Ascot Resources Ltd.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022
(Expressed in thousands of Canadian Dollars, except where indicated)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements and all other financial information included in this report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management on a going concern basis. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of internal controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Audit Committee, which is comprised of three independent directors, meets with management to review the consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the Directors, who approve the consolidated financial statements.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial reporting standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“*Derek White*”
President & Chief Executive Officer

“*Carol Li*”
Chief Financial Officer

March 25, 2024

Independent auditor's report

To the Shareholders of Ascot Resources Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ascot Resources Ltd. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T.: +1 604 806 7000, F.: +1 604 806 7806, Fax to mail: ca_vancouver_main_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators for mineral properties, plant and equipment *Refer to note 2(d) – Basis of presentation judgments and estimates, note 3(c) – Material accounting policies and note 7 – Mineral properties, plant and equipment to the consolidated financial statements.* The Company has $570.5 million of mineral properties, plant and equipment which substantially relates to the Premier Gold Project and Red Mountain Project as at December 31, 2023. Management assesses at each reporting period whether there is any indication that assets or groups of assets may be impaired. Management applies judgment in assessing whether there are any indicators of impairment. If any such indicator exists, then an impairment test is performed. Internal and external factors, such as (i) forecast commodity prices for the Company's product decline significantly; (ii) significant negative changes take place in technology, markets, economy or applicable laws; (iii) market interest rates increase significantly; (iv) the Company's market capitalization is reduced below its net assets' value; (v) obsolescence or physical damage of the asset; (vi) significant changes with an adverse effect on the entity, in the extent to which, or manner in which, an asset is used or is expected to be used; and (vii) evidence that the economic performance of an asset is, or will be, worse than expected, are evaluated by management in determining whether there are any indicators of impairment. No impairment indicators were	Our approach to addressing the matter included the following procedures, among others: • Evaluated management's assessment of impairment indicators for mineral properties, plant and equipment relating to the Premier Gold Project and Red Mountain Project, which included the following: – Assessed the completeness of external or internal factors that could be considered as indicators of impairment by considering evidence obtained in other areas of the audit. – Assessed the factors related to: o Significant decline in forecast commodity prices and significant increase in market interest rates by comparing them with external market data. o The Company's market capitalization relative to its net assets' value by recalculating the Company's market capitalization and comparing it to the Company's net assets. o Economic performance of an asset is or will be worse than expected by comparing the actual capital costs to the budget approved by the board. o Obsolescence or physical damage of the assets, significant changes with an adverse effect on the entity, in the extent to which, or manner in which, an asset is used or is expected to be used

identified by management as at December 31, 2023.

We considered this a key audit matter due to (i) the significance of the mineral properties, plant and equipment balance and (ii) the judgment by management, in assessing any indicator of impairment, which led to subjectivity in performing audit procedures to test management's assessment.

and significant negative changes take place in technology, markets, economy or applicable laws; by considering evidence obtained in other areas of the audit.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ranbir Gill.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 25, 2024

(Canadian Dollars in Thousands)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents	4	$ 26,974	$ 7,474
Trade and other receivables		2,146	840
Inventory		763	-
Prepaid expenses and deposits		2,540	1,138
Total Current Assets		32,423	9,452
Reclamation deposits	5	3,447	2,447
Exploration and evaluation assets	6	5,424	5,424
Mineral properties, plant and equipment	7	570,466	358,811
Stream buyback option	8	17,050	-
Other assets		1,578	2,962
Total Non-Current Assets		597,965	369,644
Total Assets		$ 630,388	$ 379,096
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		$ 33,117	$ 6,504
Deferred revenue	8	12,255	-
Reclamation provisions	9	477	788
Credit facilities	10	-	22,523
Lease liabilities	11	3,707	430
Other liabilities	14	1,204	72
Total Current Liabilities		50,760	30,317
Deferred revenue	8	163,302	-
Reclamation provisions	9	40,851	17,567
Credit facilities and Convertible Facility	10,12	17,266	21,937
Lease liabilities	11	6,296	327
Deferred income tax liabilities	13	1,155	9
Total Non-Current Liabilities		228,870	39,840
Total Liabilities		279,630	70,157
Shareholders' Equity			
Share capital	14	400,825	351,337
Contributed surplus	14	32,227	29,466
Accumulated deficit		(82,294)	(71,864)
Total Shareholders' Equity		350,758	308,939
Total Liabilities and Shareholders' Equity		$ 630,388	$ 379,096

Commitments (Notes 5, 6, 8 and 18), Contingencies (Notes 5 and 6), Subsequent event (Note 24).
The accompanying notes are an integral part of these consolidated financial statements.

/s/ *"Rick Zimmer"*
____
Director

/s/ *"Indi Gopinathan"*
____
Director

(Canadian Dollars in Thousands Except Loss per Share)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
General and administrative	15	$ 5,988	$ 5,766
Stock-based compensation	14	3,085	5,490
Amortization and depreciation		559	549
Environmental compliance cost		1,830	438
Financing costs	8,10	2,567	5,969
Finance expense	16	1,592	1,182
Other income	17	(5,220)	(7,077)
Loss on write off of assets		325	-
Loss on extinguishment of debt	10,12	5,120	-
Change in fair value of derivatives	8,10,12	(5,843)	(4,304)
Foreign exchange (gain) loss		(719)	2,851
Loss before income taxes		$ 9,284	$ 10,864
Income tax expense (recovery)	13	1,146	(56)
Net loss for the year		$ 10,430	$ 10,808
Total comprehensive loss		$ 10,430	$ 10,808
Loss per share			
- basic and diluted		$ 0.02	$ 0.03
Weighted average shares outstanding			
- basic and diluted		546,793,396	424,804,495

The accompanying notes are an integral part of these consolidated financial statements.

(Canadian Dollars in Thousands except No. of Shares)

	Number of shares issued and outstanding	Share capital	Share-based payment - reserve	Deficit	Total share-holders' equity
Balance, January 1, 2022	**376,351,128**	**$ 298,733**	**$ 19,528**	**$ (61,056)**	**$ 257,205**
Shares issued for cash					
Bought deal financing, net of issue costs	59,271,000	56,110	4,235	-	60,345
Issued for other consideration					-
Exercise of share units	239,018	262	(262)	-	-
Premium on flow-through shares	-	(3,768)	-	-	(3,768)
Stock-based compensation expense	-	-	5,490	-	5,490
Stock-based compensation capitalized	-	-	475	-	475
Net loss for the year	-	-	-	(10,808)	(10,808)
Balance, December 31, 2022	**435,861,146**	**$ 351,337**	**$ 29,466**	**$ (71,864)**	**$ 308,939**
Balance, January 1, 2023	**435,861,146**	**$ 351,337**	**$ 29,466**	**$ (71,864)**	**$ 308,939**
Shares issued for cash					
Private placements, net of issue costs (Note 14)	113,500,000	51,574	-	-	51,574
Exercise of stock options	55,530	39	(14)	-	25
Issued for other consideration					-
Exercise of share units	1,173,603	842	(842)	-	-
Partner alignment shares (Note 8)	5,457,073	3,383	-	-	3,383
Premium on flow-through shares (Note 14)	-	(6,350)	-	-	(6,350)
Stock-based compensation expense (Note 14)	-	-	3,085	-	3,085
Stock-based compensation capitalized	-	-	532	-	532
Net loss for the year	-	-	-	(10,430)	(10,430)
Balance, December 31, 2023	**556,047,352**	**$ 400,825**	**$ 32,227**	**$ (82,294)**	**$ 350,758**

The accompanying notes are an integral part of these consolidated financial statements.

