Ascot Resources Ltd.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023
(Presented in thousands of Canadian Dollars, except where indicated)
(Unaudited)

(Canadian Dollars in Thousands)

	Notes	March 31, 2024	December 31, 2023
ASSETS			
Current			
Cash and cash equivalents	3	$ 47,028	$ 26,974
Trade and other receivables		2,698	2,146
Inventories	4	6,407	763
Prepaid expenses and deposits		3,114	2,540
Total Current Assets		59,247	32,423
Restricted cash	5	3,447	3,447
Exploration and evaluation assets		5,424	5,424
Mineral properties, plant and equipment	6	652,879	570,466
Embedded derivatives	7	24,011	17,050
Other assets		1,350	1,578
Total Non-Current Assets		687,111	597,965
Total Assets		$ 746,358	$ 630,388
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		$ 31,447	$ 33,117
Deferred revenue	7	23,024	12,255
Reclamation provisions	8	-	477
Credit facilities	9	32,268	17,266
Lease liabilities	10	5,251	3,707
Other liabilities		287	1,204
Total Current Liabilities		92,277	68,026
Deferred revenue	7	193,467	163,302
Reclamation provisions	8	57,387	40,851
Credit facilities	9	16,241	-
Lease liabilities	10	9,422	6,296
Deferred income tax liabilities		1,400	1,155
Total Non-Current Liabilities		277,917	211,604
Total Liabilities		370,194	279,630
Shareholders' Equity			
Share capital	11	429,078	400,825
Contributed surplus	11	35,588	32,227
Accumulated deficit		(88,502)	(82,294)
Total Shareholders' Equity		376,164	350,758
Total Liabilities and Shareholders' Equity		$ 746,358	$ 630,388

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

/s/ *"Rick Zimmer"*
____
Director

/s/ *"Indi Gopinathan"*
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Director

(Canadian Dollars in Thousands Except Loss per Share)

	Notes	Three months ended March 31, 2024	Three months ended March 31, 2023
General and administrative	12	$ 1,686	$ 1,966
Stock-based compensation	11	534	474
Amortization and depreciation		94	107
Financing costs	7,9	1,275	2,471
Finance expense	13	573	284
Other income	14	(917)	(1,702)
Loss on sale of mineral interest	7	801	-
Loss on extinguishment of debt	9	688	2,858
Change in fair value of derivatives	7,9	861	1,430
Foreign exchange (gain) loss		368	(299)
Loss before income taxes		$ 5,963	$ 7,589
Income tax expense (recovery)		245	-
Net loss for the period		$ 6,208	$ 7,589
Total comprehensive loss		$ 6,208	$ 7,589
Loss per share			
- basic and diluted		$ 0.01	$ 0.01
Weighted average shares outstanding			
- basic and diluted		586,663,329	522,096,800

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, 2023	**435,861,146**	**$ 351,337**	**$ 29,466**	**$ (71,864)**	**$ 308,939**
Shares issued for cash					
Private placement, net of issue costs	108,500,000	47,792	-	-	47,792
Issued for other consideration					
Exercise of share units	653,398	446	(446)	-	-
Exercise of stock options	55,530	39	(14)	-	25
Premium on flow-through shares	-	(5,400)	-	-	(5,400)
Stock-based compensation expense	-	-	474	-	474
Stock-based compensation capitalized	-	-	62	-	62
Net loss for the period	-	-	-	(7,589)	(7,589)
Balance, March 31, 2023	**545,070,074**	**$ 394,214**	**$ 29,542**	**$ (79,453)**	**$ 344,303**
Balance, January 1, 2024	**556,047,352**	**$ 400,825**	**$ 32,227**	**$ (82,294)**	**$ 350,758**
Shares issued for cash					
Private placements, net of issue costs (Note 11)	65,343,000	26,992	-	-	26,992
Exercise of stock options	99,039	69	(25)	-	44
Issued for other consideration					
Exercise of share units	296,259	137	(137)	-	-
Acquisition of assets	2,068,837	1,055	-	-	1,055
Stock-based compensation expense (Note 11)	-	-	534	-	534
Stock-based compensation capitalized	-	-	152	-	152
Cost overrun facility - warrants (Note 9)	-	-	2,837	-	2,837
Net loss for the period	-	-	-	(6,208)	(6,208)
Balance, March 31, 2024	**623,854,487**	**$ 429,078**	**$ 35,588**	**$ (88,502)**	**$ 376,164**

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

(Canadian Dollars in Thousands)

