

Ascot Provides Further Update on Previously Announced Financing

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VANCOUVER, Nov. 11, 2024 - [Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) ("Ascot" or the "Company") announces that the Company has submitted a financial hardship exemption application to the Toronto Stock Exchange (the "TSX") under Section 604(e) of the TSX Company Manual (the "Exemption") in respect of its previously announced brokered private placement and senior debt financing (collectively, the "Financing") to raise approximately C\$52,000,000 in total (assuming the maximum Equity Financing (as defined below)).

The Company expects to use the proceeds from the Financing 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.

Equity Financing

The Company has entered into an agreement, as amended, with a syndicate of agents co-led by Desjardins Capital Markets and BMO Capital Markets (collectively the "Agents") with respect to a brokered private placement, to be marketed on a best-efforts basis, of common shares of the Company ("Common Shares") at a price of C\$0.16 per Common Share (the "Offer Price") for minimum gross proceeds of C\$25,000,000 and up to a maximum of C\$42,000,000 (the "Equity Financing"). Closing of the Equity Financing is conditional on: (i) the execution of all necessary definitive documentation in respect of the Debt Financing (as defined below); (ii) the deposit of the proceeds of the Debt Financing into an escrow account; and (iii) receipt of the necessary TSX approvals and exemptions, including the Exemption.

The Common Shares issued pursuant to the Equity Financing will be subject to a four-month hold period in accordance with Canadian securities law.

Senior Secured Financing

The Company has entered into non-binding term sheets with Sprott Private Resource Streaming and Royalty (B) Corp, ("Sprott") and Nebari (as defined below) (collectively, the "Secured Creditors") with respect to a senior secured debt financing and amendments (the "Debt Financing").

The Debt Financing is conditional on certain conditions precedent required by the Secured Creditors, including the completion of the Equity Financing for a minimum amount of approximately C\$30,000,000, successful negotiation and execution of definitive agreements in respect of the Debt Financing and the receipt of the necessary TSX approvals and exemptions, including the Exemption.

With respect, the non-binding indicative term sheet with Sprott: the Company's existing Purchase and Sale Agreement #1 dated January 19, 2023 will be amended to, among other things: (i) provide an additional US\$7,500,000 advance to Ascot (the "Additional Stream Amount"); and (ii) grant an additional gold and silver stream percentage to Sprott of 0.50% of all payable gold and 6.80% of all payable silver (or silver equivalent) until Ascot has delivered 8,600 ounces of gold to Sprott, at which time such additional stream percentages shall each be reduced by 50%. On or before December 31, 2026, the Company has the right to repurchase (and eliminate) the Additional Stream Amount for US\$9,700,000 and if Ascot does not exercise its repurchase right, Sprott has a right to require Ascot to repurchase (and eliminate) the Additional Stream Amount for a 12-month period commencing on January 1, 2027. Subject to TSX approval, the Company has agreed to an alignment fee of US\$112,500 to be paid to Sprott in Common Shares with an issue price equal to the 5-day VWAP on the day prior to closing of the Equity Financing (the "Sprott Alignment Fee").

With respect, the non-binding indicative term sheet with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC (collectively, "Nebari"), in consideration for the waiver and forbearance by Nebari of the Company's existing cost overrun credit agreement dated February 20, 2024 (the "COF") and credit agreement dated June 16, 2023, as amended on February 20, 2024 (the "Convertible Facility"), the COF will be amended as follows:

- interest under the COF shall be increased from 10.0% to 10.5% above SOFR;
- all interest and amortisation payments due under the COF from September 2024 until May 31, 2025, will be deferred and capitalized as part of the outstanding principal (the "Deferred Payments");
- commencing on May 31, 2025, the Deferred Payments will be payable in 10 monthly instalments ending in February 2026, which payments will be in addition to any regular interest payments being met; and
- an alignment fee equal to US\$1,000,000 will be paid in Common Shares at the Offer Price on execution of definitive agreements (the "Nebari Alignment Fee").

Further, the terms of the Convertible Facility will be amended as follows:

- all interest payments payable during the period from September 2024 to May 2025 will be deferred and capitalized as part of the outstanding principal, consistent with the terms of the COF;
- all capitalized interest from the period September 2024 until May 31, 2025, will be payable quarterly over the following 4 quarters, from May 2025 to February 2026 (in addition to regular interest payments owing);
- the conversion price under the Convertible Facility for principal and interest will be amended to C\$0.192 (such amount representing a 20% premium to the Offer Price), and the forced conversion option for Ascot will be removed; and
- the Convertible Facility will continue to be promoted into the senior position upon repayment of the COF.

