Ascot Resources Ltd.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023
(Presented in thousands of Canadian Dollars, except where indicated)
(Unaudited)

(Canadian Dollars in Thousands)

	Notes	September 30, 2024	December 31, 2023
ASSETS			
Current			
Cash and cash equivalents	3	$ 9,882	$ 26,974
Trade and other receivables		2,506	2,146
Inventories	4	3,958	763
Prepaid expenses and deposits		2,593	2,540
Total Current Assets		18,939	32,423
Restricted cash	5	4,749	3,447
Exploration and evaluation assets		5,424	5,424
Mineral properties, plant and equipment	6	758,504	570,466
Embedded derivatives	7	4,431	17,050
Other assets		1,395	1,578
Total Non-Current Assets		774,503	597,965
Total Assets		$ 793,442	$ 630,388
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		$ 44,193	$ 33,117
Deferred revenue	7	7,004	12,255
Reclamation provisions	8	-	477
Credit facilities	9	23,681	17,266
Lease liabilities	10	5,486	3,707
Other liabilities		964	1,204
Total Current Liabilities		81,328	68,026
Deferred revenue	7	220,884	163,302
Reclamation provisions	8	63,687	40,851
Credit facilities	9	12,895	-
Lease liabilities	10	8,591	6,296
Deferred income tax liabilities		1,400	1,155
Total Non-Current Liabilities		307,457	211,604
Total Liabilities		388,785	279,630
Shareholders' Equity			
Share capital	11	456,145	400,825
Contributed surplus	11	45,296	32,227
Accumulated deficit		(96,784)	(82,294)
Total Shareholders' Equity		404,657	350,758
Total Liabilities and Shareholders' Equity		$ 793,442	$ 630,388

Going concern (Note 1), 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"*
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Director

/s/ *"Indi Gopinathan"*
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Director

(Canadian Dollars in Thousands Except Loss per Share)

	Notes	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenues		$ 11,986	$ -	$ 14,405	$ -
Cost of sales					
Production costs		(9,535)	-	(11,411)	-
Depreciation, depletion and amortization		(1,990)	-	(2,476)	-
Total cost of sales		$ (11,525)	$ -	$ (13,887)	$ -
Gross profit		$ 461	$ -	$ 518	$ -
General and administrative expenses	12	$ (1,334)	$ (1,936)	$ (5,124)	$ (5,873)
Stock-based compensation	11	(406)	(322)	(1,324)	(1,189)
Depreciation and amortization		(82)	(160)	(184)	(415)
Financing costs	7,9	(120)	-	(1,482)	(2,490)
Finance expense	13	(719)	(500)	(2,078)	(1,199)
Other income	14	2,130	1,765	3,047	2,298
Loss on sale of mineral interest	7	-	-	(801)	-
Loss on extinguishment of debt	9	-	-	(688)	(5,120)
Change in fair value of derivatives	7,9	(11,638)	(200)	(5,903)	1,383
Foreign exchange gain (loss)		476	(120)	(226)	470
Loss before income taxes		$ (11,232)	$ (1,473)	$ (14,245)	$ (12,135)
Income tax expense		-	-	(245)	-
Net loss for the period		$ (11,232)	$ (1,473)	$ (14,490)	$ (12,135)
Total comprehensive loss		$ (11,232)	$ (1,473)	$ (14,490)	$ (12,135)
Loss per share					
- basic and diluted		$ (0.02)	$ (0.00)	$ (0.02)	$ (0.02)
Weighted average shares outstanding					
- basic and diluted		686,757,056	555,919,118	633,295,728	543,701,587

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 placements, net of issue costs	113,500,000	51,574	-	-	51,574
Exercise of stock options	55,530	39	(14)	-	25
Issued for other consideration					
Exercise of share units	1,073,603	748	(748)	-	-
Partner alignment shares	5,457,073	3,383	-	-	3,383
Premium on flow-through shares	-	(6,350)	-	-	(6,350)
Stock-based compensation expense	-	-	1,189	-	1,189
Stock-based compensation capitalized	-	-	210	-	210
Net loss for the period	-	-	-	(12,135)	(12,135)
Balance, September 30, 2023	**555,947,352**	**$ 400,731**	**$ 30,103**	**$ (83,999)**	**$ 346,835**
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)	145,797,096	54,400	9,177	-	63,577
Exercise of stock options	371,369	300	(107)	-	193
Issued for other consideration					
Exercise of share units	1,225,516	661	(556)	-	105
Acquisition of assets	5,692,972	2,501	-	-	2,501
Premium on flow-through shares	-	(2,542)	-	-	(2,542)
Stock-based compensation expense (Note 11)	-	-	1,324	-	1,324
Stock-based compensation capitalized	-	-	394	-	394
Cost overrun facility - warrants (Note 9)	-	-	2,837	-	2,837
Net loss for the period	-	-	-	(14,490)	(14,490)
Balance, September 30, 2024	**709,134,305**	**$ 456,145**	**$ 45,296**	**$ (96,784)**	**$ 404,657**

