



Ascot Resources Ltd.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024
(Presented in thousands of Canadian Dollars, except where indicated)
(Unaudited)

Ascot Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Canadian Dollars in Thousands)

(Unaudited)

	Notes	June 30, 2025	December 31, 2024
ASSETS			
Current			
Cash and cash equivalents	3	\$ 21,633	\$ 27,974
Restricted cash	4	162	-
Trade and other receivables		822	609
Inventories		6,361	3,587
Prepaid expenses and deposits		1,113	2,429
Total Current Assets		30,091	34,599
Restricted cash	4	6,749	4,749
Exploration and evaluation assets		5,424	5,424
Mineral properties, plant and equipment	5	536,058	793,035
Embedded derivatives	6	-	2,019
Other assets		4,218	2,271
Total Non-Current Assets		552,449	807,498
Total Assets		\$ 582,540	\$ 842,097
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables		\$ 14,093	\$ 17,717
Contract liabilities	6	207,059	6,936
Reclamation provisions	7	957	957
Credit facilities	8	47,715	39,477
Lease liabilities	9	4,608	4,903
Promissory note	10	15,504	11,386
Other liabilities		686	774
Total Current Liabilities		290,622	82,150
Contract liabilities	6	39,983	226,968
Reclamation provisions	7	75,751	74,436
Credit facilities	8	-	12,081
Lease liabilities	9	6,728	7,992
Promissory note	10	3,978	7,674
Deferred income tax liabilities		-	981
Total Non-Current Liabilities		126,440	330,132
Total Liabilities		417,062	412,282
Shareholders' Equity			
Share capital	11	535,732	497,534
Contributed surplus	11	65,419	46,083
Accumulated deficit		(435,673)	(113,802)
Total Shareholders' Equity		165,478	429,815
Total Liabilities and Shareholders' Equity		\$ 582,540	\$ 842,097

Going concern (Note 1), Commitments (Notes 4, 5, 7 and 18), Contingencies (Notes 4, 5 and 19).

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

/s/ "Bill Bennett"

Director

/s/ "Indi Gopinathan"

Director

Ascot Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Canadian Dollars in Thousands Except Loss per Share)

(Unaudited)

	Notes	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenues		\$ -	\$ 2,419	\$ -	\$ 2,419
Cost of sales					
Production costs		-	(1,876)	-	(1,876)
Depreciation, depletion and amortization			(486)	-	(486)
Transportation cost and royalties		-	-	-	-
Total cost of sales		\$ -	\$ (2,362)	\$ -	\$ (2,362)
Gross profit		\$ -	\$ 57	\$ -	\$ 57
General and administrative expenses	12	\$ (2,660)	\$ (2,104)	\$ (4,876)	\$ (3,790)
Stock-based compensation	11	(289)	(384)	(952)	(918)
Depreciation and amortization		(34)	(8)	(71)	(102)
Financing costs		(66)	(87)	(651)	(1,362)
Finance expense	13	(1,125)	(786)	(2,149)	(1,359)
Other income	14	2,438	-	2,979	917
Loss on sale of mineral interest		-	-	-	(801)
Impairment of mineral properties	5	(324,404)	-	(324,404)	-
Loss on extinguishment of debt		-	-	-	(688)
Change in fair value of financial instruments	6,8	(2,512)	6,596	4,792	5,735
Foreign exchange gain (loss)		2,438	(334)	2,480	(702)
Income (loss) before income taxes		\$ (326,214)	\$ 2,950	\$ (322,852)	\$ (3,013)
Income tax recovery (expense)		981	-	981	(245)
Net income (loss) for the period		\$ (325,233)	\$ 2,950	\$ (321,871)	\$ (3,258)
Total comprehensive income (loss)		\$ (325,233)	\$ 2,950	\$ (321,871)	\$ (3,258)
Loss per share					
- basic and diluted		\$ (0.22)	\$ 0.00	\$ (0.25)	\$ (0.01)
Weighted average shares outstanding					
- basic & diluted		1,467,332,283	625,879,311	1,258,078,433	606,271,320

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

Ascot Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Canadian Dollars in Thousands except No. of Shares)

(Unaudited)