(Canadian Dollars in Thousands)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities			
Loss for the year		$ (10,430)	$ (10,808)
Adjustment to reconcile loss to net cash used in operating activities:			
Stock-based compensation	14	3,085	5,490
Amortization and depreciation		559	549
Loss on write off of assets		325	0
Financing costs	8	1,662	5,969
Gain on flow through share premium		(5,218)	(3,696)
Finance expense		1,021	641
Deferred income tax expense (recovery)	13	1,146	(56)
Change in fair value of derivatives	8,12	(5,843)	(4,304)
Loss on extinguishment of debt	10,12	5,120	-
Change in estimate of PPA liability		-	(2,876)
Unrealized foreign exchange (gain) loss		(1,371)	2,858
Changes in non-cash working capital balances:			
Increase in inventory		(763)	-
(Increase) decrease in receivables		(1,306)	557
(Increase) decrease in prepaid expenses and deposits		(1,402)	45
Increase in trade and other payables		277	943
Payment for reclamation provision		(116)	(347)
Total cash outflows from operating activities		**(13,254)**	**(5,035)**
Cash flows from investing activities			
Investment in mineral properties, plant and equipment		(128,349)	(105,898)
Payment for pre-production royalty		(50)	(50)
Payment of deposit for environmental bond		(1,000)	-
Total cash outflows from investing activities		**(129,399)**	**(105,948)**
Cash flows from financing activities			
Proceeds from stream deposit	8	113,006	-
Payment for convertible facility	12	(565)	-
Proceeds from share issuance	14	53,935	64,241
Share issue costs	14	(2,361)	(3,896)
Deferred financing costs		(228)	(410)
Proceeds from exercise of stock options		25	-
Payment for lease liabilities		(1,686)	(607)
Total cash inflows from financing activities		**162,126**	**59,328**
Effect of exchange rate changes on cash and cash equivalents		27	-
Total increase (decrease) in cash during the year		**19,500**	**(51,655)**
Cash and cash equivalents, beginning of year		**7,474**	**59,129**
Cash and cash equivalents, end of year		**$ 26,974**	**$ 7,474**
Supplemental cash flow information	21		

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Ascot Resources Ltd. ("Ascot" or the "Company") is a development and exploration company focusing on re-starting the past producing historic Premier gold mine located in British Columbia's Golden Triangle. The Company filed its feasibility study in May 2020 for its 100% owned Premier and Red Mountain Gold Projects which would supply gold and silver ore to the process plant. The Silver Coin, Big Missouri, and Premier deposits, collectively named the Premier Gold Project ("PGP") are located near the processing facility on the historical Premier Mine site, and the Red Mountain Project ("RMP") is located 23 km to the southeast in an adjacent valley. The Company had commenced full scale construction of PGP in January 2023 and as of December 31, 2023, it was nearing completion. PGP together with RMP is defined as the "Project". The Company also has two other properties: Swamp Point, an aggregate project located in British Columbia on the Portland Canal, and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

Ascot was incorporated under the Business Corporations Act of British Columbia in May 1986. The Company's wholly-owned subsidiaries, as of December 31, 2023 were:

- IDM Mining Ltd. (BC, Canada);
- Ascot Power Ltd. (BC, Canada), and
- Ascot USA Inc. (Washington State, USA).

The Company is listed on the Toronto Stock Exchange ("TSX") in Canada, having the trading symbol AOT. The Company is also trading on the OTCQX market in the U.S. (symbol: AOTVF).

The address of the Company's corporate office and principal place of business is #1050 - 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6, Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS® Accounting Standards"). The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

These financial statements were approved for issue by Ascot's board of directors on March 25, 2024.

b) Basis of measurement

These consolidated financial statements include the accounts of Ascot Resources Ltd. and its wholly-owned subsidiaries. All intercompany transactions and balances are eliminated on consolidation.

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and its wholly-owned subsidiaries' functional currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars using the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

The accounting policies have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

c) New and amended IFRS Accounting Standards pronouncements

Amendment to IAS 1 Presentation of Financial Statements

On October 31, 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements (IAS 1). The amendments apply to annual reporting periods beginning on or after January 1, 2024. The amendments are aimed at improving the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments issued in January 2020, which clarified the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. These amendments will impact the classification of the Company’s convertible facility in 2024. The convertible facility where the Company does not have an unconditional right to defer its settlement will be classified as a current liability.

Amendments to IFRS Accounting Standard 16 Leases

On September 22, 2022, the IASB issued amendments to IFRS Accounting Standard 16 Leases. The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS Accounting Standard 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after January 1, 2024. These amendments are not expected to impact the Company’s financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS Accounting Standard 7 Financial Instruments: Disclosures

On May 25, 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS Accounting Standard 7 Financial Instruments: Disclosures, which add disclosure requirements, and “signposts” within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a significant impact on the Company’s financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

On August 15, 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. These amendments are not expected to have a significant impact on the Company’s financial statements.

d) Judgments and estimates

The preparation of financial statements in compliance with IFRS Accounting Standards requires management to exercise judgment in applying the Company’s accounting policies and make certain critical accounting estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The areas involving critical judgments in applying accounting policies have the biggest impact on the assets and liabilities recognized in the financial statements are:

Impairment of non-current assets

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to the Company’s mineral properties, plant and equipment costs and exploration and evaluation assets. If any such indicator exists, then an impairment test is performed by management. Indicators of impairment may include:

(i) forecast commodity prices for the Company’s product decline significantly;

(ii) significant negative changes take place in technology, markets, economy or applicable laws;
(iii) market interest rates increase significantly;
(iv) the Company's market capitalization is reduced below its net assets' value;
(v) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future;
(vi) substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned;
(vii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable;
(viii) obsolescence or physical damage of the asset;
(ix) significant changes with an adverse effect on the entity, in the extent to which, or manner in which, an asset is used or is expected to be used;
(x) evidence that the economic performance of an asset is, or will be, worse than expected, and
(xi) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

No impairment indicators were noted as at December 31, 2023.

Accounting for the Stream

Upon initiation of the Stream (Note 8) and at each reporting period, management applies judgment in assessing the appropriate accounting treatment of the Stream. One of the areas of significant judgment is the Company's potential obligation to settle a portion of the Stream in cash. Management noted that the lender has limited ability to cancel the Stream or seek cash reimbursement except under certain circumstances of breach and default of covenants (i.e., a contingent settlement provision). Management determined that the Company is expected to be able to settle the Stream through delivery of the commodities based on Ascot's most recent mine plan. Based on these considerations, management concluded that the Stream does not meet the definition of a financial liability and has been accounted for as a contract liability for the future delivery of an unknown quantity of gold and silver ounces, with each ounce representing a separate performance obligation (Note 8).

A market-based discount rate is utilized at the inception of the Stream to determine a discount rate for computing the interest charges for the significant financing component of the deferred revenue balance. As gold and silver are delivered, the deferred revenue amount including accreted interest will be drawn down. The drawdown rate requires the use of proven and probable reserves and certain resources in the calculation that are beyond indicated and inferred resources, which management is reasonably confident are transferable to proven and probable reserves. Key estimates used in determining the significant financing component include the discount rate and the reserve and resources assumed for conversion.

When the Stream includes an embedded derivative component, its fair value is estimated using a financial pricing model. The Company estimates the fair value of its buyback option derivative using the Monte Carlo Simulation Method. The key assumptions used in the model are risk-free rates, the Company's forecast mineral production, forecast gold and silver prices and volatility and credit spread (Note 8).

Accounting for debt financing transactions

Upon entering into a debt financing transaction, management applies judgment in assessing the appropriate accounting treatment by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. In assessing the credit facilities (Note 10) and the Convertible Facility (Note 12), management identified an interest rate floor embedded derivative within the senior debt and a conversion option embedded derivative within the Convertible Facility. Both embedded derivatives are required to be revalued at each period end with the movements recorded as gains or losses in the statement of comprehensive loss.

The key areas of estimation uncertainty at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are:

Reclamation provision

The future obligations for site closure activities are estimated by the Company based on the laws and regulations of the countries in which it operates, with due consideration to the fact that the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resources companies. Management's estimation of the Company's decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its estimate of the probable costs and timing of such activities and measures.

3. MATERIAL ACCOUNTING POLICIES

a) Exploration and evaluation expenditures

Exploration and evaluation expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves. Exploration and evaluation expenditures include costs of conducting geological surveys, and exploratory drilling and sampling. Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed as incurred.

Costs related to the acquisition of an exploration asset are capitalized. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration assets and are classified as an intangible asset. The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties as exploration assets when future inflow of economic benefits from the properties is probable and until such time as the properties are placed into development, abandoned, sold or considered to be impaired in value. Borrowing costs that are directly attributable to acquisition, exploration or development of mineral properties are capitalized as a part of exploration and development assets.

Upon achieving technical feasibility and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to mineral properties, plant and equipment. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Exploration costs that do not relate to any specific property are expensed as incurred.

b) Mineral properties, plant and equipment

Mineral properties, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

i) Recognition and measurement

Mineral property acquisition and development costs including exploration and evaluation assets transferred, mine construction costs, and overburden and waste removal costs, are capitalized until production is achieved, or the property is sold, abandoned or impaired.

When the Company incurs debt directly related to the construction of a new operation or major expansion, the related financing costs are capitalized during the construction period.

Plant and equipment costs include the fair value of the consideration given to acquire assets at the time of acquisition or construction and include expenditures that are directly attributable to bringing the asset to the location and condition necessary for their intended use. Also, these costs include an initial estimate of the costs of dismantling and removing the assets and restoring the site on which they are located, and for qualifying assets, borrowing costs.

When parts of an item of plant and equipment have different useful lives, they are accounted for separately as major components.

Plant and equipment are derecognized upon disposal or when no future economic benefits are expected. Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss.