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

(Canadian Dollars in Thousands)

	Notes	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash flows from operating activities			
Net loss for the period		$ (14,490)	$ (12,135)
Adjustment to reconcile loss			
to net cash used in operating activities:			
Stock-based compensation	11	1,324	1,189
Amortization and depreciation		2,660	415
Deferred revenue recognition	7	(675)	-
Financing costs		-	1,668
Gain on flow through share premium		(2,782)	(2,297)
Finance expense		1,279	773
Deferred income tax expense		245	-
Change in fair value of derivatives	7,9	5,903	(1,383)
Loss on extinguishment of debt	9	688	5,120
Loss on sale of mineral interest		801	-
Unrealized foreign exchange loss (gain)		219	(1,096)
Changes in non-cash working capital balances:			
Increase in inventories	4	(3,143)	-
Increase in receivables		(360)	(1,467)
Increase in prepaid expenses and deposits		(53)	(1,979)
Increase in trade and other payables		6,730	(182)
Payment for reclamation provision		-	(116)
Total cash outflows from operating activities		**(1,654)**	**(11,490)**
Cash flows from investing activities			
Investment in mineral properties, plant and equipment	6	(138,274)	(78,712)
Proceeds from sale of net smelter return royalty	7b	40,554	-
Payment for pre-production royalty		-	(50)
Payment of deposit for environmental bond		(1,302)	-
Total cash outflows from investing activities		**(99,022)**	**(78,762)**
Cash flows from financing activities			
Proceeds from stream deposit		-	113,006
Payment for convertible facility		-	(565)
Proceeds from cost overrun facility	9	26,766	-
Proceeds from share issuance	11	67,752	53,935
Share issue costs	11	(4,175)	(2,361)
Financing costs		(881)	-
Proceeds from exercise of stock options		193	25
Payment for principal and interest on cost overrun facility		(3,096)	-
Payment for lease liabilities		(2,937)	(433)
Total cash inflows from financing activities		**83,622**	**163,607**
Effect of exchange rate changes on cash and cash equivalents		(38)	(15)
Total increase (decrease) in cash during the period		**(17,092)**	**73,340**
Cash and cash equivalents, beginning of period		**26,974**	**7,474**
Cash and cash equivalents, end of period		**$ 9,882**	**$ 80,814**
Supplemental cash flow information	17		

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Ascot Resources Ltd. ("Ascot" or the "Company") is a development and exploration company that has recently re-started 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 began producing gold and silver doré at its processing plant at Premier in the spring of 2024. The Company achieved its first gold pour in April 2024 and since then it has poured 4,728 ounces of gold as of September 30, 2024. Due to a delay in mine development at both Big Missouri and Premier Northern Lights and insufficient stoping ore to feed the processing plant, in September 2024, the Company suspended the operations in order to focus on mine development activities.

The Company's 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. 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 September 30, 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 Suite 430, 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6, Canada.

Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to meet its obligations and continue its operations for at least twelve months from September 30, 2024. The Company has generated limited revenue from operations in 2024 to date. On September 6, 2024, due to a delay in mine development at both Big Missouri and Premier Northern Lights and insufficient stoping ore feed, the Company decided to temporarily suspend operations in order to focus on mine development until enough ore feed is available to profitably run the operations.

As at September 30, 2024, Ascot had a cash and cash equivalents balance of $9,882 and working capital deficiency of $62,389. The negative working capital and the suspension of operations would have resulted in a default on Ascot's credit facilities (Note 9) and stream agreements (Note 7), however, the Company obtained waivers from its secured creditors providing for limited suspension of covenant compliance requirements until November 18, 2024 (Note 9).

