



Ascot Provides Further Update on Previously Announced Financing

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VANCOUVER, British Columbia, March 7, 2025 -- **Ascot Resources Ltd.** (TSX: AOT; OTCQX: AOTVF) ("**Ascot**" or the "**Company**") announces that the Company has submitted a financial hardship exemption application to the Toronto Stock Exchange (the "**TSX**") under Section 604(e) of the TSX Company Manual (the "**Exemption**") in respect of its previously announced brokered private placement and amendments to certain credit agreements of the Company (collectively, the "**Financing**") to raise a minimum of C\$60,000,000 and up to a maximum of C\$65,000,000. The Company expects to raise approximately the minimum amount of C\$60,000,000.

The gross proceeds from the CDE FT Offering (as defined below) will be used by the Company to incur eligible "Canadian development expenses" (within the meaning of the *Income Tax Act* (Canada)) (the "**Qualifying Expenditures**"). The Qualifying Expenditures will be incurred or deemed to be incurred and renounced to the purchasers of the CDE FT Units (as defined below) with an effective date no later than September 30, 2025. The Company expects to use the proceeds from the HD Offering (as defined below) to advance the Premier Gold Project and for general corporate purposes. Please see the press release titled "*Ascot Announces Best Efforts Private Placement to Fund Mine Development & Restart of Operations*" dated February 20, 2025 for further details on sources and uses of funds.

Equity Financing

The Company has entered into an agreement, as amended, with a syndicate of agents co-led by Desjardins Capital Markets and BMO Capital Markets (collectively the "**Agents**") with respect to a brokered private placement, to be marketed on a best-efforts basis, consisting of: (i) hard dollar units of the Company (the "**HD Units**") at a price of C\$0.115 per HD Unit (the "**HD Unit Offering Price**") for gross proceeds of a minimum of C\$40 million and up to a maximum of C\$45 million (the "**HD Offering**"); and (ii) charity flow-through units of the Company (the "**CDE FT Units**", and collectively with the HD Units, the "**Units**") at a price of C\$0.1403 per CDE FT Unit (the "**CDE FT Offering Price**") for gross proceeds of approximately C\$20 million (the "**CDE FT Offering**", together with the HD Unit Offering, the "**Equity Financing**"). Each Unit will be comprised of one common share in the capital of the Company (each, a "**Common Share**") and one warrant to purchase a Common Share (each, a "**Warrant**"). The Common Shares and Warrants underlying the CDE FT Units shall qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada)). Each Warrant shall entitle the holder to acquire one non-flow-through Common Share at a price of C\$0.155 per Common Share (the "**Warrant Strike Price**") for a period of 24 months following the Tranche 1 Closing Date (as defined below), subject to adjustments. The HD Unit Offering Price and the Warrant Strike Price were determined by arm's length negotiations between the Company and the Agents in the context of the market and announced concurrently with the initial terms of the Equity Financing and the CDE FT Offering Price was determined by arm's length negotiations and represents a premium to the HD Unit Offering Price.

The closing of the Equity Financing will consist of an initial tranche ("**Tranche 1**") that is expected to close on or about March 14, 2025 (the "**Tranche 1 Closing Date**") as well as a second tranche ("**Tranche 2**") that is expected to close on or about April 10, 2025 (the "**Tranche 2 Closing Date**", and collectively the "**Closing Dates**"). Tranche 1 will consist of all CDE FT Units to be issued pursuant to the CDE FT Offering, and may consist of a portion of the HD Units to be issued pursuant to the HD Offering, for gross proceeds of approximately C\$40 million. Tranche 2 will consist of the remaining HD Units not issued as a part of Tranche 1 pursuant to the HD Offering, for gross proceeds of approximately C\$20 million. As of the Tranche 1 Closing Date, the Company expects to have executed subscription agreements for all Tranche 2 subscribers. The Closing Dates may be adjusted as agreed among the Company and the Agents, acting reasonably. Closing of the Equity Financing is conditional on the execution of all necessary definitive documentation in respect of the Forbearance Amendments (as defined below), and the receipt of the necessary TSX approvals and exemptions, including the Exemption.

The Common Shares and Warrants comprising the Units issued pursuant to the Equity Financing will be subject to a four-month hold period in accordance with Canadian securities laws.

