ASCENDANT
RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

(Expressed in thousands of US dollars)

2018

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") dated March 20, 2019 is a review of the operations, current financial position and outlook for Ascendant Resources Inc. (the "Company" or "Ascendant") and should be read in conjunction with the Company's Consolidated Financial Statements for the years ended December 31, 2018 and 2017, and related notes thereto. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on March 20, 2019. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com. The Company uses non-IFRS performance measures in the MD&A which do not have any standardized meaning prescribed by IFRS and therefore may not be directly comparable to similar measures presented by other issuers. The Company provides a reconciliation in this MD&A between non-IFRS performance measures and the most closely comparable IFRS performance measures.

COMPANY OVERVIEW & BACKGROUND

Ascendant Resources Inc. is a mining company focused on its producing El Mochito zinc, lead and silver mine (the "El Mochito mine" or "El Mochito") in north-western Honduras near the town of Las Vegas, approximately 88 km southwest of the city of San Pedro Sula and 220 km northwest of Tegucigalpa, the capital of Honduras. The El Mochito mine has been in production since 1948. The Company is also engaged in the evaluation of producing and advanced development stage mineral resource opportunities on an ongoing basis.

The Company acquired 100% of the El Mochito mine on December 20, 2016 when the Company acquired 100% of the shares of American Pacific Honduras SA de CV ("AMPAC"), the owner of the El Mochito mine from Nyrstar International B.V. ("Nyrstar").

In June 2018, Ascendant acquired an initial 25% interest in Redcorp - Emprendimentos Mineiros, Lda ("Redcorp"), which holds an 85% interest in the polymetallic Lagoa Salgada volcanogenic massive sulphide ("VMS") Project ("Lagoa" or the "Project") in Portugal, as well as an option to earn up to an 80% interest in Redcorp upon completion of certain milestones. The 10,700-hectare Project represents a low-cost entry into an early-stage, high-grade, polymetallic zinc-lead-copper exploration opportunity in a low risk, established and prolific jurisdiction, and presents significant exposure to a known, high-grade VMS deposit that has great exploration potential to expand its Mineral Resource Estimate in the near term.

The Company's common shares trade on the Toronto Stock Exchange and are quoted on the OTCQX® Best Market and Frankfurt Exchange under the symbols ASND, ASDRF and 2D9, respectively.

2018 HIGHLIGHTS

Three months ended December 31, 2018

During the fourth quarter 2018 ("Q4/18"), contained zinc equivalent ("ZnEq")[1] metal production was 23.2 million pounds, an 18% increase over fourth quarter 2017 ("Q4/17") production of 19.6 million pounds and relatively in-line with third quarter 2018 ("Q3/18") production of 23.9 million pounds.

Milled production for the fourth quarter was 184,913 tonnes, representing a slight decrease of 4% over the previous quarter of 191,738 tonnes and a decrease of 7% over Q4/17 of 198,354 tonnes.

In Q4/18, the Company achieved a record ZnEq head grade of 7.0%, a 32% increase over the Q4/17 head grade of 5.3% ZnEq and a 4% increase over the 6.7% ZnEq achieved in Q3/18. The main driver behind the increase in ZnEq grades were the silver grades, which increased to 77 g/t, a 126% increase over the 34 g/t achieved in Q4/17 and a 71% increase over the 45 g/t in Q3/18. The significantly higher silver grades are a result of an increased focus on dilution control and the conventional mining of narrow, high-grade areas in the mine. Zinc grades of 4.2% were slightly lower compared to the previous quarter of 4.5%, while lead grades of 1.9% showed a 12% increase over the 1.7% achieved in the previous quarter. As the Company heads into 2019, we expect to continue to focus on newly defined zones of higher-grade mineralization to support higher overall metal production rates.

Zinc recovery for the quarter was 84.1%, down 5% and 4% against Q4/17 and Q3/18 respectively. Recoveries for lead and silver were 77.6% and 76.6% respectively, consistent with previous performance. The lower than expected zinc recoveries were attributed to the more complex metallurgy of some of the higher-grade orebodies. The Company's metallurgical team is evaluating potential solutions to this challenge.

The Company generated revenues of $21.56 million in Q4/18 as a result of the sale of 21.5 million pounds of ZnEq metal, comprised of 14.6 million pounds of payable zinc in concentrates, 5.2 million pounds of payable lead in concentrates and 243,413 ounces of payable silver in concentrates. Average realized metal prices were $1.18 per pound zinc, $0.89 per pound lead and $14.51 per ounce silver. Revenues in Q4/18 were down 10% over Q4/17, yet up 61% from Q3/18, as a result of the fluctuation in metal prices for the comparative quarters.

Net loss and basic and diluted loss per share in Q4/18 were $3.02 million and $0.04 respectively, compared to $1.43 million and $0.02 in Q4/17, and $3.85 million and $0.05 respectively in Q3/18. Loss from mining operations in Q4/18 was $0.44 million.

Adjusted EBITDA for the fourth quarter resulted in a loss of $0.12 million, compared to adjusted EBITDA of $2.28 million in Q4/17 and a loss in Q3/18 of $3.85 million.

---

[1] ZnEq grades and contained metal production in ZnEq represents zinc metal considered together with the lead and silver expressed in zinc equivalent terms of zinc using zinc, lead and silver average metal prices and production ratios for each quarter.

Direct operating costs per tonne milled for Q4/18 at El Mochito were $85.38, a 7% increase vs Q4/17 direct operating costs per tonne milled of $80.13, and a 5% increase vs Q3/18 direct operating costs per tonne milled of $81.66. This is a result of an increase in national power rates imposed in September. The Company is evaluating alternatives to reduce power costs over the long-term. Also contributing to the higher operating costs per tonne was the increased proportion of conventional mining required to mine higher-grade chimney ore, which in turn reduced the operating cost per pound metal of produced.

Cost reduction is an ongoing focus for the Company with initiatives underway, such as the bypass development allowing for shorter access to the Esperanza orebody completed this February which has significantly reduced the ore hauling distance and cost from this area. The Company expects to see reductions going forward as highlighted by 2019 cost guidance of $70-80/t.

Cash operating cost per zinc equivalent payable pound sold for Q4/18 was $0.83, representing a decrease of 19% from $1.03 in Q4/17 and an increase of 15% from $0.72 in Q3/18. The All-In Sustaining Cost ("AISC") for Q4/18 was $1.28 per zinc equivalent payable pound sold, representing a 17% decrease from Q4/17 of $1.54 and an increase of 6% over the previous quarter of $1.21. The Company announced in Q1/18 that given the steady state of production achieved, entering its first full year of normalized production, it has adopted the AISC reporting metric as the Company believes it more fully defines the total costs associated with producing zinc and provides greater transparency for stakeholders when assessing operating performance, ability to generate free cash flow from operations and overall value. For details on how this figure is calculated, please refer to the Non-IFRS Performance Measures sections of this document.

Year Ended December 31, 2018

Fiscal 2018 represented the first full year of normalized operations at the El Mochito mine by the Ascendant management team since its acquisition in December of 2016. Throughout the year, improvements were made with respect to contained metal production and dilution control. This is evidenced by a steady improvement in contained metal production during the year and the achievement of record ZnEq grades exiting the calendar year.

Contained metal production for the full year 2018 was 91.4 million pounds of ZnEq metal, in-line with the Company's revised production guidance. This was comprised of 62.7 million pounds of zinc, 21.8 million pounds of lead and just over one million ounces of silver. Overall production represents a 38% increase over 2017 contained metal production of 66.1 million pounds of ZnEq. Milled throughput for the year was 756,034 tonnes, an increase of 15% over 2017 milled throughput of 656,291 tonnes.

For the year ended December 31, 2018, recoveries averaged 88.0% for zinc, 77.8% for lead and 77.9% for silver. Average head grades were 4.3% zinc, 1.7% lead and 54g/t silver. The zinc equivalent grade for the full year was 6.5%. Zinc recovery was stronger than expected, while head grades gradually increased throughout the year.

Total revenue for the full year 2018 was $85.62 million, an increase of 45% over total revenues of $59.20 million in 2017. Net income for 2018 was $3.00 million, or a basic and diluted earnings per share of $0.04, compared to a net loss of $12.06 million, or a basic and diluted loss per share of $0.18 for the full year 2017. Income from mining operations was $11.46 million for 2018 compared to a loss from mining operations of $0.05 million in 2017. Adjusted EBITDA for 2018 totalled $13.49 million, compared to a loss of $2.50 million for 2017. The cash balance exiting 2018 was $3.81 million.

Direct operating costs per tonne milled for 2018 at El Mochito averaged $78.98, representing a 10% decrease from $88.22 in 2017 and in line with the Company's cost guidance.

Costs on a per ZnEq pound basis for the year showed improvements as a result of higher grades mined during the year resulting in increased contained metal production. Cash operating cost per zinc equivalent payable pound sold was $0.79, a decrease of 25% from $1.05 per pound in 2017. The AISC for the year was $1.31 per zinc equivalent payable pound sold, down 19% from $1.62 in 2017. As previously disclosed, the Company announced in Q1/18 that given the steady state of production achieved, entering its first full year of normalized production, it has adopted the AISC reporting metric as the Company believes it more fully defines the total costs associated with producing zinc and provides greater transparency for stakeholders when assessing operating performance, ability to generate free cash flow from operations and overall value. For details on how this figure is calculated, please refer to the Non-IFRS Performance Measures sections of this document.

Other Corporate Highlights

On August 24, 2018, the company announced the closing of a $5 million short-term revolving credit facility between its wholly owned subsidiary, AMPAC, and Banco Financiera Comercial Hondurena S.A. based out of Tegucigalpa, Honduras. Demonstrating strong local support and solidifying additional in-country partnerships. The credit facility was exercised throughout the year for working capital and other general corporate purposes.

