Ascot Resources Ltd.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024
(Presented in thousands of Canadian Dollars, except where indicated)
(Unaudited)

(Canadian Dollars in Thousands)

	Notes	March 31, 2025	December 31, 2024
ASSETS			
Current			
Cash and cash equivalents	3	$ 36,151	$ 27,974
Restricted cash	4	847	-
Trade and other receivables		625	609
Inventories		3,825	3,587
Prepaid expenses and deposits		1,538	2,429
Total Current Assets		42,986	34,599
Restricted cash	4	6,749	4,749
Exploration and evaluation assets		5,424	5,424
Mineral properties, plant and equipment	5	824,843	793,035
Embedded derivatives	6	5,907	2,019
Other assets		4,177	2,271
Total Non-Current Assets		847,100	807,498
Total Assets		$890,086	$ 842,097
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		$ 14,620	$ 17,717
Deferred revenue	6	11,765	6,936
Reclamation provisions	7	957	957
Credit facilities	8	39,199	39,477
Lease liabilities	9	5,018	4,903
Promissory note	10	9,307	11,386
Other liabilities		2,844	774
Total Current Liabilities		83,710	82,150
Deferred revenue	6	228,640	226,968
Reclamation provisions	7	75,158	74,436
Credit facilities	8	11,586	12,081
Lease liabilities	9	7,341	7,992
Promissory note	10	9,987	7,674
Deferred income tax liabilities		981	981
Total Non-Current Liabilities		333,693	330,132
Total Liabilities		417,403	412,282
Shareholders' Equity			
Share capital	11	522,278	497,534
Contributed surplus	11	59,948	46,083
Share subscription received	11	897	-
Accumulated deficit		(110,440)	(113,802)
Total Shareholders' Equity		472,683	429,815
Total Liabilities and Shareholders' Equity		$890,086	$ 842,097

Going concern (Note 1), Commitments (Notes 4, 5, 7 and 18), Contingencies (Notes 4, 5 and 20), Subsequent event (Note 11a).
The accompanying notes are an integral part of these consolidated financial statements.

/s/ *"Andree St-Germain"*	/s/ *"Indi Gopinathan"*
Director	Director

(Canadian Dollars in Thousands Except Loss per Share)

	Notes	Three months ended March 31, 2025	Three months ended March 31, 2024
General and administrative expenses	12	$ (2,216)	$ (1,686)
Stock-based compensation	11	(663)	(534)
Depreciation and amortization		(37)	(94)
Financing costs		(585)	(1,275)
Finance expense	13	(1,024)	(573)
Other income	14	541	917
Loss on sale of mineral interest		-	(801)
Loss on extinguishment of debt		-	(688)
Change in fair value of financial instruments	6,8	7,304	(861)
Foreign exchange gain (loss)		42	(368)
Income (loss) before income taxes		$ 3,362	$ (5,963)
Income tax recovery (expense)		-	(245)
Net income (loss) for the period		$ 3,362	$ (6,208)
Total comprehensive income (loss)		$ 3,362	$ (6,208)
Loss per share			
- basic and diluted		$ 0.00	$ (0.01)
Weighted average shares outstanding			
- basic		1,046,499,541	586,663,329
- diluted		1,058,799,489	586,663,329

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	Share subscrip-tion received	Deficit	Total share-holders' equity
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	65,343,000	26,992	-	-	-	26,992
Exercise of stock options	99,039	69	(25)	-	-	44
Issued for other consideration						
Exercise of share units	296,259	137	(137)	-	-	-
Acquisition of assets	2,068,837	1,055	-	-	-	1,055
Stock-based compensation expense	-	-	534	-	-	534
Stock-based compensation capitalized	-	-	152	-	-	152
Cost overrun facility - warrants	-	-	2,837	-	-	2,837
Net loss for the period	-	-	-	-	(6,208)	(6,208)
Balance, March 31, 2024	**623,854,487**	**$429,078**	**$ 35,588**	**$ -**	**$ (88,502)**	**$ 376,164**
Balance, January 1, 2025	**982,832,352**	**$497,534**	**$ 46,083**	**$ -**	**$(113,802)**	**$ 429,815**
Shares issued for cash						
Private placement, net of issue costs (Note 11a)	333,986,770	26,459	13,636	-	-	40,095
Subscriptions received (Note 11a)	-	-	-	897	-	897
Issued for other consideration						
Exercise of share units	1,216,432	721	(721)	-	-	-
Premium on flow-through shares (Note 11a)	-	(2,436)	-	-	-	(2,436)
Stock-based compensation expense (Note 11)	-	-	663	-	-	663
Stock-based compensation capitalized	-	-	225	-	-	225
Cost overrun facility - warrants	-	-	62	-	-	62
Net income for the period	-	-	-	-	3,362	3,362
Balance, March 31, 2025	**1,318,035,554**	**$522,278**	**$ 59,948**	**$ 897**	**$(110,440)**	**$ 472,683**

