Ascot Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2022

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

Report date: November 10, 2022

This Management's Discussion and Analysis ("MD&A") of Ascot Resources Ltd. ("Ascot" or the "Company") is dated November 10, 2022 and provides an analysis of our unaudited consolidated interim financial results for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021. The following information should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all currency amounts are expressed in thousands of Canadian dollars. Additional information about the Company, including the audited financial statements and the notes thereto, for the year ended December 31, 2021, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com and on the Company's website at www.ascotgold.com.

DESCRIPTION OF THE BUSINESS

Ascot is a Canadian-based development and exploration company publicly traded on the Toronto Stock Exchange (the "TSX") in Canada (symbol AOT). The Company is also trading on the OTCQX market in the U.S. (symbol: AOTVF). The Company is focused on re-starting the historic past producing Premier gold mine located in British Columbia's Golden Triangle. Ascot received the Mines Act Permit amendment ("MAPA") to re-start Premier Gold Project in December 2021.The Silver Coin, Big Missouri, and Premier deposits, collectively being named the Premier Gold Project (PGP) are located near the processing facility on the historical Premier Mine site, and the Red Mountain Project (RMP) is located 23 km to the southeast in an adjacent valley. PGP together with RMP is defined as the "Project". In addition, the Company continues to drill a number of gold-silver discoveries on its 25,000 hectares of mineral concessions that benefit from their proximity to PGP and the towns of Stewart, BC and Hyder, Alaska.

The Company also has two other properties: Swamp Point, an aggregate mine in care and maintenance located in British Columbia on the Portland Canal, and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

Q3 2022 AND RECENT HIGHLIGHTS

- The Company continued to advance underground development during Q3 2022 and subsequent to the quarter end. To October 17, 2022, approximately 921 metres have been developed in all headings, including muck bays, sumps, ore access drift, and the main ramp. Ground conditions have been excellent and heading advance and productivity have been going well. Development accessed initial ore in the A Zone of the Big Missouri deposit in August and sampling protocol has been developed for grade reconciliation to the block model.
- The surface infrastructure at the Big Missouri, S1 pit portal area was progressively prepared for winter snow conditions, which commenced at the end of October 2022. The restart of mining development is now planned for mid 2023 when the snow melts in Spring 2023.
- A 500-metre geotechnical hole was completed on the planned centreline of the new Premier Northern Lights ("PNL") development area next to the mill. The core from this hole was moved down to Stewart where it was logged and analyzed by our Geotech consultant the week of November 1, 2022.
- The Company remains in discussions with potential capital providers with respect to the refinancing of the current debt facilities and has optimized the mine plan to improve the lateral development to ore tonnages in the early years of the mine life.
- On July 14, 2022, the Company announced the first batch of assay results from the 2022 exploration drill program at PGP. These results were from surface exploration drilling at the emerging Sebakwe Zone near the Premier mill, and with assays of up to 193 g/t Au over 1.0m, they continued to highlight the high-grade tenor of the Sebakwe Zone.
- On August 22, 2022, the Company announced the second batch of assay results from the 2022 exploration drill program the Sebakwe Zone at PGP. Highlights from the drill results included 20.10 g/t Au over 1.40m.
- On September 13, 2022, the Company announced the first batch of assay results from the 2022 exploration drill program at Big Missouri at PGP. These results are from surface drilling for in-fill and exploration purposes at the

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

Big Missouri deposit, approximately six kilometres north of the Premier mill. Highlights from the drill results included assays of up to 136.50 g/t Au over 1.00m. Drill holes were targeting the A Zone of the Big Missouri deposit in planned stoping areas, potential extensions of stopes, and gaps in previous drilling on the deposit.

- On October 17, 2022, the Company announced initial positive grade reconciliation between muck samples and the block model grade from underground development at the Big Missouri deposit at PGP. Combined results from ore drives 1 and 2 yielded overall 9% positive grade reconciliation from muck samples compared to the resource block model. As expected, the Company encountered high variability in development round grades often associated with high-grade epithermal gold deposits. Initial results suggested good potential to increase mined grades by continuously improving external mining dilution.
- On October 27, 2022, the Company announced the second batch of assay results from the 2022 exploration drill program at Big Missouri at PGP. Highlights from the drill results included assays of up to 330 g/t Au over 1.00m. A majority of high-grade intercepts were encountered within or close to existing block model wireframes and in potential extensions of those wireframes, further validating the resource model at PGP.

OPERATING OVERVIEW

Premier Gold Project ("PGP")

The PGP comprises four claim groups, identified as the Premier, Big Missouri, Dilworth, and Silver Coin groups, and includes three mining leases totaling 392 hectares, 175 Crown grants totaling 2,354 hectares, and 107 mineral claims totaling 8,907 hectares. The total area is 8,133 hectares when overlaps are accounted for. The Company owns three mining leases, two of which expire on December 17, 2050, and the third expires on December 14, 2048.