In December 2018, Ascendant expanded its management team with the appointment of Robert Campbell to the position of Vice President, Exploration. Mr. Campbell is an exploration geologist with over 40 years experience in mining and exploration in Canada, the United States and Latin America. He is currently a Director of the Company and most recently served as Vice President, Exploration for Largo Resources Ltd., a company he was involved with since its inception in 2003. Mr. Campbell has also worked with a number of major mining companies, most notably Noranda and Lac Minerals, and has held other senior management positions such as Vice President of Exploration for Apogee Minerals Ltd. Mr. Campbell's extensive skills and experience in Latin America will continue to help unlock the exploration potential of El Mochito and our entire land package in Honduras. His considerable knowledge of VMS deposits will also greatly assist to rapidly advance the highly prospective Lagoa Salgada VMS project in Portugal.
In Q3/18, Mr. Kurt Menchen was appointed Chairman of the Health, Safety and Technical Committee replacing Mr. Renaud Adams. Mr. Menchen is a well accomplished mining engineer with over 40 years' experience of successfully building and operating mines. Mr. Menchen was instrumental in the success of Desert Sun Mining Corp. whose Jacobina Mine in Brazil was sold to Yamana Gold Inc.

in 2006, representing one of the biggest mining deals of that year. Most recently, Mr. Menchen successfully developed and constructed Largo Resources' Maracás Menchen Vanadium Mine. Largo Resources Ltd. currently has a market cap of over $1.2 billion based on the Maracás Menchen Mine. Previously he had oversight of Anglo American's Vaal Reefs' underground gold mine in South Africa and De Beers Goldfields in Angola.

El Mochito Exploration Activities & Mineral Resources

Ascendant continued its exploration activities at the El Mochito mine during the year. The 2018 program targeted the following areas; Esperanza, Port Royal Manto, Santa Barbara, Santa Elena, Porvenir, Palmar Dyke, Nueva Este, Victoria and San Juan, most of which are located in the eastern portion of the mine, with the overall goal of expanding the size of these orebodies. The program also targeted exploration targets in untested areas that new development opened access to, with a focus on new chimney mineralization discovery.

In Q4/18, the Company announced results from an additional 54 diamond drill holes, or 10,410 metres, split between step-out (64%) and in-fill (36%). These drill holes were more focused on follow up work on the extension of the eastern orebodies of the mine.

Key highlights (true/apparent widths[2]) include:

Step-out Holes
DDH 11008 – **2.2m at 31.0% ZnEq[1]**, 16.8% Zn, 12.2% Pb and 257 g/t Ag (Santa Elena)
DDH 11026 – **5.4m at 9.05 ZnEq**, 8.5% Zn, 0.3% Pb and 16 g/t Ag (Porvenir)
DDH 11049 – **2.9m at 16.5% ZnEq**, 11.3% Zn, 5.1% Pb and 61.1 g/t Ag (Porvenir)
DDH 10973 – **2.6m at 14.3% ZnEq**, 13.8% Zn, 0.3% Pb and 13.9 g/t Ag (Victoria)

Infill Holes
DDH 11031 – **6.0m at 12.4% ZnEq**, 6.2% Zn, 6.0% Pb and 70.5 g/t Ag (Santa Barbara)
DDH 11065 – **12.6m at 12.2% ZnEq**, 5.9% Zn, 5.1% Pb and 735.2 g/t Ag (Palmar Dyke)
DDH 11053 – **18.7m at 15.9% ZnEq**, 9.2% Zn, 4.4% Pb and 196.2 g/t Ag (Nueva Este)
DDH 11058 – **19.5m at 10.4% ZnEq**, 3.9% Zn, 3.3% Pb and 237.4 g/t Ag (Nueva Este)

Overall, results from the 2018 exploration program delivered high-grade intercepts, well above the current Mineral Resource grade, supporting the Company's goal of upgrading Mineral Resources and subsequently further extending the mine life of El Mochito (see press releases issued on January 20, 2018, June 14, 2018, September 10, 2018, and October 31, 2018).

[2] Please refer to the tables for true/apparent widths which are estimated from actual drilled lengths and located on the Company's website at www.ascendantresources.com.

Additional key drill results highlights include (true/apparent widths):
Step-out Holes
DDH 10956 – **1.4m** at **35.8% ZnEq**, 20.1% Zn, 13.4% Pb and 318 g/t Ag (Porvenir)
DDH 10958 – **6.3m** at **12.6% ZnEq**, 6.2% Zn, 5.6% Pb and 125.2 g/t Ag (Santa Elena)
DDH 10949 – **8.6m** at **9.6% ZnEq**, 5.7% Zn, 3.4% Pb and 75.8 g/t Ag (Esperanza)
and – **7.5m** at **8.9% ZnEq**, 5.5% Zn, 3.3% Pb and 41.4 g/t Ag

Infill Holes
DDH 10996 – **7.1m at 14.0% ZnEq**, 7.4% Zn, 6.2% Pb and 86.5 g/t Ag (Esperanza)
DDH 10998 – **13.7m at 10.7% ZnEq**, 5.7% Zn, 4.6% Pb and 72.0 g/t Ag (Esperanza)
DDH 10950 – **4.1m** at **15.3% ZnEq**, 15.1% Zn, 0.1% Pb and 6.4 g/t Ag (Santa Elena)
DDH 11017 – **16.1m** at **9.9% ZnEq**, 9.4% Zn, 0.1% Pb and 25.9 g/t Ag (Port Royal Manto)
DDH 10957 – **17.7m** at **9.1% ZnEq**, 5.9% Zn, 2.9% Pb and 59.9 g/t Ag (Esperanza)
DDH 10958 – **6.3m** at **12.6% ZnEq**, 6.2% Zn, 5.6% Pb and 125.2 g/t Ag (Santa Elena)
DDH 10902 – **3.9m** at **9.9% ZnEq**, 8.0% Zn, 0.6% Pb and 101.6 g/t Ag (Port Royal Manto)

On May 25, 2018, the Company filed a Technical Report for the El Mochito mine entitled, "ASC 2018 Technical Report on the Mineral Resources and Mineral Reserves of Ascendant Resources Inc. Producing El Mochito Mine in Honduras", representing the first mineral estimate compiled by Ascendant since the acquisition of the El Mochito mine, and incorporates drilling carried out in 2016 and 2017 as well as the reinterpretation of historical data. The Technical Report can be accessed under the Company's profile on SEDAR at www.sedar.com.

The May 25, 2018 Technical Report was superseded by the Preliminary Economic Assessment for the expansion of the El Mochito mine effective October 22, 2018 and dated February 27, 2019 entitled, "NI 43-101 Technical Report Amended Preliminary Economic Assessment for the Optimization and Expansion of the El Mochito Mine". The report assumes a long mine life of 10 years inclusive of Inferred Mineral Resources and excludes all drilling carried out in 2018.

The results of the 2018 exploration program support the Company's view there is strong potential for further and substantial Mineral Resource growth along strike of the known resources, reinforcing the strategic view regarding the expansion of the El Mochito mine as considered in the recent Preliminary Economic Assessment.

The current Mineral Resource Estimate is set out in the table below.

(Expressed in US dollars, except otherwise noted)

El Mochito Mineral Resource Estimate - Effective 01 January 2018									
Category	Tonnes	Grade				Contained Metal			
		Zn	Pb	Ag	ZnEq.	Zn	Pb	Ag	ZnEq.
	(kt)	(%)	(%)	(g/t)	(%)	Mlbs	Mlbs	Moz	Mlbs
Measured Resources	**1,100**	**5.5**	**2.0**	**65**	**8.2**	**134**	**48**	**2.3**	**198**
Indicated Resources	**6,452**	**5.2**	**1.7**	**41**	**7.2**	**735**	**241**	**8.4**	**1,019**
Measured & Indicated Resources	**7,553**	**5.2**	**1.7**	**44**	**7.3**	**869**	**289**	**10.7**	**1,216**
Inferred Resources	**4,972**	**5.1**	**1.4**	**33**	**6.7**	**556**	**156**	**5.4**	**739**

Notes:

(1) Tonnage, grade and contained metal values have been rounded, totals may vary due to rounding.
(2) Price assumptions used were US$1.21/lb Zn, US$1.06/lb Pb and US$18/troy oz Ag. Zinc equivalent metal grade (ZnEq. %) was calculated as follows: Zn% +(Pb % x 0.82) +(Ag g/t x 0.0149) = ZnEq% and is based on 88.9% Zn recovery, 74.3% Pb recovery and 77.7% Ag recovery.
(3) A cut-off of 3.1% ZnEq. was used to estimate Mineral Resources and is based on fourth quarter 2017 marginal direct operating costs.
(4) Results of an interpolated bulk density deposit model have been applied, and contributing 5ft downhole assay composites were capped at 38% Zn, 36% Pb and 2000g/t Ag.
(5) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(6) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

El Mochito Expansion Preliminary Economic Assessment

The Preliminary Economic Assessment ("PEA") for the expansion of the El Mochito mine was prepared in accordance with National Instrument 43-101.

The PEA outlines a substantial Internal Rate of Return ("IRR") with a payback period of just under two years. The PEA further presents a robust and compelling opportunity for the Company to position El Mochito as a long-term profitable operation. The PEA assumes a mine life of 10 years inclusive of Inferred Mineral Resources, notably excluding any additional Mineral Resources added from the 2018 exploration program.

Key highlights of the PEA are summarized below:

Table of Key Project Highlights	
Project IRR after taxes & royalties	58%
Incremental Project NPV (8%) after taxes & royalties	$83.0 million
Incremental Project undiscounted after-tax cash flow	$146.5 million
Project construction period	2 years
Project Payback period	2 years
Life of mine (including current operations)	10 years
Metal Prices assumed	
Zinc	$1.21/lb

(Expressed in US dollars, except otherwise noted)

Lead	$1.09/lb
Silver	$15/oz
LOM Process recovery	
Zn	90%
Pb	75%
Ag	75%
Average Annual Metal production (rounded)	
Zn	41 kt
Pb	10 kt
Ag	742 koz
ZnEq	120 million lbs
Total LOM payable ZnEq production (rounded)	1,038 million lbs
Project Development Capital Expenditures	$32.8 million
LOM Sustaining Capital Expenditure (excluding closure)	$129.7 million
Average annual operating costs after construction	$61.85/t processed
Average annual operating costs after construction	$0.58/lb ZnEq payable
Average annual AISC after construction	$0.97/lb ZnEq payable

The PEA considers increasing mining and processing capacity to approximately 2,800 tonnes per day (one million tonnes per year) from 2,200 tpd (750,000 tonnes per year) without significantly interfering with ongoing operations. In addition to increased revenues, the major benefit of the program is an expected reduction in operating costs to $61.85 per tonne processed over the life of mine ("LOM"), materially below the Company's reported operating costs and $17.76 per tonne processed lower than the projected LOM cost without the anticipated infrastructure. Contained annual ZnEq metal production would average 120 million lbs over the LOM. Capital costs to complete the development program have been estimated at $32.8 million with a construction period of approximately two years and an expected payback of two years.