Major spare parts and stand-by equipment with a significant initial cost, whose anticipated useful life is longer than one year, and meet the definition of an asset, are recognized as an item of property, plant and equipment.

Mineral properties consist of the cost of acquiring, permitting and developing mineral properties. Once in production, mineral properties are amortized on a units of production basis over the component of the ore body to which the capitalized costs relate.

Mineral property development costs include mine development costs incurred in order to provide initial access to the ore body; underground development costs incurred during production that generate a future economic benefit by increasing the productive capacity, extending the productive life of the mine or allowing access to a mineable reserve; capitalized pre-operating expenditures, and capitalized borrowing costs.

ii) Depreciation and depletion

For mineral properties, once the mineral property is in commercial production, it will be depleted using the units-of-production method. Depletion is determined each period using gold equivalent ounces mined over the asset's estimated recoverable reserves.

The carrying values of property, plant and equipment are depreciated using the straight line method to their estimated residual values over their estimated useful lives.

Land	Not depreciated
Buildings	Straight line basis over 10 years
Mineral properties	Units of production basis
Production plant and equipment	Units of production basis
Heavy mining equipment	Straight line basis between 3 and 10 years
Light vehicles and mobile equipment	Straight line basis between 3 and 7 years
Office furniture and equipment	Straight line basis over 5 years
Leasehold improvements	Straight line basis over the term of the lease
Right-of-use assets	Straight line over the term of the lease

Management conducts an annual assessment of the estimated residual values, useful lives, and depreciation methods used for property, plant and equipment. Any material changes in estimates are applied prospectively.

iii) Construction in progress

Costs recorded for assets under construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate categories of plant and equipment. Depreciation is not recorded until the assets are substantially complete and available for their intended use.

Revenue and related expenses realized from mineral properties, plant and equipment, which is still in the process of being constructed, are recognized in the statement of comprehensive loss.

c) Impairment of non-current assets

Non-current assets or groups of assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when required by IFRS Accounting Standards upon transition from exploration and evaluation assets to property, plant and equipment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's").

Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimates of future cash flows have not been adjusted.

Fair value is the price that would be received from selling an asset in an orderly arm's length transaction between market participants at the measurement date. Costs to dispose are incremental costs directly attributable to the disposal of an asset or CGU. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Impairment losses for other assets or CGU's recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If so, an impairment loss is reversed only to the extent that the related asset or CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

d) Deferred revenue

When the Company sells a specific volume of future production from specified properties to a third party for cash, the Company records deferred revenue for all of the proceeds received and does not reduce the carrying amount of the specified mineral properties. The upfront amount of cash received is recorded as deferred revenue, which is not considered a financial instrument as the intention is that the amount due will be settled by deliveries of the commodity rather than cash or a financial asset.

The initial deposit received under the Stream (Note 8) has been accounted for as a contract liability (deferred revenue) within the scope of IFRS Accounting Standard 15. Under the terms of the Stream, settlement will be executed via the delivery of gold and silver. The products to be delivered are directly linked to the metals produced at PGP.

e) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the related proceeds, net of applicable tax.

If the Company issues units as part of financing, where such units consist of both common shares and common share purchase warrants, the fair value of the warrants is determined using the Black-Scholes pricing model, and fair value of the common shares is determined using market price. The allocation of value is done proportionally, based on the relative fair values of the common shares and warrants.

f) Flow-through shares

Flow-through common shares are issued from time to time to finance a significant portion of the Company's exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures within a specific time frame as defined in the Income Tax Act (Canada). The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds.

g) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Basic earnings (loss) per share amounts are calculated by dividing the net income or loss for the period by the weighted average number of common shares outstanding during the period.

h) Income taxes

Tax is recognized in net income or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is the expected tax payable on the taxable income for the year plus any adjustment to tax payable in respect to previous years. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

i) Share-based compensation

Share-based compensation arises when the Company issues equity instruments as consideration for services received from employees and non-employees. Its amount is calculated based on the fair value of shares or stock options awarded to employees, measured on their grant date. The fair value of shares or stock options awarded to non-employees is measured on the date that the goods or services are received. The fair value of the shares and stock options is recognized as an expense over their vesting period with a corresponding increase in equity.

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria.

Restricted share units (RSUs) and performance share units (PSUs) are granted to senior management of the Company and settled in Ascot common shares. RSUs normally vest on specific dates, while PSUs vest based on specific performance-based measures established by the Company's executive management and/or the Board. The amount of compensation is calculated based on the fair value of RSUs or PSUs awarded to senior management, measured on their grant date. The fair value of RSUs or PSUs is based on the quoted market price of the Company's common shares on the RSUs or PSUs grant date. The fair value of the RSUs or PSUs is recognized as an expense using graded attribution method over their anticipated vesting period with a corresponding increase in equity.

Deferred share units (DSUs) are granted to directors of the Company and are settled in cash or Ascot common shares, at the election of the Board, when the individual ceases to be a director of the Company. DSUs vest immediately on the date of grant. The fair value of DSUs is calculated based on the quoted market price of the Company's common shares on the DSUs grant date. The fair value of the DSUs is recognized as an expense on the date of the grant with a corresponding increase in equity.

j) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: (1) the Company has a present legal or constructive obligation as a result of past events; (2) it is probable that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

k) Leases

The Company initially recognizes a lease at its commencement date which is when an identified asset is made available for use. Right-of-use assets are measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct or estimated restoration costs. A right-of-use asset is then depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Lease liabilities include the present value of future fixed payments, less any lease incentives receivable, and the exercise price of a purchase option if it is reasonably certain to be exercised. Future fixed lease payments are discounted using the Company's incremental borrowing rate. The term of each lease includes its non-cancellable period. The term may also include periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. After the commencement date, the lease liabilities are continuously measured to reflect changes in lease payments, discount rates or the leases' remaining term with an offsetting adjustment to right-of-use assets.

l) Financial instruments

The Company applies IFRS Accounting Standard 9, Financial Instruments, which sets out the accounting standards for the classification and measurement of financial instruments.

i) Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recorded at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial liability held at FVTPL are included in the income statement in the period in which they arise. Derivatives are categorized as FVTPL unless they are designated as hedges.

Financial liabilities at amortized cost

All financial liabilities that are not held for trading or designated as at FVTPL are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The classification of the Company's financial instruments under IFRS Accounting Standard 9 is as follows:

Cash and cash equivalents:	Amortized cost
Trade and other receivables:	Amortized cost
Reclamation deposits:	Amortized cost
Trade and other liabilities:	Amortized cost
Credit facilities and Convertible Facility:	Amortized cost
Embedded derivatives:	FVTPL
Production payment agreement (PPA):	Amortized cost

ii) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at December 31, 2023.

4. CASH AND CASH EQUIVALENTS

		December 31, 2023		December 31, 2022
Cash	$	21,974	$	927
Guaranteed Investment Certificates ("GICs") and term deposits		5,000		6,547
Cash and cash equivalents	$	26,974	$	7,474

Canadian and US dollar cash is held in treasury accounts at a Canadian chartered bank. GICs and term deposits are held at a Canadian chartered bank and at registered brokers. Cash in treasury accounts, GICs and term deposits bear interest at

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

5.40% per annum (December 31, 2022: 3.75%). The GICs and term deposits may be redeemed on twenty-four-hour notice to the bank or broker and are considered cash equivalents.

Included in cash and cash equivalents is $6,251 (December 31, 2022: $329), which is required to be spent on flow-through expenditures prior to June 30, 2024 ($5,092) and April 30, 2025 ($1,159).

5. RECLAMATION DEPOSITS

The Company is required to maintain reclamation deposits for its mineral properties in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

Based on a revised closure and reclamation plan in the Mines Act Permit M-179 amendment (“MAPA”) issued in December 2021, Ascot’s environmental bonding requirement for its Premier property increased from $14,950 to $45,176. The additional amount of $30,226 is being posted in stages. The Company posted the first tranche of $10,226 in January 2022 and the second tranche of $10,000 in December 2023 through surety bonds. The remaining tranche of $10,000 will be posted in 2024.

As of December 31, 2023, Ascot has posted an environmental bond of $1,098 for its Red Mountain property (December 31, 2022: $1,098).

To address the above-noted bonding requirements, the Company has established surety bonding arrangements with Canadian insurance companies (the “Surety”) with respect to its environmental bonds. The surety arrangements require the Company to provide cash collateral and pay an annual bond fee between 2.0% and 2.5% of the respective bond amount. As of December 31, 2023, the cash collateral totaled $3,000 (December 31, 2022: $2,000) for the surety bonds and is held in a trust account. The Company also has $447 in reclamation deposits held in certificates of deposits with a Canadian chartered bank and the Ministry of Finance of British Columbia for its exploration licenses and Swamp Point property.

