

Ascot Resources Ltd.

Management Discussion and Analysis

For the three months-ended June 30, 2017

Report Date August 29,2017

**Introduction**

The management's discussion and analysis ("MD&A" or "Report") of Ascot Resources Ltd. (the "Company" or "Ascot") has been prepared by management in accordance with the requirements under National Instrument 51-102 August 29, 2017 ("the Report Date"), and provides comparative analysis of the Company's financial results for the year The following information should be read in conjunction with the Company's audited financial statement for the year ended March 31, 2017 and The Company’s consolidated condensed interim financial statement for the period ended June 30, 2017 together with the notes thereto (collectively, the "Financial Statements"). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

Factors that could cause actual results to differ materially from these forward-looking statements include market prices, exploration success, and continued availability of capital and general economic, market or business conditions.

This list is not exhaustive and these and other factors should be considered carefully; readers should not place undue reliance on the Company’s forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement contained in this document, even if new information becomes available as a result of future events or for any other reason.

Additional information about the Company, including the audited financial statements, and the notes thereto, for the year ended March 31, 2017, prepared in accordance with IFRS, can be found on SEDAR at [www.sedar.com.](http://www.sedar.com/) and on the Company’s website at [www.ascotresources.ca](http://www.sedar.com).

**Nature of the Business**

Ascot Resources Ltd (“Ascot” or the “Company”) is a Canadian-based junior mineral exploration and development company with three major properties, the Premier/Dilworth option, a gold, silver, base metals project located near the town of Stewart in northwestern British Columbia, the Mt. Margaret property, a copper and gold play located in Washington, USA, and Swamp Point, a sand and gravel deposit, on the Portland Canal in northwestern British Columbia. The Mt. Margaret property is held in the Company’s wholly owned subsidiary Ascot USA Inc. Ascot Resources Ltd is listed on the TSX Venture Exchange (the “TSXV”) under the symbol “AOT”.

The Company’s Qualified Person as defined by Canadian Securities Administrators NI 43-101 is Graeme Evans, a consulting geologist who has worked with the Company since 2009.

**Overall Performance and Outlook**

In the quarter ended June 30, 2017, the Company raised 7.2 million through the exercise of warrants and stock options.

Up to June 30, 2017 the Company had spent $43.2 million on its Premier option, which was acquired in 2009, $14.0 million on its Dilworth option, which was acquired in 2007 and $5.2 million on its Mt. Margaret property which was acquired in 2010.

In light of the positive results in 2016, an aggressive 2017 programs in underway to further outline targets and define an initial resource in the Premier area. This surface drilling program is planned to consist of approximately 120,000 meters and the target is to establish an initial 2 - 3 million ounce high grade gold resource. The work commenced in March 2017 and will require up to 8 drill rigs. Later in the season an additional 20,000 meters of drilling is planned to explore grassroots targets and high-grade areas in the northern portions of the property. The budget for the surface drilling is $13.0 million.

In conjunction with this work an underground program of rehabilitation and underground development is planned to allow access to mineralized zones and establish underground drill stations. This work will allow approximately 27,000 meters of underground drilling for reserve definition, focused on the high-grade Lunchroom, Obscene and 602 zones. The purpose of this underground program is to establish an initial reserve of 600,000 - 750,000 ounces of high grade gold amenable to near term mining. The budget for this is $7.3 million. Work will start as soon as the necessary permits have been obtained.

In 2018 engineering, environmental, resource and reserve studies will be conducted. Initial scoping and EA studies will also be undertaken as the Company plans for near term production.

To date in 2017, Ascot has completed 70,795 metres in resource drilling within 225 holes.

On June 30, 201, the Company made the final option payment on the Premier and Dilworth properties of $6.85 million.

**Mineral Properties**

**(a) Premier option:**

On June 15, 2009, the Company announced the signing of an Option Agreement to acquire a 100% interest in the mineral claims, mining leases, crown granted mineral claims and freehold and surface titles of the Premier Gold Mine held by Boliden Ltd in the Premier Gold Camp, north of Stewart, British Columbia in the Cassiar Mining District.

The Company signed an amending agreement with the optionors on November 19, 2015. In order to purchase the assets, the Company needed to make the following payments:

1. $100,000 within ten days of the approval of the agreement by the TSXV (paid);
2. $100,000 on or before June 2010 (paid);
3. $100,000 on or before June 2011 (paid);
4. $100,000 on or before June 2012 (paid);
5. $500,000 on or before December 30, 2013 (paid);
6. $500,000 on or before December 30, 2014 (paid);
7. $4,775,000 on or before December 30, 2015 (paid);
8. $100,000 on or before December 30, 2016 (paid); and
9. $4,775,000 on or before June 30, 2017 (paid)

On June 30, 2017, the Company paid the final option payment of $4,775,000. The payment has been placed in escrow and will be released to Boliden Limited (“Boliden”) subject to the Company and Boliden satisfying all of conditions to closing on the property.

On **May 25, 2017**, the Company announced the first drill results from its 2017 drill program, with 44 holes P17-1225-1267 and P17-1273 (P17-1268-1272 still pending). Drilling has steadily scaled up and at present, six Ascot owned drill rigs are operating on the property. To date 81 holes have been completed in 25,019 meters of drilling. 37 drill holes are presently pending results and results will be released as they become available.

The drill highlights are coming from a portion of the Northern Lights Main zone, largely unrecognized until preliminary drill testing by Ascot in 2016. Numerous results in this release are from this new zone and include P17-1242 with 66.10 g/t Au over 1.13 m’s within a wider interval grading 10.40 g/t Au over 12.13 m’s. Another hole in this target area, P17-1267, returned 48.6 g/t Au over 1.00 m within a broader zone of 9.00 g/t Au over 7.50 m’s. Present drilling shows this gently northwest dipping zone to have continuous higher grade mineralization over a present strike length of 250+ meters with a typical dip length of 200+ meters. This zone remains open in all directions and several visible gold intersections have been obtained, presently three Ascot drill rigs are testing and expanding this central area.

Very promising results are also coming from the unexplored down dip extension of the 602 zone. An example in this release is hole P17-1273 which returned 30.65 g/t Au over 6.05  meters.

The Northern Lights West Zone, which is a Northwest striking steep NE dipping zone, is also providing impressive numbers. Hole P17-1227, as an example, returned 4.05 g/t Au over 10.00 m’s. Previously, in 2016, this zone had been substantially extended to the northwest by hole P16-1156 which intersected an uncut average of 82.30 g/t gold over a core length of 1.00 meters within a broader interval grading 2.70 g/t Au over 41.33 meters.