This project presents a significant opportunity to bring the AISC at El Mochito down to an average of $0.97 per payable ZnEq pound produced two years after the commencement of construction. This cost level would support the longevity of the operation and sustain robust positive free cash flow even if a sustained depressed metals price environment were to occur.

The three principal areas of development considered by the PEA are:

- Installation of a new 442-metre-deep, rock-only hoisting, subvertical (or internal vertical) shaft, which results in shortening the average underground truck hauling distances by 26%, increasing hoisting capacity, ventilation, services access and mining capacities. Shorter distances translate into additional trucking capacity and under-utilized drilling and blasting equipment would be able to increase production by 26% without the need for additional mining equipment.

- Upgrading the underground pumping and water management system, reducing overhead costs by changing and reducing the number of pumps, rationalizing pumping lines and installing an effective water clarification system to pump clean water.
- Upgrading the crushing circuit, process plant, and tailings handling capacity to meet the increased production from the mine.

Lagoa Salgada Acquisition, Exploration and Resource Growth

In June 2018, Ascendant entered into an agreement with TH Crestgate GmbH ("Crestgate") to acquire an initial 25% interest in its Portuguese subsidiary Redcorp - Emprendimentos Mineiros, Lda ("Redcorp"), which holds an 85% interest in the polymetallic Lagoa Salgada volcanogenic massive sulphide ("VMS") Project ("Lagoa Salgada" or the "Project"), as well as an option to earn up to an 80% interest in Redcorp upon completion of certain milestones.

Lagoa Salgada is located within the north-western section of the prolific Iberian Pyrite Belt in Portugal, approximately 80 km southeast of Lisbon and is accessible by national highways and roads. The Project is comprised of a single exploration permit covering an area of approximately 10,700 hectares. The Project represents an early-stage, potentially high-grade, polymetallic zinc-lead-copper exploration opportunity with an existing Mineral Resource in a low risk, established and prolific jurisdiction.

The Iberian Pyrite Belt is host to some of the world's largest VMS deposits and mines such as Neves-Corvo (Lundin Mining Corporation), Aguas Tenidas (Trafigura Mining Group) and Aljustrel (private). It represents the largest concentration of massive sulphide deposits in the world, forming an arch through Portugal and Spain about 240 km long and 35 km wide and has produced more than 300 million tonnes of massive sulfide ore over the past hundred years.

The Project represents a low-cost entry opportunity in this prolific region to gain exposure to a known, high-grade VMS deposit that has significant exploration potential to further expand the resource in the near term. The acquisition of Ascendant's interest in the Project is immediately accretive to the Company's ZnEq metal exposure, and management anticipates significant and rapid expansion through the implementation of a low-cost drill program.

Transaction summary and details of the Company's acquisition of the interest and option in the Lagoa Salgada project can be found in the Company's press release issued on August 1, 2018.

In the fourth quarter of 2018, Ascendant continued its exploration program at Lagoa Salgada. The results of the 2018 program lead to an updated National Instrument 43-101 Mineral Resource Estimate the Company announced in February 2019. The updated Mineral Resource Estimate demonstrates material growth in both the North Zone (Main Massive Sulphide) and the South Zone (Stockwork) deposits following a modest 7,077 metre drill program consisting of 20 drill holes. Both zones coincide with an Induced Polarization chargeability anomaly with a strike length of 1.6km and have now been delineated by less than a total of 50 holes.

(Expressed in US dollars, except otherwise noted)

In addition to drilling, the exploration program includes downhole geophysics, relogging and assaying of historical drilling in the area and a complete structural reinterpretation of the property in the context of the overall regional geology. Given the structural controls seen at similar deposits within the Iberian Pyrite Belt, the latter will aid in the development of the exploration program over the entire land package. For further details, please refer to the Company's press release dated February 13, 2019.

The updated Mineral Resource Estimate for the Lagoa Salgada project is set out in the tables below:

Lagoa Salgada Total Mineral Resource Estimate

Category	Mineralized Zones	Tonnes kt	*Average Grade* ZnEq %	Cu %	Zn %	Pb %	Sn %	Ag g/t	Au g/t
Measured	All	1,761	11.02	0.38	3.09	3.19	0.15	62.41	0.84
Indicated	All	6,082	7.61	0.50	2.09	1.84	0.09	48.61	0.40
M + I	All	**7,843**	**8.38**	**0.47**	**2.31**	**2.15**	**0.10**	**51.71**	**0.50**
Inferred	All	12,823	6.37	0.36	1.68	1.63	0.04	38.62	0.61

North Deposit Mineral Resource Estimate

Category	Mineralized Zones	Tonnes kt	*Average Grade* ZnEq %	Cu %	Zn %	Pb %	Sn %	Ag g/t	Au g/t
Measured	GO	177	11.65	0.15	0.65	4.12	0.40	54.14	1.55
	MS	1,584	10.95	0.40	3.36	3.09	0.12	63.33	0.76
	Total	**1,761**	**11.02**	**0.38**	**3.09**	**3.19**	**0.15**	**62.41**	**0.84**
Indicated	GO	451	7.86	0.13	0.52	3.07	0.30	35.10	0.67
	MS	3,842	8.81	0.51	2.37	2.12	0.10	61.51	0.52
	Total	**4,293**	**8.71**	**0.47**	**2.18**	**2.22**	**0.12**	**58.73**	**0.54**
M + I	**GO**	**628**	**8.93**	**0.14**	**0.56**	**3.37**	**0.33**	**40.47**	**0.92**
	MS	**5,426**	**9.43**	**0.48**	**2.66**	**2.40**	**0.11**	**62.04**	**0.59**
	Total	**6,054**	**9.38**	**0.44**	**2.44**	**2.50**	**0.13**	**59.80**	**0.63**
Inferred	GO	1,546	7.03	0.10	0.43	3.69	0.14	32.44	0.67
	MS	5,911	7.78	0.36	2.31	1.96	0.05	57.08	0.58
	SW	390	3.68	0.39	1.42	0.42	0.03	19.14	0.09
	Total	**7,847**	**7.43**	**0.31**	**1.90**	**2.22**	**0.07**	**50.34**	**0.58**

(Expressed in US dollars, except otherwise noted)

Central Deposit Mineral Resource Estimate

Category	Mineralized Zone	Tonnes kt	*Average Grade* ZnEq %	Cu %	Zn %	Pb %	Sn %	Ag g/t	Au g/t
Inferred	Total	1,078	5.41	0.11	0.17	0.06	0.00	12.15	2.89

South Deposit Mineral Resource Estimate

Category	Mineralized Zones	Tonnes kt	*Average Grade* ZnEq %	Cu %	Zn %	Pb %	Sn %	Ag g/t	Au g/t
Indicated	SW2	1,789	4.99	0.58	1.88	0.95	0.00	24.33	0.07
Inferred	SW2	3,899	4.50	0.52	1.65	0.89	0.00	22.36	0.06

Notes to tables:
Mineralized Zones, GO=Gossan, MS=Massive Sulphide, SW=Stringer, SW2=Stockwork
Cut-off: Zn-Eq ≥ 3.00%
Zn-Eq = [Zn%]+([Cu%]*2.652)+([Pb%]*0.913)+([Au g/t]*1.585)+([Ag g/t]*0.025)+([Sn%]*7.565)
Densities: GO = 3.11, MS = 4.85, SW = 2.91, SW2 = 2.91

KEY OPERATING INFORMATION AND FINANCIAL CONDITION

The following table is a summary of the Company's key production and operating statistics for the three months and years ended December 31, 2018 and 2017 at the El Mochito mine.

Key Operating Information			Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
Total Tonnes Mined		tonnes	187,533	197,303	758,067	657,287
Total Tonnes Milled		tonnes	184,913	198,354	756,034	656,291
Average Head Grades						
Average Zn grade		%	4.2%	3.7%	4.3%	3.5%
Average Pb grade		%	1.9%	1.4%	1.7%	1.4%
Average Silver grade		g/t	77	34	54	42
ZnEq Head grade	(1)	%	7.0%	5.3%	6.5%	5.4%
Average Recoveries						
Zinc		%	84.1%	88.5%	88.0%	88.9%
Lead		%	77.6%	74.6%	77.8%	74.2%
Silver		%	76.6%	75.0%	77.9%	77.4%
Contained Metal Production						
Zinc		000's lbs	14,435	14,133	62,658	45,054
Lead		000's lbs	6,023	4,556	21,810	14,905
Silver		ozs	347,251	169,039	1,001,514	698,506
ZnEq	(1)	000's lbs	23,173	19,576	91,429	66,120
Payable Production						
Zinc		000's lbs	12,270	12,013	53,259	38,296
Lead		000's lbs	5,722	4,328	20,719	14,159
Silver		ozs	243,076	118,327	701,060	488,954
ZnEq	(1)	000's lbs	19,697	16,640	77,715	56,202
Payable Metal Sold						
Zinc		000's lbs	14,636	11,007	55,427	35,626
Lead		000's lbs	5,231	6,191	22,466	12,075
Silver		ozs	243,413	162,619	782,960	460,980
ZnEq	(1)	000's lbs	21,511	17,599	81,871	50,725
Average Realized Metal Price						
Zinc		$/lb	$1.18	$1.46	$1.31	$1.36
Lead		$/lb	$0.89	$1.13	$1.00	$1.06
Silver		$/oz	$14.51	$16.99	$15.34	$17.17
Cash operating cost per ZnEq payable lb sold	(2)	$/ZnEq lb	$0.83	$1.03	$0.79	$1.05
AISC per ZnEq payable lb sold	(2)	$/ZnEq lb	$1.28	$1.54	$1.31	$1.62
Direct operating cost per tonne milled (excl. CAPEX)	(2)	$/tonne	$85.38	$80.13	$78.98	$88.22

(1) Assumes average spot metal prices for the period.
(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures

Financial			Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
Total revenue		$000's	21,564	23,934	85,618	59,199
Mine operating expenses		$000's	22,009	20,336	74,162	59,248
Income (loss) from mining operations		$000's	(444)	3,598	11,456	(49)
Net income (loss)		$000's	(3,020)	(1,429)	3,005	(12,057)
Adjusted EBITDA	(2)	$000's	(115)	2,280	13,492	(2,496)
Operating cash flow before movements in working capital	(2)	$000's	(187)	594	10,868	(5,827)
Operating cash flow		$000's	(273)	5,825	16,276	(6,467)
Cash and cash equivalents		$000's	3,808	8,041	3,808	8,041
Working capital		$000's	(7,110)	12,506	(7,110)	12,506
Capital Expenditures		$000's	3,620	5,077	21,943	13,445

(1) Assumes average spot metal prices for the period.
(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures

Production of zinc and lead concentrate is trucked daily from the El Mochito mine to the port of Puerto Cortes where zinc and lead concentrates are stored until sufficient inventory is available for shipment.

