

Ascot Arranges C\$25 Million Bought Deal Financing and US\$50 Million Additional Funding for Completion and Ramp-Up of the Premier Gold Project

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VANCOUVER, Jan. 22, 2024 - [Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) ("Ascot" or the "Company") is pleased to announce the Company has entered into non-binding term sheets for a total of approximately US\$50 million in additional funding from Sprott Resource Streaming and Royalty Corp. and/or its affiliates ("Sprott Streaming" or "SRSR") and Nebari Natural Resources Credit Fund II, LP ("Nebari Credit Fund II"). Additionally, the Company has entered into an agreement with a syndicate of underwriters co-led by BMO Capital Markets and Desjardins Capital Markets (collectively the "Underwriters"), pursuant to which the Underwriters have agreed to buy on a bought deal private placement basis, 56,820,000 Common Shares of the Company (the "Common Shares") at a price of C\$0.44 per Common Share, for gross proceeds of approximately C\$25 million (the "Offering"). The proceeds from these additional funding sources will be used for the construction and operational ramp-up of the Premier Gold Project ("PGP" or the "Project"), to buy-back existing royalties, for additional working capital, and for general corporate purposes.

The proposed financing package would consist of a royalty restructuring (the "Royalty Restructuring") with Sprott Streaming for gross proceeds of US\$30 million, a US\$20 million cost overrun facility (the "COF") with Nebari Credit Fund II, and the C\$25 million Offering.

FINANCE PACKAGE HIGHLIGHTS

- **Royalty Restructuring:** US\$30 million gross proceeds for Ascot to grant and sell to SRSR a new 3.10% NSR royalty covering the PGP property package (the "Sprott Royalty"). Until the end of 2026, up to 50% of the new royalty can be repurchased for varying amounts depending on timing and cumulative production. C\$13.7 million of the gross proceeds will be used to buy back two existing 5% NSR royalties on various PGP property claims, resulting in net proceeds of approximately US\$20 million.
- **Cost Overrun Facility:** US\$20 million from Nebari Credit Fund II to be drawn in full at closing, with maturity to be in June 2027. The interest rate would be 10.0% plus the greater of: (i) 3.5% and (ii) the three month secured overnight financing rate ("SFOR") per annum. Nebari Credit Fund II will also be granted warrants to purchase Common Shares, as described below.
- **Nebari Gold Fund Convertible Facility amendments:** In connection with the Cost Overrun Facility, Ascot would amend certain terms of the credit agreement entered in June 2023 with Nebari Gold Fund 1, LP ("Nebari Gold Fund" and together with Nebari Credit Fund II, "Nebari"), which consisted of a US\$14 million convertible facility (the "Nebari Gold Fund Convertible Facility"). The conversion price would be amended to C\$0.53.
- **The Cost Overrun Facility and the amended Nebari Gold Fund Convertible Facility (together the "Nebari Loans")** will have a combination of senior and second lien security for the total amount outstanding under the Nebari Loans with a US\$20 million first lien position pari passu with SRSR existing streams and amounts over US\$20M having a second lien position behind SRSR's existing streams.
- **Ascot's strategic investor Ccori Apu S.A.C.** intends to participate in the Offering to keep their pro-rata share ownership of approximately 19.9%.
- **The three components of the proposed financing package, namely the Royalty Restructuring, the COF, and the Offering, are all cross conditional and are anticipated to close on or about February 9, 2024, subject to successful negotiation and execution of definitive agreements and receipt of regulatory approvals, including Toronto Stock Exchange ("TSX") approval.**

Derek White, President and CEO of Ascot commented, *"Over the past year the Company, despite many challenges, has achieved significant progress in the construction and mining development of the Premier Gold Project and we are excited about moving towards production in the very near term. Project construction was 86% complete at the end of December 2023, and as we complete this phase of the Project, the Company has been focusing its efforts to prepare for the initial production and ramp-up phase of the*

operation. It is paramount at this stage that the Company is well financed and I believe this funding package accomplishes this.