In February 2020, the Company published an updated independent National Instrument 43-101 ("NI 43-101") mineral resource estimate for the PGP. The updated NI 43-101 resource estimate for the PGP reported 1.1 million ounces of gold and 4.7 million ounces of silver in the indicated category, and 1.2 million ounces of gold and 4.67 million ounces of silver in the inferred category. PGP mineral reserves established in the feasibility study in accordance with NI 43-101 technical report published in May 2020 are as follows:

PGP Mineral Reserve Statement

		Grade		Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Total Probable	3,632	5.45	19.1	637	2,231

Notes for Table: CIM Definition Standards were followed for classification of Mineral Reserves

1. A mean bulk density of 2.85 t/m³ is used for Premier and of 2.80 t/m³ for all other deposit areas
2. The AuEq values were calculated using US$1,400/oz Au and a US$17/oz Ag and the following equation: AuEq(g/t) = Au(g/t)+ Ag(g/t) x 17 / 1,400
3. The following CoG based on AuEq grade were used to estimate the economic potential of the stopes: Longhole = 2.85 g/t, Inclined undercut Longhole = 3.44 g/t, cut and fill = 3.44 g/t, room & pillar = 3.82 g/t and development = 2.85 g/t

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

Red Mountain Project ("RMP")

The RMP consists of 47 contiguous mineral claims for a total of 17,125 hectares. It is located approximately 18 km east-northeast of the town of Stewart and within Nisga'a Nation traditional territory. RMP mineral reserves established in the feasibility study in accordance with NI 43-101 technical report published in May 2020 are as follows:

RMP Mineral Reserve Statement

		Grade		Contained Ounces	
	Tonnes	Au	Ag	Au	Ag
	kt	g/t	g/t	koz	koz
Proven	2,194	6.8	21.7	471	1,530
Probable	351	5.51	13.8	62	155
Total proven and probable	**2,545**	**6.52**	**20.6**	**534**	**1,685**

Notes for Table: CIM Definition Standards were followed for classification of Mineral Reserves

1. The AuEq values were calculated using US$1,300/oz Au and a US$15/oz Ag and the following equation: AuEq(g/t) = Au(g/t) + Ag(g/t) x 15 / 1,300
2. The following CoG based on AuEq grade were used to estimate the economic potential of the stopes: Longhole = 3.11 g/t, Inclined undercut Longhole = 4.0 g/t, cut and fill = 4.1 g/t and development = 3.11 g/t

Qualified Persons and NI 43-101 Disclosure

John Kiernan, P.Eng., Chief Operating Officer of the Company is the Company's Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed, approved and takes responsibility for all of the written scientific and technical disclosure of this MD&A.

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

RMP is subject to a gold metal stream whereby Sprott Private Resource Streaming and Royalty (B) Corp. ("SRSR") may acquire up to 10% of the annual gold production from RMP at a price of the lower of US$1,000/oz and spot price up to a maximum of 500,000 oz produced. Alternatively, SRSR may elect to receive a one-time cash payment of $4 million at the commencement of production in exchange for a buy-back of the gold metal stream.

The Project development

Throughout 2022, the Company continued to advance development of the Project. As of to-date, detailed engineering on the mill refurbishment, tailings storage facility, water treatment plant, power substation, overland piping and pumping and other key areas at the project site have been completed and overall construction is at approximately 33% completion. Throughout 2021 and early 2022, the Company delivered and made significant progress on the installation of a number of critical long lead time equipment items, including the Ball and SAG mills, mill motors and liners, water treatment clarifier and the tailings thickener. Ascot has ordered approximately 95% of the remaining fixed equipment for the project. Key orders remaining in the plant relate mostly to piping, instrumentation and bulk consumables.

The Company had a US$60 million undrawn Senior Facility with Sprott Private Resource Lending Collector LP ("Sprott"). On April 4, 2022, the Company announced that it was unable to reach an agreement with Sprott on the satisfaction of the drawdown conditions for the undrawn amount. Therefore, the initial US$20M drawdown remains outstanding, the remaining US$60M was cancelled at the end of the availability period of June 30, 2022 and Ascot is pursuing alternative financing options to replace the remainder of the Senior Facility. The Company has been working with a number of potential financing partners including project lenders and streaming/royalty companies. Until this funding is secured and in order to preserve Ascot's current cash balance, in June 2022 the Company decelerated various construction activities and placed certain work packages on hold. The deceleration of project construction provided more time for mine plan and sequencing optimization, and enabled exploration drilling to determine the size, extent and high-grade continuity of the emerging Sebakwe Zone at the Premier deposit. Given the delays in construction areas which require seasonal conditions, the target for first gold pour will be delayed from the first quarter of 2023 until early 2024.