Forbearance Amendments

The Company has reached agreement with Sprott Private Resource Streaming and Royalty (B) Corp, ("**Sprott**") and Nebari (as defined below) (collectively, the "**Secured Creditors**") who have agreed to extend their existing waiver and forbearance conditions until September 30, 2025, subject to the conditions described herein (the "**Forbearance Amendments**").

The Forbearance Amendments are conditional on certain conditions precedent required by the Secured Creditors, including the completion of the Equity Financing, successful negotiation and execution of definitive agreements in respect of the Forbearance Amendments and the receipt of the necessary TSX approvals and exemptions, including the Exemption.

Sprott has committed to release the currently held US\$7,500,000 second stream deposit from escrow upon achieving the agreed development and funding targets, consistent with the terms of the Company's amended and restated purchase and sale agreements, dated November 15, 2024 (the "**Purchase and Sale Agreements**") with Sprott.

In consideration for a portion of the Forbearance Amendments, the Company has agreed to amend its existing amended and restated credit agreement with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC (collectively, "**Nebari**") dated November 18, 2024 (the "**Convertible Facility**"). In connection with the Forbearance Amendments, the conversion price under the Convertible Facility will be amended to the Warrant Strike Price and the exercise price of the existing Warrants held by Nebari will be amended to the Warrant Strike Price. In addition, the maximum number of Common Shares issuable pursuant to the conversion of the Convertible Facility and the exercise of existing Warrants held by Nebari is expected to be amended from a maximum of 155,000,000 Common Shares to a maximum of 200,000,000 Common Shares, an increase of 45,000,000 Common Shares.

TSX Exemption from Shareholder Approval Requirement

Absent the Exemption, the Financing would require the approval from the holders of a majority of the issued and outstanding Common Shares, on a disinterested basis, excluding the vote of Ccori Apu S.A.C ("**Ccori Apu**"), Equinox Partners LLC ("**Equinox Partners**"), Franklin Gold and Precious Metals Fund ("**Franklin**") and any subscribers under the Equity Financing.

Ccori Apu, Equinox Partners and the directors and officers of the Company participating in the Financing are considered interested parties and would be precluded from voting on a resolution approving the Financing if the Company were not relying on the Exemption. As a result, the aggregate number of securities that would be excluded from voting would be 375,657,351 Common Shares, representing 38.18% of the Company's issued and outstanding Common Shares as of the date hereof.

Section 604(a)(i) of the TSX Company Manual states that shareholder approval is required where a transaction would materially affect control of the Company. Ccori Apu's, Equinox Partners' and Franklin's participation in the Equity Financing may materially affect control of the Company upon closing of the Financing.¹

- Prior to the Financing, Ccori Apu held 217,800,000 Common Shares and 10,500,000 Warrants, representing 22.96% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 22.13% on a non-diluted basis or 18.25% ownership on a fully diluted basis. In connection with the Financing, Ccori Apu is expected to acquire 258,695,655 HD Units, comprised of 258,695,655 Common Shares and 258,695,655 Warrants. Following the Financing, Ccori Apu would then hold 476,495,655 Common Shares and 269,195,655 Warrants, representing 42.66% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 32.22% on a non-diluted basis or 32.63% ownership on a fully diluted basis.
- Prior to the Financing, Equinox Partners held or had control over 157,307,359 Common Shares and 6,950,000 Warrants, representing 16.58% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 15.99% on a non-diluted basis or 13.13% ownership on a fully diluted basis. In connection with the Financing, Equinox Partners is expected to acquire 37,609,190 HD Units, comprised of 37,609,190 Common Shares and 37,609,190 Warrants, and, indirectly, 55,595,155 CDE FT Units, comprised of 55,595,155 Common Shares and 55,595,155 Warrants. Following the Financing, Equinox Partners would then hold 250,511,704 Common Shares and 100,154,345 Warrants, representing 22.21% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 16.94% on a non-diluted basis or 15.35% ownership on a fully diluted basis.
- Prior to the Financing, Franklin held 87,202,000 Common Shares and 5,000,000 Warrants, representing 9.32% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 8.86% on a non-diluted basis or 7.37% ownership on a fully diluted basis. In connection with the Financing, Franklin is expected to acquire, indirectly, 86,956,520 CDE FT Units, comprised of 86,956,520 Common Shares and 86,956,520 Warrants. Following the Financing, Franklin would then hold 174,158,520 Common Shares and 91,956,520 Warrants, representing 16.94% ownership, calculated on a partially diluted basis in accordance with National Instrument 62-104, 11.78% on a non-diluted basis or 11.65% ownership on a fully diluted basis.