	Notes	Three months ended March 31, 2024	Three months ended March 31, 2023
Cash flows from operating activities			
Loss for the period		$ (6,208)	$ (7,589)
Adjustment to reconcile loss to net cash used in operating activities:			
Stock-based compensation	11	534	474
Amortization and depreciation		94	107
Financing costs		-	1,668
Gain on flow through share premium		(917)	(212)
Finance expense		348	143
Deferred income tax expense (recovery)		245	-
Change in fair value of derivatives	7,9	861	1,430
Loss on extinguishment of debt	9	688	2,858
Loss on sale of mineral interest		801	-
Unrealized foreign exchange loss (gain)		346	(925)
Changes in non-cash working capital balances:			
Increase in inventories	4	(4,506)	-
(Increase) in receivables		(552)	(1,150)
(Increase) in prepaid expenses and deposits		(574)	(1,335)
Increase (decrease) in trade and other payables		42	(342)
Payment for reclamation provision		-	(116)
Total cash outflows from operating activities		**(8,798)**	**(4,989)**
Cash flows from investing activities			
Investment in mineral properties, plant and equipment		(63,035)	(13,946)
Proceeds from sale of net smelter return royalty		40,554	-
Total cash outflows from investing activities		**(22,481)**	**(13,946)**
Cash flows from financing activities			
Proceeds from stream deposit		-	113,007
Proceeds from cost overrun facility	9	26,766	-
Proceeds from share issuance	11	28,751	49,885
Share issue costs	11	(1,759)	(2,093)
Financing costs		(836)	-
Proceeds from exercise of stock options		44	25
Payment for interest on cost overrun facility		(482)	-
Payment for lease liabilities		(1,121)	(106)
Total cash inflows from financing activities		**51,363**	**160,718**
Effect of exchange rate changes on cash and cash equivalents		(30)	4
Total increase (decrease) in cash during the period		**20,054**	**141,787**
Cash and cash equivalents, beginning of period		**26,974**	**7,474**
Cash and cash equivalents, end of period		**$ 47,028**	**$ 149,261**
Supplemental cash flow information	17		

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 owns the Premier and Red Mountain Gold Projects and it recently began supplying gold and silver ore to the process plant at Premier. 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 neared completion of the construction of PGP in March 2024, with a few remaining process plant areas undergoing final commissioning in April 2024.

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 March 31, 2024 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 unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS® Accounting Standards") applicable to the preparation of interim financial statements, including International Auditing Standard ("IAS") 34, Interim Financial Reporting. These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS® Accounting Standards.

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited financial statements for the year ended December 31, 2023, except for the following:

Inventories

Inventories include materials and supplies, work in process and finished goods. For materials and supplies, periodic review is undertaken to determine the extent of any provision for obsolescence.

Work in process inventory includes ore stockpiles that have not yet entered the milling process and in-circuit ore inventory. Ore is accumulated in stockpiles that are subsequently processed into gold doré in a saleable form. Work in process represents metals in the processing circuit that have not completed the production process, and are not yet in a saleable form. As ore is removed for processing, costs are removed based on the average cost per ounce in the stockpile. The metal grade in finished goods is an estimate based on initial assay results.

Product inventories are valued at the lower of cost and net realizable value ("NRV"). Cost is determined on a weighted average basis and includes direct labour and materials and supplies; underground mining costs; depreciation and amortization, and directly attributable overhead costs. NRV is determined with reference to relevant market prices, less estimated costs of completion (including royalties payable).

Mineral properties

Proceeds from the sale of perpetual net smelter return ("NSR") royalties are bifurcated between the implied extraction obligation and the proceeds received representing an interest in the mineral property, which are recognized as a sale of an interest in a mineral property if transfer of control of the mineral interest has occurred. Upon recognition of the sale, a gain or loss is recognized for the difference between consideration received and the net carrying value of the interest sold and the mineral property is reduced accordingly.

Deferred revenue

The Company has deferred revenue from its royalty arrangement, which was considered to be the sale of a mineral interest and an executory contract for extraction services which will be performed in the future. The advance payment for extraction services have been recorded as deferred revenue as it represents the portion of the upfront deposit that is associated with the services the Company will perform on behalf of the royalty holder over the term of the royalty agreement. The deferred revenue is recognized in revenue when extraction services are performed over the life of the mine as the royalty holder is expected to benefit from the extraction services associated with each ounce extracted.

These Interim Financial Statements were authorized for issue by the Board of Directors on May 13, 2024.

b) Basis of measurement

These Interim Financial Statements include the accounts of Ascot Resources Ltd. and its wholly-owned subsidiaries. All intercompany transactions and balances are eliminated on consolidation.