During Q3 2022, work was focused on infill drilling for initial stopes in Big Missouri (see "2022 Exploration Program"), underground ramp development and mine plan and sequencing optimization. Development accessed initial ore in the A Zone of the Big Missouri deposit in August. Underground void drill and surveying successfully breakthrough to historical workings. Long hole drill sampling program started in September 2022. Hardline ventilation installation was completed in September. On October 17, 2022, the Company announced initial positive grade reconciliation between muck samples and the block model grade from underground development at the Big Missouri deposit. Combined results from ore drives 1 and 2 yielded overall 9% positive grade reconciliation from muck samples compared to the resource block model. As expected, the Company encountered high variability in development round grades often associated with high-grade epithermal gold deposits. Initial results suggested good potential to increase mined grades by continuously improving external mining dilution.

As of October 17, 2022, approximately 921 metres of underground development has been completed including ramp, mine infrastructure and ore drives. The Company started to demobilize the mining contractor in mid-October 2022 to prepare for winter shut down, moving mobile and other equipment to Stewart, and storing some materials in the remaining sprung shop structure

An underground diamond drilling program was successfully completed at Big Missouri to probe for voids and a number of pierce points were put into the existing 3000 level to confirm its location. Breakthroughs were scanned with a LIDAR probe, and geology was able to use the core to confirm some high-grade intercepts were within the previous wireframes. At the PNL portal location, the surface was stripped and a location was determined for a Geotech hole which was drilled 500 metres. This hole was drilled to determine the location and condition of a fault that was encountered higher up near the Northern Light/Sebakwe area. The detailed geotechnical work was completed the week of November 1, 2022, and preliminary indications were that ground conditions will be good, and that the fault in question appears to be in good condition at this deeper elevation, and can be crossed with conventional enhanced ground support.

Mine plan and sequencing optimization were completed in mid-October 2022, developing a plan to minimize upfront development while accessing early ore in an optimized sequence starting at Premier/Northern Light (PNL) then ramping up production at Big Missouri, while developing over to Silver Coin, where the upper levels of the deposit will be initially developed to maximize ore tonnage per linear metre. Based on the recently completed plan, we anticipate starting mine development at the end of April 2023 with the collaring of the PNL ramp portal, while development will recommence at Big Missouri in late September 2023, after completion of the plug on the 2350 level in August 2023.

Mt. Margaret Project

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

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

In 2011, the Company applied for two hardrock mineral prospecting permits (the "Permits"). In December 2018, after many years of environmental analysis, the United States Forest Service and United States Bureau of Land Management (together, the "Federal Defendants") concluded the proposed prospecting activity would have no significant environmental impacts and released decisions allowing the applications to be granted. Cascade Forest Conservancy filed an action in federal court challenging those decisions; the Company intervened on the side of the Federal Defendants. On February 18, 2021, the United States District Court for the District of Oregon (the "Court") released an opinion on the litigation. The court ruled in favor of the Federal Defendants and Ascot on most issues; however, the court held that the environmental analysis performed by the Federal Defendants was insufficient in two narrow respects — one related to potential recreational impacts, and one related to potential groundwater impacts. The court ordered the parties to brief the court on what remedies are necessary to address the insufficiencies in the environmental analysis.

On January 31, 2022, the Company received the court's order vacating the December 2018 Decision Record and December 2018 findings approving the issuance of the Permits by BLM and also vacating the February 2018 decision notice and findings consenting to the issuance of the Permits. The matter was remanded to the Federal Defendants for further action consistent with the court's February 2021 opinion and order. This court decision allows the Federal Defendants to proceed with the additional groundwater monitoring without direct oversight or involvement from the court. The most recent court decision does not prevent further exploration of Mt. Margaret, but gives the Federal Defendants more time to perform further groundwater analyses to address the deficiencies identified in the court's February 2021 decision. The Company requested from the Federal Defendants a proposed timeline and strategy to address the limited deficiencies identified by the court.

Swamp Point Project

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

The site has some existing onsite infrastructure and a deep-water port which have been maintained by the Company, giving it the advantage of being able to re-start within a short lead time, with some further site preparation required. The Company continues to seek to divest Swamp Point, which it considers a non-core asset, and use proceeds from the sale for general working capital purposes.

2022 EXPLORATION PROGRAM

The 2022 exploration program concluded in early October after exciting drill results from the three areas that were targeted for surface drilling this year. The early part of the drill program targeted the Sebakwe zone to the north of the Premier deposit, following up high-grade drill intercepts from 2021. Fifteen drill holes were completed and the mineralized zone was traced over a strike extent of roughly 300m with the potential of further growth towards the west in future years. On July 14, 2022, the Company announced the first batch of assay results from Sebakwe Zone with assays of up to 193 g/t gold over 1.0m, they continued to highlight the high-grade tenor of the Sebakwe Zone. On August 22, 2022, the Company announced the second batch of assay results from Sebakwe Zone. Highlights from the drill results included 20.10 g/t Au over 1.40m. On completion of drilling at Sebakwe, the rig was moved to the Big Missouri deposit where early mining areas were targeted in order to improve the quality of the geological model and increase the confidence in stope shapes that fall into early periods of mining in the area. Several holes intercepted visible gold and mineralized intervals generally showed good agreement with the modeled wireframes based on earlier drilling. Twelve holes were drilled at the Day Zone, following up encouraging results from the last two years and one drill hole intercepted visible gold in a quartz-sphalerite vein. Assays from those drill holes are pending and are expected to be available before the end of 2022.