Section 607(g)(i) of the TSX Company Manual states that shareholder approval is required where the number of listed securities issuable exceeds 25% of the number of shares issued and outstanding prior to the transaction. The aggregate number of Common Shares issued or made issuable in connection with the Financing is greater than 25% of the number of issued and outstanding Common Shares as of the date hereof: (i) the maximum amount of 1,067,712,044 Common Shares issued, or made issuable on exercise of Warrants, in connection with the Equity Financing, assuming the maximum of C\$65 million raise, would represent 108.51% of the issued and outstanding Common Shares as of the date hereof; (ii) the additional 45,000,000 Common Shares made issuable in connection with the amendment to the Convertible Facility and Warrants held by Nebari represents 4.57% of the issued and outstanding Common Shares as of the date hereof; and (iii) collectively, the 1,112,712,044 Common Shares issued, or made issuable, upon closing of the Financing represents 113.08% of the issued and outstanding Common Shares as of the date hereof. For the purposes of the TSX Company Manual, the amendment to the Convertible Facility and Warrants held by Nebari is treated as a new private placement. However, the above calculations do not take into account the potential dilution already represented by the Convertible Facility and existing Warrants held by Nebari prior to the Forbearance Amendments.

Section 607(g)(ii) of the TSX Company Manual states that shareholder approval is required for the issuance to insiders of shares in excess of 10% of the issued and outstanding Common Shares during any six-month period. Insider participation in the Equity Financing will result in insiders having acquired greater than 10% of the issued and outstanding Common Shares of the Company in a six-month period. On November 18, 2024, Ccori Apu acquired 86,500,000 Common Shares. In connection

¹ For the purposes of this paragraph, the Company has assumed the Company will issue 494,710,664 Common Shares and 494,710,664 Warrants pursuant to the Equity Financing.

with the Equity Financing, Ccori Apu will acquire 258,695,655 HD Units, consisting of 258,695,655 Common Shares and 258,695,655 Warrants. On November 18, 2024, Equinox Partners acquired 75,000,000 Common Shares. In connection with the Equity Financing, Equinox Partners will acquire 37,609,190 HD Units, consisting of 37,609,190 Common Shares and 37,609,190 Warrants, and, indirectly, 55,595,155 CDE FT Units, consisting of 55,595,155 Common Shares and 55,595,155 Warrants. On November 18, 2024, certain directors and officers of the Company acquired 830,000 Common Shares. In connection with the Equity Financing, certain directors and officers of the Company will acquire 1,879,129 HD Units, consisting of 1,879,129 Common Shares and 1,879,129 Warrants. Following closing of the Financing, Ccori Apu will have acquired 48.68% of the Common Shares outstanding as of November 18, 2024, calculated on a non-diluted basis, or 85.16% of the Common Shares outstanding as of November 18, 2024, calculated assuming exercise of their Warrants. Following closing of the Financing, Equinox Partners will have acquired (excluding open market purchases) 23.72% of the Common Shares outstanding as of November 18, 2024, calculated on a non-diluted basis, or 36.86% of the Common Shares outstanding as of November 18, 2024, calculated assuming exercise of their Warrants. Following closing of the Financing, directors and officers will have acquired 0.38% of the Common Shares outstanding as of November 18, 2024, calculated on a non-diluted basis or 0.65% of the Common Shares outstanding as of November 18, 2024, calculated assuming exercise of their Warrants. In aggregate, insiders will have acquired 72.78% of the Common Shares outstanding as of November 18, 2024, calculated on a non-diluted basis, or 122.67% of the Common Shares outstanding as of November 18, 2024, calculated assuming exercise of their Warrants.

Section 607(f) of the TSX Company Manual states that a private placement must close within 45 days of the date the price is established, unless an extension is granted, which will generally be granted if the price complies with Section 607(e) of the TSX Company Manual. Section 607(e) of the TSX Company Manual states that shareholder approval is required if the price per share is lower than the “market price” (as defined by TSX) less the applicable discount.

The Equity Financing will be closed in two tranches, with Tranche 2 potentially closing more than 45 days from the date the HD Unit Offering Price and the Warrant Strike Price were determined, at which time no assurance can be given that the securities will still comply with the requirements set out in Section 607(e) of the TSX Company Manual.