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

(Canadian Dollars in Thousands)

	Notes	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash flows from operating activities			
Net income (loss) for the period		$ 3,362	$ (6,208)
Adjustment to reconcile income (loss)			
to net cash used in operating activities:			
Stock-based compensation	11	663	534
Amortization and depreciation		37	94
Financing costs		62	-
Gain on flow through share premium		(366)	(917)
Finance expense		757	348
Deferred income tax expense		-	245
Change in fair value of financial instruments	6,8	(7,304)	861
Loss on extinguishment of debt		-	688
Loss on sale of mineral interest		-	801
Unrealized foreign exchange (gain) loss		(48)	346
Changes in non-cash working capital balances:			
Increase in inventories		(238)	(4,506)
Increase in receivables		(16)	(552)
Decrease (increase) in prepaid expenses and deposits		891	(574)
Increase in trade and other payables		127	42
Total cash outflows from operating activities		**(2,073)**	**(8,798)**
Cash flows from investing activities			
Investment in mineral properties, plant and equipment	5	(27,823)	(63,035)
Proceeds from sale of net smelter return royalty		-	40,554
Payment of deposit for environmental bond	4	(2,000)	-
Total cash outflows from investing activities		**(29,823)**	**(22,481)**
Cash flows from financing activities			
Proceeds from cost overrun facility		-	26,766
Proceeds from share issuance	11a	42,015	28,751
Share issue costs	11a	(1,920)	(1,759)
Financing costs		(35)	(836)
Proceeds from exercise of stock options		-	44
Proceeds from subscriptions received	11a	897	-
Payment for interest on cost overrun facility		-	(482)
Payment for lease liabilities	9	(886)	(1,121)
Total cash inflows from financing activities		**40,071**	**51,363**
Effect of exchange rate changes on cash and cash equivalents		2	(30)
Total increase in cash during the period		**8,177**	**20,054**
Cash and cash equivalents, beginning of period		**27,974**	**26,974**
Cash and cash equivalents, end of period		**$ 36,151**	**$ 47,028**
Supplemental cash flow information	17		

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Ascot Resources Ltd. ("Ascot" or the "Company") is a development and exploration company that is in the process of re-starting the past producing historic Premier gold mine located in British Columbia's Golden Triangle. The Company owns the Premier and Red Mountain Gold Projects and 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 March 31, 2025 were:

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

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

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

Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to meet its obligations and continue its operations for at least twelve months from March 31, 2025. The Company has generated limited revenue from operations in 2024. 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, which is anticipated in August 2025.

As at March 31, 2025, Ascot had a cash and cash equivalents balance of $36,151 and working capital deficiency of $40,724. 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 8) and stream agreements (Note 6), however, the Company obtained waivers from its secured creditors providing for limited suspension of covenant compliance requirements until September 30, 2025 (Notes 8 and 19). The waivers were in effect as of March 31, 2025 and until September 30, 2025.

In order to complete mine development required for sufficient ore feed to restart operations, additional funding may be required. On March 14, 2025, the Company closed the first of two tranches of a private placement of common shares of the Company (the "2025 Offering"). The Company received net proceeds of $40,095 from the first tranche of the Offering. Subsequent to quarter end, on April 10, 2025, the Company closed the second and final tranche of the Offering, pursuant to which the Company received net proceeds of $18,732. Subsequent to the close of the 2025 Offering, the Company's mining contractor, reviewed the scope of work and adjusted the mining contract rates. The Company has been renegotiating the mining and development contractor rates, which are trending higher than current rates. If negotiations on viable mining and development contract rates are unsuccessful, the Company's cash flows, mine development progress, and timeline for restarting mill operations will be adversely affected. The timeline to restart operations and bring the Project into steady state and profitable operations is uncertain and therefore additional funding may be required in the future. These considerations indicate material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

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

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025 and 2024 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS® Accounting Standards") applicable to the preparation of interim financial statements, including International Auditing Standard ("IAS") 34, Interim Financial Reporting. These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS® Accounting Standards.

