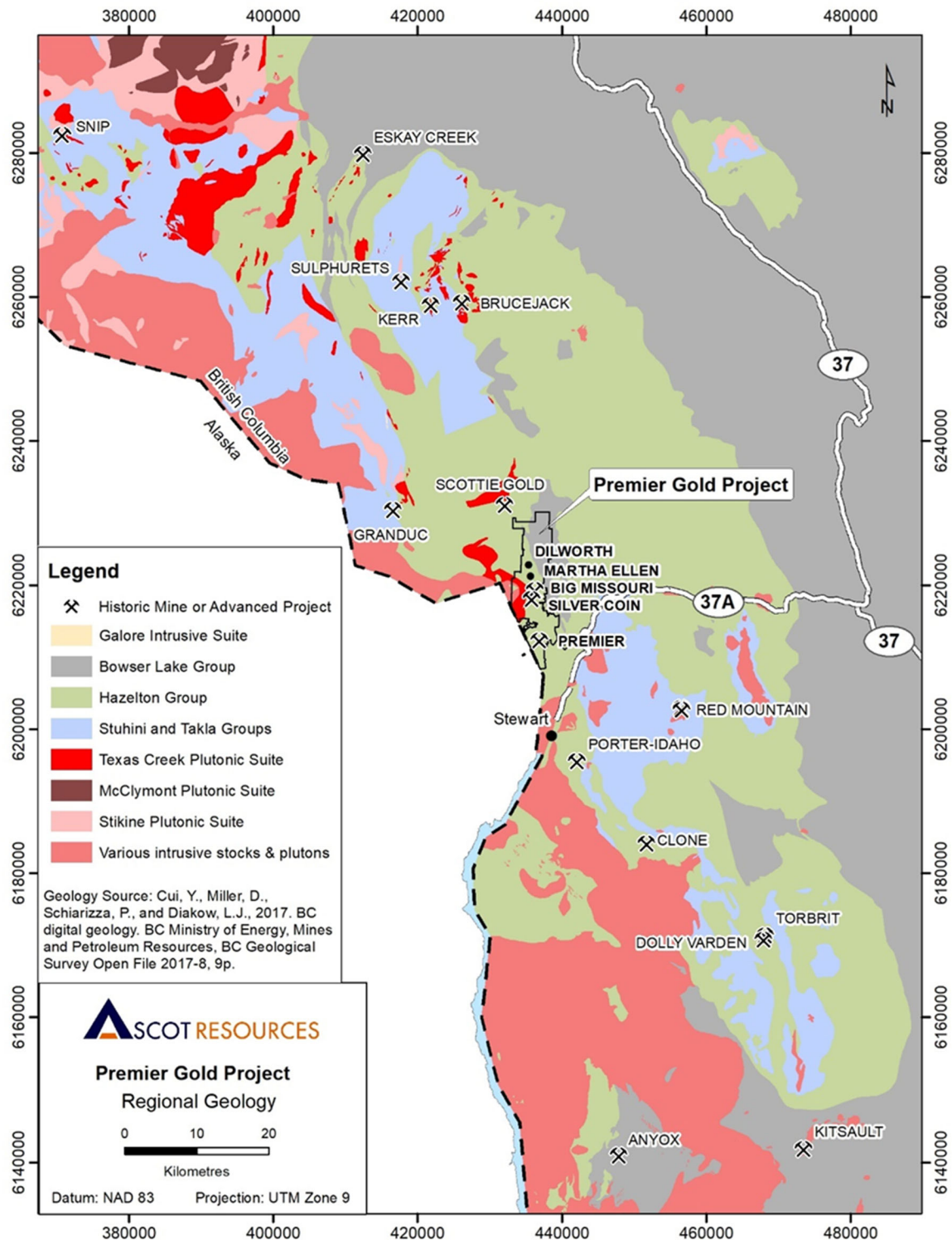
#### **3.1 Regional Geology**

As summarized by Alldrick (1993), the Stewart mining camp is underlain by Upper Triassic to Lower Jurassic rocks of the Hazelton Group that formed in an island-arc setting. The volcanic pile largely comprises subaerial calc-alkaline basalts, andesites, and dacites with interbedded sedimentary rocks. Lateral variations in volcanic rock textures indicate that the district was a regional paleo-topographic high with a volcanic vent centered near Mount Dilworth. Early Jurassic calc-alkaline hornblende granodiorite plutons of the Texas Creek Plutonic Suite represent coeval, subsidiary magma chambers emplaced two to five kilometres below the stratovolcano. From these plutons, late-stage two-feldspar porphyritic dikes cut up through the volcanic sequence to feed surface flows (locally called Premier Porphyries). Following the cessation of volcanism and subsidence, this succession was capped unconformably by the Middle Jurassic Mt. Dilworth and Salmon River formations, followed by later Upper Jurassic-Cretaceous marine-basin turbidites of the Bowser Lake Group.

Mid-Cretaceous tectonism was characterized by greenschist facies regional metamorphism, east-northeast compression, and deformation. It produced upright north-northwest trending en echelon folds and later east verging, ductile reverse faults, and related foliation.

Calc-alkaline biotite granodiorite of the Coast Plutonic Complex intruded the deformed arc rocks during the Mid-Tertiary. The batholith, stocks, and differentiated dikes of the Hyder Plutonic Suite were emplaced over a 30 million year period from Early Eocene to Late Oligocene. Regional geology is illustrated in Figure 3-1.

Figure 3-1: Regional Geology (Gagnon, 2012)



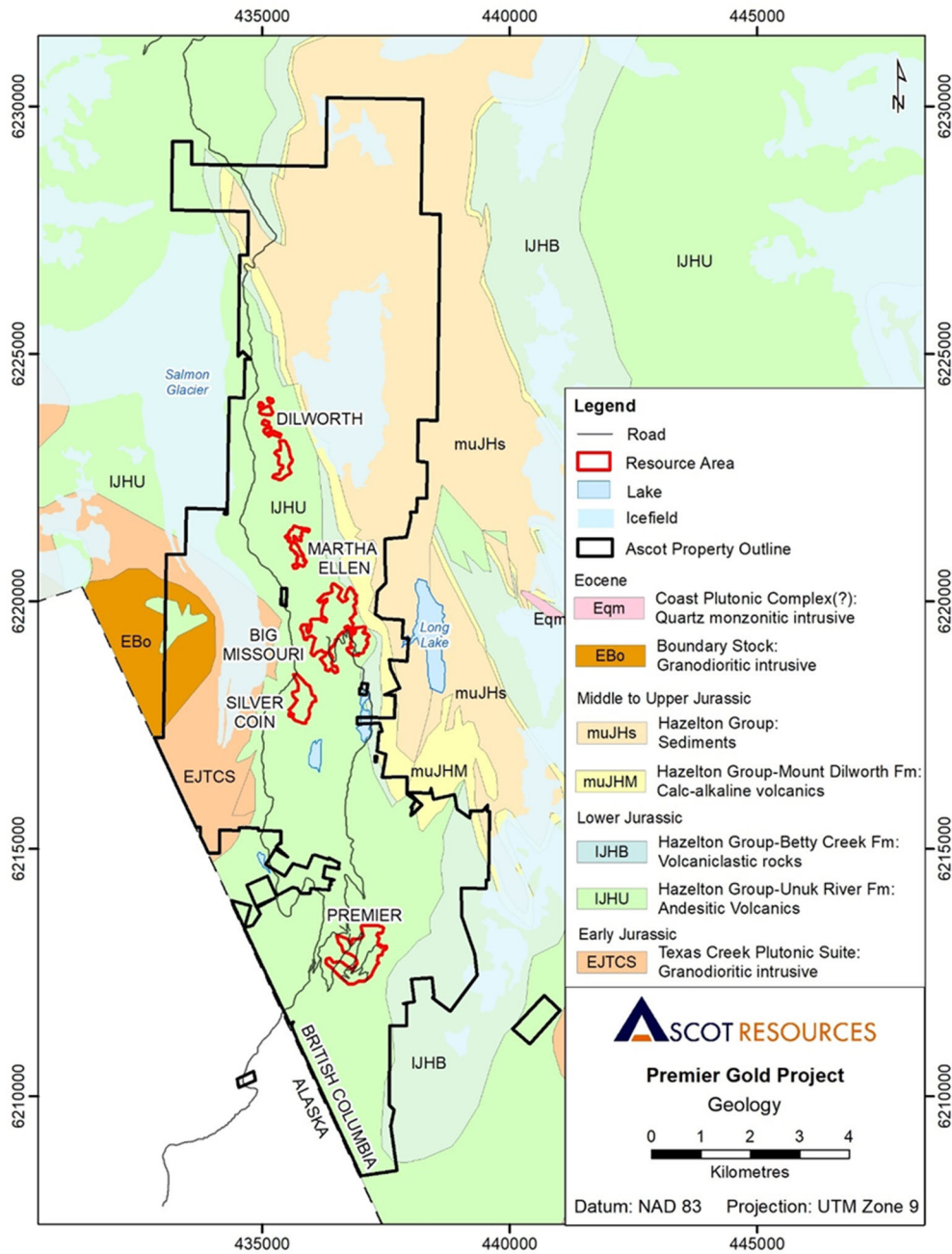
### 3.2 Local and Property Geology

Rocks of the Hazelton Group host most of the significant deposits and occurrences within the Property. Regional mapping by Alldrick (1993) and others determined that the entire Hazelton Group package between the Salmon Valley and Mount Dilworth was a north- to northwest-striking, steeply east dipping succession, younging to the east.

Recent work by Ascot demonstrates that the stratigraphy at Silver Coin and Big Missouri is dipping steeply to the west and younging in that direction. The andesitic volcanics at Premier are massive flows and show no discernable stratigraphic orientation from the extensive drill database. The westerly dip of strata at Silver Coin and Big Missouri may be a local phenomenon if Alldrick's observations are correct in a regional sense.

The overall PGP geology is illustrated in the plan map of Figure 3-2.

**Figure 3-2: Property Geology – Premier, Big Missouri, Silver Coin, Dilworth and Marth-Ellen**



### 3.2.1 Premier

On the Premier property, the Unuk River andesite is the oldest component of the Betty Creek Formation (Figure 3.2). These rocks on the east side of the Salmon Glacier occupy the west limb of a large synformal fold whose steeply inclined north-northwest trending axis passes beneath the Mount Dilworth icefield. This large F1 structure belongs to a phase of regional-scale deformation that resulted in tight isoclinal folds in both the volcanic and in the less competent sedimentary rocks (Alldrick, 1993). However, extensive drilling on the Property by Ascot has not encountered evidence of folding as described by Alldrick. Many units can be traced from drill hole to drill hole with little to no evidence of folding within the rock.

Alldrick (1993) stated that: “Like Big Missouri to the north, the Silbak Premier mine and several nearby showings are all in the Upper Andesite Member of the Unuk River Formation”. Nelson (2018) has since suggested that the Unuk River is andesites within the Betty Creek Formation and not a clear Formation or Member in itself. The black tuff facies, used as a marker in the Big Missouri area, is missing in the Premier area where the main sequence includes medium to dark green, moderately to strongly foliated andesitic ash tuff, lapilli tuff, and crystal tuff. The andesites at Premier are darker green and more strongly chloritized. Siltstone members within the Unuk River andesite can be mapped and used to evaluate movement on structures.

Dikes of Premier Porphyry are the most abundant intrusive rocks at Premier and are spatially associated with some mineralized zones, particularly at Premier. At Big Missouri and Silver Coin, Premier Porphyry has been observed in very small amounts and only at depth. The mineralized zones in these deposits are hosted in andesite with no spatial association to intrusive rocks.

Mid-Cretaceous tectonism was characterized by greenschist regional metamorphism, east-northeast compression, and regional deformation. Mid-Tertiary biotite granodiorite, representative of the Early Eocene to Late Oligocene Hyder Plutonic Suite of the Coast Plutonic Complex, caused further deformation.

Alldrick (1993) has described four distinctive alteration envelopes that developed around the Premier mineralization as important guides for exploration. These are:

- Siliceous alteration consisting of siliceous envelope that may extend up to a few metres from major siliceous breccia bodies
- Sericite alteration (potassic) with pyrite, silica, and potassium feldspar
- Carbonate alteration
- Chlorite alteration (propylitic) resulting in darker green colour than in metamorphic greenschist

Ascot work has shown that gold mineralization occurs in quartz-carbonate breccias and stockwork, mostly in andesite and sometimes hosted by Premier Porphyry. The main alteration mineral is sericite which typically forms an envelope around stockwork veins and breccia bodies. The formation temperature of the mineralization is too low to generate potassic alteration and neither secondary biotite nor potassic feldspar has been observed in the alteration assemblage. Adularia is very hard to identify in hand specimens and may be present albeit not as a major component. Chlorite alteration in the andesitic rocks is ubiquitous and it is hard to say if any of it is related to the mineralizing event. Tertiary dykes often display an envelope of secondary chlorite.

### 3.2.2 Big Missouri

The central part of the Big Missouri deposit is dominantly hosted in the Upper Andesite Member of the Unuk River andesites. However, mineralization is also hosted in the underlying Upper Siltstone Member of the Betty Creek Formation in the west, and in the overlying tuffaceous units of the Betty Creek

Formation in the east at the Dago and Unicorn areas. These stratigraphic associations are difficult to determine as alteration masks many of the primary textures of these units. The area is further complicated by a series of east-directed thrust and reverse faults that offset mineralized zones. Recent drilling has also resulted in the recognition of the Premier Porphyries in this area including numerous sills and lenses of Premier Porphyry along the eastern portion of the zone. These locally contain alteration and mineralization similar to the Premier area (Ascot Geologists, personal communication, 2018).

The alteration and showings associated with the Big Missouri deposit encompass a strike length of 2,200 m north-south by approximately 1,400 m east-west, across strike (Kirkham and Bjornson 2012). This area includes numerous historic occurrences including the Day, Big-Missouri, S1, Calcite Cuts, Golden Crown, Dago, Creek, Unicorn, and Northstar zones. The mineralized area is associated with coincident Au, Ag, Pb, and Zn soil anomalies and a strong K and Th/K anomaly on airborne radiometric surveys.

Previous mining from select portions of this system includes underground mining of Big Missouri, and small open pits on Province, S1, and Dago showings. These historic showings, which were originally isolated, are now considered to be part of a single continuous mineralized system. The system consists of gently west to gently east dipping sheet-like stacked zones of silicification, quartz stockwork, and quartz breccia bodies.

### **3.2.3 Silver Coin**

The Unuk River andesites which underlie most of the Silver Coin property and host most of the gold mineralization are part of a generally massive and monotonous volcanic-volcaniclastic sequence that lacks layering that would provide details on the strike of the stratigraphy or the presence of folds (Ray, 2011). Property geology is shown in Figure 7-2.

A north-south striking fault system has divided the Silver Coin property into different geologic areas:

- An area on the east side of the claim group that is bounded by the Cascade Creek Fault Zone
- An area located between the Cascade Creek Fault Zone and the Anomaly Creek Fault that is dominated by andesitic volcanic rocks
- The central portion of the claim block consisting of west dipping andesite units hosting the majority of the mineralization at Silver Coin
- The Western part of the claim block west of the Granduc road consisting of andesitic rocks and Texas Creek granodiorite

The sequence of predominantly andesitic volcanic and volcaniclastic rocks which constitutes the fault blocks described above was subsequently cut by numerous intrusive bodies of subvolcanic, porphyritic andesite, and less numerous bodies of aphanitic dacite.

To the south of the graben, Texas Creek granodiorite and andesitic pyroclastic rocks crop out on the former Silver Coin Crown Granted claims (Stone and Godden, 2007). Foliated andesite is the most common rock type, with only a few outcrops of sheared limey argillite. The main features in the Silver Coin project area are lineaments striking northwest and northeast, which strongly influence the topography over most parts of the property. The lineaments are interpreted as zones of intense fracturing, probably with shearing on the N20°W set and possibly on the N25°E set.

The eastern portion of the Silver Coin property, immediately to the west of the Cascade Creek Fault, contains a silicified and mineralized fault zone that is up to 75 m wide, hosted within andesitic volcanic rocks, carrying three to five percent disseminated euhedral pyrite. The mineralized zones occur along

a regional deformation zone extending from the former Big Missouri Mine through the Silver Coin 3 and 4 claims and south towards No Name Lake.

The last major geologic event in the area of the Silver Coin property was emplacement of the Jurassic granodioritic Texas Creek Batholith (Alldrick, 1993). Apophyses derived from this batholith intruded the metamorphosed Jurassic-Triassic volcano-sedimentary rocks along the Anomaly Creek Fault system.

The Anomaly Creek Fault has been interpreted as a right-lateral, oblique-slip structure of unknown displacement. The North Gully Fault has been interpreted as a reverse fault, the displacement of which is probably not large (the alteration zones on both sides of the fault do not appear to be significantly offset). The nature of movement on the North Gully Fault is not well understood since little work has been done across the areas in which the structure is developed.

There are 20 different mineralized zones which have been identified on the Silver Coin property, and these are likely fault separated portions of several larger or longer zones. Gold is generally associated with silicification and sericite alteration. Gold generally occurs as electrum with associated sulfide minerals pyrite and sphalerite with minor amounts of galena and chalcopyrite.

#### **3.2.4 Martha Ellen**

The Martha Ellen deposit is located adjacent to the northwest end of the Big Missouri zone. Kirkham and Bjornson (2012) describe this deposit as a gently southwest dipping zone which, based on showings, soil anomalies, and drilling, is approximately 1,400 m along strike (north-south) and 600 m to 800 m across strike.

The deposit is made up of sheet-like lenses of quartz stockwork and quartz breccias with a thickness of 40 m to 60 m. The deposit is hosted in Upper Andesite member of the Unuk unit. Quartz-sericite-pyrite alteration is not as well developed as at Big Missouri. The gold and silver values are within quartz veins and quartz breccias containing pyrite, sphalerite, and minor chalcopyrite. The eastern portion of the zone is in contact with a large lobate body of Premier Porphyry which contains altered and mineralized structures. This zone of mineralization is very similar in style to the western part of the Big Missouri area and is likely a fault offset, northerly strike extension of the Big Missouri zone. A large northeast linear reflects the Hercules fault, a late, left-lateral fault structure between these two zones that is interpreted to offset both stratigraphy and mineralization to the present location.

A wide swarm of Eocene-age Portland Canal granodiorite dikes intrudes the Martha Ellen zone striking east-southeast and dipping south-southwest.

#### **3.2.5 Dilworth**

The Dilworth deposit is located on strike starting 500 m from the northwest end of the Martha Ellen zone. The zone is the northwest extension of the Martha Ellen deposit, but the intervening area is disrupted by an extensive northwest-striking Eocene multiphase dike swarm known as the “Portland Canal dike swarm”. Kirkham and Bjornson (2012) describe this zone as being a gently northeast dipping zone, which, based on showings, soil anomalies, and drilling, is approximately 1,800 m along strike (north-south) and 600 m to 800 m across strike.