The Company recognizes revenue from provisional invoicing once the concentrate has been loaded or segregated on the vessel, all the performance obligations have been fulfilled and control is transferred to the customer. Final metal pricing occurs according to the quotational period stated in the offtake agreement and changes in metal prices during the quotational period may have a significant impact on the financial results of the Company.

Given the Company's revenue recognition policy and shipment schedule, the dry metric tonne ("DMT") concentrate produced in any given quarter may not be immediately reflected in its revenue. The timing difference between DMT concentrate produced and revenue recognized tends to decrease significantly when viewed on a yearly basis. In Q4/18, the Company produced 13,235 DMT of zinc concentrates and 4,709 DMT of lead concentrate and sold 16,231 DMT of zinc concentrate and 4,336 DMT of lead concentrate.

(Expressed in US dollars, except otherwise noted)

OUTLOOK

Ascendant is very pleased to have delivered further consistent production growth at El Mochito over the course of 2018. The Company has been successful at increasing contained metal production and achieving record grades, improving the overall grade profile of the mine. Higher-grades are the anticipated driver behind additional production growth in 2019 as guidance assumes a 10% mean increase from 2018 levels.

2019 production guidance is provided in the table below:

Contained Metals in Concentrate	
Zinc equivalent metal	90 – 110 million lbs
Zinc	65 – 75 million lbs
Lead	21 – 26 million lbs
Silver	850,000 – 1,200,000 ozs
Direct Operating Costs	$70 – $80 / tonne
Capital Expenditure	$15 – $20 million

Supressed metal prices persisted throughout the second half of 2018 as pressure from global trade tensions and uncertainty around Chinese growth and inventories intensified. While it is the Company's view that the fundamentals remain little changed and continue to strongly support structural supply deficits for the next few years due to a continued depletion in global inventories for base metals, the Company remains dedicated to further cost reductions to generate robust profitability in any reasonable metals price environment.

The PEA for the expansion of the El Mochito mine demonstrates the Company's dedication and focus on delivering long-term profitability and the ability to operate at an all-in sustaining cost of $0.97 per ZnEq pound, well below long term metal price assumptions.

On February 6, 2019, the Company announced the receipt of a non-binding term sheet from Overseas Private Investment Corporation ("OPIC"), for a project loan of US$35 million to American Pacific Honduras S.A. de C.V., the Company's operating subsidiary in Honduras, to finance the expansion of the El Mochito mine. The financing has a proposed 7-year term and covers the total financing requirements for the expansion program including mine development expansion, a new underground shaft, underground water pumping upgrades and mill upgrades. The Term Sheet is non-binding and bears no legal obligation by any of the parties until definitive agreements have been made. The loan is subject to the completion of OPIC's due diligence, additional documentation, internal approvals and certain other conditions.

The Company is also currently in advanced negotiations with local and international institutions to secure additional non-dilutive financing opportunities to support working capital in the short term.

The Company is planning further exploration at El Mochito in 2019 for both infill and exploration drilling. The infill drilling program has the goal of upgrading Inferred Mineral Resources and further extending the mine life of El Mochito while the exploration drilling program will continue to explore untested areas with the purpose of discovering the next large, high grade chimney. Additional exploration development and drilling is expected to take place in the old upper levels of the mine, which has the potential to materially increase resource tonnage at very high grades, mostly derived from remnant pillars and undeveloped "chimney" type ore zones. Ascendant plans to rehabilitate and mine these pillars where possible.

The Company is also focusing exploration work on regional targets on El Mochito's 10,000-hectare land package. El Mochito is an example of a high-temperature carbonate replacement deposit and despite the long history of operations the source of the deposit has not yet been identified indicating significant exploration potential and warranting follow up on the numerous identified targets within the land package.

With the success of the exploration program at Lagoa Salgada, doubling total tonnes in the updated Mineral Resource estimate, the Company will look to develop and execute a follow up exploration program later this year, with the intention of advancing the project.

SELECTED ANNUAL INFORMATION

The following table set forth selected annual information extracted from the Company's audited Consolidated Financial Statements for the years and period noted:

		Year ended December 31, 2018	Year ended December 31, 2017	Five months ended December 31, 2016	Year ended July 31, 2016
Revenue	000's $	85,618	59,199	-	-
Mine operating expenses	000's $	74,162	59,248	3	-
General and administrative expenses	000's $	5,984	7,405	1,602	187
Income (loss) for the year	000's $	3,005	(12,057)	(2,427)	6
Income (loss) per share - basic	$/share	0.04	(0.18)	(0.31)	0.00
Income (loss) per share - diluted	$/share	0.04	(0.18)	(0.31)	0.00
Total assets	000's $	66,071	51,957	39,180	312
Non-current financial liabilities	000's $	15,535	19,419	19,019	399
Cash dividends declared	000's $	-	-	-	-

The Company recognized $85.62 million in revenue and $74.16 million in mine operating expenses as compared to $59.20 million and $59.25 million respectively in 2017. The increase in revenue and mine operating expenses resulting in net income for the year of $3.00 million is entirely attributed to fiscal 2018 being the first full year of normalized operations at El Mochito since the Company acquired the mine on December 20, 2016.

The net loss for 2017 of $12.06 million was the result of high mining production costs incurred in the first half of fiscal 2017, as the Company focused on turning around the El Mochito mine, and higher general and administrative expenses. The loss of $2.43 million in the short year ended December 31, 2016 is attributable to general and administrative expenses incurred of $1.60 million, which included $1.38 million in management consulting fees, and other expense items of $0.82 million, which included $0.38 million incurred in transaction costs in connection with the acquisition of AMPAC.

Total assets increased in 2018 and 2017 due primarily to acquisition of property, plant and equipment for $22.69 million and $14.31 million respectively, including continued underground capitalized development at the El Mochito mine. Total assets increased in the five-month period ended December 31, 2016 compared to July 31, 2016 primarily due to proceeds from private placements of $13.3 million, as well as the acquisition of AMPAC, including net cash acquired, prepaid expenses of $0.37 million, inventory of $14.7 million, and property, plant and equipment of $10.41 million.

Non-current financial liabilities decreased in 2018 due mainly to a remeasurement of termination obligations by $1.60 million, a reduction in environmental rehabilitation provision by $2.79 million, and a gain on settlement of amounts payable to Nyrstar of $1.45 million. Non-current liabilities increased in the five month period ended December 31, 2016 compared to July 31, 2016 due to the acquisition of AMPAC, including an assumed non-current liability for environmental rehabilitation of $8.43 million, assumed non-current future termination payments of $7.94 million, due to previous AMPAC owners of $1.45 million and assumed finance liabilities of $0.9 million.

DISCUSSION OF OPERATIONS

The year ended December 31, 2018 represents the Company's first full year of normalized operations at El Mochito since the Company acquired the mine in December 2016. The variation in the nature of the comparative periods must be considered in evaluating the financial information noted below.

Three months ended December 31, 2018 versus the three months ended December 31, 2017

Contained metal production was up 18% to 23.2 million (Q4/17 – 19.6 million) ZnEq lbs using average realized metal prices during the three months ended December 31, 2018 and 2017 respectively.

Revenue of $21.56 million (Q4/17 - $23.93 million) resulted from the sale of 14.6 million (Q4/17 – 11.0 million) pounds of zinc in concentrates, and 5.2 million (Q4/17 – 6.2 million) pounds of lead in concentrates. Average realized metal prices in USD were $1.18 per pound zinc (Q4/17 – $1.46), $0.89 per pound zinc (Q3/17 - $1.13) and $14.51 per ounce silver (Q4/17 - $16.99). During the quarter, the Company produced 19.7 million (Q4/17 – 16.6 million) zinc equivalent payable lbs and sold 21.5 million (Q4/17 - 17.6 million) zinc equivalent payable lbs.

Revenue from the sale of concentrate decreased by 10% during the fourth quarter, compared against the fourth quarter of 2017 due to a decline in average spot prices resulting in a provisional pricing adjustment on concentrate sales during the quarter.

Total mine operating expenses of $22.01 million (Q4/17 - $20.34 million) related to the sale of concentrate, resulted in direct operating costs for the quarter of $85.38 per tonne milled (Q4/17 $80.13) (see Non-IFRS measures at the end of this MD&A).

While the Company's milled production during the three months ended December 31, 2018 was 7% lower (184,913 tonnes vs 198,354 tonnes), the ZnEq head grade increased 32% from 5.3% to 7.0%. The lower tonnes milled accompanied by higher total operating costs resulted in a 7% increased unit cost per tonne over the same period in the prior year.

During the three months ended December 31, 2018, the Company incurred general and administrative expenses of $1.18 million (Q4/17 – $2.36 million) before non-cash share-based compensation of $0.15 million (Q4/17 - $0.37 million). The overall decrease in general and administrative expenses is due primarily to a decrease in wages and salaries during the quarter which totals $0.86 million (Q4/17 - $1.95 million) as accrued bonuses were awarded in the fourth quarter of 2017.

During the three months ended December 31, 2018 the Company recorded loss from other items of $0.30 million (Q4/17 – loss of $1.14 million), primarily due to a gain on remeasurement of environmental provision which totals $2.79 million and a decrease in accretion expense on rehabilitation liabilities which totals $0.33 million. This gain is offset primarily by $2.25 million in advances to the Lagoa Salgada Project in the quarter (Q4/17 - $nil), and an increase in charge on termination obligations, which totals $1.09 million that includes an assumed liability expense of $0.76

million to reflect the transfer of employees from a third-party contractor into AMPAC's payroll and severance plan (Q4/17 - $Nil).

During the three months ended December 31, 2018, the Company reported net loss of $3.02 million, or $0.03 basic and diluted loss per share, compared to a net loss of $1.43 million, or $0.02 basic and diluted loss per share in the comparative quarter in 2017. Loss from mining operations was $0.44 million during the fourth quarter of 2018 compared to $3.60 million in the fourth quarter of 2017.