A summary of notable drill intersections from the drill program follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Hole #** | **Zone** |  | **From (m)** | **To (m)** | **Width**  **(m)** | **Au**  **(g/t)** | **Au Cut\***  **(g/t)** | **Ag**  **(g/t)** | **Zn%** |
| P17-1227 | NL West |  | 240.50 | 263.50 | 23.00 | 1.80 | 1.80 | 14.5 | 1.03 |
|  |  | Incl. | 251.00 | 261.00 | 10.00 | 4.05 | 4.05 | 31.0 | 2.14 |
|  |  | Incl. | 254.81 | 257.50 | 2.69 | 6.78 | 6.78 | 22.8 | 2.55 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1231 | 602 |  | 314.23 | 344.00 | 29.77 | 1.10 | 1.10 | 14.4 | 0.97 |
|  |  | Incl. | 326.00 | 336.50 | 10.50 | 2.02 | 2.02 | 42.8 | 2.51 |
|  |  | Incl. | 335.00 | 336.50 | 1.50 | 5.37 | 5.37 | 8.3 | 0.50 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1232 | 602 | also | 280.00 | 342.90 | 62.90 | 1.50 | 1.50 | 6.0 | 0.33 |
|  |  | Incl. | 318.00 | 328.00 | 10.00 | 5.18 | 5.18 | 11.0 | 0.99 |
|  |  | Incl. | 318.00 | 319.00 | 1.00 | 26.50 | 26.50 | 18.0 | 1.24 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1241 | NL Main |  | 266.00 | 339.00 | 73.00 | 1.51 | 1.51 | 4.4 | 0.19 |
|  |  | Incl. | 285.00 | 312.00 | 27.00 | 2.87 | 2.87 | 6.2 | 0.31 |
|  |  | Incl. | 289.00 | 296.50 | 7.50 | 5.16 | 5.16 | 8.8 | 0.54 |
|  |  | Incl. | 289.00 | 290.00 | 1.00 | 17.55 | 17.55 | 31.6 | 2.38 |
|  |  | Incl. | 295.50 | 296.50 | 1.00 | 11.75 | 11.75 | 20.6 | 1.39 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1242 | NL Main |  | 256.48 | 339.33 | 82.85 | 2.23 | 1.79\* | 6.6 | 0.25 |
|  |  | Incl. | 265.00 | 306.00 | 41.00 | 3.92 | 3.04\* | 10.7 | 0.41 |
|  |  | Incl. | 293.87 | 306.00 | 12.13 | 10.40 | 7.44\* | 24.8 | 1.17 |
|  |  | Incl. | 293.87 | 295.95 | 2.08 | 40.87 | 23.58\* | 126.5 | 5.90 |
|  |  | Incl. | 293.87 | 295.00 | 1.13 | 66.10 | 34.29\* | 193.0 | 7.41 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1243 | NL Main |  | 252.00 | 333.30 | 81.30 | 0.89 | 0.89 | 3.9 | 0.17 |
|  |  | Incl. | 279.00 | 296.00 | 17.00 | 2.95 | 2.95 | 8.3 | 0.43 |
|  |  | Incl. | 286.50 | 296.00 | 9.50 | 4.76 | 4.76 | 11.7 | 0.61 |
|  |  | Incl. | 292.65 | 296.00 | 3.35 | 11.27 | 11.27 | 20.6 | 1.19 |
|  |  | Incl. | 292.65 | 294.00 | 1.35 | 21.30 | 21.30 | 40.7 | 2.35 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1244 | NL Main |  | 225.00 | 250.50 | 25.50 | 1.14 | 1.14 | 3.3 | 0.14 |
|  |  | Incl. | 227.00 | 231.00 | 4.00 | 5.43 | 5.43 | 5.8 | 0.17 |
|  |  | also | 263.00 | 337.79 | 74.79 | 1.04 | 1.04 | 3.8 | 0.21 |
|  |  | Incl. | 280.71 | 302.00 | 21.29 | 2.28 | 2.28 | 5.8 | 0.34 |
|  |  | Incl. | 282.00 | 284.00 | 2.00 | 11.25 | 11.25 | 4.7 | 0.25 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1245 | NL Main |  | 233.50 | 342.90 | 109.40 | 0.70 | 0.70 | 3.3 | 0.27 |
|  |  | Incl. | 273.71 | 314.00 | 40.29 | 1.10 | 1.10 | 3.7 | 0.28 |
|  |  | Incl. | 305.34 | 314.00 | 8.66 | 2.26 | 2.26 | 4.4 | 0.33 |
|  |  | Incl. | 310.00 | 311.00 | 1.00 | 5.92 | 5.92 | 8.4 | 0.52 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1248 | NL Main |  | 238.58 | 328.64 | 90.06 | 0.60 | 0.60 | 3.1 | 0.26 |
|  |  | Incl. | 280.00 | 308.50 | 28.50 | 1.37 | 1.37 | 5.8 | 0.54 |
|  |  | Incl. | 280.00 | 286.50 | 6.50 | 3.66 | 3.66 | 14.2 | 1.43 |
|  |  | Incl. | 281.00 | 283.00 | 2.00 | 5.10 | 5.10 | 14.4 | 1.35 |
|  |  | Incl. | 284.00 | 285.00 | 1.00 | 6.03 | 6.03 | 8.2 | 1.21 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1249 | NL Main |  | 259.75 | 323.36 | 63.61 | 1.24 | 1.24 | 4.3 | 0.27 |
|  |  | Incl. | 259.75 | 267.00 | 7.25 | 7.22 | 7.22 | 5.2 | 0.24 |
|  |  | Incl. | 259.75 | 262.00 | 2.25 | 20.80 | 20.80 | 5.0 | 0.11 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1251 | NL Main |  | 259.05 | 304.40 | 45.35 | 1.28 | 1.28 | 8.2 | 0.33 |
|  |  | Incl. | 272.00 | 279.00 | 7.00 | 5.35 | 5.35 | 21.5 | 0.97 |
|  |  | Incl. | 272.00 | 275.50 | 3.50 | 8.99 | 8.99 | 27.2 | 1.21 |
|  |  | Incl. | 274.50 | 275.50 | 1.00 | 11.65 | 11.65 | 22.6 | 2.13 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1259 | NL Main |  | 235.50 | 321.56 | 86.06 | 0.99 | 0.99 | 4.3 | 0.19 |
|  |  | Incl. | 244.00 | 248.00 | 4.00 | 9.10 | 9.10 | 10.0 | 0.30 |
|  |  | Incl. | 244.00 | 246.00 | 2.00 | 12.65 | 12.65 | 11.5 | 0.38 |
|  |  | Incl. | 289.00 | 317.00 | 28.00 | 1.28 | 1.28 | 6.6 | 0.25 |
|  |  | Incl. | 289.00 | 292.00 | 3.00 | 6.43 | 6.43 | 27.9 | 0.53 |
|  |  | Incl. | 291.00 | 292.00 | 1.00 | 12.45 | 12.45 | 30.9 | 0.71 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1263 | NL West |  | 188.90 | 214.00 | 25.10 | 1.34 | 1.34 | 17.9 | 2.30 |
|  |  | Incl. | 195.90 | 207.60 | 11.70 | 2.40 | 2.40 | 34.6 | 4.66 |
|  |  | Incl. | 201.30 | 204.30 | 3.00 | 5.51 | 5.51 | 104.6 | 12.83 |
|  |  | Incl. | 201.30 | 202.30 | 1.00 | 11.20 | 11.20 | 100.0 | 12.60 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1265 | NL Main |  | 289.50 | 337.41 | 47.91 | 1.50 | 1.50 | 3.9 | 0.16 |
|  |  | Incl. | 302.50 | 325.00 | 22.50 | 2.28 | 2.28 | 3.5 | 0.15 |
|  |  | Incl. | 307.00 | 308.50 | 1.50 | 5.49 | 5.49 | 2.9 | 0.12 |
|  |  | Incl. | 313.00 | 314.47 | 1.47 | 5.50 | 5.50 | 5.9 | 0.08 |
|  |  | Incl. | 320.50 | 322.00 | 1.50 | 8.22 | 8.22 | 3.2 | 0.21 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1266 | NL Main |  | 274.00 | 338.64 | 64.64 | 1.17 | 1.17 | 3.7 | 0.18 |
|  |  | Incl. | 282.46 | 303.24 | 20.78 | 2.43 | 2.43 | 4.9 | 0.20 |
|  |  | Incl. | 282.46 | 287.00 | 4.54 | 7.60 | 7.60 | 13.6 | 0.58 |
|  |  | Incl. | 282.46 | 284.00 | 1.54 | 14.45 | 14.45 | 12.1 | 0.71 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1267 | NL Main |  | 274.00 | 359.97 | 85.97 | 1.13 | 0.96\* | 4.8 | 0.14 |
|  |  | Incl. | 294.00 | 343.00 | 49.50 | 1.75 | 1.46\* | 4.4 | 0.13 |
|  |  | Incl. | 294.00 | 301.50 | 7.50 | 9.00 | 7.10\* | 14.0 | 0.40 |
|  |  | Incl. | 300.50 | 301.50 | 1.00 | 48.60 | 34.29\* | 22.3 | 0.84 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1273 | 602 |  | 348.10 | 358.00 | 9.90 | 18.89 | 15.22\* | 22.8 | 1.01 |
|  |  | Incl. | 348.10 | 354.15 | 6.05 | 30.65 | 24.65\* | 35.5 | 1.61 |
|  |  | Incl. | 349.61 | 352.65 | 3.04 | 46.23 | 34.29\* | 42.6 | 2.00 |

*True widths are generally believed to be 70-90% of intersected widths in the Premier area*.

