

Ascot Provides an Update on Funding For Future Mine Development & Restart of Operations

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VANCOUVER, Oct. 21, 2024 - [Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) ("Ascot" or the "Company") is pleased to announce a plan to raise approximately C\$40 million in funding to advance the development of the Premier Northern Lights mine ("PNL"), restart the mill and restart the Big Missouri mine ("BM") from the current state of temporary care & maintenance.

The Company has been in discussions with its main creditors, Sprott Private Resource Streaming and Royalty (B) Corp., Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC (collectively the "Secured Creditors") who have entered into a non-binding indicative term sheet with the Company to provide up to US\$11.25 million in new senior debt on the terms, and subject to the conditions, described in such term sheet, including those set out below (the "Debt Financing"). As part of the Debt Financing, the Secured Creditors would extend their existing waiver and forbearance conditions until May 31, 2025.

The Company has also entered into an agreement with a syndicate of agents co-led by Desjardins Capital Markets and BMO Capital Markets (collectively the "Agents") in respect of a private placement, to be marketed on a best-efforts basis, of common shares of the Company (the "Common Shares") at a price of C\$0.16 per Common Share (the "Offer Price") to raise a minimum of C\$25,000,000 and up to a maximum of C\$35,000,000 (the "Equity Financing").

The Secured Creditors have indicated their commitment to provide the Debt Financing, subject to the satisfaction of certain conditions precedent, and certain of the Company's major shareholders, including Ccori Apu S.A.C., have indicated their commitment to provide a significant portion of the equity capital. Together, the Company anticipates that the new debt and equity capital will enable management to execute their development plans.

The Debt Financing and the Equity Financing are cross conditional (as described below) and are subject to successful negotiation and execution of definitive agreements and receipt of regulatory approvals, including the necessary Toronto Stock Exchange ("TSX") approvals and exemptions. The execution of definitive documentation in respect of the Debt Financing and the closing of the Equity Financing are expected to occur on or about November 18, 2024.

Derek White, Chief Executive Officer of Ascot commented: *"This financing package will enable the Company to undertake the mine development activities necessary to advance PNL and BM in order to sustainably provide feed to the mill. While the timeframe and funding required to undertake this work has been challenging for the Company, recent actions were required to ensure sustainable feed for profitable mill operations. Ascot is focused on getting the operation back on track as we move to restarting gold production in Q2 of 2025."*

There is no certainty that: (i) the conditions of the Equity Financing or Debt Financing will be met, (ii) the Company will be able to otherwise raise the funds required, (iii) the necessary mine development work will be completed or (iv) the Company will be able to restart operations. Further, while the Company expects that operations will be sustained once restarted following development work, there is no certainty that this will be the case.

Debt Financing

The Debt Financing is expected to have the following terms and conditions, among others, with the final

terms and conditions to be contained in the definitive documentation for the Debt Financing:

1. A minimum Equity Financing of C\$25 million to be completed by Ascot
2. The Debt Financing shall be secured on a senior basis in priority to all other claims or obligations of the Company to the satisfaction of the Secured Creditors
3. The Debt Financing shall be documented through an amendment to the existing Cost Overrun facility ("COF"), which shall also include, among others, the following:
 1. A Tranche 2 of US\$11.25 million will be deposited in an escrow account and released in stages on satisfying certain key performance indicators and receipt of any regulatory approvals or court orders, to the extent required, to establish the seniority of Tranche 2. Tranche 2 will be subject to an OID and an arrangement fee
 2. Interest on Tranche 2 shall accrue at a rate equal to 12% plus the three-month term SOFR reference rate administered by CME Group Benchmark Administration Limited ("SOFR") with a SOFR floor of 3.5%
 3. Interest on Tranche 1 shall be increased from 10.0% to 10.5% above SOFR
 4. All interest and amortisation payments for Tranche 1 due under the COF from September 2024 until 31 May 2025 shall be deferred and capitalized as part of the outstanding principal of Tranche 1 (the "Tranche 1 Deferred Payments")
 5. Commencing on May 31, 2025, the Tranche 1 Deferred Payments shall be payable in 10 monthly instalments ending in Feb 2026, which payments shall be in addition to any regular interest payments being met
 6. Interest due under Tranche 2 shall be capitalized and form part of the outstanding obligations under Tranche 2 until May 31, 2025, and no principal payments shall be due under Tranche 2 until May 31, 2025
 7. All capitalized interest and deferred amortisation payments from Tranche 2 due under the COF from drawdown to May 31, 2025 to be paid in 13 monthly instalments from May 2025 to May 2026
 8. Subject to TSX approval, an alignment fee equal to \$1 million to be paid in Common Shares on draw down of funds at the Offer Price
4. Subject to TSX approval, amend the exercise price of certain existing warrants held by a Secured Creditor to a 20% premium to the Offer Price
5. The existing Convertible Debt facility ("CD") to be amended as follows:
 1. All interest payments payable during the period from September 2024 to May 2025 to be deferred and capitalized as part of the outstanding principal, consistent with the terms of the COF
 2. All capitalised interest from the period September 2024 until May 31, 2025 to be payable quarterly over the following 4 quarters, from May 2025 to February 2026 (in addition to regular interest payments owing)
 3. Subject to TSX approval, the conversion price to be amended to a 20% premium to the Offer Price, and the forced conversion option for Ascot to be removed
 4. The CD continues to be promoted into the senior position upon repayment of the COF