Ascot has been very successful with its infill drilling activities over the past few years and reducing the historical 5% NSR royalty rights on the initial mining areas is value accretive to the Company. We are very pleased that our major financing partner SRSR has been supportive of the Project and agreed to restructure the historical 5% NSR royalties. Our existing financing arrangements had contemplated a US\$20 million cost overrun facility and we are pleased to progress this with our existing capital providers. We are also appreciative of the support from current and new shareholders as we continue our work to develop Canada's newest producing gold mine."

ROYALTY RESTRUCTURING - SPROTT STREAMING

Ascot has entered into a non-binding term sheet with Sprott Streaming for a new royalty covering the PGP property. SRSR would purchase the Sprott Royalty of 3.10% on production from PGP for US\$30 million (the "Purchase Price"). SRSR has substantially completed its technical and legal due diligence. The existing 5% NSR royalties covering the majority of the PGP property, including the Premier and Big Missouri gold deposits, will be repurchased and cancelled for C\$13.7 million, pursuant to Ascot's existing contractual rights.

Up to 50% of the Sprott Royalty may be repurchased until the end of 2026. The repurchase price would be payable in ounces of gold bullion or the equivalent value in cash and is equal to 19,200, 21,600, and 24,000 gold equivalent ounces in 2024, 2025, and 2026 respectively, less the cumulative gold equivalent ounces delivered prior to the repurchase date, with the difference multiplied by the buyback percentage.

COST OVERRUN FACILITY - NEBARI CREDIT FUND II

Ascot has entered into a non-binding term sheet with Nebari Credit Fund II for a US\$20 million Cost Overrun Facility and technical due diligence has been completed. Ascot would also amend certain terms of the credit agreement entered in June 2023 with Nebari Gold Fund 1, LP, which consists of a US\$14 million convertible credit facility (the "Nebari Gold Fund Convertible Facility"). The conversion price under the Nebari Gold Fund Convertible Facility would be amended to C\$0.53.

COF terms:

- Funded amount of US\$20 million drawn in one tranche (the "Advance"), the proceeds of which will be used for the construction and working capital for the ramp-up of the Project.
- Principal amount of US\$20.8 million which is subject to a 4% original issue discount to determine the Advance.
- The maturity date shall be the same as that of the Nebari Convertible Facility, which is June 27th, 2027 (the "Maturity Date").
- Interest rate of 10.0% plus the greater of (i) 3.5% and (ii) the three month term SOFR per annum.
- An arrangement fee of 1% of the Advance is due to Nebari Credit Fund II upon closing of the COF.
- The COF will follow a progressive amortization schedule with interest and principal payments due monthly for the term of the facility, starting in July 2024.
- Subject to the terms and conditions of the COF, Ascot may prepay the outstanding principal at any time, subject to a minimum prepayment amount of US\$1 million and Nebari Credit Fund II achieving a minimum absolute return of 15%.
- Ascot would issue to Nebari Credit Fund II the number of Common Share purchase warrants equal to US\$4 million divided by the exercise price, which would be equal to the amended conversion price. The warrants shall expire on the Maturity Date.
- The COF and the amended Nebari Gold Fund Convertible Facility will have a combination of senior and second lien security for the total amount outstanding under the Nebari Loans with US\$20 million first lien position pari passu with SRSR existing streams against the Company's Premier Gold Project and Red Mountain Project. Amounts over US\$20M will have a second lien position behind SRSR's existing streams. In addition, while any second lien security remains in place, Nebari shall be granted sole, unshared first lien security on Ascot's non-core assets: the Swamp Point aggregate project in northwestern British Columbia and the Mount Margaret Copper exploration project in Washington State, USA.

- The COF would also contain customary representations, warranties and covenants for a transaction of this nature.
- The amendments to the Nebari Gold Fund Convertible Facility and the grant of the warrants are subject to approval of the TSX.

