Ascot Resources Ltd.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023
(Presented in thousands of Canadian Dollars, except where indicated)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") as outlined in Part 1 of the Handbook of the Chartered Professional Accountants ("CPA") of Canada and on a going concern basis. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

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

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

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

"*James A. (Jim) Currie*"
President & Chief Executive Officer

"*Carol Li*"
Chief Financial Officer

March 24, 2025

Independent auditor's report

To the Shareholders of Ascot Resources Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ascot Resources Ltd. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment test for mineral properties, plant and equipment (MPP&E) for the Premier Gold and Red Mountain Project (the Project) cash generating unit (CGU) *Refer to note 2(d) – Basis of presentation judgments and estimates, note 3 – Material accounting policies and note 8 – Mineral properties, plant and equipment to the consolidated financial statements.* As at December 31, 2024, the total net book value of MPP&E amounted to $793.0 million, which substantially all relates to the Project. At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to the Company's MPP&E costs and exploration and evaluation assets. If any such indicator exists, then an impairment test is performed by management. An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a CGU's value in use and fair value less costs of disposal (FVLCD). In September 2024, management decided to temporarily suspend its operations in order to focus on mine development and, as a result, an impairment indicator was identified. Management completed an impairment test for the Project CGU based on FVLCD, using a discounted cash flow model. The determination of FVLCD of the Project CGU required management to apply significant judgment and use key assumptions related to forecast gold prices, mining and processing costs, capital expenditures, reserve and resource	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the Project CGU as at September 30, 2024, which included the following: – Tested the appropriateness of the method used by management. – Performed a sensitivity analysis of the models to determine key inputs and assess the impact on the overall model. – Tested the underlying data used in the discounted cash flow model. – Evaluated the reasonableness of forecast gold prices as well as foreign exchange rates by comparing them with external market and industry data. – The work of management's experts was used in performing procedures to evaluate the reasonableness of the estimates of reserve and resource quantities, recovery rates, estimated gold grades, mining and processing costs and capital expenditures, as well as reclamation and closure costs. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data

Key audit matter	How our audit addressed the key audit matter
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 and capital expenditures, as well as reclamation and closure costs, were based on information compiled by management's experts. As at September 30, 2024, the FVLCD exceeded the carrying amount of the Project CGU by $145 million and, as a result, no impairment loss was recognized by management. As at December 31, 2024, based on management's impairment indicator assessment, no new impairment indicators were noted. Accordingly, no impairment test was performed as at December 31, 2024. We considered this a key audit matter due to the high degree of audit effort and subjectivity in performing procedures to test key assumptions used by management in determining the recoverable amount of the Project CGU, which involved significant judgment by management. We were also assisted by professionals with specialized skill and knowledge in the field of valuation.	used by management's experts and an evaluation of their findings. – Professionals with specialized skill and knowledge in the field of valuation assisted us in assessing the reasonableness of the discount rate used within the model, as well as a breakeven in situ analysis • Tested the disclosures, including the sensitivity analysis, made in the consolidated financial statements with regard to the impairment test of the Project CGU.

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 24, 2025

(Canadian Dollars in Thousands)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current			
Cash and cash equivalents	4	$ 27,974	$ 26,974
Trade and other receivables		609	2,146
Inventories	5	3,587	763
Prepaid expenses and deposits		2,429	2,540
Total Current Assets		34,599	32,423
Restricted cash	6	4,749	3,447
Exploration and evaluation assets	7	5,424	5,424
Mineral properties, plant and equipment	8	793,035	570,466
Embedded derivatives	9	2,019	17,050
Other assets		2,271	1,578
Total Non-Current Assets		807,498	597,965
Total Assets		$ 842,097	$ 630,388
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		$ 17,717	$ 33,117
Deferred revenue	9	6,936	12,255
Reclamation provisions	10	957	477
Credit facilities	11	39,477	-
Lease liabilities	12	4,903	3,707
Promissory note	14	11,386	-
Other liabilities		774	1,204
Total Current Liabilities		82,150	50,760
Deferred revenue	9	226,968	163,302
Reclamation provisions	10	74,436	40,851
Credit facilities	11	12,081	17,266
Lease liabilities	12	7,992	6,296
Promissory note	14	7,674	-
Deferred income tax liabilities	13	981	1,155
Total Non-Current Liabilities		330,132	228,870
Total Liabilities		412,282	279,630
Shareholders' Equity			
Share capital	15	497,534	400,825
Contributed surplus	15	46,083	32,227
Accumulated deficit		(113,802)	(82,294)
Total Shareholders' Equity		429,815	350,758
Total Liabilities and Shareholders' Equity		$ 842,097	$ 630,388

Going concern (Note 1), Commitments (Notes 6, 8, 10 and 23), Contingencies (Notes 6, 8 and 25), Subsequent event (Note 26).
The accompanying notes are an integral part of these consolidated financial statements.

/s/ *"Rick Zimmer"*
Director

/s/ *"Indi Gopinathan"*
Director

(Canadian Dollars in Thousands Except Loss per Share)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Revenues		$ 15,388	$ -
Cost of sales			
Production costs		(11,719)	-
Depreciation, depletion and amortization		(2,528)	-
Transportation cost and royalties		(295)	-
Total cost of sales		$ (14,542)	$ -
Gross profit		$ 846	$ -
General and administrative expenses	16	$ (5,831)	$ (7,818)
Stock-based compensation	15	(1,682)	(3,085)
Depreciation and amortization		(210)	(559)
Financing costs	9,11	(3,742)	(2,567)
Finance expense	17	(2,825)	(1,592)
Other income	18	3,426	5,220
Loss on sale of mineral interest	9	(801)	-
Loss on write off of assets		-	(325)
Loss on extinguishment of debt	11	(9,444)	(5,120)
Gain on promissory note	14	1,420	-
Change in fair value of financial instruments	9,11	(10,144)	5,843
Foreign exchange gain (loss)		(2,695)	719
Loss before income taxes		$ (31,682)	$ (9,284)
Income tax recovery (expense)		174	(1,146)
Net loss for the year		$ (31,508)	$ (10,430)
Total comprehensive loss		$ (31,508)	$ (10,430)
Loss per share			
- basic and diluted		$ (0.05)	$ (0.02)
Weighted average shares outstanding			
- basic and diluted		684,444,813	546,793,396

