Ascot Resources Ltd.

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019
(Expressed in thousands of Canadian Dollars, except where indicated)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements and all other financial information included in this report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of internal controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Audit Committee, which is comprised of three independent directors, meets with management to review the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"*Derek White*"
President & Chief Executive Officer

"*Carol Li*"
Chief Financial Officer

March 26, 2021

Independent auditor's report

To the Shareholders of Ascot Resources Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ascot Resources Ltd. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Determination of commercial viability and technical feasibility of the Premier Gold and Red Mountain Project (the Project) and related impairment test *Refer to note 2(d) – Basis of presentation: Judgments and estimates, note 3 – Significant accounting policies and note 8 – Exploration and evaluation assets to the consolidated financial statements.* Management concluded that the technical feasibility and commercial viability of the Project had been demonstrated during the fourth quarter of 2020. The Project had a carrying value of $185.0 million on that date, which was reclassified from exploration and evaluation assets to mineral properties, plant and equipment. Exploration and evaluation assets are assessed for impairment, and any impairment loss recognized, before reclassification from exploration and evaluation assets to mineral properties, plant and equipment. Therefore, management completed an impairment assessment for the Project whereby the carrying value of the Project was compared to its recoverable amount. The recoverable amount was determined as the fair value less cost of disposal (FVLCD) using a discounted cash flow model. Determining the FVLCD required management to make estimates and assumptions with respect to quantities of ore reserves and resources, metallurgical recovery, future commodity prices, future production and sales volumes, the expected future operating, capital and reclamation costs and discount rate. Quantities of ore reserves and	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the Project, which included the following: – Evaluated the appropriateness of the method used by management and tested the mathematical accuracy of the discounted cash flow model. – Tested the underlying data used in the discounted cash flow model. – Evaluated the reasonableness of the estimated future commodity prices by comparing them with external market and industry data. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the estimates associated with the quantities of ore reserves and resources, metallurgical recovery estimates, future production and sales volumes as well as expected future operating, capital and reclamation costs. As a basis for using this work, management's experts' competence, capability and objectivity were evaluated, their work performed was understood and the appropriateness of their work as audit evidence was evaluated by considering the relevance and reasonableness of the assumptions, methods and findings. The procedures performed also included tests of relevant data used by management's

Key audit matter	How our audit addressed the key audit matter
resources, metallurgical recovery, future production and sales volumes as well as expected future operating, capital and reclamation costs are based on information compiled by appropriately qualified persons (management's experts). Upon completion of the impairment test, management concluded that no impairment charge was required for the Project. We considered this a key audit matter due to the significant judgment made by management in determining the recoverable amount of the Project. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to test the significant assumptions used by management in determining the recoverable amount. Professionals with specialized skills and knowledge in the field of valuation also assisted us in performing our procedures.	experts. – Utilized professionals with specialized skill and knowledge in the field of valuation to assist in evaluating the discount rate. • Tested the disclosures made in the consolidated financial statements with regard to the impairment assessment of the Project.
Initial accounting and measurement of certain embedded derivatives associated with the project financing package *Refer to note 2(d) – Basis of presentation: Judgments and estimates, note 3 – Significant accounting policies and note 13 – Credit facilities to the consolidated financial statements.* On December 10, 2020, the Company closed a project financing package which included a US$80 million senior debt facility and a US$25 million convertible debt facility. Upon entering into a debt financing transaction, management applies judgment in assessing the appropriate accounting treatment by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. In assessing the project financing package, management identified an interest rate floor embedded derivative within the senior debt and a conversion option embedded derivative	Our approach to addressing the matter included the following procedures, among others: • Read the underlying agreements and evaluated management's accounting analysis, which included the initial identification of the embedded derivatives associated with the senior credit facility and convertible debt. • Utilized professionals with specialized skill and knowledge in the field of valuation to assess the reasonableness of the fair values of the interest rate floor as well as the conversion option as at December 10, 2020 and December 31, 2020 by developing independent point estimates and by comparing these independent point estimates to management's estimates. • Tested the disclosures in the consolidated financial statements with regards to the valuation of the interest rate floor and the conversion option.

Key audit matter	How our audit addressed the key audit matter
within the convertible debt. Both embedded derivatives are required to be revalued at each period-end with the movements recorded as gains or losses in the statement of comprehensive income (loss). The fair value of the interest rate floor was $1.1 million as at December 10, 2020 and December 31, 2020 and the fair value of the conversion option was $5.3 million and $8.0 million as at December 10, 2020 and December 31, 2020 respectively. Management determined the fair value of the interest rate floor using Black's formula and the fair value of the conversion option using the Finite Difference method. We considered this a key audit matter due to the significant judgment made by management in determining the appropriate accounting treatment for the unique terms in the project financing package, and the complex valuations associated with the embedded derivatives identified. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to assess management's accounting treatment and to evaluate the reasonableness of the fair values of these embedded derivatives. Professionals with specialized skills and knowledge in the field of valuation assisted us in performing our procedures.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Craig McMillan.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 26, 2021

(Canadian Dollars in Thousands)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current			
Cash and cash equivalents	5	$ 42,080	$ 4,418
Marketable securities	6	1,551	507
Trade and other receivables		365	579
Prepaid expenses and deposits		352	620
Total Current Assets		44,348	6,124
Reclamation deposits	7	4,384	4,893
Exploration and evaluation assets	8	5,424	169,097
Mineral properties, plant and equipment	9	187,797	3,212
Other assets	10	8,029	-
Total Non-Current Assets		205,634	177,202
Total Assets		$ 249,982	$ 183,326
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		$ 2,796	$ 2,440
Reclamation Provisions	11	396	464
Credit facilities	13	43,091	-
Lease liability	9	217	217
Other liabilities		84	-
Total Current Liabilities		46,584	3,121
Reclamation Provisions	11	24,901	18,502
Convertible note	12	-	12,223
Lease liability	9	558	711
Deferred income tax liabilities	14	291	601
Total Non-Current Liabilities		25,750	32,037
Total Liabilities		72,334	35,158
Shareholders' Equity			
Share capital	15	217,928	183,289
Share-based payment reserve		17,828	14,560
Accumulated deficit		(58,108)	(49,681)
Total Shareholders' Equity		177,648	148,168
Total Liabilities and Shareholders' Equity		$ 249,982	$ 183,326

Commitments (Notes 7, 8, 9 and 13), Contingencies (Note 9).
The accompanying notes are an integral part of these consolidated financial statements.

/s/ *"Rick Zimmer"*
Director

/s/ *"Andrée St-Germain"*
Director

(Canadian Dollars in Thousands Except Income (Loss) per Share)

	Notes	Year ended December 31, 2020	Year ended December 31, 2019
General and administrative	17	$ 4,490	$ 4,699
Stock-based compensation	16	3,092	1,547
Amortization and depreciation		997	871
Property maintenance costs		452	412
Finance expense	18	863	1,364
Other income	18	(3,994)	(2,258)
Other expense	18	2,750	862
Foreign exchange loss (gain)		87	(317)
Loss before income taxes		$ 8,737	$ 7,180
Income tax (recovery) expense	14	(310)	601
Net loss for the year		$ 8,427	$ 7,781
Total comprehensive loss		$ 8,427	$ 7,781
Loss per share			
Basic and diluted		$ 0.03	$ 0.04
Weighted average shares outstanding - basic & diluted			
- basic		260,543,212	215,119,821

The accompanying notes are an integral part of these consolidated financial statements.