The Debt Financing is conditional on certain condition precedent required by the Lenders, including the completion of the Equity Financing, successful negotiation and execution of definitive agreements and receipt of the necessary TSX approvals and exemptions.

Equity Financing

The Company has also entered into an agreement with the Agents in respect of a private placement, to be marketed on a best-efforts basis, of Common Shares at a price of C\$0.16 per Common Share to raise a minimum of C\$25,000,000 and up to a maximum of C\$35,000,000.

Closing of the Equity Financing is conditional on: (i) the execution of all necessary definitive documentation in respect of the Debt Financing, (ii) the deposit of the proceeds of the Debt Financing into an escrow account and (iii) receipt of the necessary TSX approvals and exemptions. The Equity Financing is also conditional upon the Company not being required to obtain any shareholder approvals in respect of the Equity Financing (whether by way of exemption by the TSX or otherwise).

The net proceeds from the Equity Financing are expected to be used as outlined under the heading "Use of Funding".

The Common Shares will be offered on a "best efforts" fully marketed agency basis to: (i) "accredited investors" resident in the Provinces and Territories of Canada by way of private placement in accordance

with National Instrument 45-106 - Prospectus Exemptions; (ii) investors resident in the United States by way of private placement pursuant to the exemptions from the registration requirements of the United States Securities Act of 1933, as amended; and (iii) investors outside of Canada and the United States by way of private placement or on an equivalent basis in accordance with applicable laws, provided that such laws permit offers and sales of the Common Shares without any obligation on the part of the Company to prepare or file any registration statement, prospectus or other disclosure document and without triggering any disclosure obligations or submission to the jurisdiction on the part of the Company.

The Common Shares issued pursuant to the Equity Financing will be subject to a four month hold period in accordance with Canadian securities law. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Use of Funding

Proceeds from the Equity Financing and Debt Financing are expected to be used to advance the mine development of the PNL mine by completing approximately 2,400 metres of mine development and advance this development to enable the Company to access and mine the Prew zone phase 1 including the required second egress to the mine. In addition, funds will be used to restart the mill and re-start the BM mine from its current state of temporary care and maintenance. The goal of the Company is to restart mill operations in Q2 2025 and restart the BM mine so that the mill can be sustainably fed with ore from both mines.

Operational Update

Since the Company's press release dated September 6, 2024, the Company has been preparing the site for temporary care and maintenance and preparing the BM mine and PNL mill for winter. The Company has also been working on updating the mine planning for the development and future operations of PNL mine.

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, Director

For further information contact:

Kristina Howe

VP, Communications khowe@ascotgold.com 778-725-1060 ext. 1019

About Ascot

Ascot is a Canadian mining company headquartered in Vancouver, British Columbia and its shares trade on

the TSX under the ticker AOT and on the OTCQX under the ticker AOTVF. Ascot is the 100% owner of the Premier Gold Mine ("Premier"), which poured first gold in April 2024 and is located on Nisga'a Nation Treaty Lands, in the prolific Golden Triangle of northwestern British Columbia.

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.

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 and conditions of the Debt Financing or the Equity Financing, the ability to raise additional funds, the completion of the Debt Financing or the Equity Financing, the future performance, defaults and obligations of Ascot under agreements with the Secured Creditors; future waivers or forbearance agreements relating to such agreements, including any discussions with the Secured Creditors; the anticipated use of proceeds from the funding package and the ability of the Company to accomplish its business objectives and the intentions described herein; and future plans, development and operations of the Company. 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 related to whether the Equity Financing and/or Debt Financing will be completed on the terms described or at all; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainty of estimates and projections relating to development, production, costs and expenses, and health, safety and environmental risks; 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 finance operations and uncertainty as to the availability and terms of future financing; the possibility of delay in future plans and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; the need for TSX approval, including pursuant to financial hardship exemptions, and other regulatory 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 25, 2024 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs associated with the care and maintenance plans; the ability to maintain throughput and production levels at BM and PNL; 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; the ability of the Company to raise additional financing; compliance with the covenants in Ascot's credit agreements; 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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