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited financial statements for the year ended December 31, 2024.

These Interim Financial Statements were authorized for issue by the Board of Directors on May 12, 2025.

b) Basis of measurement

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

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

c) New and amended IFRS Accounting Standards pronouncements

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 do not have a significant impact on the Company's financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

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

Amendments to IFRS 9 and IFRS 7

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

d) Judgments and estimates

In addition to the judgments and estimates noted in the Company's audited financial statements for the year ended December 31, 2024, management identified the following new areas involving critical judgments in applying accounting policies and areas of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

Impairment of mineral properties

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to 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;

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

(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.

Upon closing of the first tranche of the 2025 Offering, the Company and its mining contractor amended the addendum to the mining contract dated on November 18, 2024 and deferred the payment of the promissory note (Note 10) to commence on September 30, 2025. The amendment also allowed the mining contractor to review the new scope of work and adjust the mining contract rates commencing in May 2025. Subsequent to the quarter ended March 31, 2025, the Company has been renegotiating the mining and development contract rates, which are trending higher than current rates. If negotiations on viable mining and development contract rates are unsuccessful, the Company's cash flows, mine development progress, and timeline for restarting mill operations will be adversely affected. At this time, there is uncertainty surrounding the future mining costs to incorporate proposals within the impairment assessment. Should an impairment indicator be identified in a future quarter and there be increased certainty with mining costs, the Company will assess the impact on the recoverable amount and determine whether any impairment charge is required.

3. CASH AND CASH EQUIVALENTS

Canadian and US dollar cash is held in treasury accounts at a Canadian chartered bank. Cash in treasury accounts bears interest at 3.15% per annum (December 31, 2024: 3.65%).

Included in cash and cash equivalents is $20,570 (December 31, 2024: $3,570), which is required to be used for flow-through expenditures prior to September 30, 2025 ($17,000) and December 31, 2025 ($3,570).

4. RESTRICTED CASH

In March 2025, $847 was transferred into a trust account where the funds will be held until the Company settles a claim with one of the Company's contractors who filed a lien on the Company's mineral properties.

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

As of March 31, 2025, Ascot has posted total reclamation and environmental bonds of $46,935 (December 31, 2024: $46,935) through surety arrangements with cash collateral of $6,002 (December 31, 2024: $4,002). The surety arrangements also require the Company to pay an annual bond fee between 2.0% and 2.5% of the respective bond amount.

The Company also has $447 in reclamation bonds held in certificates of deposits with a Canadian chartered bank and the Ministry of Finance of British Columbia for its exploration licenses and Swamp Point property.

The Company is required to provide security under an agreement with BC Hydro to support future expansion of the existing power source for PGP. As of March 31, 2025, the Company posted a $4,759 surety bond with respect to this agreement.

The following table summarizes the Company's reclamation deposits:

	March 31, 2025		December 31, 2024	
	Cash Security	Surety Bond	Cash Security	Surety Bond
Reclamation and environmental	$ 6,449	$ 46,935	$ 4,449	$ 46,935
BC Hydro facility agreements	300	4,759	300	4,759
	$ 6,749	$ 51,694	$ 4,749	$ 51,694

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

5. 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, 2025	508,255	224,601	3,875	50,229	479	19,258	806,697
Additions	22,540	1,257	-	100	-	7	23,904
Capitalized interest	9,424	-	-	-	-	-	9,424
Decrease in asset retirement cost	(15)	-	-	-	-	-	(15)
At March 31, 2025	**540,204**	**225,858**	**3,875**	**50,329**	**479**	**19,265**	**840,010**
Accumulated Amortization							
At January 1, 2025	5,508	-	387	2,892	347	4,528	13,662
Depreciation & amortization	276	-	64	137	6	1,022	1,505
At March 31, 2025	**5,784**	**-**	**451**	**3,029**	**353**	**5,550**	**15,167**
Net book value							
At January 1, 2025	502,747	224,601	3,488	47,337	132	14,730	793,035
At March 31, 2025	**$ 534,420**	**$ 225,858**	**$ 3,424**	**$ 47,300**	**$ 126**	**$ 13,715**	**$ 824,843**

Mineral properties and project development cost additions of $22,540 consist mainly of mine development and pre-operating costs.