In order to complete mine development required for sufficient ore feed and restart its operations, the Company will have to raise additional funds and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. On October 21, 2024, the Company entered into non-binding indicative term sheets with its secured creditors for new senior secured debt subject to certain conditions. As a part of the debt package, the secured creditors would extend their existing waiver and forbearance conditions until May 31, 2025. The Company also entered into an agreement with a syndicate of agents in respect of a private placement, to be marketed on a best-efforts basis, of common shares of the Company to raise a minimum of $25 million and up to a maximum of $42 million. On October 30, 2024, Ascot amended its non-indicative term sheet with one of its secured creditors to provide US$7.5 million of financing by way of an amendment to the terms of one of its existing stream agreements. The execution of definitive documentation in respect of the debt financing and the closing of the equity financing are cross conditional and are subject to successful negotiation and execution of definitive agreements and receipt of necessary regulatory approvals and exemptions. The Company has not yet received any funding from the amended debt financing which remains subject to several conditions which may not be satisfied or waived. These considerations indicate material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 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 gold inventory. Ore is accumulated in stockpiles and is subsequently processed into gold doré. Work in process represents gold in the processing circuit that has not completed the production process. As ore is removed for processing, costs are removed based on the average cost per ounce in the stockpile. The gold 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).

Revenue recognition

i) Gold doré

The Company produces gold doré bars which contain both gold and silver which are further processed to produce refined gold and silver by an independent refinery. Revenue is generated from the sale of refined gold and silver.

The Company applies the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). In determining whether the Company has satisfied the performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether the Company has present right of collecting payment; the customer has legal title to the assets; the Company has transferred physical possession of the asset to the customer and the customer has significant risks and rewards of ownership of the products.

The Company recognizes revenue when control has transferred to the customer in an amount that reflects the consideration the Company expects to receive. Transfer of control of the refined gold and silver occurs when payment is received which is also when the title of the product passes to the customer.

ii) Streaming arrangement

The Company has determined that the streaming arrangement with Sprott Private Resource Streaming and Royalty Corp. ("SRSR") ("Sprott Stream") qualifies as an "own use contract" and is therefore a contract liability that falls under the scope of IFRS 15 where the upfront payment is 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.

Upon satisfaction of the performance obligation, which is at the time when the gold and silver ounces are delivered to SRSR, the Company recognizes revenue in an amount that reflects the consideration the Company expects to receive and an allocation of the deferred revenue based on the ounces delivered to SRSR over the amortization rate being the deferred revenue balance over the number of ounces estimated for the life of mine.

As the deferred revenue on the streaming arrangement is considered variable consideration, an adjustment is made to the transaction price per unit each time there is a change in the underlying production profile of a mine. The change in the transaction price per unit results in a cumulative catch-up adjustment to revenue in the period in which the change is made, reflecting the new production profile expected to be delivered under the streaming agreement. A corresponding cumulative catch-up adjustment is made to accretion expense, reflecting the impact of the change in the deferred revenue balance.

iii) Extraction services obligation

Pursuant to the sale of a 3.1% NSR royalty to SRSR, the upfront consideration received from SRSR has been accounted for by the Company as a sale of mineral interest and a contract liability (i.e., deferred revenue) for the future extraction services of gold and silver ounces with each ounce representing a separate performance obligation.

The deferred revenue is recognized in revenue as extraction services are performed over the future production under the life of the mine plan. Each ounce delivered to SRSR indicates satisfaction of the extraction services obligation.

As the deferred revenue on royalty arrangement is considered variable consideration, it 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.

These Interim Financial Statements were authorized for issue by the Board of Directors on November 8, 2024.

b) Basis of measurement

These Interim Financial Statements include the accounts of Ascot 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. Management is currently assessing the impact of the new standard on the Company's interim and annual financial statements.

Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs, and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026. Management is currently assessing the impact of the new standard on the Company's interim and annual financial statements.

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:

Impairment of mineral properties

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to its mineral properties. If any such indicator exists, then an impairment test is performed by management. During the quarter ended September 30, 2024, management decided to temporarily suspend operations in order to focus on mine development until enough ore feed is available to profitably run the operations and as a result, an impairment indicator was identified for the Project as of September 30, 2024. The Company completed an impairment test for the Project as of September 30, 2024 by calculating the recoverable amount and comparing it to the carrying value of the Project, and recorded no impairment loss as a result (Note 6). Actual results may differ from these estimates.