These Interim 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 fiscal 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 loss.

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 were adopted by the Company on January 1, 2024 on a retrospective basis. On adoption there was an impact on the classification of the Company's Convertible facility (Note 9b), which was derecognized and replaced with a new facility during the period. The conversion option is accounted for as a derivative and can be converted by the holder at any time. As the debt can be called at any time through the exercise of the conversion option, to exchange the debt for a variable amount of shares, the Company does not have the right to defer settlement for the next twelve months. Accordingly, the debt is classified as short-term.

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.

IFRS 18 Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements. The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027.

d) Judgments and estimates

In addition to the judgments and estimates noted in the Company's audited financial statements for the year ended December 31, 2023, management identified the following new areas involving critical judgments in applying accounting policies and areas of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

Sale of royalty interest

Judgment was required in assessing the appropriate accounting treatment for the new 3.1% NSR royalty (Note 7) granted during Q1, 2024, including the determination that the sale of the royalty represented a sale of a mineral interest rather than a sale of refined gold and silver to be delivered in future. The assessment included consideration of whether control had been transferred for the portion of Ascot's mineral property interest that is subject to the royalty, and whether the related extraction services are distinct from the sale of the mineral interest. The assessment considered terms specific to the royalty arrangement to determine what the counterparty was entitled to and the associated risks and rewards attributable to it over the life of the royalty arrangement. Management has determined that the purchaser has a title and control over the portion of the mineral interest that has been sold and accordingly the transaction has been accounted for as a sale of a mineral interest with the resulting loss recognized in the statement of loss for the difference between the mineral interest derecognized from the statement of the financial position and the sale proceeds allocated to the sale of the mineral interest.

Deferred extraction obligation

When the Company granted the new 3.1% NSR royalty (Note 7), the Company allocated the upfront proceeds based on its estimate of the value associated with the extraction obligation, with the residual allocated to the sale of the mineral property interest. In doing so, management made estimates and assumptions with respect to the present value of future extraction costs consistent with assumptions in the determination of the recoverable value of mineral properties. This analysis depends on estimates of recoverable reserves and resources, metallurgical recovery estimates, future production volumes, future extraction costs and discount rates. On an ongoing basis, the Company will update the deferred extraction obligation based on changes to the estimated quantity and timing of future extraction services. These estimates are subject to variability and have an impact on the timing and amount of revenue recognized.

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

3. CASH AND CASH EQUIVALENTS

		March 31, 2024		December 31, 2023
Cash	$	47,028	$	21,974
Guaranteed Investment Certificates ("GICs") and term deposits		-		5,000
Cash and cash equivalents	$	47,028	$	26,974

Canadian and US dollar cash is held in treasury accounts at a Canadian chartered bank. Cash in treasury accounts, GICs and term deposits bear interest at 5.4% per annum (December 31, 2023: 5.4%). 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 $1,159 (December 31, 2023: $6,251), which is required to be spent on flow-through expenditures prior to April 30, 2025.

4. INVENTORIES

		March 31, 2024		December 31, 2023
Work in process	$	5,497	$	-
Materials and supplies		910		763
Inventories	$	6,407	$	763

5. RESTRICTED CASH

The Company is required to maintain reclamation bonds for its mineral properties in respect of its expected rehabilitation obligations.

As of March 31, 2024, Ascot has posted total reclamation and environmental bonds of $36,917 (December 31, 2023: $36,379) through surety arrangements with cash collateral of $3,000 (December 31, 2023: $3,000). The surety arrangements also require the Company to pay an annual bond fee between 2.0% and 2.5% of the respective bond amount.

The Company also has $447 in reclamation bonds 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 Company is required to provide security under an agreement with BC Hydro to support expansion of the power source for PGP. As of March 31, 2024, the Company posted a $1,759 surety bond with respect to this agreement.

The following table summarizes the Company's reclamation deposits:

	March 31, 2024				December 31, 2023			
		Cash Security		Surety Bond		Cash Security		Surety Bond
Reclamation and environmental	$	3,447	$	36,917	$	3,447	$	36,379
BC Hydro facility agreements		-		1,759		-		1,759
	$	3,447	$	38,676	$	3,447	$	38,138