The following table summarizes the reclamation deposit by property:

	December 31, 2023	December 31, 2022
Surety bond trust account:		
Premier Gold Project	$ 2,861	$ 1,861
Red Mountain	139	139
Cash security:		
Premier Gold Project and Silver Coin	137	137
Swamp Point	310	310
	$ 3,447	$ 2,447

All reclamation deposits are classified as long-term, regardless of their term, as the funds will remain on deposit until the reclamation obligations are extinguished.

6. EXPLORATION AND EVALUATION ASSETS

MT. MARGARET

In March 2010 the Company signed an Option agreement, whereby it acquired a 100% interest in General Moly Inc.’s 50% interest in the Mt. Margaret property in Washington, USA. The government of the United States owns the other 50% interest. As of December 31, 2023, the property’s carrying value is $5,424 (December 31, 2022: $5,424).

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Ascot has the right to earn a 100% interest in Mt. Margaret property subject to a 1.5% NSR and a negotiated federal royalty. The Company may purchase one-half of the NSR upon completion of a preliminary economic assessment. The purchase price shall be negotiable but shall not be less than 50% of the net present value of the NSR.

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Mineral properties and project development costs	Construction in progress	Land and buildings	Machinery and equipment	Office furniture and equipment	Right-of-use assets	Total
Cost							
At January 1, 2022	$ 200,406	$ 41,375	$ 1,354	$ 20,636	$ 313	$ 1,137	$ 265,221
Additions	26,384	51,457	290	20,086	8	500	98,725
Capitalized borrowing costs	7,482	-	-	-	-	-	7,482
Decrease in asset retirement cost	(7,519)	-	-	-	-	-	(7,519)
At December 31, 2022	226,753	92,832	1,644	40,722	321	1,637	363,909
Additions	32,746	118,873	2,209	7,813	87	10,720	172,448
Write-offs	-	-	-	(325)	-	-	(325)
Capitalized borrowing costs	19,065	-	-	-	-	-	19,065
Increase in asset retirement cost	22,094	-	-	-	-	-	22,094
At December 31, 2023	**300,658**	**211,705**	**3,853**	**48,210**	**408**	**12,357**	**577,191**
Accumulated Amortization							
At January 1, 2022	1,093	-	154	2,230	233	360	4,070
Depreciation & amortization	655	-	21	146	33	173	1,028
At December 31, 2022	1,748	-	175	2,376	266	533	5,098
Depreciation & amortization	566	-	21	60	41	939	1,627
At December 31, 2023	**2,314**	**-**	**196**	**2,436**	**307**	**1,472**	**6,725**
Net book value							
At December 31, 2022	225,005	92,832	1,469	38,346	55	1,104	358,811
At December 31, 2023	**$ 298,344**	**$ 211,705**	**$ 3,657**	**$ 45,774**	**$ 101**	**$ 10,885**	**$ 570,466**

Mineral properties and project development cost additions of $32,746 consist of $26,278 spent on mine development and pre-operating costs, $3,187 spent on permitting, studies and pre-construction activities, and $3,281 spent on exploration.

The Company has agreements in place for the delivery of various machinery and equipment. During the year ended December 31, 2023, the Company incurred a total of $6,416 towards the engineering, fabrication and acquisition of such equipment, which has been capitalized in machinery and equipment. Additions to machinery and equipment also include assay lab equipment and deposits for surface mining equipment not yet delivered.

In July 2023, the Company entered into a master lease agreement for an equipment lease facility up to US$15 million on an uncommitted basis for surface mining equipment and construction equipment. The lease terms of the equipment are 4 to 5 years at an interest rate of the Canadian Dollar Offered Rate plus 4.25%. Right-of-use asset additions of $10,720 include $6,703 for surface mining equipment and construction equipment delivered as of December 31, 2023 under the master lease agreement.

MINERAL PROPERTIES

Mineral properties include PGP and RMP (together defined as the "Project"). The Project is a single cash generating unit ("CGU"). PGP comprises the previously separate Premier, Dilworth and Silver Coin Properties. Ascot's properties are subject to a number of royalties and product purchase rights:

- A gold and silver metal stream granted to Sprott Private Resource Streaming and Royalty (B) Corp. ("SRSR") (Note 8);
- A 1% Net Smelter Return royalty ("NSR") and a 5% Net Profit Interest royalty on production from certain areas of the Premier Property granted to Boliden Limited ("Boliden");
- A 5% NSR royalty on production from certain areas of the Premier Property granted to Boliden, which could be purchased by the Company for $9,550 at any time (Note 24);
- A 1% NSR royalty and the first right to purchase all base metal concentrates produced from the Premier Property granted to Boliden;
- A 5% NSR royalty on production from the Dilworth Property granted to Boliden and one of Ascot's former directors, which could be purchased by the Company for $4,150 at any time (Note 24);
- A 1% NSR royalty on three crown grants (Old Timer, Butte and Yellowstone) which are located near the Dilworth Property;
- A 2% NSR royalty on the Silver Coin property granted to Nanika Resources Inc.;
- A 2.5% NSR royalty on the Red Mountain Property and a $50 minimum annual pre-production royalty (which is deductible against future production royalty) on the Red Mountain Property granted to Wotan Resources Corp.;
- A 2% NSR royalty payable to two individuals on production in respect of a portion of the Red Mountain Property;
- A 3% NSR royalty payable to Harkley Silver on production in respect of a portion of the Red Mountain Property, and
- A 1% NSR royalty on the Red Mountain Property granted to Franco-Nevada Corp.

In July 2021, the Company entered into an updated Benefits Agreement with Nisga'a Nation, which encompasses both PGP and RMP. Under the terms of the Benefits Agreement, the Company is required to make cash payments to Nisga'a Nation tied to permitting, project development and production milestones, totaling up to $3,425. As of December 31, 2023, the Company has made milestone payments totaling $1,250 under the Benefits Agreement. The Company is also required to make annual payments as a percentage of the Provincial Mineral Tax during production.

8. DEFERRED REVENUE

On January 19, 2023, the Company closed two Purchase and Sale Agreements (the "Stream") with SRSR whereby the Company received an upfront payment of US$110 million (the "Deposit") against the delivery of 8.75% and 100% of gold and silver production, respectively, from PGP and RMP in exchange for the reduction of the Deposit and ongoing payments from SRSR equal to 10% of prevailing gold and silver prices. Once 150,000 ounces of gold have been delivered ("Delivery Threshold"), the stream deliveries for gold and silver shall be reduced by 50% to 4.375% and 50%, respectively. Silver production from the Silver Hill Target at the northeastern part of the PGP property has been excluded from the Stream. The previous 10% gold stream arrangement that SRSR had on RMP production was terminated at the time the Stream was entered into.

From January 1, 2025 until December 31, 2026, Ascot has the right to buy back 50% of the stream for US$80 million in cash (the "Buyback option"). In the case that the Buyback option is exercised, then the remaining Delivery Threshold at that time will be reduced by the buyback percentage, and once the Delivery Threshold is met the stream deliveries for gold and silver shall be reduced by a further 50% to 2.1875% and 25%, respectively. SRSR has been granted first-ranking security to secure the obligations under the Stream, which security will be subordinated to any operating loan on the earlier of the Buyback option being exercised or the Deposit being reduced to zero. The Stream also contains certain customary covenants including a minimum cash balance of US$5 million and positive working capital (Note 23). As of December 31, 2023, the Company had negative working capital, however, the Company obtained a waiver from SRSR for limited suspension of covenant compliance requirements under the Stream until February 20, 2024, at which point the Company was back in compliance with the covenant requirements (Note 24).

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Per the Stream agreement, the Company paid SRSR a partner alignment fee of $3,383 by issuing 5,457,073 common shares of the Company. The fee was treated as a cost to obtain a contract under IFRS Accounting Standard 15 that is amortized upon commencement of production over the expected life of the mine consistent with the expected timing of the transfer of gold and silver ounces. The resulting net proceeds to the Company from the Deposit were $144,809 recorded as deferred revenue. Other costs incurred associated with the Stream of $1,127 (including $226 previously deferred) were recorded in financing costs in the statement of comprehensive loss.

The Deposit includes a significant financing component, which will result in the recognition of interest expense which increases the contract liability until delivery occurs and a corresponding increase in the revenue recognized upon delivery. The Company has estimated the nominal pre-tax interest rate at 12%.