Section 607(i) of the TSX Company Manual states that shareholder approval is required where warrants to purchase shares are issued with a warrant exercise price that is less than the market price of the underlying share. Section 610(a) of the TSX Company Manual states that shareholder approval is required where the basis for determining the conversion price of a convertible security could result in a conversion price lower than (i) either of, but not the lower of, market price less the applicable discount, at the time of issuance of the convertible security or at the time of conversion of such security; or (ii) the lower of the market price, without any applicable discount, at the time of the issuance of convertible security or at the time of conversion of such security. While both the exercise price for the amended Nebari owned Warrants and the conversion price for the amended Convertible Facility represent a 2.45% premium to the market price as of February 19, 2025, interest that will accrue in the future, on the principal amount of the Convertible Facility will be convertible for Common Shares at C\$0.155, which may be less than the market price at the time accrued interest was or will be capitalized and Common Shares became or become issuable on conversion of such interest.

The Company has applied to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, for a “financial hardship” exemption from these requirements to obtain shareholder approval, on the basis that the Company is in serious financial difficulty and the Financing is designed to address these financial difficulties in a timely manner.

The board of directors of the Company (the “**Board**”) has established a special committee of independent directors, free from any material interest in the Financing and unrelated to the parties to the Financing (the “**Special Committee**”) to consider and assess the Company’s financial situation and the Company’s proposed application to the TSX for the Exemption.

The Special Committee has considered and reviewed the circumstances currently surrounding the Company and the Financing including, among other factors: the Company’s current financial difficulties and immediate capital requirements; the lack of alternate financing arrangements available; and the fact that the Financing is the only viable financing option at the present time. The Special Committee has considered and assessed the Company’s financial situation and the proposed application for the Exemption, and made a unanimous recommendation to the Board that the Company make the application to the TSX for the Exemption. The Board, upon the recommendation of the Special Committee, has determined that: (i) Ascot is in serious financial difficulty; (ii) the Financing is designed to improve Ascot’s financial situation and (iii) based on the determination of the Special Committee, the Financing is reasonable for Ascot in the circumstances.

The Company’s current financial difficulties are based on a number of factors.

The Company has historically relied upon a combination of new capital through equity and debt markets to meet its financial obligations. The Company poured first gold at its mineral project in April 2024 but has not generated sufficient revenue from operations to offset a number of adverse events that have occurred over the last several months.

On August 9, 2024, the Company announced that the commissioning process had gone slower than expected due to a combination of challenges with the process plant and lower grades from the development ore from the Big Missouri mine (“**BM**”).

On September 6, 2024, the Company announced the amount of mine development at BM had fallen behind schedule by approximately one to two months, and with the delay in the start of the Premier Northern Lights mine (“**PNL**”) ramp from July to December of 2023, this delayed the PNL production. As a result, the number of stoping areas was not sufficient to provide enough production to adequately feed the mill. Although the Company was on track for first development ore at PNL in September, it determined that further development was required to access deeper ore than was initially planned, and to extend

the timing to complete the development and ramp up of PNL. The Company decided, after careful consideration, that to enable sufficient mine development, it would suspend operations.

On November 18, 2024, the Company announced that it had closed a financing package in which: (i) the Secured Creditors extended the waiver and forbearance agreements until May 31, 2025; and (ii) the Company closed a brokered private placement for gross proceeds of approximately C\$42 million.

The Company is required to comply with certain financial and non-financial covenants under the Company's Convertible Facility and the amended and restated credit agreement with Nebari dated November 18, 2024 (the "COF"), which, if violated, could result in the amounts borrowed being due and payable to Nebari on demand.

The Company is party to the Purchase and Sale Agreements with Sprott. The Purchase and Sale Agreements require that the Company deliver certain amounts of refined gold and refined silver to Sprott. Pursuant to the terms the Purchase and Sale Agreements, the Company is required to maintain certain financial and non-financial covenants, which, if violated, could result in Sprott demanding all amounts and deliveries owing and demanding payment of all losses, including the greater of a specified early termination amount or the net present value of the Purchase and Sale Agreements.

As of the date hereof, the aggregate amount of the uncredited balance under the Purchase and Sale Agreements is approximately US\$127,000,000.

As of the date hereof, US\$38,200,000 is outstanding (including accrued interest and fees) under the COF and Convertible Facility.