The deposit comprises sheet-like lenses of quartz stockwork and quartz breccias with thicknesses ranging from 40 m to 200 m, dipping gently to moderately to the northeast. The Dilworth deposit is hosted in the Upper Andesite member of the Unuk unit. Underlying upper siltstones, exposed to the west on the Granduc Road, have yet to be encountered in drilling. Quartz-sericite-pyrite alteration is strongly developed particularly in the Yellowstone, Occidental, and Forty Nine areas. The gold and silver values are within quartz veins, quartz stockwork, and quartz breccias containing pyrite, sphalerite, and minor galena with a higher Ag/Au ratio than generally seen in the other areas. The eastern portion

of the zone is within and adjacent to a large lobate body of Premier Porphyry which also contains altered and mineralized structures and appears to also have a moderate northeast dip. This zone of mineralization is very similar in style to the western part of the Martha Ellen and is likely the strike extension of the Martha Ellen zone.

Mapping of the Dilworth area by Gerry Ray in 2008 revealed several important features, including the mineralized area occupying the western limb of a large northwest striking F1 synform. He noted hydrothermal brecciation producing the mineralized multiphase quartz breccia bodies, associated with quartz stockwork and pervasive silicification. These are surrounded by areas of pervasive sericite and kaolin alteration and bounded by propylitically altered andesites. Some veining has undergone ductile isoclinal folding related to Cretaceous deformation and Gerry Ray noted several west dipping east verging thrust faults as seen in the Big Missouri area. He also noted a number of east striking late faults often occupied by Eocene Portland dikes but also containing earlier mineralized quartz veins and quartz stockwork indicating that these were also early structures.

### **3.3 Mineralization**

Alldrick (1993) interprets the 200 mineral occurrences in the Stewart district as forming during two distinct mineralizing events that were characterized by different base and precious metal suites. One mineralizing episode occurred in Early Jurassic time and the other in the Eocene. Both metallogenic epochs were brief, regional-scale phenomena.

The Early Jurassic mineralization such as the Big Missouri and Premier deposits were deposited in andesitic to dacitic host rocks at the close of volcanic activity, at about 185 Ma (Alldrick 1993). These deposits have regional zoning patterns that are spatially related to plutons of the Texas Creek suite and to their stratigraphic position within the Hazelton Group volcanic-sedimentary sequence. The Early Jurassic hydrothermal system is interpreted to have acquired its characteristic suite of silver, gold, zinc, lead, and copper from magmatic fluids. Early Jurassic deposits include gold-pyrrhotite veins; veins carrying silver, gold, and base metals; and stratabound pyritic dacites. Gold-pyrrhotite veins formed adjacent to the subvolcanic plutons during late magma movement. Epithermal base and precious metal veins and breccia veins were formed along shallower faults and shears, and in hydrothermal breccia zones along the contacts of subvolcanic dikes. Stratabound pyritic dacites are barren fumarole and hot spring-related deposits that formed on the paleosurface from shallow groundwater circulation within hot dacitic pyroclastic sheets.

Panteleyev (1986) and Alldrick (1993) consider Big Missouri to be an epithermal deposit. Recent work by Ascot (Kirkham and Bjornson 2012) describes mineralization as gently discordant to stratigraphy and analogous to the Premier mineralization, which is classified as a low sulphidation epithermal system with some affinities to polymetallic vein systems. The understanding of the Big Missouri system has advanced a great deal with drilling to define the resource. Diagnostic features of the deposit include quartz veins, stockworks, and breccias carrying gold, silver, electrum, argentite, and pyrite with lesser and variable amounts of sphalerite, chalcopyrite, galena, rare tetrahedrite and sulphosalt minerals. The mineralization commonly exhibits open-space filling textures and is associated with volcanic-related hydrothermal to geothermal systems in a high-level (epizonal) to near-surface environment.

With new drilling, the series of formerly isolated occurrences were shown to be a large continuous mineralized system offset by a series of east directed thrusts. The western deeper part of the system in the Big Missouri-Province area is more base metal (Pb and Zn) rich and cross-cuts argillites of the Upper Siltstone Member and persists through the Upper Andesite Member of the Unuk River Unit. The mineralization on the eastern side of the Big Missouri deposit in the Dago-Unicorn area displays higher silver contents due to sulphosalts and is associated with low sulphide silicification +/- barite and chalcedony migrating into the higher units of the Betty Creek Formation that overly the Unuk River Unit. This is very similar to the distribution of mineralization seen at the much more studied Premier deposit, but on a much larger scale. Due to its gently dipping orientation, the outcrop expressions of the Big Missouri deposit cover an area of greater than 3.0 km<sup>2</sup>.



Brown (1987) described the mineralization at Premier as occurring in four broad styles: both a low- and high-sulphide type, with stockwork and breccia variants of each. Each style is described as an end member of a continuum between various types of mineralization. High-sulphide mineralization is defined as containing 15% or more sulphides. These mineralization styles are summarized in Table 3-1.

In a 1990 PhD thesis, McDonald categorized the Premier mineralization by relative age, as defined by cross-cutting relationships between mineralized features. Veins and breccias were grouped as early, middle and late stages, with the middle stage further divided into precious and base metal rich sub-groups.

Early stage breccias consist of rounded to angular fragments of andesite in a dark green aphanitic pyrite matrix. This matrix is composed of intergrown pyrite, chlorite, sericite, quartz, and calcite with local diffuse patches of chalcedony and potassium feldspar. Earlier workers defined this style of occurrence as “in situ” or “crackle” breccias. Clast abundance ranges from less than 25% to 90%. Where the fragment proportion is lower, the clasts are more rounded to irregular, poorly defined and patchy in distribution. Breccias with a higher proportion of fragments are more angular and display a lower degree of rotation.

**Table 3-1: Premier Vein Styles (Brown, 1987)**

Type of Mineralization		Mineralogy	Textures	Host Lithology	Notes
Low Sulphide	Stockwork	py, sph, gln	Quartz veins	Porphyry	Variable alteration
	Breccia	Ag-sulphosalts, native Ag	Siliceous breccia, late fractures filled with native Ag	Altered porphyry	Bonanza ore; silicification, K-feldspar alteration
		Disseminated py, sph, gln	Siliceous breccia	Porphyry and andesite	Altered porphyry and andesite clasts
High Sulphide	Stockwork	py, sph, gln	Veinlets	Porphyry	Grades into siliceous breccia
	Breccia	py	Pyrite veinlets and stockwork	Andesite	High grade Au, low Ag
		py, sph, gln, ± cpy	Breccia	Andesite	Galena rimming andesite fragments, disseminated pyrite, interstitial sphalerite
		sph, gln, py, ± tet	Breccia, vuggy	Altered porphyry	Silicified angular clasts, some with quartz rims
	py	Podiform to layered	Andesite/porphyry contact	Deformational layering	

Notes: py = pyrite, sph = sphalerite, gln = galena, cpy = chalcopyrite, tet = tetrahedrite.

These breccias are cut by the early stage veins, which are in turn cut by the middle stage stockwork veins. The early stage veins comprise banded quartz-chlorite with pyrite on the margins, and occur as steeply dipping, northwest striking en echelon clusters coincident with foliation. Vein thickness ranges from 0.5cm to 7.0cm but is more commonly 1.0cm to 3.0cm. Pyrite content varies up to 10% of the veins, and chlorite ranges from 15% to 20% at the 250 m elevation (6 level) to 5% at the 570 m elevation (2 level).

Middle stage stockwork veins and breccias tend to have a higher metal content and encompass precious and base metal-rich variants. Veins are 0.5cm to 5cm in thickness, occurring as irregular networks to planar sheets, at times forming breccias in dilatant zones, and encompassing wall rock fragments. These structures cross-cut early stage breccias and quartz-chlorite-pyrite veins and are themselves cross-cut by late stage quartz-chlorite-calcite and quartz-ferrocalcite veins. Fragments of early stage veins and

breccias are contained in middle stage breccias. Most commonly, precious metal-rich veins predate and are cut by base metal-rich veins.

Among the precious metal-rich middle stage veins and breccias, McDonald (1990) identified five sub-classes (Types 1 to 5). Listed in order of earliest to latest, these are:

1. Quartz + potassium feldspar + calcite  $\pm$  pyrite
2. Quartz + potassium feldspar + albite with precious metal minerals
3. Precious metal-rich breccias
4. Ferrocaltite + quartz
5. Calcite + quartz

Veins of Type 1 listed above are poorly defined and discontinuous in the core of the breccia bodies, becoming more planar and distinct within two to three metres into the margins. They are 0.5cm to 2cm in width and consist of fine-grained intergrowths of quartz, potassium feldspar, albite, and calcite with irregular concentrations of fine-grained pyrite and chlorite intergrowths.

The Type 2 veins are planar to slightly warped, measure 0.5cm to 3cm wide, and dip steeply oriented sub-parallel to the precious metal-rich veins (Type 3). Vein minerals comprise quartz and potassium feldspar with local patches of albite, barite, rhodochrosite, and anhydrite. Sulphide content is typically below 5% and consist of pyrite, sphalerite, chalcopryrite, and galena with isolated grains or aggregates of polybasite, argentiferous tetrahedrite, freibergite, native silver, electrum, pyrrargyrite, and argentite.

Precious metal-rich breccias form in andesite and porphyry bodies in sharply defined or fault-bounded dilatant zones, flanked by more planar veins. Fragments on the breccia margins are typically angular to slightly rounded clasts of wall rock or earlier veins and breccias, becoming more rounded, siliceous, and less clearly defined towards the interior. The breccia matrix is predominantly quartz with, again, less than 5% sulphide minerals. Economic minerals include isolated aggregates of sphalerite, galena, polybasite, pyrrargyrite, acanthite, tetrahedrite, freibergite, native silver, gold, and electrum with accessory pyrite. The predominant gangue mineral is quartz (sometimes as chalcedony); the intensity of silicification and proportion of matrix in the total rock mass diminishes with distance outwards from the core of the breccia bodies.

The ferrocaltite-quartz veins (Type 4) are light brown in colour, sharply defined, measuring 2cm to 8cm in width and are observed to cross-cut the earlier precious metal-rich veins. Pyrite is rarely present and occurs along the vein margins.

The latest phase of the precious metal-rich middle stage veins and breccias are calcite-quartz breccia bodies (Type 5). These are narrow, measuring 5cm to 20cm, bodies comprising fragments of andesite and earlier middle stage breccia in a matrix that can contain fine-grained pyrite, sphalerite, and galena.

McDonald (1990) also identified five sub-types of the base metal-rich veins and breccias (Sub-types 1 to 5). From oldest to youngest, these are:

1. Quartz + calcite  $\pm$  chlorite  $\pm$ , pyrite  $\pm$  potassium feldspar
2. Pyrite + quartz + galena  $\pm$  calcite  $\pm$  galena
3. Quartz + barite + albite + calcite + base and precious metals
4. Base metal-rich breccia
5. Pyrite + precious metals

The veins of Sub-type 1 are steeply dipping, irregularly branching veins averaging 3cm in thickness, and offsetting earlier stage structures. They display a crude banding of minerals consisting of a core of intergrown quartz and potassium feldspar with varying amounts of pyrite and chlorite along the margins.

The Sub-type 2 veins are also steeply dipping but planar and erratically distributed, varying in thickness from 1cm to 3cm. Vein minerals are 40% to 60% pyrite, with 10% to 20% quartz, and the remainder calcite, potassium feldspar, albite, and minor galena.

Quartz-barite-albite-calcite-sulphide veins (Sub-type 3) are planar to branching steeply oriented networks varying in width from 1cm to 3cm and occurring up to 2m from the margins of breccia bodies. They have been observed, through cross-cutting relationships, to both pre- and post-date middle stage precious metal-bearing veins. Vein mineralogy consists of quartz, calcite, and minor barite, with 20% to 45% combined pyrite, sphalerite, chalcopyrite, and galena. Relatively minor components include pyrrhotite, argentiferous tetrahedrite, native silver, electrum, and arsenopyrite.

The base metal-rich breccias (Sub-type 4) consist of a core of sulphide-cemented clasts flanked by parallel vein networks, or alternatively, combinations of planar and branching veins intermingled with wall rock clasts. The breccia matrix is very similar in composition to the Sub-type 3 veins described above with sulphide minerals occurring as irregular aggregates and planar bands.

Breccia clasts are typically altered host rock fragments, rounded in the central portions and becoming more angular and interlocking towards the margins. Relict textures are visible in some fragments, although the original minerals have been replaced by alteration products. Where quartz-sericite alteration is dominant, the clasts become light-coloured and indistinct. Many fragments have been fractured and filled with calcite and coarse-grained pyrite with minor sphalerite and galena. Fragments often contain veinlets which transect or terminate at the rims of the clasts, and some have rinds of quartz, chlorite, and pyrite. Contacts of the breccia bodies are normally faulted and as such are quite abrupt.

The last phase of the middle stage veins comprises very small en echelon arrays of veinlets measuring up to 6cm long and 2mm thick. These veinlets are predominantly composed of quartz and pyrite, with significant amounts of galena, sphalerite, native silver, polybasite, and electrum.

The late stage veins are generally barren and are observed to cross-cut the economic mineralization. McDonald (1990) recognized three sub-types, listed below in order of age:

1. Quartz - calcite - sericite
2. Quartz - chlorite - calcite
3. Quartz - ferrocalcite

Early stage breccias are observed to be most abundant in the upper portion of the mine, above approximately the 350 m elevation (4 Level), and especially above 2 Level (570 m elevation). Most of the early stage veins occur at or below 4 Level and are best developed at the 250 m elevation (6 Level).

Middle stage veins and breccias comprised the bulk of the ore bodies in the mine and are generally well developed throughout. They are observed to be comparatively more precious metal-rich in the upper and the northeasterly striking (Main Zone) portions of the deposit. In the northwesterly striking western portion (West Zone) of the mine and the lower parts, base metal-rich veins and breccias predominate.

McDonald (1990) applied these observations along with analytical work to define broad zonations in both silicate and metallic minerals. The proportions of quartz, calcite, and orthoclase were observed to be consistent throughout the mine. In the Main Zone of the deposit, chlorite and albite are more abundant below approximately 350 m in elevation (4 Level). Barite and sericite appear to be more abundant from 4 Level up to 50 m above 2 Level (570 m elevation). In the West Zone, chlorite is more abundant below approximately 440 m elevation (3 Level), with sericite, albite, and barite more abundant above 3 Level.

Base metal minerals are most abundant between 4 and 5 Levels (300 m to 350 m elevation), diminishing rapidly from 5 Level to surface, and less so downwards to 6 Level. Precious metal minerals were observed to increase in proportion above 4 Level, with a significant increase above 2 Level. Relative

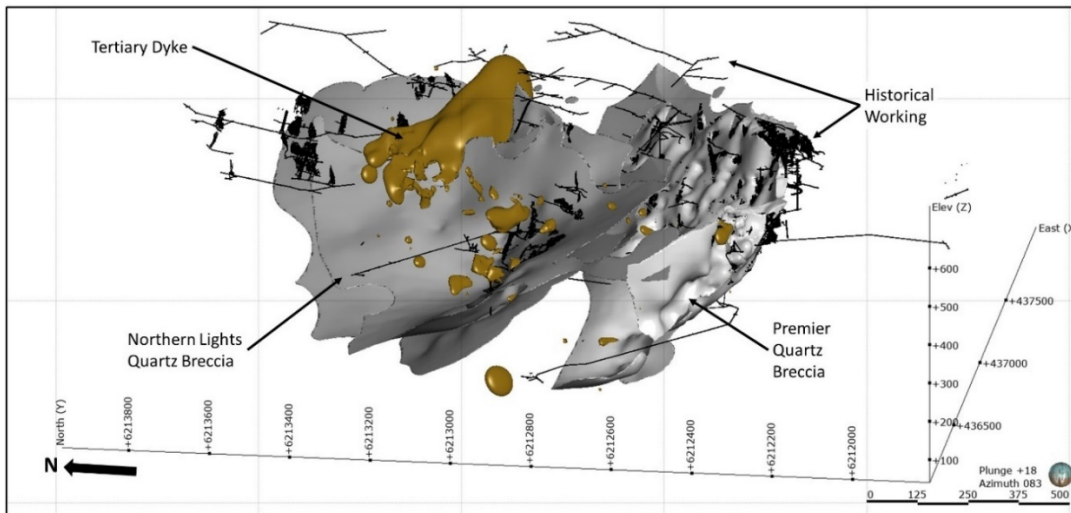
proportions of precious metal minerals decline from 4 Level to 6 Level. Precious metal abundances are historically higher at the intersection of the West and Main zones, and slightly higher in the Main Zone than the West Zone. Silver to gold ratios and overall silver contents are observed to diminish with depth from a high of 150:1 near surface to a low of 5:1 below 3 Level.

### 3.3.1 Mineralization - Premier

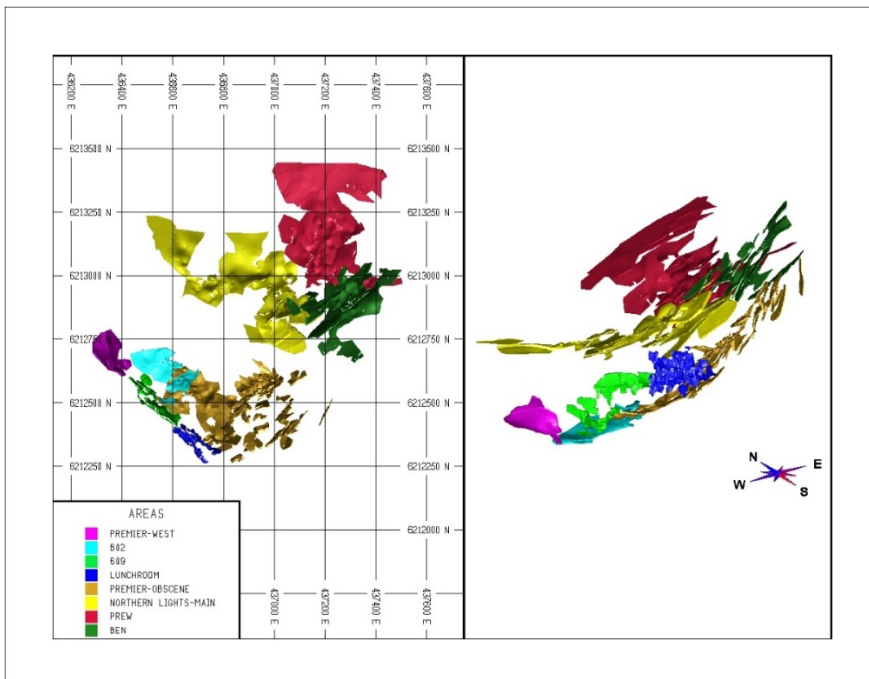
The Premier/Northern Lights zones form roughly parallel curvilinear planes with a strike that varies from northeast at their eastern edge to northwest at the western edge as illustrated in Figure 3-3 which is a 3D view of the modelled Premier area Quartz Breccia Zones and Tertiary dykes.

The wireframes used to construct the block model for interpolation at the Premier area follow the mineralizing structures as shown in Figure 3-4, with each sub-area of Premier and Northern Lights areas denoted by its name. The southern structure consists of Premier Main, Obscene, Lunchroom, West, 609, and 602 and the Northern Lights zones are Prew, Ben and Northern Lights Main.