(\*) samples cut to 1opt or 34.29 g/t Au.

On **June 13, 2017**, the Company release the second set of results for 2017, many of the drill highlights are coming from a new portion of the Northern Lights Main zone. A number of results in this release are from this new zone and include P17-1269 with 1135.00 g/t Au over 0.50 meters within a wider interval grading 36.31 g/t Au (uncut) over 16.15 meters. Another hole in this target area, P17-1271, returned 84.2 g/t Au over 1.50 meters within a broader zone of 4.45 g/t Au (uncut) over 32.00 meters. Present drilling shows this gently northwest dipping zone to have continuous higher grade mineralization over a present strike length of 450+ meters with a typical dip length of 200+ meters. This zone remains open in all directions and several visible gold intersections have been obtained, presently three Ascot drill rigs are testing and expanding this central area.

Recent drilling has extended the Northern Lights Main zone updip into an area covered by old waste dumps. Drilling to date has been encountering more complex sulphide rich quartz breccias in a more focused structural setting. These early holes have extended this mineralization a further 200 meters updip and the new extension remains open on strike. Assays for this area are pending.

Good results are also coming from the unexplored down dip extension of the 602 zone. An example in this release is hole P17-1278 which returned 17.60 g/t Au over 2.00 meters within a broader zone of 3.68 g/t Au over 12.00 meters.

Recent in-house modelling indicates much of the Premier area drilled to date would be amenable to a large scale open pit operation. Although this would result in a lower overall grade it would contain a significantly higher gold/silver resource compared to just selectively mining the higher grade underground targets. This new modelling demonstrates the flexibility of the Premier system as either a high grade underground target or as an open pit target or a combination of both. Further studies will be needed to determine the optimum approach moving forward.

A summary of notable drill intersections from the drill program follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Hole #** | **Zone** |  | **From (m)** | **To (m)** | **Width**  **(m)** | **Au**  **(g/t)** | **Au Cut\***  **(g/t)** | **Ag**  **(g/t)** | **Zn%** |
| P17-1269 | NL Main |  | 270.20 | 341.25 | 71.05 | 8.54 | 0.79\* | 6.8 | 0.19 |
|  |  | Incl. | 312.40 | 328.55 | 16.15 | 36.31 | 2.23\* | 20.6 | 0.23 |
|  |  | Incl. | 312.40 | 312.90 | 0.50 | 1135.00 | 34.29\* | 577.0 | 0.10 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1271 | NL Main |  | 331.00 | 398.00 | 67.00 | 2.27 | 1.15\* | 4.8 | 0.15 |
|  |  | also | 341.00 | 373.00 | 32.00 | 4.45 | 2.11\* | 5.4 | 0.15 |
|  |  | also | 341.00 | 342.50 | 1.50 | 84.20 | 34.29\* | 59.6 | 0.13 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1274 | 609 & 602 |  | 124.05 | 158.00 | 33.95 | 1.34 | 1.34 | 6.7 | 0.98 |
|  |  | Incl. | 127.50 | 151.00 | 23.50 | 1.73 | 1.73 | 7.7 | 1.32 |
|  |  | Incl. | 127.50 | 132.50 | 5.00 | 2.85 | 2.85 | 7.0 | 0.47 |
|  |  | also | 304.30 | 344.40 | 40.10 | 0.72 | 0.72 | 3.4 | 0.33 |
|  |  | Incl. | 324.50 | 339.50 | 15.00 | 1.21 | 1.21 | 6.5 | 0.24 |
|  |  | Incl. | 336.50 | 339.50 | 3.00 | 2.20 | 2.20 | 13.7 | 1.00 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1275 | NL Main |  | 179.86 | 268.50 | 88.64 | 1.88 | 1.88 | 6.1 | 0.26 |
|  |  | Incl. | 179.86 | 216.00 | 36.14 | 2.33 | 2.33 | 7.1 | 0.30 |
|  |  | Incl. | 179.86 | 190.00 | 12.14 | 4.02 | 4.02 | 8.9 | 0.48 |
|  |  | Incl. | 184.00 | 186.00 | 2.00 | 12.35 | 12.35 | 21.8 | 0.96 |
|  |  | also | 240.50 | 262.60 | 22.10 | 3.06 | 3.06 | 8.6 | 0.40 |
|  |  | Incl. | 245.00 | 254.00 | 9.00 | 5.98 | 5.98 | 13.7 | 0.76 |
|  |  | Incl. | 246.50 | 248.00 | 1.50 | 19.65 | 0.79\* | 33.9 | 1.31 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1278 | 609 & 602 |  | 125.30 | 167.30 | 42.00 | 1.25 | 1.25 | 3.0 | 0.29 |
|  |  | Incl. | 153.30 | 165.30 | 12.00 | 6.68 | 6.68 | 3.8 | 0.22 |
|  |  | Incl. | 163.30 | 165.30 | 2.00 | 17.60 | 17.60 | 10.9 | 0.18 |
|  |  | also | 175.80 | 180.25 | 4.45 | 4.81 | 4.81 | 7.5 | 0.32 |
|  |  | Incl. | 177.00 | 178.25 | 1.25 | 12.90 | 12.90 | 8.9 | 0.17 |
|  |  | also | 305.30 | 322.50 | 17.20 | 0.73 | 0.73 | 2.4 | 0.18 |
|  |  | also | 357.35 | 367.00 | 9.65 | 0.71 | 0.71 | 2.1 | 0.20 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1282 | Premier  Main |  | 158.30 | 204.5 | 45.19 | 0.67 | 0.67 | 23.7 | 0.04 |
|  |  | Incl. | 162.00 | 174.00 | 12.00 | 1.91 | 1.91 | 19.9 | 0.04 |
|  |  | Incl. | 162.00 | 163.68 | 1.68 | 8.85 | 8.85 | 15.6 | 0.02 |
|  |  | also | 224.36 | 258.00 | 33.64 | 1.01 | 1.01 | 21.0 | 0.67 |
|  |  | Incl. | 243.00 | 247.20 | 3.60 | 7.37 | 7.37 | 124.6 | 5.45 |
|  |  | Incl. | 246.06 | 247.20 | 1.14 | 10.85 | 10.85 | 104.0 | 4.18 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1283 | Premier  Main |  | 130.15 | 163.68 | 33.53 | 1.17 | 1.17 | 47.6 | 0.03 |
|  |  | Incl. | 151.00 | 163.68 | 12.68 | 2.13 | 2.13 | 86.2 | 0.04 |
|  |  | Incl. | 161.00 | 163.68 | 2.68 | 6.00 | 6.00 | 227.7 | 0.08 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1285 | NL Main |  | 310.50 | 343.50 | 33.00 | 1.05 | 1.05 | 3.7 | 0.20 |
|  |  | Incl. | 327.70 | 338.60 | 10.90 | 1.75 | 1.75 | 3.9 | 0.25 |
|  |  | Incl. | 334.40 | 335.80 | 1.40 | 6.86 | 6.86 | 8.4 | 0.23 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1287 | 609 & 602 |  | 96.50 | 113.90 | 17.40 | 2.05 | 2.05 | 3.8 | 0.11 |
|  |  | Incl. | 101.05 | 104.9 | 3.85 | 8.58 | 8.58 | 11.3 | 0.16 |
|  |  | Incl. | 104.00 | 104.90 | 0.90 | 12.65 | 12.65 | 13.2 | 0.46 |
|  |  | also | 162.90 | 183.50 | 20.60 | 1.28 | 1.28 | 6.5 | 0.26 |
|  |  | Incl. | 173.50 | 179.50 | 6.00 | 3.24 | 3.24 | 5.2 | 0.41 |
|  |  | also | 265.65 | 281.00 | 19.70 | 1.52 | 1.52 | 7.8 | 0.65 |
|  |  | Incl. | 270.25 | 273.80 | 3.55 | 4.30 | 4.30 | 9.0 | 0.41 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1290 | NL Main |  | 266.00 | 355.40 | 89.40 | 1.31 | 1.31 | 4.5 | 0.24 |
|  |  | Incl. | 291.60 | 345.00 | 53.40 | 2.00 | 2.00 | 5.1 | 0.33 |
|  |  | Incl. | 291.60 | 311.70 | 20.10 | 3.96 | 3.96 | 9.9 | 0.60 |
|  |  | Incl. | 297.50 | 298.50 | 1.00 | 12.00 | 12.00 | 12.4 | 0.34 |
|  |  | Incl. | 309.45 | 310.65 | 1.20 | 28.70 | 28.70 | 84.6 | 6.21 |

*True widths are generally believed to be 70-90% of intersected widths in the Premier area*.