(Canadian Dollars in Thousands except No. of Shares)

	Number of shares issued and outstanding	Share capital	Share-based payment - reserve	Deficit	Total share-holders' equity
Balance, January 1, 2019	**174,377,951**	**$ 138,699**	**$ 13,158**	**$ (43,887)**	**$ 107,970**
Shares issued for cash					
Private placement,					
net of issue costs (Note 15)	21,980,583	13,465	1,239	-	14,704
Issued for consideration other than cash					
Acquisition of IDM (Note 4) - shares	35,078,939	30,519	-	-	30,519
Acquisition of IDM (Note 4) - options	-	-	100	-	100
Acquisition of IDM (Note 4) - warrants	-	-	409	-	409
Acquisition of IDM (Note 4) - advisory fee	315,226	268	-	-	268
Transfer to deficit on expiry of options	-	-	(1,988)	1,988	-
Payment of interest on convertible note	726,111	501	-	-	501
Private placement -					
finder's and agent's warrants (Note 15)	-	-	96	-	96
Premium on flow-through shares	-	(163)	-	-	(163)
Share-based payments (Note 16)	-	-	1,352	-	1,352
Net loss for the year	-	-	-	(4,825)	(4,825)
Balance, December 31, 2019	**232,478,810**	**$ 183,289**	**$ 14,366**	**$ (46,724)**	**$ 150,931**
Balance, January 1, 2020	**232,478,810**	**$ 183,289**	**$ 14,560**	**$ (49,681)**	**$ 148,168**
Shares issued for cash					
Private placement,					
net of issue costs (Note 15)	13,296,838	9,518	-	-	9,518
Bought deal financing,					
net of issue costs (Note 15)	29,412,000	23,321	-	-	23,321
Senior debt partner alignment shares (Note 13)	1,715,398	1,793	-	-	1,793
Issued for other consideration					
Interest and fees on convertible note (Note 12)	1,220,204	1,223	-	-	1,223
Financing advisory fees (Note 13) - shares	200,501	219	-	-	219
Financing advisory fees (Note 13) - options	-	-	51	-	51
Premium on flow-through shares (Note 15)	-	(1,435)	-	-	(1,435)
Deferred financing fee	-	-	125	-	125
Stock-based compensation (Note 16)	-	-	3,092	-	3,092
Net loss for the year	-	-	-	(8,427)	(8,427)
Balance, December 31, 2020	**278,323,751**	**$ 217,928**	**$ 17,828**	**$ (58,108)**	**$ 177,648**

The accompanying notes are an integral part of these consolidated financial statements.

(Canadian Dollars in Thousands)

	Notes	Year ended December 31, 2020	Year ended December 31, 2019
Cash flows from operating activities			
Loss for the year		$ (8,427)	$ (7,781)
Adjustment to reconcile loss to net cash used in operating activities:			
Stock-based compensation	16	3,092	1,547
Amortization and depreciation		997	871
Gain on flow through share premium	15	(1,352)	(731)
Finance expense		642	1,210
Deferred income tax (recovery) expense	14	(310)	601
Change in fair value of embedded derivatives	12,13	2,296	(1,248)
Unrealized foreign exchange loss (gain)	12,13	104	(236)
Unrealized (gain) loss on marketable securities	6	(1,972)	811
Changes in non-cash working capital balances:			
Decrease (increase) in receivables		214	(93)
Decrease (increase) in prepaid expenses and deposits		268	(276)
Decrease in trade and other payables		(662)	(1,532)
Total cash outflows from operating activities		**(5,110)**	**(6,857)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(384)	(215)
Investment in exploration & evaluation assets		(13,223)	(17,952)
Return (payment) of deposits for environmental bonds	7	509	(841)
Payment for reclamation provision	11	(464)	-
Proceeds from sale of marketable securities	6	928	-
Bridge loan for acquisition of exploration & evaluation assets	4	-	(3,350)
Acquisition of exploration & evaluation assets		-	(425)
Total cash outflows from investing activities		**(12,634)**	**(22,783)**
Cash flows from financing activities			
Proceeds from senior debt	13	16,920	-
Proceeds from PPA	13	6,381	-
Proceeds from convertible debt	12,13	-	12,728
Proceeds from share issuance	15	37,046	15,874
Share issue costs	15	(2,414)	(1,074)
Deferred financing costs	10	(2,182)	-
Payment for lease liability	9	(226)	-
Total cash inflows from financing activities		**55,525**	**27,528**
Effect of exchange rate changes on cash and cash equivalents		**(119)**	**-**
Total increase (decrease) in cash during the year		**37,662**	**(2,112)**
Cash and cash equivalents, beginning of year		**4,418**	**6,530**
Cash and cash equivalents, end of year		**$ 42,080**	**$ 4,418**
Supplemental cash flow information	22		

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Ascot Resources Ltd. ("Ascot" or the "Company") is a development and exploration company focusing on re-starting the past producing historic Premier gold mine located in British Columbia's Golden Triangle. The Company continues to define high-grade resources for underground mining with the near-term goal of upgrading the underground resources into reserves, while continuing to explore nearby targets on its Premier and Silver Coin properties (collectively referred to as the Premier Gold Project or "PGP"), situated 25 kilometres north of the town of Stewart. The Company also owns, through its wholly-owned subsidiary IDM Mining Ltd. ("IDM"), the Red Mountain Project ("RMP") located 18 kilometres east-northeast of the town of Stewart (Note 4). PGP together with RMP is defined as the Project. In May 2020, the Company completed a NI 43-101 compliant feasibility study on the Project. The Company also has two other properties: Swamp Point, an aggregate project located in British Columbia on the Portland Canal, and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

Ascot was incorporated under the Business Corporations Act of British Columbia in May 1986. The Company's wholly-owned subsidiaries, as of December 31, 2020 were:

- IDM Mining Ltd. (BC, Canada);
- Ascot Power Ltd. (BC, Canada), and
- Ascot USA Inc. (Washington State, USA).

The Company's wholly-owned subsidiary, Ascot Gold Ridge Ltd, was amalgamated with Ascot Resources Ltd. on January 1, 2020.

The Company is listed on the Toronto Stock Exchange ("TSX") in Canada, having the trading symbol AOT. The Company is also trading on the OTCQX market in the U.S. (symbol: AOTVF).

The address of the Company's corporate office and principal place of business is #1050 - 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6, Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"). The consolidated financial statements have been prepared on a historical cost basis.

These financial statements were approved for issue by Ascot's board of directors on March 26, 2021.

b) Basis of measurement

These consolidated financial statements include the accounts of Ascot Resources Ltd. and its wholly-owned subsidiaries. All intercompany transactions and balances are eliminated on consolidation.

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and its wholly-owned subsidiaries' functional currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars using the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

The accounting policies have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

c) New IFRS pronouncements

New IFRS pronouncements that have been issued but are not yet effective at the date of these financial statements are listed below. We plan to apply these amendments in the annual period for which they are first required.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

In August 2020, the International Accounting Standards Board ("IASB") issued amendments to IFRS 9 *Financial Instruments* (IFRS 9), IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39), IFRS 7 *Financial Instruments: Disclosures* (IFRS 7), IFRS 4 *Insurance Contracts* (IFRS 4) and IFRS 16 *Leases* (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising during reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. The amendments are effective January 1, 2021. On adoption of the amendments, there will be no immediate effect on the Company's financial statements, as Ascot will not be replacing any of the benchmark interest rates in the Company's debt agreements on the adoption date. Management is assessing the impact of these amendments in 2021 and beyond.

Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued amendments to IAS 16, Property, Plant and Equipment (IAS 16). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit or loss. The amendments apply to annual reporting periods beginning on or after January 1, 2022. The amendments are applied retrospectively only to items of property, plant and equipment that are available for use after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Management is assessing the impact of this amendment on the Company's financial statements.

Amendment to IAS 1 Presentation of Financial Statements

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. Management will assess the impact of this standard.

d) Judgments and estimates

The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The areas involving critical judgments in applying accounting policies have the biggest impact on the assets and liabilities recognized in the financial statements are:

Determination of commercial viability and technical feasibility of the Project

The application of the Company's accounting policy for exploration and evaluation assets required judgment to determine when commercial viability and technical feasibility of the Project was established. The Company considered the positive NI 43-101 compliant feasibility study and the completed project financing and concluded that commercial viability and technical feasibility of the Project had been demonstrated as of December 2020 (Note 8), at which time the capitalized exploration and evaluation costs for the Project were assessed for impairment and reclassified to mineral property development costs within mineral properties, plant and equipment.

In December 2020, the Project was determined to be commercially viable and technically feasible. When non-current assets are transitioned from exploration and evaluation assets to mineral properties, plant and equipment, management completes an impairment test as required by IFRS. For the purposes of assessing impairment, the Project was considered a single cash-generating unit. The impairment test compares the carrying amount of the assets and liabilities in the cash-generating unit to their recoverable amount. Management estimated the recoverable amount based on the fair value less costs of disposal using a discounted cash flow model with feasibility study economics. Calculating the fair value less cost of disposal requires management to make estimates and assumptions with respect to quantities of ore reserves and resources, metallurgical recovery, future commodity prices, future production and sales volumes, the expected future operating, capital and reclamation costs and discount rate. Quantities of ore reserves and resources, metallurgical recovery, future production and sales volume as well as expected future operating, capital and reclamation costs are based on information compiled by appropriately qualified persons. Upon completion of the impairment test, management concluded that no impairment charge was required for the Project.