In addition, the exercise price of existing warrants held by Nebari will be amended to C\$0.192 (such amount representing a 20% premium to the Offer Price).

The Debt Financing shall be pari passu with the Company's current stream security. The proceeds from the Debt Financing will be deposited into an escrow account and released following the satisfaction of certain key performance indicators and receipt of any regulatory approvals and a non-appealable court order, to the extent required, to establish the seniority of the stream.

TSX Exemption from Shareholder Approval Requirement¹

Absent the Exemption, the Financing would require the approval from the holders of a majority of the issued and outstanding Common Shares, on a disinterested basis, excluding the vote of Ccori Apu S.A.C ("Ccori Apu"), Equinox Partners LLC ("Equinox Partners") and any subscribers under the Equity Financing.

Section 604(a)(i) of the TSX Company Manual states that shareholder approval is required where a transaction would materially affect control of the Company. Ccori Apu's participation in the Equity Financing is expected to materially affect control of the Company since they will hold greater than 20% of the issued and outstanding Common Shares upon closing of the Financing. Prior to the Financing, Ccori Apu held 131,300,000 Common Shares and 10,500,000 warrants to purchase Common Shares, representing 19.70% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 18.52% on a non-diluted basis or 16.15% ownership on a fully diluted basis. In connection with the Equity Financing, Ccori Apu is expected to acquire 86,250,000 Common Shares. Following the Financing, Ccori Apu would then hold 217,550,000 Common Shares and 10,500,000 warrants to purchase Common Shares, representing 23% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 22.18% on a non-diluted basis or 18.30% ownership on a fully diluted basis.

Section 607(g)(i) of the TSX Company Manual states that shareholder approval is required where the number of listed securities issuable exceeds 25% of the number of shares issued and outstanding prior to the transaction. The aggregate number of Common Shares made issuable in connection with the Financing is greater than 25% of the number of issued and outstanding Common Shares as of the date hereof. The maximum amount of 262,500,000 Common Shares to be issued upon closing of the Equity Financing, on its own, would represent 37.02% of the issued and outstanding Common Shares as of the date hereof. The estimated aggregate of 155,554,796 Common Shares issued or issuable under the Debt Financing, with

approximately 146,226,416 Common Shares issuable upon conversion of the Convertible Facility, approximately 8,636,250 Common Shares issued to Nebari for the Nebari Alignment Fee and approximately 692,130 Common Shares issued to Sprott for the Sprott Alignment Fee, on its own, would represent 21.94% of the issued and outstanding Common Shares as of the date hereof. As a result, the aggregate number of Common Shares made issuable in connection with the Financing would represent 58.95% of the issued and outstanding Common Shares as of the date hereof. If the maximum number of Common Shares issuable pursuant to the conversion of the Convertible Facility, being 155,000,000 (instead of the estimated 146,226,416 Common Shares used in this section), were issued, the aggregate number of Common Shares made issuable in connection with the Financing would represent 60.19% of the issued and outstanding Common Shares as of the date hereof. For the purposes of the TSX Company Manual, the amendment to the Convertible Facility is treated as a new private placement. As a result, the above calculations do not take into account the potential dilution already represented by the Convertible Facility prior to the Debt Financing. Prior to the closing of the Financing, full conversion of the Convertible Facility represents potential dilution of 6.61% of the Common Shares on an otherwise non-diluted basis. Following the closing of the Financing, full conversion of the Convertible Facility will represent potential dilution of 12.97% on an otherwise non-diluted basis. In aggregate, an estimated additional 367,896,662 Common Shares will be issued or made issuable in connection with the Financing, representing potential dilution of 41.9% to holders of Common Shares as of the date hereof, on a fully diluted basis. If the maximum number of Common Shares issuable pursuant to the conversion of the Convertible Facility, being 155,000,000 (instead of the estimated 146,226,416 Common Shares used in this section), an estimated additional 376,670,246 Common Shares will be issued or made issuable in connection with the Financing, representing potential dilution of 42.48% to holders of Common Shares as of the date hereof, on a fully diluted basis.