Sale of royalty interest

Judgment was required in assessing the appropriate accounting treatment for the new 3.1% NSR royalty (Note 7) sold in the first quarter of 2024, including the determination that the sale of the royalty represented a sale of a mineral interest and provision of ongoing extraction services. 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.

Inventory valuation

Product inventories are valued at the lower of costs or NRV. Management is required to make various estimates and assumptions to determine the value of stockpiled ore, in-process inventory and finished goods inventory. The estimates and assumptions included surveyed quantities of stockpiled ore, in-process volumes, contained metal content and metal prices. Changes in these estimates can result in changes to the carrying amounts of inventory and mine operating costs in future periods.

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

3. CASH AND CASH EQUIVALENTS

		September 30, 2024		December 31, 2023
Cash	$	9,882	$	21,974
Guaranteed Investment Certificates ("GICs") and term deposits		-		5,000
Cash and cash equivalents	$	9,882	$	26,974

Canadian and US dollar cash is held in treasury accounts at a Canadian chartered bank. Cash in treasury accounts bears interest at 4.65% per annum (December 31, 2023: 5.4%).

Included in cash and cash equivalents is $5,516 (December 31, 2023: $6,251), which is required to be used for flow-through expenditures prior to December 31, 2024 ($1,940) and December 31, 2025 (3,576).

4. INVENTORIES

		September 30, 2024		December 31, 2023
Finished goods	$	360	$	-
Materials and supplies		3,598		763
Inventories	$	3,958	$	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 September 30, 2024, Ascot has posted total reclamation and environmental bonds of $46,935 (December 31, 2023: $36,379) through surety arrangements with cash collateral of $4,002 (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 September 30, 2024, the Company posted a $4,759 surety bond with respect to this agreement.

The following table summarizes the Company's reclamation deposits:

	September 30, 2024				December 31, 2023			
		Cash Security		Surety Bond		Cash Security		Surety Bond
Reclamation and environmental	$	4,449	$	46,935	$	3,447	$	36,379
BC Hydro facility agreements		300		4,759		-		1,759
	$	4,749	$	51,694	$	3,447	$	38,138

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

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.

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Mineral properties and project development costs	Cons-truction in progress	Land and buildings	Machi-nery and equip-ment	Office furniture and equip-ment	Right-of-use assets	Total
Cost							
At January 1, 2024	300,658	211,705	3,853	48,210	408	12,357	577,191
Additions	123,191	10,969	(118)	1,256	59	7,766	143,123
Royalty repurchase	13,700	-	-	-	-	-	13,700
Capitalized interest	23,432	-	-	-	-	-	23,432
Disposals	(7,291)	-	-	-	-	(865)	(8,156)
Increase in asset retirement cost	21,097	-	-	-	-	-	21,097
At September 30, 2024	**474,787**	**222,674**	**3,735**	**49,466**	**467**	**19,258**	**770,387**
Accumulated Amortization							
At January 1, 2024	2,314	-	196	2,436	307	1,472	6,725
Depreciation & amortization	341	-	127	319	34	2,047	2,868
Depletion	2,290	-	-	-	-	-	2,290
At September 30, 2024	**4,945**	**-**	**323**	**2,755**	**341**	**3,519**	**11,883**
Net book value							
At January 1, 2024	298,344	211,705	3,657	45,774	101	10,885	570,466
At September 30, 2024	**$ 469,842**	**$ 222,674**	**$ 3,412**	**$ 46,711**	**$ 126**	**$ 15,739**	**$ 758,504**

Note: Disposals in the above table include the sale of net smelter return of royalty (Note 7b) and retirement of ROU asset of old office lease.

Mineral properties and project development cost additions of $123,191 consist of $122,162 spent on mine development and pre-operating costs and $1,029 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 ("CDOR") plus 4.25%. As of July 1, 2024, CDOR was replaced by the Canadian Overnight Repo Rate Average plus the credit adjustment spread of 0.32138%. Right-of-use asset additions of $7,766 consist of $6,038 for surface mining equipment and construction equipment delivered as of September 30, 2024 under the master lease agreement, $1,052 for other surface equipment and $676 for office lease.