MINERAL PROPERTIES

The Project is a single cash generating unit (“CGU”). PGP comprises the previously separate Premier, Dilworth and Silver Coin Properties. Ascot’s properties are subject to a number of royalties and product purchase rights.

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 March 31, 2025, 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 March 31, 2025.

6. 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, 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 March 31, 2025, the conditions for release of the prepayment have 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 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 March 31, 2025, the Company 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 March 31, 2025 and until September 30, 2025.

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%.

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 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 March 31, 2025, the fair value of the Sprott Stream buyback option was $5,907 (December 31, 2024: $2,019) resulting in a gain of $3,888 during the period. The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

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

Valuation date:	March 31, 2025	December 31, 2024
Production forecast period:	Aug. 1, 2025 to Dec. 31, 2037	Jan. 1, 2025 to Dec. 31, 2037
Designated gold percentage:	8.75%	8.75%
Designated silver percentage:	100%	100%
Forecast gold prices (forward curve):	US$3,123/oz - US$4,420/oz	US$2,624/oz - US$3,843/oz
Forecast silver prices (forward curve):	US$34.02/oz - US$41.03/oz	US$28.87/oz - US$41.14/oz
Gold volatility:	14.4%	14.5%
Silver volatility:	28.1%	26.8%
Correlation:	0.7735	0.7786
Buyback exercise date:	Varies*	Varies**
Buyback purchase price:	US$80 million	US$80 million
Discount rate:	27.50%	26.00%
Fair value of the derivative:	$5,907	$2,019

* Apr. 1, 2025, Dec. 31, 2025 and Dec. 31, 2026 (assumed exercised at the first date with a positive payoff)
** 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 were recognized as financing costs in the consolidated statements of comprehensive income (loss).

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 was 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-ends was calculated using the Monte Carlo Simulation Method. As of March 31, 2025, the fair value of the Sprott Royalty buyback option was $Nil (December 31, 2024: $Nil).

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

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

	Stream	Extraction Services	Total
Balance at January 1, 2025	$ 195,657	$ 38,247	$ 233,904
Accretion	5,647	854	6,501
Balance, March 31, 2025	**$ 201,304**	**$ 39,101**	**$ 240,405**
Current	8,068	3,697	11,765
Non-current	$ 193,236	$ 35,404	$ 228,640

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, 2025	$ 2,019	$ -	$ 2,019
Change in fair value of derivative	3,888	-	3,888
Balance, March 31, 2025	**$ 5,907**	**$ -**	**$ 5,907**

7. RECLAMATION PROVISIONS

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

Balance, December 31, 2024	**$ 75,393**
Change in estimate	(15)
Accretion of reclamation liability	737
Balance, March 31, 2025	**$ 76,115**
Current	957
Non Current	75,158

The Company's provision for environmental obligations at the Premier Gold mine is based on project plans prepared by management. As at March 31, 2025, 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, 2024: 4% and 1.7%-2.0%, respectively).

The Company's provision for environmental obligations at the Red Mountain property is based on the reclamation cost estimate prepared by management. As at March 31, 2025, the estimated future cash flows have been discounted using a risk-free rate of 2.97% and a long-term inflation rate of 2.25% was used to determine future expected costs (as at December 31, 2024: 3.23% and 2.25%, respectively).

8. 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 ("Nebari Group"), under the COF, which matures in June 2027. A 1% arrangement fee was paid to Nebari Group 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 years.

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

On November 18, 2024, the COF agreement was amended and restated resulting in amendment of the strike price of the COF Warrants to C$0.192. The Company issued 5,172,456 common shares of Ascot (the "Alignment Shares") to the Nebari Group. 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 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 amendment was accounted for as modification of debt.

On March 14, 2025, the amended and restated COF agreement was further amended resulting in a change in the strike price of the COF Warrants to C$0.155 and amortization schedule of the COF. The amendment of the amended and restated COF on March 14, 2025 resulted in an insignificant change in the value of future cash flows under the COF. As such, the amendment was accounted for as modification of debt.

After the amendment of the amended and restatement of the COF on March 14, 2025, it follows a progressive amortization schedule with interest and principal payments due monthly for the term of the COF, starting in September 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.