**Figure 3-3: 3D View of Geology and Structure Controlling Mineralization – Premier**



**Figure 3-4: Plan and 3D View of Potentially Mineralized Wireframes - Premier**



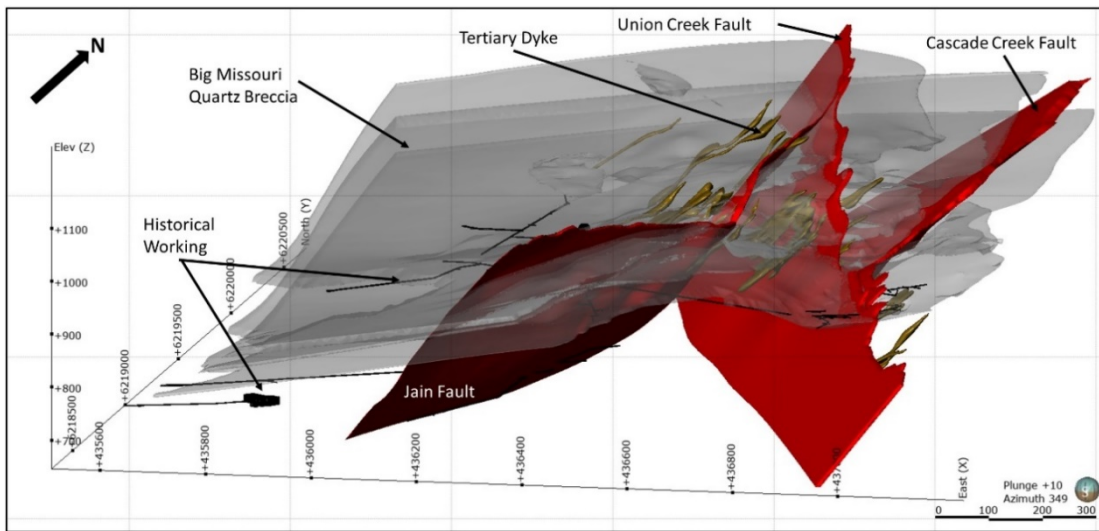
The dip of these zones is sub-vertical near surface, flattening at depth to a dip of 20° to 40°. The zones are defined by breccias and stockwork formation in a host of mainly andesitic volcanic rocks and, less frequently, Premier Porphyry. These breccia bodies and stockwork zones are the expression of two mineralized fault planes that converge towards the northeast, as illustrated in Figure 3-4. The projection of the intersecting faults converges with the Long Lake strike-slip fault and it appears likely that these faults are step-over structures between the regional Long Lake Fault and the Cascade Creek Fault to the west. These step-over faults are thought to be part of an inverse flower structure in response to a local jog in the regional strike-slip fault system. Ascot is of the opinion that future exploration to the north and the south could establish the presence of additional faults and confirm the geometry of a negative flower structure.

Contained within this broader structural and mineralogical envelope are high grade zones which have supported underground mining throughout the history of the mine. The modelled zones within the envelope (Figure 3-4) form curvilinear tabular bodies with a thickness ranging from 2m to greater than 10m. Grades within these zones average greater than 3 gpt AuEq and locally can reach grades of one or two orders of magnitude higher. The zone orientations are typically slightly oblique to the dip of the main envelope and may represent tension gashes within the main fault plane. Mineralization formed due to intensified temperature and pressure gradients developed within the dilatant zones, which facilitated precipitation of metals from hydrothermal fluids.

### 3.3.2 Mineralization – Big Missouri

Mineralization at Big Missouri is structurally controlled. It consists of generally moderately dipping quartz breccia structures crosscut by Tertiary dykes and three major faults; the Union Creek, Jain and Cascade Creek faults as illustrated in Figure 3-5.

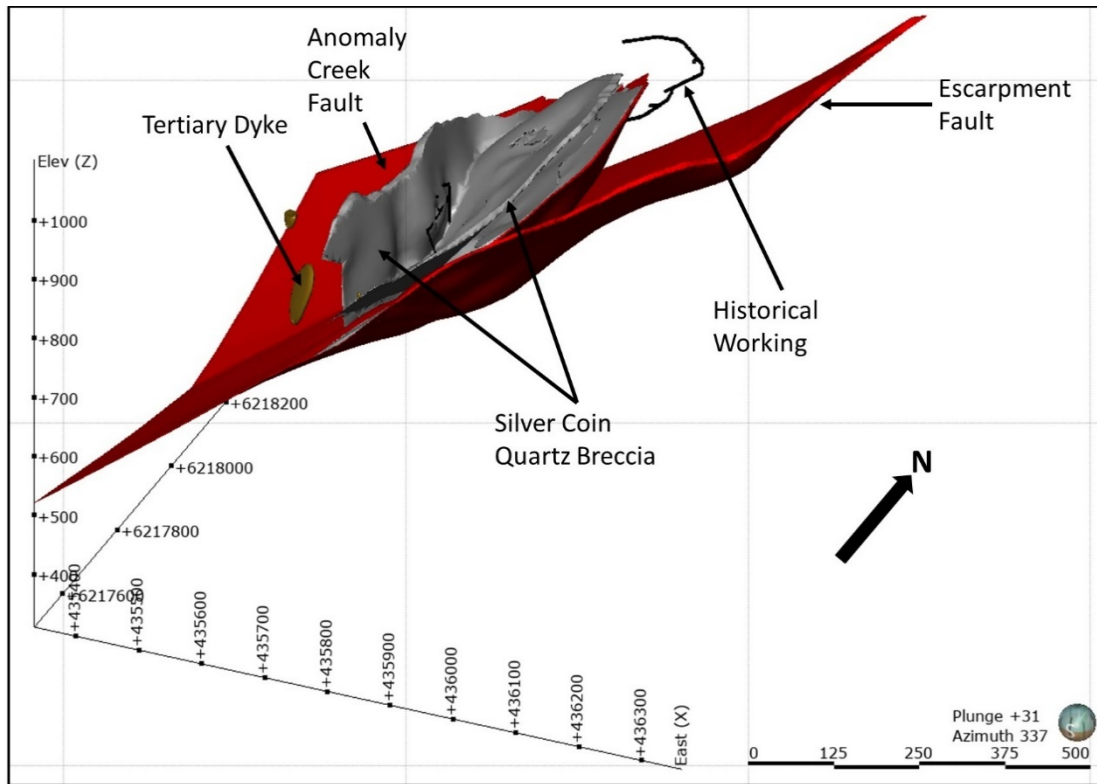
**Figure 3-5: 3D View of Geology and Structure Controlling Mineralization – Big Missouri**



### 3.3.3 Mineralization – Silver Coin

Mineralization at Silver Coin is generally confined to the west of the Anomaly Creek Fault and proximal to the quartz breccias as illustrated in Figure 3-6.

**Figure 3-6: 3D View of Geology and Structure Controlling Mineralization – Silver Coin**

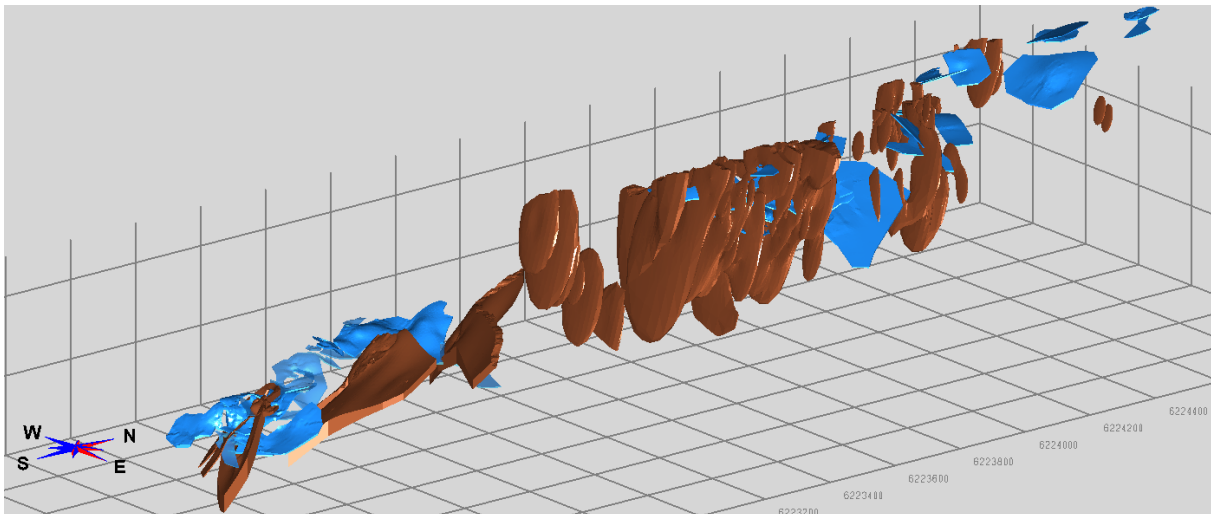


Similarly to elsewhere at PGP, mineralization is considered to have formed due to intensified temperature and pressure gradients developed within dilatant zones facilitating the precipitation of metals from hydrothermal fluids.

### 3.3.4 Mineralization – Martha Ellen and Dilworth

Mineralization at Martha Ellen and Dilworth are likely northern extensions of the Big Missouri deposit. Martha Ellen is fairly flat-lying (similar to Big Missouri) and Dilworth, further north, is shallowly to moderately east dipping.

**Figure 3-7: 3D View of Structure Controlling Mineralization (blue) and Porphyry Dykes (brown) – Martha Ellen and Dilworth**



#### 4. DEPOSIT TYPES

Mineral deposits in the Premier area, including Silver Coin, are intermediate-sulphidation epithermal gold-silver deposits with subsidiary base metals. These deposits form at comparatively shallow depths (generally above 1km depth), often in association with hot spring activity on surface. Mineralization results from circulation of aqueous solutions driven by remnant heat from intrusive bodies. Where these ascending fluids encounter meteoric waters and/or as the hydrostatic pressure drops, changes in temperature and chemistry results in precipitation of minerals into fractures, breccias, and open spaces.

Mineralized bodies are structurally controlled veins, stockworks, and breccia bodies, and are broadly tabular with a wide range of orientations. They measure from cm-scale to many metres in thickness and can often be traced for strike lengths of several hundred metres or even kilometres. Economic minerals comprise native gold and native silver, electrum, silver sulphosalts, and silver sulphides, along with pyrite and sphalerite and comparatively minor amounts of chalcopyrite and galena. Gold and silver values are quite variable and, while averaging in the order of 5gpt Au to 10gpt Au and 20gpt Ag to 30gpt Ag within the historic stopes.

#### 5. EXPLORATION

Exploration work conducted by Ascot from 2007 to 2011, inclusive, is described in detail in a Technical Report by Kirkham and Bjornson (2012). This report is publicly available on SEDAR. Exploration activity from 2012 to 2017 was almost exclusively diamond drilling with the exception of a LiDAR survey that was carried out in 2014. The drilling work for this period is described in Section 10 Drilling. A summary of exploration work conducted by Ascot prior to 2012, excluding drilling, is provided in Table 5-1.

**Table 5-1 - Summary of Ascot Exploration Work (excluding Drilling) from 2007-2019**

Year	Area	Type of Work	Comments
2007	Dilworth	Surface sampling	83 channel, 371 chip, and 29 grab samples
2008	Dilworth	Surface sampling	75 stream sediment, 540 chip, 84 grab, and 590 soil samples
	All	Airborne geophysics	469 line-km EM and magnetometer (Mag), 504 line-km gamma ray spectrometer
	Dilworth	Geological mapping	1:2,000 scale
2009	Premier, Big Missouri	Surface sampling	786 chip and 26 grab samples
2010	Premier, Big Missouri	Surface sampling	383 chip, 133 channel, and 4 grab samples
2018	Premier, Big Missouri, Silver Coin	Wireless IP	14,700 line m of ground IP

At the beginning of 2018, Ascot began to research means of exploring the entire land package effectively and more cheaply than by systematic grid drilling. Ascot personnel used the current multi-element assay database to estimate modal sulphide contents of sphalerite, galena, chalcopyrite, and pyrite from assayed Zn, Pb, Cu, and S. The pyrite content was then plotted in 3D which indicated that the zones of gold mineralization were accompanied by higher amounts of disseminated pyrite. One of the more effective geophysical methods for detection of disseminated pyrite is Induced Polarization (IP), and so a 1,200 m

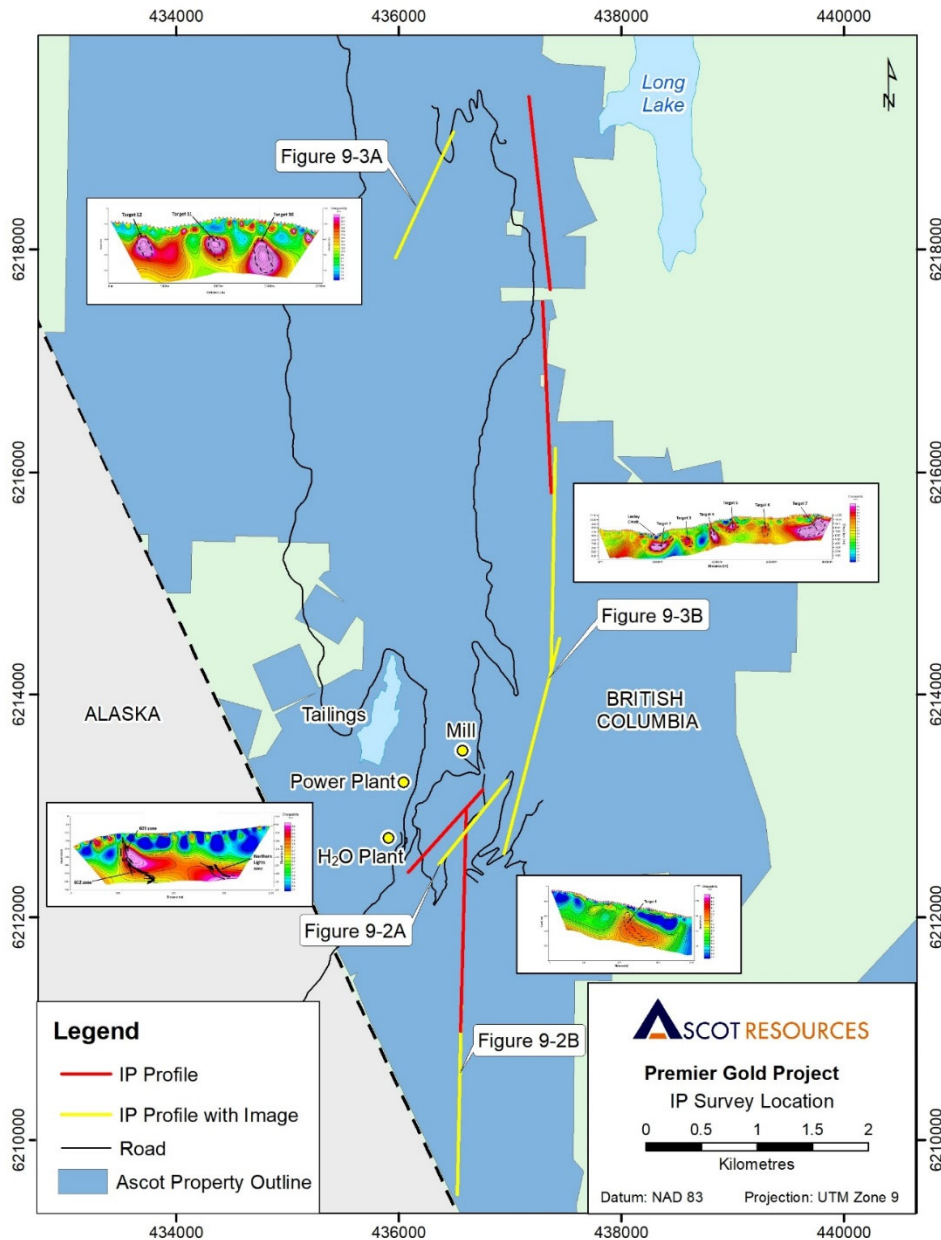
test line of pole-dipole IP at 50 m spacing was run over the western edge of the Premier and Northern Lights zones, covering known zones of gold mineralization.

Figure 5-1 is a location map over the southern part of Ascot's property showing the layout of the IP survey as completed in 2018. In the opinion of Ascot geologists, the image clearly demonstrates that the areas of high chargeability coincide with known gold mineralization.

Following the success of the test survey, Ascot ran additional profiles to the north and south of Premier and between Big Missouri and Silver Coin (see Figure 5-1). The entire program encompassed a total length of 14,700 line-m of IP profiles.

In 2019, Ascot completed additional IP profiles throughout the property, adding to the inventory of IP anomalies. The IP coverage is still rudimentary and will have to be filled in during 2020 in priority areas. Large parts of the property have not yet been covered by IP.

**Figure 5-5: IP Survey Location Map from 2018**





## 5.1 2020 Exploration Program

At the time of writing of this report, Ascot is in the midst of completing engineering studies with the intended goal of resuming production at Premier.

In 2020, Ascot is planning to complete 10,000 m of diamond drilling from surface at the western extension of Premier following up encouraging results from 2019. The Company also plans to conduct induced polarization ground geophysical surveys in various parts of the property. Grassroots mapping and sampling is planned for the northern and eastern parts of the property aiming to identify new zones of mineralization away from the known resource areas.

Additional drilling is budgeted in order to follow up existing and new IP anomalies on the property.

The budget for the planned 2020 exploration program is summarized below in Table 5-2.

**Table 5-2 - 2020 Exploration Budget**

Category	Drilling (m)	Cost (C\$)
Mapping and Sampling		200,000
Geophysics IP		800,000
Exploration Drilling		
Premier West	12,000	1,800,000
IP Targets	8,000	1,200,000
<b>Total</b>	<b>20,000</b>	<b>4,000,000</b>

The QP agrees with the opinions of Ascot geologists and considers the planned expenditures to be warranted.

## 6. DRILLING

### 6.1 Ascot Drilling

Ascot commenced drilling on the Property in 2007, and to September 2019 drilled 2,268 holes totaling 509,789m of which an average of 45% was assayed. During 2007 and 2008, drilling was on the Dilworth area. From 2009 to 2014, most of the drilling was on Big Missouri with comparatively modest programs on Martha Ellen and Dilworth, and only minor drilling in the Premier area. Most of the work from that time up to the end of 2017 was in the Premier area. In 2018 and 2019 Ascot has done in-fill drilling at Premier, Big Missouri, and Silver Coin.

### 6.2 Drilling Methods

From 2009 to 2017 core drilling was carried out with Ascot's own drills which were purchased from Multipower Products Ltd. of Kelowna, BC between 2009 and 2011. There were seven machines, all operated by Ascot personnel, with one drill producing BQ-sized core and the other drills producing NQ-sized core.

The 2018 and 2019 drilling programs were conducted under contract by Discovery Diamond Drilling Ltd. based in Stewart, BC. Four rigs were used all producing NQ-sized core.

### **6.3 Recovery**

Core recovery for all of the Ascot drilling is very good with no significant statistical differences between the BQ and NQ core recovery. Recovery to the end of August 2019 averages 93.9.

### **6.4 Core Handling and Logging**

As the drill core was recovered, it was placed in wooden boxes by the drill helper along with a small wooden block placed at the end of every 10 ft drill run (3.048 m) to mark the depth in the hole. Once full, boxes were covered with a wooden lid and secured for transportation. Depending on the drill location, core boxes were either slung by helicopter to a waiting truck or, if the drill was at a road site, core boxes were loaded directly into the truck for transport to Ascot's secure logging facility in Stewart.