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

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

6. 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, 2024	300,658	211,705	3,853	48,210	408	12,357	577,191
Additions	22,906	26,807	103	138	49	6,170	56,173
Royalty repurchase	13,700	-	-	-	-	-	13,700
Capitalized interest & accretion	6,349	-	-	-	-	-	6,349
Disposals	(7,291)	-	-	-	-	-	(7,291)
Increase in asset retirement cost	15,722	-	-	-	-	-	15,722
At March 31, 2024	**352,044**	**238,512**	**3,956**	**48,348**	**457**	**18,527**	**661,844**
Accumulated Amortization							
At January 1, 2024	2,314	-	196	2,436	307	1,472	6,725
Depreciation & amortization	191	-	68	79	10	810	1,158
Depletion	1,082	-	-	-	-		1,082
At March 31, 2024	**3,587**	**-**	**264**	**2,515**	**317**	**2,282**	**8,965**
Net book value							
At January 1, 2024	298,344	211,705	3,657	45,774	101	10,885	570,466
At March 31, 2024	**$ 348,457**	**$ 238,512**	**$ 3,692**	**$ 45,833**	**$ 140**	**$ 16,245**	**$ 652,879**

Mineral properties and project development cost additions of $22,906 consist of $22,397 spent on mine development and pre-operating costs and $509 spent on permitting and studies.

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 $6,170 consist of $6,038 for surface mining equipment and construction equipment delivered as of March 31, 2024 under the master lease agreement and $132 for other surface equipment.

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.

On February 20, 2024, the Company granted a 3.1% NSR royalty covering PGP property to Sprott Resource Streaming and Royalty Corp. and its affiliates ("SRSR"). The Company has a right to repurchase up to 50% of the NSR royalty until December 31, 2026 (Note 7).

In March 2024, the Company repurchased two previously existing 5% NSR royalties on various PGP property claims for $13,700 (Note 7).

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 March 31, 2024, the

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

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.

7. DEFERRED REVENUE

a) Gold and silver stream

In January 2023, the Company entered into two Purchase and Sale Agreements (the "Sprott 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.

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 "Sprott Stream buyback option"). In the case that the Sprott Stream buyback option is exercised, then the remaining Delivery Threshold at that time will be reduced by the buyback percentage. The Sprott Stream contains certain customary covenants including a minimum cash balance of US$5 million 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, the deferred revenue and any premium portion of flow through shares). As of March 31, 2024, the Company was in compliance with the covenant requirements under the Sprott Stream.

The Deposit includes a significant financing component, which results in 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%.

The Sprott Stream buyback option represents an embedded derivative asset requiring bifurcation from the balance recorded as deferred revenue. The derivative is recorded at fair value through profit or loss with the initial recognition of the derivative asset resulting in a corresponding increase in the deferred revenue. The fair value of the derivative at the inception date and at each reporting period was calculated using the Monte Carlo Simulation Method. As of March 31, 2024, the fair value of the Sprott Stream buyback option was $21,990 resulting in a gain of $4,940. The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	March 31, 2024	December 31, 2023
Production forecast period:	Jan. 1, 2025 to Dec. 31, 2036	Jan. 1, 2025 to Dec. 31, 2036
Designated gold percentage:	8.75%	8.75%
Designated silver percentage:	100%	100%
Forecast gold prices (forward curve):	US$2,372/oz - US$3,338/oz	US$2,207/oz - US$3,012/oz
Forecast silver prices (forward curve):	US$26.47/oz - US$38.94/oz	US$25.43/oz - US$36.39/oz
Gold volatility:	14.5%	15.2%
Silver volatility:	26.5%	27.7%
Correlation:	0.7918	0.7895
Buyback exercise date:	Jan. 1, 2025	Jan. 1, 2025
Buyback purchase price:	US$80 million	US$80 million
Discount rate:	13.69%	13.35%
Fair value of the derivative:	$21,990	$17,050

b) NSR royalty

In February 2024, the Company entered into a Royalty Agreement with SRSR whereby SRSR provided the Company with a payment of US$30 million as consideration for Ascot's granting and selling to SRSR a new 3.10% NSR royalty covering the

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

PGP property package (the "Sprott Royalty"). Until the end of 2026, up to 50% (the "Buyback Percentage") of the new royalty can be repurchased by the Company for varying amounts depending on timing and cumulative production (the "Sprott Royalty buyback option"). The repurchase price is 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.

The consideration received from SRSR has been accounted for by the Company as a sale of mineral interest and a contract liability (deferred revenue) for the future extraction services of gold and silver ounces. On initial recognition the consideration received for the Sprott Royalty was bifurcated between the implied extraction obligation and the proceeds received representing a sale of an interest in the mineral property. The Company has deferred the portion of the proceeds attributed to the implied extraction obligation as deferred revenue. Closing fees, legal fees and due diligence fees associated with the Sprott Royalty have been recognized as financing costs in the condensed interim consolidated statements of comprehensive loss.