Also, current tax expense of $0.95 million was recorded in the fourth quarter of 2018 as compared to $1.16 million in Q4/17. Tax expense in 2017 included a $1.10 million payment made to the Honduran tax authority (Servicio de Administracion de Rentas de Honduras, "SAR") under the tax amnesty program. This program, which was available until December 31, 2017, allows taxpayers to settle potential tax disputes upon payment of 1.5% of the highest revenue amount in one of the open taxation years subject to possible tax audit (in this case taxation years 2012-2016 given the 5-year statute of limitations). By participating in the tax amnesty program, the Company has eliminated potential liabilities arising from the period during Nyrstar ownership, but also affirms the tax attributes related to loss carry-forwards and depreciable tax assets. Refer to note 26 of the consolidated financial statements.

Year ended December 31, 2018 versus the year ended December 31, 2017

Contained metal production for 2018 was 91.4 million ZnEq lbs compared to 66.1 million ZnEq lbs in 2017 using average realized metal prices during the years ended December 31, 2018 and 2017 respectively.

Revenues of $85.62 (2017 - $59.20) million resulted from the sale of 55.4 (2017 – 35.6) million pounds of zinc in concentrates, and 22.5 (2017 – 12.1) million pounds of lead in concentrates. Average realized metal prices were $1.31 (2017 – $1.36) per pound zinc, $1.00 (2017 - $1.06) per pound lead and $15.34 (2017 - $17.17) per ounce silver. During the year ended December 31, 2018, the Company produced 77.7 (2017 – 56.2) million zinc equivalent payable lbs and sold 81.9 (2017 - 50.7) million zinc equivalent payable lbs.

Revenue from the sale of concentrate increased by 45% during the year ended December 31, 2018, compared against the year ended December 31, 2017.

Total mine operating expenses of $74.16 (2017 - $59.25) million related to the sale of concentrate. Costs consisted of direct site production costs of $38.33 (2017 - $40.61) million related to mining, processing costs of $12.13 (2017 - $8.10) million, selling, general and administration of $9.97 (2017 – $8.90) million, and government taxes and royalty expense were $4.38 (2017 – $2.79) million. The Company also recorded $4.71 (2017 - $3.32) million of depreciation and amortization. The Company's direct operating cost for year ended December 31, 2018 was $78.98 (2017 - $88.22) per tonne milled (see Non-IFRS measures at the end of this MD&A).

The Company's production during the year ended December 31, 2018, increased over the same period in the prior year largely due to the productivity improvements as disclosed above. Although costs in 2018 were lower than the previous year, operating costs per tonne did not demonstrate as significant of a decrease as expected due to lower than planned ore volumes being milled but at a higher than planned grade. In 2019, the Company plans to further improve on milled volumes at higher grades which will further reduce unit costs.

During the year ended December 31, 2018, the Company incurred general and administrative expenses of $4.96 million (2017 – $5.62 million) before non-cash share-based compensation of $1.02 million (2017 - $1.79 million). The overall decrease in general and administrative expenses is primarily due to a decrease consulting fees, office expenses, and professional fees, offset by a small increase in wages and salaries which totals $3.51 million (2017 - $3.47 million). There was also a decrease in share-based compensation which totals $1.02 million (2017 - $1.79 million) as a result of the timing of vesting terms.

During the year ended December 31, 2018 the Company recorded loss from other items of $0.80 million, compared to loss from other items of $3.44 million in 2017, primarily due to gain on settlement of working capital adjustment with Nyrstar of $2.95 million, a gain on remeasurement of environmental provision of $2.79 million, and a decrease in accretion expense on rehabilitation liabilities which totals $0.31 million. This is offset by the $2.25 million in advances to the Lagoa Salgada Project during the year, and by an increase in charge on termination obligations which totals $2.34 million that includes an assumed liability expense of $0.76 million to reflect the transfer of employees from a third-party contractor into AMPAC's payroll and severance plan
.

During the year ended December 31, 2018, the Company reported net income of $3.00 million, or $0.04 basic and diluted earnings per share, compared to a net loss of $12.06 million, or $0.18 basic and diluted loss per share in the comparative period in 2017. Income from mining operations was $11.46 million during the year ended December 31, 2018, compared to a loss from mining operations of $0.05 million in 2017.

CASH FLOWS

Operating Activities

During the three months ended December 31, 2018, cash used in operating activities totalled $0.27 million (Q4/2017 - cash from operating activities of $5.83 million).

During the year ended December 31, 2018, cash from operating activities was $16.28 million (2017 – cash used of $6.47 million) due primarily to an overall increase in sale of zinc and lead concentrates, compared to 2017 when the Company incurred mine operating losses in the first half of 2017 as well as a significant build up in concentrate inventory and amounts receivable as production and sales gradually increased at the El Mochito mine. Cash from operating activities before changes in working capital was $10.87 million (2017 – cash used of $5.83 million).

Investing Activities

During the three months ended December 31, 2018, cash used in investing activities was $5.57 million (Q4/17 – $5.08 million).

During the year ended December 31, 2018, cash used in investing activities was $25.32 million (2017 - $13.45 million). The increase in cash flow used in investing activities is mainly the result of capital expenditures of $21.74 million (2017 – $13.45 million) in connection with the El Mochito mine operations commencing in fiscal 2017 and new equipment required to increase production, as well as net investment in Redcorp's Lagoa Salgada Project of $3.28 million (2017 - $Nil) since the Company obtained a joint control interest in Redcorp in June 2018.

Financing Activities

During the three months ended December 31, 2018, cash provided by financing activities was $2.36 (Q4/17 – $0.87) million due mainly from proceeds of revolving credit facility of $5.85 (2017 - $Nil) million offset by repayments of $1.07 (2017 - $Nil) million during the quarter. The Company also generated cash proceeds of $0.01 (2017 – $0.87) million (Cdn$1.17 million) from exercise of warrants.

During the year ended December 31, 2017, cash provided by financing activities was $4.93 million (2017 - $14.64 million). The decrease in cash flow provided by financing activities year over year is mainly the result of proceeds received from private placement of units in 2017 whereas there were no private placements closed in 2018. The Company mostly obtained cash from financing activities during the year ended December 31, 2018 through proceeds from revolving credit facility of $5.85 million (2017 - $Nil), offset by repayments of $1.07 million (2017 - $Nil). Finally, the Company generated cash proceeds of $0.15 million (2017 – $0.93 million) from exercise of warrants.

SUMMARY OF QUARTERLY RESULTS

The following tables provide highlights, extracted from the Company's financial statements, of quarterly results for the past eight quarters. The changes in the tables below largely reflect the financing obtained upon acquisition of AMPAC and the ramp up in capital expenditures and operations of the El Mochito mine since fiscal 2017.

The exchange rates used for the quarterly financial information were as follows:

U.S. Dollar/Cdn Dollar exchange rate	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Closing rate at the reporting date	0.7330	0.7594	0.7756	0.7971	0.8013	0.7706	0.7513	0.7448
Average for the period	0.7574	0.7745	0.7907	0.7866	0.7982	0.7494	0.7554	0.7564

		Three Months Ended			
		December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Total assets	$000's	66,071	67,012	64,599	57,999
Total revenue	$000's	21,564	13,359	22,657	28,038
Working capital surplus (deficiency)	$000's	(7,110)	757	8,961	13,658
Income (loss) before other expense (income)	$000's	(1,774)	(2,889)	3,435	6,696
Net income (loss) for the period	$000's	(3,020)	(3,853)	4,582	5,294
Basic earnings (loss) per share	$/share	(0.04)	(0.05)	0.06	0.07
Diluted earnings (loss) per share	$/share	(0.04)	(0.05)	0.06	0.07

		Three Months Ended			
		December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Total assets	$000's	51,957	43,945	42,337	46,609
Total revenue	$000's	23,934	17,399	9,942	7,924
Working capital surplus (deficiency)	$000's	12,506	15,914	16,874	27,157
Income (loss) before other expense (income)	$000's	871	1,403	(7,377)	(2,350)
Net (loss) income for the period	$000's	(1,429)	821	(8,553)	(2,894)
Basic earnings (loss) per share	$/share	(0.02)	0.01	(0.15)	(0.06)
Diluted earnings (loss) per share	$/share	(0.02)	0.01	(0.15)	(0.06)

Concentrate revenues account for a portion of the quarter-to-quarter increase in total assets during 2017 and 2018, where much of the increase is attributed to the acquisition of property, plant and equipment of approximately $21.73 (2017 - $13.45) million including continued underground capitalized development at the El Mochito mine. The Company also raised $4.78 million, on a net basis, during the second half of 2018 in revolving credit facility, compared to $13.71 million raised in equity financing during the first half of 2017.

Revenues commenced in the first quarter of 2017 at the El Mochito mine, and fluctuated quarter-to-quarter due to increased production and metal price volatility throughout 2017 and 2018. In the first and second quarter of 2018, revenues continued to increase due to increased production and higher metal prices. Throughout the third and fourth quarter 2018, metal prices weakened as pressure from global trade tensions intensified, resulting in decreased revenues over the period.

Working capital increased in the first quarter of 2017 as a result of accounts receivable from sales and the equity financing of $13.71 million. Working capital declined in the third quarter of 2017 as a result of continued capital expenditures at the Company's El Mochito mine. The Company's working capital increased in the fourth quarter of 2017 and first quarter of 2018 due to an increased accounts receivable and increased cash balance, largely resulting from increased production and rising zinc and lead prices. The Company's working capital decreased in the second, third and fourth quarter of 2018 due to continued capital expenditures at El Mochito mine, and a decrease in accounts receivable, largely resulting from a decrease in zinc and lead prices.

Net loss in the fourth quarter of 2018 is mainly the result of lower revenues due to lower zinc and lead prices. Net losses in the first half of 2017 were mainly a result of lower production volumes and associated higher production costs, consulting and professional fees incurred during the Company's significant rehabilitation efforts. The net income in the third quarter of 2017 was mainly due to the increase in operating income from continued improvements in metal production levels at the El Mochito mine, partially offset by corporate general administrative and other expenses. The loss incurred in the fourth quarter of 2017 is mainly attributed to the increase in management salaries and consulting costs as staffing levels increased and awarded production bonuses being accrued in the fourth quarter, as well as recognition of current tax expense in the fourth quarter of 2017.