MINERAL PROPERTIES

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 SRSR. The Company has a right to repurchase up to 50% of the NSR royalty until December 31, 2026 (Note 7).

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

During the nine months ended September 30, 2024, three of the Company's contractors placed builders liens on the Company's properties.

Impairment of mineral properties

During the quarter ended September 30, 2024, the Company has decided to temporarily suspend its operations in order to focus on mine development until enough ore feed is available to profitably run the operations. Given the presence of this impairment indicator, management completed an impairment test for the Project CGU as of September 30, 2024. An impairment loss is recognized for the amount by which the CGU's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the CGU's value in use and the fair value less costs of disposal (FVLCD). The FVLCD was determined by using a discounted cash flow projections model based on life-of-mine financial forecasts. The determination of FVLCD of the Project CGU required management to apply significant judgment and use key assumptions related to forecast gold and silver prices, mining and processing costs, capital expenditures, reserve and resource quantities, reclamation and closure costs, discount and foreign exchange rates, recovery rates, and estimated gold grades. Management's assumptions of mineral reserve and resource quantities, recovery rates, estimated gold grades, mining and processing costs, capital expenditures as well as reclamation and closure costs were based on information compiled by management's experts.

The valuation of the recoverable amount is most sensitive to changes in gold price, exchange rates and discount rate. Mining and processing costs and capital expenditures included in the cash flow projections are based on current operating plans. Inputs utilized in the valuation model were based on level 3 fair value measurements (see Note 18), for which no observable market data was available. The reserve and resource quantities were based on the Company's most recent reserve and resource model prepared in October 2022.

The FVLCD of the Project was measured using discounted cash flow projections under the following assumptions:

Period of management's cash flow projections:	October 1, 2024 to December 31, 2040
Discount rate applied to cash flow projections:	5%
Gold price (US$/oz):	$2,340 (2025), $2,250 (2026), $2,175 (2027), $2,022 (2028+)
USD/CAD exchange rate:	0.741 (2025), 0.746 (2026-2027), 0.758 (2028+)

The carrying value of the Project at September 30, 2024 is $372,000. As at September 30, 2024, the FVLCD exceeded the carrying amount of the Project CGU by $145,000 and, as a result, no impairment loss was recognized by management.

Sensitivity analysis was performed on the cash flow model for the Project. Adverse changes in key inputs would result in the following changes to the Project's FVLCD:

Gold price decreasing by 5%:	FVLCD reduced by $65,000
US dollar weakening by 5% against the Canadian dollar:	FVLCD reduced by $60,000
Discount rate increasing by 1%:	FVLCD reduced by $29,000

7. DEFERRED REVENUE

a) Gold and silver stream

In January 2023, the Company entered into 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

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

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. The Sprott Stream is senior secured by the Company's mineral properties, plant and equipment until such time that the Deposit reduces to zero.

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 September 30, 2024, the Company had a working capital deficiency and suspended its operations, which would have resulted in a default. However, the Company obtained waivers from SRSR providing for limited suspension of covenant compliance requirements until November 18, 2024.

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 September 30, 2024, the fair value of the Sprott Stream buyback option was $4,407 resulting in a loss of $12,643. The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	September 30, 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$2,719/oz - US$3,672/oz	US$2,207/oz - US$3,012/oz
Forecast silver prices (forward curve):	US$32.15/oz - US$44.81/oz	US$25.43/oz - US$36.39/oz
Gold volatility:	14.6%	15.2%
Silver volatility:	26.9%	27.7%
Correlation:	0.7928	0.7895
Buyback exercise date:	Jan. 1, 2025	Jan. 1, 2025
Buyback purchase price:	US$80 million	US$80 million
Discount rate:	21.23%	13.35%
Fair value of the derivative:	$4,407	$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 a new 3.10% NSR royalty covering the PGP property package (the "Sprott Royalty"). Until the end of 2026, up to 50% (the "Buyback Percentage") of the Sprott 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.