	Number of shares issued and outstanding	Share capital	Contri- buted surplus	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	71,367,096	31,694	-	-	31,694
Exercise of stock options	371,369	300	(107)	-	193
Issued for other consideration					
Exercise of share units	440,625	234	(234)	-	-
Acquisition of assets	3,624,135	2,128	-	-	2,128
Premium on flow-through shares	-	(1,084)	-	-	(1,084)
Stock-based compensation expense	-	-	918	-	918
Stock-based compensation capitalized	-	-	275	-	275
Cost overrun facility - warrants	-	-	2,837	-	2,837
Net loss for the period	-	-	-	(3,258)	(3,258)
Balance, June 30, 2024	631,850,577	\$434,097	\$ 35,916	\$ (85,552)	\$ 384,461
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)	500,673,729	38,796	19,859	-	58,655
Issued for other consideration					
Exercise of share units	3,003,300	1,838	(1,838)	-	-
Premium on flow-through shares (Note 11a)	-	(2,436)	-	-	(2,436)
Stock-based compensation expense (Note 11)	-	-	952	-	952
Stock-based compensation capitalized	-	-	301	-	301
Cost overrun facility - warrants	-	-	62	-	62
Net loss for the period	-	-	-	(321,871)	(321,871)
Balance, June 30, 2025	1,486,509,381	\$535,732	\$ 65,419	\$(435,673)	\$ 165,478

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

Ascot Resources Ltd.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Canadian Dollars in Thousands)

(Unaudited)

	Notes	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash flows from operating activities			
Net loss for the period		\$ (321,871)	\$ (3,258)
Adjustment to reconcile loss			
to net cash used in operating activities:			
Stock-based compensation	11	952	918
Amortization and depreciation		71	588
Deferred revenue recognition		-	(67)
Loss on impairment of mineral properties		324,404	-
Financing costs		62	-
Gain on flow through share premium		(2,524)	(917)
Finance expense		1,517	837
Deferred income tax expense		(981)	245
Change in fair value of financial instruments	6,8	(4,792)	(5,735)
Loss on extinguishment of debt		-	688
Loss on sale of mineral interest		-	801
Unrealized foreign exchange (gain) loss		(2,523)	708
Changes in non-cash working capital balances:			
Change in inventories		(2,529)	(8,976)
Change in receivables		(213)	(94)
Change in prepaid expenses and deposits		1,316	(526)
Change in trade and other payables		(319)	14,152
Total cash outflows from operating activities		(7,430)	(636)
Cash flows from investing activities			
Investment in mineral properties, plant and equipment	5	(53,312)	(107,736)
Proceeds from sale of net smelter return royalty		-	40,554
Payment of deposit for environmental bond	4	(2,000)	(300)
Total cash outflows from investing activities		(55,312)	(67,482)
Cash flows from financing activities			
Proceeds from cost overrun facility		-	26,766
Proceeds from share issuance	11a	61,185	33,750
Share issue costs	11a	(2,530)	(2,056)
Financing costs		(35)	(836)
Proceeds from exercise of stock options		-	193
Payment for interest on cost overrun facility		-	(1,574)
Payment for lease liabilities	9	(2,249)	(2,334)
Total cash inflows from financing activities		56,371	53,909
Effect of exchange rate changes on cash and cash equivalents		30	(55)
Total decrease in cash during the period		(6,341)	(14,264)
Cash and cash equivalents, beginning of period		27,974	26,974
Cash and cash equivalents, end of period		\$ 21,633	\$ 12,710
Supplemental cash flow information	17		

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Ascot Resources Ltd. ("Ascot" or the "Company") is a development and exploration company that had been focusing on re-starting the past producing historic Premier gold mine located in British Columbia's Golden Triangle. The Company owns the Premier and Red Mountain Gold Projects and produced a limited amount of gold and silver doré at its processing plant at Premier in 2024. In June 2025, the Company suspended mine development and placed the mine on care and maintenance to preserve capital as the Company assesses its strategic alternatives.

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 June 30, 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 assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's negotiations with its mining contractor were unsuccessful in securing a mining cost structure that would be satisfactory to the Company and, on June 25, 2025, the Company suspended mine development and placed the Project on care and maintenance. The Project remains on care and maintenance while a strategic review process is underway.

As at June 30, 2025, Ascot had a cash and cash equivalents balance of \$21,633 and a working capital deficiency of \$260,531. The suspension of operations has resulted in a default on Ascot's credit facilities (Note 8) and stream agreements (Note 6). These conditions indicate material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

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

2. BASIS OF PRESENTATION**a) Statement of compliance**

These unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 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 financial statements. Accordingly, they should be read in conjunction with the notes to the Company's annual 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 August 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 area involving critical judgments in applying accounting policies and an area 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, property, plant and equipment

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to its mineral properties. If any such indicator exists, then an impairment test is performed by management. During the quarter ended June 30, 2025, management placed the Project on care and maintenance, and, as a result, an impairment indicator was identified. The Company completed an impairment test for the Project as of June 30, 2025 by calculating the recoverable amount as the fair value less costs of disposal (FVLCD) and comparing it to the carrying value and recorded an impairment loss as a result (Note 5).

The determination of the FVLCD of the mineral properties, plant and equipment is based on market information and is subjective. Changes in estimates, assumptions and judgments may materially affect the value of the mineral properties, property, plant and equipment.