Section 607(g)(ii) of the TSX Company Manual states that shareholder approval is required for the issuance to insiders of shares in excess of 10% of the issued and outstanding Common Shares during any six-month period. Insider participation in the Equity Financing will result in insiders having acquired greater than 10% of the issued and outstanding Common Shares of the Company in a six-month period. On July 25, 2024, Ccori Apu acquired 10,500,000 Common Shares and 10,500,000 warrants to purchase Common Shares. In connection with the Equity Financing, Ccori Apu will acquire 86,250,000 Common Shares. On July 25, 2024, Equinox Partners acquired 1,499,000 Common Shares and 1,499,000 warrants to purchase Common Shares. In connection with the Equity Financing, Equinox Partners will acquire 75,000,000 Common Shares. In connection with the Equity Financing, certain directors and officers of the Company will acquire 830,000 Common Shares. Following closing of the Financing, Ccori Apu will have acquired 15.31% of the Common Shares outstanding as of July 25, 2024, calculated on a non-diluted basis, or 16.97% of the Common Shares outstanding as of July 25, 2024, calculated assuming exercise of their warrants (for certainty, without giving effect to the exercise of any warrants). Following closing of the Financing, Equinox Partners will have acquired (excluding open market purchases) 12.11% of the Common Shares outstanding as of July 25, 2024, calculated on a non-diluted basis, or 12.34% of the Common Shares outstanding as of July 25, 2024, calculated assuming exercise of their warrants (for certainty, without giving effect to the exercise of any warrants). Following closing of the Financing, directors and officers will have acquired 0.13% of the Common Shares outstanding as of July 25, 2024, calculated on a non-diluted basis. In aggregate, insiders will have acquired 27.55% of the Common Shares outstanding as of July 25, 2024, calculated on a non-diluted basis, or 29.45% of the Common Shares outstanding as of July 25, 2024, calculated assuming exercise of Ccori Apu and Equinox Partners' warrants (for certainty, without giving effect to the exercise of any warrants).

Section 607(e) of the TSX Company Manual states that shareholder approval is required if the price per share is lower than the market price (as defined by TSX) less the applicable discount. The Equity Financing and the Debt Financing were announced concurrently and, pursuant to the rules and policies of the TSX, the 5-day VWAP on such date may not represent market price (as defined by TSX). As a result, the Offer Price of the Equity Financing and the price of the Common Shares issuable to Nebari for the Nebari Alignment Fee may represent a price per Common Share that is lower than the market price (as defined by TSX) less the applicable discount pursuant to the TSX Company Manual.

Section 607(i) of the TSX Company Manual states that shareholder approval is required where warrants to purchase shares are issued with a warrant exercise price that is less than the market price (as defined by TSX) of the underlying share. Section 610(a) of the TSX Company Manual states that shareholder approval is required where the basis for determining the conversion price of a convertible security could result in a conversion price lower than (i) either of, but not the lower of, market price (as defined by TSX) less the applicable discount, at the time of issuance of the convertible security or at the time of conversion of such security; or (ii) the lower of market price (as defined by TSX), without any applicable discount, at the time of the issuance of convertible security or at the time of conversion of such security. While both the exercise price for the amended Nebari warrants and the conversion price for the amended Convertible Facility represent a 20% premium to the Offer Price, since the Equity Financing and the Debt Financing were announced concurrently, pursuant to the rules and policies of the TSX, the 5-day VWAP on such date may

not represent market price (as defined by TSX). In addition, interest that has already accrued, or will accrue in the future, on the principal amount of the Convertible Facility will be convertible for Common Shares at a 20% premium to the Offer Price, which may be less than the market price (as defined by TSX) at the time accrued interest was or will be capitalized and Common Shares became or become issuable on conversion of such interest.

The Company has applied to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, for a "financial hardship" exemption from these requirements to obtain shareholder approval, on the basis that the Company is in serious financial difficulty and the Financing is designed to address these financial difficulties in a timely manner.

The board of directors of the Company (the "Board") has established a special committee of independent directors, free from any material interest in the Financing and unrelated to the parties to the Financing (the "Special Committee") to consider and assess the Company's financial situation and the Company's proposed application to the TSX for the Exemption.

The Special Committee has considered and reviewed the circumstances currently surrounding the Company and the Financing including, among other factors: the Company's current financial difficulties and immediate capital requirements; the lack of alternate financing arrangements available; and the fact that the Financing is the only viable financing option at the present time. The Special Committee has considered and assessed the Company's financial situation and the proposed application for the Exemption, and made a unanimous recommendation to the Board that the Company make the application to the TSX for the Exemption. The Board, upon the recommendation of the Special Committee, has determined that: (i) Ascot is in serious financial difficulty; (ii) the Financing is designed to improve Ascot's financial situation and (iii) based on the determination of the Special Committee, the Financing is reasonable for Ascot in the circumstances.

The Company's current financial difficulties are based on a number of factors since January 22, 2024, when the Company stated in its LIFE exemption document that it reasonably believed it raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following such offering.