Balance, January 1, 2025		27,268
Interest expense		1,628
Foreign exchange gain		(30)
Balance, March 31, 2025	**$**	**28,866**
Current		17,280
Non-current		11,586

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 March 31, 2025, the Company 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 March 31, 2025 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 Group") 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 March 31, 2025, the Company 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 March 31, 2025 and until September 30, 2025.

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

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 and added to the principal amount until September 30, 2025. As of March 31, 2025, the Company accrued interest of $3,735 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 is fair valued with changes in fair value recorded as an expense in profit or loss. As at March 31, 2025 this derivative had an estimated fair value of $Nil (December 31, 2024: $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 set at C$0.72 per share (the "Conversion Price") upon initiation of the Convertible facility. In 2024, the Conversion Price was amended to C$0.192.

On March 14, 2025, the Company entered into an amending agreement to the amended and restated Convertible facility agreement, which amended the Conversion Price to C$0.155 and deferred interest payment commencing from May 31, 2025 to September 30, 2025. The amendment of the Convertible facility resulted in an insignificant change in the fair value of the Convertible facility. As such, the amendment was accounted for as modification of the debt.

		Convertible facility - Liability component		Convertible facility - Derivative component		Total
Balance, January 1, 2025	$	16,142	$	8,148	$	24,290
Interest expense		1,061		-		1,061
Change in fair value of derivative		-		(3,416)		(3,416)
Foreign exchange gain		(16)		-		(16)
Balance, March 31, 2025	**$**	**17,187**	**$**	**4,732**	**$**	**21,919**
Current		17,187		4,732		21,919
Non-current		-		-		-

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.

Presented 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:	March 31, 2025	December 31, 2024
Maturity date:	Jun. 27, 2027	Jun. 27, 2027
Risk-free rate:	3.95%-4.25%	4.25%-4.32%
Share price:	US$0.0765	US$0.1287
Foreign exchange rate:	1.4376	1.4389
Expected volatility (rounded):	70%	70%
Dividend yield:	$Nil	$Nil
Interest rate:	5.00% + 3-month SOFR*	5.00% + 3-month SOFR*
Conversion price per share:	C$0.1550	C$0.192
Credit spread:	23.90%	22.08%

* 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.

9. 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 5). During the three months ended March 31, 2025, the Company incurred $343 (three months ended March 31, 2024: $239) related to interest and finance expenses on the lease liabilities.

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

Balance, January 1, 2025	$	12,895
Additions		7
Interest expense		20
Interest expense capitalized		323
Lease payments		(886)
Balance, March 31, 2025	**$**	**12,359**
Current		5,018
Non-current		7,341

10. 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. On March 14, 2025, the Company amended the amortization schedule of the promissory note. The promissory note bears interest of 8% per annum beginning on

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

September 1, 2025 and matures on August 31, 2026. The promissory note follows a progressive amortization schedule with interest and principal payments due monthly from September 2025 to August 2026.

11. CAPITAL AND RESERVES

a) Share capital

The Company is authorized to issue an unlimited number of common shares with no par value. As at March 31, 2025, the number of total issued and outstanding common shares is 1,318,035,554 (December 31, 2024: 982,832,352).

On March 14, 2025, the Company closed the first of two tranches of the Offering consisting 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. In connection with the Offering, the Company paid fees and expenses in the amount of $1,920. A premium of $2,436 on the issuance of CDE FT Units was recorded in other liabilities. 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 entitles 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 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 issued an additional 162,000,000 HD Units at a price of C$0.115 per HD Unit for additional net proceeds of $18,732, was closed on April 10, 2025. The Company received share subscriptions of $897 towards the Second Tranche in March 2025.

During the three months ended March 31, 2025, the Company issued 1,216,432 common shares for exercised restricted share units (“RSU”).

b) Stock options

Total compensation expense related to stock options for the three months ended March 31, 2025 was $446 (three months ended March 31, 2024: $499). The unrecognized compensation cost for non-vested stock options at March 31, 2025 was $836 (December 31, 2024: $858).