		Deferred revenue
Fair value on initial recognition on January 19, 2023 - liability	$	144,809
Fair value on initial recognition on January 19, 2023 - derivative		13,108
Interest expense		17,640
Balance, December 31, 2023	**$**	**175,557**
Current		12,255
Non-current		163,302

The Buyback option represents an embedded derivative asset requiring bifurcation from the balance recorded as deferred revenue. A corresponding increase in the deferred revenue was recorded as a result of the initial recognition of the derivative asset and is accounted for at fair value through profit or loss. The fair value of the derivative at the inception date and at each reporting period was calculated using the Monte Carlo Simulation Method. At inception of the Stream on January 19, 2023, the fair value of the Buyback option was $13,108. As of December 31, 2023, the fair value of the Buyback option was $17,050 resulting in a gain of $3,942. The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	December 31, 2023	January 19, 2023
Production forecast period:	Jan. 1, 2025 to Dec. 31, 2036	Jan. 1, 2025 to Dec. 31, 2035
Designated gold percentage:	8.75%	8.75%
Designated silver percentage:	100%	100%
Gold volatility:	15.2%	15.2%
Silver volatility:	27.7%	28.8%
Correlation:	0.7895	0.7853
Buyback exercise date:	Jan. 1, 2025	Jan. 1, 2025
Buyback purchase price:	US$80 million	US$80 million
Discount rate:	13.35%	15.00%
Fair value of the derivative:	$17,050	$13,108

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

9. RECLAMATION PROVISIONS

Discounted site closure and reclamation provisions for the Company's properties are as follows:

Balance, December 31, 2022	**$**	**18,355**
Additions		5,211
Change in estimate		16,883
Accretion of reclamation liability		995
Reclamation work done to reduce liability		(116)
Balance, December 31, 2023	**$**	**41,328**
Current		477
Non Current		40,851

Discounted site closure and reclamation provisions by mineral property are as follows:

		December 31, 2023		December 31, 2022
Premier Gold including Silver Coin	$	36,799	$	15,287
Swamp Point		576		576
Red Mountain		3,953		2,492
	$	41,328	$	18,355

The Company's provision for environmental obligations at the Premier Gold mine is based on project plans prepared by management. As at December 31, 2023, the estimated future cash flows have been discounted using a risk-free rate of 3.02% and a long-term inflation rate of 2% was used to determine future expected costs (as at December 31, 2022: 3.28%-3.30% and 2%-2.25%, respectively).

The Company's provision for environmental obligations at the Red Mountain property is based on the reclamation cost estimate prepared by management. As at December 31, 2023, the estimated future cash flows have been discounted using a risk-free rate of 3.10% and a long-term inflation rate of 2.25% was used to determine future expected costs (as at December 31, 2022: 3.30% and 2.25%, respectively).

Undiscounted site closure and reclamation cost estimates required to satisfy the obligations by mineral property are as follows:

		December 31, 2023		December 31, 2022
Premier Gold	$	56,114	$	36,475
Swamp Point		576		576
Red Mountain		4,334		2,827
	$	61,024	$	39,878

10. CREDIT FACILITIES

On December 10, 2020, the Company closed a project financing package with Sprott Resource Lending Corp. ("Sprott") and Beedie Investments Ltd. ("Beedie") for the development of the Project. The financing package consisted of a) a US$80 million senior secured non-revolving credit facility with Sprott (the "Senior Debt"); b) the Production Purchase Agreement ("PPA"), and c) a US$25 million subordinated convertible non-revolving credit facility with Beedie and Sprott (the "Convertible Debt").

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Upon closing of the project financing package, transaction costs and fees attributable to the Senior and Convertible Debt were included in the respective effective interest rate calculations for these liabilities measured at amortized cost.

a) Senior Debt

The Company made an initial draw of US$20 million on December 10, 2020. The remainder of the US$60 million facility was canceled on June 30, 2022. On January 19, 2023, the Company repaid in full the outstanding principal of US$20 million and accrued interest of $5,360 of the Senior Debt and paid a 2% prepayment fee to Sprott. A loss of $2,858 was recorded in loss on extinguishment of debt. A previously deferred partner alignment fee of $1,344 was recorded in financing costs.

	Senior Debt - Liability	Senior Debt - PPA	Total
Balance, January 1, 2023	$ 30,264	$ 1,969	$ 32,233
Interest and accretion	257	-	257
Foreign exchange gain	(162)	-	(162)
Extinguishment	(33,217)	(1,969)	(35,186)
Loss on extinguishment	2,858	-	2,858
Balance, December 31, 2023	**$ -**	**$ -**	**$ -**

b) Production purchase agreement (PPA)

The Company entered into a PPA with Sprott, whereby on December 10, 2020 the Company received an advance payment of $6,381 (US$5.0 million) from Sprott. To repay this advance, the Company agreed to pay Sprott monthly production payments based on the number of ounces of gold produced. On January 19, 2023, the PPA was terminated and the Company paid a $1,969 termination fee to Sprott using a portion of the proceeds from the Stream.

c) Convertible Debt

	Convertible Debt - Liability component	Convertible Debt - Derivative component	Total
Balance, January 1, 2023	$ 11,718	$ 509	$ 12,227
Interest expense	4,859	-	4,859
Change in fair value of derivative	-	168	168
Foreign exchange gain	(1,199)	-	(1,199)
Extinguishment on June 27, 2023	(17,640)	(677)	(18,317)
Loss on extinguishment	2,262	-	2,262
Balance, December 31, 2023	**$ -**	**$ -**	**$ -**

Pursuant to the terms of the Convertible Debt, the Company could borrow up to US$25 million, of which US$10 million was drawn on December 10, 2020. Interest accrued on the outstanding principal amount of the Convertible Debt at 8% per annum. On December 9, 2022, the Company submitted a cancellation notice and on December 12, 2022, the undrawn portion of the Convertible Debt of US$15 million was cancelled, and the transaction costs and fees of $670 attributed to the remaining amount were recorded in financing costs in 2022.

As of June 27, 2023, the Company had accrued interest of $3,080 since inception (December 31, 2022: $2,371) on the Convertible Debt, which was added to the principal loan amount. As of June 27, 2023, the Company had also accrued standby fees and other fees of $1,984 (December 31, 2022: $1,375). The outstanding principal amount of the Convertible Debt as at June 27, 2023 was US$10 million (December 31, 2022: US$10 million). On June 27, 2023, the Company repaid the Convertible Debt in full, including the accrued interest and fees, with the proceeds from its new Convertible Facility (Note 12).

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

11. LEASE LIABILITIES

The Company leases assets including mining equipment, light vehicles, office premises and camp facilities. The assets associated with the lease liabilities are included as right-of-use assets within mineral properties, plant and equipment (Note 7). During the year ended December 31, 2023, the Company incurred $212 (year ended December 31, 2022: $81) related to interest and finance expenses on the lease liabilities.

The following table summarizes the Company's lease activity and the carrying amounts of the lease liabilities at the present value of the remaining lease payments that are recognized in the statement of financial position:

		Total
Balance, January 1, 2023	$	757
Additions		10,720
Interest expense capitalized		212
Lease payments		(1,686)
Balance, December 31, 2023	**$**	**10,003**
Current		3,707
Non-current		6,296

12. CONVERTIBLE FACILITY

On June 27, 2023, the Company entered into a credit agreement with Nebari Gold Fund 1, LP ("Nebari") for a US$14 million subordinated convertible non-revolving credit facility (the "Convertible Facility"). Upon closing, transaction costs and fees attributable to the Convertible Facility have been included in the effective interest rate calculations for the liability component of the Convertible Facility measured at amortized cost.

Under the terms of the Convertible Facility, if an event of default shall occur and be continuing, Nebari may, by notice to the Company, declare the outstanding principal and accrued interest and fees be due and payable. Mandatory repayment in an event of default is subject to a prepayment penalty (24 months interest if prior to June 27, 2025 or 1% of the outstanding amount if after June 27, 2025). Events of default include, but are not limited to, failing to make principal interest and fee payments; defaulting on certain covenants and the occurrence of certain material adverse events. The Convertible Facility is also subject to certain conditions and covenants, including the maintenance of minimum cash and working capital balances. As of December 31, 2023, the Company had negative working capital, however, the Company obtained a waiver from Nebari for limited suspension of covenant compliance requirements under the Convertible Facility until February 20, 2024, at which point the company was back in compliance with the covenant requirements (Note 24).

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

	Convertible Facility - Liability component	Convertible Facility - Derivative component	Total
Fair value on initial recognition on June 27, 2023	$ 9,633	$ 8,812	$ 18,445
Transaction costs and fees	(693)	-	(693)
Interest expense	1,566	-	1,566
Change in fair value of derivative	-	(2,069)	(2,069)
Foreign exchange loss	17	-	17
Balance, December 31, 2023	**$ 10,523**	**$ 6,743**	**$ 17,266**
Current	-	-	-
Non-current	10,523	6,743	17,266

Pursuant to the terms of the Convertible Facility, interest will accrue at a floating rate equal to the base rate of 5.00% plus the greater of the three month secured overnight financing rate ("SOFR") and 3.00% per annum. The interest is compounded quarterly and is added to the principal loan amount prior to commercial production as defined in the Convertible Facility agreement. All interest incurred after the declaration of commercial production shall be payable in cash quarterly. Principal and capitalized interest are payable on June 27, 2027. The floating interest rate floor of 3.00% over the base rate has been determined to be an embedded derivative that is closely related to the Convertible Facility, and is not required to be bifurcated and accounted for separately.