Upon delivery to the core shack, core boxes were placed on core logging benches in groups of three where the core examination and logging processes were performed. The box and block labelling was inspected for errors, and once it was assured to be correct the wooden blocks were converted to metres and the ends of the boxes marked with the corresponding metres.

Core logging included recovery and rock quality designation (RQD), geological description, and sample intervals. The geological description included rock type, alteration, structures, mineralization, and any other features the geologist considered relevant. All core was photographed for a permanent record.

Core is stored in stacks at the Premier Mill site.

### **6.5 Surveys**

#### ***6.5.1. Collar surveys***

Predetermined collar locations are initially surveyed using a handheld global positioning system (GPS), typically a Garmin GPS60csx. When the hole is completed, the collars are marked by a large wooden plug with a metal tag listing the drill hole number and orientation. The collar posts are later surveyed by a land surveyor using a differential GPS to provide greater accuracy to the final results. Collar surveys are conducted approximately every four to six weeks. The difference between the handheld and differential GPS is often only few metres in the horizontal direction but sometimes over 10 m in the vertical direction.

#### ***6.5.2. Down Hole Surveys***

Downhole survey readings, measuring azimuth and inclination, were taken near the top of the hole (from 30 m to 50 m), mid-hole (100 m to 150 m), and end of hole (generally within the final 20 m of the hole) by drill personnel using a Single Shot Reflex downhole survey instrument. Magnetic susceptibility measurements are made at each survey point to check for evidence of magnetic interference. Survey readings were generally regarded as accurate and only occasional test readings were considered unreliable due to a large discrepancy between survey readings and were therefore removed from the dataset.

Collar orientations are not generally surveyed during the exploration drill programs as it would require a surveyor to be on site at all times. During the validation of the database, it had been noted that there were a significant number of holes whose collar orientations as logged differed markedly from the first downhole survey. In some instances, this occurred in places where the holes were collared on dumps and involved a comparatively long interval of tri-cone drilling before reaching bedrock. The drills sometimes shifted when they encountered large boulders in the dump material resulting in abrupt changes in hole direction. In a few holes, there were abrupt changes in surveyed hole orientations that could be attributed to magnetic disturbances. The questionable survey measurements were removed from the database in 2018. This occurred in four holes in the Premier area and one hole at Martha Ellen.

Current drilling by Ascot has average survey intervals of about 30 m. Historic survey intervals were much larger ranging from 50 m to over 100 m. This has resulted in some inaccuracies in drillhole traces and in location of wireframe boundaries in areas dependent on historical drilling. This issue is considered to be non-material from a Resource Estimate point of view since the location of mineralization will be further refined by definition drilling prior to mining.

## **6.6. True Thickness**

For Big Missouri, Dilworth, and Martha Ellen, most of the mineralized zones are flat to moderately dipping and estimated true widths are generally 70% to 100% of the reported drill intercepts. In the Premier and Silver Coin areas, there is a range of orientations ranging from shallowly dipping to vertical. There are many instances of holes oriented nearly parallel to the zones, which has produced some exaggerated apparent widths. In general, the alteration envelope which encompasses almost all of the mineralized zones ranges up to 20 m to 30 m in thickness. The higher-grade shoots within this envelope tend to be less than five metres thick and commonly two to three metres in true thickness. Holes drilled sub-parallel to the vein orientation are accounted for by calculating a True Thickness item of the zone, based on the strike, dip and intercept thickness. The True thickness has then been interpolated into the block model with the resulting True thicknesses used as a criterion for resource estimation, with a lower limit of 2.5m True Thickness.

## **7. SAMPLE PREPARATION, ANALYSIS AND SECURITY**

### **7.1 Analytical and Test Laboratories for Ascot Drilling 2007 to 2019**

#### **Assayers Canada - 2007 to 2010**

Assayers Canada, located in Vancouver, BC, was used as the primary assay laboratory from 2007 through 2012. In June 2009, Assayers Canada received ISO 9001 certification for Quality Management Systems. Data from the laboratory is provided through email in csv files and as pdf certificates.

#### **SGS Canada - 2011 to 2012**

On July 12, 2010, Assayers Canada became part of SGS, which was retained as the laboratory for the Project. SGS received ISO 17025 certification for General Requirements for the Competence of Testing and Calibration Laboratories.

#### **ALS Laboratories – 2013 - 2019**

ALS, also of Vancouver BC, has been used periodically for analyzing check assays in 2011 as part of the QA/QC procedures. In August 2012, ALS became the principal assay laboratory with SGS retained to provide check assays as well as SG determinations. ALS has developed and implemented at each of its locations a Quality Management System (QMS) designed to ensure the production of consistently reliable data. The system covers all laboratory activities and takes into consideration the requirements of ISO standards.

The QMS operates under global and regional Quality Control (QC) teams responsible for the execution and monitoring of the Quality Assurance (QA) and QC programs in each department on a regular basis. Audited both internally and by outside parties, these programs include, but are not limited to, proficiency testing of a variety of parameters, ensuring that all key methods have standard operating procedures (SOPs) that are in place and being followed properly, and ensuring that QC standards are producing consistent results.

ALS maintains ISO registrations and accreditations. ISO registration and accreditation provides independent verification that a QMS is in operation at the location in question. Most ALS laboratories are registered or are pending registration to ISO 9001:2008, and a number of analytical facilities have received ISO 17025 accreditations for specific laboratory procedures.

## 7.2 Sampling Methods

The following descriptions of the sampling and analytical work for the Dilworth-Big Missouri-Martha Ellen areas are taken from Simpson (2014). This work spans the period from 2007 to 2013. During that time, only five holes were drilled by Ascot in the Premier area and none in Silver Coin.

Sample coverage was designed to cover all quartz stockwork and surrounding pervasive alteration. The sample intervals could be as small as 20 cm to still provide enough material for the laboratory, or as long as 2.5 m for NQ core and 3.0 m for BQ core. Sample breaks were also inserted by the geologist at changes in the rock type. Once all information was collected, the core was stacked inside the core shack, to await cutting.

The NQ-sized core samples were sawn in half with a gas powered, diamond-bearing saw and BQ-sized core was split in half with a hydraulic splitter. Due to the smaller size of the BQ-sized core, it was decided that too much material was lost with cutting so it was better to process with a mechanical splitter. Also, because the BQ core was often irregular in shape, only the NQ-sized core was used as duplicates in the sampling process. For both methods one half of the sampled core was placed back in the box while the other half was placed in poly sample bags along with the sample tag.

### **Assayers Canada - 2007 to 2010**

Drill core samples were dried and crushed to 75% passing 2 mm and pulverizes to 75 µm. All gold analyses were performed by conventional FA with AA finish. Overlimit values (generally > 10gpt Au) were analyzed using a gravimetric finish. Metallic gold assays were carried out in cases of identified visual gold.

Silver analyses were by ICP atomic emission spectroscopy (ICP-AES) as part of a 30 element package. Overlimit silver values (>200gpt Ag) were analyzed by AA with four acid digestion.

### **SGS Canada - 2011 to 2012**

Drill core samples were dried and crushed to 75% passing 2mm and pulverized to 75µm. All gold analyses were performed by conventional FA with AA finish. Overlimit values (generally > 10gpt Au) were analyzed using a gravimetric finish. Metallic gold assays were carried out in cases of identified visual gold or for assays exceeding 100gpt Ag.

Silver analyses were by ICP-AES as part of a 34 element package. Overlimit silver values (>200gpt Ag) were analyzed by AA with four acid digestion.

### **ALS Laboratories – 2013 - 2019**

All gold analyses were performed by conventional FA with AA finish. Overlimit values (>10gpt Au) were analyzed using a gravimetric finish. Metallic gold assays were carried out in cases of identified visual gold.

Silver analyses were by ICP-AES as part of an ICP-AES 41 element package. Overlimit silver values (>100gpt Ag) were analyzed using ALS procedure Ag-OG46 (aqua regia digestion, ICP-AES finish).

ALS maintains ISO registrations and accreditation with ISO 9001:2008 and ISO 17025 accreditation for specific laboratory procedures.

## 7.3 Quality Assurance and Quality Control 2007 – 2019

Ascot has maintained a fairly consistent program of independent assay QA/QC since 2007. The programs include the addition of CRM, blanks, and duplicates to the sample stream, as well as pulps sent from the principal laboratory to a secondary laboratory for checks. Control samples are added at a nominal rate of one for every ten samples, with blanks and standards alternated and the grade range of the CRM continually rotated. Quarter-core field duplicates were nominally taken every 30<sup>th</sup> sample,

always from an obviously mineralized zone. Typically, a group of 100 samples shipped to the laboratory would contain five blanks and five standards, and two or three field duplicates depending on the sequence. Upon receiving the assay QA/QC analyses, a project geologist reviewed them for failures. If more than three control samples from a work order failed, then the batches containing the failures were rerun.

Table 7-1 summarizes the QAQC by year and presents which areas were drilled with number of drillholes.

**Table 7-1 Summary of QAQC - Ascot Drilling 2007-2019**

Year	Area	Drillholes	Blanks	Standard Samples	Field Duplicates		
2019	Big Missouri	147	827	835	497		
	Silver Coin	81					
	Premier	30					
2018	Big Missouri	194	455	447	189		
	Premier	53					
	Silver Coin	13					
	Martha Ellen	10					
2017	Premier	359	88	927	201		
	Big Missouri	10					
	Martha Ellen	10					
2016	Premier	279	330	361	23		
2015	Premier	198	467	407	48		
2014	Premier	149	416	423	133		
	Big Missouri	20					
2013	Big Missouri	76		477			
	Martha Ellen	49					
	Dilworth	17					
	Premier	4					
2012	Big Missouri	93	2068	1911	995		
	Martha Ellen	54					
	Dilworth	19					
	Premier	1					
2011	Big Missouri	144					
	Dilworth	6					
2010	Big Missouri	52					
	Dilworth	12					
	Martha Ellen	4					
2009	Premier	20					0
	Big Missouri	18					
	Martha Ellen	10					
2008	Dilworth	63			0		
2007	Dilworth	36			0		

#### 7.4 Sample Security

Ascot maintains a secure logging and storage facility in Stewart, BC. All sample collection and handling are supervised by Ascot personnel. Collected samples are stored in bags sealed with a zap-strap and the samples are combined in large woven rice bags for shipping. The contents of each sealed rice bag are recorded, and full bags are stacked on pallets and shipped by commercial carrier (Bandstra

Transportation Systems Ltd., with a head office in Smithers, BC) to the assay laboratory in Vancouver, BC in secure transport trucks.

## 7.5 Databases

Analytical and survey data is now organized into one complete relational database for all the PGP deposits. This was a recommendation from the January 2019 report, and has since been completed with data by area used for each of the five block models used in the Resource Estimates.

## 7.6 Discussion

The QP is of the opinion that the quality of Au and Ag analytical data collected during the 2007 to 2019 Ascot drill programs at the PGP project are sufficiently reliable to support Mineral Resource estimation and that sample preparation, analysis, QA/QC, and security was generally in accordance with exploration best practices at the time of collection. The QP is also of the opinion that the legacy Jayden data from Silver Coin was not quite in conformance with best practices at the time of collection, but that no significant problems with the data have been identified, as such it appears to be reasonable to accept the data as is.

## 7.7 Specific Gravity

Table 7-2 summarized the specific gravity (SG) values used for Resource Estimation at each deposit. There is an important distinction that should be made between SG and bulk density. Bulk density is the measure of the mass per unit volume of the rock in situ, including both solids and pore spaces. Specific gravity, as determined by a pycnometer, is the mass per unit volume of solids only. Pulverizing the specimen eliminates the pore spaces and can lead to an over-estimate of the bulk density of the original rock mass if it is overly porous or vuggy. However, this is not a concern in the mineralized units at PGP due to the very low porosity.

**Table 7-2: Summary of Mean SG Values by Deposit**

Deposit	Bulk Density used for Resource Estimate
Premier	2.85
Big Missouri	2.80
Silver Coin	2.80
Dilworth	2.80
Martha Ellen	2.80

### 7.7.1 Specific Gravity Determinations - Premier

Specific gravity determinations were collected by ALS from core sample pulps using a pycnometer. As in earlier programs, ALS utilized a WST-SIM pycnometer instrument with methanol. A total of 2,104 readings were taken between 2014 and 2017. Average SG values, by rock type, are listed in Table 7-3.

**Table 7-3: Summary of SG Values by Rock Type**

Rock Type	# of samples	Mean SG
All Data	1994	2.85
Andesite	1009	2.84
Breccias	715	2.87
Porphyry	270	2.82

### 7.7.2 Specific Gravity – Big Missouri, Martha Ellen, Dilworth

Specific gravity (SG) determinations were measured from core samples by SGS Minerals Services (SGS) and ALS Minerals (ALS) using a pycnometer.

Between 2011 and 2012 SGS measured SG with a Penta helium gas pycnometer using the concept of inert gas expansion (Boyle's Law) to determine the true volume of a solid sample. In 2013 ALS utilized a WST-SIM pycnometer instrument with methanol.

A total of 2,496 readings were taken between 2011 and 2014 with an average SG of 2.80. The average SG is 2.82 for samples with Au above 2.5gpt. A value for SG of 2.80 has been used in the Resource Estimate for these three deposits.

### **7.7.3 Specific Gravity - Silver Coin**

During the 2011 Silver Coin drill program, density determinations were systematically made using the water submersion method. Rock samples were weighed using wire baskets in water and in air and a value was calculated from these compared values. Bulk density measurements were taken on core samples selected every two to six metres. A total of 2,852 determinations were made in 2011 and there is also a legacy group of pre-2011 values totaling 266 values recorded using the same water submersion method. The weighted average mean SG of all these measurements is 2.80.

## **8. DATA VERIFICATION**

### **8.1 Site Visits**

Several site visits have been conducted in the past by independent Qualified Persons as detailed in the previous report (Rennie and Bird, 2019). The site visits carried out by the current QP are summarized below:

Sue Bird, P.Eng., visited all five deposits at PGP from September 4<sup>th</sup> to 6<sup>th</sup>, 2018 and from June 17<sup>th</sup> to June 20<sup>th</sup>, 2019. The site visits included:

- Inspection of the current drilling and drill hole collar locations and survey methods
- Verification of historic drillholes
- Fly-over to obtain the general site geology for all five deposits, as well as examination of outcrops and adits
- Discussion of geology and updated structural interpretations including examination of the core for several mineralized intervals
- Discussion of sample preparation, handling, storage and transportation with the site geologists
- Picking of core samples at Silver Coin for re-assay validation of legacy drilling

### **8.2 Database Checks**

The drill hole database for each of the five areas of PGP have been supplied by Ascot from their Master database in the form of Excel .csv files.

#### **8.2.1 Collar Elevation Corrections**

It had been noted in 2018 that the Westmin collar elevations were generally higher than the updated LIDAR topography. To correct this, the collar elevations were adjusted to the topography elevation by draping the collar to the current topography. Where there had been previous open pit mining (the Dago and S1 pit areas), this was not possible because the original topography was not available. Therefore, the adjustment of 4.1 m has been used to adjust the collars in these areas, based upon the average correction made where the original topography remained.

Validation of survey data for legacy data was completed for the previous NI43-101 report (Ascot, 2019). Validation was by visual inspection, cross-reference to other digital files, and checks against hard-copy records. Some field verification using handheld GPS was also conducted. Print-outs from GEOLOG

records were used to compare to and validate digital files for 836 holes. Some of the holes could not be validated, or were clearly incorrect, and were excluded from the database.

The grid system varied depending on the location within the property area and collar locations had to be manually reconciled by overlaying the plotted information with orthophotos. In the Premier area, the old mine grid was converted to UTM NAD 83 in this manner, and also by translating the elevations by 18.72 m.

### **8.2.2 Collar, Survey and Assay Database Checks**

All drillhole data, when imported to MineSight®, is checked for survey and assay interval errors such as duplicates or overlaps. Assay values are checked for adherence to value limits, missing data and duplicate entries. Minor errors when data was initially imported have been corrected in the Master database and imported files.

### **8.2.3 Assay Certificate Checks**

The assay certificates for all areas have been provided in pdf format by Ascot. Ten percent of the Au assay values and about 2% of the Ag values have been checked within areas of mineralization that have been used to inform the block model. There were only minor errors found in this check, giving no cause for concern regarding the integrity of the database.

At Premier up to 6778 historic assays were checked from the years 1981, 1984, 1987, 1988, 1989, 1990, 1996, 2009, 2013, 2014, 2015, 2016, 2017, 2018, 2019. At Silver Coin up to 5826 historic assays were checked from 1982, 1983, 1986, 1987, 1988, 1989, 1990, 1993, 1994, 2004, 2005, 2006, 2007, 2008, 2010, 2011, 2017, 2018, 2019. At Big Missouri up to 722 historic assays were checked from the year 2019.

There were only minor errors found in these checks, giving no cause for concern regarding the integrity of the database.

All of the core and coarse reject re-assays done in 2016 and 2017 to validate the historical data were added to the Ascot Master database and are now used for resource modelling. Therefore, ten percent of these re-assay certificates have also been checked.

### **8.2.4 Validation of Historic Assays – Pre-1999**

The coarse rejects and core sample duplicates were re-assayed and compared to the pre-1999 historic data, with the analyses summarized below. The conclusion from this analysis is that above about 0.3gpt Au the historic data compares well to the re-assayed data and therefore can be used.

## **8.3 Ascot Validation of Westmin Sampling**

Beginning in 2016 and carrying on into 2017, Ascot had collected rejects from the 1996 Westmin drill holes and had them re-assayed. A total of 6,761 rejects were sent to SGS for analysis. Ascot estimates that approximately 90% of the drill samples collected by Westmin at Premier in 1996 have been re-assayed.

In 2017, Ascot conducted a program of re-assembling and re-sampling core from Westmin's drilling programs spanning the period from 1980 to 1995. A total of 1,970 samples were sent to SGS and analyzed for gold by FA with AA finish (gravimetric finish for overlimit values) and silver by ICP-AES as part of a 41 element package. The samples were from holes that spanned the period 1980 to 1990, but were mostly from 1987, 1988, and 1990. Ascot personnel were able to salvage parts of 78 holes.

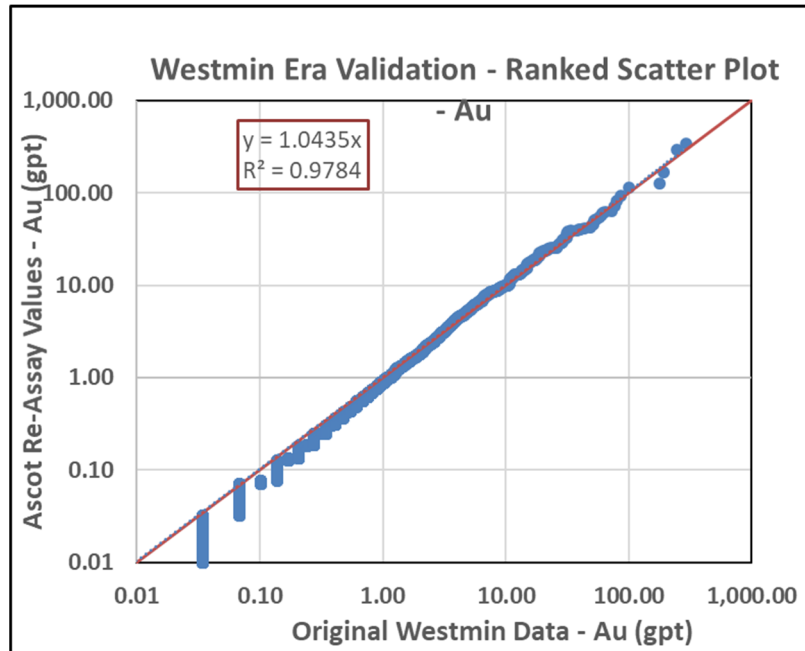
The core had been cross-stacked on pallets and had been left out in the open for some time. As a result, many of the piles had collapsed, rendering much of the core unusable. Most of the core was NQ size with some BQ, and all but approximately five percent of the samples had been taken with a blade splitter as opposed to a saw. The boxes had been marked with Dymo labels which had largely survived as had most of the footage blocks and some of the sample tags. Where a sample interval could be reliably identified, all remaining core in that interval was collected, bagged, and sent for assay. The analysis is



presented in more detail in the January 2019 NI43-101 report (Ascot, 2019), with a summary analysis of combined results presented here.