As underground development progressed at Big Missouri, an underground drill rig was mobilized in order to test for unknown openings below the ramp development. Several of the resulting drill holes intercepted existing wireframes and visible gold was observed on at least two occasions. The 2022 program was very successful and concluded with a total meterage of 12,074m in 75 surface drill holes and 1,059m in 14 underground holes. The confidence in the geological model has been boosted by the compelling drill results and the initial testing of stopes in the underground development. Additional work will be required, but the results from this year are very promising for the future development of mining at Big Missouri and elsewhere.

MANAGEMENT'S OUTLOOK FOR 2022 AND EARLY 2023

As noted in the Company's press release of April 4, 2022, the Company is undergoing a process to refinance its Senior Facility with Sprott. As a result, the Company made the decision to slow down certain work packages and the general project construction until the refinancing has been completed. Consequently, certain critical construction activities such as the construction of the tailings dam and the new water treatment plant will be deferred until the spring of 2023. The Company is now targeting the start of production early 2024.

Management is planning a number of activities for the remainder of 2022, which include:

- Completion of refinancing of the Senior Facility
- Advancement of underground ramp development with target delivery of ore for pre commissioning by Q4 2023
- Completion of a site preservation plan for a construction restart in Spring 2023
- Surface exploration drilling with a focus on the Day and Sebakwe zones
- Stope definition drilling at Big Missouri both from surface and underground
- Underground diamond drilling to probe additional historical openings
- Health and safety initiatives related to health screening and construction protocols
- Permit amendments due to slow down of certain construction activities

The progress of construction activities, which are planned to restart in early 2023, is dependent on completion of the refinancing.

SUMMARY OF RESULTS

Operations

Three months ended September 30, 2022 compared to three months ended September 30, 2021

The Company reported a net loss of $2,396 for Q3 2022 compared to $1,700 for Q3 2021. The increase in the net loss is attributable to a combination of factors including:

- A $1,770 increase in foreign exchange loss due to the strengthening U.S. dollar;
- A $488 decrease in gain on valuation of the Company's derivatives, driven by fluctuations in the variables used to calculate the fair value of the embedded derivatives;
- A $127 increase in property maintenance costs due to additional environmental compliance requirements in 2022;
- A $109 increase in finance expense due to higher reclamation bond fees and higher accretion of the Company's reclamation obligations

Partially offset by:

- A $1,672 increase in flow-through premium recognition, as the premium on flow-through shares issued in 2022 was higher than the premium on flow-through shares issued in 2021, and
- A $107 decrease in amortization and depreciation expense mainly due to the assets acquired upon the acquisition of IDM Mining Ltd. in 2019 being fully depreciated.

Nine months ended September 30, 2022 compared to nine months ended September 30, 2021

The Company reported a net loss of $4,820 for the first nine months of 2022 compared to $2,778 for the first nine months of 2021. The increase in the net loss is attributable to a combination of factors including:

- A $2,993 increase in foreign exchange loss due to the strengthening U.S. dollar;
- Senior debt deferred financing costs of $1,121 expensed during the period due to the cancellation of the remaining US$60 million of the Senior debt;

- A $611 increase in stock-based compensation expense due to stock options and units granted in Q1 2022, which were deferred from December 2021;
- A $387 increase in general and administrative expense due to higher insurance, legal and professional costs in 2022;
- A $320 increase in finance expense due to higher reclamation bond fees and higher accretion of the Company's reclamation obligations;
- A $172 increase in property maintenance costs due to additional environmental compliance requirements in 2022

Partially offset by:

- A $2,881 increase in flow-through premium recognition, as the premium on flow-through shares issued in 2022 was higher than the premium on flow-through shares issued in 2021;
- The absence of a loss on marketable securities (first nine months of 2021: loss of $285), and
- A $217 decrease in amortization and depreciation expense mainly due to the assets acquired upon the acquisition of IDM Mining Ltd. in 2019 being fully depreciated.