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	Contri-buted Surplus	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	1,173,603	842	(842)	-	-
Partner alignment shares	5,457,073	3,383	-	-	3,383
Premium on flow-through shares	-	(6,350)	-	-	(6,350)
Stock-based compensation expense	-	-	3,085	-	3,085
Stock-based compensation capitalized	-	-	532	-	532
Net loss for the year	-	-	-	(10,430)	(10,430)
Balance, December 31, 2023	**556,047,352**	**$ 400,825**	**$ 32,227**	**$ (82,294)**	**$ 350,758**
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 15)	408,297,096	93,817	9,177	-	102,994
Exercise of stock options	371,369	300	(107)	-	193
Issued for other consideration					
Exercise of share units	1,367,621	724	(619)	-	105
Acquisition of assets	5,692,972	2,501	-	-	2,501
Repayment of credit facilities	1,464,166	278	-	-	278
Partner alignment shares	9,591,776	1,631	-	-	1,631
Premium on flow-through shares (Note 15)	-	(2,542)	-	-	(2,542)
Stock-based compensation expense (Note 15)	-	-	1,682	-	1,682
Stock-based compensation capitalized	-	-	490	-	490
Cost overrun facility - warrants (Note 11)	-	-	3,233	-	3,233
Net loss for the year	-	-	-	(31,508)	(31,508)
Balance, December 31, 2024	**982,832,352**	**$ 497,534**	**$ 46,083**	**$ (113,802)**	**$ 429,815**

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

(Canadian Dollars in Thousands)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Cash flows from operating activities			
Net loss for the year		$ (31,508)	$ (10,430)
Adjustment to reconcile loss to net cash used in operating activities:			
Stock-based compensation	15	1,682	3,085
Amortization and depreciation		2,738	559
Deferred revenue recognition	9	(993)	-
Loss on write off of assets		-	325
Financing costs		1,275	1,662
Gain on flow through share premium		(2,972)	(5,218)
Finance expense		1,811	1,021
Deferred income tax expense		(174)	1,146
Gain on promissory note		(1,420)	-
Change in fair value of financial instruments	9,11	10,144	(5,843)
Loss on extinguishment of debt	11	9,444	5,120
Loss on sale of mineral interest		801	-
Unrealized foreign exchange loss (gain)		2,704	(1,371)
Changes in non-cash working capital balances:			
Increase in inventories	5	(2,824)	(763)
Decrease (increase) in receivables		1,537	(1,306)
Decrease (increase) in prepaid expenses and deposits		111	(1,402)
Increase in trade and other payables		1,962	277
Payment for reclamation provision		-	(116)
Total cash inflows (outflows) from operating activities		**(5,682)**	**(13,254)**
Cash flows from investing activities			
Investment in mineral properties, plant and equipment	8	(153,433)	(128,349)
Proceeds from sale of net smelter return royalty	9b	40,554	-
Payment for pre-production royalty		(50)	(50)
Payment of deposit for environmental bond		(1,302)	(1,000)
Total cash outflows from investing activities		**(114,231)**	**(129,399)**
Cash flows from financing activities			
Proceeds from stream deposit		-	113,006
Payment for convertible facility		-	(565)
Proceeds from cost overrun facility	11	26,766	-
Proceeds from share issuance	15	109,352	53,935
Share issue costs	15	(6,758)	(2,361)
Financing costs		(484)	(228)
Proceeds from exercise of stock options		193	25
Payment for principal and interest on cost overrun facility		(3,096)	-
Payment for lease liabilities		(5,027)	(1,686)
Total cash inflows from financing activities		**120,946**	**162,126**
Effect of exchange rate changes on cash and cash equivalents		(33)	27
Total increase in cash during the year		**1,000**	**19,500**
Cash and cash equivalents, beginning of year		**26,974**	**7,474**
Cash and cash equivalents, end of year		**$ 27,974**	**$ 26,974**
Supplemental cash flow information	22		

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. 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 December 31, 2024 were:

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

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

The address of the Company's corporate office and principal place of business is Suite 430, 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6, Canada.

Going concern

These 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 December 31, 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 December 31, 2024, Ascot had a cash and cash equivalents balance of $27,974 and working capital deficiency of $47,551. The negative working capital, the delay in underground development, the suspension of operations and the builder's liens filed on the mineral properties would have resulted in a default on Ascot's credit facilities (Note 11) and stream agreements (Note 9), however, the Company obtained waivers from its secured creditors providing for limited suspension of covenant compliance requirements until September 30, 2025 (Notes 11 and 26). The waivers were in effect as of December 31, 2024 and until September 30, 2025.

In order to complete mine development required for sufficient ore feed and restart its operations, the Company may need 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 March 14, 2025, the Company closed the first of two tranches of a private placement of common shares of the Company (the "Offering") and has entered into extensions of the existing waiver and forbearance conditions with its secured creditors (Note 26). The Company received net proceeds of $39,455 from the first tranche of the Offering. The second and final tranche of the Offering, pursuant to which the Company expects to receive additional gross proceeds of $18,630, is anticipated to close on or about April 10, 2025. While the Company has received this funding, the timeline to bring the Project into commercial production and profitable operations is uncertain and therefore additional funding may be required. These considerations indicate material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

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

These financial statements were approved for issue by Ascot's board of directors on March 24, 2025.

b) Basis of measurement

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

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

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

c) New and amended IFRS Accounting Standards pronouncements

Amendment to IAS 1 Presentation of Financial Statements

On October 31, 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements (IAS 1). The amendments apply to annual reporting periods beginning on or after January 1, 2024. The amendments are aimed at improving the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments issued in January 2020, which clarified the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. These amendments 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 11b), 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 financial statements.

d) Judgments and estimates

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

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

Impairment of mineral properties

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

(i) forecast commodity prices for the Company's product decline significantly;
(ii) significant negative changes take place in technology, markets, economy or applicable laws;
(iii) market interest rates increase significantly;
(iv) the Company's market capitalization is reduced below its net assets' value;

(v) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future;

(vi) substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is neither budgeted nor planned;

(vii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable;

(viii) obsolescence or physical damage of the asset;

(ix) significant changes with an adverse effect on the entity, in the extent to which, or manner in which, an asset is used or is expected to be used;

(x) evidence that the economic performance of an asset is, or will be, worse than expected, and

(xi) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

In September 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 2024. Management 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 8). Actual results may differ from these estimates.

Accounting for the Sprott Stream

Upon initiation of the Sprott Stream (Note 9) and at each reporting period, management applies judgment in assessing the appropriate accounting treatment of the Sprott Stream. One of the areas of significant judgment is the Company's potential obligation to settle a portion of the Sprott Stream in cash. Management noted that the lender has limited ability to cancel the Sprott Stream or seek cash reimbursement except under certain circumstances of breach and default of covenants (i.e., a contingent settlement provision). Management determined that the Company is expected to be able to settle the Sprott Stream through delivery of the commodities based on Ascot's most recent mine plan. Based on these considerations, management concluded that the Sprott Stream does not meet the definition of a financial liability and has been accounted for as a contract liability for the future delivery of an unknown quantity of gold and silver ounces, with each ounce representing a separate performance obligation (Note 9).