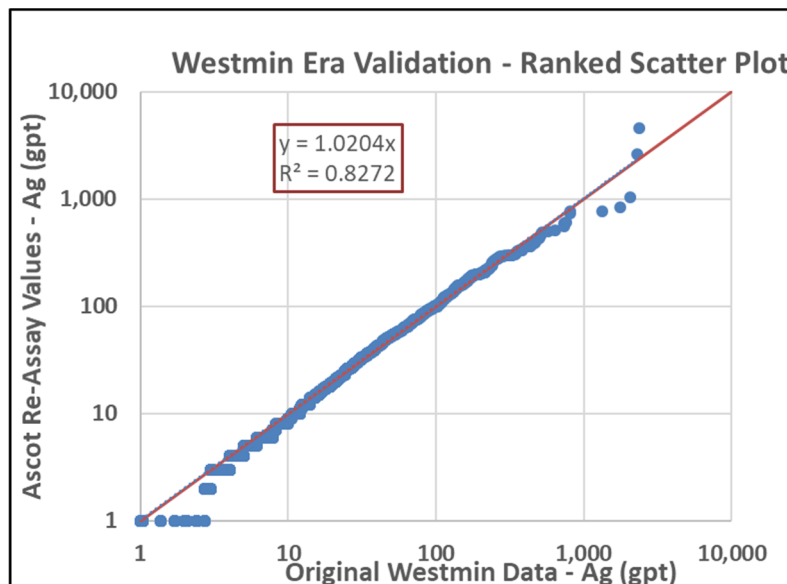
Figures 8-1 and 8-2 show ranked scatter plots for gold and silver, respectively. Both plots indicate slightly higher grades for the re-assay values, and therefore no overall bias in the historic data.

**Figure 8-6: Ranked Scatter Plot Comparing Historic Westmin Data to Re-assay Values - Au**



The difference in grade distribution for Au below about 0.3gpt (0.01opt) is concluded to be due to the higher detection limit for the historic Westmin lab used FA with gravimetric finish compared to SGS's AA finish. This value corresponds to 0.01opt which seems to be a likely lower detection limit for the time period of Westmin drilling. Since 0.3gpt Au is well below the cutoff grade of 1.0gpt AuEq used for the wireframe building and of 3.5gpt AuEq used for reporting the Resource Estimate, these differences are considered immaterial.

**Figure 8-7: Ranked Scatter Plot Comparing Historic Westmin Data to Re-assay Values - Ag**



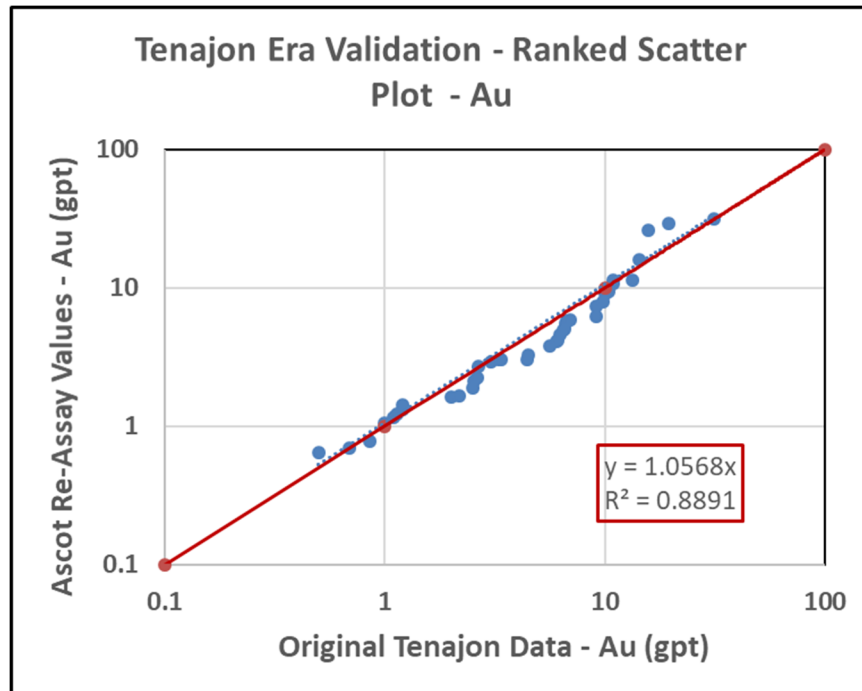
The difference in grade distribution for Ag below about 2gpt is due to the fact that the detection limit of the re-assays is 2gpt (SGS lab), whereas for the Westmin data the detection limit was 1gpt Ag.

As stated above, the results obtained in the rejects re-assay program do not indicate any issues in the Westmin laboratory. Similarly, Ascot's external assay QA/QC protocols indicate that the SGS laboratory is producing reasonable results.

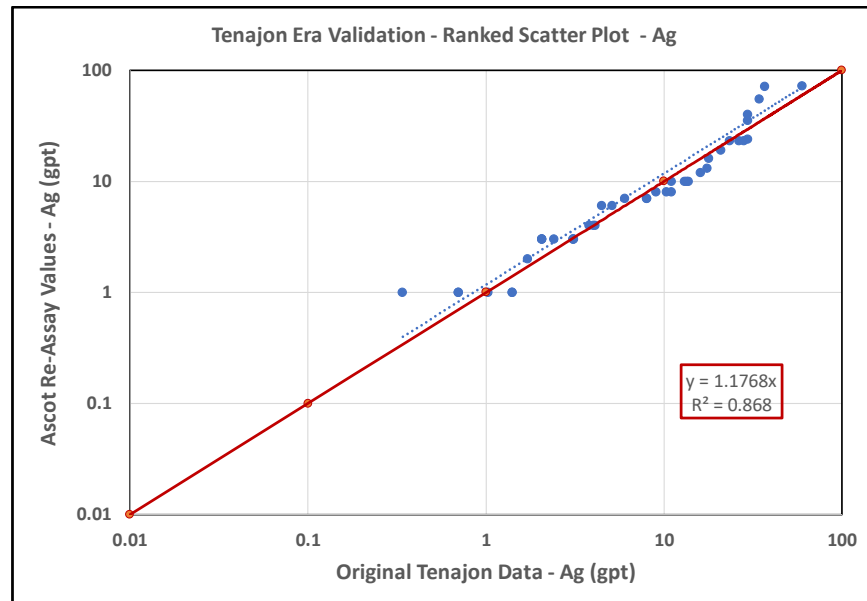
#### 8.4 Ascot Validation of Tenajon Data – Silver Coin

Due to the lack of knowledge about Tenajon era drilling and assay protocols, a re-assay program was undertaken in 2019 to check the Tenajon data. Finding good samples proved difficult due to the age of the core and the fact that the core boxes had been stored outside so in many instances had broken and the samples were no longer viable for re-assay. A total of 42 core samples in the areas of Silver Coin used for wireframing were selected and sent to SGS for re-assay of Au and Ag. The comparison results are presented below. The plot for Au required that an outlier for both the original and the Tenajon had to be removed because of inconsistent results. The remaining data provided a very good correlation with the re-assay values slightly higher than the original assay for both Au and Ag. The conclusion from this analysis is that the Tenajon data is of good enough quality to be used in the interpolations for the Resource Estimate of Silver Coin.

**Figure 8-8: Ranked Scatter Plot Comparing Historic Tenajon Data to Re-assay Values - Au**



**Figure 8-9: Ranked Scatter Plot Comparing Historic Tenajon Data to Re-assay Values – Ag**



## 8.5 Underground Surveys

The wireframes of the underground workings could not be fully recovered, and so they remain as invalid solids, with missing triangles and overlapping segments. The overall accuracy of their location is also somewhat in doubt. Comparison with the intercepts of void spaces in the drill holes shows good agreement in some areas and poorer agreement in others.

Underground surveying conducted by Ascot indicated that there was a small translation error (i.e., no rotation error) between the underground and surface surveys. This error was determined to be 3.14 m in easting, 0.96 m in northing, and 1.73 m in elevation, for a total 3D translation error of 3.71 m. This error was applied to pre-Ascot drill holes and wireframes that had been tied to the old mine grid.

## 8.6 Discussion

In the QP's opinion, the Ascot drill data has generally been collected in a manner consistent with industry best practice. The assaying used for the Resource Estimate has been carried out at accredited commercial laboratories using conventional industry-standard methods. Ascot has implemented an assay QA/QC program that is also consistent with best practice guidelines.

The database verification procedures applied by Ascot comply with industry standards and are adequate for the purposes of Mineral Resource estimation. This includes the validation for use of the legacy drill results, for values above 0.3gpt Au.

# 9. MINERAL PROCESSING AND METALLURGICAL TESTING

## 9.1 Introduction

The Premier Gold Project (PGP) includes five resource areas:

- Premier
- Big Missouri
- Silver Coin
- Martha-Ellen
- Dilworth

Gold-silver mineralization is similar across the five Premier orebodies and is associated with quartz breccias, quartz veins, quartz stockwork, and siliceous breccias often within large areas of quartz-sericite-pyrite alteration. Gold occurs predominantly as electrum with native gold present locally. Silver occurs in its native form, and in electrum, argentite, and freibergite.

Metallurgical projections are supported by results from historical operations and recent metallurgical test work carried out on ore from Premier, Big Missouri, and Silver Coin.

## **9.2 Operating History**

The Premier gold mine operated intermittently from 1918 through to 1996, producing over 2 million ounces of gold plus silver, copper, lead, and zinc. The current mill facility was constructed in 1988-1989 at a design throughput of 2,000tpd (current capacity varies from 2,000tpd to 3,000tpd depending on grind size). The process flow sheet for the existing plant includes a carbon in leach (CIL) circuit for gold and silver extraction, followed by zinc cementation of the precious metals and smelting of a doré product. Westmin reported recoveries were 91% for gold and 45% for silver.

Clark (2010) reported that in 1991, Westmin mined 102,539 t of material from the Facecut-35 Zone at Silver Coin and processed it at the Premier Mill. The grade of this material was reported to be 8.9gpt Au and 55.5gpt Ag. Mill recoveries reportedly averaged 92.9% for gold and 45.7% for silver. Westmin estimated that the tails from this material had been 111,000 t grading 0.61gpt Au and 29gpt Ag.

## **9.3 Recent Metallurgical Test Work**

Ascot and Jayden/MBM both conducted metallurgical test work on their respective properties prior to Ascot's acquisition of the Silver Coin property in 2018.

### **9.3.1 Silver Coin – 2006 through 2011**

In 2006, a thin and polished section petrographic study was undertaken by Walus (2007) that included a discussion of the metallurgical relevance of the observations. He states in his 2007 report:

*Significant (probably most) part of gold [sic] on Silver Coin property occurs as a free gold which forms grains of native gold and electrum ranging in size from 0.01 to a few mm in diameter with most grains falling in the range between 0.01 and 0.05 mm. Abundance of native gold and electrum in most cases correlates well with assay values. However, in a few samples with high assay values, little native gold or electrum was seen.*

In 2008, Jayden submitted eight composite samples to F. Wright Consulting Inc. (Wright) for metallurgical test work. The program comprised open and locked cycle flotation tests along with investigation of gravity and cyanidation recovery methods. Samples of tails and concentrate were submitted for X-ray diffraction analyses as well as optical, Scanning Electron Microscope (SEM), and X-ray Spectrometer studies of polished sections. The purpose of this work was to assist in development of a conceptual flow sheet for processing of Silver Coin ores. The grades of the composited samples submitted to Wright are listed in Table 9-1.

**Table 9-2: Silver Coin Metallurgical Samples done by Jayden - 2008**

<b>Composite Sample Number</b>	<b>Au (gpt)</b>	<b>Ag (gpt)</b>
08-01	0.41	2.3
08-02	1.35	7.6
08-03	1.45	8.3
08-04	1.69	8.9
08-05	2.88	22.7
08-06	0.38	5.5
08-07	1.85	3.5
08-08	1.96	5.2
MC1	1.87	7.1

The 2008 Wright test work showed that flotation methods could achieve greater than 90% recovery for precious metals (Wright, 2009). Initial open cycle tests achieved over 95% gold recovery, although the bulk rougher concentrate produced did not respond well to upgrade in the cleaning stage due to high pyrite contents. Cyanidation could achieve similar gold recoveries if combined with gravity pre-treatment, although silver recoveries tended to be somewhat lower. The conceptual flow sheet developed for the Silver Coin Project comprised conventional grinding, rougher flotation, regrind, and cleaner flotation using elevated pH. Wright (2009) concluded that for feed with a gold grade of approximately 2 gpt Au, gold recovery in the order of 90% could be achieved, with a concentrate grade of approximately 110 gpt Au.

Wright (2009) recommended further variability and locked cycle flotation test work in order to optimize flotation procedures for rejecting pyrite to produce a cleaned bulk gold/silver concentrate.

Jayden initiated further metallurgical studies in 2011 by Wright. The 2011 study consisted of flotation and comminution test work, and included the investigation of gravity pre-treatment, and cyanidation of flotation concentrates. Sample material initially comprised frozen samples from the 2008 program but eventually included new drill core collected during 2011. This study resulted in development of a revised flow sheet, consisting of moderate grinding and gravity concentration, followed by froth flotation to produce a bulk rougher concentrate. The rougher stage would be cleaned by re-grinding, scavenging, and one or two stages of cleaner flotation. The cleaned concentrate would then be cyanided using a Merrill Crowe process to produce gold-silver doré bars. Wright (2011) concluded that this process would achieve gold recoveries in the “mid to upper eighty percent range”, with silver recoveries “expected to average a third to half of the contained silver”.

In 2018, Ascot conducted confirmatory test work on one Silver Coin composite and achieved recoveries in the same range as the Premier and Big Missouri test results (BLM, 2018).

#### **9.4 Ascot Bulk Samples - 2015**

In 2015, Ascot retained ALS Metallurgy Kamloops to conduct a small bench scale test on two composites from Ascot drill core from the Premier Mine area and one composite from the Big Missouri area. The grades of these samples are summarized in Table 9-2.

**Table 9-3: Bulk Sample Assays – Premier and Big Missouri**

Sample	Ag (gpt)	Au (gpt)	Au (Metallics) (gpt)	Zn (%)
Premier LG	64	6.49	-	2.05
Premier HG	387	28.10	18.60	2.21
BM Mod	7	3.70	-	0.30

Metallurgical testing consisted of whole-ore cyanide leach bottle roll tests at two primary grind sizes. In addition, a test was conducted using Knelson gravity concentration with hand panning prior to cyanide leaching of the gravity tailings. Cyanidation was conducted with a 1,000 ppm sodium cyanide concentration at a pH of 11.0 and with oxygen sparging of the leach slurry during sampling intervals of 2, 6, 24, and 48 hours. Nominal primary grind sizes were 100 µm and 70 µm K<sub>80</sub> over 48 hours. A report by D. Roulston (April 2015) summarized the findings from the three composites. The conclusions drawn from this test work were:

- Gold extraction to the leach liquors from whole ore cyanide leaching ranged from 90% to 96% with little notable effects on extractions or leach kinetics over the range of sizes tested. Silver extractions to the cyanide liquors ranged from 69% to 76%, as well with little notable effect of grind sizing on extraction or kinetics.
- Overall sodium cyanide consumption during whole ore leaching tests ranged from 1.3 kg/t to 2.1 kg/t feed and lime consumptions ranged from 0.4 kg/t to 0.6 kg/t feed.
- Leach kinetics were quite fast for gold with peak extraction reached after six hours. Silver kinetics were slower with extraction extending throughout the test.
- The amenability of the composites to gravity concentration had overall recoveries of between 32% and 52% of the feed gold. Incorporation of the gravity step prior to cyanidation leaching resulted in combined recoveries of between 93% and 97%.
- Given the high zinc content, it was recommended to conduct some zinc flotation test work both to provide a saleable zinc concentrate and reduce sodium cyanide consumption.

Testing of coarser primary grind as well as testing of heap leaching were recommended.

## 9.5 Ascot Metallurgical Testing - 2018

In 2018, Ascot retained Base Metallurgical Laboratories Ltd. (BML), located in Kamloops, BC, to conduct test work for ore hardness, gravity recovery, cyanide leach extraction, and cyanide detoxification on a suite of composited drill samples from various locations on the Project. The sample material initially comprised 590 kg of drill core in six composites from three different zones at Premier, as well as two zones from Big Missouri, and one zone in from Silver Coin. An additional 46 kg in two composites, representing andesite and quartz breccia rock types, were later submitted for further comminution studies.

The grades for the first batch of composites are listed in Table 9-3.

**Table 9-4: 2018 Metallurgical Samples – Premier, Big Missouri, Silver Coin**

<b>Composites</b>	<b>Au (gpt)</b>	<b>Ag (gpt)</b>	<b>S (%)</b>	<b>C (%)</b>	<b>TOC (%)</b>
Premier 1	4.51	12.0	3.79	0.97	0.04
Premier 2	9.08	14.0	3.74	1.26	0.04
Premier 3	7.57	69.0	7.75	1.51	0.02
Big Missouri 1	4.03	20.0	7.56	0.12	0.03
Big Missouri 2	2.88	7.0	2.80	1.10	0.03
Silver Coin	8.29	17.0	6.16	1.43	0.06

*Note: TOC stands for Total Organic Carbon.*

BML drew the following conclusions (BML, 2018):

- Bond ball mill work indices ranged from moderate to high hardness.
- The sample material was mildly to moderately abrasive.
- Gravity separation followed by cyanide leaching achieved gold recoveries ranging from 90% to 99%. Overall silver recoveries range from 64% to 83%.
- Higher gold recovery in both the leach and gravity circuits were achieved with finer grind sizes.
- Leach kinetics were fast for gold extraction.
- NaCN consumption was considered moderate.
- Cyanide detoxification tests indicated that 5 ppm weak acid dissociable CN (CNWAD) concentrations could be achieved with a SO<sub>2</sub>:CN<sub>WAD</sub> ratio of between 4:1 and 6:1 and 15 ppm Cu added as a catalyst.

## **9.6 Comments**

In the QP’s opinion, the historic mill performance and recent metallurgical testwork indicates that the PGP deposits can be successfully processed using conventional processing technology.