As of December 31, 2023, the Company accrued interest of $1,027 on the Convertible Facility, which was added to the principal loan amount.

Nebari has the option to convert all or a portion of the Convertible Facility's outstanding principal into common shares of Ascot at a conversion price of C$0.72 per share (the "Conversion Price"). The Company has the one-time right to convert up to 50% of the Convertible Facility's outstanding principal into common shares of Ascot in the event that for over 20 consecutive trading days, Ascot's shares' 30-day volume weighted average price ("VWAP") exceeds 145% of the Conversion Price (the "Conversion Trigger"). The Company may not force conversion if at any time after the Conversion Trigger the 30-day VWAP is less than 105% of the Conversion Price.

The proceeds from the Convertible Facility were measured at fair value of $18,445 (US$14 million) on inception. The related legal and due diligence costs of $693 have been included in the determination of the amortized cost of the Convertible Facility, and will be amortized using the effective interest rate method. The effective interest rate is approximately 32% per annum.

The liability component of the Convertible Debt is accounted for as a financial liability subsequently measured at amortized cost under IFRS Accounting Standard 9.

The conversion feature within the Convertible Facility agreement has been determined to be an embedded derivative that is not closely related to the Convertible Facility, and is bifurcated and accounted for separately from the liability component. At each reporting period, the derivative will be fair valued with changes in fair value recorded as a gain or loss in the statement of profit or loss. The fair value of the derivative at the inception date and at each reporting period was calculated using the Finite Difference Method. The expected volatility assumption in the valuation model is based on the historical volatility of the Company's stock commensurate with the remaining term of the conversion option. On initial recognition and as at December 31, 2023, the fair value of the derivative was $8,812 and $6,743, respectively, resulting in a gain on the change in fair value of the derivative of $2,069.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	December 31, 2023	June 27, 2023
Maturity date:	Jun. 27, 2027	Jun. 27, 2027
Risk-free rate:	3.91%-5.24%	4.24%-4.99%
Share price:	US$0.37	US$0.42
Foreign exchange rate:	1.3226	1.3175
Expected volatility (rounded):	67%	70%
Dividend yield:	$Nil	$Nil
Interest rate:	5.00% + 3-month SOFR*	5.00% + 3-month SOFR*
Conversion price:	C$0.72 per share	C$0.72 per share
Conversion price cap:	C$1.044 per share	C$1.044 per share

* Based on SOFR forward curve

The Company may elect to prepay the outstanding principal and accrued interest balance in whole or in part at any time. As part of this prepayment condition, Ascot issued to Nebari 25,767,777 unvested share warrants (the "Prepayment Warrants"). Voluntary prepayment is subject to the conditions of the Stream as well as vesting of a number of Prepayment Warrants that is equal to the quotient of the principal being prepaid divided by the initial US$14 million advance, with each Prepayment Warrant entitling the holder to purchase one Ascot common share at an exercise price equal to the Conversion Price.

The prepayment option has been determined to be an embedded derivative that is not closely related to the Convertible Facility, and therefore it must be bifurcated and accounted for separately. At each reporting period, the derivative will be fair valued with changes in fair value recorded as an expense in profit or loss. On inception and as at December 31, 2023 this derivative had an estimated fair value of $Nil.

Upon closing of the bought deal financing and additional financing package on February 20, 2024 (Note 24), the terms of the Convertible Facility were amended. The Conversion Price was changed from C$0.72 to C$0.53.

13. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the income or loss for the year. These differences result from the following items:

		Year ended December 31, 2023		**Year ended December 31, 2022**
Loss before income taxes	$	(9,284)	$	(10,864)
Income tax rate		27.00%		27.00%
Income tax recovery calculated using statutory rate		(2,507)		(2,933)
Increase (decrease) in income taxes resulting from:				
Non-deductible expenses		2,249		1,572
Flow-through shares		3,735		4,846
Financing costs		(637)		(1,055)
Change in fair value of derivatives		(337)		(491)
Impact of change in provision from the prior year		(439)		58
Change in unrecognized deferred tax assets		(922)		(2,044)
Other, net		4		(9)
Income tax expense (recovery)	$	1,146	$	(56)

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at December 31, 2023 and 2022, are summarized as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets		
Non-capital loss carry-forwards	54,597	43,799
Deferred revenue	3,699	-
Financing costs	2,129	2,324
Marketable securities	50	50
Reclamation provision	1,231	841
Lease liabilities	2,394	-
Convertible facility	385	-
Other, net	-	204
	64,485	47,218
Unrecognized deferred tax assets	(122)	(1,072)
	64,363	46,146
Deferred tax liabilities		
Exploration and evaluation assets	(834)	(841)
Mineral properties, plant and equipment	(64,319)	(44,648)
Prepaid royalties	(365)	(351)
Senior and convertible debt	-	(315)
	(65,518)	(46,155)
Net deferred tax liabilities recognized	(1,155)	(9)

As at December 31, 2023, the Company has estimated non-capital losses for Canadian and US income tax purposes of $198,639 and US$3,442, respectively (December 31, 2022: $155,741 and US$3,378, respectively), which may be carried forward to reduce taxable income derived in the future.

Non-capital Canadian tax losses expire as follows:

Year of expiry	Taxable losses
2029	$ 512
2030	2,209
2031	24,039
2032	4,399
2033	3,498
2034	3,680
2035	2,547
2036	5,277
2037	9,569
2038	13,782
2039	19,988
2040	18,106
2041	22,979
2042	27,331
2043	40,723
Total	$ 198,639

Non-capital US tax losses expire between 2032 and 2042.

The potential benefits of these carry-forward non-capital losses, capital losses and deductible temporary differences in excess of those which offset recognized deferred tax liabilities have not been recognized in these financial statements as there is no certainty that sufficient future taxable profit will allow the deferred tax asset to be recovered.

14. CAPITAL AND RESERVES

a) Share capital

The Company is authorized to issue an unlimited number of common shares with no par value. As at December 31, 2023, the number of total issued and outstanding common shares is 556,047,352 (December 31, 2022: 435,861,146).

Activities during the year ended December 31, 2023

On January 19, 2023, the Company closed a financing package, which included a strategic equity investment (the "Strategic Investment") of $45 million, a portion of which is structured as Canadian Development Expenditures flow through shares ("CDE flow through"), such that the total gross proceeds to the Company was $50 million. The strategic investor's ownership of Ascot was 19.9% upon closing and it received participation rights to maintain its pro rata ownership in subsequent equity issuances. The strategic investor has the right to nominate up to two people to Ascot's Board of Directors as long as its ownership remains above 10% of Ascot common shares outstanding. If the strategic investor's ownership falls below 10%, it will have the right to nominate one person to Ascot's Board of Directors, and if its ownership falls below 5% then it will not have the right to nominate anyone to Ascot's Board of Directors.

The Strategic Investment consisted of 48,500,000 common shares of the Company at a price of C$0.41 per common share for gross proceeds of $19,885 and 60,000,000 common shares of the Company that qualify as "flow through shares," as defined in the Income Tax Act (Canada) (the "CDE Common Shares"), at a price of C$0.50 per CDE Common Share for gross proceeds of $30,000. The Common Shares and CDE Common Shares were offered by way of private placement pursuant to applicable prospectus exemptions and were subject to hold periods in accordance with applicable securities laws.

In connection with the Strategic Investment, the Company paid advisor's fees and other share issuance fees in the amount of $2,093.

An amount equal to the gross proceeds from the issuance of the CDE Common Shares will be used to incur "Canadian development expenses" as defined in the Income Tax Act (Canada) ("Qualifying Expenditures"). The Qualifying Expenditures will be incurred on or before June 30, 2024 and will be renounced by the Company to the subscribers with an effective date no later than June 30, 2024 to the initial purchasers of the CDE Common Shares in an aggregate amount not less than the gross proceeds raised from the issue of the CDE Common Shares. A premium of $5,400 on the issuance of CDE Common Shares was recorded in other liabilities.

On April 20, 2023, the Company closed a non-brokered private placement consisting of 5,000,000 common shares of the Company that qualify as "flow-through shares," as defined in the Income Tax Act (Canada) (the "CEE FT Shares") at a price of $0.81 per CEE FT Share for gross proceeds of $4,050. In connection with the private placement, the Company paid fees and expenses in the amount of $268. A premium of $950 on the issuance of CEE FT Shares was recorded in other liabilities.