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

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 statement of comprehensive loss at September 30, 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 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 September 30, 2024, the fair value of the Sprott Royalty buyback option was $24 resulting in a loss of $1,524, 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:	September 30, 2024	February 20, 2024
Royalty percentage:	3.1%	3.1%
Forecast gold prices (forward curve):	US$2,667/oz - US$3,184/oz	US$2,116/oz - US$2,540/oz
Forecast silver prices (forward curve):	US$31.55/oz - US$38.39/oz	US$23.98/oz - US$28.83/oz
Gold volatility:	13.9%	13.6%
Silver volatility:	28.5%	27.6%
Correlation:	0.7789	0.7750
Buyback percentage:	50%	50%
Discount rate for regained revenues:	21.23%	14.43%
Fair value of the derivative:	$24	$1,548

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
Deferred revenue recognized	(501)	(174)	(675)
Accretion	15,392	2,002	17,394
Balance, September 30, 2024	**$ 190,448**	**$ 37,440**	**$ 227,888**
Current	4,871	2,133	7,004
Non-current	$ 185,577	$ 35,307	$ 220,884

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

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

	Stream buyback option derivative	Royalty 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	(12,643)	(1,524)	(14,167)
Balance, September 30, 2024	**$ 4,407**	**$ 24**	**$ 4,431**

8. RECLAMATION PROVISIONS

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

Balance, December 31, 2023	**$ 41,328**
Additions	5,221
Change in estimate	15,876
Accretion of reclamation liability	1,262
Balance, September 30, 2024	**$ 63,687**
Current	-
Non Current	63,687

The Company's provision for environmental obligations at the Premier Gold mine is based on project plans prepared by management. As at September 30, 2024, the estimated future cash flows have been discounted using a risk-free of 3.13% 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 September 30, 2024, the estimated future cash flows have been discounted using a risk-free rate of 2.95% 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).

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

	September 30, 2024	December 31, 2023
Premier Gold	$ 105,369	$ 56,114
Swamp Point	576	576
Red Mountain	4,334	4,334
	$ 110,279	$ 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.

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

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		4,034
Cash interest paid		(2,290)
Cash principal paid		(806)
Foreign exchange loss		(32)
Balance, September 30, 2024	**$**	**23,955**
Current		11,060
Non-current		12,895

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 September 30, 2024, the Company had a working capital deficiency and suspended its operations, which would have resulted in a default. However, the Company obtained waivers from Nebari providing for limited suspension of covenant compliance requirements until November 18, 2024.

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 added to the principal prior to commercial production are payable on June 27, 2027. As of September 30, 2024, the Company accrued interest of $2,650 on the Convertible facility, which was added to the principal loan amount.

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

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 September 30, 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.

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	**$ -**	**$ -**	**$ -**

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

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	2,425	-	2,425
Change in fair value of derivative	-	(9,835)	(9,835)
Foreign exchange loss	(29)	-	(29)
Balance, September 30, 2024	**$ 10,595**	**$ 2,026**	**$ 12,621**
Current	10,595	2,026	12,621
Non-current	-	-	-

Immediately after the deemed extinguishment on February 20, 2024 and as at September 30, 2024, the fair value of the derivative was $11,861 and $2,026, respectively, resulting in a gain on the change in fair value of the derivative of $9,835.

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.

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

Valuation date:	September 30, 2024	February 20, 2024	December 31, 2023
Maturity date:	Jun. 27, 2027	Jun. 27, 2027	Jun. 27, 2027
Risk-free rate:	3.58%-4.74%	4.40%-5.22%	3.91%-5.24%
Share price:	US$0.1183	US$0.41	US$0.37
Foreign exchange rate:	1.3499	1.3518	1.3226
Expected volatility (rounded):	91%	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).

The credit facilities were secured by the Company's mineral properties, plant and equipment.

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

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 nine months ended September 30, 2024, the Company incurred $728 (nine months ended September 30, 2023: $61) 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		6,901
Interest expense		17
Interest expense capitalized		711
Lease payments		(3,555)
Balance, September 30, 2024	**$**	**14,077**
Current		5,486
Non-current		8,591

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 September 30, 2024, the number of total issued and outstanding common shares is 709,134,305 (December 31, 2023: 556,047,352).

On January 18, 2024, on May 17, 2024 and on September 18, 2024, the Company issued 2,068,837 common shares, 1,555,298 common shares and 2,068,837 common shares, respectively, for deferred payment under a contract for acquisition of an assay lab.

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 gross proceeds of $28,751. In connection with the private placement, the Company paid fees and expenses in the amount of $1,759.