Impairment of non-current assets

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets and mineral property development costs. If any such indicator exists, then an impairment test is performed by management. Indicators of impairment may include:

(i) forecast commodity prices for the Company's product decline significantly;
(ii) negative changes take place in technology, markets, economy or applicable laws;
(iii) market interest rates increase significantly;
(iv) the Company's market capitalization is reduced below its net assets' value;
(v) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future,
(vi) substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned,
(vii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable, and
(viii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Following an impairment test on reclassification of exploration and evaluation assets to mineral properties in December 2020, management did not identify any additional factors as at December 31, 2020 that would require a further impairment test to be performed in respect of the mineral properties or other non-financial assets.

Accounting for debt financing transactions

Upon entering into a debt financing transaction, management applies judgement in assessing the appropriate accounting treatment by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. In assessing the project financing package (Note 13), management identified an interest rate floor embedded derivative within the senior debt and a conversion option embedded derivative within the convertible debt. Both embedded derivatives are required to be revalued at each period end with the movements recorded as gains or losses in the statement of comprehensive income (loss).

The key areas of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are:

Decommissioning and rehabilitation provision

Management's estimation of the Company's decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its estimate of the probable costs and timing of such activities and measures.

Derivative liabilities

When debt includes an embedded derivative component, its fair value is estimated using a financial pricing model. The Company estimates the fair value of its interest rate floor derivative using Black's formula. The key assumptions used in the estimate are forward interest rates, discount rates and interest rate volatility. The Company estimates the fair value of its conversion option derivative using the Finite Difference method. The key assumptions used in the model are risk free rates, expected volatility and credit spread. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the remaining term of the corresponding debt instrument. The credit spread assumption in the model is based on the Company's cost of unsecured debt.

COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The pandemic significantly impacted the global markets and is expected to continue its impact in the foreseeable future. As a result, there has been significant volatility in global stock markets, commodity and foreign exchange markets. Various restrictions have been imposed on the conduct of business in many jurisdictions as well as on movement of people and goods. There is significant uncertainty surrounding COVID-19 and the extent and duration of its impact on demand and prices for the commodities that Ascot intends to produce, on Ascot's suppliers, on Ascot's employees and contractors and on global financial markets. Assumptions about future commodity prices, exchange rates, and interest rates are subject to greater variability than normal, which could significantly affect the valuation of Ascot's assets, both financial and non-financial.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation expenditures

Exploration and evaluation expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves. Exploration and evaluation expenditures include costs of conducting geological surveys, and exploratory drilling and sampling. Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed as incurred.

Costs related to the acquisition of an exploration asset are capitalized. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration assets and are classified as an intangible asset. The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties as exploration assets when future inflow of economic benefits from the properties is probable and until such time as the properties are placed into development, abandoned, sold or considered to be impaired in value. Borrowing costs that are directly attributable to acquisition, exploration or development of mineral properties are capitalized as a part of exploration and development assets.

Upon achieving technical feasibility and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to mineral properties, plant and equipment. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Exploration costs that do not relate to any specific property are expensed as incurred.

b) Mineral properties, plant and equipment

Mineral properties, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

i) Recognition and measurement

Mineral property acquisition and development costs including exploration and evaluation assets transferred, mine construction costs, and overburden and waste removal costs, are capitalized until production is achieved, or the property is sold, abandoned or impaired. Development costs are net of proceeds from the sale of metal extracted during the development phase prior to the date mining assets are capable of operating in the way intended by management.

When the Company incurs debt directly related to the construction of a new operation or major expansion, the related financing costs are capitalized during the construction period.

Mineral property, plant and equipment costs include the fair value of the consideration given to acquire assets at the time of acquisition or construction and include expenditures that are directly attributable to bringing the asset to the location and condition necessary for their intended use. Also, these costs include an initial estimate of the costs of dismantling and removing the assets and restoring the site on which they are located, and for qualifying assets, borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately as major components.

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected. Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss.

Major spare parts and stand-by equipment with a significant initial cost, whose anticipated useful life is longer than one year, and meet the definition of an asset, are recognized as an item of property, plant and equipment.

ii) Depreciation and depletion

For mineral properties, once the mineral property is in commercial production, it will be depleted using the units-of-production method. Depletion is determined each period using gold equivalent ounces mined over the asset's estimated recoverable reserves.

The carrying values of property, plant and equipment are depreciated using the straight line method to their estimated residual values over their estimated useful lives.

Office furniture and equipment	Straight line basis over 5 years
Leasehold improvements	Straight line basis over the term of the lease
Machinery and equipment	Straight line basis over 3 years
Building	Straight line basis over 10 years

Management conducts an annual assessment of the estimated residual values, useful lives, and depreciation methods used for property, plant and equipment. Any material changes in estimates are applied prospectively.

c) Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when required by IFRS upon transition from exploration and evaluation assets to property, plant and equipment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's").

Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimates of future cash flows have not been adjusted.

Fair value is the price that would be received from selling an asset in an orderly arm's length transaction between market participants at the measurement date. Costs to dispose are incremental costs directly attributable to the disposal of an asset or CGU. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Impairment losses for other assets or CGU's recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If so, an impairment loss is reversed only to the extent that the related asset or CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held with banks, including monetary instruments that may be cashed or redeemed within three months of purchase.

e) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the related proceeds, net of applicable tax.

If the Company issues units as part of financing, where such units consist of both common shares and common share purchase warrants, the fair value of the warrants is determined using the Black-Scholes pricing model, and fair value of the common shares is determined using market price. The allocation of value is done proportionally, based on the relative fair values of the common shares and warrants

f) Flow-through shares

Flow-through common shares are issued from time to time to finance a significant portion of the Company's exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures within a specific time frame as defined in the Income Tax Act (Canada). The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds.

g) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Basic earnings (loss) per share amounts are calculated by dividing the net income or loss for the period by the weighted average number of common shares outstanding during the period.

h) Income taxes

Tax is recognized in net income or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is the expected tax payable on the taxable income for the year plus any adjustment to tax payable in respect to previous years. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

i) Share-based compensation

Share-based compensation arises when the Company issues equity instruments as consideration for services received from employees and non-employees. Its amount is calculated based on the fair value of shares or stock options awarded to employees, measured on their grant date. The fair value of shares or stock options awarded to non-employees is measured on the date that the goods or services are received. The fair value of the shares and stock options is recognized as an expense over their vesting period with a corresponding increase in equity.

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria.

Restricted share units (RSUs) are granted to senior management of the Company and may be settled in cash or Ascot common shares, at the election of the Board. The amount of compensation is calculated based on the fair value of RSUs awarded to senior management, measured on their grant date. The fair value of RSUs is based on the quoted market price of the Company's common shares on the RSUs grant date. The fair value of the RSUs is recognized as an expense using graded attribution method over their vesting period with a corresponding increase in equity.

Deferred share units (DSUs) are granted to directors of the Company and are settled in cash or Ascot common shares, at the election of the Board, when the individual ceases to be a director of the Company. DSUs vest immediately on the date of grant. The fair value of DSUs is calculated based on the quoted market price of the Company's common shares on the DSUs grant date. The fair value of the DSUs is recognized as an expense on the date of the grant with a corresponding increase in equity.

j) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: (1) the Company has a present legal or constructive obligation as a result of past events; (2) it is probable that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

k) Leases

The Company initially recognizes a lease at its commencement date which is when an identified asset is made available for use. Right-of-use assets are measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct or estimated restoration costs. A right-of-use asset is then depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Lease liabilities include the present value of future fixed payments, less any lease incentives receivable, and the exercise price of a purchase option if it is reasonably certain to be exercised. Future fixed lease payments are discounted using the Company's incremental borrowing rate. The term of each lease includes its non-cancellable period. The term may also include periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. After the commencement date, the lease liabilities are continuously measured to reflect changes in lease payments, discount rates or the leases' remaining term with an offsetting adjustment to right-of-use assets.

l) Contingent liabilities

Contingent consideration payable is recognized when (i) the conditions associated with the contingency are met; (ii) the Company has a present legal or constructive obligation that can be estimated reliably; and (iii) and it is probable that an outflow of economic benefits will be required to settle the obligation.

m) Financial instruments

The Company applies IFRS 9, Financial Instruments, which sets out the accounting standards for the classification and measurement of financial instruments.

i) Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial liability held at FVTPL are included in the income statement in the period in which they arise. Derivatives are categorized as FVTPL unless they are designated as hedges.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The classification of the Company's financial instruments under IFRS 9 is as follows:

Cash and cash equivalents:	Amortized cost
Trade and other receivables:	Amortized cost
Marketable securities:	FVTPL
Reclamation deposits:	Amortized cost
Trade and other liabilities:	Amortized cost
Senior and convertible debt:	Amortized cost
Embedded derivatives:	FVTPL
Production payment agreement (PPA):	Amortized cost

ii) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at December 31, 2020.