FINANCIAL RISK MANAGEMENT

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its risk management objectives. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2018 and 2017.

Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

At December 31, 2018, the Company had a cash balance of $3,808 (December 31, 2017 - $8,041), to settle current liabilities of $26,912 (December 31, 2017 - $16,308). The Company has working capital deficit of $7,110 at December 31, 2018 (December 31, 2017 – working capital surplus of $12,506). See Note 1 Basis of Presentation and Going Concern.

Foreign Currency Risk
The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the functional currency of the entity party to the transaction. The Company had net monetary liabilities totalling $8,900 (2017 - $9,539) denominated in Honduran Lempiras, and $1,000 (2017 - $864) denominated in Euro as of December 31, 2018. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the Honduran Lempira by 1% would increase or decrease net loss by $89 (2017 - $94) and in the Euro by 1% would increase or decrease net loss by $10 (2017 - $9) for the year ended December 31, 2018. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by obtaining most of its estimated annual U.S. cash requirements and holding the remaining currency in Canadian dollars. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Commodity Price Risk
The Company is exposed to price risk with respect to commodity prices arising from changes to the market prices for zinc, lead and silver between the time of the provisional invoicing of concentrates to the time of final price settlement. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices of these commodities. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors may in turn be influenced by changes in international investment patterns and monetary systems and political developments. Management estimates that as of December 31, 2018 a 5% decrease in the market prices for zinc, lead and silver

would reduce the provisionally priced mark-to-market revenues and related accounts receivable by $1,909 (2017 - $487).

Interest Rate Risk
The Company has cash balances and interest-bearing debt as described in Note 11. The Company has no short-term investments as at December 31, 2018 and is not subject to any significant impact on the cash balance as a result of changes in interest rates.

Credit Risk
The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentrating with respect to cash and amounts receivable is remote.

LIQUIDITY AND CAPITAL RESOURCES

The Company's Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management has estimated that the Company's existing cash at December 31, 2018 together with cash from operations and additional financing will be sufficient to fund cash requirements in the ordinary course of business for a period of at least twelve months. The Company's cash and liquidity position is, however, sensitive to a number of variables which cannot be predicted with certainty, including, but not limited to, meeting production targets, metal prices, foreign exchange rates, operational costs, capital expenditures and the success of the above noted operational initiatives. If the Company's cash flow from operations is not sufficient to satisfy its requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Ascendant.

These conditions represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include adjustments to the carrying values of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

The Company has not entered into any significant long-term lease commitments other than those outlined under Note 11 in the Company's Consolidated Financial Statements for the year ended December 31, 2018.

(Expressed in US dollars, except otherwise noted)

Contractual Obligations and Commitments

The Company has the following constructive obligations and capital commitments as at December 31, 2018:

		Payments due by period			
		<1 years	1-5 years	5> years	Total
Capital commitments (i)	$	3,337	522	-	3,859
Office leases (i)	$	7	-	-	7
Finance leases (i)	$	1,205	343	-	1,548
Credit facility payments (i)	$	4,775	-	-	4,775
Environmental rehabilitation provision (i)	$	-	1,104	9,621	10,725
	$	9,324	1,969	9,621	20,914

(i) Reported on an undiscounted basis

CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, warrants, share-based payments reserve and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its mineral exploration and evaluation activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2018 and 2017.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

(Expressed in US dollars, except otherwise noted)

FINANCIAL INSTRUMENTS HIERARCHY AND FAIR VALUES

The following represents the carrying value and fair value of the Company's financial instruments and non-financial derivatives:

		December 31, 2018		December 31, 2017	
Recurring measurements		**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Financial Assets					
Amortised cost					
Cash	(i)	**$ 3,808**	**$ 3,808**	$ 8,041	$ 8,041
Trade and other receivables	(i)(ii)	**4,031**	**4,031**	2,944	2,944
Due from related parties		**833**	**833**	471	471
Fair value through profit or loss					
Advances to joint venture		**-**	**-**	-	-
Non-hedge derivative assets	(iii)	**137**	**137**	-	-
Total financial assets		**8,809**	**8,809**	11,456	11,456
Financial liabilities					
Amortised cost					
Trade and other payables	(i)(ii)	**19,374**	**19,374**	14,793	14,793
Credit facility	(iv)	**4,775**	**4,775**	-	-
Finance leases		**1,455**	**1,455**	1,464	1,464
Due to Nyrstar		**-**	**-**	1,453	1,453
Total financial liabilities		**25,604**	**25,604**	17,710	17,710
Net financial asset (liability)		**$ (16,795)**	**$ (16,795)**	$ (6,254)	$ (6,254)

(i) Cash, trade and other receivables, and trade and other payables are recorded at carrying value, which approximates fair value due to their short-term nature and generally negligible credit losses.
(ii) Excludes tax and other statutory amounts.
(iii) Derivatives and embedded provisional pricing derivatives are carried at their fair value, which is determined on internal valuation models that reflect observable market commodity prices.
(iv) The carrying value of the facility approximates the fair value due to their short-term nature.

Fair value hierarchy

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities;
Level 2 – Valuation techniques use significant observable inputs, either directly or indirectly, or valuations are based on quotes prices for similar instruments; and
Level 3 – Valuation techniques use significant inputs that are not based on observable market data.

The Company's financial assets and liabilities are recorded and measured as follows:

a) The fair values for cash, trade and other receivables, due from related parties, trade and other payables, finance leases and revolving credit facility, approximate carrying values due to the immediate or short-term maturities of these financial instruments and are classified as Level 1 in accordance with their fair value hierarchy.

b) For the non-derivative hedge assets and liabilities, the fair value is determined by reference to the quoted prices for the underlying commodity and is classified as Level 1 on the fair value hierarchy.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels of the date of the event or change in circumstances that caused the transfer. During the year ended December 31, 2018 and 2017, the Company did not make any transfers.

(Expressed in US dollars, except otherwise noted)

DISCLOSURE OF OUTSTANDING SHARE DATA

Ascendant is authorized to issue an unlimited number of common shares and preferred shares. A detailed description of the rights, privileges, restrictions and conditions attached to each class of authorized shares are included in our Annual Information Form for the year ended December 31, 2017, a copy of which can be found on SEDAR at www.sedar.com.

As of March 20, 2019, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares		Number
Outstanding		77,092,139
Issuable upon exercise of Ascendant options	(i)	570,334
Issuable upon exercise of Ascendant warrants	(ii)	12,887,500
Issuable upon redemption of Ascendant RSUs		3,751,667
Diluted common shares		94,301,640

(i) There were 570,334 stock option under our share plan outstanding to directors, officers, employees and others with exercise prices ranging from Cdn$0.25 to Cdn$5.25 and expiring between May 28, 2019 to October 27, 2020.
(ii) There were 12,887,500 common share purchase warrants outstanding with exercise prices ranging from Cdn$0.25 to Cdn$1.25 and expiring between July 31, 2019 and March 7, 2022.

Ascendant has not issued any preferred shares.

FINANCIAL CONDITION

As at December 31, 2018, the Company's cash balance was $3.81million. Total current assets were $19.80 million and total current liabilities were $26.91 million for negative working capital of $7.11 million.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(Expressed in US dollars, except otherwise noted)

(a) Compensation of key management personnel

	Year ended December 31, 2018	Year ended December 31, 2017
Management compensation	$ 2,202	$ 2,953
Directors' fees	189	136
Share-based payments	905	1,751
	$ 3,296	$ 4,840

(b) Due from related parties

During the years ended December 31, 2018 and 2017, the Company granted loans of $432 (2017 - $431) to certain directors and officers of the Company to cover the tax liability in respect of the vested RSUs. These loans bear interest at the Canada Revenue Agency's ("CRA") quarterly prescribed interest rate used to calculate employee and shareholder loans calculated annually and payable on the earlier of: (i) demand by the Company, (ii) sale by the directors and officers of the common shares underlying the vested RSUs, and (iii) April 18, 2022 and August 24, 2023 for the April 2017 RSU recipients, and November 22, 2022 for the November 2017 RSU recipients.

As at December 31, 2018, amounts due from related parties including the balance related to these loans and accrued interest is $833 (2017 - $471).

NON-IFRS PERFORMANCE MEASURES

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

Non-IFRS reconciliation of adjusted EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate earnings from operations before taking into account management's financing decisions and costs of consuming capital assets, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. Adjusted EBITDA has been included in this document. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments involve a significant accrual of amounts that will not be settled in cash but will settled by the issuance of shares in exchange for cash. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA and Adjusted EBITDA exclude the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently. As such, the Company has made an entity specific adjustment to EBITDA for these expenses. The Company has also made an entity-specific adjustment to the foreign currency exchange (gain)/loss.

The following table provides a reconciliation of net income (loss) to Adjusted EBITDA:

Adjusted EBITDA		Three Months Ended December 31,		Year Ended December 31,	
		2018	2017	2018	2017
Net income (loss)	$000's	(3,020)	(1,429)	3,005	(12,057)
Adjusted for:					
Advances to joint venture	$000's	2,248	-	2,248	-
Gain on remeasurement of environmental obligation	$000's	(2,788)	-	(2,788)	-
Depletion and depreciation	$000's	1,454	1,298	4,724	3,345
Interest income/expense	$000's	249	53	1,022	273
Accretion expense on rehabilitation liabilities	$000's	(333)	(250)	310	482
Charge on termination obligations	$000's	1,089	803	2,335	1,472
Share-based payments	$000's	152	368	1,022	1,787
Foreign currency exchange gain/loss	$000's	(113)	279	(49)	1,044
Income taxes	$000's	947	1,158	1,663	1,158
Adjusted EBITDA	$000's	**(115)**	**2,280**	**13,492**	**(2,496)**

Direct operating cost per tonne milled

The Company uses the non-IFRS measure of direct operating cost per tonne milled to manage and evaluate operating performance. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company considers mine production expenses per tonne milled to be the most comparable IFRS measure to direct operating cost per tonne milled and has included calculations of this metric in the reconciliations within the applicable tables to follow.

Direct operating cost per tonne milled includes mine direct operating production costs such as mining, processing, administration, indirect charges such as surface maintenance and camp expenses but does not include, smelting, refining and freight costs, royalties, depreciation, depletion, amortization, reclamation, and capital costs.