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

C$000	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Mineral property, plant & equipment cost capitalized	25,361	34,380	25,088	38,430	24,732	11,330	85	5,371
G & A expense	1,261	1,455	1,509	1,132	1,183	1,340	1,315	1,174
Stock-based compensation	472	487	1,070	305	472	418	528	1,481
Property maintenance costs	165	158	72	86	38	99	86	23
Net (loss) income	(2,396)	(1,054)	(1,370)	(170)	(1,700)	(3,751)	2,673	(4,436)
(Loss) income per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ 0.01	$ (0.02)

Factors that can cause fluctuations in the Company's quarterly results include unrealized gains and losses on embedded derivatives, commitments and marketable securities, the nature and extent of exploration activities carried out under specific work programs, finance expenses, grant and vesting of stock options and units, and the issuance of shares. Over the past eight quarters, the Company has been focused mainly on the exploration, engineering studies, permitting and construction of PGP. Higher mineral property costs since Q2 2021 are a result of the Company commencing large-scale construction activities at PGP in 2021. The Company's exploration season generally runs from late May to late October. The fluctuations in net income (loss) from Q4 2020 to Q3 2022 were caused primarily by the changes in fair value of the Company's embedded derivatives, commitments and marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

During the nine months ended September 30, 2022, the Company issued 59,368,062 common shares (nine months ended September 30, 2021: 97,351,796), 13,710,500 warrants (nine months ended September 30, 2021: none), 3,932,284 stock options (nine months ended September 30, 2021: 603,190), 235,513 Deferred Share Units ("DSU") (nine months ended September 30, 2021: 40,781), 721,432 Restricted Share Units ("RSU") (nine months ended September 30, 2021: none) and 162,162 Performance Share Units ("PSU") (nine months ended September 30, 2021: none). Also, 906,750 stock options expired and 62,000 DSUs and 35,062 RSUs were exercised during the nine months ended September 30, 2022.

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

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

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

Liquidity and going concern

In December 2020, the Company closed a project financing package with Sprott and Beedie Investments Ltd. ("Beedie") for the development of the Project. The financing package consisted of a) US$80 million Senior Debt; b) the Production payment agreement ("PPA"), and c) US$25 million Convertible Debt. Upon closing of the package, the Company made an initial draw-down of US$20 million from the Senior debt for net proceeds of US$13.2 million (CAD$16.9 million) and received PPA consideration of US$5.0 million (CAD$6.4 million). The Company also made an initial draw-down of US$10 million from the Convertible Debt. The proceeds were used to repay the existing convertible note. 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.

In April 2022, the Company announced that it had been unable to reach an agreement with Sprott on the satisfaction of the draw conditions for the remaining US$60 million of the Senior Debt, which has been cancelled and Sprott waived the 5% cancellation fee. The Company has decided to pursue alternative financing options to replace the Senior Debt. Due to a slowdown of construction activities, the Company would not be able to achieve project completion by September 30, 2023 as required under the credit agreements, which would have resulted in a default on Ascot's credit facilities. However, the Company obtained waivers from its lenders providing for limited suspension of covenant compliance requirements until November 30, 2022. If Ascot is unable to obtain waivers after November 30, 2022, the outstanding amount under the Company's credit facilities could become payable immediately. These considerations indicate material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern (refer to Note 1 to the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2022).

During the nine months ended September 30, 2022, the Company spent $17,494 on qualifying flow-through mining expenditures. As at September 30, 2022, the Company had a $4,478 cash balance that is required to be spent on flow-through expenditures by December 31, 2022 ($3,531) and 2023 ($947).

As at September 30, 2022, the Company had working capital of $13,764 (December 31, 2021: $47,001) and a cash & cash equivalents balance of $24,490 (December 31, 2021: $59,129). The decrease in cash & cash equivalents was due to expenditures on mineral properties, plant and equipment of $88,024; cash outflows from operating activities of $6,178; deferred financing costs of $241, and payment for lease liabilities of $491, partially offset by net proceeds of $60,345 from the Offering.

Use of proceeds from financings

On April 9, 2021, the Company closed a bought deal financing. A total of 70,700,000 common shares of the Company were sold at a price of $0.86 per common share for gross proceeds of $60,802. The table below summarizes the expected use of proceeds as of the date of the financing compared to the actual use:

Principal purposes	Expected use of proceeds C$ in million	Actual use of proceeds (as of June 30, 2022) C$ in million	Difference C$ in million
Mineral property evaluation and detailed project engineering	8.0	8.5	(0.5)
Procurement and fabrication of equipment	12.0	12.8	(0.8)
Project construction	20.0	21.3	(1.3)
General, corporate and administrative expenses	17.2	14.6	2.6
Total	57.2	57.2	-

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

On April 20, 2021, the Company closed a bought deal private placement. A total of 24,000,000 common shares of the Company were sold at a price of $0.86 per common share for gross proceeds of $20,640. The table below summarizes the expected use of proceeds as of the date of the financing:

Principal purposes	Expected use of proceeds C$ in million	Actual use of proceeds (as of September 30, 2022) C$ in million	Difference C$ in million
Project construction	9.7	17.6	(7.9)
General, corporate and administrative expenses	9.6	1.7	7.9
Total	19.3	19.3	0.0