Premier, Big Missouri, and Silver Coin have metallurgical test work to support metallurgical assumptions for the purposes of resource estimation. Martha-Ellen and Dilworth deposits have similar mineralization to Premier, Big Missouri, and Silver Coin and the QP is satisfied that it is reasonable to assume the metallurgical performance for Martha-Ellen and Dilworth will be similar to Premier, Big Missouri, and Silver Coin.

Base metals present in the ore have been in low enough concentrations to not significantly impact gold recoveries or reagent consumptions.

There are no known additional processing factors or deleterious elements that could have a significant effect on potential economic extraction.

## **10. MINERAL RESOURCE ESTIMATE**

The Mineral Resources for the Premier Gold Project (PGP) have been updated since the previous estimate in January 2019 due to additional drilling and updated geologic interpretation for the Premier, Big Missouri and Silver Coin deposit areas.

The Mineral Resource effective December 12, 2019 is listed in Table 10-1. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014) were followed for the Mineral Resource Estimate.

**Table 10-5: PGP Resource Estimate at a 3.5gpt AuEq Cutoff – Effective date: December 12, 2019**

Class	Deposit	In situ	In situ Grades			Metal	
		Tonnage (Ktonnes)	AuEq (gpt)	Au (gpt)	Ag (gpt)	Au (kOz)	Ag (kOz)
Indicated	Premier	1,298	8.90	8.46	64.20	353	2,680
	Big Missouri	1,116	8.48	8.36	16.90	300	607
	Silver Coin	1,597	7.77	7.61	23.00	390	1,181
	Martha-Ellen	130	5.80	5.47	48.00	23	201
	Dilworth						
	<b>Total Indicated</b>	<b>4,141</b>	<b>8.25</b>	<b>8.01</b>	<b>35.1</b>	<b>1,066</b>	<b>4,669</b>
Inferred	Premier	1,753	7.00	6.72	39.80	379	2,243
	Big Missouri	1,897	8.44	8.34	14.70	508	896
	Silver Coin	523	7.19	7.03	23.20	118	390
	Martha-Ellen	653	6.36	6.12	34.30	129	720
	Dilworth	235	6.51	6.13	56.00	46	424
	<b>Total Inferred</b>	<b>5,061</b>	<b>7.45</b>	<b>7.25</b>	<b>28.70</b>	<b>1,180</b>	<b>4,673</b>

**Notes:**

1. Mineral Resources are estimated at a cut-off grade of 3.5gpt AuEq based on metal prices of US\$1,300/oz Au and US\$20/oz Ag.
2. The AuEq values were calculated using US\$1,300/oz Au, US\$20/oz Ag, a silver metallurgical recovery of 45.2%, and the following equation:  $AuEq = Au_{gpt} + (Ag_{gpt} \times 0.00695)$ .
3. A mean bulk density of 2.85 t/m<sup>3</sup> is used for Premier and of 2.80 t/m<sup>3</sup> for all other deposit areas
4. A minimum mining width of 2.5 m true thickness is required in order to be classified as Resource material
5. Numbers may not add due to rounding.

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource Estimate for Premier, Big Missouri, Silver Coin, Martha Ellen, or Dilworth deposits.

**10.1 Changes to the Mineral Resources**

Table 10-2 presents the total PGP change in the Resource Estimate by deposit from the previous estimate announced in Ascot's News Release of December 2018 and detailed in the Technical Report (Rennie, Bird and Butler, 2019). There has been a significant increase in Indicated tonnage for the three deposits in which drilling has taken place and which have been updated since the last estimate. This tonnage increase is partially offset by a drop in grades, resulting in an increase in overall metal content. The changes to the Resource Estimate are due to discovery of additional Mineral Resources through diamond drilling, upgrading of Inferred material and enhanced geologic interpretation and controls in the modelling conducted during 2019.

**Table 10-6: Summary of Changes to the Total PGP Resource from 2018 to 2020 - Indicated**

Deposit	In situ Tonnes 000's	Tonnage Change from 2018	In situ Grade		Contained oz (000's)	
			Au gpt	Change from 2018	Au	Change from 2018
Premier	1,298	+4%	8.46	+21%	353	+26%
Big Missouri	1,116	+107%	8.36	+2%	300	+111%
Silver Coin	1,597	+86%	7.61	-5%	390	+76%
Martha Ellen	130	0%	5.47	0%	23	0%
<b>Total</b>	<b>4,141</b>	<b>+49%</b>	<b>8.01</b>	<b>+7%</b>	<b>1,066</b>	<b>+60%</b>



**Table 10-7: Summary of Changes to the Total PGP Resource from 2018 to 2020 - Inferred**

Deposit	In situ Tonnes 000's	Tonnage Change from 2018	In situ Grade		Contained oz (000's)	
			Au gpt	Change from 2018	Au	Change from 2018
Premier	1,753	+1%	6.72	+13%	379	+14%
Big Missouri	1,897	-16%	8.34	+1%	509	-15%
Silver Coin	523	-55%	7.03	-10%	118	-59%
Martha Ellen	653	0%	6.12	0%	129	0%
Dilworth	235	0%	6.13	0%	46	0%
<b>Total</b>	<b>5,061</b>	<b>-16%</b>	<b>7.25</b>	<b>+1%</b>	<b>1,180</b>	<b>-15%</b>

**Notes for Tables 10-2 and 10-3:**

1. Mineral Resources are estimated at a cut-off grade of 3.5gpt AuEq based on metal prices of US\$1,300/oz Au and US\$20/oz Ag.
2. Percent differences are calculated as:  $(2020-2018)/2018$  %
3. The AuEq grade was calculated using the same parameters as the last Resource Estimate for comparison purposes
4. The AuEq values were calculated using US\$1,300/oz Au, US\$20/oz Ag, a silver metallurgical recovery of 45.2%, and the following equation:  $AuEq(gpt) = Au(gpt) + 45.2\% \times Ag(gpt) \times 20 / 1,300$
5. A mean bulk density of 2.85 t/m<sup>3</sup> is used for Premier and of 2.80 t/m<sup>3</sup> for all other deposit areas
6. A minimum mining width of 2.5m true thickness is required in order to be classified as Resource material

**10.2 Key Assumptions/Basis of Estimate**

The total number of holes completed for the entire PGP property is 4,623 with drilling by deposit area summarized in Table 10-4.

**Table 10-8: Summary of Drilling by Deposit Area**

Deposit	Era	Holes	Metres	Intervals Assayed	Metres Assayed	% Assayed
Premier	Pre-Ascot	910	78,464	27,581	38,971	50%
	Ascot	1,121	288,450	40,933	68,801	24%
	sub-total	2,031	366,914	68,514	107,772	29%
Big Missouri	Pre-Ascot	381	25,085	7,488	11,838	47%
	Ascot	763	155,197	64,337	110,835	71%
	sub-total	1,144	180,282	71,825	122,673	68%
Silver Coin	Pre-Ascot	898	112,062	52,550	92,719	83%
	Ascot	94	13,546	5,087	8,383	62%
	sub-total	992	125,609	57,637	101,102	80%
Dilworth	Pre-Ascot	13	625	124	221	35%
	Ascot	153	30,242	15,407	24,857	82%
	sub-total	166	30,867	15,531	25,078	81%
Martha Ellen	Pre-Ascot	153	10,510	3,095	4,486	43%
	Ascot	137	22,353	8,589	16,485	74%
	sub-total	290	32,863	11,684	20,971	64%
<b>Grand Total</b>		<b>4,623</b>	<b>736,535</b>	<b>225,191</b>	<b>377,597</b>	<b>51%</b>

**10.3 Geological Models**

The geologic models for each of PGP deposit areas consisted of creating solids for potentially mineralized zones, and for the post-mineral porphyry dikes and faults. Dikes and faults created for the 2018 model were adjusted to adhere to the new drilling. Mineralization within each of the deposits is

now interpreted to have been mineralized by sub-vertical structures which acted as conduits to fluid flow. The structures at Premier are interpreted to be preserved in their original geometry whereas at Big Missouri and Silver Coin, previously east dipping structures have been rotated into their current position to now be shallowly dipping, primarily to the west, with a general younging trend in the same direction.

Mineralization and the relation of the geology to the potentially mineralized wireframes used in the block model interpolation are illustrated and discussed in detail in Section 7 of this report with the wireframes and corresponding search ellipses used during interpolation illustrated in this section.

To model the potentially mineralized zones for underground mining the AuEq grade has been used to aid in tagging the intervals for potential underground mining. The AuEq grade was calculated using the following assumptions:

- Au price = US\$1,300/oz
- Ag price = US\$20/oz
- Ag recovery = 45.2%

The resulting equations is:

$$\text{AuEq(gpt)} = \text{Au(gpt)} + 45.2\% \times \text{Ag(gpt)} \times 20 / 1,300$$

The grades for both Au and Ag vary by as much as five orders of magnitude over fairly short distances (i.e., 5 m to 20 m). Therefore, correlation of higher grades is difficult and has been mitigated by the inclusion of surrounding lower grade mineralization. For this reason, a cut-off grade of approximately 1.0gpt AuEq was selected for the mineralization envelopes, which is significantly lower than the actual economic cut-off grade for underground mining. This improved apparent continuity between drill hole intercepts, enhanced interpretation and also allowed for the inclusion of model or “internal” smoothing or dilution.

Wireframes have been created by manual tagging of assay intercepts with an AuEq grade of equal to or greater than approximately 1.0gpt AuEq and a possible true thickness of 1.0 m to 2.0 m. This has been done to include intercepts below the resource cut-off grade of 3.5gpt AuEq in order to provide continuity of mineralized solids, and to include internal dilution in the interpolations. The tagged intercepts were then used with the Implicit Modelling Tool in MineSight (MSIM<sup>®</sup>) to create footwalls and hanging walls for the development of mineralized solids. The surfaces have been clipped to a maximum of 50 m from an outer boundary intercept.

The interpretive process involved a great deal of inspection of intercepts to ensure that they were wide enough in true thickness, whether dilution was required to achieve this minimum thickness, and if so, how much and at what grade.

The precise location of void spaces is not known owing to uncertainties in survey control, the poor quality of the mined-out wireframe volumes, and lack of current production records. Consequently, it was necessary to provide a buffer around known void spaces. This buffer was nominally two to three metres depending on the circumstances. If the void was solely due to development and not stoping, then the buffer was usually reduced and sometimes not applied at all.

Intercepts of voids in the Ascot drilling were used to evaluate the accuracy of the locations of stoped volume models wherever possible. Legacy holes with high grade intercepts that occurred near stope volumes were assumed to be mined out and ignored. In many instances, Ascot holes pierced voids and then intersected mineralization adjacent or near to the void space. In other, more rare occurrences, a drill hole would appear to intersect a stope or drift model but, in fact, intersected a mineralized zone. Each individual intercept of this nature was evaluated and either rejected or accepted depending on the possibility of whether the zone in question was likely to be mineable. As a general rule, intercepts near stopes were ignored as not mineable if they were within two metres of the logged void space.

A total of 99 zones for Premier, 83 zones for Big Missouri, 14 zones for Martha Ellen, and 22 zones for Dilworth have been modelled. The wireframes are illustrated in the 3d views and in sections for each deposit where they are also compared to the geology models in Section 7 of this report.

### **10.3.1 Wireframes – Additional Details for Premier**

There are portions of the Premier deposit where no additional drilling has been done since the previous resource estimate was published in January 2019 and where there has been no change to the previous wireframes built with more traditional 2D methods using GEMS software. There are 28 of these zones and they occur within the Lunchroom, Obscene, and Premier Main areas.

In these zone polyline interpretations were first drawn on cross sections spaced at 5 m to 25 m intervals, depending on drill density. GEMS polylines were created such that they were “pinned” to the drill holes in 3D to ensure that there were no parallax effects owing to holes being off-section. These lines were extruded into solid “slices” and used to re-interpret the zones on level plan views spaced at 20 m to 10 m intervals, again depending on drill density and/or complexity of the models. The level plan polylines were extruded once more and used as guides to rebuild and refine the cross sectional interpretations. Minimum true widths for these zones is 2.5 m. Adjacent intercepts could be incorporated into a solid, ostensibly without a distance limit, but in practice, only rarely did the distance between intercepts exceed 30 m. Polylines were limited to an external limit of 25 m from the outermost drill hole, but again, due to the drill density, this limit was not reached very often.

### **10.4 Assay Statistics and Capping**

The assay statistics have been examined using boxplots, histograms, and cumulative probability plots (CPP). The grade distribution for Au and Ag within the modelled grade shells is generally lognormal except at very low grades approaching the lower detection limits and at the upper end where high grade outliers are apparent.

### **10.5 Reasonable Prospects of Eventual Economic Extraction**

For determination of a resource cut-off grade for Premier in April 2018, Ascot conducted a very preliminary analysis including a review of cost information from similar projects. The following assumptions were used:

- Gold price of US\$1,300/oz (no contribution from silver)
- Underground mining
- Processing at a rate of 1,000 tpd
- US\$ exchange rate of US\$0.78:C\$1.00
- Operating costs of:
  - Mining - US\$62.43/t
  - Mill & Services – US\$45.00/t
  - G&A – US\$25.00/t

Metallurgical recovery of 89% for gold (based on historical mill performance; silver was not included in the analysis).

The mineralized zones at Premier, and throughout the Project area, embrace a wide range of orientations and thicknesses which would require different mining methods depending on geometry. The following assumptions were made concerning the relative proportions of the mineralization that would be mined by each method and unit costs of those methods:

- Cut and fill – 20%, US\$88.23/t
- Longhole – 30%, US\$50.00/t
- Inclined room and pillar – 20%, US\$40.00/t

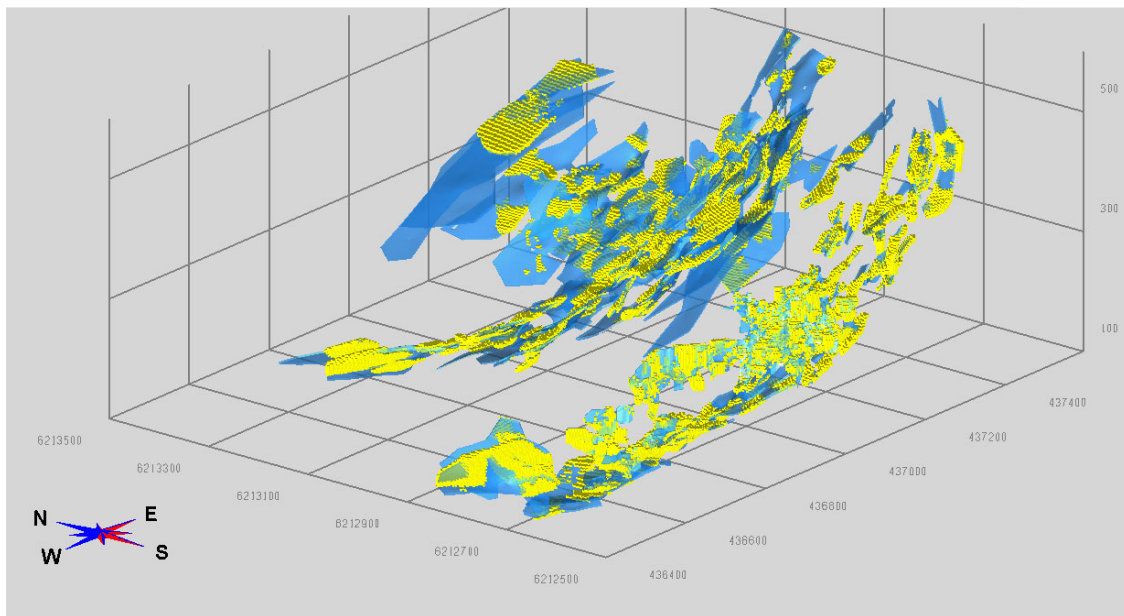
- Alimak – 20%, US\$60.00/t
- Shrinkage – 10%, US\$97.83/t

The implied cut-off grade, based on the above assumptions, was 3.55gpt Au. Ascot’s analysis has been reviewed by the QP and is considered to be reasonable for the purposes of determining a resource cut-off grade. A block cut-off grade of 3.5gpt AuEq was applied to the block models at Premier for reporting of Mineral Resources.

In addition to the cut-off grade, a 2.5m minimum true thickness constraint was used to exclude material considered too thin to warrant underground mining. True thickness values have been determined from the assay intervals by using the dip of the mineralized zone and the dip of the drill hole. The true thickness has then been interpolated for the block using the majority zone of mineralization.

Although a 3.5gpt AuEq cutoff grade has been used, it should be noted that this is essentially a 0.0gpt cutoff grade within gradeshells of minable shapes created at a 3.5gpt AuEq and therefore conforms to the updated CIM Best Practices Guidelines (CIM, 2019). The following figure illustrates the wireframes used for interpolation (blue) and the 3.5gpt AuEq gradeshells (yellow) used to define the Resource Estimate for the Premier-Northern Lights area. The continuity of the Resource above 3.5gpt AuEq is evident.

**Figure 10-1: Continuity of the 3.5gpt AuEq Gradeshell - Premier**



## 10.6 Mineral Resource Statement and Sensitivity to Cutoff Grade

Table 10-2 presents the Mineral Resource Estimate for each of the PGP deposits at a base case cut-off grade of 3.5gpt AuEq. Table 10-5 summarizes the sensitivity of the Total PGP Resource to cut-off grade with the base case cut-off grade of 3.5gpt AuEq highlighted.

**Table 10-5: Total Resource Sensitivity to Cutoff Grade, effective date of December 12, 2019**

Class	Cutoff AuEq (gpt)	In situ	In situ Grades			Metal	
		Tonnage (Ktonnes)	AuEq (gpt)	Au (gpt)	Ag (gpt)	Au (kOz)	Ag (kOz)
Indicated	2.5	6,015	6.60	6.39	30.12	1,237	5,825
	3.0	4,958	7.43	7.20	32.7	1,148	5,207
	3.5	4,141	8.25	8.01	35.1	1,066	4,669
	4.0	3,483	9.11	8.85	37.6	990	4,215
	4.5	2,954	9.98	9.70	40.0	921	3,797
	5.0	2,545	10.82	10.53	42.0	861	3,439
Inferred	2.5	7,565	5.97	5.79	26.1	1,408	6,342
	3.0	6,176	6.70	6.51	27.2	1,292	5,402
	3.5	5,061	7.45	7.25	28.7	1,180	4,673
	4.0	4,071	8.36	8.15	30.0	1,067	3,925
	4.5	3,364	9.22	9.01	31.0	974	3,352
	5.0	2,890	9.96	9.74	31.7	905	2,942

### 10.7 Factors That May Affect the Mineral Resource Estimate

Areas of uncertainty that may materially impact the Mineral Resource Estimate include:

- Commodity price assumptions
- Metal recovery assumptions
- Mining and processing cost assumptions

The risk factors are discussed in the next section. There are no other known factors or issues that materially affect the estimate other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio- economic, marketing, and political factors.

### 10.8 Risk Assessment

The identified risk factors have been split into Technical and non-technical groups, with technical meaning those identified and discussed in this report and non-technical having to do with assumptions on prices, costs and outside influences. A description of each factor is given in Table 10-6 along with either the justification for the approach taken or mitigating factors in place to reduce any risk. A matrix of the risk factors mentioned above, and additional potential risks known for this project specifically are summarized in the matrix of Table 10-7 below. As illustrated, there are no adverse risks that are in the Possible, Likely or Known categories that have a detrimental impact on the overall project. It is considered, however, that the low metallurgical recoveries used will have a positive impact on the PGP project.