As of March 31, 2025, 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	9,473,717	4.75	0.19	1,676,856	4.78	0.20
$0.37 to $0.49	14,492,812	3.18	0.44	13,150,854	3.12	0.44
$0.50 to $0.99	780,073	2.63	0.69	753,407	2.62	0.69
$1.00 to $1.35	4,931,703	1.44	1.20	4,931,703	1.44	1.20

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

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

	Options	Weighted average exercise price (C$)
Outstanding at January 1, 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 January 1, 2025	31,366,029	0.58
Granted	4,372,016	0.19
Expired	(5,061,875)	0.79
Forfeited	(997,865)	0.27
Outstanding at March 31, 2025	29,678,305	0.49

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 three months ended March 31, 2025, the Company granted 4,372,016 stock options at a weighted average exercise price of $0.19 to its employees and contractors. The weighted average assumptions used in the stock option pricing model and the resulting weighted average fair values per option for the options granted during the three months ended March 31, 2025 were as follows:

Risk-free rate:	3.24%
Expected life:	5 years
Expected volatility:	80.68%
Expected dividends:	Nil
Weighted average fair value per option:	$ 0.12

Subsequent to March 31, 2025, 1,385,642 stock options expired unexercised and 87,650 stock options were forfeited.

c) Share units

The Company uses Ascot's closing stock price on the day prior to the grant date to estimate the fair value for RSU. The RSUs vest on specific dates or upon achieving certain milestones, as determined by the Board. The RSUs are settled in Ascot common shares. For the three months ended March 31, 2025, $380 was expensed in the statement of comprehensive income as stock-based compensation expense for RSUs (three months ended March 31, 2024: $125).

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 three months ended March 31, 2025, $5 was expensed in the statement of comprehensive income as stock-based compensation expense for DSUs (three months ended March 31, 2024: $22).

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

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

	Number of RSUs/PSUs	Number of DSUs
Outstanding at January 1, 2025	8,205,679	3,123,041
Granted	2,564,102	43,181
Exercised	(1,216,432)	-
Forfeited	(419,623)	-
Outstanding at March 31, 2025	9,133,726	3,166,222

The weighted average remaining contractual life of RSUs outstanding at March 31, 2025 is 3.93 years. The DSUs outstanding at March 31, 2025 expire one year after the individual ceases to be a director of the Company.

Subsequent to March 31, 2025, 113,182 RSUs were exercised, 248,131 RSU expired unexercised and 43,839 RSUs were forfeited.

d) Warrants

On March 14, 2025, as a part of the Offering (Note 11a), the Company issued 142,551,675 share purchase warrants for CDE FT units and 191,435,095 share purchase warrants for HD Units. The warrants are exercisable for two years at an exercise price of $0.155 per warrant.

The Company used the relative fair value method to allocate consideration received for the Offering between common shares and share purchase warrants. The Company used the Black-Scholes option pricing model to estimate the fair value of the warrants and it used Ascot's closing stock price on the day prior to the Offering closing date to value the common shares. The expected volatility assumption inherent in the Black-Scholes pricing model was based on the historical volatility of the Company's stock over a term equal to the expected term of the warrants granted. The weighted average assumptions used in this pricing model, and the resulting fair value per warrant for the warrants issued on March 14, 2025 were as follows:

Risk-free rate:	2.57%
Expected life:	2 years
Expected volatility:	101.96%
Expected dividends:	Nil
Fair value per warrant:	$ 0.06
Total fair value:	$19,261
Relative fair value:	$13,636

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, 2025	84,594,528	0.48
Issued	333,986,770	0.16
Outstanding at March 31, 2025	418,581,298	0.22

The weighted average remaining contractual life of the warrants outstanding at March 31, 2025 was 1.85 years.

In addition to vested warrants, 25,767,777 unvested warrants are outstanding at March 31, 2025 (Note 8b).

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

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31, 2025	Three months ended March 31, 2024
Wages, benefits and management fees	$ 1,114	$ 971
Legal and professional services	775	334
Office and administration expenses	113	104
Travel	10	30
Investor relations and shareholders costs	100	119
Insurance	48	104
Compliance costs and property taxes	56	24
	$ 2,216	$ 1,686

13. FINANCE EXPENSE

	Three months ended March 31, 2025	Three months ended March 31, 2024
Accretion	$ 737	$ 337
Reclamation bond fee	267	225
Interest on office lease liability	20	11
	$ 1,024	$ 573

14. OTHER INCOME

	Three months ended March 31, 2025	Three months ended March 31, 2024
Interest income	$ 144	$ -
Flow through share premium	366	917
Other	31	-
	$ 541	$ 917

15. RELATED PARTY TRANSACTIONS

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

a) Key Management Compensation

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Salaries, short-term benefits and management fees	$ 640	$ 439
Share-based payment transactions	364	328
	$ 1,004	$ 767

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

b) Other Related Party Transactions

During the three months ended March 31, 2025, a member of the Company's executive management was granted 3,872,016 stock options at an exercise price of $0.195 and 2,564,102 RSUs with the total fair value of $480 and $480, respectively.