(\*) samples cut to 1opt or 34.29 g/t Au.

On **July 10, 2017**, the Company released the third set of results for the 2017 season reporting 40 holes P17-1291-1330. At present, seven Ascot owned drill rigs are operating on the property. To date 142 holes have been completed in 43,908 meters of drilling. Thirty-six drill holes are presently pending results and results will be released as they become available.

Recent drilling has extended the Northern Lights main zone to a strike length of 600 meters and a dip length of 700 meters and it remains open in all directions. This loosely defined new discovery of a higher grade is in a subzone in the central and upper portion of the Northern Lights main zone has been named the “Ben Zone” in honor of Ben Stevens, a long time Boliden employee and believer in the project, who recently tragically passed away.

The Northern Lights main zone continues to deliver good results including in this release P17-1313 which returned 70.70 g/t Au over 1.00 meter within a zone grading 10.31 g/t Au over 11.90 meters. Another example is P17-1320 which returned 15.79 g/t over 4.90 meters.

Other drill highlights are coming from a downdip portion of the 602 Zone. This gently NW dipping zone continues to demonstrate good grades and thicknesses. An example of this is include P17-1297 with 199.50 g/t Au over 1.00 meter within a wider interval grading 11.80 g/t Au over 27.70 meters. Another hole in this target area on the same section, P17-1306, returned 37.20 g/t Au over 1.00 meter within a broader zone of 4.81 g/t Au over 15.30 meters. P17-1306 is the furthest downdip hole in this section and the 602 zone remains open downdip in this area.

A summary of notable drill intersections from the drill program follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Hole #** | **Zone** |  | **From (m)** | **To (m)** | **Width**  **(m)** | **Au**  **(g/t)** | **Au Cut\***  **(g/t)** | **Ag**  **(g/t)** | **Zn%** |
| P17-1297 | 602 |  | 253.20 | 302.60 | 49.40 | 6.71 | 3.37\* | 13.7 | 0.86 |
|  |  | Incl. | 268.90 | 296.60 | 27.70 | 11.80 | 5.83\* | 22.0 | 1.43 |
|  |  | Incl. | 285.45 | 292.10 | 6.65 | 43.60 | 18.76\* | 59.3 | 3.41 |
|  |  | Incl. | 285.45 | 288.45 | 3.00 | 83.30 | 28.23\* | 81.50 | 1.45 |
|  |  | Incl. | 286.45 | 287.45 | 1.00 | 199.50 | 34.29\* | 145.00 | 0.69 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1298 | 602 |  | 280.55 | 314.00 | 33.45 | 2.40 | 2.40 | 42.0 | 2.67 |
|  |  | Incl. | 285.35 | 289.75 | 4.40 | 9.60 | 9.60 | 14.9 | 0.54 |
|  |  | Incl. | 286.45 | 287.55 | 1.10 | 23.90 | 23.90 | 27.6 | 1.10 |
|  |  | Incl. | 308.00 | 314.00 | 6.00 | 3.07 | 3.07 | 54.7 | 5.58 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1306 | 602 |  | 290.20 | 316.08 | 27.88 | 2.86 | 2.75\* | 11.2 | 0.89 |
|  |  | Incl. | 296.40 | 311.70 | 15.30 | 4.81 | 4.62\* | 16.7 | 1.26 |
|  |  | Incl. | 296.40 | 299.35 | 2.95 | 17.27 | 16.29\* | 36.8 | 2.13 |
|  |  | Incl. | 297.40 | 298.4 | 1.0 | 37.20 | 34.29\* | 57.9 | 2.73 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1312 | NL Main |  | 287.25 | 355.09 | 67.84 | 1.07 | 1.07 | 3.9 | 0.13 |
|  |  | Incl. | 288.75 | 297.50 | 8.75 | 2.09 | 2.09 | 10.5 | 0.23 |
|  |  | Incl. | 288.75 | 289.85 | 1.10 | 10.60 | 10.60 | 47.9 | 0.63 |
|  |  | Incl. | 334.50 | 350.50 | 16.00 | 2.25 | 2.25 | 4.0 | 0.10 |
|  |  | Incl. | 345.50 | 350.50 | 5.00 | 5.08 | 5.08 | 4.3 | 0.15 |
|  |  | Incl. | 349.50 | 350.50 | 1.00 | 17.95 | 17.95 | 6.6 | 0.17 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1313 | NL Main |  | 254.50 | 346.86 | 92.36 | 2.08 | 1.68\* | 4.4 | 0.13 |
|  |  | Incl. | 278.95 | 321.40 | 42.45 | 3.88 | 3.02\* | 4.0 | 0.16 |
|  |  | Incl. | 309.50 | 321.40 | 11.90 | 10.31 | 7.25\* | 7.5 | 0.31 |
|  |  | Incl. | 313.65 | 314.65 | 1.00 | 70.70 | 34.29\* | 15.7 | 0.38 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1315 | NL Main |  | 231.50 | 339.50 | 108.00 | 0.94 | 0.94 | 3.0 | 0.20 |
|  |  | Incl. | 301.20 | 333.00 | 31.80 | 2.00 | 2.00 | 4.1 | 0.29 |
|  |  | Incl. | 301.20 | 311.00 | 9.80 | 4.66 | 4.66 | 6.0 | 0.36 |
|  |  | Incl. | 304.00 | 310.00 | 6.00 | 5.56 | 5.56 | 5.7 | 0.39 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1319 | NL Main |  | 273.00 | 368.20 | 95.20 | 1.47 | 1.47 | 6.3 | 0.25 |
|  |  | Incl. | 287.90 | 322.00 | 34.10 | 2.86 | 2.86 | 9.8 | 0.34 |
|  |  | Incl. | 287.90 | 300.00 | 12.10 | 6.73 | 6.73 | 19.6 | 0.78 |
|  |  | Incl. | 287.90 | 294.65 | 6.75 | 11.10 | 11.10 | 32.1 | 1.22 |
|  |  | Incl. | 293.00 | 294.65 | 1.65 | 30.60 | 30.60 | 77.8 | 3.32 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1320 | NL Main |  | 284.83 | 342.46 | 57.63 | 2.10 | 2.10 | 7.0 | 0.27 |
|  |  | Incl. | 292.00 | 312.00 | 20.00 | 4.84 | 4.84 | 13.7 | 0.63 |
|  |  | Incl. | 298.10 | 303.00 | 4.90 | 15.79 | 15.79 | 36.4 | 1.58 |
|  |  | Incl. | 398.10 | 299.00 | 0.90 | 30.30 | 30.30 | 0.2 | 2.39 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1323 | NL Main |  | 255.36 | 304.21 | 48.85 | 1.89 | 1.89 | 5.8 | 0.22 |
|  |  | Incl. | 264.98 | 275.00 | 10.02 | 3.08 | 3.08 | 11.8 | 0.59 |
|  |  | Incl. | 264.98 | 271.50 | 6.52 | 4.24 | 4.24 | 13.2 | 0.76 |
|  |  | Incl. | 266.00 | 267.50 | 1.50 | 9.91 | 9.91 | 4.9 | 0.11 |
|  |  | Incl. | 297.48 | 304.21 | 6.73 | 7.83 | 7.83 | 10.8 | 0.16 |
|  |  | Incl. | 297.48 | 299.50 | 2.02 | 17.60 | 17.60 | 26.4 | 0.05 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1329 | NL Main |  | 221.00 | 297.40 | 76.40 | 0.67 | 0.67 | 3.3 | 0.21 |
|  |  | Incl. | 251.00 | 273.00 | 22.00 | 1.66 | 1.66 | 3.2 | 0.18 |
|  |  | Incl. | 257.00 | 263.94 | 6.94 | 3.73 | 3.73 | 2.5 | 0.15 |
|  |  | Incl. | 261.50 | 263.94 | 2.44 | 5.90 | 5.90 | 3.3 | 0.09 |
|  |  |  |  |  |  |  |  |  |  |
| P17-1330 | NL Main |  | 197.85 | 266.25 | 68.40 | 0.79 | 0.79 | 6.1 | 0.19 |
|  |  | Incl. | 197.85 | 223.00 | 25.15 | 1.34 | 1.34 | 6.4 | 0.12 |
|  |  | Incl. | 210.00 | 212.56 | 2.56 | 5.18 | 5.18 | 6.3 | 0.28 |
|  |  | Incl. | 221.90 | 223.00 | 1.10 | 9.05 | 9.05 | 56.9 | 0.65 |

*True widths are generally believed to be 70-90% of intersected widths in the Premier area*.