On March 8, 2022, the Company closed a previously announced bought deal financing (the "Offering"). The Offering consisted of (i) 28,610,000 common shares of the Company (the "Offered Shares") sold at a price of $1.02 per Offered Share for aggregate gross proceeds of $29,182; (ii) 12,831,000 hard dollar units of the Company (the "HD Units") at a price of $1.02 per HD Unit for gross proceeds of $13,088; (iii) 14,590,000 units of the Company that qualify as "flow through shares", as defined in the Income Tax Act (Canada) (the "CDE FT Units") at a price of $1.255 per CDE FT Unit for gross proceeds of $18,310; and (iv) 3,240,000 common shares of the Company that qualify as "flow-through shares" (the "CEE FT Shares", and together with the Offered Shares, HD Units and CDE FT Units, the "Offered Securities") as defined in the Income Tax Act (Canada) at a price of $1.13 per CEE FT Share for gross proceeds of $3,661. Each HD Unit and CDE FT Unit is comprised of one common share of the Company and one half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") with each Warrant entitling the holder to purchase one common share of the Company at a price of $1.25 for a period of 24 months subject to acceleration. In aggregate, the gross proceeds to the Company totaled $64,241.

The net proceeds from the sale of Offered Shares and HD Units are being used for capital costs at PGP and for general corporate purposes. The gross proceeds of the sale of CDE FT Units are being used to incur underground capital development expenditures at PGP in 2022. The gross proceeds of the sale of CEE FT Shares have been used to support PGP's exploration program in 2022.

The table below summarizes the expected use of proceeds as of the date of the financing and the actual use of proceeds:

Principal purposes	Expected use of proceeds C$ in million	Actual use of proceeds (as of September 30, 2022) C$ in million	Difference C$ in million
Procurement and fabrication of equipment	5.0	5.0	-
Project construction	31.2	31.2	-
Mine development	18.3	14.8	3.5
Exploration	3.7	2.7	1.0
General, corporate and administrative expenses	2.2	-	2.2
Total	60.4	53.7	6.7

The actual use of proceeds shown in the above table represents funds spent to date. The Company does not expect the final use of proceeds to differ materially from the expected use of proceeds.

RELATED PARTY TRANSACTIONS

Included in accounts payable and accruals at September 30, 2022 is $423 (December 31, 2021: $384) due to the Company's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO).

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

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors as well as the Company's CEO, CFO and COO. Key management personnel compensation comprised:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Salaries, short-term benefits and management fees	$ 335	$ 291	$ 1,004	$ 883
Project development costs	27	31	80	86
Share-based payment transactions	223	294	1,238	707
	$ 585	$ 616	$ 2,322	$ 1,676

During the nine months ended September 30, 2022, key management personnel were granted 2,304,036 stock options at a weighted average exercise price of $1.11. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at $1,315.

During the nine months ended September 30, 2022, the Company granted 235,513 DSUs to its directors. Based on the Company's share price on grant dates, the total fair value of the DSUs was $190. During the nine months ended September 30, 2022, the Company granted 381,327 RSUs to the Company's CEO, CFO and COO. Using the Black-Scholes model, the fair value of the RSUs granted to key management personnel was determined at $423.

Share-based and option-based awards for 2021 were not granted until February 2022 as there was a Company-imposed blackout in December 2021, the time at which the annual grant is normally made. Therefore, the compensation for related parties in the first nine months of 2022 is higher than in the first nine months of 2021 due to the postponed equity grants.

COMMITMENTS, CONTRACTUAL AND OTHER OBLIGATIONS

As at September 30, 2022, the Company's contractual and other obligations are as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	Total
Accounts payable and accrued liabilities	$ 12,936	$ -	$ -	$ -	$ 12,936
Long-lead time equipment engineering and procurement	3,845	-	-	-	3,845
Senior and convertible debt principal, interest and fees (a)	6,113	49,658	3,265	-	59,036
Production payment agreement (b)	-	3,130	4,675	214	8,019
Reclamation liabilities (c)	797	723	651	37,307	39,478
Benefits agreement - PGP and RMP	500	700	675	800	2,675
Pre-production royalty - Red Mountain project	50	100	100	100	350
Minimum lease payments	446	486	25	-	957
	$ 24,687	$ 54,797	$ 9,391	$ 38,421	$ 127,296

(a) Interest on the Senior Debt from December 10, 2020 until June 30, 2022 (the "Availability Period") is 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. At June 30, 2022, Sprott provided a waiver to the company to waive the cash payment of interest until November 30, 2022, so interest is capitalized and added to the principal until then. 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.