The Company determined the carrying value of the disposed portion of the PGP property to be $7,291, with $6,490 of the gross proceeds received allocated to this component, and recognized a loss of $801 in the condensed interim consolidated statements of comprehensive loss at March 31, 2024. The deferred revenue component attributable to future extraction services not yet performed was estimated based on a valuation methodology using a 9.0% discount rate and a 9.0% extraction services margin, to signify the value of extraction services being performed over the life of mine. The Company determined the value of this deferred revenue to be $35,612.

The deferred revenue consideration received under the Sprott Royalty is deemed to be variable and can be subject to cumulative adjustments when the contractual volume to be delivered changes. As a result of changes to the Company's mineral reserves and resources, adjustments may be made to the deferred revenue liability in the future and recognized through revenue.

The Sprott Royalty buyback option represents an embedded derivative asset requiring bifurcation from the balance recorded as deferred revenue. The initial recognition of a derivative asset is accounted for at fair value and subsequent changes are recognized immediately in profit or loss. The fair value of the derivative at the inception date and at the reporting period-end was calculated using the Monte Carlo Simulation Method. At inception of the Sprott Royalty on February 20, 2024, the fair value of the Royalty buyback option was $1,548. As of March 31, 2024, the fair value of the Sprott Royalty buyback option was $2,021 resulting in a gain of $473, which has been recognized immediately in the statement of loss. Key assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	March 31, 2024	February 20, 2024
Royalty percentage:	3.1%	3.1%
Forecast gold prices (forward curve):	US$2,322/oz - US$2,796/oz	US$2,116/oz - US$2,540/oz
Forecast silver prices (forward curve):	US$25.94/oz - US$32.09/oz	US$23.98/oz - US$28.83/oz
Gold volatility:	13.7%	13.6%
Silver volatility:	27.9%	27.6%
Correlation:	0.7729	0.7750
Buyback percentage:	50%	50%
Discount rate for regained revenues:	13.69%	14.43%
Fair value of the derivative:	$2,021	$1,548

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

Movements in the value of the Company's deferred revenue are as follows:

		Stream		Extraction Services		Total
Balance at January 1, 2024	$	175,557	$	-	$	175,557
Deposits		-		35,612	$	35,612
Accretion		4,962		360		5,322
Balance, March 31, 2024	**$**	**180,519**	**$**	**35,972**	**$**	**216,491**
Current		16,083		6,941		23,024
Non-current	$	164,436	$	29,031	$	193,467

Movements in the value of the derivatives embedded in the Sprott Stream and the Sprott Royalty are as follows:

		Royalty buyback option derivative		Stream buyback option derivative		Total
Balance at January 1, 2024	$	-	$	17,050	$	17,050
Royalty buyback - fair value on initial recognition		1,548		-	$	1,548
Change in fair value of derivative		473		4,940		5,413
Balance, March 31, 2024	**$**	**2,021**	**$**	**21,990**	**$**	**24,011**

8. RECLAMATION PROVISIONS

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

Balance, December 31, 2023	**$**	**41,328**
Additions		4,512
Change in estimate		11,210
Accretion of reclamation liability		337
Balance, March 31, 2024	**$**	**57,387**
Current		-
Non Current		57,387

The Company's provision for environmental obligations at the Premier Gold mine is based on project plans prepared by management. As at March 31, 2024, the estimated future cash flows have been discounted using a risk-free of 3.34% and a long-term inflation rate of 2% was used to determine future expected costs (as at December 31, 2023: 3.02% and 2%, 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 March 31, 2024, the estimated future cash flows have been discounted using a risk-free rate of 3.45% and a long-term inflation rate of 2.25% was used to determine future expected costs (as at December 31, 2023: 3.10% and 2.25%, respectively).

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

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

		March 31, 2024		**December 31, 2023**
Premier Gold	$	104,149	$	56,114
Swamp Point		576		576
Red Mountain		4,334		4,334
	$	109,059	$	61,024

9. CREDIT FACILITIES

a) Cost overrun facility ("COF")

On February 20, 2024, 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. A 1% arrangement fee was paid to Nebari Credit Fund II upon closing of the COF.

Pursuant to the terms of the COF, the interest rate is 10.0% plus the greater of: (i) 3.5% and (ii) the three month secured overnight financing rate ("SOFR") per annum. 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%.