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

When the Sprott Stream includes an embedded derivative component, its fair value is estimated using a financial pricing model. The Company estimates the fair value of its buyback option derivative using the Monte Carlo Simulation Method. The key assumptions used in the model are risk-free rates, the Company's forecast mineral production, forecast gold and silver prices and volatility and credit spread (Note 9).

Sale of royalty interest

Judgment was required in assessing the appropriate accounting treatment for the new 3.1% NSR royalty (Note 9) 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 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 comprehensive 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 3.1% NSR royalty (Note 9), 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.

Accounting for debt financing transactions

Upon entering into a debt financing transaction, management applies judgment in assessing the appropriate accounting treatment by considering the specific terms of the debt financing transaction to identify any potential embedded derivatives, and to determine the appropriate valuation methodology. In assessing the credit facilities (Note 11), management identified a conversion option embedded derivative within the Convertible facility. The embedded derivative is required to be revalued at each period end with the movements recorded as gains or losses in the statement of comprehensive loss.

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

Reclamation provision

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

Impairment of mineral properties

Impairment of mineral properties is a key area of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months. The estimates and associated assumptions are based on the Company’s mine plan and other factors that are considered to be relevant. Actual results may differ from these estimates.

3. MATERIAL ACCOUNTING POLICIES

a) 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 (i.e., deferred revenue) 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.

b) Exploration and evaluation expenditures

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

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

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

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

c) Mineral properties, plant and equipment

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

i) Recognition and measurement

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

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

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

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

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

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

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

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

ii) Depreciation and depletion

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

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

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

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

iii) Construction in progress

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

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

d) Impairment of non-current assets

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

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

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

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

e) Deferred revenue

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

The initial deposit received under the Sprott Stream (Note 9) has been accounted for as a contract liability (deferred revenue) within the scope of IFRS 15. Under the terms of the Stream, settlement will be executed via the delivery of gold and silver. The products to be delivered are directly linked to the metals produced at PGP.

f) Share capital

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

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

g) Flow-through shares

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

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

h) Earnings (loss) per share

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

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

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

i) Income taxes

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

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

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

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

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

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

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

j) Share-based compensation

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

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

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

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

k) Provisions

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

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

l) Leases

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

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

m) Financial instruments

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

i) Classification and measurement

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

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

Financial assets at FVTPL

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

Financial assets at FVTOCI

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

Financial assets at amortized cost

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

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

Financial liabilities at FVTPL

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

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

Financial liabilities at amortized cost

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

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

Cash and cash equivalents:	Amortized cost
Trade and other receivables:	Amortized cost
Reclamation deposits:	Amortized cost
Trade and other liabilities:	Amortized cost
Credit facilities:	Amortized cost
Promissory note:	Amortized cost
Embedded derivatives:	FVTPL

ii) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at December 31, 2024.

4. CASH AND CASH EQUIVALENTS

		December 31, 2024		December 31, 2023
Cash	$	27,974	$	21,974
Guaranteed Investment Certificates ("GICs") and term deposits		-		5,000
Cash and cash equivalents	$	27,974	$	26,974

Canadian and US dollar cash is held in treasury accounts at a Canadian chartered bank. Cash in treasury accounts bears interest at 3.65% per annum (December 31, 2023: 5.4%).

Included in cash and cash equivalents is $3,570 (December 31, 2023: $6,251), which is required to be used for flow-through expenditures prior to December 31, 2025.

5. INVENTORIES

		December 31, 2024		December 31, 2023
Materials and supplies		3,587		763
Inventories	$	3,587	$	763

6. RESTRICTED CASH

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

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

As of December 31, 2024, Ascot has posted total reclamation and environmental bonds of $46,935 (December 31, 2023: $36,274) as required by various exploration and mining permits, which were issued 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. Subsequent to December 31, 2024, the cash collateral requirement increased to $6,002.

Subsequent to December 31, 2024, the Company was required by the regulator to post an additional $9.7 million reclamation bond by March 31, 2025 in connection with M-179 Mines Act Permit amendment. The Company has requested the amendment of the additional reclamation bond posting schedule to March 31, 2026 for an amount of $3 million and December 31, 2026 for the amount of $6.7 million. The regulator is reviewing the amendment request and acceptance is expected by the end of March 2025.

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 future expansion of the existing power source for PGP. As of December 31, 2024, the Company posted a $4,759 surety bond with respect to this agreement.

The following table summarizes the Company's reclamation deposits:

	December 31, 2024		December 31, 2023	
	Cash Security	**Surety Bond**	**Cash Security**	**Surety Bond**
Reclamation and environmental	$ 4,449	$ 46,935	$ 3,447	$ 36,274
BC Hydro facility agreements	300	4,759	-	1,759
	$ 4,749	$ 51,694	$ 3,447	$ 38,033

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.

7. EXPLORATION AND EVALUATION ASSETS

MT. MARGARET

In March 2010 the Company signed an Option agreement, whereby it acquired a 100% interest in General Moly Inc.'s 50% interest in the Mt. Margaret property in Washington, USA. The government of the United States owns the other 50% interest. As of December 31, 2024, the property's carrying value is $5,424 (December 31, 2023: $5,424).

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

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

8. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Mineral properties and project development costs	Construction in progress	Land and buildings	Machinery and equipment	Office furniture and equipment	Right-of-use assets	Total
Cost							
At January 1, 2023	$ 226,753	$ 92,832	$ 1,644	$ 40,722	$ 321	$ 1,637	$ 363,909
Additions	32,746	118,873	2,209	7,813	87	10,720	172,448
Write-offs	-	-	-	(325)	-	-	(325)
Capitalized borrowing costs	19,065	-	-	-	-	-	19,065
Increase in asset retirement cost	22,094	-	-	-	-	-	22,094
At December 31, 2023	300,658	211,705	3,853	48,210	408	12,357	577,191
Additions	136,216	12,896	22	2,019	71	7,766	158,990
Royalty repurchase	13,700	-	-	-	-	-	13,700
Capitalized interest	32,688	-	-	-	-	-	32,688
Disposals	(7,291)	-	-	-	-	(865)	(8,156)
Increase in asset retirement cost	32,284	-	-	-	-	-	32,284
At December 31, 2024	**508,255**	**224,601**	**3,875**	**50,229**	**479**	**19,258**	**806,697**
Accumulated Amortization							
At January 1, 2023	1,748	-	175	2,376	266	533	5,098
Depreciation & amortization	566	-	21	60	41	939	1,627
At December 31, 2023	2,314	-	196	2,436	307	1,472	6,725
Depreciation & amortization	903	-	191	456	40	3,056	4,646
Depletion	2,291	-	-	-	-	-	2,291
At December 31, 2024	**5,508**	**-**	**387**	**2,892**	**347**	**4,528**	**13,662**
Net book value							
At December 31, 2023	298,344	211,705	3,657	45,774	101	10,885	570,466
At December 31, 2024	**$ 502,747**	**$ 224,601**	**$ 3,488**	**$ 47,337**	**$ 132**	**$ 14,730**	**$ 793,035**

Note: Disposals in the above table include the sale of an NSR royalty (Note 9b) and the settlement of a ROU asset related to an office lease that was terminated.