On May 2, 2023, the Company issued 5,457,073 common shares to SRSR for the partner alignment fee required under the Stream agreement (Note 8).

During the year ended December 31, 2023, the Company issued 55,530 common shares for exercised stock options, 452,006 common shares for exercised deferred share units ("DSU") and 721,597 shares for exercised restricted share units ("RSU") and performance share units ("PSU").

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Subsequent to December 31, 2023, the Company issued 99,039 shares for exercise of stock options, 158,726 shares for exercise of RSUs and 137,533 shares for exercise of DSUs.

On January 18, 2024, the Company issued 2,068,837 common shares for deferred payment under a contract for acquisition of an assay lab (Note 7).

On February 20, 2024, the Company issued 65,343,000 common shares for a bought deal private placement (Note 24).

Activities during the year ended December 31, 2022

On March 8, 2022, the Company closed a bought deal financing (the "Offering"). The Offering consisted of (i) 28,610,000 common shares of the Company (the "Offered Shares") sold at a price of $1.02 per Offered Share for aggregate gross proceeds of $29,182; (ii) 12,831,000 hard dollar units of the Company (the "HD Units") at a price of $1.02 per HD Unit for gross proceeds of $13,088; (iii) 14,590,000 units of the Company that qualify as "flow through shares", as defined in the *Income Tax Act* (Canada) (the "CDE FT Units") at a price of $1.255 per CDE FT Unit for gross proceeds of $18,310; and (iv) 3,240,000 common shares of the Company that qualify as "flow-through shares" (the "CEE FT Shares", and together with the Offered Shares, HD Units and CDE FT Units, the "Offered Securities") as defined in the *Income Tax Act* (Canada) at a price of $1.13 per CEE FT Share for gross proceeds of $3,661. Each HD Unit and CDE FT Unit is comprised of one common share of the Company and one half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") with each Warrant entitling the holder to purchase one common share of the Company at a price of $1.25 for a period of 24 months subject to acceleration. In aggregate, a total of 59,271,000 shares and 13,710,500 warrants were issued for the gross proceeds of $64,241 to the Company. In connection with the Offering, the Company paid underwriters' fees and other fees and expenses in the amount of $3,896. A premium of $3,768 on the issuance of CDE FT Units and CEE FT Shares was recorded in other liabilities.

Throughout 2022, the Company issued 62,000 common shares for exercised DSUs and 177,018 common shares for exercised RSUs.

b) Stock options

Total compensation expense related to stock options for the year ended December 31, 2023 was $2,102 (year ended December 31, 2022: $2,447). The unrecognized compensation cost for non-vested stock options at December 31, 2023 was $1,830 (December 31, 2022: $1,815).

As of December 31, 2023, the Company had outstanding and exercisable stock options as follows:

	Options outstanding			Options exercisable		
Range of price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Number exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price C$
$0.37 to $0.49	18,318,868	4.44	0.44	10,169,925	4.24	0.44
$0.50 to $0.99	8,218,406	1.21	0.76	7,671,718	1.01	0.77
$1.00 to $1.35	6,417,230	2.50	1.18	5,548,098	2.40	1.19
	32,954,504	3.26	0.67	23,389,741	2.74	0.73

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Options	Weighted average exercise price (C$)
Outstanding at January 1, 2022	18,616,174	1.23
Granted	13,106,226	0.62
Cancelled	(56,447)	1.11
Expired	(7,881,125)	1.62
Outstanding at January 1, 2023	23,784,828	0.77
Granted	9,789,358	0.45
Exercised	(55,530)	0.45
Expired	(520,250)	1.34
Forfeited	(43,902)	0.63
Outstanding at December 31, 2023	32,954,504	0.67

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the option granted.

During the year ended December 31, 2023, the Company granted 9,789,358 stock options at a weighted average exercise price of $0.45 to its directors and employees. The weighted average assumptions used in the stock option pricing model and the resulting weighted average fair values per option for the options granted during the year ended December 31, 2023 were as follows:

Risk-free rate:	3.10%-4.42%
Expected life:	5 years
Expected volatility:	65.26%-66.24%
Expected dividends:	Nil
Weighted average fair value per option:	$0.26

Subsequent to December 31, 2023, 110,000 stock options were granted, 99,039 stock options were exercised and 100,766 stock options were forfeited.

c) Share units

The Company uses Ascot's closing stock price on the day prior to the grant date to estimate the fair value for restricted share units ("RSU") and performance share units ("PSU"). The RSUs vest on specific dates, as determined by the Board. The PSUs vest based on specific performance-based measures established by the Company's executive management and/or the Board. The RSUs and PSUs are settled in Ascot common shares. In December 2022, the Board approved the immediate vesting of all outstanding RSUs granted in 2022 and earlier. For the year ended December 31, 2023, $340 was expensed in the statement of comprehensive loss as stock-based compensation expense for RSUs and PSUs (year ended December 31, 2022: $2,310).

The Company uses Ascot's closing stock price on the day prior to the grant date to estimate the fair value for deferred share units ("DSU"). The Company's DSUs vest immediately and may be redeemed when the individual ceases to be a director of the Company, following which the DSUs will be settled in cash or common shares of the Company at the election of the Board at the time of grant. For the year ended December 31, 2023, $609 was expensed in the statement of comprehensive loss as stock-based compensation expense for DSUs (year ended December 31, 2022: $733).

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Movements in the number of RSUs and DSUs outstanding are as follows:

	Number of RSUs/PSUs	Number of DSUs
Outstanding at January 1, 2023	4,588,436	1,876,412
Granted	2,606,908	1,449,973
Exercised	(721,597)	(452,006)
Outstanding at December 31, 2023	6,473,747	2,874,379

The weighted average remaining contractual life of RSUs outstanding at December 31, 2023 is 4 years. The DSUs outstanding at December 31, 2023 expire one year after the individual ceases to be a director of the Company.

d) Warrants

In March 2022, the Company issued 13,710,500 share purchase warrants exercisable for two years at an exercise price of $1.25 per warrant. The number of warrants outstanding and their related weighted average exercise prices are as follows:

	Warrants	Weighted average exercise price (C$)
Outstanding at January 1, 2023	13,710,500	1.25
Outstanding at December 31, 2023	13,710,500	1.25

The weighted average remaining contractual life of the warrants outstanding at December 31, 2023 was 0.19 years. The warrants outstanding at December 31, 2023 expired unexercised on March 8, 2024.

Also, 25,767,777 unvested Prepayment Warrants were issued to Nebari (Note 12).

On February 20, 2024, the Company issued 10,164,528 warrants at an exercise price of $0.53 (Note 24).

15. GENERAL AND ADMINISTRATIVE COSTS

	Year ended December 31, 2023	Year ended December 31, 2022
Wages, benefits and management fees	$ 3,476	$ 3,490
Legal and professional services	1,072	766
Office and administration expenses	709	606
Travel	125	141
Investor relations and shareholders costs	471	474
Land and property taxes	135	289
	$ 5,988	$ 5,766

16. FINANCE EXPENSE

	Year ended December 31, 2023	Year ended December 31, 2022
Accretion	$ 995	$ 596
Reclamation bond fee	571	541
Interest on office lease liability	26	45
	$ 1,592	$ 1,182

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

17. OTHER INCOME

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income	$ -	$ 505
Flow through share premium	5,218	3,696
Other	2	2,876
	$ 5,220	$ 7,077

18. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive management and non-executive directors. Key management personnel compensation comprised:

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, short-term benefits and management fees	$ 1,517	$ 1,425
Project development costs	85	107
Share-based payment transactions	2,316	3,624
	$ 3,918	$ 5,156

b) Other Related Party Transactions

Included in accounts payable and accruals at December 31, 2023 is $591 (December 31, 2022: $630) due to related parties.

During the year ended December 31, 2023, key management personnel were granted 5,332,551 stock options at a weighted average exercise price of $0.50. Using the Black-Scholes model, the fair value of the options granted to key management personnel was determined at $1,403.

During the year ended December 31, 2023, executive management were granted 965,625 RSUs. Based on the Company's share price on the day prior to the grant dates, the fair value of the RSUs granted to executive management was $425.

During the year ended December 31, 2023, the Company's directors were granted a total of 1,449,973 DSUs. Based on the Company's share price on the day prior to the grant dates, the fair value of the DSUs granted to directors was $643.

19. SEGMENT REPORTING

The Company has two operating segments: the development of the Project (Note 7) and exploration and evaluation of Mt. Margaret (Note 6). The Company has two geographic areas, Canada and the US.