**Table 10-6: List of Risks/Rewards and Mitigations Justifications**

	#	Description	Justification / Mitigation
<b>Technical Factors</b>	1	QAQC Standards for Ag assayed high in 2019	Re-assay standards for 2019 or do checks
	2	Silver Coin QAQC not to the same level as other deposits for legacy drilling	Check assays have been done where possible
	3	Surveys of legacy holes inaccurate	Definition drilling applied prior to mining
	4	Classification Criteria	2019 drilling indicates veins are continuous to 35m distances used for Indicated Classification
	5	Unknown Geologic Structures	Continuous mapping of structures and ongoing exploration drilling
	6	Capping and Outlier Restriction	CPP, Swath Plots and G-T curves show model validates well with composite data
<b>Non-Technical Factors</b>	7	First Nations treaty issues	Follow Nisga'a Treaty
	8	Au price falls below \$US 1300	Conservative price has been used
	9	Recoveries used for the current resource are conservative	Additional metallurgical testing
	10	Processing and Mining Costs are low	Lower costs are used to include all mineralization with "reasonable prospect of eventual economic extraction"
	11	Claims Boundary Issues	Legal Consul has been hired
	12	Environmental Permitting Issues	Ongoing with input from Nisga'a
	13	Areas of Resource are not conducive to underground mining	Geotechnical and mine planning studies are underway

**Table 10-7: Matrix of Potential Risk Factors**

		Impact to the Overall Project				
		Positive Impact	Neutral / Immaterial	Slight Negative Impact	Somewhat Detrimental	Very Detrimental
<b>Probability</b>	<b>Known Factor</b>	9	1, 2			
	<b>Likely</b>		3, 10			
	<b>Possible</b>			5		
	<b>Not Likely</b>			4, 11	6	13
	<b>Almost No Chance</b>			8	12	7

Additional details on the justification for the updated Classification to Indicated for the three deposits drilled in 2019 (Premier, Big Missouri and Silver Coin) are provided in the figures below. These figures illustrate the 2019 drilling compared to the 2018 model. The 2019 AuEq assay grades are compared to the 2018 grade shells of Inferred material above a 3.5gpt AuEq cutoff. These figures show clearly that the wireframing process and interpolation methods predicted well the grade and location of mineralization. Continuity of mineralization above 3.5gpt AuEq up to at least 75m is evident, providing justification for Classification to Indicated when three drillholes are within 35m for these three deposits. Note that the Classification did not change in Martha Ellen and Dilworth where there was no 2019 drilling and remains with the restriction of three drillholes within 17.5m.

In each case the location of the wireframes has been adjusted slightly based on the 2018 drilling, but the modelling methodology remained very much the same.







## 11.2 Local Communities

The nearest BC community to the Project is the District of Stewart, a town of approximately 400 people, according to the 2016 census. Other stakeholders may include overlapping tenure holders (such as trapline holders, guide outfitters, and independent power producers), local and regional governments, and government regulatory agencies.

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

## 11.3 Permits

The current program on the Premier, Big Missouri, Martha Ellen, and Dilworth properties is operated under Amended Permit MX-1-743 which expires on March 31, 2023. Exploration Permit MX-1-743 and Mines Act Permit M-179 were transferred from Boliden to Ascot in 2018. Amended Permit MX-1-743 was issued to Ascot on January 8, 2018 allowing an additional 800 drill sites to be completed by March 31, 2023. This permit is for a helicopter supported and road access exploration program. A Notice of Work and Reclamation is required under the Mines Act and must be filed and approved if surface disturbance is required. A Free Use Permit (FUP) for timber cutting has also been issued for a term of January 8, 2018 to March 31, 2023 for a maximum volume of timber to be cut of 50 m<sup>3</sup>.

Ascot conducts exploration work at Silver Coin under permit MX-1-643. The current permit expires on March 31, 2022 and allows 40 ground supported drill sites and 2.35 km of new trail. A bond held by the Ministry in the amount of \$71,300 will be held until reclamation of these drill sites is completed to the satisfaction of the Ministry.

In 2018, Ascot initiated independent environmental studies to support permitting efforts related to restarting the mine. A gap analysis was carried out early in 2018 in order to determine the extent and breadth of environmental baseline data available to meet permitting requirements. This analysis determined gaps in the following areas:

- Fish and aquatic habitat
- Climate and hydrology
- Hydrogeology
- Geochemistry
- Terrain, soils, and natural hazards
- Water and sediment quality
- Vegetation and ecosystems
- Wildlife and wildlife habitat

Baseline data collection and reporting programs were prepared in June 2018 to fulfill all data requirements identified by the gap analysis. These programs were sent to Nisga'a Lisims Government (NLG) for their review and input. The reviewed programs were initiated in June 2018. Ascot reports that sufficient baseline data was collected to meet permitting requirements. At the time of writing of this report, baseline reports have been reviewed by NLG and an additional season of baseline was collected in 2019 to complete the final baseline reports received in early 2020. These reports will be used to support permitting and management plans, including reclamation and closure.

## 11.4 Environmental Liabilities

The company has access to Westmin's historic water testing, soil testing, and baseline work for Premier Mine, Dago, and S1 pit areas and Boliden's monitoring since mine closure in 1996. Ascot continues to collect information on a regular basis including monitoring of water quality and flow at a number of locations. Since 2001, a weather station has been operational onsite. This station logs hourly

temperature, wind speed and direction, snow depth, rainfall, net solar radiation, barometric pressure, and humidity.

A reclamation plan for the exploration activities was prepared to accompany the Notice of Work and Reclamation application to the Ministry. The main reclamation objective is to return the site to wilderness area. The security deposit for project reclamation relating to the current drill programs is \$65,500.

A condition of transferring permits from Boliden to Ascot in 2018 required Ascot to post a bond totaling \$14.5 million. This bond will be placed in installments of \$5 million per year.

The QP is not aware of any other environmental liabilities on the Property.

## **12. ADJACENT PROPERTIES**

The Premier Project is located at the southern tip of British Columbia's Golden Triangle. This area is host to a large number of epithermal, VMS style, and copper porphyry deposits. The mineralization at the Premier Project is epithermal in nature and there are a number of similar showings and deposits in proximity of the property. The Premier Project is the largest project in terms of size and contained metal in the Stewart area.

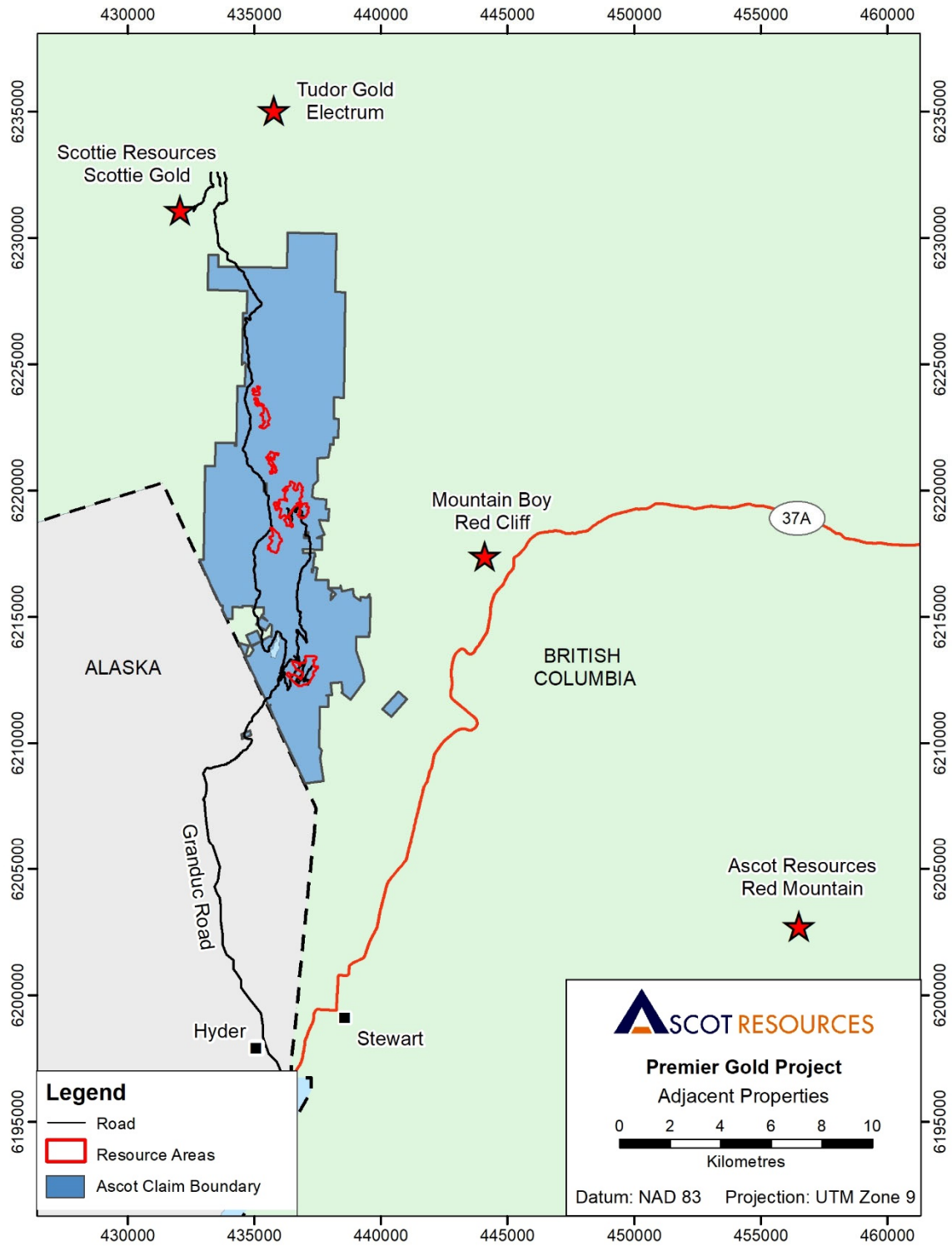
The Scottie Gold Mine is located approximately 20 km north of the Premier Project, and is accessed by the Granduc Road along the Salmon Glacier (Figure 12-1). Gold and silver mineralization occurs as bodies of massive pyrite and pyrrhotite with accessory sphalerite, chalcopyrite, galena, arsenopyrite, and tetrahedrite in epithermal quartz-carbonate veins. From 1981 to 1984, the mine produced 160,264 t, containing 2,984 kg Au and 1,625 kg Ag (<http://minfile.gov.bc.ca>). The property is currently held by Scottie Resources Corporation.

Five km further north lies the Electrum prospect which is 60% owned by Tudor Gold Corp. Gold and silver mineralization occurs in epithermal quartz-carbonate veins, stockworks, and breccias hosted in island-arc volcanic rocks (<http://tudor-gold.com>). Sulphide minerals include pyrite, sphalerite, galena, and chalcopyrite.

The Red Cliff project is a former producing copper and gold property 6km east of the Premier mill buildings in the adjacent valley. It is owned 65% by Decade Resources and 35% by Mountain Boy Minerals. Gold is associated with abundant chalcopyrite and pyrite, most commonly in sulphide-bearing veins within a 30 to 40 meter wide shear that can be traced over two kilometers. There are also gold-bearing stockwork zones outside of the vein (<https://www.mountainboyminerals.ca/>).

Ascot acquired the Red Mountain Project in 2019. The project is located approximately 15 km to the east of Premier in the Bear Valley (Figure 23-1). Gold mineralization is hosted in hydrothermal veins and stockworks of quartz-carbonates with pyrite veins, breccia fillings, and disseminations. The zones comprise broadly tabular and moderately folded bodies spatially associated with breccias at the contacts between Early Jurassic Hillside porphyry intrusives with surrounding siltstones and mudstones. As of November 22, 2019, the property hosted Measured and Indicated Mineral Resources of 4.14 Mt grading 7.7.63gpt Au and 21.02gpt Ag and an additional 1.75Mt in the Inferred category grading 5.32gpt Au and 7.33gpt Ag (Arseneau, 2019).

**Figure 12-10: Adjacent Properties**



### **13. RECOMMENDED EXPLORATION WORK**

In 2020, Ascot is planning to complete 10,000m of diamond drilling from surface at the western extension of Premier following up encouraging results from 2019.

The Company also plans to conduct induced polarization ground geophysical surveys in various parts of the property. Grassroots mapping and sampling is planned for the northern and eastern parts of the property aiming to identify new zones of mineralization away from the known resource areas.

Additional drilling is budgeted in order to follow up existing and new IP anomalies on the property.

It is recommended that the planned exploration program with a budget of C\$4.0 million be carried out.

Ongoing variability test work needs to be completed to determine the metallurgical performance projections as well as processing plant operating parameters. It is recommended that a testing program with a budget of C\$ 300,000 be carried out.

#### **Other Properties – Mt. Margaret and Swamp Point**

The Company also holds interests in certain properties, described below, which are not material to the Company. While the Company continues to maintain the properties with a view to future exploration and development, there are currently no material exploration activities or expenditures planned with respect to these properties for the current fiscal year.

#### **Qualified Person**

John Kiernan is a Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed and approved the scientific and technical contents of this section of the AIF.

#### **Red Mountain Project**

On January 7, 2019, the Company entered into a definitive arrangement agreement with IDM pursuant to which Ascot would acquire all of the issued and outstanding common shares of IDM (the “Transaction”). Each IDM shareholder was entitled to receive 0.0675 of a common share of Ascot for each share of IDM held. The Transaction was approved by the securityholders of IDM on March 20, 2019 and closed on March 28, 2019. The Transaction consolidates Ascot’s Premier Gold Project and IDM’s Red Mountain Project, to create the leading high-grade gold development and exploration company in northwestern British Columbia’s Golden Triangle. The combined entity benefits from numerous operational and development synergies.

In connection with the Transaction, a former IDM independent director Ms. Andrée St-Germain was appointed to the Board of Directors of Ascot. Ms. St-Germain is the Chief Financial Officer of Integra Resources Corp. and is an experienced mining finance executive with an extensive background in banking, mining finance and financial management.

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

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

On April 10, 2019, the Company and Nisga’a Nation entered into a Benefits Agreement (the “Agreement”) for the RMP. The comprehensive Agreement sets the basis for a long-term success of the project, which will benefit Nisga’a Nation, its citizens, and businesses as well as the shareholders, management and employees of Ascot. The Nisga’a Nation has rights and interests as set out under the Nisga’a Final Agreement with Canada and British Columbia, encompassing the entirety of the RMP property.

On October 31, 2019, the Company announced the results of an updated mineral resource estimate on the RMP, which incorporated the results of drilling completed during Q4 2018. The updated mineral resource estimate included 782,600 ounces of gold in measured and indicated resource and 69,300 ounces of gold in inferred resource, an increase of 198,000 ounces in comparison to the 2017 feasibility study or 78,000 ounces in comparison to the 2018 resource in measured and indicated categories. The resource estimate is authored by Dr. Gilles Arseneau, P.Geo. (of Arseneau Consulting Services, “ACS”) with input from Ascot’s technical team. This new resource estimate contains almost 200,000 additional ounces of gold in the Measured and Indicated categories compared to the 2017 feasibility study for RMP. The substantial increase warrants an updated economic evaluation at feasibility level.

**Mineral Resources at Red Mountain Project reported at a  
3.0 g/t Au cut-off for underground longhole stoping  
(effective date of August 30, 2019)**

Class	In situ Tonnes 000's	Average In situ Grades		Contained oz (000's)	
		Au g/t	Ag g/t	Au	Ag
Measured	1,920	8.81	28.3	544	1,747
Indicated	1,270	5.85	10.01	239	409
<b>Measured &amp; Indicated Total</b>	<b>3,190</b>	<b>7.63</b>	<b>21.02</b>	<b>783</b>	<b>2,156</b>
<b>Inferred Total</b>	<b>405</b>	<b>5.32</b>	<b>7.33</b>	<b>69</b>	<b>96</b>

**Quality assurance / Quality control**

The mineral resource model prepared by ACS utilized a total of 699 drill holes, 230 of which were drilled by IDM Mining: 12 in 2014, 62 in 2016, 116 in 2017 and 40 in 2018. The resource estimation work for RMP was completed by Dr. Gilles Arseneau, P. Geo. (EGBC) an appropriate independent “qualified person” within the meaning of NI 43-101. The effective date of the RMP Mineral Resource statement is August 30, 2019 (the full report can be found on SEDAR).

Block modelling was performed using 4 x 4 x 4 metre blocks. ACS considers that blocks in the Marc, AV and JW zones estimated during pass one and from at least 3 drill holes could be assigned to the Measured category. All other blocks interpolated during pass 1 in the Marc, AV and JW zones were assigned to the Indicated category. Blocks estimated with at least 3 holes during pass 2 in all zones were classified Indicated. All other estimated blocks were classified as Inferred. Interpolation was by ordinary kriging, or inverse-distance squared methods on smaller or dispersed data sets, with anisotropic search ellipsoids designed to fit the strike and dips of the zones. An extensive quality control and quality assurance (“QA/QC”) review was completed on all 2018 and previous exploration work and a comparative analysis was performed on drill hole data, underground bulk sampling and geology. Bulk density was interpolated using inverse-distance squared method where there were sufficient data populations. For zones with sparse data, average values from the data available for a given zone were applied. Metallurgical studies have indicated that gold recoveries for the main resource zones (Marc, AV, JW, 141) range from 88.1% to 92.8% and average 90.9% (tonnage weighted).

For the mineral resource estimate, grade estimates were based on capped composited assay data. Gold values, depending on the zone, were top cut in a range from 20g/tonne to 75 g/tonne and silver values were top cut in a range from 45 g/tonne to 500 g/tonne. For the updated 2019 mineral resource estimate, it was decided to cap raw assays with top cuts for gold and silver on a zone by zone basis. The most significant capping was undertaken in the Marc and AV zones of the deposit.

### Sensitivity

This mineral resource estimate is reported at a 3.0 g/t Au cut-off grade. Cut-off grades may be re-evaluated considering prevailing market conditions (including gold prices, exchange rates and mining costs). Opportunities identified during the engineering phase show potential for reduced operating costs and the potential for lowering the cut-off.

### Mt. Margaret

The Company owns a 50% interest in the Mt. Margaret property, subject to a 1.5% net smelter royalty held by General Moly Inc. The remaining 50% interest in the Mt. Margaret property is held by the federal government of the United States, which interest will convert into a royalty (on terms to be negotiated once the property goes into production).

The Mt. Margaret property covers a large portion of the undeveloped resource known as the Mt. Margaret deposit. This is one of the largest of the Cu-Mo-Au-Ag calc-alkaline porphyries of Miocene age in Washington State. Since discovery in 1969 Duval Corporation conducted numerous exploration programs and mine/metallurgical studies on Mt. Margaret deposit until the eruption of Mt. St. Helens halted all fieldwork in 1980.

The Mt. Margaret porphyry copper-molybdenum-gold-silver deposit is located 22.5 km southwest of Randle Washington in Skamania County. The Mt. Margaret deposit was discovered by Duval Corporation in 1969 and was actively explored annually from 1971-1980. By 1980, a total of 105 diamond drill holes totalling 20,729 metres had been completed.