Mineral properties and project development cost additions of $136,216 consist of $132,332 spent on mine development and pre-operating costs, $1,281 spent on permitting and studies, and $2,603 spent on exploration.

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%. Subsequently to December 31, 2024 the lease terms were amended to defer the Q1 2025 principal payment to the end of the lease.

Right-of-use asset additions of $7,766 consist of $6,038 for surface mining equipment and construction equipment delivered as of December 31, 2024 under the master lease agreement, $1,052 for other surface equipment and $676 for office lease.

MINERAL PROPERTIES

The Project is a single CGU. PGP comprises the previously separate Premier, Dilworth and Silver Coin Properties. Ascot's properties are subject to a number of royalties and product purchase rights:

- A gold and silver metal stream granted to SRSR (Note 9);
- A 3.1% NSR royalty covering PGP property granted to SRSR, up to 50% of which could be purchased by the Company until December 31, 2026 (Note 9);
- A 1% NSR royalty and a 5% Net Profit Interest royalty on production from certain areas of the Premier Property granted to The Chase Manhattan Bank of Canada ("Chase");
- A 1% NSR royalty and the first right to purchase all base metal concentrates produced from the Premier Property granted to Boliden;
- A 1% NSR royalty on three crown grants (Old Timer, Butte and Yellowstone) which are located near the Dilworth Property;
- A 2% NSR royalty on the Silver Coin property granted to Nanika Resources Inc.;
- A 2.5% NSR royalty on the Red Mountain Property and a $50 minimum annual pre-production royalty (which is deductible against the future 2.5% NSR) on the Red Mountain Property granted to Wotan Resources Corp.;
- A 2% NSR royalty payable to two individuals on production in respect of a portion of the Red Mountain Property;
- A 3% NSR royalty payable to Harkley Silver on production in respect of a portion of the Red Mountain Property, and
- A 1% NSR royalty on the Red Mountain Property granted to Franco-Nevada Corp.

In March 2024, the Company repurchased two previously existing 5% NSR royalties on various PGP property claims for $13,700 (Note 9).

In July 2021, the Company entered into a Benefits Agreement with Nisga'a Nation, which encompasses both PGP and RMP. Under the terms of the Benefits Agreement, the Company is required to make cash payments to Nisga'a Nation tied to permitting, project development and production milestones, totaling up to $3,425. As of December 31, 2024, the Company has made milestone payments totaling $1,250 under the Benefits Agreement. The Company is also required to make annual payments as a percentage of the Provincial Mineral Tax during production.

During 2024, three of the Company's contractors placed builders' liens on the Company's properties. These builders' liens remain in place as of December 31, 2024.

Impairment of mineral properties

In September 2024, the Company 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 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.

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

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 23), 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+)

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

The carrying value of the Project at September 30, 2024 was $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. As at December 31, 2024, based on management's impairment indicator assessment, no new impairment indicators were noted that would require the Company to perform an impairment test. This assessment included an evaluation of any changes to significant assumptions used in the last impairment test at September 30, 2024. Accordingly, no impairment test was performed as at December 31, 2024.

9. DEFERRED REVENUE

a) Gold and silver stream

In January 2023, the Company entered into the Sprott Stream (the "First Stream") with SRSR whereby the Company received an upfront payment of US$110 million (the "First Stream Deposit") against the delivery of 8.75% and 100% of gold and silver production, respectively, from PGP and RMP in exchange for the reduction of the Deposit and ongoing payments from SRSR equal to 10% of prevailing gold and silver prices. Once 150,000 ounces of gold have been delivered ("Delivery Threshold"), the stream deliveries for gold and silver shall be reduced by 50% to 4.375% and 50%, respectively. The Sprott Stream is senior secured by the Company's mineral properties, plant and equipment until such time that the Deposit reduces to zero.

On November 18, 2024, concurrently with the closing of a private placement offering (Note 15a), the Company entered into an amendment of the Sprott Stream with SRSR whereby the Company, upon meeting specified conditions, would receive US$7.5 million as a prepayment for deliveries of 0.5% and 6.8% gold and silver (the "Second Stream Deposit"). Upon delivery of 8,600 ounces of gold to SRSR, the second stream percentage shall be reduced by 50%. On or before December 31, 2026, the Company has the right to repurchase (and eliminate) the second stream amount for US$9.7 million. If the Company does not exercise its repurchase right, SRSR has a right to require the Company to repurchase (and eliminate) the second stream amount for a 12 month period commencing on January 1, 2027. As of December 31, 2024, the conditions for release of the prepayment has not been met, the US$7.5 million prepayment has not been received by the Company. As the Second Stream Deposit has not been released from escrow and therefore is unrecognized in these financial statements, the accounting for it is under review and will be reflected on closing.

From January 1, 2025 until December 31, 2026, Ascot has the right to buy back 50% of the First Stream for US$80 million in cash (the "First Stream Sprott Stream buyback option"). In the case that the First Stream 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 continuous uninterrupted operations in accordance with the mine plan, 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 December 31, 2024, the Company had a working capital deficiency, delayed the underground development, suspended its operations and had the builder's liens filed on the mineral properties, which would have resulted in a default. However, the Company obtained waivers from SRSR providing for limited suspension of covenant compliance requirements until September 30, 2025. The waivers were in effect as of December 31, 2024 and until September 30, 2025.

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

The First Stream 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 First Stream 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 December 31, 2024, the fair value of the Sprott Stream buyback option was $2,019 resulting in a loss of $15,031 during the year. The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	December 31, 2024	December 31, 2023
Production forecast period:	Jan. 1, 2025 to Dec. 31, 2037	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$2,624/oz - US$3,843/oz	US$2,207/oz - US$3,012/oz
Forecast silver prices (forward curve):	US$28.87/oz - US$41.14/oz	US$25.43/oz - US$36.39/oz
Gold volatility:	14.5%	15.2%
Silver volatility:	26.8%	27.7%
Correlation:	0.7786	0.7895
Buyback exercise date:	Varies*	Jan. 1, 2025
Buyback purchase price:	US$80 million	US$80 million
Discount rate:	26.00%	13.35%
Fair value of the derivative:	$ 2,019	$17,050
Loss (gain) for the year:	$15,031	$ (3,942)

* Jan. 1, 2025, Dec. 31, 2025 and Dec. 31, 2026 (assumed exercised at the first date with a positive payoff)

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 consolidated statements of comprehensive loss.