On May 29, 2024 and on June 20, 2024, the Company closed the first and the final tranche, respectively, of a non-brokered private placement consisting of a total of 6,024,096 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 $0.83 per CEE FT Share for gross proceeds of $5,000. In connection with the private placement, the Company paid finder fees and expenses in the amount of $297. A premium of $1,084 on the issuance of CEE FT Shares was recorded in other liabilities.

On July 25, 2024, the Company closed a bought deal financing for gross proceeds of $34,001 (the "Offering"). The Offering consisted of 30,242,000 flow-through units (the "Flow-Through Units") at a price of C$0.496 per Flow-Through Unit and 44,188,000 hard dollar units (the "HD Units") at a price of C$0.43 per HD Unit (together, the "Offered Securities"). Each Offered Security consisted of one common share of the Company (each, a "Share") and one common share purchase warrant of the Company (each, a "Warrant"). Each Warrant entitles the holder to acquire one Share (each, a "Warrant Share") at a price of C$0.52 per Warrant Share for a period of 24 months following closing. The Shares and Warrants comprising the Flow-Through Units will qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada). In connection with the Offering, the Company paid fees and expenses in the amount of $2,119. A premium of $1,457 on the issuance of the Flow-Through Units was recorded in other liabilities.

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

During the nine months ended September 30, 2024, the Company issued 371,369 common shares for exercised stock options and 1,225,516 shares for exercised deferred share units ("DSU"), restricted share units ("RSU") and performance share units ("PSU").

b) Stock options

Total compensation expense related to stock options for the nine months ended September 30, 2024 was $1,187 (nine months ended September 30, 2023: $1,162). The unrecognized compensation cost for non-vested stock options at September 30, 2024 was $579 (December 31, 2023: $1,830).

As of September 30, 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	17,016,981	3.69	0.44	9,861,129	3.49	0.44
$0.50 to $0.99	4,890,073	0.86	0.78	4,696,742	0.76	0.79
$1.00 to $1.35	5,712,851	1.92	1.20	5,712,851	1.92	1.20
	27,619,905	2.82	0.66	20,270,722	2.42	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	300,000	0.45
Exercised	(371,369)	0.52
Expired	(3,420,000)	0.79
Forfeited	(1,843,230)	0.56
Outstanding at September 30, 2024	27,619,905	0.66

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 nine months ended September 30, 2024, the Company granted 300,000 stock options at a weighted average exercise price of $0.45 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 nine months ended September 30, 2024 were as follows:

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

Risk-free rate:	2.92%-3.65%
Expected life:	5 years
Expected volatility:	65.81%-68.96%
Expected dividends:	Nil
Weighted average fair value per option:	$ 0.32

Subsequent to September 30, 2024, 390,000 stock options expired unexercised and 73,333 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 RSU and PSU. The RSUs vest on specific dates, as determined by the Board. The PSUs vest is 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 nine months ended September 30, 2024, $354 was expensed in the statement of comprehensive loss as stock-based compensation expense for RSUs (nine months ended September 30, 2023: $Nil).

The Company uses Ascot's closing stock price on the day prior to the grant date to estimate the fair value for 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 nine months ended September 30, 2024, $52 was expensed in the statement of comprehensive loss as stock-based compensation expense for DSUs (nine months ended September 30, 2023: $27).

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	142,892	89,667
Exercised	(1,087,983)	(137,533)
Forfeited	(305,848)	-
Outstanding at September 30, 2024	5,222,808	2,826,513

The weighted average remaining contractual life of RSUs outstanding at September 30, 2024 is 3.21 years. The DSUs outstanding at September 30, 2024 expire one year after the individual ceases to be a director of the Company.

Presented 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). 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:	$2,902
Relative fair value*:	$2,837

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

On July 25, 2024, as a part of the Offering (Note 9a), the Company issued 74,430,000 share purchase warrants exercisable for two years at an exercise price of $0.52 per warrant.