(\*) samples cut to 1opt or 34.29 g/t Au.

On **July 28, 2017**, the Company announced the fourth set of results for 2017. the Northern Lights main zone continues to deliver good results. Most holes in this release come from the newly discovered Ben Subzone in the upper southeast portion of the Northern Lights main zone. Included in this release are Pl 7-1366 which returned 190.50 *git* Au over 1.20 meters within a zone grading 8.57 *git* Au over 30.57 meters and Pl 7-1334 which returned 99.60 *git* over 1.00 meter within a zone grading 17.30 *git* Au over 6.50 meters. This loosely defined new discovery of a higher grade in the Ben subzone has a general gentle west plunge and remains open in both plunge directions.

A new subzone is being defined below the Ben Subzone with a similar gentle westerly plunge. Recent results from this zone include Pl 7-1313 with 70.70 *git* Au over 1.00 meter within a wider interval grading 10.31 *git* Au over 11.90 meters. A previously reported hole in this target area Pl 7-1269, returned 1135.00 *git* Au over 0.50 meter within a broader zone of 36.31 *git* Au over 16.15 meters. This subzone also remains open in both plunge directions.

A summary of notable drill intersections from the drill program follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Hole #** | **Zone** | **Comment** |  | **From (m)** | **To (m)** | **Width**  **(m)** | **Au**  **(g/t)** | **Au Cut\***  **(g/t)** | **Ag**  **(g/t)** | **Zn%** |
| P17-1332 | Ben Subzone |  |  | 261.52 | 328.57 | 67.05 | 0.75 | 0.75 | 8.0 | 0.43 |
|  |  |  | Incl. | 269.20 | 305.00 | 35.80 | 1.09 | 1.09 | 10.7 | 0.63 |
|  |  |  | Incl. | 269.20 | 277.00 | 7.80 | 1.96 | 1.96 | 28.6 | 0.91 |
|  |  |  | Incl. | 275.00 | 277.00 | 2.00 | 3.87 | 3.87 | 10.0 | 0.79 |
| P17-1334 | Ben Subzone |  |  | 170.16 | 206.45 | 36.29 | 3.62 | 1.83\* | 35.2 | 0.24 |
|  |  |  | Incl. | 180.00 | 186.50 | 6.50 | 17.30 | 7.26\* | 52.8 | 0.17 |
|  |  |  | Incl. | 185.50 | 186.50 | 1.00 | 99.60 | 34.29\* | 61.2 | 0.6 |
| P17-1335 | Ben Subzone |  |  | 224.00 | 267.50 | 43.50 | 1.99 | 1.99 | 5.4 | 0.22 |
|  |  |  | Incl. | 224.00 | 240.00 | 16.00 | 4.85 | 4.85 | 10.8 | 0.27 |
|  |  |  | Incl. | 236.00 | 240.00 | 4.00 | 17.60 | 17.60 | 21.3 | 0.70 |
|  |  |  | Incl. | 237.44 | 239.00 | 1.56 | 29.10 | 29.10 | 29.0 | 1.02 |
|  |  |  | also | 296.50 | 340.00 | 43.50 | 0.90 | 0.90 | 5.1 | 0.20 |
|  |  |  | Incl. | 299.00 | 312.00 | 13.00 | 1.07 | 1.007 | 6.6 | 0.24 |
|  |  |  | Incl. | 327.50 | 335.00 | 7.50 | 1.64 | 1.64 | 5.1 | 0.27 |
| P17-1339 | New Subzone |  |  | 215.50 | 225.50 | 10.00 | 2.34 | 2.34 | 5.2 | 0.14 |
|  |  |  | Incl. | 219.98 | 220.98 | 1.00 | 21.30 | 21.30 | 31.2 | 1.28 |
|  |  |  | also | 300.00 | 336.50 | 36.50 | 0.62 | 0.62 | 4.4 | 0.05 |
|  |  |  | Incl. | 318.00 | 330.00 | 12.00 | 1.27 | 1.27 | 3.8 | 0.07 |
|  |  |  | Incl. | 327.18 | 330.00 | 2.82 | 2.29 | 2.29 | 5.6 | 0.07 |
| P17-1342 | Ben Subzone | Hit Adit |  | 226.30 | 230.97 | 4.67 | 5.87 | 5.87 | 7.4 | 2.02 |
|  |  |  | Incl. | 227.80 | 228.80 | 1.00 | 20.20 | 20.20 | 19.20 | 7.27 |
| P17-1347 | Ben Subzone |  |  | 229.87 | 245.87 | 16.00 | 1.91 | 1.91 | 20.3 | 0.24 |
|  |  |  | Incl. | 238.28 | 240.20 | 1.92 | 13.35 | 13.35 | 97.6 | 1.64 |
|  |  |  | Incl. | 238.28 | 239.20 | 0.92 | 17.45 | 17.45 | 120.0 | 2.11 |
|  |  |  | also | 254.00 | 280.33 | 26.83 | 0.44 | 0.44 | 9.1 | 0.21 |
|  |  |  | Incl. | 269.00 | 277.50 | 8.50 | 0.84 | 0.84 | 7.9 | 0.14 |
| P17-1357 | Ben Subzone |  |  | 204.50 | 277.00 | 72.50 | 1.35 | 1.35 | 8.6 | 0.55 |
|  |  |  | Incl. | 205.70 | 233.50 | 27.80 | 3.07 | 3.07 | 17.6 | 1.09 |
|  |  |  | Incl. | 205.70 | 208.70 | 3.00 | 10.07 | 10.07 | 23.1 | 1.83 |
|  |  |  | Incl. | 207.70 | 208.70 | 1.00 | 18.30 | 18.30 | 17.6 | 2.93 |
|  |  |  | also | 230.50 | 231.50 | 1.00 | 10.20 | 10.20 | 36.3 | 3.45 |
| P17-1359 | Ben Subzone |  |  | 222.90 | 319.40 | 96.50 | 1.33 | 1.33 | 7.3 | 0.20 |
|  |  |  | Incl. | 222.90 | 225.00 | 2.10 | 4.58 | 4.58 | 74.0 | 2.17 |
|  |  |  | Incl. | 255.00 | 257.00 | 2.00 | 30.10 | 30.10 | 93.7 | 0.16 |
|  |  |  | Incl. | 290.00 | 318.00 | 28.00 | 1.60 | 1.60 | 4.1 | 0.12 |
|  |  |  | Incl. | 298.00 | 312.00 | 14.00 | 2.21 | 2.21 | 5.6 | 0.17 |
|  |  |  | Incl. | 308.00 | 312.00 | 4.00 | 3.40 | 3.40 | 5.5 | 0.17 |
| P17-1363 | Ben Subzone |  |  | 218.00 | 301.00 | 83.00 | 0.85 | 0.85 | 3.7 | 0.13 |
|  |  |  | Incl. | 260.00 | 289.00 | 29.00 | 1.91 | 1.91 | 3.9 | 0.21 |
|  |  |  | Incl. | 285.00 | 289.00 | 4.00 | 7.44 | 7.44 | 5.0 | 0.11 |
|  |  |  | Incl. | 287.00 | 289.00 | 2.00 | 12.30 | 12.30 | 7.3 | 0.13 |
| P17-1366 | Ben Subzone |  |  | 295.60 | 348.00 | 52.40 | 5.17 | 1.59\* | 10.6 | 0.31 |
|  |  |  | Incl. | 297.10 | 327.80 | 30.70 | 5.57 | 2.47\* | 15.8 | 0.41 |
|  |  |  | Incl. | 297.10 | 298.30 | 1.20 | 190.5 | 34.29\* | 325.0 | 5.93 |
|  |  |  | Incl. | 322.50 | 324.00 | 1.50 | 12.40 | 12.40 | 3.6 | 0.20 |

*True widths are generally believed to be 70-90% of intersected widths in the Premier area*.