4. ACQUISITION

On March 27, 2019, the Company completed the acquisition of IDM through a Plan of Arrangement. In connection with the Plan of Arrangement, the Company issued 35,078,939 common shares in exchange of IDM common shares, 315,226 common shares in payment for advisory fees, 715,500 stock options to replace IDM stock options and 4,309,128 warrants to replace IDM warrants. Based on the closing share price of Ascot on March 27, 2019, the fair value of the consideration, including transaction costs, was $31,818. The transaction was accounted for as an asset acquisition and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition.

In conjunction with the Plan of Arrangement, the Company provided IDM with a $3,350 secured convertible bridge loan (the "Loan"). The Loan had an interest rate of CDOR plus 9.0% per annum and was convertible into common shares of IDM at $0.0857 per share. The completion of the Transaction extinguished Ascot's outstanding Loan to IDM, and the amounts owing were eliminated on consolidation from March 27, 2019 onwards.

5. CASH AND CASH EQUIVALENTS

		December 31, 2020		December 31, 2019
Cash	$	2,243	$	202
Guaranteed Investment Certificates ("GICs") and term deposits		39,837		4,216
Cash and cash equivalents	$	42,080	$	4,418

Cash is held at a Canadian chartered bank. GICs and term deposits are held at a Canadian chartered bank and at registered brokers. The Canadian dollar GICs and term deposits bear interest at fixed rates between 0.25% and 2.30% per annum

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

(December 31, 2019: between 2.05% and 2.15%). The U.S. dollar GICs and term deposits bear interest at fixed rates between 0.15% and 0.25% per annum (December 31, 2019: fixed rate of 2.7%). The GICs may be redeemed on twenty-four-hour notice to the bank and are considered cash equivalents.

Included in cash and cash equivalents is $293 (December 31, 2019: $Nil), which is required to be spent on flow-through expenditures prior to December 31, 2022.

6. MARKETABLE SECURITIES

Marketable securities consist of common shares of Strikepoint Gold Inc. ("Strikepoint"), a public company traded on the TSX-V, which were recorded in the consolidated statement of financial position at their fair value. The fair value of these marketable securities has been determined by reference to their quoted closing bid price at the reporting date. In 2020, the Company sold 4,600,000 common shares of Strikepoint for total net proceeds of $928 (no common shares of Strikepoint were sold in 2019). The Company recorded a gain of $1,972 ($698 realized, $1,274 unrealized) on its marketable securities for the year ended December 31, 2020 (year ended December 31, 2019: unrealized loss of $811). At December 31, 2020 the Company had 5,538,000 (December 31, 2019: 10,138,000) common shares of Strikepoint with a fair value of $1,551 (December 31, 2019: $507).

7. RECLAMATION DEPOSITS

The Company is required to maintain reclamation deposits for its mineral properties in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

The Company was required to post an environmental bond of $14,649 for its Premier property when it was acquired from Boliden Ltd. (Note 9), of which $5,000 was posted in October 2018, $5,000 was posted in October 2019 and $4,649 was posted in October 2020. The Company established a surety bonding arrangement with a Canadian insurance company (the "Surety") with respect to its environmental bonds. The surety arrangement required the Company to provide cash collateral and pay an annual bond fee equal to 2% of the respective bond amount. In October 2020, the cash collateral requirement was reduced from 40% to 25% of the respective bond amounts resulting in a cash refund of $502.

Upon the acquisition of IDM (Note 4), the Company assumed an environmental bond of $1,098 and set this up as an additional surety bond.

Except for the $3,938 held as cash collateral with the surety bond trust account, the reclamation deposits are held in certificates of deposits with a Canadian chartered bank and the Ministry of Finance of British Columbia.

The following table summarizes the reclamation deposit by property:

		December 31, 2020		December 31, 2019
Surety bond trust account:				
Premier Gold Project	$	3,663	$	4,000
Red Mountain		275		439
Cash security:				
Premier Gold Project		66		73
Silver Coin		71		71
Swamp Point		310		310
	$	4,384	$	4,893

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

All reclamation deposits are classified as long-term, regardless of their term, as the funds will remain on deposit until the reclamation obligations are extinguished.

8. EXPLORATION AND EVALUATION ASSETS

	Premier Gold	Red Mountain	Mt. Margaret	Total
Cost - acqusition	$ 35,182	$ 33,768	$ 2,142	$ 71,092
Cost - asset retirement	15,013	2,912	-	17,925
Cost - exploration	64,800	-	3,276	68,076
Cost - permitting and engineering studies	9,971	1,126	-	11,097
Capitalized borrowing costs	718	625		1,343
Accumulated depreciation & amortization	(219)	(217)	-	(436)
Total December 31, 2019	**125,465**	**38,214**	**5,418**	**169,097**
Change in Cost				
Additions - acquisition	-	-	-	-
Additions - asset retirement cost	6,216	271	-	6,487
Additions - exploration	4,736	-	6	4,742
Additions - permitting and engineering studies	9,193	481	-	9,674
Reclassification to prepaid royalties	-	(1,100)	-	(1,100)
Capitalized borrowing costs	1,829	249	-	2,078
Transfer to mineral properties	(147,439)	(38,115)	-	(185,554)
	(125,465)	(38,214)	6	(163,673)
Change in Accumulated Amortization				
Depreciation and amortization charge	(241)	(315)	-	(556)
Transfer to mineral properties	241	315	-	556
	-	-	-	-
Cost - acquisition	-	-	2,142	2,142
Cost - exploration	-	-	3,282	3,282
Total December 31, 2020	**$ -**	**$ -**	**$ 5,424**	**$ 5,424**

PGP AND RMP – THE PROJECT

In December 2020, the Company concluded that technical feasibility and commercial viability of the Project has been demonstrated (Note 2). As a result, the Project (which includes PGP and RMP), was transferred from exploration and evaluation assets to mineral properties, plant and equipment.

At the time of the transfer from exploration and evaluation to mineral properties, plant and equipment, the Company completed an impairment test. The impairment test compared the carrying amount of PGP and RMP to their recoverable amount. The Company estimated the recoverable amount based on the fair value less costs of disposal using a discounted cash flow model with feasibility study economics.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

MT. MARGARET

In March 2010 the Company signed an Option agreement, whereby it acquired a 100% interest in General Moly Inc.'s 50% interest in the Mt. Margaret property in Washington, USA. The government of the United States owns the other 50% interest.

Ascot has the right to earn a 100% interest in Mt. Margaret property subject to a 1.5% NSR and a negotiated federal royalty. The Company may purchase one-half of the NSR upon completion of a preliminary economic assessment. The purchase price shall be negotiable but shall not be less than 50% of the net present value of the NSR.

SWAMP POINT

The Company holds a 100% interest in a lease and foreshore tenure, expiring May 15, 2028, for the purpose of quarrying, digging and removal of sand and gravel at Swamp Point in British Columbia. Operations were suspended in 2008 due to unfavourable aggregate markets. The property was subsequently written off in 2010.

9. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Mineral properties and project development costs	Land and buildings	Machinery and equipment	Office furniture and equipment	Right-of-use assets	Total
Cost	$ -	$ 1,029	$ 3,190	$ 307	$ 865	$ 5,391
Accumulated depreciation & amortization	-	(99)	(1,953)	(113)	(14)	(2,179)
Net book value, December 31, 2019	**-**	**930**	**1,237**	**194**	**851**	**3,212**
Change in Cost						
Additions	-	325	56	3	-	384
Disposals	-	-	(685)	-	-	(685)
Transfer from exploration & evaluation	184,998	-	-	-	-	184,998
Subtotal	184,998	325	(629)	3	-	184,697
Change in Accumulated Amortization						
Depreciation & amortization charge	-	(33)	(530)	(61)	(173)	(797)
Disposals	-	-	685	-	-	685
Subtotal	-	(33)	155	(61)	(173)	(112)
Cost	184,998	1,354	2,561	310	865	190,088
Accumulated depreciation & amortization	-	(132)	(1,798)	(174)	(187)	(2,291)
Net book value, December 31, 2020	**$ 184,998**	**$ 1,222**	**$ 763**	**$ 136**	**$ 678**	**$ 187,797**

MINERAL PROPERTIES AND PROJECT DEVELOPMENT COSTS

Mineral properties and project development costs include PGP and RMP (together defined as the Project). PGP comprises the previously separate Premier, Dilworth and Silver Coin Properties. In October 2018, the Company completed its acquisition of the Premier Property from Boliden Limited ("Boliden"). The Company also assumed certain royalties on the Premier Property that result from obligations of a previous owner of the property. These royalties consist of an additional 1% NSR and a 5% Net Profit Interest royalty on production from certain areas of the Premier Property. Upon acquisition, Ascot granted Boliden an additional 5% NSR, which could be purchased by the Company for $9,550 at any time.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

The Company also acquired the adjoining Dilworth property from Boliden and one of Ascot's former directors (the "Dilworth Optionors") and granted Boliden a 1% Net Smelter Royalty ("NSR") and the first right to purchase all base metal concentrates produced from the Premier Property. Ascot also granted the Dilworth Optionors an additional 5% NSR, which could be purchased by the Company for $4,150 at any time.

In November 2007 the Company acquired three crown grants (Old Timer, Butte and Yellowstone) which are located near the Dilworth property. These properties are subject to a 1% NSR on the crown grants.

In October 2018, the Company acquired the Silver Coin property ("Silver Coin") adjacent to the Company's Premier and Dilworth properties from Jayden Resources Inc. and Mountain Boy Minerals Ltd. The Silver Coin property is subject to a 2% NSR royalty to Nanika Resources Inc.

In May 2019, the Company entered into a Funding Agreement with Nisga'a Nation for PGP. Under the terms of the Funding Agreement, the Company was required to make cash payments totaling $400 to Nisga'a Nation, which are the Company's contribution to the reasonable costs and expenses incurred by the Nisga'a Nation in respect of PGP MAPA application review and the Benefits Agreement negotiations. In September 2020, the Company amended the Funding Agreement and increased the total funding amount to $450. The Company paid $200 in 2020 and $225 in 2019 under the Funding Agreement.

In May 2017, IDM acquired 100% of the Red Mountain property from Seabridge Gold Inc. ('Seabridge"). Pursuant to the purchase agreement, IDM is required to make an additional one-time cash payment of 1.5 million U.S. dollars upon commercial production to Seabridge, and Seabridge also retained a gold metal stream on RMP to acquire 10% of the annual gold production from the property at a cost of one thousand U.S. dollars per ounce up to a maximum of 500,000 ounces produced (50,000 ounces to Seabridge). Alternatively, Seabridge may elect to receive a one-time cash payment of 4 million U.S. dollars at the commencement of production in exchange for the buyback of the gold metal stream. The property is also subject to payment of production royalties and the payment of a minimum annual pre-production royalty of $50 to Wotan Resources Corp. ("Wotan"). Total historical pre-production royalty paid to date to Wotan is $1,200 (Note 10), which is deductible against future production royalties and is reported within other assets in the Company's Statement of Financial Position. Production from the claims, which contain the Red Mountain gold deposit are subject to two separate net smelter return royalties aggregating 3.5% (Franco-Nevada Corp.: 1% and Wotan: 2.5%).

In April 2019, IDM entered into a Benefits Agreement with Nisga'a Nation for RMP. Under the terms of the Benefits Agreement, the Company is required to make cash payments to Nisga'a Nation, which are tied to permitting, project financing and production milestones, totaling up to $2,000. Upon signing of the Benefits Agreement, the Company made its first payment of $50 in April 2019. The Company is also required to make annual payments as a percentage of Provincial Mineral Tax during production.

10. OTHER ASSETS

		December 31, 2020		December 31, 2019
Deferred financing cost (Note 13)	$	6,829	$	-
Pre-production royalty (Note 9)		1,200		-
	$	8,029	$	-

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

11. RECLAMATION PROVISIONS

Discounted site closure and reclamation provisions for the Company's properties are as follows:

Balance at December 31, 2019	**$**	**18,966**
Change in estimate (discount rate)		6,706
Change in estimate (timing of reclamation activities)		(219)
Accretion of reclamation liability		308
Reclamation work done to reduce liability		(464)
Balance at December 31, 2020		**25,297**
Current		396
Non Current	**$**	**24,901**

Discounted site closure and reclamation provisions by mineral property are as follows:

	December 31, 2020	December 31, 2019
Premier Gold	21,022	15,089
Silver Coin	423	371
Swamp Point	607	557
Red Mountain	3,245	2,949
	25,297	18,966

The Company's provision for environmental obligations at the Premier Gold mine is based on the project plan prepared by an independent engineering firm. As at December 31, 2020, the estimated future cash flows have been discounted using a risk-free rate of 1.21% and an inflation rate of 2% was used to determine future expected costs (as at December 31, 2019: 1-3% and 2%, respectively).

The Company's provision for environmental obligations at the Red Mountain property is based on the reclamation cost estimate prepared by management. As at December 31, 2020, the estimated future cash flows have been discounted using a risk-free rate of 0.67% and an inflation rate of 2% was used to determine future expected costs (as at December 31, 2019: 1.7% and 2%, respectively).

Undiscounted site closure and reclamation cost estimates required to satisfy the obligations by mineral property are as follows:

	December 31, 2020	December 31, 2019
Premier Gold	31,485	31,949
Silver Coin	448	448
Swamp Point	536	547
Red Mountain	2,827	2,827
	35,296	35,771

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

12. CONVERTIBLE NOTE

	Convertible note - Liability component	Convertible note - Derivative component	Total
Issuance of the Note on Jan. 18, 2019	$ 11,026	$ 1,702	$ 12,728
Interest expense	731	-	731
Interest expense capitalized	1,343	-	1,343
Interest paid	(501)	-	(501)
Interest payable	(594)	-	(594)
Gain on derivative component	-	(1,248)	(1,248)
Foreign exchange gain	(236)	-	(236)
Balance, December 31, 2019	**11,769**	**454**	**12,223**
Interest expense capitalized	2,078	-	2,078
Interest paid	(1,041)	-	(1,041)
Prepayment fee	(139)	-	(139)
Gain on derivative component	-	(454)	(454)
Repayment	(12,803)	-	(12,803)
Foreign exchange loss	136	-	136
Balance, December 31, 2020	**-**	**-**	**-**

On January 18, 2019, the Company 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 (the "Lenders") for US$8.83 million and US$1.17 million. The Note's original maturity date was January 18, 2021 with an interest rate between 8% and 8.5%, and, subject to certain terms, the Note could be converted into common shares in the capital of the Company at a conversion price of US$1.13 per share.

An original issue discount of $398 and transaction costs of $134 were deducted from the liability portion of the Note at the time of issue.

On January 2, 2020, the Company issued 652,615 common shares of Ascot to the Lenders for the payment of interest due on the Note from July 1 to December 31, 2019. On June 30, 2020 the Company paid $549 (in U.S. dollar equivalent) to the Lenders for the payment of interest due on the Note from January 1 to June 30, 2020.

On December 10, 2020, the Company fully repaid the Note with the proceeds from its new Convertible Debt (Note 13). In addition, on December 10, 2020, the Company issued 567,589 common shares of Ascot to the Lenders for payment of interest and prepayment fee due on the Note up to December 9, 2020. On the date of issue, these common shares had a fair value of $630.

13. CREDIT FACILITIES

On December 10, 2020, the Company closed a project financing package with Sprott Resource Lending Corp. ("Sprott") and Beedie Investments Ltd. ("Beedie") for the development of the Project. The financing package consists of a) a US$80 million senior secured non-revolving credit facility with Sprott (the "Senior Debt"); b) the Product Payment Agreement ("PPA", and c) a US$25 million subordinated convertible non-revolving credit facility with Beedie and Sprott (the

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"Convertible Debt"). The Senior Debt and the PPA were negotiated concurrently, and accordingly have been considered together in determining their initial fair values.

The Company incurred $2,155 of debt advisory, legal and due diligence expenses in relation to arranging the project financing package. Upon closing of the project financing package, transaction costs and fees attributable to the Senior and Convertible Debt have been included in the respective effective interest rate calculations for these liabilities measured at amortized cost.

Security provided for the project financing package includes: a) general security in favour of Sprott and Beedie; b) debentures from Ascot and IDM in favour of Sprott granting a first priority encumbrance over all of the Company's present and after-acquired assets; c) first priority real property mortgages over all of the Company's real property interests, and d) share pledge by Ascot of IDM and Ascot Power.