The Company has historically relied upon a combination of new capital through equity and debt markets to meet its financial obligations. The Company poured first gold at its mineral project in April 2024 but has not generated sufficient revenue from operations to offset a number of adverse events that have occurred over the last several months.

On August 9, 2024, the Company announced that the commissioning process had gone slower than expected due to a combination of challenges with the process plant and lower grades from the development ore from BM.

On September 6, 2024, the Company announced the amount of mine development at BM had fallen behind schedule by approximately one to two months, and with the delay in the start of the PNL ramp from July to December of 2023, this delayed the PNL production. As a result, the number of stoping areas was not sufficient to provide enough production to adequately feed the mill. Although the Company was on track for first development ore at PNL in September, it determined that further development was required to access deeper ore than was initially planned, and to extend the timing to complete the development and ramp up of PNL. The Company decided, after careful consideration, that to enable sufficient mine development, it would suspend operations.

The Company is required to comply with certain financial and non-financial covenants under the Company's COF and Convertible Facility, which, if violated, could result in the amounts borrowed being due and payable to Nebari on demand.

The Company is party to purchase and sale agreements dated as of January 19, 2023 (the "Purchase and Sale Agreements"). The Purchase and Sale Agreements require that the Company deliver certain amounts of refined gold and refined silver to Sprott. Pursuant to the terms the Purchase and Sale Agreements, the Company is required to maintain certain financial and non-financial covenants, which, if violated, could result in Sprott demanding all amounts and deliveries owing and demanding payment of all losses, including the greater of a specified early termination amount or the net present value of the Purchase and Sale Agreements.

As of the date hereof, the aggregate amount of the uncredited balance under the Purchase and Sale Agreements is approximately US\$127,000,000.

As of the date hereof, US\$37,000,000 is outstanding (including accrued interest and fees) under the COF and Convertible Facility.

The Company is not currently generating sufficient cash from its operations to fund the payment of interest under the COF and Convertible Facility and to otherwise meet its financial and non-financial obligations under the Purchase and Sale Agreements, the COF and Convertible Facility. The Company's ability to meet these obligations are at risk given the Company's mining operations are currently on care and maintenance.

The Company's Secured Creditors have extended the waiver and forbearance agreements previously granted relating to certain additional pre-existing defaults and potential future defaults under the Purchase and Sale Agreements, the COF and Convertible Facility until November 18, 2024.

Upon expiry of such temporary waivers, the Secured Creditors can enforce the repayment of the amounts outstanding upon the expiry of the current waivers, which obligation the Company will not have the ability to meet given its current cash available.

As part of the transactions, the Company's Secured Creditors would extend their existing waiver and forbearance conditions until May 31, 2025.

The Company's vendors are currently owed approximately C\$27,000,000 and such amount continues to increase. Additionally, C\$2,000,000 of the Company's accounts payable are over 90 days past due.

All of the factors described above have contributed to placing Ascot in its current situation of serious financial difficulty.

There can be no assurance that the TSX will accept the application for the Exemption. The Company expects that as a consequence of its application and intention to rely on the Exemption, the TSX will place the Company's listing of its Common Shares under delisting review, which is customary practice when a listed issuer seeks to rely on the Exemption. No assurance can be provided as to the outcome of such review and therefore continued qualification for listing of the Common Shares on the TSX. The Company may delist from the TSX and pursue an alternative listing on the TSX Venture Exchange.

Assuming TSX conditional approval for the Financing and the Exemption is obtained, it is anticipated that the Financing will be completed on or about November 18, 2024.

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 the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. 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.

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

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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, 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 Financing, the ability to raise additional funds and any future financing, the completion of the Financing, details in respect of participation in the Financing and anticipated dilution, 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 Financing and the ability of the Company to accomplish its business objectives and the intentions described herein, the TSX's remedial delisting review of the Common Shares 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 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.

¹ For the purposes of this section, the Company has assumed: (i) the market price (as defined by TSX) prior to closing of the Financing will be C\$0.2246, which represents the 30-day VWAP as of 11/6/2024; (ii) a USD to CAD exchange rate of 1.3818, which represents the 30-day average reported by the Bank of Canada as of 11/6/2024; (iii) that interest on the Convertible Facility will accrue based on a SOFR forecast rate of 3.809425%; (iv) 146,226,416 Common Shares are issuable upon full conversion of the Convertible Facility; and (v) the Company will issue 262,500,000 Common Shares pursuant to the Equity Financing. The numerical values in this section may change if these assumptions are incorrect, provided, however, that in respect of (iv), the maximum number of Common Shares issuable pursuant to conversion of the Convertible Facility shall not exceed 155,000,000.

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