All of the Company's assets are in Canada except for the Mt. Margaret property which is located in the US. Costs for Mt. Margaret are included in exploration and evaluation assets.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

20. LOSS PER SHARE

		Year ended December 31, 2023		Year ended December 31, 2022
Loss (earnings) attributable to ordinary shareholders	$	10,430	$	10,808
Weighted average number of shares outstanding - basic		546,793,396		424,804,495
Stock options		-		-
Warrants		-		-
Units		-		-
Weighted average number of shares outstanding - diluted		546,793,396		424,804,495
Basic loss per share	**$**	**0.02**	**$**	**0.03**
Diluted loss per share	**$**	**0.02**	**$**	**0.03**

For the years ended December 31, 2023 and 2022 none of the Company's issued and outstanding stock options, RSUs or DSUs were included in the calculation of diluted loss per share as they were anti-dilutive.

21. SUPPLEMENTAL CASH FLOW INFORMATION

		Year ended December 31, 2023		Year ended December 31, 2022
Net changes in non-cash items included in mineral properties				
Depreciation and amortization	$	1,068	$	304
Capitalized borrowing cost		24,322		7,482
Stock-based compensation		532		475
Change in estimate of reclamation provisions		22,094		(7,519)
Right-of-use assets		10,720		500
Accounts payable and accrued liabilities		26,336		(8,663)
	$	85,072	$	(7,421)
Net changes in non-cash items included in financing activities				
Portion of proceeds from Streaming agreement used to extinguish the Senior Debt	$	35,186	$	-
Payment of Senior debt with proceeds from Streaming agreement		(35,186)		-
Portion of proceeds from Convertible Facility used to extinguish the Convertible Debt		18,317		-
Payment of Convertible Debt with proceeds from Convertible Facility		(18,317)		-
	$	-	$	-

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

IFRS Accounting Standard 7 *Financial Instruments: Disclosures* ("IFRS Accounting Standard 7") establishes a fair value hierarchy for financial instruments measured at fair value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The Company's recorded amounts of cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short-term nature. The carrying value of the reclamation deposit approximates its fair value, as it is cash-based. The carrying value of the liability component of the Convertible Facility approximates its fair value since only a short period of time has passed between the date of the debt inception (June 27, 2023) and December 31, 2023.

The following tables present the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

As at December 31, 2023	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Stream buyback option	$ -	$ -	$ 17,050
	$ -	$ -	$ 17,050
Financial liabilities			
Convertible facility - derivative portion	$ -	$ -	$ 6,743
	$ -	$ -	$ 6,743

As at December 31, 2022	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial liabilities			
Convertible debt - derivative portion	$ -	$ -	$ 509
	$ -	$ -	$ 509

Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, currency risk, interest rate risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in cooperation with the Company's departments. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance, in the context of its general capital management objectives.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents (Note 4) and reclamation deposits. The Company limits its exposure to credit loss by placing its cash, cash equivalents and reclamation deposits with high credit quality financial institutions. Substantially all of our cash and cash equivalents held with financial institutions exceeds government-insured limits. We seek to minimize our credit risk by entering into transactions with investment grade worthy and reputable financial institutions and by monitoring the credit standing of the financial institutions with whom we transact. We seek to limit the amount of exposure with any one counterparty. The carrying amount of financial assets represents the maximum credit exposure.

Expressed in Thousands of Canadian Dollars Except Price per Share/Unit

Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company's significant financial instruments denominated in a foreign currency (U.S. dollar) are the Convertible Facility (Note 12) and cash in treasury account (Note 4). A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at December 31, 2023 would result in an additional $937 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the year ended December 31, 2023 (year ended December 31, 2022: $4,197).

Interest Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash in treasury accounts carried at variable interest rates and GICs carried at fixed interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the stream buyback option (Note 8) and the derivative component of the Convertible Facility (Note 12). The Company's Convertible Facility and mining equipment lease liability are carried at floating interest rates. The Company has estimated that a one percentage point increase in the interest rate on its Convertible Facility and mining equipment lease would result in an additional $101 of interest added to the balance of the Convertible Facility and $11 interest paid for the year ended December 31, 2023. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

As at December 31, 2023, Ascot had a cash and cash equivalents balance of $26,974 and a working capital deficiency of $18,337 (which included an estimated $12,255 as the current portion of the deferred revenue only to be settled with future production from the Project).

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2023 were as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	TOTAL
Trade and other payables	$ 33,117	$ -	$ -	$ -	$ 33,117
Lease liabilities	3,707	5,000	1,572	-	10,279
Convertible Facility (Note 12)	1,085	4,306	19,566	-	24,957
	$ 37,909	$ 9,306	$21,138	$ -	$ 68,353

As of December 31, 2023, the Company had an outstanding purchase commitment of $7,991 for surface mining equipment, which will be financed under a master lease agreement for an equipment lease facility (Note 7). The Company is also required to spend $6,251 on qualifying flow-through expenditures, of which substantially all relates to developing the underground mine and bringing the mine into production. The Company is also required to make a yearly service fee of $1,010 plus reasonable maintenance costs for each calendar year until termination (which can be done on 6 months' notice) under an agreement for electrical power interconnection and transmission service.

On February 20, 2024, the Company received gross proceeds of $28,751 and US$50 million from a financing package consisting of a bought deal private placement, a royalty restructuring and a cost overrun facility (Note 24). $13,700 of the above proceeds was used to buy back two existing 5% NSR royalties on various PGP property claims, which was completed on March 15, 2024. Management considered the existing negative net working capital, the commitments at year end and the funding received subsequent to year end and concluded that the Company now has sufficient funding for the next twelve months of operations, including to progress from construction to first gold pour, ramp-up, commercial production and eventually steady-state operations.

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing annual capital and administrative expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable as well as the Convertible Facility (Note 12). The Company's trade and other accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

23. CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, stock options and share units, and Convertible Facility as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor confidence required to sustain future development and production of the business. According to the terms of the Stream agreement (Note 8) and the Convertible Facility (Note 12), the Company is required to maintain a minimum of US$5 million (or Canadian dollar equivalent) in unrestricted cash and cash equivalents, and positive working capital (working capital is defined as the excess of current assets over current liabilities excluding the current portion of the Credit Facilities and any premium portion of flow through shares). As of December 31, 2023, the Company had negative working capital, however, the Company obtained waivers from its lenders for limited suspension of covenant compliance requirements until February 20, 2024, at which point the Company was back in compliance with the covenant requirements (Note 24).

There has been no significant change to the Company's capital management policies during the year ended December 31, 2023.

24. SUBSEQUENT EVENT

On February 20, 2024, the Company closed a bought deal private placement and a financing package for completion and ramp-up of PGP. The financing package consisted of a royalty restructuring and a cost overrun facility.

a) Bought deal private placement

Under the bought deal private placement, the Company issued a total of 65,343,000 common shares of the Company (the "Common Shares") at a price of C$0.44 per Common Share, for gross proceeds of $28,751.

b) Royalty restructuring

The Company received US$30 million gross proceeds to grant and sell to SRSR a new 3.10% NSR royalty covering the PGP property package (the “Sprott Royalty”). Until the end of 2026, up to 50% of the new royalty can be repurchased for varying amounts depending on timing and cumulative production. The repurchase price would be payable in ounces of gold bullion or the equivalent value in cash and is equal to 19,200, 21,600, and 24,000 gold equivalent ounces in 2024, 2025, and 2026 respectively, less the cumulative gold equivalent ounces delivered prior to the repurchase date, with the difference multiplied by the buyback percentage. $13,700 of the gross proceeds are required to be used to repurchase two existing 5% NSR royalties on various PGP property claims, resulting in net proceeds of approximately US$20 million. The repurchase of royalties was completed on March 15, 2024.

c) Cost overrun facility (“COF”)

The Company received US$20 million, net of an original issue discount of US$0.8 million, from Nebari Credit Fund II, under the COF, which matures in June 2027. The interest rate is 10.0% plus the greater of: (i) 3.5% and (ii) the three month secured overnight financing rate (“SFOR”) per annum. A 1% arrangement fee was paid to Nebari Credit Fund II upon closing of the COF. The COF follows a progressive amortization schedule with interest and principal payments due monthly for the term of the COF, starting in July 2024. Subject to the terms and conditions of the COF, Ascot may prepay the outstanding principal at any time, subject to a minimum prepayment amount of US$1 million and Nebari Credit Fund II achieving a minimum absolute return of 15%.

Nebari Credit Fund II was granted warrants to purchase 10,164,528 Common Shares of the Company at a price of C$0.53 per share. The warrants expire on June 27, 2027. In connection with the COF, Ascot amended certain terms of the Convertible Facility (Note 12), including amending the Conversion Price from C$0.72 to C$0.53.