THE OFFERING

Ascot has entered into an agreement with a syndicate of underwriters co-led by BMO Capital Markets and Desjardins Capital Markets, under which the Underwriters have agreed to buy, on a bought deal basis by way of private placement, 56,820,000 Common Shares of the Company at a price of C\$0.44 per Common Share for gross proceeds of approximately C\$25 million.

In addition, the Company has granted the Underwriters an option, exercisable up to 48 hours prior to the closing of the Offering, to purchase up to an additional 15% of the number of Common Shares purchased pursuant to the Offering.

Gross proceeds of up to C\$10 million will be sold on a private placement basis pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - *Prospectus Exemptions* ("LIFE" or "LIFE Tranche") and remaining gross proceeds will be sold on a private placement basis pursuant to applicable non-LIFE prospectus exemptions under applicable securities laws (the "Private Placement Tranche"). The Common Shares issued as part of the Private Placement Tranche, which will include any Common Shares issued in connection with the Underwriters' option, will be subject to a hold period under Canadian securities law expiring four months and one day after the closing date while Common Shares issued as part of the LIFE Tranche will not be subject to a hold period under Canadian securities law.

The Company intends to use the net proceeds of the Offering for the construction and ramp-up of the Project, for additional working capital, and for general corporate purposes.

The Offering is expected to close on or about February 9, 2024 and is subject to the Company receiving all necessary regulatory approvals, including the approval of the TSX.

There is an offering document related to the LIFE that can be accessed under the Company's profile at www.sedarplus.com and at www.ascotgold.com. Prospective investors should read this offering document before making an investment decision.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Qualified Person

John Kiernan, P.Eng., Chief Operating Officer of the Company is the Company's Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed and approved the technical contents of this news release.

On behalf of the Board of Directors of Ascot Resources Ltd.
"Derek C. White"
President & CEO

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About Ascot Resources Ltd.

Ascot is a Canadian junior exploration and development company focused on re-starting the past producing Premier gold mine, located on Nisga'a Nation Treaty Lands, in British Columbia's prolific Golden Triangle. Ascot shares trade on the TSX under the ticker AOT. Concurrent with progressing the development of PGP, the Company continues to successfully explore its properties for additional high-grade underground resources. Ascot is committed to the safe and responsible development of Premier in collaboration with Nisga'a Nation as outlined in the Benefits Agreement.

For more information about the Company, please refer to the Company's profile on SEDAR+ at www.sedarplus.ca or visit the Company's web site at www.ascotgold.com, or for a virtual tour visit www.vrify.com under Ascot Resources.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding Forward-Looking Information

All statements and other information contained in this press release about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeted", "outlook", "on track" and "intend" and statements that an event or result "may", "will", "should", "could", "would" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the terms of the transactions and agreements described herein and the timing and completion thereof, advancement and development of the PGP and the timing related thereto, the completion of the PGP mine, the production of gold and management's outlook for the remainder of 2024 and beyond. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks associated with entering into definitive agreements for the transactions described herein; fulfilling the conditions to closing of the transactions described herein, including the receipt of TSX approvals; the business of Ascot; risks related to exploration and potential development of Ascot's projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of Ascot's properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risk factors as detailed from time to time in Ascot's filings with Canadian securities regulators, available on Ascot's profile on SEDAR+ at www.sedarplus.ca including the Annual Information Form of the Company dated March 23, 2023 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: successfully completing the transactions described herein; the final terms of the transactions described herein; the estimated costs associated with construction of the Project; the timing of the anticipated start of production at the Project; the ability to maintain throughput and production levels at the PGP mill; the tax rate applicable to the Company; future commodity prices; the grade of mineral resources and mineral reserves; the ability of the Company to convert inferred mineral resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; and exploration plans. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Ascot can give no assurance that such expectations will prove to be correct. Ascot does not undertake any obligation to update forward-looking statements, other than as required by applicable laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

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