Expressed 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 consolidated statement of comprehensive loss for the year ended December 31, 2024. The deferred revenue component attributable to future extraction services not yet performed was estimated based on a valuation methodology using a 9.0% discount rate and a 9.0% extraction services margin, to signify the value of extraction services being performed over the life of mine. The Company determined the value of this deferred revenue to be $35,612.

The 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 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 December 31, 2024, the fair value of the Sprott Royalty buyback option was $Nil resulting in a loss of $1,548, which has been recognized in the statement of comprehensive loss. Key assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	December 31, 2024	February 20, 2024
Royalty percentage:	3.1%	3.1%
Forecast gold prices (forward curve):	US$2,623/oz - US$3,313/oz	US$2,116/oz - US$2,540/oz
Forecast silver prices (forward curve):	US$28.87/oz - US$35.81/oz	US$23.98/oz - US$28.83/oz
Gold volatility:	14.5%	13.6%
Silver volatility:	26.8%	27.6%
Correlation:	0.7786	0.7750
Buyback percentage:	50%	50%
Buyback exercise dates:	Varies*	Varies**
Discount rate for regained revenues:	26.00%	14.43%
Fair value of the derivative:	$Nil	$1,548

* Each quarter-end between Mar. 31, 2025 and Dec. 31, 2026
** Each quarter-end between Dec. 31, 2024 and Dec. 31, 2026

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
Revenue recognized	(773)	(220)	(993)
Accretion	20,873	2,855	23,728
Balance, December 31, 2024	**$ 195,657**	**$ 38,247**	**$ 233,904**
Current	4,683	2,253	6,936
Non-current	$ 190,974	$ 35,994	$ 226,968

Expressed 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	(15,031)	(1,548)	(16,579)
Balance, December 31, 2024	**$ 2,019**	**$ -**	**$ 2,019**

10. 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	27,063
Accretion of reclamation liability	1,781
Balance, December 31, 2024	**$ 75,393**
Current	957
Non Current	74,436

The Company's provision for environmental obligations at the Premier Gold mine is based on project plans prepared by management. As at December 31, 2024, the estimated future cash flows have been discounted using a nominal risk-free rate of 4% and a long-term inflation rate range between 1.7% and 2% was used to determine future expected costs (as at December 31, 2023: 3.02% and flat 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 December 31, 2024, the estimated future cash flows have been discounted using a risk-free rate of 3.23% 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:

	December 31, 2024	December 31, 2023
Premier Gold	$ 189,225	$ 56,114
Swamp Point	576	576
Red Mountain	4,334	4,334
	$ 194,135	$ 61,024

11. CREDIT FACILITIES

a) Cost overrun facility ("COF")

On February 20, 2024, the Company received US$20 million, net of an original issue discount of US$0.8 million, from Nebari Credit Fund II, under the COF, which matures in June 2027. A 1% arrangement fee was paid to Nebari Credit Fund II upon closing of the COF. Pursuant to the terms of the COF, the interest rate was 10.0% plus the greater of 3.5% and the three-month secured overnight financing rate ("SOFR") per annum. In connection with entering into the COF, the Company issued to Nebari Credit Fund II 10,164,528 warrants (the "COF Warrants") with a strike price of C$0.53 and a term of 3.35

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

years (Note 15(d)). The Company recorded $5,114 in transaction costs and fees consisting of $2,837 reflecting the relative fair value of the COF warrants, $1,127 original issue discount, $880 in legal, advisory and due diligence expenses, and $270 arrangement fee.

On November 18, 2024, the COF agreement was amended and restated resulting in Nebari Partners, LLC, as investment Manager, together with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Natural Resources AIV II, LP (collectively, the "Acquiror"), acquiring ownership of the COF and the COF Warrants. The strike price of the COF Warrants was amended to C$0.192. The Company issued 5,172,456 common shares of Ascot (the "Alignment Shares") to the Acquiror. The interest rate on the COF was amended to 10.5% plus the greater of 3.5% and the three-month SOFR per annum. The Company recorded $1,277 additional transaction costs and fees consisting of $879 reflecting the fair value of the Alignment Shares and $398 in legal expenses within the statement of comprehensive loss.

The amendment and restatement of the COF on November 18, 2024 resulted in an insignificant change in the value of future cash flows under the COF. As such, the debt was not extinguished and the Company reflected the modified repayment schedule discounted at the original effective interest rate.

After the amendment and restatement of the COF on November 18, 2024, it follows a progressive amortization schedule with interest and principal payments due monthly for the term of the COF, starting in May 2025. On March 14, 2025, the COF was further amended with interest and principal payments deferred until September 30, 2025. 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%.

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.

Fair value on initial recognition	$	28,163
Transaction costs and fees		(5,114)
Balance, February 20, 2024		23,049
Interest expense		5,695
Cash interest paid		(2,290)
Cash principal paid		(806)
Foreign exchange loss		1,620
Balance, December 31, 2024	**$**	**27,268**
Current		15,187
Non-current		12,081

Upon amending and restating the COF on November 18, 2024, Ascot amended and restated certain terms of the Convertible facility as detailed further below in this note.

The COF is subject to certain conditions and covenants, including continuous uninterrupted operations in accordance with the mine plan, 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 December 31, 2024, the Company had a working capital deficiency, delayed the underground development, suspended its operations and had the builder's liens filed on the mineral properties, which would have resulted in a default. However, the Company obtained waivers from Nebari providing for limited suspension of covenant compliance requirements until September 30, 2025. The waivers were in effect as of December 31, 2024 and until September 30, 2025.

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 continuous uninterrupted operations in accordance with the mine plan, 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 December 31, 2024, the Company had a working capital deficiency, delayed the underground development, suspended its operations and had the builder's liens filed on the mineral properties, which would have resulted in a default. However, the Company obtained waivers from Nebari providing for limited suspension of covenant compliance requirements until September 30, 2025. The waivers were in effect as of December 31, 2024 and until September 30, 2025.

Pursuant to the terms of the Convertible facility, interest accrues at a floating rate equal to the base rate of 5.0% plus the greater of 3.0% and the three-month SOFR 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. On March 14, 2025, the Convertible facility was amended with interest accrued until September 30, 2025. As of December 31, 2024, the Company accrued interest of $3,194 on the Convertible facility, which was added to the principal loan amount.

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

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

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

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

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

After the deemed extinguishment on February 20, 2024, the amended Convertible facility was recorded at its fair value and subsequently at amortized cost until November 18, 2024. On November 18, 2024, the Convertible facility agreement was amended and restated resulting in the Acquiror acquiring ownership of the Convertible facility and the Prepayment Warrants. The Company issued 3,594,419 Partner Alignment Shares to the Acquiror. The Conversion Price was amended from C$0.53 to C$0.192. The amendment of the Conversion Price was determined to be substantial, which required the Company to account for the amendment as an extinguishment of the initial Convertible facility and establishment of a new Convertible facility on November 18, 2024.