In connection with entering into the COF, the Company issued to Nebari Credit Fund II 10,164,528 warrants with a strike price of C$0.53 and a term of 3.35 years (Note 11(d)). On issuance, the Company recorded $2,837 in transaction costs related to the COF, reflecting the relative fair value of the warrants issued.

The COF denominated in U.S. dollars was recorded at fair value initially and is subsequently measured over the term of the contract at amortized cost, using the effective interest rate method, and re-translated at each subsequent reporting date at the closing US$/C$ exchange rate. The prepayment option and the interest rate floor are considered closely related to the host contract, and therefore do not need to be bifurcated and accounted for as embedded derivatives.

		Total
Fair value on initial recognition	$	28,163
Transaction costs and fees		(5,114)
Balance, February 20, 2024		23,049
Interest expense		708
Cash interest paid		(482)
Foreign exchange loss		54
Balance, March 31, 2024	**$**	**23,329**
Current		7,088
Non-current		16,241

In connection with the COF, Ascot amended certain terms of the Convertible facility as detailed further below in this note.

b) Convertible facility

In June 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. The Convertible facility is subject to certain conditions and covenants, including the maintenance of minimum cash and working capital balances. As of March 31, 2024, the Company was in compliance with the covenant requirements (Note 19).

Pursuant to the terms of the Convertible facility, interest accrues at a floating rate equal to the base rate of 5.00% plus the greater of the three month 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. As of March 31, 2024, the Company accrued interest of $1,551 on the Convertible facility, which was added to the principal loan amount.

The liability component of the Convertible facility was recorded at fair value initially and is subsequently measured over the term of the contract at amortized cost, using the effective interest rate method, and re-translated at each subsequent reporting date at the closing US$/C$ exchange rate.

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 March 31, 2024 this derivative had an estimated fair value of $Nil.

Nebari has an 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. Upon closing of the COF on February 20, 2024, the Conversion Price was amended from C$0.72 to C$0.53.

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

The amendment of the Conversion Price was determined to be substantial, which requires the Company to account for the amendment as an extinguishment of the initial Convertible facility and establishment of a new Convertible facility on February 20, 2024:

	Convertible facility - Liability component	Convertible facility - Derivative component	Total
Balance, January 1, 2024	$ 10,523	$ 6,743	$ 17,266
Interest expense	477	-	477
Change in fair value of derivative	-	1,571	1,571
Foreign exchange loss	242	-	242
Deemed extinguishment on February 20, 2024	(11,930)	(8,314)	(20,244)
Loss on deemed extinguishment	688	-	688
Balance, February 20, 2024	**$ -**	**$ -**	**$ -**

After the deemed extinguishment, the amended Convertible facility was recorded at its fair value and subsequently at amortized cost:

	Convertible facility - Liability component	Convertible facility - Derivative component	Total
Convertible facility - fair value on initial recognition	$ 8,383	$ 11,861	$ 20,244
Transaction costs	(184)	-	(184)
Interest expense	397	-	397
Change in fair value of derivative	-	4,703	4,703
Foreign exchange loss	20	-	20
Balance, March 31, 2024	**$ 8,616**	**$ 16,564**	**$ 25,180**
Current	8,616	16,564	25,180
Non-current	-	-	-

Immediately after the deemed extinguishment on February 20, 2024 and as at March 31, 2024, the fair value of the derivative was $11,861 and $16,564, respectively, resulting in a loss on the change in fair value of the derivative of $4,703.

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 conversion option derivative at each valuation date 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.

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:	March 31, 2024	February 20, 2024	December 31, 2023
Maturity date:	Jun. 27, 2027	Jun. 27, 2027	Jun. 27, 2027
Risk-free rate:	4.45%-5.30%	4.40%-5.22%	3.49%-5.24%
Share price:	US$0.55	US$0.41	US$0.37
Foreign exchange rate:	1.3550	1.3518	1.3226
Expected volatility (rounded):	69%	68%	67%
Dividend yield:	$Nil	$Nil	$Nil
Interest rate:	5.00% + 3-month SOFR*	5.00% + 3-month SOFR*	5.00% + 3-month SOFR*
Conversion price per share:	C$0.53	C$0.53(1) | $0.72(2)	C$0.72
Conversion price cap per share:	C$0.7685	C$0.7685(1) | C$1.044(2)	C$1.044

* Based on SOFR forward curve
(1) After the Conversion Price amendment
(2) Before the Conversion Price amendment

The entire balance of the Convertible facility is classified as a current liability due to the lender's right to exercise the conversion option at any time at the Conversion Price (Note 2c).