Cash operating costs

Cash operating costs is a financial performance measure with no standard meaning under IFRS. Ascendant reports total production cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total production cash costs include production costs, such as mining, processing charges divided by ZnEq payable pounds sold to arrive at total cash operating costs per ZnEq payable pound sold. The measure also includes other mine related costs incurred such as variation in inventory. Production costs are exclusive of depreciation. Other companies may calculate this measure differently.

All-in Sustaining Costs

All- Sustaining Costs per ZnEq payable pound includes mine direct operating production costs (mining, administration and other mine related costs incurred such as variation in inventory and termination liability payments) as well as smelter treatment, refining and freight costs, royalties, corporate G&A and sustaining capital costs, divided by ZnEq payable pounds sold. The measure does not include depreciation, depletion, amortization and reclamation expenses.

The following table provides a reconciliation of direct operating costs and All-in Sustaining Costs to mine production expenses, as reported in the Company's consolidated statement of income (loss) for the years ended December 31, 2018 and 2017:

Direct operating cost per tonne milled		Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
Production expenses (from consolidated income statement)	$000's	22,009	20,336	74,162	59,248
Add: Termination Liability Payments	$000's	257	14	933	285
Add (deduct): Supplies Inventory Obsolescence Adjustment	$000's	(266)	-	(266)	-
Add (deduct): Supplies Inventory Adjustment	$000's	(1,391)	-	(1,391)	-
Deduct (Add): Variation in Finished Inventory	$000's	(2,129)	(2,158)	(4,641)	4,471
Deduct: Depreciation in production	$000's	(1,452)	(1,290)	(4,712)	(3,319)
Total cash costs (including royalties)	$000's	**17,028**	**16,902**	**64,085**	**60,685**
Deduct: Government taxes and royalties	$000's	(1,240)	(1,009)	(4,375)	(2,788)
Direct operating costs	$000's	**15,788**	**15,893**	**59,710**	**57,897**
Tonnes Milled	tonnes	184,913	198,354	756,034	656,291
Direct operating cost per tonne milled	$/tonne	**$85.38**	**$80.13**	**$78.98**	**$88.22**

AISC per ZnEq payable pound sold		Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
ZnEq payable pounds sold	000's lbs	21,511	17,599	81,871	50,725
Cash Operating Costs Reconciliation					
Direct operating costs	$000's	15,788	15,893	59,710	57,897
Add (deduct): Variation in Finished Inventory	$000's	2,129	2,158	4,641	(4,471)
Cash operating costs	$000's	**17,917**	**18,051**	**64,351**	**53,426**
Cash operating cost per ZnEq payable pound sold	$/ZnEq lb	**$0.83**	**$1.03**	**$0.79**	**$1.05**
All-in Sustaining Costs (AISC) Reconciliation					
Total cash operating costs	$000's	17,917	18,051	64,351	53,426
Add: Government taxes and royalties	$000's	1,240	1,009	4,375	2,788
Add: TC & RCs	$000's	3,996	3,629	14,474	10,565
Add: G&A, excluding depreciation and amortization	$000's	1,328	2,727	5,974	7,402
Add: Accretion expense on rehabilitation liabilities	$000's	(333)	(250)	310	482
Add: Sustaining capital expenditure	$000's	3,437	1,994	17,555	7,507
Total All-in sustaining costs	$000's	**27,585**	**27,160**	**107,039**	**82,170**
AISC per ZnEq payable pound sold	$/ZnEq lb	**$1.28**	**$1.54**	**$1.31**	**$1.62**

Additional Non-IFRS measures

The Company uses other financial measures, the presentation of which is not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following other financial measures are used:

- Operating cash flows before movements in working capital - excludes the movement from period-to-period in working capital items including trade and other receivables, prepaid expenses, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.

The terms described above do not have a standardized meaning prescribed by IFRS, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company's management believes that their presentation provides useful information to investors because cash flows generated from operations before changes in working capital excludes the movement in working capital items. This, in management's view, provides useful information of the Company's cash flows from operations and are considered to be meaningful in evaluating the Company's past financial performance or its future prospects. The most comparable IFRS measure is cash flows from operating activities.

USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Refer to Note 2 of the consolidated financial statements of the Company.

Internal Controls over Financial Reporting (ICFR)

The CEO and the CFO, with the assistance of management, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as at December 31, 2018. Based on the evaluation, the CEO and the CFO have concluded that as at December 31, 2018, the Company's internal control over financial reporting is effective, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control — Integrated Framework (2013).

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well-designed, ICFR has limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As of the end of the period covered by this MD&A and accompanying Financial Statements, Ascendant's management evaluated the effectiveness of its disclosure controls. Based on that evaluation, the CEO and the CFO have concluded that Ascendant's disclosure controls and procedures and internal controls over financial reporting, provide reasonable assurance that they were effective.

There have been no changes in our internal control over financial reporting during the three months ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company's business contains significant risk due to the nature of mining, exploration, and development activities. For additional discussion of these and other risk factors, please refer to the Company's Annual Information Form for the year ended December 31, 2017, which can be found under the Company's profile at www.sedar.com.

Limited Operating History

The Company has a limited history of earnings. The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing.

Dependence on El Mochito mine for the Company's Operating Revenue and Cash Flow

Substantially all of the Company's operations are carried out through, and substantially all of the Company's operating revenue and cash flow are generated by, AMPAC a Honduran company and a wholly owned subsidiary of the Company. Accordingly, the Company is dependent on the cash flows from AMPAC to meet its obligations. However historic and current performance of the AMPAC business may not be indicative of success in future periods, and there is no assurance as to future performance of AMPAC. The future performance of the AMPAC business and the ability of AMPAC to provide the Company with payments may be constrained by factors such as, among others: the operation of the Offtake Agreements; economic downturns; technological and regulatory changes; the cash flows generated by operations, investment activities and financing activities; and the level of taxation, particularly corporate profits and withholding taxes. If the Company is unable to receive sufficient cash from AMPAC, the Company may be required to incur indebtedness, raise funds in a public or private equity or debt offering, or sell some or all of its assets. There can be no assurance that any such financing will be available on satisfactory terms or that it will be sufficient. The Company may be subject to limitations on the repatriation of earnings in Honduras. In particular, there may be significant withholding taxes applicable to the repatriation of funds from Honduras to Canada. There can be no assurance that changes in regulations, including tax treaties, in and among the relevant countries where the Company does business will not take place, and if such changes occur, they may adversely impact the Company's ability to receive sufficient cash payments from its subsidiaries.

Dependence on Nyrstar for Revenue

Substantially all of the Company's revenue is derived from sales of its concentrate products pursuant to the Offtake Agreements with Nyrstar. Bulk sales of concentrate pursuant to the Offtake Agreements are highly periodic.

Exploration, Development and Production Risks

Mining and mineral operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company will depend on its ability to find, acquire, develop and commercially produce mineral deposits. Without the continual addition of new resources, any existing resources the Company may have at any particular time and the production therefrom will decline over time as such existing resources are exploited. A future increase in the Company's resources will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of resources will be discovered or acquired by the Company.

Mining and Processing

Mining operations involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the development and production of zinc, lead, silver and other base or precious metals in a developing country, including but not limited to:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;

- failure of processing and mechanical equipment and other performance problems;
- labour force disruptions;
- unavailability of materials and equipment;
- interruption of power supply;
- unanticipated transportation costs;
- changes in the regulatory environment;
- climate change, including changes to weather patterns, increased frequency of extreme weather events, temperatures and water availability;
- unusual and unexpected geologic formations, water conditions, surface or underground conditions and seismic activity;
- diseases perceived as a serious threat to maintaining a skilled workforce;
- cybersecurity breaches, hacking and cyberterrorism;
- unanticipated changes in metallurgical and other processing problems; and
- rock bursts, cave-ins, structural failures, flooding and fire.

Any of these can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs, capital expenditures and production commencement dates. Such risks could also result in: damage to, or destruction of, mines and other producing facilities; damage to property; loss of key employees; loss or compromise of data, financial and other digital records and information; environmental damage; delays in mining, monetary losses and possible legal liability.

AMPAC's processing facilities are dependent on continuous mine feed to remain in operation. Should the El Mochito mine not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, power supply interruptions, export or import restrictions, labour force disruptions or other causes, may have an immediate adverse effect on the results from the operations of the Company. A significant reduction in mine feed or processing throughput could cause the direct operating cost of production to increase to a point where the Company may determine that it is no longer economical to exploit some or all of its mineral reserves.

Although AMPAC utilizes the operating history of its existing mine complex to derive estimates of future operating costs and capital requirements, such estimates may differ materially from actual operating results at new deposits or expansion of existing deposits. The economic feasibility analysis with respect to any individual project is based upon, among other things: the interpretation of geological data obtained from drill holes and other sampling techniques; internal feasibility analysis (which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed); base and precious metals price assumptions; the configuration of the ore body; expected recovery rates of metals from the ore; comparable facility and equipment costs; anticipated climatic conditions; and estimates of labour, productivity, royalty, tax rates, or other ownership burdens and other factors.

The Company expects to periodically review mining schedules, production levels and asset lives in its life-of mine planning. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, base and precious metals price assumptions, and other factors.

As a result of the foregoing risks, expenditures on all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially, especially to the extent that development projects are involved. Any such events can materially and adversely affect the Company's business, financial condition, results of operations and cash flows.

Competition
The mining industry is competitive in all its phases. The Company will compete with numerous other participants in the search for the acquisition of mineral properties and in the marketing of mineral resources. Their competitors include mining companies that have substantially greater financial resources, staff and facilities than those of the Company, as the case may be. The Company's ability to increase resources in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of mineral resources include price and methods and reliability of delivery.

Regulatory
Mining operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary approvals, licenses and permits that may be required to carry out exploration and development at its projects. A failure to obtain such approval on a timely basis or material conditions imposed by such authority in connection with the approval would materially affect the prospects of the Company.

Environmental
All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of resources or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of

production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Reclamation and Mine Closure Costs
Closing a mine can have a significant impact on local communities and site remediation activities may not be supported by local stakeholders. AMPAC reviews and updates closure plans regularly with external stakeholders over the life of the mine and considering where post-mining land use for mining affected areas has potential benefits to the communities.

In addition to the immediate closure activities, including ground stabilization, infrastructure demolition and removal, top soil replacement, re-grading and re-vegetation, closed mining operations require long-term surveillance and monitoring.