Interest on the Convertible Debt is compounded quarterly and is added to the principal loan amount prior to the date which will occur when construction is complete and PGP has successfully completed an agreed completion test ("Completion Date"). All interest incurred after the Completion Date is 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.

(b) Under the PPA, 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 from December 10, 2020 until 450,000 ounces of gold have been produced.

(c) The amount in reclamation liabilities are undiscounted cash expenditures.

CRITICAL ACCOUNTING ESTIMATES

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

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

Impairment of mineral properties

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to the Company's mineral properties. If any such indicator exists, then an impairment test is performed by management. As of September 30, 2022, management identified a number of factors that required an impairment test to be performed in respect of the Project. These factors included the Company's market capitalization of $169,930 being below the value of the Company's net assets of $311,235 as well as the Company's decision to decelerate various construction activities and place certain work packages on hold due efforts to secure to alternative financing options to replace the remainder of the senior credit facility. The impairment test compared the carrying amount of the Project to its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs of disposal (FVLCD). The Project's FVLCD was determined by using a discounted cash flow projections model based on life-of-mine financial forecasts. The key assumptions used in the cash flow projections model are forecast gold and silver prices, mining and processing costs, capital expenditures, reserve and resource quantities, reclamation and closure costs, discount rates, recovery rates, foreign exchange rates and estimated gold grades. No impairment was recorded as a result of the impairment test.

Stock-based compensation

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

Compensation expense for RSUs and PSUs granted to employees and consultants of the Company is calculated based on the fair value of RSUs or PSUs awarded, measured on their grant date. The fair value of RSUs and PSUs is based on the quoted market price of the Company's common shares on the day prior to the RSU or PSU grant date. Compensation expense for DSUs granted to directors is based on the fair value of DSUs awarded, calculated based on the quoted market price of the Company's common shares on the DSUs grant date.

Provision for decommissioning and site restoration

The future obligations for site closure activities are estimated by the Company based on the laws and regulations of the countries in which it operates, with due consideration to the fact that the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resources companies. 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.

Changes in estimate on timing of cash flows associated with PPA

The value of the Company's PPA was initially calculated based on Ascot's anticipated future gold production schedule using discounted cash flows. When there is a significant change in the production schedule, the PPA's value is recalculated using discounted cash flows, which may result in a measurement adjustment of the PPA.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments include cash and cash equivalents, interest and other receivables, reclamation bonds, trade and other payables, senior and convertible debt and other liabilities. 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 carrying value of the reclamation deposit approximates its fair value, as it is cash-based. The carrying values of PPA and liability components of senior and convertible debt approximate their fair values since the increase in the market interest rates between the date of the debt inception (December 10, 2020) and September 30, 2022 is being offset by a decrease in the Company's overall risk profile, as Ascot now has all necessary permits for construction of the Project, which is expected to be completed in late 2023.

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.

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 foreign currency (U.S. dollar) are the credit facilities. A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at September 30, 2022 would result in an additional $4,076 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss (income) for the nine months ended September 30, 2022 (nine months ended September 30, 2021: $2,950).

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. The Company's senior debt is carried at a floating interest rate. The Company has estimated that a one percentage point increase in the interest rate on its senior debt would have an annual impact on net earnings of approximately $279 for the nine months ended September 30, 2022. 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 policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities 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.

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. Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Refer to "**LIQUIDITY AND CAPITAL RESOURCES**" section above.

OUTSTANDING SHARE DATA

As at November 10, 2022, the Company had 435,861,146 common shares outstanding, 14,610,886 stock options, 13,710,500 share purchase warrants, 605,463 deferred share units, 1,652,845 restricted share units and 108,108 performance share units outstanding.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our inaugural Sustainability Report released in March 2022 highlights the measures taken and successes thus far in community relations, employment, health and safety, environmental stewardship and governance. The Sustainability Report also outlines Ascot's future sustainable goals. Ascot's 2021 Sustainability Report can be found at https://ascotgold.com/sustainability/sustainability-reports/.

Community Relations and Employment

Ascot believes that working together with our communities is essential to making a positive and sustainable impact. The Company works closely with Nisga'a Nation and the District of Stewart to ensure the responsible development of our projects by actively building and maintaining open, respectful, and collaborative relationships with each other. These relationships will lead to capacity building, job creation and economic opportunities during and beyond the life of the mine. Ascot continues to proactively engage, both formally and informally, with the surrounding communities via townhalls, council meetings, face-to-face meetings, and virtual meetings. Ascot has contributed to a number of educational events, youth sporting activities and a local gym.

Ascot has established strong lines of communication to share information and a respectful engagement process to work together to manage and mitigate any potential impacts on Nisga'a Nation Treaty rights and interests. During Q3 2022, the Ascot/Nisga'a oversight committees established in accordance with the benefits agreement met and no substantive issues were raised. Ascot supported Truth and Reconciliation events in three communities and attended the Orange Shirt Day Event held by the Nisga'a Ts'amiks Vancouver Society.

