

Ascot Resources Ltd. Reports 2024 Annual Results

24.03.2025 | [GlobeNewswire](#)

[Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) ("Ascot" or the "Company") announces the Company's audited consolidated financial results for the year ended December 31, 2024. For details of the audited consolidated financial statements, Management's Discussion and Analysis, and Annual Information Form for the year ended December 31, 2024, please see the Company's filings on SEDAR+ at www.sedarplus.ca.

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

2024 AND RECENT HIGHLIGHTS

- On February 20, 2024, the Company closed a financing package for a total of US\$50 million from Sprott Resource Streaming and Royalty Corp. and its affiliates ("SRSR") and Nebari Credit Fund II, LP ("Nebari Credit Fund II"), as described in the Company's news release dated January 22, 2024. \$13,700 of the above proceeds were used to buy back two existing 5% NSR royalties on various PGP property claims on March 15, 2024. Concurrently with the above-noted financing package, the Company closed a bought deal private placement financing, under which the Company issued a total of 65,343,000 common shares of the Company (the "Common Shares") at a price of \$0.44 per Common Share, for gross proceeds of \$28,751.
- At the end of Q1 2024, construction of the PGP mill and water treatment plant was substantially completed, and rock was introduced into the grinding circuit of the mill on March 31, 2024, and first gold-bearing ore was introduced to the mills on April 5, 2024. On April 20, 2024, first gold was poured as a part of the commissioning process. Commissioning of the plant continued throughout Q2 and Q3 2024. During Q2 and Q3 2024 before the suspension of operations, the plant processed 156,477 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 days operating schedule continuously.
- On May 7, 2024, the Company announced a \$5,000 non-brokered flow-through private placement, the proceeds of which will be used to fund the exploration program at PGP. The private placement consisted of 6,024,096 common shares of the Company, which qualify as "flow-through shares" within the meaning of the Income Tax Act (Canada) (the "FT Shares"), at a price of C\$0.83 per FT Share. The first tranche of \$1,000 was closed on May 29 and the second tranche of \$4,000 was closed on June 20, 2024.
- 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 financing consisted of 30,242,000 flow-through units at a price of C\$0.496 per flow-through unit and 44,188,000 hard dollar units of the Company (together, the "Offered Securities") of C\$0.43 per hard dollar 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.
- On September 6, 2024, the Company made the decision to suspend operations due to delays in mine development that had hindered access to sufficient ore feed. The Company will focus on mine development until the combination of the Big Missouri and PNL mines can sustainably deliver enough ore feed to profitably run the operation.
- In 2024 before suspension of operations, the Company produced and sold 4,287 ounces of gold to the offtaker and delivered 441 ounces of gold and 7,541 ounces of silver pursuant to stream and royalty agreements. In 2024 before the suspension of operations, the Big Missouri deposit delivered 112,710 ore tonnes. Total mine development achieved 4,188 meters of which 3,308 metres related to Big Missouri and 880 metres relate to PNL.
- On September 19, 2024, the Company and its secured creditors, SRSR and Nebari agreed to extend the waiver arrangements until October 31, 2024. On October 29, 2024, the waivers were further extended to November 18, 2024.

- On November 18, 2024, the Company closed its previously announced "best-efforts" private placement offering (the "Equity Financing", and together with the Debt Financing, the "Financings") of common shares of the Company. The Company issued a total of 262,500,000 common shares at a price of C\$0.16 per common share, for gross proceeds of approximately C\$42 million. As part of the Financings, it closed the senior secured debt financing and amendments, including approximately US\$7.5 million from SRSR. In addition, the Company's secured creditors, including SRSR and Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC (together "Nebari"), extended the waiver and forbearance agreements previously granted until May 31, 2025. The net proceeds of the Financings were used to advance the development of the Premier Northern Lights mine and restart the Big Missouri mine.
- Following the remobilization of the Company's mining contractor, the Company mobilized the underground mining equipment to site, established the underground ventilation, completed the initial rehabilitation with shotcrete to establish a heading for advancement of development and second egress for the PNL mine. It completed the first development round on December 13, 2024 and achieved a total of 74 meters of development by December 31, 2024.
- On January 15, 2025, the Company announced a leadership transition and the appointment of James A (Jim) Currie, new CEO and Director and interim COO and the appointment of Ms. Coille Van Alphen to the Board of Directors.
- The progress of PNL underground development was with slower advancement than anticipated. As a result, the timeline to re-start of mill operations has been revised and the ore throughput is anticipated to commence in August 2025. The delay in development will result in a working capital shortfall.
- On February 20, 2025, the Company entered into an agreement for a best-efforts private placement offering units of the Company at a price of C\$0.115 per unit, to raise a minimum of C\$60 million and up to a maximum of C\$65 million ("2025 Offering"). On March 3, 2025, an amendment to the 2025 Offering was made. The 2025 Offering consist of: (i) hard dollar units of the Company (the "HD Units") at a price of \$0.115 per HD Unit for gross proceeds of a minimum of C\$40 million and up to a maximum of C\$45 million; and (ii) charity flow-through units of the Company (the "CDE FT Units", and collectively with the HD Units, the "Units") at a price of C\$0.1403 per CDE FT Unit for gross proceeds of approximately C\$20 million. Each Unit will be comprised of one common share of the Company and one Common Share purchase warrant of the Company (each, a "Warrant"). The Common Shares and Warrants underlying the CDE FT Units shall qualify as "flow-through shares" (within the meaning of subsection 66(15) of the Income Tax Act (Canada)). Each Warrant shall entitle the holder to acquire one non-flow-through Common Share at a price of C\$0.155 per Common Share for a period of 24 months following the initial ("Tranche 1") closing date. The gross proceeds from the charity flow-through units will be used by the Company to incur eligible Canadian development expenses (within the meaning of the Income Tax Act (Canada) which will be incurred or deemed to be incurred and renounced to the purchasers of the CDE FT Units with an effective date no later than September 30, 2025.
- On March 14, 2025, the Company closed the first of two tranches of the 2025 Offering. The Tranche 1 closing consisted of 142,551,675 CDE FT Units at a price of C\$0.1403 per CDE FT Unit and 191,435,095 HD Units at a price of C\$0.115 per HD Unit for gross proceeds of \$42,015. The second and final tranche of the 2025 Offering, pursuant to which the Company expects to issue an additional 162,000,000 HD Units at a price of C\$0.115 per HD Unit for additional gross proceeds of \$18,630, is anticipated to close on or about April 10, 2025.
- On March 14, 2025, SRSR and Nebari, pursuant to definitive agreements entered into with the Company, to extend their existing waiver and forbearance conditions until September 30, 2025. The Company also entered into an amending agreement to the amended and restated credit agreement with Nebari dated November 18, 2024, which amended the conversion price under the Convertible facility to C\$0.155. The exercise price of the existing Nebari warrants was also amended to C\$0.155. SRSR has committed to release the currently held US\$7.5 million Second Stream Deposit from escrow upon achieving the agreed development and funding targets, consistent with the terms of the Company's amended and restated purchase and sale agreements, dated November 15, 2024, with SRSR.