(\*) samples cut to 1opt or 34.29 g/t Au

On **August 21, 2017**, the Company announced the fifth set of results for 2017, the Northern Lights main zone continues to deliver good results. Most holes in this release come from the newly discovered Ben Subzone in the upper southeast portion of the Northern Lights main zone. Included in this release are P17-1378 which returned 80.90 g/t Au over 2.20 meters within a wider zone grading

17.03 g/t Au over 11.00 meters and P17-1388 which returned several high-grade intervals within a zone grading 18.93 g/t Au over 11.00 meters. This new discovery of a higher grade in the Ben subzone has a general gentle west plunge and has been traced for a plunge length of 500 meters and remains open in both plunge directions. This zone has a general width of 200 meters and once all initial results are in, the area will be infill drilled for resource definition purposes.

A new subzone is being defined below the Ben Subzone with a similar gentle westerly plunge. Recent results from this zone include P17-1313 with 70.70 g/t Au over 1.00 meter within a wider interval grading 10.31 g/t Au over 11.90 meters. New results in this release include holes P17-1367 and P17-1374. This subzone also remains open up dip and has been traced for 400+ meters of plunge length with a general width of 100-150 meters. This subzone will also be infill drilled, later in the season, for resource definition purposes.

A series of exploration drill holes are presently testing, in large 0.5 to 1.0 km step outs, prospective areas on the property that have the potential to expand the mineralized sheets. This includes areas in the Premier Mine area North and West of Sebakwe and areas potentially linking Big Missouri and Martha Ellen and extensions West on Martha Ellen. The previously defined pittable resources in the Big Missouri, Martha Ellen and Dilworth had only tested 30% of the potential target area.

A summary of notable drill intersections from the drill program follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Hole #** | **Zone** |  | **From (m)** | **To (m)** | **Width**  **(m)** | **Au**  **(g/t)** | **Au Cut\***  **(g/t)** | **Ag**  **(g/t)** | **Zn%** |
| P17-1367 | New Subzone NL |  | 262.00 | 359.00 | 97.00 | 0.94 | 0.94 | 4.2 | 0.27 |
|  |  | Incl. | 281.50 | 327.00 | 45.50 | 1.47 | 1.47 | 5.2 | 0.33 |
|  |  | Incl. | 281.50 | 303.00 | 221.50 | 1.77 | 1.77 | 7.6 | 0.54 |
|  |  | Incl. | 289.50 | 293.50 | 4.00 | 4.28 | 4.28 | 18.5 | 1.89 |
|  |  | Incl. | 325.00 | 327.00 | 2.00 | 10.13 | 10.13 | 10.7 | 0.64 |
|  |  | Incl. | 325.00 | 326.00 | 1.00 | 17.30 | 17.30 | 18.0 | 0.91 |
| P17-1374 | New Subzone NL |  | 237.00 | 279.56 | 42.56 | 1.13 | 1.13 | 10.3 | 0.10 |
|  |  | Incl. | 241.50 | 249.00 | 7.50 | 4.32 | 4.32 | 43.8 | 0.12 |
|  |  | Incl. | 241.50 | 242.50 | 1.00 | 23.00 | 23.00 | 217.0 | 0.71 |
| P17-1375 | Ben Subzone |  | 171.69 | 254.00 | 82.31 | 0.85 | 0.85 | 7.2 | 0.25 |
|  |  | Incl. | 188.00 | 236.00 | 48.00 | 1.25 | 1.25 | 11.0 | 0.37 |
|  |  | Incl. | 188.00 | 192.50 | 4.50 | 2.27 | 2.27 | 16.6 | 0.23 |
|  |  | Incl. | 207.60 | 236.00 | 28.40 | 1.41 | 1.41 | 13.1 | 0.54 |
|  |  | Incl. | 234.00 | 236.00 | 2.00 | 7.98 | 7.98 | 4.5 | 0.16 |
| P17-1376 | Ben Subzone |  | 192.98 | 274.00 | 81.02 | 0.62 | 0.62 | 5.2 | 0.10 |
|  |  | Incl. | 207.36 | 251.00 | 43.64 | 0.88 | 0.88 | 7.2 | 0.13 |
|  |  | Incl. | 231.00 | 249.00 | 18.00 | 1.25 | 1.25 | 7.6 | 0.15 |
|  |  | Incl. | 247.00 | 249.00 | 2.00 | 4.14 | 4.14 | 3.2 | 0.06 |
| P17-1378 | Ben Subzone |  | 206.50 | 279.97 | 73.47 | 3.07 | 1.72\* | 6.9 | 0.17 |
|  |  | Incl. | 206.50 | 217.50 | 11.00 | 17.03 | 7.71\* | 31.4 | 0.56 |
|  |  | Incl. | 215.30 | 217.50 | 2.20 | 80.90 | 34.29\* | 137.5 | 2.43 |
|  |  | Incl. | 215.30 | 216.50 | 1.20 | 92.90 | 34.29\* | 137.0 | 2.79 |
| P17-1381 | New Subzone NL |  | 252.00 | 330.00 | 78.00 | 0.95 | 0.95 | 5.4 | 0.50 |
|  |  | Incl. | 257.47 | 273.40 | 15.93 | 3.42 | 3.42 | 15.9 | 1.85 |
|  |  | Incl. | 258.47 | 262.50 | 4.03 | 8.94 | 8.94 | 44.1 | 4.86 |
|  |  | Incl. | 260.37 | 261.50 | 1.13 | 25.50 | 25.50 | 117.0 | 7.13 |
| P17-1384 | NL-Main |  | 260.00 | 343.81 | 83.81 | 0.91 | 0.91 | 2.7 | 0.24 |
|  |  | Incl. | 260.00 | 303.00 | 43.00 | 1.58 | 1.58 | 3.0 | 0.29 |
|  |  | Incl. | 277.80 | 303.00 | 25.20 | 2.16 | 2.16 | 4.2 | 0.42 |
|  |  | Incl. | 277.80 | 278.80 | 1.00 | 19.65 | 19.65 | 38.0 | 4.83 |
|  |  | Incl. | 301.00 | 303.00 | 2.00 | 13.00 | 13.00 | 5.3 | 0.34 |
| P17-1386 | NL-Main |  | 211.30 | 268.00 | 56.70 | 0.96 | 0.96 | 16.5 | 0.58 |
|  |  | Incl. | 211.30 | 219.50 | 8.20 | 1.58 | 1.58 | 77.1 | 2.34 |
|  |  | Incl. | 246.00 | 256.00 | 10.00 | 2.30 | 2.30 | 5.4 | 0.11 |
|  |  | Incl. | 248.00 | 253.00 | 5.00 | 3.45 | 3.45 | 7.0 | 0.17 |
|  |  | Incl. | 252.00 | 253.00 | 1.00 | 6.67 | 6.67 | 14.6 | 0.05 |
| P17-1388 | Ben Subzone |  | 131.65 | 311.00 | 179.35 | 1.72 | 1.30\* | 6.3 | 0.11 |
|  |  | Incl. | 220.00 | 292.00 | 72.00 | 3.82 | 2.78\* | 6.0 | 0.12 |
|  |  | Incl. | 220.00 | 269.00 | 49.00 | 5.19 | 3.66\* | 6.7 | 0.08 |
|  |  | Incl. | 220.00 | 231.00 | 11.00 | 18.93 | 12.12\* | 9.5 | 0.10 |
|  |  | Incl. | 220.00 | 222.00 | 2.00 | 554.10 | 34.29\* | 27.8 | 0.32 |
|  |  | Incl. | 229.35 | 231.00 | 1.65 | 55.70 | 34.29\* | 17.1 | 0.02 |
|  |  | Incl. | 268.00 | 269.00 | 1.00 | 32.70 | 32.70 | 10.4 | 0.02 |
| P17-1390 | Ben Subzone |  | 246.50 | 364.85 | 118.35 | 0.70 | 0.70 | 3.0 | 0.11 |
|  |  | Incl. | 256.10 | 38.00 | 22.90 | 1.32 | 1.32 | 4.6 | 0.08 |
|  |  | Incl. | 256.10 | 257.10 | 1.00 | 28.30 | 28.30 | 96.9 | 1.04 |
| P17-1391 | NE Premier |  | 230.00 | 274.00 | 44.00 | 1.18 | 1.18 | 7.8 | 0.32 |
|  |  | Incl. | 234.00 | 241.85 | 7.85 | 2.24 | 2.24 | 19.7 | 0.70 |
|  |  | Incl. | 235.00 | 238.00 | 3.00 | 4.15 | 4.15 | 26.9 | 0.60 |
|  |  | Incl. | 268.00 | 274.00 | 6.00 | 4.66 | 4.66 | 7.0 | 0.28 |
|  |  | Incl. | 270.00 | 272.00 | 2.00 | 11.80 | 11.80 | 13.3 | 0.45 |
| P17-1393 | Ben Subzone |  | 211.00 | 270.00 | 59.00 | 1.84 | 1.84 | 4.3 | 0.18 |
|  |  | Incl. | 227.16 | 255.87 | 28.71 | 3.57 | 3.57 | 6.2 | 0.29 |
|  |  | Incl. | 228.00 | 232.00 | 4.00 | 11.40 | 11.40 | 13.0 | 0.61 |
|  |  | Incl. | 228.00 | 229.00 | 1.00 | 42.30 | 42.30 | 11.8 | 0.66 |
|  |  | Incl. | 247.00 | 253.58 | 6.58 | 7.26 | 7.26 | 6.5 | 0.24 |
|  |  | Incl. | 250.00 | 252.00 | 2.00 | 21.20 | 21.20 | 9.2 | 0.27 |
| P17-1397 | NL-Main |  | 270.43 | 298.80 | 28.37 | 1.35 | 1.35 | 2.4 | 0.08 |
|  |  | Incl. | 270.43 | 276.00 | 5.57 | 5.69 | 5.69 | 3.4 | 0.08 |
|  |  | Incl. | 270.43 | 272. | 1.57 | 13.00 | 13.00 | 5.2 | 0.07 |