During the three months ended March 31, 2025, one of the Company's directors was granted a total of 43,181 DSUs in lieu of cash fees with a fair value of $5.

16. SEGMENT REPORTING

The Company has two operating segments: the development of the Project (Note 5) and exploration and evaluation of Mt. Margaret. The Company has two geographic areas, Canada and the US.

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

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31, 2025	Three months ended March 31, 2024
Net changes in non-cash items included in mineral properties		
Depreciation and amortization	$ -	$ 869
Capitalized borrowing cost	9,424	6,904
Stock-based compensation	225	152
Change in estimate of reclamation provisions	(15)	15,722
Right-of-use assets	7	6,170
Accounts payable, accrued liabilities and holdbacks	(4,071)	(657)
	$ 5,570	$ 29,160

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

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

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

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

- Level 3 - applies to assets or liabilities for which there are unobservable market data.

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

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 March 31, 2025 as well as absence of change in interest rates in that short time period.

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

As at March 31, 2025	**Fair value**		
	Level 1	**Level 2**	**Level 3**
Financial assets			
Stream buyback option	$ -	$ -	$ 5,907
Royalty buyback option	-	-	-
	$ -	$ -	$ 5,907
Financial liabilities			
Convertible facility - derivative portion	$ -	$ -	$ 4,732
	$ -	$ -	$ 4,732

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

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.

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

Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company 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 8) and cash in treasury account (Note 3). A 10% decrease (increase) of the value of the Canadian dollar relative to the U.S. dollar as at March 31, 2025 would result in an additional $4,472 foreign exchange loss (gain) reported in the Company's statement of comprehensive income for the three months ended March 31, 2025 (three months ended March 31, 2024: $3,140).

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 6) and the derivative components of the credit facilities (Note 8). 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 $122 of interest added to the balance of the credit facilities and $26 interest paid for the three months ended March 31, 2025. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered insignificant.

Liquidity Risk

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

As at March 31, 2025, Ascot had a cash and cash equivalents balance of $36,151 and working capital deficiency of $40,724, which included an estimated $8,068 as the current portion of the deferred revenue only to be settled with future production from the Project, an estimated $3,697 as the current portion of future extraction services and the $21,919 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 8).

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	$ 14,620	$ -	$ -	$ -	$ 14,620
Lease liabilities	5,018	6,759	2,547	-	14,324
Promissory note (Note 10)	9,307	12,122	-	-	21,429
Convertible facility (Note 8)	2,946	25,625	-	-	28,571
Cost overrun facility (Note 8)	19,545	17,621	-	-	37,166
	$ 51,436	$ 62,127	$ 2,547	$ -	$116,110

As of March 31, 2025, 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. The Company is required to make a yearly service fee of $1,010 plus reasonable maintenance costs for each calendar year until termination (which can be done on 6 months' notice) under an agreement for electrical power interconnection and transmission service.

The Company endeavors to ensure that it has sufficient cash on demand to meet its obligations as they become due by preparing annual capital and administrative expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable as well as the credit facilities (Note 8). The Company's trade and other accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

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

19. CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, stock options and share units, and credit facilities as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor confidence required to sustain future development and production of the business. According to the terms of the Sprott Stream agreement (Note 6) and the credit facilities (Note 8), the Company is required to maintain a minimum of US$5 million (or Canadian dollar equivalent) in unrestricted cash and cash equivalents, and positive working capital (working capital is defined as the excess of current assets over current liabilities excluding the current portion of the credit facilities, the deferred revenue and any premium portion of flow through shares). As of March 31, 2025, 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 March 31, 2025.

There has been no significant change to the Company's capital management policies during the three months ended March 31, 2025.

20. CONTINGENCY

On February 26, 2025, a former contractor to the Company provided the Company with a formal notice that a dispute has arisen. 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.