	Convertible facility - Liability component	Convertible facility - Derivative component	Total
Convertible facility - fair value on Feb. 20, 2024	$ 8,383	$ 11,861	$ 20,244
Transaction costs	(184)	-	(184)
Interest expense	3,067	-	3,067
Change in fair value of derivative	-	(9,615)	(9,615)
Foreign exchange loss	421	-	421
Deemed extinguishment on November 18, 2024	(20,443)	(2,246)	(22,689)
Loss on deemed extinguishment	8,756	-	8,756
Balance, November 18, 2024	**$ -**	**$ -**	**$ -**

After the second 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 Nov. 18, 2024	$ 16,149	$ 6,539	$ 22,688
Transaction costs	(610)	-	(610)
Interest expense	497	-	497
Principal repayment	(283)	-	(283)
Change in fair value of derivative	-	1,609	1,609
Foreign exchange loss	389	-	389
Balance, December 31, 2024	**$ 16,142**	**$ 8,148**	**$ 24,290**

Immediately after the second deemed extinguishment on November 18, 2024 and as at December 31, 2024, the fair value of the derivative was $6,539 and $8,148, respectively, resulting in a gain on the change in fair value of the derivative of $1,609.

In December 2024, the Company repaid $283 of the Convertible facility's principal by issuing 1,464,166 common shares of Ascot to the Acquiror.

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.

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

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:	December 31, 2024	November 18, 2024	December 31, 2023
Maturity date:	Jun. 27, 2027	Jun. 27, 2027	Jun. 27, 2027
Risk-free rate:	4.25%-4.32%	4.25%-4.49%	3.91%-5.24%
Share price:	US$0.1287	US$0.1207	US$0.37
Foreign exchange rate:	1.4389	1.4042	1.3226
Expected volatility (rounded):	70%	70%	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$0.192	C$0.192	C$0.72
Credit spread:	22.08%	21.87%	24.97%

* Based on SOFR forward curve

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.

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

On March 14, 2025, the Company entered into an amending agreement to the amended and restated credit agreement with certain Nebari entities dated November 18, 2024, which amended the conversion price under the Convertible facility to C$0.155. The exercise price of the existing Nebari warrants was also amended to C$0.155. In addition, the maximum number of shares issuable pursuant to the conversion of the Convertible facility and the exercise of existing Nebari warrants was amended from a maximum of 155,000,000 shares to a maximum of 200,000,000 shares, an increase of 45,000,000 shares (Note 26).

12. 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 8). During the year ended December 31, 2024, the Company incurred $1,018 (year ended December 31, 2023: $212) related to interest and finance expenses on the lease liabilities.

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

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:

Balance, January 1, 2024	$	10,003
Additions		6,901
Interest expense		31
Interest expense capitalized		987
Lease payments		(5,027)
Balance, December 31, 2024	**$**	**12,895**
Current		4,903
Non-current		7,992

13. INCOME TAXES

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

		Year ended December 31, 2024		**Year ended December 31, 2023**
Loss before income taxes	$	(31,682)	$	(9,284)
Income tax rate		27.00%		27.00%
Income tax recovery calculated using statutory rate		(8,554)		(2,507)
Increase (decrease) in income taxes resulting from:				
Non-deductible expenses		3,794		2,249
Flow-through shares		7,999		3,735
Financing costs		(1,825)		(637)
Change in fair value of derivatives		(1,738)		(337)
Impact of change in provision from the prior year		146		(439)
Change in unrecognized deferred tax assets		13		(922)
Other, net		(9)		4
Income tax expense (recovery)	$	(174)	$	1,146

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

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at December 31, 2024 and 2023, are summarized as follows:

	December 31, 2024	December 31, 2023
Deferred tax assets		
Non-capital loss/restricted interest carryover	76,321	54,597
Deferred revenue	13,518	3,699
Financing costs	2,576	2,129
Marketable securities	50	50
Reclamation provision	1,956	1,231
Lease liabilities	3,482	2,394
Convertible facility	1,776	385
Other, net	-	-
	99,679	64,485
Unrecognized deferred tax assets	(136)	(122)
	99,543	64,363
Deferred tax liabilities		
Exploration and evaluation assets	(918)	(834)
Mineral properties, plant and equipment	(99,228)	(64,319)
Prepaid royalties	(378)	(365)
Senior and convertible debt	-	-
	(100,524)	(65,518)
Net deferred tax liabilities recognized	(981)	(1,155)

As at December 31, 2024, the Company has estimated non-capital losses for Canadian and US income tax purposes of $267,342 and US$3,485, respectively (December 31, 2023: $198,639 and US$3,442, respectively), which may be carried forward to reduce taxable income derived in the future.

Non-capital Canadian tax losses expire as follows:

Year of expiry	Taxable losses
2029	$ 512
2030	2,209
2031	24,039
2032	4,399
2033	3,498
2034	3,680
2035	2,547
2036	5,277
2037	9,569
2038	13,782
2039	20,015
2040	18,106
2041	22,841
2042	27,469
2043	40,799
2044	68,600
Total	$ 267,342

Non-capital US tax losses expire between 2030 and 2044.

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

14. PROMISSORY NOTE

On November 18, 2024, the Company issued to its mining contractor a promissory note in the amount of $20,358 as consideration for certain accounts payable owed to the contractor. The promissory note bears interest of 8% per annum beginning on May 1, 2025 and matures on April 30, 2026. The promissory note followed a progressive amortization schedule with interest and principal payments due monthly from May 2025 to April 2026. On March 14, 2025, the amortization schedule was revised, with interest and principal payments now due monthly from September 2025 to August 2026.

The liability for the promissory note was recognized in accordance with IFRS 9 *Financial Instruments* as a financial liability at amortized cost. The benefit of a below-market rate is measured as the difference between the initial carrying value of the promissory note (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the promissory note at $18,938, using a discount rate of 12%, which was the estimated market rate for a similar loan. The difference of $1,420 was recognized as a gain in the consolidated statement of comprehensive loss and will be accreted to the promissory note over its term.

15. CAPITAL AND RESERVES

a) Share capital

The Company is authorized to issue an unlimited number of common shares with no par value. As at December 31, 2024, the number of total issued and outstanding common shares is 982,832,352 (December 31, 2023: 556,047,352), which includes 261,912,500 shares restricted from trading until March 18, 2025.

Activities during the year ended December 31, 2024

On January 18, 2024, May 17, 2024 and 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 "Bought Deal Financing"). The Bought Deal Financing 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 Bought Deal Financing, 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.

