

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

Ascot Resources Ltd. ("**Ascot**" or the "**Company**")
Suite 1050 – 1095 West Pender Street
Vancouver, BC V6E 2M6
Telephone Number: (778) 725-1060

Item 2: Date of Material Change

December 10, 2020

Item 3: News Release

A news release announcing the material change was issued on December 10, 2020 through Globe Newswire and a copy was subsequently filed on SEDAR.

Item 4: Summary of Material Change

On December 10, 2020, the Company announced that it had closed a US\$105 million project financing package (the "**Financing**").

The Financing is comprised of: (i) a senior credit facility (the "**Senior Facility**") for US\$80 million provided by Sprott Private Resource Lending II (Collector), LP ("**Sprott**") and (ii) a subordinated convertible facility for US\$25 million (the "**Convertible Facility**") provided by Beedie Investments Ltd. ("**Beedie Capital**"), Sprott and 609912 B.C. Ltd.

The Financing will be used to develop the Company's Premier Gold Project (the "**Project**" or "**PGP**") in northern British Columbia and to fully repay the existing Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership convertible notes.

Item 5: Full Description of Material Change

On December 10, 2020, the Company announced that it had closed the Financing. The Financing is comprised of the Senior Facility and the Convertible Facility. The Financing will be used to develop the Project and to fully repay the existing Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership convertible notes.

A summary of the key terms of the Senior Facility and Convertible Facility are as follows:

The Senior Facility

- Term of 5 years;
- US\$80 million in principal structured in multiple tranches:
 - US\$20 million advanced at closing; and
 - Subsequent tranches available to the Company on satisfaction of customary conditions;
- Interest rate 3-month LIBOR (minimum 1.5%) plus 7.0% before completion, 3- month LIBOR (minimum 1.5%) plus 5.75% per annum post completion;
- 100% of interest costs capitalized until June 2022;
- Principal payments including capitalized interest are payable in 10 quarterly instalments commencing September 2023;
- 2.0% original issue discount payable on drawdown of each tranche;

- Voluntary prepayment of outstanding principal and interest after December 2022;
- The facility is available to be drawn until June 30, 2022 and project completion no later than September 30, 2023;
- No hedging, cash sweeps, cash collateralization or offtake agreement;
- At Ascot's option, Sprott will participate in Ascot's minimum equity financing in an amount equal to 10% up to a maximum of US\$3 million of such equity financing (the completion of a minimum equity financing of not less than US\$25 million being a condition precedent to subsequent tranches);
- Pursuant to a production payment agreement, the Company will make fixed US\$13 per ounce production-linked payment to Sprott on the first 450,000 ounces produced:
 - Payments are to be financially settled on a monthly basis and can be terminated at any time by payment of an early termination fee; and
- In connection with the Senior Facility, Ascot issued 1,715,398 common shares to Sprott at a price per share of C\$1.0449, being a 10% discount to the 5-day VWAP of the common shares prior to October 15, 2020, for aggregate cash consideration of US\$1.4 million (the "**Partner Alignment Shares**").

The Convertible Facility

- Term of 3 years extended to 4 years upon receipt of project construction permits;
- US\$25 million in principal structured in two tranches:
 - US\$10 million will be advanced at closing ("**Initial Advance**"); and
 - US\$15 million will be advanced on satisfaction of customary conditions ("**Subsequent Advance**");
- Interest rate of 8.0% per annum;
- 100% of interest costs capitalized to principal until construction is complete and the Project has successfully completed an agreed completion test;
- 3.0% standby fee on undrawn amounts, accrued until maturity date;
- 1.5% commitment fee payable at closing;
- Prepayment is subject to Senior Facility conditions, 1.0% penalty on repayment of outstanding principal and interest after December 2022, prior to December 2022 a make whole fee of 24 months interest;
- Subject to the terms and conditions of the Convertible Facility, all or a portion of the Initial Advance can be converted into common shares at the option of the lenders at a price per share equal to C\$1.32672, being a 20% premium to the 30-day VWAP of Ascot common shares immediately prior to December 10, 2020 ("**Initial Advance Conversion Price**");
- Subject to the terms and conditions of the Convertible Facility, all or a portion of the Subsequent Advance, if any, can be converted into common shares at the option of the lenders at a price per share equal to the higher of (the "**Subsequent Advance Conversion Price**"):
 - the Initial Advance Conversion Price; and
 - the "market price", subject to the maximum allowable discount, pursuant to the rules and policies of the Toronto Stock Exchange, measured on the close of trading on the trading day immediately prior to the date of the Subsequent Advance;
- Subject to the terms and conditions of the Convertible Facility, interest, fees and expenses can be converted into common shares at a price per share equal to the "market price", subject to the maximum allowable discount, pursuant to the rules and policies of the Toronto Stock Exchange, measured on the close of trading on the trading day immediately prior to the date on which such fees, interest or expenses becomes payable or accrued; and
- If over 20 consecutive trading days the VWAP of the common shares exceeds 45% of the Initial Advance Conversion Price or Subsequent Advance Conversion Price (together, the "**Conversion Price**"), as applicable, Ascot may, subject to the terms and conditions of the Convertible Facility, convert up to 50% of the Conversion Price, as applicable, to common shares, in accordance with the terms and conditions of the Convertible Facility.

The foregoing description of the Senior Facility or Convertible Facility does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the definitive agreements. Copies of the definitive agreements are available under Ascot's SEDAR profile on www.sedar.com.

In connection with the full repayment of the Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership convertible notes in the aggregate principal amount of US\$10 million, Ascot repaid the interest due on the convertible notes by issuing 442,472 common shares and paid the prepayment fee by issuing 125,108 common shares.

The common shares acquired on conversion of the Convertible Facility will be subject to a four-month plus one day hold period from the date of the advance. The Partner Alignment Shares will be subject to a four-month plus one day hold period from the date of issue.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Derek C. White, President and Chief Executive Officer
Telephone: (778) 725-1060

Item 9: Date of Report

December 18, 2020