The Company is not currently generating sufficient cash from its operations to fund the payment of interest under the COF and Convertible Facility and to otherwise meet its financial and non-financial obligations under the Purchase and Sale Agreements, the COF and Convertible Facility. The Company's ability to meet these obligations are at risk given the Company's mining operations are currently on care and maintenance.

Upon expiry of such temporary waivers, the Secured Creditors can enforce the repayment of the amounts outstanding upon the expiry of the current waivers, which obligation the Company will not have the ability to meet given its current cash available.

As part of the transactions, the Company's Secured Creditors would extend their existing waiver and forbearance conditions until September 30, 2025.

The Company's vendors are currently owed approximately C\$33,000,000, with C\$20,400,000 in promissory note and C\$12,600,000 in payables and accrual, and such amount continues to increase. Additionally, C\$8,000,000 of the Company's accounts payable are over 90 days past due.

All of the factors described above have contributed to placing Ascot in its current situation of serious financial difficulty.

There can be no assurance that the TSX will accept the application for the Exemption. As announced on November 11, 2024, the Company previously relied on the financial hardship under Section 604(e) of the TSX Company Manual. The TSX placed the Common Shares under delisting review, which is customary practice when a listed issuer relies on such exemptions. No assurance can be provided as to the outcome of such review and the continued qualification for listing of the Common Shares on the TSX. The Company may delist from the TSX and pursue an alternative listing on the TSX Venture Exchange.

Subject to receipt of TSX approval and other customary conditions, the closing of the Equity Financing and the execution of the definitive documentation in respect of the Forbearance Amendments are expected to occur on or about March 14, 2025, with Tranche 2 closing on or about April 10, 2025. The Closing Dates may be adjusted as agreed among the Company and the Agents, acting reasonably.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Qualified Person

James A. (Jim) Currie, P.Eng., Chief Executive Officer of the Company is the Company's Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed and approved the technical contents of this news release.

On behalf of the Board of Directors of Ascot Resources Ltd.

Rick Zimmer
Chairman of the Board of Directors

For further information contact:

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About Ascot

Ascot is a Canadian mining company headquartered in Vancouver, British Columbia, and its shares trade on the TSX under the ticker AOT and on the OTCQX under the ticker AOTVF. Ascot is the 100% owner of the Premier Gold mine, which poured first gold in April 2024 and is located on Nisga'a Nation Treaty Lands, in the prolific Golden Triangle of northwestern British Columbia.

For more information about the Company, please refer to the Company's profile on SEDAR+ at www.sedarplus.ca or visit the Company's web site at www.ascotgold.com.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding Forward-Looking Information

All statements and other information contained in this press release about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," "targeted," "outlook," "on track" and "intend" and statements that an event or result "may," "will," "should," "could," "would" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the terms and conditions of the Financing, the ability to raise additional funds and any future financing, the completion of the Financing, details in respect of participation in the Financing and anticipated dilution, the future performance, defaults and obligations of Ascot under agreements with the Secured Creditors; future waivers or forbearance agreements relating to such agreements, including any discussions with the Secured Creditors; the anticipated use of proceeds from the Financing and the ability of the Company to accomplish its business objectives and the intentions described herein, obtaining the Exemption; the TSX's remedial delisting review of the Common Shares and future plans, development and operations of the Company. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks related to whether the Financing will be completed on the terms described or at all; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainty of estimates and projections relating to development, production, costs and expenses, and health, safety and environmental risks; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of Ascot's properties and the issuance of required permits; the need to obtain additional financing to finance operations and uncertainty as to the availability and terms of future financing; the possibility of delay in future plans and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; the need for TSX approval, including pursuant to financial hardship exemptions, and other regulatory approvals and other risk factors as detailed from time to time in Ascot's filings with Canadian securities regulators, available on Ascot's profile on SEDAR+ at www.sedarplus.ca including the Annual Information Form of the Company dated March 25, 2024, in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs associated with the care and maintenance plans; the ability to maintain throughput and production levels at BM and PNL; the tax rate applicable to the Company; future commodity prices; the grade of mineral resources and mineral reserves; the ability of the Company to convert inferred mineral resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; the ability of the Company to raise additional financing; compliance with the covenants in Ascot's credit agreements; and exploration plans. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Ascot can give no assurance that such expectations will prove to be correct. Ascot does not undertake any obligation to update forward-looking statements, other than as required by applicable laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.