10. 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 6). During the three months ended March 31, 2024, the Company incurred $239 (three months ended March 31, 2023: $15) 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, 2024	$	10,003
Additions		6,170
Interest expense		11
Interest expense capitalized		228
Lease payments		(1,739)
Balance, March 31, 2024	**$**	**14,673**
Current		5,251
Non-current		9,422

11. CAPITAL AND RESERVES

a) Share capital

The Company is authorized to issue an unlimited number of common shares with no par value. As at March 31, 2024, the number of total issued and outstanding common shares is 623,854,47 (December 31, 2022: 556,047,352).

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

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

On February 20, 2024, the Company closed a bought deal private placement by issuing a total of 65,343,000 common shares of the Company at a price of C$0.44 per common share, for net proceeds of $26,992.

During the three months ended March 31, 2024, the Company issued 99,039 common shares for exercised stock options and 296,259 shares for exercised deferred share units ("DSU") and restricted share units ("RSU").

Subsequent to March 31, 2024, the Company issued 181,627 common shares for exercised stock options and 109,935 common shares for exercised RSUs.

b) Stock options

Total compensation expense related to stock options for the three months ended March 31, 2024 was $499 (three months ended March 31, 2023: $461). The unrecognized compensation cost for non-vested stock options at March 31, 2023 was $1,376 (December 31, 2023: $1,830).

As of March 31, 2024, 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	18,300,243	4.20	0.44	10,075,947	4.00	0.44
$0.50 to $0.99	8,168,406	0.97	0.76	7,755,052	0.82	0.77
$1.00 to $1.35	6,396,050	2.25	1.18	6,396,050	2.25	1.18
	32,864,699	3.02	0.67	24,227,049	2.52	0.74

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, 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 January 1, 2024	32,954,504	0.67
Granted	110,000	0.49
Exercised	(99,039)	0.44
Forfeited	(100,766)	0.77
Outstanding at March 31, 2024	32,864,699	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.

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

During the three months ended March 31, 2024, the Company granted 110,000 stock options at a weighted average exercise price of $0.49 to its 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 three months ended March 31, 2024 were as follows:

Risk-free rate:	3.48%
Expected life:	5 years
Expected volatility:	65.81%
Expected dividends:	Nil
Weighted average fair value per option:	$ 0.28

Subsequent to March 31, 2024, 100,000 stock options were granted, 181,627 stock options were exercised and 185,254 unvested stock options were canceled.

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. For the three months ended March 31, 2024, $125 was expensed in the statement of comprehensive loss as stock-based compensation expense for RSUs (three months ended March 31, 2023: $Nil).

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. During the three months ended March 31, 2024, $22 was expensed in the statement of comprehensive loss as stock-based compensation expense for DSUs (three months ended March 31, 2023: $13).

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

	Number of RSUs/PSUs	Number of DSUs
Outstanding at January 1, 2024	6,473,747	2,874,379
Granted	-	28,667
Exercised	(158,726)	(137,533)
Forfeited	(24,427)	-
Outstanding at March 31, 2024	6,290,594	2,765,513

The weighted average remaining contractual life of RSUs outstanding at March 31, 2024 is 3.73 years. The DSUs outstanding at March 31, 2024 expire one year after the individual ceases to be a director of the Company.

Subsequent to March 31, 2024, 109,935 RSUs were exercised.

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

d) Warrants

In February 2024, the Company granted warrants to Nebari Credit Fund II to purchase 10,164,528 common shares of the Company at a price of C$0.53 per share (Note 9). Movements in 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, 2024	13,710,500	1.25
Expired	(13,710,500)	1.25
Issued	10,164,528	0.53
Outstanding at March 31, 2024	10,164,528	0.53

The weighted average assumptions used in this pricing model, and the resulting fair value per warrant for the warrants issued on February 20, 2024 were as follows:

Risk-free rate:	3.92%
Expected life:	3.35 years
Expected volatility:	66.88%
Expected dividends:	Nil
Fair value per warrant:	$ 0.2855
Total fair value:	$2,901,565
Relative fair value*:	$2,837,284

* In relation to the liability component of the COF (Note 9a)

The weighted average remaining contractual life of the warrants outstanding at March 31, 2024 was 3.24 years.

In addition to vested warrants, 25,767,777 unvested warrants are outstanding at March 31, 2024 (Note 9b).