The Company used the relative fair value method to allocate consideration received for the Offering between common shares and share purchase warrants. The Company used the Black-Scholes option pricing model to estimate the fair value of the warrants and it used Ascot's closing stock price on the day prior to the Offering closing date to value the common shares. The expected volatility assumption inherent in the Black-Scholes pricing model was based on the historical volatility of the Company's stock over a term equal to the expected term of the warrants granted. The weighted average assumptions used in this pricing model, and the resulting fair value per warrant for the warrants issued on July 25, 2024 were as follows:

Risk-free rate:	3.63%
Expected life:	2 years
Expected volatility:	71.13%
Expected dividends:	Nil
Fair value per warrant:	$ 0.17
Total fair value:	$12,657
Relative fair value:	$9,177

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Risk-free rate:	3.63%
Expected life:	2 years
Expected volatility:	71.13%
Expected dividends:	Nil
Fair value per warrant:	$ 0.17
Total fair value:	$12,657
Relative fair value:	$9,177

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	84,594,528	0.52
Outstanding at September 30, 2024	84,594,528	0.52

The weighted average remaining contractual life of the warrants outstanding at September 30, 2024 was 1.93 years.

In addition to vested warrants, 25,767,777 unvested warrants are outstanding at September 30, 2024 (Note 9b).

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Wages, benefits and management fees	$ 400	$ 879	$ 2,457	$ 2,796
Legal and professional services	731	321	1,552	827
Office and administration expenses	74	106	296	297
Travel	33	39	121	88
Investor relations and shareholders costs	47	29	274	342
Insurance	49	78	283	240
Compliance costs and property taxes	-	484	141	1,283
	$ 1,334	$ 1,936	$ 5,124	$ 5,873

13. FINANCE EXPENSE

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Accretion	$ 443	$ 356	$ 1,262	$ 751
Reclamation bond fee	277	137	799	426
Interest on office lease liability	(1)	7	17	22
	$ 719	$ 500	$ 2,078	$ 1,199

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14. OTHER INCOME

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Interest income	$ 196	$ -	$ 196	$ -
Flow through share premium	1,865	1,765	2,782	2,297
Other	69	-	69	1
	$ 2,130	$ 1,765	$ 3,047	$ 2,298

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 September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Salaries, short-term benefits and management fees	$ 204	$ 395	$ 1,069	$ 1,178
Project development costs	-	21	-	62
Share-based payment transactions	222	223	739	871
	$ 426	$ 639	$ 1,808	$ 2,111

b) Other Related Party Transactions

Included in accounts payable and accruals at September 30, 2024 is $396 (December 31, 2023: $591) due to the Company's directors and executive management.

During the nine months ended September 30, 2024, four of the Company's directors were granted a total of 89,667 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 $52.

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.

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17. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net changes in non-cash items included in mineral properties		
Depreciation and amortization	$ (52)	$ (209)
Capitalized borrowing cost	24,330	18,632
Stock-based compensation	394	210
Change in estimate of reclamation provisions	21,097	12,868
Right-of-use assets	6,283	4,153
Accounts payable, accrued liabilities and holdbacks	6,847	23,597
	$ 58,899	$ 59,251
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)
	$ -	$ -

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.

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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 September 30, 2024	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Stream buyback option	$ -	$ -	$ 4,407
Royalty buyback option	-	-	24
	$ -	$ -	$ 4,431
Financial liabilities			
Convertible facility - derivative portion	$ -	$ -	$ 2,026
	$ -	$ -	$ 2,026

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

Presented 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 September 30, 2024 would result in an additional $3,204 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the nine months ended September 30, 2024 (nine months ended September 30, 2023: $583).

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 $23 of interest added to the balance of the credit facilities and $213 interest paid for the nine months ended September 30, 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. The Company is in the process of pursuing additional funding to continue its operations (Note 1).

As at September 30, 2024, Ascot had a cash and cash equivalents balance of $9,882 and a working capital deficiency of $62,389, which included an estimated $4,871 as the current portion of the deferred revenue only to be settled with future production from the Project, an estimated $2,133 as the current portion of future extraction services and the $12,621 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 September 30, 2024 were as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	TOTAL
Trade and other payables	$ 44,193	$ -	$ -	$ -	$ 44,193
Lease liabilities	5,486	7,248	2,984	16	15,734
Convertible facility (Note 9)	2,610	24,535	-	-	27,145
Cost overrun facility (Note 9)	14,960	18,229	-	-	33,189
	$ 67,249	$ 50,012	$ 2,984	$ 16.0	$120,261

As of September 30, 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 September 30, 2024, the Company had a working capital deficiency, which would have resulted in a default. However, the Company obtained waivers from both SRSR and Nebari providing for limited suspension of covenant compliance requirements until November 18, 2024.

There has been no significant change to the Company's capital management policies during the nine months ended September 30, 2024.