Under the terms of the credit agreements, if an event of default shall occur and be continuing, Sprott and Beedie may, by notice to the Company, declare their commitment to advance the facilities be terminated and the outstanding principal and accrued interest and fees be due and payable. Events of default include but are not limited to failing to make principal interest and fee payments; defaulting on certain covenants; failing to achieve project completion by September 30, 2023 and failing to complete minimum equity raise of US$25 million by June 10, 2021. As the Company is not considered to have unconditional right to defer payment for the next 12 months under IAS 1, the Credit Facilities are classified as current liabilities at December 31, 2020.

The availability of the Senior and Convertible Debt is subject to certain conditions and covenants, including the maintenance of minimum cash and working capital balances. As of December 31, 2020 the Company was in compliance with the covenants.

a) Senior Debt

	Senior Debt - Liability component	Senior Debt - Derivative component	Senior Debt - PPA	Total
Fair value on intial recognition on Dec. 10, 2020	$ **22,179**	$ **1,146**	$ **5,283**	$ **28,608**
Transaction costs and fees	(312)	-	-	(312)
Interest and accretion	166	-	35	201
Foreign exchange gain	(122)	-	-	(122)
Balance, December 31, 2020	**21,911**	**1,146**	**5,318**	**28,375**

Pursuant to the terms of the Senior Debt, the Company may borrow up to US$80 million. Interest will accrue on the outstanding principal amount of the Senior Debt at a floating rate equal to a base rate of:

- 7.00% per annum during the period commencing on December 10, 2020 and ending upon completion as defined in the Senior Debt agreement, which will occur when construction is complete and PGP has successfully completed an agreed completion test ("Completion Date"), but no later than September 30, 2023, and
- 5.75% per annum after the Completion Date

Plus the greater of the London Inter-bank Offered Rate ("LIBOR") and 1.50% per annum. All interest payable from December 10, 2020 until June 30, 2022 (the "Availability Period") shall be capitalized and added to the principal loan amount. At all times following the last day of the Availability Period, all interest shall be payable in cash. Principal and accrued interest are payable quarterly from September 30, 2023 to December 31, 2025, with quarterly repayments equal to 10% of the total amount outstanding at the end of the Availability Period. The Senior Debt matures on December 31, 2025.

As of December 31, 2020, the Company accrued interest of $133 on the Senior Debt, which was added to the principal loan amount.

The Senior Debt is accounted for as a financial liability subsequently measured at amortized cost under IFRS 9.

The floating interest rate floor of 1.50% over the base rate has been determined to be an embedded derivative that is not closely related to the Senior Debt, and is bifurcated and accounted for separately. At each reporting period, the derivative will be fair valued with changes in fair value recorded as a gain or loss in the statement of profit or loss. On initial recognition and as at December 31, 2020, the fair value of the derivative was $1,146.

On December 10, 2020 the Company made an initial nominal drawdown of US$20 million, subject to an "original issue discount" of 33.92179% of the initial advance, for cash proceeds of $16,920 (US$13.2 million). Any subsequent drawdowns are at the discretion of the Company, subject to a 2% issue discount at the time of draw and satisfaction of customary conditions precedent.

Pursuant to the Senior Debt agreement, on December 10, 2020, Sprott subscribed for 1,715,398 Common Shares of Ascot (the "Partner Alignment Shares") for a total consideration of $1,793 (US$1.4 million).

The initial advance of the Senior Debt was measured at its fair value of $23,325 (US$18.2 million) on inception. The original issue discount of $8,686 (US$6.8 million), along with the related advisor, legal and due diligence costs, are accounted for as deferred finance costs. The deferred finance costs, along with the related transaction costs, have been recorded proportionately against the amount drawn on the Senior Debt, with the unallocated portion recognized within other assets (Note 10) on the balance sheet, to be deferred until future draws on the Senior Debt have been made. Those costs allocated to the initial advance have been included in the determination of the amortized cost of the Senior Debt, and will be amortized using the effective interest rate method. The effective interest rate on the first tranche is approximately 12.4% per annum, and the Company has incurred $133 of unpaid and accrued interest payable as at December 31, 2020. The accrued interest has been capitalized to the principal amount of the Senior Debt.

On the last day of the Availability Period, the Company shall pay to Sprott as additional interest an amount equal to 5% of the undrawn portion of the available US$80 million, if any, unless due to certain mine permit amendments not being received. The Company currently expects to draw the full amount of the Senior Debt and will reassess this assumption at each reporting period.

The Company may elect to prepay the outstanding principal balance in whole or in part provided that the Company makes such prepayment during the period commencing December 31, 2022. The Company shall pay to Sprott an additional amount equal to 2% of the amount of such prepayment if it is repaid anytime between December 31, 2022 and one year thereafter. Any prepayment after this date shall not carry any penalty. The prepayment option has been determined to be an embedded derivative that is not closely related to the Senior Debt, and therefore it must be bifurcated and accounted for separately. At each reporting period, the derivative will be fair valued with changes in fair value recorded as an expense in profit or loss. On inception and as at December 31, 2020 this derivative had a fair value of $Nil.

b) Production payment agreement (PPA)

The Company has entered into a PPA with Sprott, whereby on December 10, 2020 the Company received an advance payment of $6,381 (US$5.0 million) from Sprott. To repay this advance, the Company has agreed to pay Sprott monthly production payments equal to US$13 multiplied by the number of ounces of gold from which the Company receives payment on from December 10, 2020 until 450,000 ounces of gold has been produced.

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At inception, the fair value of the PPA was $5,283 (US$4.1 million). The Company recorded the PPA at fair value on inception. The effective interest rate has been determined to be approximately 11% per annum.

c) Convertible Debt

	Convertible Debt - Liability component	Convertible Debt - Derivative component	Total
Fair value on initial recognition on Dec. 10, 2020	$ 7,553	$ 5,250	$ 12,803
Transaction costs and fees	(860)	-	(860)
Interest expense	59	-	59
Change in fair value of derivative	-	2,750	2,750
Foreign exchange gain	(37)	-	(37)
Balance, December 31, 2020	**6,715**	**8,000**	**14,715**

Pursuant to the terms of the Convertible Debt, the Company may borrow up to US$25 million. Interest will accrue on the outstanding principal amount of the Convertible Debt at 8.00% per annum. The interest is compounded quarterly and is added to the principal loan amount prior to the Completion Date. All interest incurred after the Completion Date shall be payable in cash quarterly. Principal and capitalized interest are payable on December 10, 2023 (the maturity date, which may be extended by one year if all material permits, contracts and authorizations for PGP are in place). Any undrawn balance of the Convertible Debt incurs a standby fee of 3% beginning on December 10, 2020.

As of December 31, 2020, the Company accrued interest of $62 on the Convertible Debt, which was added to the principal loan amount. The Company also accrued standby fee of $35.

Beedie has the option to convert all or a portion of the Convertible Debt's outstanding principal and capitalized interest into common shares of Ascot at a conversion price equal to the higher of a 20% premium on the 30-day volume weighted average price ("VWAP") of Ascot's shares immediately prior to December 10, 2020 and the lowest price permitted by the rules and policies of the TSX Exchange (the "Conversion Price").

The Company has the one-time right to convert up to 50% of the Convertible Debt's outstanding principal and capitalized interest into common shares of Ascot in the event that for over 20 consecutive trading days, Ascot's shares' VWAP exceeds the Conversion Price (the "Conversion Trigger"). The Company may not force conversion if after the first Conversion Trigger the 30-day VWAP is less than 105% of the Conversion Price

The liability component of the Convertible Debt is accounted for as a financial liability subsequently measured at amortized cost under IFRS 9.

On December 10, 2020 the Company made an initial nominal drawdown of US$10 million. The entire proceeds from the initial advance were used to repay the Company's Convertible Note (Note 12). The Company may make a subsequent drawdown of US$15 million under the Convertible Debt agreement upon satisfaction of customary conditions precedent.

