

Ascot Reports Third Quarter 2024 Results

08.11.2024 | [GlobeNewswire](#)

VANCOUVER, Nov. 08, 2024 - [Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) ("Ascot" or the "Company") is pleased to announce the Company's unaudited financial results for the three and nine months ended September 30, 2024 ("Q3 2024"), located on Nisga'a Nation Treaty Lands in the prolific Golden Triangle of northwestern British Columbia. For details of the unaudited condensed interim consolidated financial statements and Management's Discussion and Analysis for the three and nine months ended September 30, 2024, please see the Company's filings on SEDAR+ (www.sedarplus.ca).

All amounts herein are reported in \$000s of Canadian dollars ("C\$") unless otherwise specified.

Q3 2024 AND RECENT HIGHLIGHTS

- On October 30, 2024, the Company further announced it was able to reduce the size of the proposed senior debt financing to US\$7.5 million instead of the original US\$11.25 million previously disclosed. It had entered into a non-binding indicative term sheet with Sprott Private Resource Streaming and Royalty (B) Corp. ("Sprott"), to provide US\$7.5 million of financing by way of an amendment to the terms of one of its existing stream agreements between the Company and Sprott ("Amended Debt Financing"). As part of the Amended Debt Financing, the secured creditors would extend their existing waiver and forbearance conditions until May 31, 2025.
- On October 22, 2024, the Company announced upside of the previously announced equity financing from gross proceeds of at least C\$25 million and up to a maximum of C\$35 million, to gross proceeds of up to C\$42 million.
- On October 21, 2024, the Company announced a plan to raise approximately C\$40 million in funding to advance the development of PNL, restart the mill and restart BM from the current state of temporary care and maintenance. The funding will be through both debt and equity financing and will enable the management to execute the mine development plans. Subject to the satisfaction of certain conditions precedent, the Company anticipates the execution of definitive documentation in respect of the new debt and the closing of equity financing are expected to occur on or about November 18, 2024.
- On September 19, 2024, the Company and its secured creditors, Sprott Private Resource Streaming and Royalty (B) Corporation, Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC agreed to extend the waiver arrangements until October 31, 2024. On October 29, 2024, the waivers were further extended to November 18, 2024.
- On September 6, 2024, the Company had made a prudent decision to suspend operation due to delays in mine development that had hindered access to sufficient ore feed.
- In Q3 2024 before the suspension of operations, the Big Missouri deposit delivered 44,797 wet tonnes of material. Total mine development achieved 1,428 meters of which 1,074 metres related to Big Missouri and 354 metres relate to PNL.
- During Q3 2024 before the suspension of operations, the plant processed 71,386 dry tonnes of mostly development ore in the commissioning of the mill. In August 2024, the mill processed, near its design capacity, over 2,300 tpd for its 14-day operating schedule continuously.
- During Q3 2024, the Company poured 3,885 ounces of gold and 10,153 ounces of silver. It sold 3,452 ounces of gold to the offtaker at a realized price of US\$2,448/oz and delivered 399 ounces of gold and 6,979 ounces of silver pursuant to stream and royalty agreement.

- On July 25, 2024, the Company closed the previously announced bought deal financing, including the full exercise of the over-allotment option, for gross proceeds of approximately \$34 million (the "Offering"). The Offering consisted of 30,242,000 flow-through units (the "Flow-Through Units") at a price of C\$0.496 per Flow-Through Unit and 44,188,000 hard dollar units (the "HD Units") of the Company (together, the "Offered Securities") of C\$0.43 per HD Unit. Each Offered Security consisted of one common share of the company and one common share purchase warrant of the Company. Each warrant entitled the holder to acquire one share (each, a "Warrant Share") at a price of C\$0.52 per Warrant Share for a period of 24 months following closing.

FINANCIAL RESULTS

Three months ended September 30, 2024 compared to three months ended September 30, 2023

The Company reported a net loss of \$11,232 for Q3 2024 compared to a net loss of \$1,473 for Q3 2023. The increase in net loss of \$9,759 for the current period is primarily attributable to a combination of factors, including:

- A \$11,638 decrease in fair value of derivatives mainly driven by the adjustment to discount rate offsetting by higher gold and silver prices, which is a non-cash item.

These factors were partially offset by a decrease in general and administrative costs of \$602 and revenue, net of cost of sales of \$461.

Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

The Company reported a net loss of \$14,490 for the nine month period ended September 30, 2024 compared to \$12,135 for the same period in 2023. The increase in net loss of \$2,355 is primarily attributable to a combination of factors, including:

- A \$7,286 decrease in fair value of derivatives mainly driven by the adjustment to discount rate offsetting by higher gold and silver prices, which is a non-cash item.

Partially offsetting by:

- A \$1,008 decrease in financing costs; and
- A \$4,432 decrease in the loss of extinguishment of debt.

LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended September 30, 2024, the Company issued 153,086,953 common shares, 84,594,528 warrants, and granted 300,000 stock options, 89,667 Deferred Share Units ("DSUs") and 142,892 Restricted Share Units ("RSU"). Also, 5,263,230 stock options expired or were forfeited, 305,848 RSUs were forfeited, 13,710,500 warrants expired and 371,369 stock options, 137,533 DSUs and 1,087,983 RSUs were exercised in nine months ended September 30, 2024.

As at September 30, 2024, the Company had cash and cash equivalents of \$9,882 and a working capital deficiency of \$62,389. Excluding the non-cash current liabilities, the working capital deficiency was \$42,764. The decrease in cash and cash equivalents since December 31, 2023 was due to the increase in expenditures in mine development, plant and equipment of 138,274 which is offset by net proceeds from the sale of Sprott royalty of \$40,554, net proceeds from the COF of \$26,766, proceeds from the bought deal private placement of \$67,752 and proceeds from the exercise of stock options of \$193; cash outflows from operating activities of \$1,654; share issue costs of \$4,175, financing costs of \$881, payment for lease liabilities of \$2,937, and payment of principal interest on COF of \$3,096.

The negative working capital and suspension of operations would have resulted in a default on Ascot's credit facilities. However, the Company obtained waivers from its lenders providing for limited suspension of

covenant compliance requirements until November 18, 2024. Concurrent with closing of the financing package and Amended Debt Financing, the lenders would extend existing waivers and forbearance conditions until May 31, 2025. The Amended Debt Financing remains subject to receipt of necessary regulatory approvals and exemptions, which may not be received. The Company has not yet received any funding from the Amended Debt Financing and the Amended Debt Financing remains subject to several conditions which may not be satisfied or waived. These considerations indicate material uncertainties which cast significant doubt upon the Company's ability to continue as a going concern (refer to Note 1 to the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024).

MANAGEMENT'S OUTLOOK FOR 2024

In 2024, the Company intended to transition from the construction of the mine and related infrastructure to the operation of the entire site and to become a gold producer.

After the announcement of temporary suspension of operations in early September 2024, the key activities and priorities for the remainder of 2024 include:

- Completing financing for additional funding in Q4 2024.
- Developing a comprehensive plan to accelerate mine development at PNL and ensure a successful restart of production in Q2 2025.
- In order to operate the processing plant at 2,400 tpd (100 tph) the company needs to complete the mine development of PNL, ensuring that it, in conjunction with Big Missouri production, supplies sufficient mill feed to the processing plant. Management is addressing this by developing over 6m per day on average at PNL continuously with anticipation of breakthrough to the Prew ore zone, when rates are expected to increase with multiple headings.
- Preserving the site for winter season and ensuring the infrastructure is protected and maintained for restart of operations in Q2 2025.
- Finalizing the commission of the Moving Bed Bio-Reactor ("MBBR") portion of the water treatment plant.

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 mining company focused on commissioning its 100%-owned Premier Gold Mine, 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. Concurrent with commissioning Premier towards commercial production, the Company continues to explore its properties for additional high-grade gold mineralization. Ascot's

corporate office is in Vancouver, and its shares trade on the TSX under the ticker AOT and on the OTCQX under the ticker AOTVF. Ascot is committed to the safe and responsible operation of the Premier Gold Mine in collaboration with Nisga'a Nation and the local communities of Stewart, BC and Hyder, Alaska.

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 advancement and development of the PGP and the timing related thereto, the completion of the PGP mine, the production of gold, the use of proceeds from our financings, our ability to secure additional financing, our financing needs, the resolution of commissioning challenges, the anticipated grade of mineral production, the operation of the mill 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 uncertainties relating to the grade of mineral deposits; the inability to resolve commissioning challenges; lack of liquidity; being in default under our credit facilities; 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; 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 and continuity 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; 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 25, 2024 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the grade of mineral production; the capacity and operation of the mill; production results and aggregate gold sales; the estimated costs associated with construction of 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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