

Ascot Reports Second Quarter 2024 Results

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VANCOUVER, Aug. 09, 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 six months ended June 30, 2024 ("Q2 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 six months ended June 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.

Q2 2024 AND RECENT HIGHLIGHTS

- 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 \$34,000 (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.
- In Q2 2024, the Big Missouri deposit delivered 47,158 wet tonnes of material. Total mine development in Q2 achieved 1,764 meters of which 1,381 metres related to Big Missouri and 383 metres relate to Premier Northern Light ("PNL"). Significant progress in the second half of the quarter has been made at PNL where the development rates have increased to over 6 metres per day.
- The second egress and exhaust vent raise at the Big Missouri deposit was completed on June 18, 2024. The operation is moving from mining lower-grade commissioning ore from the development headings to mining of planned higher-grade stoping areas.
- During Q2 2024, the plant processed 85,436 dry tonnes of mostly development ore in the commissioning of the mill, containing an estimated total of 5,713 ounces of gold; poured 839 ounces of gold and 1,288 ounces of silver, and an estimated 3,178 ounces of gold-in-process remained as at June 30, 2024.
- In Q2, 2024, the Company sold 735 ounces of gold to the offtaker and delivered 42 ounces of gold and 562 ounces of silver pursuant to stream and royalty arrangements.
- On May 7, 2024, the Company announced a \$5,000 non-brokered flow-through private placement (the "Offering"), the proceeds of which will be used to fund the 2024 exploration program at PGP. The Offering 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.
- 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 processing plant at PGP is ongoing, with commercial production anticipated in second half of 2024.
- In July 2024, the plant has shown an ability to operate for several days at its design capacity in terms of tonnages put through the crushing and grinding circuit; however there remains a number of challenges to pour more gold. July's gold production improved dramatically over the prior months, but the operation is still struggling to continuously run the gravity circuit and achieve regular stripping schedule and gold pours.
- In July 2024, the plant processed 40,304 dry tonnes of materials from a combination of Big Missouri development ore and stoping ore and surface stockpile material. A total of 1,670 ounces of gold and 3,157 ounces of silver were poured.

Overall, the commission process has gone slower than expected due to a combination of challenges with process plant and lower grades from the development ore from the Big Missouri mine. The key challenge for the Company is to access higher grade stopes from Big Missouri and mine enough material to feed the mills

until the PNL is brought into production which is anticipated in Q4 of 2024. In addition, the reliability of the plant in the gravity circuit, the elution circuit and the tailing thickener need to improve so that the plant can operate continuously. The Company continues to focus on addressing these challenges.

FINANCIAL RESULTS FOR THE THREE SIX MONTHS ENDED JUNE 30, 2024

The Company reported a net income of \$2,950 for Q2 2024 compared to a net loss of \$3,073 for Q2 2023. The decrease in net loss of \$6,023 for the current period is primarily attributable to a combination of factors, including:

- First gold sale with revenue, net of transportation and refinery costs, recognized of \$2,419;
- A \$2,262 decrease in the loss on extinguishment of debt; and
- A \$3,583 increase in fair value of derivatives mainly driven by higher gold and silver prices, which is a non-cash item.

These positive factors were partially offset by an increase in cost of sales of \$2,362.

The Company reported a net loss of \$3,258 for the first half of 2024 compared to \$10,662 for the first half of 2023. The decrease in net loss of \$7,404 is primarily attributable to a combination of factors including:

- First gold sale with revenue, net of transportation and refinery costs, recognized of \$2,419;
- A \$1,128 decrease in financing costs;
- A \$4,432 decrease in the loss of extinguishment of debt; and
- An \$4,152 increase in fair value of derivatives mainly driven by higher gold and silver prices, which is a non-cash item.

These positive factors were partially offset by an increase in cost of sales of \$2,362 and foreign exchange loss of \$1,292.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Company had cash & cash equivalents of \$12,710 and working capital deficiency (current assets minus current liabilities) of \$75,713. The working capital deficiency is caused by an estimated \$16,844 as the current portion of the deferred revenue only to be settled with future production from the Project, an estimated \$7,167 as the current portion of future extraction services and the \$30,944 value of the Convertible facility, which is classified as current due to the lender's right to exercise the conversion option at any time at a variable exercise price. Excluding these non-cash current liabilities, the working capital deficiency was \$20,758. In H1 2024, the Company issued 75,803,225 common shares, 10,164,528 warrants, and granted 210,000 stock options, 28,667 Deferred Share Units. Also, 3,965,015 stock options expired or were forfeited, 151,674 RSUs were forfeited, 13,710,500 warrants expired and 371,369 stock options, 137,533 DSUs and 303,092 RSUs were exercised in H1 2024.

The Company has negative working capital at the end of June and was in technical non-compliance with certain covenants. The Company obtained waivers for this non-compliance through the end of July. After the bought deal financing closed on July 25, 2025, the Company was back in compliance with the covenants. If production ramp up is further delayed, the Company may be in non-compliance with such covenants. Additional waivers or fundings may be required.

MANAGEMENT'S OUTLOOK FOR 2024

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

The key activities and priorities for the remainder of 2024 include:

- 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 mine development by developing over 6 m per day at PNL continuously with anticipation of breakthrough to the Prew ore zone in early September, but the key challenge will be to manage the operating costs effectively until this development is completed.
- Implementing production mining in the A6 and A5 zones across various areas in Big Missouri which is expected to enhance the feed grades in Q3. To allow the mine to develop into PNL and establish production horizons, the plant will be operated on a bi-weekly basis until such time that PNL is contributing to the mill feed.
- In conjunction with the above, and to continue to optimize and improve the plant and ensure it operates continuously, management is working on a two-week maintenance period to address the capacity of the gravity circuit by improving the screen openings to allow more flow, optimizing CIL management and the reliability of elution circuit, and improving the flocculant system for the thickener to ensure clean water is effectively circulated through the processing plant
- Completing the exploration and infill drilling program
- Finalizing the commission of the Moving Bed Bio-Reactor ("MBBR") portion of the water treatment plant

Corporate Changes

- On July 26, 2024, Ascot relocated to the 430 - 1095 West Pender Street, Vancouver, BC V6E 2M6 (previously suite 1050);
- On July 31, 2024, David Stewart, Ascot's VP Corporate Development and Shareholder Communications, resigned from the Company for personal reasons.

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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