On November 18, 2024, the Company closed a private placement offering by issuing a total of 262,500,000 common shares of the Company at a price of C$0.16 per common share, for gross proceeds of $42,000. In connection with the private placement offering, the Company paid fees and expenses in the amount of $2,584. At the same time, the Company issued 824,901 common shares of the Company to SRSR and 8,766,875 common shares of the Company to the Acquiror (Note 11).

During the year ended December 31, 2024, the Company issued 371,369 common shares for exercised stock options and 1,367,621 shares for exercised deferred share units ("DSU"), restricted share units ("RSU") and performance share units ("PSU").

Subsequent to December 31, 2024, the Company issued 1,216,432 common shares for exercised RSUs and 333,986,770 shares for the first tranche of the March 14, 2025 offering (Note 26).

Activities during the year ended December 31, 2023

On January 19, 2023, the Company closed a financing package, which included a strategic equity investment (the "Strategic Investment") of $45 million, a portion of which is structured as Canadian Development Expenditures flow through shares ("CDE flow through"), such that the total gross proceeds to the Company was $50 million. The Strategic Investment consisted of 48,500,000 common shares of the Company at a price of C$0.41 per common share for gross proceeds of $19,885 and 60,000,000 common shares of the Company that qualify as "flow through shares," as defined in the Income Tax Act (Canada) (the "CDE Common Shares"), at a price of C$0.50 per CDE Common Share for gross proceeds of $30,000. The Common Shares and CDE Common Shares were offered by way of private placement pursuant to applicable prospectus exemptions and were subject to hold periods in accordance with applicable securities laws. In connection with the Strategic Investment, the Company paid advisor's fees and other share issuance fees in the amount of $2,093. A premium of $5,400 on the issuance of CDE Common Shares was recorded in other liabilities.

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

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

During the year ended December 31, 2023, the Company issued 55,530 common shares for exercised stock options, 452,006 common shares for exercised DSUs and 721,597 shares for exercised RSUs and PSUs.

b) Stock options

Total compensation expense related to stock options for the year ended December 31, 2024 was $1,508 (year ended December 31, 2023: $2,102). The unrecognized compensation cost for non-vested stock options at December 31, 2024 was $858 (December 31, 2023: $1,830).

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

As of December 31, 2024, the Company had outstanding and exercisable stock options as follows:

	Options outstanding			**Options exercisable**		
Range of price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Number exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price C$
\$0.18 to \$0.36	5,767,104	4.95	0.19	219,517	4.92	0.22
\$0.37 to \$0.49	15,796,471	3.44	0.44	14,014,714	3.37	0.44
\$0.50 to \$0.99	4,400,073	0.63	0.80	4,240,075	0.54	0.80
\$1.00 to \$1.35	5,402,381	1.66	1.20	5,402,381	1.66	1.20
	31,366,029	3.02	0.58	23,876,687	2.50	0.68

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	6,067,104	0.19
Exercised	(371,369)	0.52
Expired	(3,810,000)	0.77
Forfeited	(3,474,210)	0.59
Outstanding at December 31, 2024	31,366,029	0.58

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

During the year ended December 31, 2024, the Company granted 6,067,104 stock options at a weighted average exercise price of \$0.19 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 year ended December 31, 2024 were as follows:

Risk-free rate:	2.92%-3.65%
Expected life:	5 years
Expected volatility:	65.81%-81.07%
Expected dividends:	Nil
Weighted average fair value per option:	\$ 0.13

Subsequent to December 31, 2024, 4,372,016 stock options were granted, 3,656,667 stock options expired unexercised and 813,463 stock options were forfeited.

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

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 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 year ended December 31, 2024, $418 was expensed in the statement of comprehensive loss as stock-based compensation expense for RSUs (year ended December 31, 2023: $340).

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 year ended December 31, 2024, $113 was expensed in the statement of comprehensive loss as stock-based compensation expense for DSUs (year ended December 31, 2023: $609).

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	3,267,868	386,195
Exercised	(1,230,088)	(137,533)
Forfeited	(305,848)	-
Outstanding at December 31, 2024	8,205,679	3,123,041

The weighted average remaining contractual life of RSUs outstanding at December 31, 2024 is 3.71 years. The DSUs outstanding at December 31, 2024 expire one year after the individual ceases to be a director of the Company.

Subsequent to December 31, 2024, 2,564,102 RSUs were granted, 1,216,432 RSUs were exercised and 354,086 RSUs were forfeited.

d) Warrants

In February 2024, the Company granted the COF Warrants to Nebari Credit Fund II to purchase 10,164,528 common shares of the Company at a strike price of C$0.53 per share (Note 11a). The weighted average assumptions used in this pricing model, and the resulting fair value per warrant for the COF 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 11a)

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

In November 2024, the Company amended the strike price of the COF Warrants to $0.192 per share (Note 11a). The weighted average assumptions used in this pricing model, and the resulting fair value per warrant for the COF Warrants after the November 2024 amendment were as follows:

Risk-free rate:	3.13%
Expected life:	2.61 years
Expected volatility:	92.92%
Expected dividends:	Nil
Fair value per warrant:	$ 0.0914
Total fair value:	$929
Relative fair value*:	$974

* In relation to the liability component of the COF (Note 11a)

On July 25, 2024, as a part of the Bought Deal Financing (Note 15a), 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 Bought Deal Financing 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 Bought Deal Financing 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

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	0.48
Outstanding at December 31, 2024	84,594,528	0.48

The weighted average remaining contractual life of the warrants outstanding at December 31, 2024 was 1.68 years.

In addition to vested warrants, 25,767,777 unvested warrants are outstanding at December 31, 2024 (Note 11b).

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

16. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2024	Year ended December 31, 2023
Wages, benefits and management fees	$ 2,694	$ 3,476
Legal and professional services	1,827	1,072
Office and administration expenses	356	384
Travel	146	125
Investor relations and shareholders costs	320	471
Insurance	331	325
Compliance costs and property taxes	157	1,965
	$ 5,831	$ 7,818

17. FINANCE EXPENSE

	Year ended December 31, 2024	Year ended December 31, 2023
Accretion	$ 1,781	$ 995
Reclamation bond fee	1,014	571
Interest on office lease liability	30	26
	$ 2,825	$ 1,592

18. OTHER INCOME

	Year ended December 31, 2024	Year ended December 31, 2023
Interest income	$ 387	$ -
Flow through share premium	2,972	5,218
Other	67	2
	$ 3,426	$ 5,220

19. RELATED PARTY TRANSACTIONS

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

a) Key Management Compensation

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

	Year ended December 31, 2024	Year ended December 31, 2023
Salaries, short-term benefits and management fees	$ 1,143	$ 1,517
Project development costs	-	85
Share-based payment transactions	1,124	2,316
	$ 2,267	$ 3,918

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

b) Other Related Party Transactions

Included in accounts payable and accruals at December 31, 2024 is $77 (December 31, 2023: $591) due to the Company's executive management.