*True widths are generally believed to be 70-90% of intersected widths in the Premier area*.

(\*) samples cut to 1opt or 34.29 g/t Au

Graeme Evans, P. Geo and Lawrence Tsang, P. Geo provide the field management for the Premier exploration program. Graeme Evans, designated as the Qualified Person (QP) as defined by National Instrument 43-101 has prepared the technical information in this news release.

Quality Assurance/Quality Control

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

**(b) Dilworth Project**

Dilworth property is located 25 kilometres north of the town of Stewart in north western British Columbia, adjoining the Company’s Premier property.

The Company signed an amending agreement with the optionors on November 19, 2015. In order to purchase the assets the Company needed to make the following payments:

1. $200,000 on receiving regulatory approval, which occurred in April 2007 (paid);
2. $300,000 on or before April 2008 (paid);
3. $200,000 on or before April 2009 (paid);
4. $200,000 on or before April 2010 (paid);
5. $500,000 on or before April 2011 (paid);
6. $200,000 on or before April 2012 (paid);
7. $400,000 on or before December 30, 2013 (paid);
8. $400,000 on or before December 30, 2014 (paid);
9. $2,075,000 on or before December 30, 2015 (paid);
10. $200,000 on or before December 30, 2016 (paid); and
11. $2,075,000 on or before June 30, 2017 (paid)

In November 2007, the Company acquired three crown grants (Old Timer, Butte and Yellowstone) which are located near the Company’s Dilworth property. The consideration included $100,000 cash (paid) and 200,000 common shares of the Company (issued), which were recorded at fair market value at the date of agreement. These properties are subject to a 1% NSR on the crown grants. In addition, as part of the amended agreement, Ascot will grant the optionor an additional 5% NSR which can be bought out for $4,150,000 any time after the exercise of the option.

On June 30, 2017, the Company paid the final option payment of $2,075,000. The Company, Boliden and Rick Kasum have agreed to amend the Dilworth option agreement allowing the Company to make a final payment of $1,037,500 to Mr. Kasum and transferring Mr. Kasum’s portion to the Company. The remaining payment of $1,037,500 has been placed in escrow and will be released to Boliden Limited (“Boliden”) subject to the Company and Boliden satisfying all of the conditions to closing on the Premier property

**Mineral Property Expenditure Table**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Balance**  **March 31, 2017**  **$** | **Additions**  **$** | **Disposals**  **$** | **Balance**  **June 30, 2017**  **$** |
| **Premier** |  |  |  |  |
| Acquisition | 6,275,000 | 4,775,000 | - | 11,050,000 |
| Exploration | 28,221,888 | 3,924,423 | - | 32,146,311 |
| **Dilworth** |  |  |  |  |
| Acquisition | 5,178,659 | 2,075,000 | - | 7,253,659 |
| Exploration | 6,709,695 | - | - | 6,709,695 |
| **Mt. Margaret** |  |  |  |  |
| Acquisition | 2,142,209 | - | - | 2,142,209 |
| Exploration | 3,064,193 | 21,761 | - | 3,085,954 |
|  |  |  |  |  |
| **Total** | **51,59,644** | **10,796,184** | - | **62,387,828** |

**Summary of Quarterly Results and Discussion of Operations**

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **In accordance with IFRS** | | | | | | | |
|  | **Jun 30** | **Mar 31** | **Dec 31** | **Sep 30** | **Jun 30** | **Mar 31** | **Dec 31** | **Sep 30** |
|  | **2017** | **2017** | **2016** | **2016** | **2016** | **2016** | **2015** | **2015** |
|  | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** |
|  |  |  |  |  |  |  |  |  |
| Mineral property costs deferred, net | 10,796,184 | 543,140 | 1,586,962 | 2,699,482 | 1,425,623 | 315,088 | 7,586,496 | 1,350,353 |
|  |  |  |  |  |  |  |  |  |
| Other Income | 794,577 | 125,826 | 135,470 | 174,297 | 13,258 | 9,883 | 9,789 | 10,191 |
|  |  |  |  |  |  |  |  |  |
| Gain (loss) (incl. share-based payments) | 321,173 | (2,745,509) | (944,636) | (3,609,040) | (189,021) | (214,304) | (158,894) | (172,199) |
| Share-based payments | - | 1,874,594 | 145,229 | 3,355,797 | - | - | - | - |
| Adjusted Gain (loss)  (less share-based payments) | 321,173 | (870,915) | (799,407) | (253,243) | (189,021) | (214,304) | (158,894) | (172,199) |
|  |  |  |  |  |  |  |  |  |
| Net loss | (618,724) | (2,267,242) | (1,614,993) | (4,276,513) | (219,584) | (214,410) | (159,956) | (384,464) |
|  |  |  |  |  |  |  |  |  |
| Loss per share – basic and diluted | (0.00) | (0.06) | (0.02) | (0.03) | (0.00) | (0.01) | (0.00) | (0.00) |
|  |  |  |  |  |  |  |  |  |
| Weighted average common  shares outstanding - basic | 142,225,806 | 139,861,202 | 136,341,950 | 128,260,401 | 113,346,268 | 112,946,491 | 106,792,448 | 103,155,169 |

**Non-IFRS Financial Measures**

Due to the adoption of the accounting standards for share-based compensation, the Company’s general and administrative quarterly expenses may fluctuate significantly. The granting and vesting of stock options is at the discretion of the Board of Directors and the resulting expenses do not reflect the normal operations of the Company. The Company had included “adjusted general and administrative expenses” without the share-based compensation to be more reflective of normal operations. This financial measure does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other corporations or entities.