FINANCIAL RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2024

The Company reported a net loss of \$17,018 for Q4 2024 compared to a net income of \$1,705 for Q4 2023. The increase in net loss in Q4 2024 is mainly driven by the accounting loss on decrease in fair value of the embedded derivatives as a result of increase in discount rate and a loss on extinguishment of the convertible facility as a result of the accounting treatment of the modification of the convertible facility.

The Company reported a net loss of \$31,508 for the year ended December 31, 2024 compared to \$10,430 for year ended December 31, 2023. The higher net loss in 2024 is attributable to a combination of key factors including a \$15,987 decrease in the fair value of derivatives mainly driven by the adjustment to the discount rate and decrease in the Company's share price; an increase in accounting loss on extinguishment

of credit facilities of \$4,324, an increase in unrealized foreign exchange loss of \$3,414, an increase in financing costs of \$1,175, partially offset by a \$3,390 lower general and administrative expenses and stock-based compensation.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company had cash and cash equivalents of \$27,973 and a working capital deficiency of \$47,551. Excluding the current portion of deferred revenue of \$6,936 and \$24,290 of convertible facility which is classified as current due to the lender's right to exercise the conversion option at any time at a variable price, the working capital deficiency was \$16,325. The decrease in cash and cash equivalents since December 31, 2023 was mainly due to the increase in expenditures in mine development, plant and equipment of \$153,433, share issue costs of \$6,758, financing costs \$484 and payment of principal and interest on cost overrun facility ("COF") of \$3,096 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 \$109,352 and proceeds from the exercise of stock options of \$193.

The negative working capital, the delay in underground development, suspension of operations and the builder's liens filed on the mineral properties would have resulted in a default on Ascot's credit facilities and stream arrangement. However, the Company obtained waivers and forbearance conditions from its secured lenders providing for limited suspension of covenant compliance requirements until September 30, 2025. The waivers were in effect as of December 31, 2024 and until September 30, 2025.

Management evaluated the financial position including the negative working capital and commitments that existed at December 31, 2024 as well as the potential funding received subsequent to the year end and the projected cash flows from operations based on the estimated mine and production plan (including estimated mine and mill grades). The financing package together with the projected cash flows from operations with the operations restart in Q3 2025 would provide sufficient funding for the next twelve months of operations. If the projected cash flows from operations do not materialize or operations restart is delayed, the Company may need additional funding.

During the year ended December 31, 2024, the Company issued 426,785,000 common shares, 84,594,528 warrants, and granted 6,067,104 stock options, 386,195 Deferred Share Units ("DSUs") and 3,267,868 Restricted Share Units ("RSU"). Also, 7,284,210 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 1,230,088 RSUs were exercised in 2024

MANAGEMENT'S OUTLOOK FOR 2025

After the announcement of temporary suspension of operations in early September 2024, the key activities for the remainder of 2024 included the remobilization of the mining contractor and recommencement of underground development at PNL.

In 2025, the Company intends to transition from the construction of the mine and related infrastructure to the operation of the entire site, achieve commercial production and to become a gold producer. The key priorities include:

- Continue with developing a comprehensive plan to accelerate mine development at PNL and ensure a successful restart of production in Q3 2025 along with ensuring sufficient funding for the underground development and working capital.
- Achieving steady production and operating in the manner as intended by management in Q4 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.
- Completing various environmental initiatives to ensure compliance with the Mine's environmental permits.

Qualified Person

James A (Jim) Currie, P.Eng., Chief Executive Officer and 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.
"James A (Jim) Currie"
CEO & COO

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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 Premier, the Company continues to 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 closing of the Second Tranche, the ability of the Company to accomplish its business objectives, the potential outcome of the TSX's remedial delisting review and any alternative listing on the TSX Venture Exchange, the achievement of development and funding targets, the sources and uses and other 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 the need for potential future waivers or forbearance agreements from the Secured Creditors; 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; 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, 2025 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs and timelines associated with the development plans;

the ability to maintain throughput and production levels at the Big Missouri mine and the Premier Northern Lights mine; 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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