The initial advance of the Convertible Debt was measured at its fair value of $12,803 (US$10 million) on inception. The commitment fee of $480 and related advisor, legal and due diligence costs are accounted for as deferred finance costs. The deferred finance costs, along with the related transaction costs, have been recorded proportionately against the amount drawn on the Convertible Debt, with the unallocated portion recognized within other assets (Note 10) on the balance sheet, to be deferred until a future draw on the Convertible Debt has been made. Those costs allocated to the initial advance have been included in the determination of the amortized cost of the Convertible Debt, and will be amortized using the effective interest rate method. The balance of the deferred charges and transaction costs allocated to the initial advance was $860. The remaining balance of discounts and transaction costs of $579 is recorded as prepaid deferred finance costs in non-current assets, and will be included in the determination of the amortized cost and effective interest rate of subsequent draws as they occur. The effective interest rate on the first tranche is approximately 14.7% per annum.

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The conversion feature within the Convertible Debt agreement has been determined to be an embedded derivative that is not closely related to the Convertible Debt, and is bifurcated and accounted for separately, by first valuing the derivative component. At each reporting period, the derivative will be fair valued with changes in fair value recorded as a gain or loss in the statement of profit or loss. The fair value of derivative at the inception date and at each reporting period was calculated using the Finite Difference Method. The expected volatility assumption in the valuation model is based on the historical volatility of the Company's stock commensurate with the remaining term of the conversion option. On initial recognition and as at December 31, 2020, the fair value of the derivative was $5,250 and $8,000, respectively, resulting in a loss on change in fair value of the derivative of $2,750.

The assumptions used in this valuation model, and the resulting fair value of the embedded derivative at December 10 and 31, 2020 were as follows:

Maturity date:	December 10, 2024
Risk-free rate:	0.73 and 0.68%, respectively
Share price:	$1.11 and $1.49 per share, respectively
Expected volatility (rounded):	60%
Dividend yield:	$Nil
Interest rate:	8.0%
Conversion price:	$1.32672 per share
Conversion price cap:	$1.92374 per share

The Company may elect to prepay the outstanding principal and accrued interest balance in whole or in part at any time. The Company shall pay to Beedie an amount equal to 24 months' interest on outstanding amount if prepayment is made prior to December 10, 2022. The Company shall pay to Beedie an amount equal to 1% of the outstanding amount if prepayment is made after December 10, 2022.

The Company also issued 200,501 common shares of Ascot to a consultant for payment of a portion of advisory fees in relation to the initial advance under the Convertible Debt.

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14. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the income or loss for the year. These differences result from the following items:

		Year ended December 31, 2020		Year ended December 31, 2019
Loss before income taxes	$	(8,737)	$	(7,181)
Income tax rate		27.00%		27.00%
Income tax expense (recovery) calculated using statutory rate		(2,359)		(1,939)
Increase (decrease) in income taxes resulting from:				
Non-deductible expenses		569		537
Flow-through shares		907		2,420
Financing costs		(653)		(291)
Change in fair value of derivative		743		-
Impact of change in provision from the prior year		(190)		(75)
Change in unrecognized deferred tax assets		670		(57)
Other, net		3		6
Income tax expense (recovery)	$	(310)	$	601

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at December 31, 2020 and 2019, are summarized as follows:

	December 31, 2020	December 31, 2019
Deferred tax assets		
Non-capital loss carry-forwards	30,104	24,816
Property, plant and equipment	-	1,385
Financing costs	1,601	858
Marketable securities	-	159
Reclamation provision	507	331
Other, net	278	(28)
	32,490	27,521
Unrecognized deferred tax assets	(1,822)	(1,143)
	30,668	26,378
Deferred tax liabilities		
Marketable securities	(62)	-
Exploration and evaluation assets	(728)	(26,979)
Mineral properties, plant and equipment	(28,638)	-
Prepaid royalties	(324)	-
Senior and convertible debt	(1,207)	-
	(30,959)	(26,979)
Net deferred tax liabilities recognized	(291)	(601)

As at December 31, 2020, the Company has estimated non-capital losses for Canadian and US income tax purposes of $105,624 and US$3,138 respectively (December 31, 2019 - $89,081 and US $2,803, respectively), which may be carried forward to reduce taxable income derived in the future.

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Non-capital Canadian tax losses expire as follows:

Year of expiry		Taxable losses
2029	$	512
2030		2,210
2031		24,038
2032		4,399
2033		3,498
2034		3,680
2035		2,548
2036		5,276
2037		9,569
2038		11,003
2039		20,015
2040		18,876
Total	$	105,624

Non-capital US tax losses expire between 2031 and 2040.

The potential benefits of these carry-forward non-capital losses, capital losses and deductible temporary differences in excess of those which offset recognized deferred tax liabilities have not been recognized in these financial statements as there is no certainty that sufficient future taxable profit will allow the deferred tax asset to be recovered.

15. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares with no par value. As at December 31, 2020, the number of total issued and outstanding common shares is 278,323,751 (December 31, 2019: 232,478,810).

Activities during the year ended December 31, 2020

In February 2020, the Company raised $10,253 by issuing 5,126,250 flow-through shares at $0.98 per share and 8,170,588 common shares at $0.64 per common share. In connection with the offering, the Company paid the agents' and finders' cash fees and other share issuance fees in the amount of $735.

In June 2020, the Company raised $25,000 through a bought deal by issuing 29,412,000 common shares at $0.85 per share. In connection with the offering, the Company paid offering cash commission, agent's fees and other share issuance fees in the amount of $1,676.

Throughout 2020, the Company issued a total of 1,220,204 common shares of Ascot for the payment of interest and prepayment premium due on the convertible note (Note 12).

In December 2020, the Company issued 1,715,398 common shares of Ascot as Senior Debt partner alignment shares (Note 13) and 200,501 common shares of Ascot for payment of project financing advisory fees (Note 13).

Activities during the year ended December 31, 2019

In March 2019, the Company issued 35,394,165 common shares (including 315,226 shares for advisory fee), 715,500 stock options and 4,309,128 warrants in connection with its acquisition of IDM (Note 4).

In May 2019, the Company raised $15,874 by issuing 8,139,548 flow-through shares and 13,841,035 units, with each unit consisting of one common share of the Company and one common share purchase warrant. In connection with the offering, the Company paid fees of $1,089 and issued 888,332 non-transferable warrants.

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In July 2019, the Company issued 726,111 common shares of Ascot for the payment of interest due on the convertible note up to June 30, 2019.

16. WARRANTS, OPTIONS AND SHARE UNITS

a) Warrants

As of December 31, 2020, the Company had no outstanding share purchase warrants. Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Warrants	Weighted average exercise price (C$)
Outstanding at January 1, 2019	190,125	1.00
Issued for the acquisition of IDM (Note 4)	4,309,127	1.91
Issued for the May 2019 Offering (Note 15)	14,729,367	0.95
Expired	(185,647)	1.64
Outstanding at December 31, 2019	19,042,972	1.16
Expired	(19,042,972)	1.16
Outstanding at December 31, 2020	-	-

b) Stock options

Total stock-based compensation expense for the year ended December 31, 2020 was $3,092 (year ended December 31, 2019: $1,547). The unrecognized compensation cost for non-vested share options at December 31, 2020 was $863 (December 31, 2019: $337).

As of December 31, 2020, the Company had outstanding and exercisable stock options as follows:

	Options outstanding			Options exercisable		
Range of price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Number exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price C$
$0.50 to $0.99	7,330,000	3.82	0.78	5,051,666	3.74	0.77
$1.00 to $1.29	877,000	3.90	1.08	643,667	3.64	1.04
$1.30 to $1.50	3,283,709	3.78	1.34	2,481,136	3.39	1.34
$1.51 to $2.00	8,350,000	1.50	1.65	8,350,000	1.50	1.65
$2.01 to $2.34	144,500	1.43	2.13	144,500	1.43	2.13
	19,985,209	2.83	1.26	16,670,969	2.54	1.32

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Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Options	Weighted average exercise price (C$)
Outstanding at January 1, 2019	14,240,000	1.50
Issued for the acquisition of IDM (Note 4)	715,500	2.35
Granted	3,630,000	0.74
Expired	(3,077,625)	0.95
Forfeited	(684,375)	1.84
Outstanding at December 31, 2019	14,823,500	1.45
Granted	6,693,709	1.01
Expired	(981,000)	1.77
Forfeited	(551,000)	2.50
Outstanding at December 31, 2020	19,985,209	1.26

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the option granted.