Site closure plans have been developed and amounts accrued in AMPAC's financial statements to provide for mine closure obligations. Future remediation costs for inactive mines are estimated at the end of each period, including ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised. Actual costs realized in satisfaction of mine closure obligations may vary materially from management's estimates. Changes in environmental laws can create uncertainty with regards to future reclamation costs and affect the requirements.

Market Conditions
In the last decade, market events and conditions, including the disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility in commodity prices. These conditions also caused a loss of confidence in the broader US and global credit and financial markets and resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. More recently, there has been mounting government debt in many western nations, significant volatility and depression in the price of oil and numerous environmental disasters globally. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals such as zinc, lead and silver, availability of credit, investor confidence and general financial market liquidity, all of which may affect the Company's business. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, resulting in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

The Company is also exposed to liquidity and various counterparty risks including, but not limited to, through: (i) financial institutions that hold the Company's or AMPAC's cash; (ii) companies that have payables to AMPAC or the Company; (iii) the Company's or AMPAC's insurance providers; (iv) future lenders to the Company or AMPAC; and (v) companies that have received deposits from AMPAC for the future delivery of equipment. AMPAC is also exposed to liquidity risks in meeting its capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable.

Issuance of Debt

From time to time Ascendant may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither the Company's articles nor its by-laws limit the amount of indebtedness that Ascendant may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Impairment of PP&E assets

Under IFRS, impairment of PP&E is calculated at a more granular level than under the Canadian GAAP Full Cost Accounting method where all the Company's mining assets are accumulated into costs centres. Impairment calculations are performed at a "Cash Generating Unit" level ("CGUs") by comparing the CGUs carrying value to a corresponding risk adjusted recovery of proved and probable resources. The Company has allocated its costs to each block acquired during the year based on individual acquisition costs and on the Company's proved plus probable resources or resource values where costs were not separately identified.

Resource Estimates

There are numerous uncertainties inherent in estimating quantities of resources and cash flows to be derived there from, including many factors that are beyond the control of the Company. The resource and cash flow information set forth herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of resources, timing and amount of capital expenditures, marketability of production, future prices, operating costs and royalties and other government levies that may be imposed over the producing life of the resources. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of the Company. Actual production and cash flows derived there from will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of activities the Company intends to undertake in future years. The resources and estimated cash flows to be derived there from contained in such evaluations will be reduced to the extent the Company fails to achieve success on the activities to be undertaken in future years.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability. The Company will maintain insurance to protect against certain other risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations.

The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Reliance on Key Personnel

The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate having key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Company are likely to be of central importance. In addition, the competition for qualified personnel in the mining industry is intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

Labour and Employment Matters

Relations with employees and key skilled personnel in Honduras, Portugal or any other country in which the Company has a presence, could be impacted by changes in the scheme of labour relations that may be introduced by relevant governmental authorities. Adverse changes in such legislation may materially adversely affect the Company's business, results of operations and financial condition. In addition, labour disruption or work stoppages by AMPAC's employees , most of whom are unionized, or its contractors could materially adversely affect its business and operations.

Operations in Foreign Jurisdiction and Emerging Market

Substantially all of the Company's operations are located in Honduras. Like many emerging markets, Honduras is a developing country that at times may face challenges in terms of natural resource development governance, physical and institutional infrastructure, governmental and regulatory bureaucracy and delays associated therewith. Additionally, the Company's AMPAC operations may at various times be exposed to political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties
include, but are not limited to:

- renegotiation, nullification, termination or rescission of existing concessions, licenses, permits and contracts;
- expropriation and/or nationalization;
- repatriation restrictions;
- changing political conditions;
- currency exchange rate fluctuations;
- war and civil unrest;
- military repression;
- hostage-taking;
- taxation policies;
- labour unrest;
- changing government policies and legislation;
- import and export regulations;
- restrictions on foreign exchange;
- currency controls;
- environmental legislation;
- infrastructure development policy; and
- certain non-governmental organizations that oppose globalization and resource development.

Changes, if any, in mining or investment policies or shifts in political attitude in Honduras may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims by locals, water use, infrastructure and mine safety. Additionally, there may be restrictions that interfere with the ability of AMPAC to make distributions to the Company. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations and profitability. There can be no assurance that companies and/or industries which are deemed of national or strategic importance in Honduras, including mineral exploration, production and development, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, may be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company.

There can be no assurance that AMPAC's assets in Honduras will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from operations in Honduras, the Company may be subject to the exclusive jurisdiction of foreign courts. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality due to the doctrine of sovereign immunity.

The Company has taken certain steps to mitigate certain of the foregoing risks, including but not limited to: implementing appropriate internal financial control policies, retaining qualified local experts to advise on matters such as title to the El Mochito mine, licenses and permits, environmental regulation and related matters, hiring personnel with appropriate specialized knowledge, skill and experience, maintaining positive government relations, maintaining positive labour relations, and maintaining appropriate insurance policies.

However notwithstanding the Company's efforts to mitigate risks associated with operations in a developing jurisdiction, most of the foregoing risks and uncertainties are beyond the Company's control and the occurrence of any of them could adversely affect the operations of AMPAC and the Company's future cash flow, results of operations and financial condition.

Title Matters

The Company obtained, as a condition of closing for the El Mochito Acquisition, a favourable legal report as to the quality of AMPAC's title to the property and assets comprising the El Mochito mine, however, should AMPAC's titles not be honoured or become unenforceable for any reason, the Company's business, financial condition and prospects will be materially adversely affected. While the Company has diligently investigated AMPAC's title to, rights over and interests in and relating to its mining assets and mineral properties, this should not be construed as a guarantee of AMPAC's title to its mining assets and/or the area covered by such mining rights. AMPAC's mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There can be no guarantee that title to some of AMPAC's properties will not be challenged or impugned. Additionally, the land upon which AMPAC holds mineral exploitation rights may not have been surveyed; therefore, the precise area and location of such interests may be subject to challenge.

Changes in Legislation

The return on an investment in securities of the Company is subject to changes in Canadian, Honduras and Portuguese federal and provincial tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Company or the holding and disposing of the securities of the Company.

Assessments of Value of Acquisitions

Acquisitions of mining issuers and mineral resources assets are typically based on engineering and economic assessments made by independent engineers and the Company's own assessments. These assessments both will include a series of assumptions regarding such factors and recoverability and marketability of mineral resources, future prices of mineral resources and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the resources. Many of these factors are subject to change and are beyond the Company's control. In particular, the prices of and markets for mineral resources products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geologic and engineering uncertainty which could result in lower production and resources than anticipated. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm the Company uses for its year end resource evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by the Company. Any such instance may offset the return on and value of the Company shares.

Income Taxes

The Company will file all required income tax returns and believes that it will be in full compliance with the provisions of the Income Tax Act (Canada), all applicable provincial tax legislation as well as the Income Tax Law in Honduras and Portugal. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive.

Third Party Credit Risk

The Company is or may be exposed to third party credit risk through its contractual arrangements with future joint venture partners, and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A and the Consolidated Financial Statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited financial statements.

Additional Information

Additional information relating to the Company can also be found on SEDAR.

CORPORATE STRUCTURE

The Consolidated Financial Statements include the financial statements of the Company and it's subsidiaries, Morumbi Capital Inc. and AMPAC.

TECHNICAL INFORMATION

All technical information contained herein has been reviewed and approved by Robert A. Campbell, M.Sc, P.Geo, a director of the Company. Mr. Campbell is a "qualified person" within the meaning of NI 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

CAUTIONARY NOTES TO US INVESTORS

The information concerning the Company's mineral properties has been prepared in accordance with National Instrument 43-101 ("NI-43-101") adopted by the Canadian Securities Administrators. In accordance with NI-43-101, the terms "mineral reserves", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the U.S. Securities Exchange Commission ("SEC") does not recognize them. The reader is cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of any inferred mineral resource will ever be upgraded to a higher category. Therefore, the reader is cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of a measured or indicated mineral resource will ever be upgraded into mineral reserves.

Readers should be aware that the Company's financial statements (and information derived therefrom) have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards. IFRS differs in many respects from United States generally accepted accounting principles and thus the Company's financial statements (and information derived therefrom) may not be comparable to those of United States companies.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Company with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this MD&A is qualified by this cautionary note.

Forward-looking information in this MD&A includes, but is not limited to, statements regarding the consistency of processing recovery levels, improvements of grades in 2018, deployment of new mining equipment, increase in contained metal production, maintenance of production rates, increase of mill feed *grades, reduction of costs, monthly shipments of concentrate, the ability to fully fund planned development, exploration and capital expenditures, robust adjusted EBITDA, expectation of expanding the known Mineral Resources at Lagoa Salgada, the Company's guidance, and free cash flow generation in 2018 and the undertaking of various long-term optimization programs. Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by Ascendant at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that Ascendant identified and were applied by Ascendant in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to, the ability of the Company to maintain the consistency of processing recovery levels, to improve grades in 2018, to deploy new mining equipment, increase contained metal production, maintain production rates, increase mill feed grades, reduce costs, make monthly shipments of concentrate, fully fund planned development, exploration and capital expenditures, maintain robust adjusted EBITDA and free cash flow in 2018, the ability to expand known Mineral Resources at Lagoa Salgada, the ability to achieve guidance and undertake various long-term optimization programs and other events that may affect Ascendant's ability to develop its project; and no significant and continuing adverse changes in general economic conditions or conditions in the financial markets.*

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), uncertainties related to the development and operation of Ascendant's projects, dependence on key personnel and employee and union relations, risks related to political or social unrest or change, rights and title claims, operational risks and hazards, including unanticipated environmental, industrial and geological events and developments and the inability to insure against all risks, failure of plant, equipment, processes, transportation and other infrastructure to operate as anticipated, compliance with government and environmental regulations, including permitting requirements and anti-bribery legislation, volatile financial markets that may affect Ascendant's ability to obtain additional financing on acceptable terms, the failure to obtain required approvals or clearances from government authorities on a timely basis, uncertainties related to the geology, continuity, grade and estimates of Mineral Reserves and Mineral Resources, and the potential for variations in grade and recovery rates, uncertain costs of reclamation activities, tax refunds, hedging transactions, the inability of the Company to meet its guidance, as well as the risks discussed in Ascendant's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities and available at www.sedar.com.

Should one or more risk, uncertainty, contingency, or other factor materialize, or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. Ascendant does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.