During the year ended December 31, 2024, four of the Company's directors were granted a total of 386,195 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 the directors was $113.

20. SEGMENT REPORTING

The Company has two operating segments: the development of the Project (Note 8) and exploration and evaluation of Mt. Margaret (Note 7). 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.

21. LOSS PER SHARE

	Year ended December 31, 2024	Year ended December 31, 2023
Loss attributable to ordinary shareholders	$ (31,508)	$ (10,430)
Weighted average number of shares outstanding - basic	684,444,813	546,793,396
Stock options	-	-
Warrants	-	-
Units	-	
Weighted average number of shares outstanding - diluted	684,444,813	546,793,396
Basic and diluted loss per share	**$ (0.05)**	**$ (0.02)**

For the years ended December 31, 2024 and 2023 none of the Company's issued and outstanding stock options, RSUs or DSUs were included in the calculation of diluted loss per share as they were anti-dilutive.

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

22. SUPPLEMENTAL CASH FLOW INFORMATION

		Year ended December 31, 2024		Year ended December 31, 2023
Net changes in non-cash items included in mineral properties				
Depreciation and amortization	$	-	$	1,068
Capitalized borrowing cost		33,586		24,322
Stock-based compensation		490		532
Change in estimate of reclamation provisions		32,284		22,094
Right-of-use assets		6,901		10,720
Accounts payable, accrued liabilities and holdbacks		(14,861)		26,336
	$	58,400	$	85,072
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)
	$	-	$	-

23. 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, other liabilities and promissory note approximate their respective fair values due to their short-term nature. The carrying value of the reclamation deposit approximates its fair value, as it is cash-based. The carrying values of the liability components of the credit facilities approximate their fair value since only a short time has lapsed between the inception date of the credit facilities (February 20, 2024), date of re-establishment (November 18, 2024) and December 31, 2024 as well as absence of change in interest rates in that short time period.

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

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

As at December 31, 2024	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Stream buyback option	$ -	$ -	$ 2,019
Royalty buyback option	-	-	-
	$ -	$ -	$ 2,019
Financial liabilities			
Convertible facility - derivative portion	$ -	$ -	$ 8,148
	$ -	$ -	$ 8,148

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 11) and cash in treasury account (Note 4). A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at December 31, 2024 would result in an additional $3,457 foreign exchange loss (gain) reported in the Company's statement of comprehensive loss for the year ended December 31, 2024 (year ended December 31, 2023: $937).

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

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 Sprott Stream and Royalty buyback options (Note 9) and the derivative components of the credit facilities (Note 11). 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 $310 of interest added to the balance of the credit facilities and $237 interest paid for the year ended December 31, 2024. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered insignificant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to maintain sufficient cash to meet obligations when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. Subsequent to December 31, 2024, the Company obtained additional funding to continue its operations (Note 1).

As at December 31, 2024, Ascot had a cash and cash equivalents balance of $27,974 and working capital deficiency of $47,551, which included an estimated $4,683 as the current portion of the deferred revenue only to be settled with future production from the Project, an estimated $2,253 as the current portion of future extraction services and the $24,290 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 11).

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

	Less than 1 year	1-3 years	4-5 years	After 5 years	TOTAL
Trade and other payables	$ 17,717	$ -	$ -	$ -	$ 17,717
Lease liabilities	4,903	7,163	3,226	-	15,292
Convertible facility (Note 11)	2,347	26,497	-	-	28,844
Cost overrun facility (Note 11)	17,740	18,863	-	-	36,603
	$ 42,707	$ 52,523	$ 3,226	$ -	$ 98,456

As of December 31, 2024, the Company had an outstanding purchase commitment of $1,957 for surface mining equipment, which will be financed under a master lease agreement for an equipment lease facility (Note 8). 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.

On February 20, 2025, the Company entered into an agreement with a syndicate of agents, co-led by Desjardins Capital Markets and BMO Capital Markets, for a best-efforts private placement offering of units of the Company (the "Units") at a price of C$0.115 per Unit, to raise a minimum of C$60 million and up to a maximum of C$65 million (the "Offering"). The first tranche of the Offering closed on March 14, 2025 and the Company received gross proceeds of $42,015 from the first tranche of the Offering (Note 26).

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 11). 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.

24. 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 Sprott Stream agreement (Note 9) and the credit facilities (Note 11), 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 December 31, 2024, the Company's having negative working capital, the delay in underground development and the suspension of operations 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 September 30, 2025. The waivers were in effect as of December 31, 2024.

There has been no significant change to the Company's capital management policies during the year ended December 31, 2024.

25. CONTINGENCY

On February 26, 2025, a contractor to the Company provided the Company with a formal notice that a dispute has arisen under the terms of the contract. Pursuant to the terms of the contract, Ascot is required to adhere to the dispute resolution timeline. At this time, the Company is not able to determine the outcome of the dispute resolution process, which could be material.

26. SUBSEQUENT EVENT

On March 14, 2025, the Company closed the first of two tranches (the "First Tranche") of its previously announced best-efforts private placement offering of units of the Company (the "Offering"). The First Tranche closing consisted of 142,551,675 charity flow-through units of the Company (the "CDE FT Units") at a price of C$0.1403 per CDE FT Unit and 191,435,095 hard dollar units of the Company (the "HD Units") at a price of C$0.115 per HD Unit (together, the "Offered Securities") for gross proceeds of $42,015. Each Offered Security is comprised of one common share of the Company (each, a "Share") and one common share purchase warrant of the Company (each, a "Warrant"). Each Warrant will entitle the holder to acquire one Share at a price of C$0.155 per Share for a period of 24 months. The Shares and Warrants comprising the CDE FT Units will qualify as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada). The gross proceeds from the offering of the CDE FT Units 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 with an effective date no later than September 30, 2025. The second and final tranche of the Offering (the "Second

Tranche"), pursuant to which the Company expects to issue an additional 162,000,000 HD Units at a price of C$0.115 per HD Unit for additional gross proceeds of $18,630, is anticipated to close on or about April 10, 2025.

SRSR and Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund II, LP and Nebari Collateral Agent LLC (the "Secured Creditors") agreed, pursuant to definitive agreements entered into with the Company, to extend their existing waiver and forbearance conditions until September 30, 2025.

The Company also entered into an amending agreement to the amended and restated credit agreement with certain Nebari entities dated November 18, 2024, which amended the conversion price under the Convertible facility to C$0.155. The exercise price of the existing Nebari warrants was also amended to C$0.155.

SRSR has committed to release the currently held US$7.5 million 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, with SRSR.