During the year ended December 31, 2020, the Company granted 6,693,709 stock options at a weighted average exercise price of $1.01 to its directors, employees and consultants. The weighted average assumptions used in the stock option pricing model and the resulting weighted average fair values per option for the options granted during the year ended December 31, 2020 were as follows:

Risk-free rate:	0.35% - 1.19%
Expected life:	4 - 5 years
Expected volatility:	61.91% - 65.77%
Expected dividends:	Nil
Weighted average fair value per option:	$ 1.01

c) Share units

The Company uses the Black-Scholes option pricing model to estimate the fair value for restricted share units ("RSU"). The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the RSU granted. In 2020, the Company granted 1,052,871 RSUs to its employees and contractors. The RSUs vest over a three-year period and can be either cash or equity settled upon vesting at the election of the Company. For the year ended December 31, 2020, $138 (year ended December 31, 2019: $Nil) was expensed in the statement of comprehensive loss as stock-based compensation expense for RSUs.

The Company uses Ascot's closing stock price on the grant date to estimate the fair value for deferred share units ("DSU"). The Company's DSUs vest immediately and may be redeemed when the individual ceases to be a director of the Company, following which the DSUs will be settled in cash or common shares of the Company at the election of the Board at the time of grant. For the year ended December 31, 2020, $494 (year ended December 31, 2019: $Nil) was expensed in the statement of comprehensive loss as stock-based compensation expense for DSUs.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Movements in the number of RSUs and DSUs outstanding during the year ended December 31, 2020 are as follows:

	Number of RSUs	Number of DSUs
Outstanding at December 31, 2019	-	-
Granted	1,052,871	450,370
Outstanding at December 31, 2020	1,052,871	450,370

The weighted average remaining contractual life of RSUs outstanding at December 31, 2020 is 4.71 years. The DSUs outstanding at December 31, 2020 expire one year after the individual ceases to be a director of the Company.

17. GENERAL AND ADMINISTRATIVE COSTS

	Year ended December 31, 2020	Year ended December 31, 2019
Employee wages and benefits	$ 2,147	$ 1,968
Management fees	772	667
Legal and professional services	779	563
Office and administration expenses	328	520
Travel	67	164
Investor relations and shareholders costs	397	817
	$ 4,490	$ 4,699

18. OTHER INCOME AND EXPENSES

Other income is comprised of the following:

	Year ended December 31, 2020	Year ended December 31, 2019
Interest income	$ 216	$ 278
Flow through share premium	1,352	731
Gain on marketable securities (Note 6)	1,972	-
Gain on convertible note (Note 12)	454	1,249
	$ 3,994	$ 2,258

Finance expense is comprised of the following:

	Year ended December 31, 2020	Year ended December 31, 2019
Interest on credit facilities	$ 226	$ 731
Accretion	343	479
Reclamation bond fee	221	147
Interest on office lease liability	73	7
	$ 863	$ 1,364

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Other expense is comprised of the following:

		Year ended December 31, 2020		Year ended December 31, 2019
Loss on marketable securities	$	-	$	811
Change in fair value of embedded derivatives		2,750		-
Other		-		51
	$	2,750	$	862

19. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) Key Management Compensation

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

		Year ended December 31, 2020		Year ended December 31, 2019
Salaries and short-term benefits	$	401	$	427
Management fees		774		610
Exploration and evaluation costs		104		59
Share-based payment transactions		2,185		1,099
	$	3,464	$	2,195

b) Other Related Party Transactions

Included in accounts payable at December 31, 2020 is $356 (December 31, 2019: $39) due to related parties.

During the year ended December 31, 2020, key management personnel were granted 3,853,397 stock options at a weighted average exercise price of $0.99. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at $1,790.

During the year ended December 31, 2020, key management personnel were granted 643,333 RSUs. Based on the Company's share price on grant dates, the fair value of the RSUs granted to key management personnel was $697.

During the year ended December 31, 2020, the Company's directors were granted 450,370 DSUs. Based on the Company's share price on grant dates, the fair value of the DSUs granted to directors was $494.

20. SEGMENT REPORTING

The Company is principally engaged in the acquisition, exploration, evaluation and development of mineral properties. The Company has three operating segments: PGM and RMP (the Project) (Note 8), Mt. Margaret and Swamp Point (Note 8). The Company has two geographic areas, Canada and the US.

All of the Company's assets are in Canada except for the Mt. Margaret property which is located in the US. Costs for Mt. Margaret are included in exploration and evaluation assets, as disclosed in Note 8.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

21. LOSS PER SHARE

		Year ended December 31, 2020		Year ended December 31, 2019
Loss attributable to ordinary shareholders	$	8,427	$	7,781
Weighted average number of shares outstanding - basic and diluted		260,543,212		215,119,821
Diluted loss per share	**$**	**0.03**	**$**	**0.04**

For the years ended December 31, 2020 and 2019 none of the Company's issued and outstanding share purchase warrants, stock options, RSUs or DSUs were included in the calculation of diluted loss per share as they were anti-dilutive.

22. SUPPLEMENTAL CASH FLOW INFORMATION

The net changes in non-cash working capital items were as follows:

		Year ended December 31, 2020		Year ended December 31, 2019
Net changes in non-cash working capital items included in exploration and evaluation assets				
BC Mining Exploration Tax Credit (BCMETC) receivable		-		(246)
Depreciation and amortization	$	(200)	$	(146)
Capitalized borrowing cost		2,078		1,343
Accounts payable and accrued liabilities		837		67
	$	2,715	$	1,018
Net changes in non-cash working capital items included in financing activities				
Shares issued for payment of interest & fees on convertible note (Note 12)	$	(1,223)	$	(501)
Convertible debt - initial advance (Note 13c)		12,803		-
Payment of convertible note with proceeds from convertible debt (Note 12)		(12,803)		-
Financing advisory fees (Note 13) - shares		(219)		-
Financing advisory fees (Note 13) - options		(51)		-
	$	(1,493)	$	(501)

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments include cash and cash equivalents, marketable securities, interest and other receivables, reclamation deposits, trade and other payables, senior and convertible debt and other liabilities. IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash and cash equivalents, interest and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short-term nature. The fair value of reclamation deposits, senior and convertible debt and PPA approximate their carrying value due to the consistency of the credit risk of the Company since the initial recognition of these instruments. Only a short period of time has passed from the date when the senior and convertible debt had been recognized (December 10, 2020) to the year-end date (December 31, 2020), hence there was no significant change in fair value of those instruments.

The following tables present the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

As at December 31, 2020	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Marketable securities	$ 1,551	$ -	$ -
	$ 1,551	$ -	$ -
Financial liabilities			
Senior debt - derivative portion	$ -	$ -	$ 1,146
Convertible debt - derivative portion	-	-	8,000
	$ -	$ -	$ 9,146

As at December 31, 2019	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Marketable securities	$ 507	$ -	$ -
	$ 507	$ -	$ -
Financial liabilities			
Convertible note - derivative portion	$ -	$ -	$ 454
	$ -	$ -	$ 454

Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, market risk (currency risk), interest rate risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in cooperation with the Company's departments. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance, in the context of its general capital management objectives.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company's significant financial instruments denominated in a foreign currency (U.S. dollar) are the senior and convertible debt (Note 13) and GICs and term deposits (Note 5). A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at December 31, 2020 would result in an additional $610 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the year ended December 31, 2020 (year ended December 31, 2019: $1,026).

Interest Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at bank and GIC's carried at fixed interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the derivative components of the senior and convertible debt (Note 13). The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2020 are as follows:

	Less than 1 year	**1-3 years**	**4-5 years**	**After 5 years**	**TOTAL**
Trade and other payables	$ 2,796	$ -	$ -	$ -	$ 2,796
Equipment purchase	4,898	-	-	-	4,898
Reclamation provisions	373	659	1,067	33,197	35,296
Lease liability	230	466	219	-	915
Production payment agreement (Note 13b)	6,346	-	-	-	6,346
Senior and convertible debt (Note 13)	40,118	-	-	-	40,118
	$ 54,761	$ 1,125	$ 1,286	$ 33,197	$ 90,369

As of December 31, 2020, the production payment agreement as well as the Senior and Convertible debt are classified as current liabilities (payable in less than 1 year) since the Company is not considered to have unconditional right to defer payment for the next 12 months under IAS 1 (Note 13).

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing annual capital and administrative expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable as well as the Senior and Convertible Debt (Note 13). Except for the Senior and Convertible debt, most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

24. CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, warrants, stock options and share units, and senior and convertible debt as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business. According to the Senior Debt agreement (Note 13), the Company is required to maintain a minimum of US$5 million (or Canadian dollar equivalent) in unrestricted cash and cash equivalents, and a working capital ratio of 1:1. As of December 31, 2020, the Company is in compliance with these requirements.

There has been no significant change to the Company's capital management policies during the year ended December 31, 2020.