Ascot has contributed both directly and indirectly to the Stewart and Hyder economies during the development of the Project by staying at the local hotels, renting housing for employees and contractors, and shopping at the local grocery stores, bakery and gift shops. In Q3 2022, Ascot staff met with the District of Stewart in person to provide an update on the Project and also with the Hyder Community Association, where members of the local council and community could ask questions or bring up any concerns. Ascot provides support to its communities through donation requests and in-kind collaboration with members of the community, including educational events for school-age children with the Stewart Museum, and the Bear Valley School. Ascot is a member of the British Columbia Regional Mining Alliance ("BCRMA"), a regional partnership between Indigenous groups, industry and provincial government representatives. The BCRMA hosted a reception at the Precious Metals Summit in Colorado where industry members, including Ascot, Nisga'a and provincial government representatives attended.

Corporate Governance

Management and the Board recognize the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board currently has six board-appointed committees: the Audit Committee, the Compensation Committee, the Governance and Nominating Committee, the Finance Committee, the Disclosure Committee, and the Health, Safety, Environmental and Technical Committee. Each Committee (with exception of the Disclosure Committee which works from the Timely Disclosure, Confidentiality and Insider Trading Policy) has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources. The Audit, Compensation and Governance & Nominating Committees are comprised completely of independent directors while the other committees are comprised of a majority of independent directors with exception to the Disclosure Committee which is comprised of management and one independent director.

The Board has also adopted a Code of Ethics, which governs the ethical behavior of all employees, management, and directors. A separate Timely Disclosure, Confidentiality and Insider Trading Policy, Whistleblower Policy, Diversity Policy and Compensation Recovery Policy are also in place. For more details on the Corporation's corporate governance practices, refer to Ascot's website (https://ascotgold.com/corporate/corporate-governance/).

The Corporation's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing, and the securities industry. The Board and Audit Committee meet at least four times per year and the other committees convene on an as required basis (see the Company's Information Circular for more details).

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is accumulated and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Management's Report on ICFR

Management of the Company is responsible for establishing and maintaining effective ICFR as such term is defined in the rules of the National Instrument 52-109 in Canada ("NI 52-109"). The Company's ICFR are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS. The Company's ICFR include policies and procedures for:

- Maintaining records, that in reasonable detail, accurately and fairly reflect our transactions and dispositions of the assets of the Company;
- Providing reasonable assurance that transactions are recorded as necessary for preparation of the consolidated financial statements in accordance with IFRS;

- Providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and
- Providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis.

There have been no changes in the Company's ICFR during the nine months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Limitation of Controls and Procedures

The Company's management, including its CEO and CFO, believe that any DC&P or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

RISKS AND UNCERTAINTIES

The Company's securities should be considered a highly speculative investment and investors are directed to carefully consider all of the information disclosed in the Company's regulatory filings prior to making an investment in the Company, including the risk factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form ("AIF") dated March 21, 2022 available on SEDAR at www.sedar.com and www.sec.gov.

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

Russia-Ukraine military conflict

In February 2022, Russian forces launched a military operation in Ukraine and in response, many countries have imposed significant economic sanctions against Russia and certain Russian individuals and institutions. The ongoing conflict and the related sanctions have resulted in considerable uncertainty in the global financial system, increased fuel prices, supply chain challenges and escalating cybersecurity disruptions and threats. To date, the Russo-Ukrainian conflict has not had a direct impact on the Company, as it does not have any significant exposure in either Russia or Ukraine from a business or personnel perspective. However, the conflict in Ukraine and the global response to it keep evolving, and future developments related to the conflict are difficult to predict. As such, the developing conflict may have a significant adverse impact on the Company's assets, liabilities, and overall financial condition as well as on the Company's project development and operational costs.

Cautionary Statement Regarding Forward-Looking Information

All statements and other information contained in this MD&A about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeted", "outlook", "on track" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the use of proceeds of the Offering, the advancement and development of the PGP and the timing related thereto, the exploration of the Company's properties and management's outlook for the remainder of 2022. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks associated with the business of Ascot; risks related to exploration and potential development of Ascot's projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; risks associated with COVID-19 including adverse impacts on the world economy, construction timing and the availability of personnel; and other risk factors as detailed from time to time in Ascot's filings with Canadian securities regulators, available on Ascot's profile on SEDAR at www.sedar.com including the Annual Information Form of the Company dated March 21, 2022 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs associated with construction of the Project; the timing of the anticipated start of production at the Project; the ability to maintain throughput and production levels at the Premier Mill; the tax rate applicable to the Company; future commodity prices; the grade of Resources and Reserves; the ability of the Company to convert inferred resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; and exploration plans. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Ascot can give no assurance that such expectations will prove to be correct. Ascot does not undertake any obligation to update forward-looking statements. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.