12. GENERAL AND ADMINISTRATIVE COSTS

	Three months ended March 31, 2024	Three months ended March 31, 2023
Wages, benefits and management fees	$ 971	$ 904
Legal and professional services	334	225
Office and administration expenses	104	192
Travel	30	27
Investor relations and shareholders costs	119	146
Insurance	104	84
Compliance costs and property taxes	24	388
	$ 1,686	$ 1,966

13. FINANCE EXPENSE

	Three months ended March 31, 2024	Three months ended March 31, 2023
Accretion	$ 337	$ 135
Reclamation bond fee	225	141
Interest on office lease liability	11	8
	$ 573	$ 284

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

14. OTHER INCOME

	Three months ended March 31, 2024	Three months ended March 31, 2023
Interest income	$ -	$ 1,490
Flow through share premium	917	212
	$ 917	$ 1,702

15. 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:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Salaries, short-term benefits and management fees	$ 439	$ 378
Project development costs	-	21
Share-based payment transactions	328	353
	$ 767	$ 752

b) Other Related Party Transactions

Included in accounts payable and accruals at March 31, 2024 is $251 (December 31, 2023: $591) due to related parties.

During the three months ended March 31, 2024, three of the Company's directors were granted a total of 28,667 DSUs in lieu of cash fees. 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 $22.

16. SEGMENT REPORTING

The Company has two operating segments: the development of the Project (Note 6) and exploration and evaluation of Mt. Margaret. 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

17. SUPPLEMENTAL CASH FLOW INFORMATION

The net changes in non-cash working capital items were as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Net changes in non-cash items included in mineral properties		
Depreciation and amortization	$ 869	$ (68)
Capitalized borrowing cost	6,904	3,815
Stock-based compensation	152	62
Change in estimate of reclamation provisions	15,722	-
Right-of-use assets	6,170	-
Accounts payable, accrued liabilities and holdbacks	(657)	5,841
	$ 29,160	$ 9,650
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)
	$ -	$ -

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

IFRS 7 Financial Instruments: Disclosures 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:

- 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 values of the liability components of the credit facilities approximate their fair value since only a short period of time has passed between the date of the debt inception (February 20, 2024) and March 31, 2024.

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

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 March 31, 2024	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Stream buyback option	$ -	$ -	$ 21,990
Royalty buyback option	-	-	2,021
	$ -	$ -	$ 24,011
Financial liabilities			
Convertible facility - derivative portion	$ -	$ -	$ 16,564
	$ -	$ -	$ 16,564

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

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 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.

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 has not used any financial instrument to hedge potential fluctuations in foreign exchange rates. The Company's significant financial instruments denominated in a foreign currency (U.S. dollar) are the credit facilities (Note 9) and cash in treasury account (Note 3). A

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

10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at March 31, 2024 would result in an additional $3,140 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the three months ended March 31, 2024 (three months ended March 31, 2023: $1,010).

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. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the Stream and Royalty buyback options (Note 7) and the derivative components of the credit facilities (Note 9). The Company's credit facilities 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 credit facilities and mining equipment lease would result in an additional $51 of interest added to the balance of the credit facilities and $44 interest paid for the three months ended March 31, 2024. 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 March 31, 2024, Ascot had a cash and cash equivalents balance of $47,028 and a working capital deficiency of $33,030, which included an estimated $16,083 as the current portion of the deferred revenue only to be settled with future production from the Project, an estimated $6,941 as the current portion of future extraction services and the $25,180 value of the Convertible facility, which is classified as current due to the lender's right to exercise the conversion option at any time at a variable exercise price (Note 9).

Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2024 were as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	TOTAL
Trade and other payables	$ 31,447	$ -	$ -	$ -	$ 31,447
Lease liabilities	5,251	7,880	4,101	-	17,232
Convertible facility (Note 9)	1,651	4,399	21,590	-	27,640
Cost overrun facility (Note 9)	11,006	21,626	3,253	-	35,885
	$ 49,355	$ 33,905	$ 28,944	$ -	$ 112,204

As of March 31, 2024, the Company had an outstanding purchase commitment of $1,957 for surface mining equipment, which will be financed under a master lease agreement for an equipment lease facility (Note 6). The Company is 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.

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 credit facilities (Note 9). The Company’s trade and other accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company’s Convertible facility is classified as current on the statement of financial position as the holder has a right to exercise conversion at a variable price at any time. The cash outflows on the facility have been categorized using the contractual maturities of the facility as exercise of the conversion option by the holder would be a non-cash exercise and not result in a cash outflow for the Company.

19. CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, stock options and share units, and credit facilities 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 7) and the credit facilities (Note 9), 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, the deferred revenue and any premium portion of flow through shares). As of March 31, 2024, the Company was in compliance with the covenant requirements.

There has been no significant change to the Company’s capital management policies during the three months ended March 31, 2024.