The historic geological resource “non 43-101 compliant” stated by Duval, dated 1980 (Taylor) using a 0.33% CuEq cut-off.; is quoted below:

<b>Mt. Margaret Geological Resource <sup>(1)</sup> – Source (CIM Special Volume 37, 1986)</b>					
	Tonnes	CU Grade (%)	Mo Grade (%)	Gold Grade (g/t)	Silver Grade (g/t)
Geological Resource	523MT	0.36	0.011	0.24	1.6

- (1) Geological Resources for the Mt. Margaret deposit are referenced in CIM Special Volume 37 as well as several USGS and GSC databases. These historical resource estimates predate the implementation of National Instrument 43-101 (“NI 43-101”) guidelines and are not compliant with current accepted reserve and resource classifications as set forth by Canadian Institute of Mining and Metallurgy, Aug 20, 2000 (CIM Guidelines). The Mt. Margaret resource estimates are considered relevant as they have been calculated on the basis of 20,729 metres of diamond drilling in 105 drill holes, However, Ascot has not completed the work necessary to have the historical estimate verified by a Qualified Person as a current mineral resource or mineral reserve estimate. The Company is not treating the estimate as a current NI 43-101 defined resource or reserve estimate and the historical estimate should not be relied upon. There is no current economic evaluation that demonstrates the potential economic viability of the stated resources therefore none of the geological resources should be considered “reserves” under current CIM Guidelines.

Ascot drilled 11 holes at Mt. Margaret in 2010. The intent of the program was to confirm and expand the historic resource estimates.

A plan map of drill hole locations, detailed sections and assay results are available on the Company’s website.

The Company's 2011 drill program was scheduled to start in early July, it was planned to drill up to 30 holes on the Company's MS 708 lease to increase the drill density to allow an NI 43-101 resource to be calculated. The drill program was suspended pending the completion of an Environmental Assessment report which was being prepared in conjunction with the prospecting permit application mentioned below.

The Company applied for prospecting permits on land adjacent to its MS 708 lease, the Company wanted to confirm and expand on Duval drilling that indicated this land could have significant economic potential if developed in conjunction with MS 708. The prospecting permits received final approval in December 2012. In March 2013, the U.S. Forest Service denied an appeal of these decisions by an environmental group. In July 2014, following a court challenge of the denied appeal, the court set aside the permit approvals pending further action consistent with the court's findings. The Company worked with the government agencies to amend its Environmental Assessment in a manner consistent with the court's findings. The amended Environmental Assessment was released for public comment in January 2016.

In December 2018, the release of the Bureau of Land Management ("BLM") Decision Record for Hardrock Prospecting Permit Applications with a Finding of No Significant Impact ("FONSI") 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 kms southwest of Randle, Washington in Skamania County. Previously the United States Forest Service ("USFS") released its final decision to consent to the Bureau of Land Management ("BLM") to issue prospecting permit applications on February 8, 2018. The prospecting permits grant Ascot the exclusive right to prospect on and explore for hardrock mineral deposits during the term of the permits. The BLM decision is subject to a 30-day appeal. Any future proposal for leasing and site development would be subject to public notification, separate National Environmental Policy Act analysis, and administrative action by the BLM and USFS. Subsequently, there have been appeals and lawsuits against BLM and USFS decisions. In June 2019, the Company filed a Motion to Intervene to move under U.S. Federal Rule of Civil Procedure 24(a) and (b) to intervene in this action and the Court entered a minute order granting the Company's motion to intervene.

The results of the proposed drill program would be very significant in determining the size and grade of the Mt. Margaret deposit.

### Swamp Point

The Swamp Point project is located on the Portland Canal in north western British Columbia, Canada, at Latitude – 58°28' N, Longitude – 130°02' W. The Company's legal title to the project is through its ownership of Lots 7360 (upland) and 7359 (foreshore deep water docks) in Cassiar Mining District. The official survey of the lots was completed in 2008, total – 91 hectares. A second foreshore lease to cover the small craft dock area was issued May 2008. In August 2006, the Company was issued a Mines Act Permit, permitting mining of up to 3.3 million tons per year for a minimum of 15 years.

The Company filed a National Instrument 43-101 compliant technical report in respect of the project in January 2006, highlights included a measured mineral resource, pre-feasibility of 46 million tonnes. The Company's consultants completed a pre-feasibility study in January 2006 and a 500 tonne Bulk Sample report in May 2006.

The Swamp Point property is subject to two royalties, \$1.00 per cubic metre (approximately \$0.46 per tonne) due to the B.C. Provincial Government and a royalty to a private company of 5% of sales less shipping costs on the first seven million tones and 8% thereafter.

Access to Swamp Point is by boat, float plane or helicopter, it is 85 miles from Prince Rupert or 30 miles from Stewart. Water access can be made through deep water barge landing (for barges with ramps), deep water barge dock (for loading aggregates) and a deep water ship dock, which was under construction, but not completed, designed to handle up to Panamax size vessels. There is also a small craft dock inside a steel floating breakwater.

Construction of the deep water ship dock was suspended in July 2008 as a result of the dramatic downturn in the United States housing market. This downturn had a negative effect on the demand for aggregate products in California which the Company had seen as its primary market.

In December, 2010, as there had been minimal activity at Swamp Point for more than two years, management decided to write off the property and associated assets for accounting purposes. In June 2011, in order to reduce its costs at Swamp Point, the Company closed its camp at the mine site and removed most of the associated equipment.

In January 2019, Ascot engaged an external financial advisor to aid in a potential sale of Swamp Point. The project is a non-core asset and any proceeds from the sale of Swamp Point could be utilized in the ongoing development of the PGP and RMP properties. The sales effort remains ongoing.

## DESCRIPTION OF CAPITAL STRUCTURE

Ascot is authorized to issue an unlimited number of common shares of which 246,428,263 are issued and outstanding as of March 13, 2020 (as of December 31, 2019, being the last day of Ascot's most recently completed financial year, the total number of shares issued and outstanding was 232,478,810).

The holders of common shares of the Company are entitled to receive notice of and attend all meetings of shareholders. Each common share held entitles the holder to one vote.

Shareholders are also entitled to receive dividends if, as and when declared by the Company's board of directors. The Company's shareholders are entitled to share equally in the assets of the Company remaining upon dissolution, liquidation, or winding up of the Company. There are no pre-emptive or conversion rights, and no provisions for redemption, retraction, purchase, cancellation or surrender.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Company's common shares are listed for trading on the TSX under the stock symbol "AOT" and on the OTCQX under the symbol AOTVF.

The following table provides information as to the high and low prices of the Company's common shares on the TSX during each month of the most recently completed financial year, as well as the volume of common shares traded in each month.

Month	Price (High)	Price (Low)	Volume
January 2019	1.36	0.97	1,290,200
February 2019	1.09	0.93	1,131,500
March 2019	0.99	0.85	2,066,700
April 2019	0.89	0.71	3,656,600
May 2019	0.76	0.64	2,573,500
June 2019	0.79	0.68	2,476,600
July 2019	0.71	0.61	2,356,100
August 2019	0.70	0.61	4,186,700
September 2019	0.68	0.52	3,295,100
October 2019	0.65	0.45	3,387,800



Month	Price (High)	Price (Low)	Volume
November 2019	0.64	0.50	2,600,700
December 2019	0.90	0.56	4,199,400

## PRIOR SALES

### Common Shares

The Company issued the following Offered Shares during the most recently completed financial year.

Date of Issuance	Number and Type of Securities	Price per Common Share/Exercise Price per Security (C\$)	Reason for Issuance
March 28, 2019	35,078,939 Common Shares	\$0.675	IDM Plan of Arrangement
April 3, 2019	315,226 Common Shares	\$0.90	Shares for Debt Interest Payment
May 22, 2019	8,139,548 Common Shares	\$0.76	Flow-Through Financing
May 22, 2019	13,841,035 Common Shares	\$0.70	Unit Financing
June 28, 2019	726,111 Common Shares	\$0.6986	Shares for Debt Interest Payment

### Options

As at December 31, 2019, the Company had outstanding stock options to purchase 14,823,500 common shares of the Company. The Company's stock options are subject to certain vesting conditions, and each fully vested stock option may be exercised for one common share of the Company at its respective exercise price.

The Company issued 3,630,000 stock options during the financial year ended December 31, 2019.

### Warrants

As at December 31, 2019, the Company had 19,042,972 common share purchase warrants outstanding that the Company issued during the financial year ended December 31, 2019. At the date of this AIF, the Company had 19,042,972 common share purchase warrants outstanding.

## DIRECTORS AND OFFICERS

### Directors

Ascot's Board of Directors is comprised of seven (7) directors who are elected annually. Ascot's directors hold office until the next annual meeting of shareholders or until a successor is duly elected or appointed. The following table sets forth the names and residence of each of the directors, the date they commenced serving on Ascot's Board of Directors, committee memberships at the date of this AIF, and their principal occupation as of the date of this AIF and for the preceding five years.

<b>Name, Present Position with the Company and Residence</b>	<b>Principal Occupation <sup>(1)</sup></b>	<b>Director since</b>	<b># of Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup></b>
<b>RICK ZIMMER</b> <sup>(3) (4)</sup> B.Sc., B.Eng., MBA, P.Eng Director & Board Chairman <i>British Columbia, Canada</i>	Professional Director; currently also a director of: Capstone Mining Corp. (since 2011); Alexco Resources Corp. (since 2012); MG Capital Corporation (since 2019)	October 6, 2017	174,175 common shares
<b>JAMES STYPULA</b> <sup>(3) (4)</sup> Director <i>British Columbia, Canada</i>	Professional Director; currently also a director of MG Capital Corporation (since 2019)	October 6, 2017	83,500 common shares
<b>ROBERT EVANS</b> <sup>(5)</sup> Director <i>British Columbia, Canada</i>	Chartered Accountant; Former Secretary, Treasurer and Chief Financial Officer of Ascot (from 1989 to 2017).	April 27, 1989	105,000 common shares
<b>KENNETH CARTER</b> <sup>(3) (5)</sup> Director <i>British Columbia, Canada</i>	Professional Director, Retired Geologist	April 6, 1993	719,100 common shares
<b>DON NJEGOVAN</b> <sup>(2) (5)</sup> Director <i>Ontario, Canada</i>	Chief Operating Officer at Osisko Mining Inc. since February 2016; currently also a director of Strongbow Exploration Inc.	January 16, 2018	20,000 common shares
<b>WILLIAM BENNETT</b> <sup>(2) (5)</sup> Director <i>British Columbia, Canada</i>	Professional Director; also currently a director of MG Capital Corporation. Mr. Bennett was a government MLA in British Columbia for 16 years in the Riding of Kootenay East.	February 1, 2018	7,100 common shares
<b>ANDREE ST-GERMAIN</b> <sup>(2) (4)</sup> Director <i>British Columbia, Canada</i>	Ms. St-Germain is the Chief Financial Officer of Integra Resources Corp.; also a director of Osisko Mining Inc.	March 28, 2019	56,333 common shares

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the directors.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Governance and Nomination Committee.
- (5) Member of the Health, Safety, Environmental and Technical Committee.

## Executive Officers

Ascot currently has five executive officers, Derek White (President and Chief Executive Officer); Carol Li (Chief Financial Officer); John Kiernan (Chief Operating Officer); Jody Harris (Corporate Secretary); and Kristina Howe (VP Investor Relations).

The following table sets forth the names and residence of each of the executive officers and their principal occupation as of the date of this AIF and for the preceding five years.

Name, Present Position with the Company and Residence	Principal Occupation <sup>(1)</sup>
<p><b>DEREK WHITE</b> President and Chief Executive Officer <i>British Columbia, Canada</i></p>	<p>President and CEO of Ascot Resources Ltd. from October 2017 to present. Mr. White was formerly Principal, Traxys Capital Partners LLP from 2015 to 2017 and prior to that, Mr. White was President &amp; CEO of KGHM International Ltd. from 2012 to 2015. Mr. White was also a director of Magellan Minerals Ltd. from 2006 to May 2016. Mr. White currently also serves as a Director of Orca Gold Inc. and MAG Silver Corp.</p>
<p><b>CAROL LI</b> Chief Financial Officer <i>British Columbia, Canada</i></p>	<p>Chief Financial Officer of Ascot Resources Ltd. from November 2017 to present. Ms. Li was formerly Vice President, Finance for KGHM International from 2012 to October 2017. Ms. Li became a director of Strikepoint Gold Inc. on June 3, 2019 as a representative for the Company, as one of Strikepoint's largest shareholders.</p>
<p><b>JOHN KIERNAN</b> Chief Operating Officer <i>British Columbia, Canada</i></p>	<p>Chief Operating Officer of Ascot Resources Ltd from October 2017 to present. Mr. Kiernan was VP Project Development for Magellan Minerals (acquired by Anfield Gold Corp) from 2012 to 2016, consulted through Kierstone Capital until joining Ascot and is also a director of Northern Superior Resources Inc. since 2016. Previously he was Manager Project Evaluation for QuadraFNX/ KGHM International, Mining Analyst for PI Financial Corp and VP Mining/Mine Manager for Roca Mines Inc.</p>
<p><b>JODY HARRIS</b> Corporate Secretary <i>British Columbia, Canada</i></p>	<p>Corporate Secretary of Ascot Resources Ltd. since November 1, 2017 to present. Ms. Harris was formerly the Corporate Secretary of MAG Silver Corp. (2007-2019). Ms. Harris is a consultant who provides services through her private company, Jody Harris Consulting Inc. Ms. Harris is the President and a director of the Chartered Governance Institute of British Columbia, the BC branch of the Chartered Governance Institute of Canada.</p>

Name, Present Position with the Company and Residence	Principal Occupation <sup>(1)</sup>
<b>KRISTINA HOWE</b> VP, Investor Relations <i>British Columbia, Canada</i>	Vice President, Investor Relations from November 2017 to present. Ms. Howe previously consulted to Traxys Capital Partners LLP from 2015 to 2017 and prior to that, Ms. Howe was the Manager of Corporate Communications for KGHM International Ltd, from 2011-2015.

Notes: <sup>(1)</sup> The information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the executive officers.

### Securities Held by Directors and Officers

As at the date of this AIF, Ascot's directors and executive officers, collectively, beneficially owned, or controlled or directed, directly or indirectly a total of 1,503,217 common shares of Ascot, being approximately 0.61% of the number of common shares issued and outstanding. The information as to shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the directors and executive officers.

### Cease trade orders, bankruptcies, penalties or sanctions

#### Cease Trade Orders

No director or executive officer of the Company is, as at the date of the AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days.

#### Bankruptcies

No director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, at the date of this AIF, or has been, within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

## Penalties and Sanctions

No director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **Conflicts of Interest**

The Company's directors and officers may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia).

## **AUDIT COMMITTEE**

NI 52-110F1 requires the Company to disclose annually in its Annual Information Form certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

### ***Composition of the Audit Committee***

The Audit Committee is currently comprised of three independent directors: Ms. St-Germain (Chair) and Messrs. Njegovan and Bennett. Each member of the Audit Committee is considered to be independent and financially literate in accordance with NI 52-110. The Audit Committee is responsible for assisting the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices, internal controls and its approval of the Company's annual and quarterly financial statements. The Audit Committee meets as often as is required to fulfill its responsibilities or at a minimum four times per year to review and recommend the financial statements, management discussion and analysis or other financial documents, for Board approval. The Audit Committee held 4 meetings in 2019.

### ***Relevant Education and Experience***

Ms. St-Germain (Chair) is currently the Chief Financial Officer ("CFO") of Integra Resources (since 2017). Ms. St-Germain has held other CFO positions with public junior resource companies since 2013. Ms. St-Germain served on the Board of IDM Mining and chaired the company's audit committee until its sale to Ascot in March 2019. She also served on the Board of Barkerville Gold Mines and served on its audit committee until the company's sale to Osisko Gold Royalties in November 2019. Ms. St-Germain is currently also a director of Osisko Mining Inc.

Mr. Njegovan, B.Sc. Mining Engineering, BA has over 20 years experience in mining, construction, engineering, management and finance. Mr. Njegovan has been a managing director of several public companies. Mr. Njegovan is currently Chief Operation officer at Osisko Mining Inc. and also a director of Strongbow Exploration Inc.

Mr. Bennett, has a law degree and formerly worked in the BC MLA for 16 years. Mr. Bennett has been a professional director with private and public companies since 2017 including Kutcho Copper Corp., Eagle Plains Resources Ltd. and MG Capital Corporation

### ***Audit Committee Charter***

The Company has adopted a charter of the audit committee of the Board (the “**Charter**”), which is available on the Company website (www.ascotgold.com).

### ***Audit Committee Oversight***

During the most recently completed financial year, the Company’s Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

### ***Reliance on Certain Exemptions***

During the most recently completed financial year, the Company has not relied on the exemptions contained in section 2.4 or under part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### ***Pre-Approval Policies and Procedures***

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in the audit committee charter.

### ***External Auditor Service Fees***

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories. The fees billed to the Company by its auditor during the two most recently completed financial years, by category, are as follows:

Fiscal Year Ended	Audit Fees	Audit Related Fees	Tax Fees <sup>(1)</sup>	All Other Fees
December 31, 2019	77,846	-	Nil	-
December 31, 2018 <sup>(2)</sup>	55,000	-	Nil	-

Notes: <sup>(1)</sup> Tax Fees are related to the preparation of annual tax returns.

<sup>(2)</sup> The Company changed its fiscal year end from March 31 to December 31 in early 2018.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no pending or contemplated legal proceedings to which our Company is a party or of which any of our properties is the subject.

As of December 31, 2019, the Company is not subject to:

- (a) any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2019; or
- (b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or
- (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2019.

The Company is unaware of any condition of default under any debt, regulatory, exchange related or other contractual obligation.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect the Company.

## **TRANSFER AGENTS AND REGISTRARS**

The Company's transfer agent and registrar for its common shares is:

Computershare  
510 Burrard Street, 3<sup>rd</sup> Floor  
Vancouver, British Columbia  
Canada V6C 3B9

## **ASCOT'S MATERIAL CONTRACTS**

1. Convertible Note Subscription Agreement between Sprott Resource Lending (Collector) LP and Resource Income Partners LP and Ascot dated January 18, 2019.
2. Plan of Arrangement Agreement between IDM Mining Ltd. and Ascot dated January 7, 2019.
3. Nisga'a Benefits Agreement on Red Mountain Project dated April 10, 2019

## **INTERESTS OF EXPERTS**

The following are the names of persons or companies (a) who have been named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or relating to, the Company's most recently completed financial year, and (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

Name	Description
Sue C. Bird, P.Eng.	Co-Authored the PGP Technical Report.
Tracey Meintjes, P.Eng.	Co-Authored the PGP Technical Report.
PricewaterhouseCoopers LLP	Ascot's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants who have prepared an independent auditor's report dated March 13, 2020 in respect of the Company's consolidated financial statements as at December 31, 2019 and December 31, 2018 and for the year ended December 31, 2019 and nine months ended December 31, 2018. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

To the knowledge of the Company, having made reasonable enquiry, none of the experts listed above or any "designated professional" of such expert, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

#### **ADDITIONAL INFORMATION**

Additional information regarding Ascot Resources Ltd. can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in Ascot's information circular for its most recent annual meeting of security holders that involved the election of directors.

Additional financial information is provided in Ascot's audited consolidated financial statements and the MD&A for the financial year ended December 31, 2019.