**Discussion of Operations**

In period ended June 30, 2017, the Company had a net loss of $618,724 as compared to net loss of $219,584 for the comparable period in 2016. The following discussion explains the variations in the key components of these numbers, but as with most junior exploration and development companies the results of operations are not the major factors in establishing the financial health of the company. Of far greater significance are the properties the company has, the outlook for those properties, the company’s working capital and how many shares the company has outstanding.

During the quarter ended June 30, 2017, the Company purchased two properties, located in Stewart, BC, for the aggregate total of $454,250. The first property consists of land and a work shop, the second purchase is land adjoining the previous purchase.

Interest and other income was $794,577 for the period ended June 30, 2017 as compared to $13,258 for the period ended June 30, 2016. The major component of interest and other income is the recognition of the premium received on the issue of flow through shares as the funds are spent. The number is thus a function of the premium received and the expenditures made. Other income was $735,208 for the period ended June 30, 2017 and $7,186 for the period ended June 30, 2016.

In the period ended June 30, 2017, administration costs were $473,404 as compared to $202,279 in the comparative period ended June 30, 2016. The major difference was in office and administration, promotion and shareholder costs. The trend will be for these costs to continue to increase as the Company increases level of activity.

Significant items included in the current results of operation are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  | June 30,  2017 |  | June 30,  2016 |
|  |  | $ |  | $ |
|  |  |  |  |  |
| Interest and other income |  | (794,577) |  | (13,258) |
|  |  |  |  |  |
| Professional fees | $ | 144,070 | $ | 149,769 |
| Office and administration | $ | 145,477 | $ | 17,140 |
| Promotion and shareholders’ costs |  | 90,546 |  | 27,874 |
| Deferred taxes | $ | 939,897 | $ | 30,563 |

Deferred taxes a non-cash item that is made up of the tax applicable to the expenditure of flow through funds and the tax applicable to the fluctuations in value of the Company’s “available for sale” investment. The charge was $939,897 for the period ended June 30, 2017 (2016 - $30,563).

**Segmented information**

As at June 30, 2017, the Company had two reportable geographic segments, Canada and the United States. The United States assets relate solely to expenditures on the Mt. Margaret option, which is included in exploration and evaluation assets at June 30, 2017 at $5,228,163 (March 31, 2017 - $5,206,402). All of the Company’s current assets are located in Canada.

**Liquidity**

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

As at June 30, 2017, the Company had a cash position of $24,309,484 and working capital of $23,584,349 compared to a cash position of $29,089,584 and working capital of $27,177,489 at March 31, 2017.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto.

**Capital Management**

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

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

The Company’s share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

The Company had sufficient cash and cash equivalents to cover all of its accounts payable and accrued liabilities as at June 30, 2017.

The Company has sufficient funds on hand to cover its budgeted administration costs for the year ended March 31, 2018.

The final option payments on Premier and Dilworth totalling $6.85 million was due by June 30, 2017, the Company made these payments.

**Financing Activities**

For the period ended June 30, 2017, the Company issued 6,882,641 common shares on the exercise of warrants for proceeds of $7,425,673.

For the period ended June 30, 2017, the Company issued 20,000 common shares on the exercise of options for proceeds of $19,000.

Subsequent to the period ended June 30, 2017, the Company issued 16,000 common shares on the exercise of warrants for proceeds of $28,000.

**Related Party Transactions:**

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

1. **Key Management Compensation**

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

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | June 30, 2017 | June 30, 2016 |
|  | Management fees (John Toffan, Director and CEO) | $65,000 | $50,000 |
|  | Office and other services (Robert Evans, Director and CFO) | 65,000 | 50,000 |
|  | Exploration and evaluation costs (Rick Kasum, Director) | 69,286 | 55,585 |
|  | Share-based payments | - | - |
|  |  | $199,286 | $155,585 |

1. **Other Related Party Transactions**

In June 2017, a director was paid $518,750 (Rick Kasum) (2016 - $Nil) for his share of the option payment made on the Dilworth property.

Included in prepaid expenses is $195,000 (John Toffan) (2016 - $Nil) in prepaid management fees.

Included in accounts payable are $21,469 (2016 - $20,627) of amounts due to related parties, of which $20,627 pertains to royalties on product sold by the Company during the year ended March 31, 2008 and $Nil (2016 - $118,041) in accrued management fees.

**Off-Balance Sheet Arrangements:**

There are no such existing arrangements.

**Risks and Uncertainties Related to the Company’s Business**

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

**(a) Exploration**

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

**(b) Market**

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

**(c) Commodity Price**

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

**(d) Title**

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

**(e) Financing**

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

**(f) Share Price Volatility and Price Fluctuations**

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

**(g) Key Personnel**

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

**(h) Competition**

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

**(i) Realization of Assets**

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

**(j) Environmental and Other Regulatory Requirements**

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

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

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

**(l) Uninsurable**

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

**(m) Legal Proceedings**

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

**(n) Critical Accounting Estimates**

The most significant accounting estimates for the Company relates to the carrying value of its mineral property exploration and evaluation assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company’s assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management’s estimates of exploration, operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management’s estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for share-based compensation and derivative instruments. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based compensation and warrants. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options granted/vested during the period

**(o) Financial Instruments and other Instruments**

The Company’s financial assets consist of cash and deposits for reclamation, receivables, accounts payable and accrued liabilities. No amounts are invested other than in chartered bank term deposits. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The carrying value of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

**New Standards, Interpretations and Amendments**

The following are accounting standards anticipated to be effective January 1, 2017 or later:

IAS 7 *Statement of Cash Flows*

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 *Income Taxes*

IAS 12 has amendments to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount. Application of the standard is mandatory for annual periods beginning on or after January 1, 2017. Currently, no impact on the Company’s consolidated financial statements is expected.

IFRS 2 *Share-based Payments*

The IASB issued amendments to IFRS 2 in relation to classification and measurement of share-based payment transactions. The amendments address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Due to the terms of the Company’s share-based payments this standard is not expected to impact the consolidated financial statements.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. It also introduces a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. Based on current operations, the Company does not expect this standard to have significant financial reporting implications.

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non- monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation is effective for annual periods beginning on or after January 1, 2018. Currently, no impact on the Company’s consolidated financial statements is expected.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 establishes a single five‐step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. Currently, no impact on the Company’s consolidated financial statements is expected.

**Other MD&A Requirements**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

As of the Report Date, the Company had 147,573,326 issued common shares outstanding and the following unexercised stock options and warrants:

**Stock Options**

|  |  |  |
| --- | --- | --- |
| **Expiry Date** | **Exercise Price** | **Number of Shares** |
| September 17, 2018 | $0.95 | 2,550,000 |
| June 20, 2019 | $0.88 | 3,150,000 |
| July 21, 2021 | $1.68 | 2,300,000 |
| August 4, 2021 | $2.34 | 600,000 |
| November 1, 2021 | $2.19 | 100,000 |
| February 14, 2022 | $1.93 | 1,300,000 |
|  |  | 10,000,000 |

**Warrants**

|  |  |  |
| --- | --- | --- |
| **Expiry Date** | **Exercise Price** | **Number of Shares** |
| December 24, 2017 | $1.75 | 1,157,700 |
| December 24, 2017 | $1.25 | 131,278 |
| December 30, 2017 | $1.75 | 501,050 |
| December 30, 2017 | $1.25 | 34,447 |
| July 8, 2018 | $1.75 | 217,500 |
| July 8, 2018 | $1.15 | 30,450 |
| August 5, 2018 | $1.50 | 8,695,653 |
| August 5, 2018 | $1.15 | 1,217,391 |
|  |  | 11,985,469 |

**Cautionary Note**

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