3. CASH AND CASH EQUIVALENTS

Cash is held in treasury accounts at a Canadian chartered bank. GICs, term deposits and high interest savings accounts are held at registered brokers. The Canadian dollar treasury accounts, GICs, term deposits and high interest savings accounts bear interest at fixed rates between 2.25% and 3.15% per annum (December 31, 2024: 3.65%).

Included in cash and cash equivalents is \$3,165 (December 31, 2024: \$3,570), which is required to be used for flow-through expenditures prior to December 31, 2025.

4. RESTRICTED CASH

Upon settling a claim with one of the Company's contractors who had filed a lien on the Company's mineral properties, a \$162 balance remained in a trust account as of June 30, 2025. The amount was released to the Company in July 2025.

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

As of June 30, 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.

Ascot Resources Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
Presented in Thousands of Canadian Dollars Except Price per Share/Unit
(Unaudited)

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 June 30, 2025, the Company posted a \$4,759 surety bond with respect to this agreement.

The following table summarizes the Company's reclamation deposits:

	June 30, 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

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	46,344	4,966	-	338	-	153	51,801
Capitalized interest	19,020	-	-	-	-	-	19,020
Impairment	(324,404)	-	-	-	-	-	(324,404)
Decrease in asset retirement cost	(163)	-	-	-	-	-	(163)
At June 30, 2025	249,052	229,567	3,875	50,567	479	19,411	552,951
Accumulated Amortization							
At January 1, 2025	5,508	-	387	2,892	347	4,528	13,662
Depreciation & amortization	550	-	128	278	17	2,046	3,019
Depletion	212	-	-	-	-	-	212
At June 30, 2025	6,270	-	515	3,170	364	6,574	16,893
Net book value							
At January 1, 2025	502,747	224,601	3,488	47,337	132	14,730	793,035
At June 30, 2025	\$ 242,782	\$ 229,567	\$ 3,360	\$ 47,397	\$ 115	\$ 12,837	\$ 536,058

Mineral properties and project development cost additions of \$46,344 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 June 30, 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 June 30, 2025.

Impairment of mineral properties, property, plant and equipment

On June 25, 2025, the Company decided to suspend underground development and placed PGP on care and maintenance. Given the presence of this impairment indicator, management completed an impairment test for the Project CGU as of June 30, 2025. 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 FVLCD. The FVLCD was determined using a market-based valuation method which included estimating the value per in-situ ounces based on comparable market transactions as well as comparing post announcement trading prices after the Company halted development and put the Project on care and maintenance on June 25, 2025.

Using this approach, management determined the FVLCD of the Project to be \$133,844 and the carrying value of the Project at June 30, 2025 was \$458,248. As at June 30, 2025, the carrying value of the Project CGU exceeded its FVLCD by \$324,404, which was recognized as an impairment loss in the consolidated statements of comprehensive income (loss).

6. CONTRACT LIABILITIES

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 June 30, 2025, the conditions for release of the prepayment have not been met and are not expected to be met in the future; therefore, the US\$7.5 million prepayment will not be received by the Company and is therefore 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 contract liabilities and any premium portion of flow through shares). On June 25, 2025, the Company suspended underground development and operations which resulted in a default of the Sprott Stream. Given the default, SRSR has the right to issue a written notice requiring a refund of the upfront deposit plus 12% of interest in addition to other remedies available to the Company. Accordingly, the entire balance of the contract liabilities is classified as a current liability.

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 Spratt Stream buyback option"). In the case that the First Stream Spratt Stream buyback option is exercised, then the remaining Delivery Threshold at that time will be reduced by the buyback percentage.

The First Stream Spratt Stream buyback option represents an embedded derivative asset requiring bifurcation from the balance recorded as a contract liability. 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 contract liabilities. 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 June 30, 2025, the fair value of the Spratt Stream buyback option was nominal (December 31, 2024: \$2,019) resulting in a loss of \$2,019 during the period. The assumptions used in this valuation model, and the resulting fair value of the embedded derivative were as follows:

Valuation date:	June 30, 2025	December 31, 2024
Production forecast period:	Q4 2027 to Q4 2040	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\$3,303/oz - US\$4,962/oz	US\$2,624/oz - US\$3,843/oz
Forecast silver prices (forward curve):	US\$36.08/oz - US\$51.66/oz	US\$28.87/oz - US\$41.14/oz
Gold volatility:	16.5%	14.5%
Silver volatility:	29.8%	26.8%
Correlation:	0.6977	0.7786
Buyback exercise date:	December 31, 2026	Varies*
Buyback purchase price:	US\$80 million	US\$80 million
Discount rate:	26.95%	26.00%
Fair value of the derivative:	<\$100	\$2,019

* 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 "Spratt Royalty"). Until the end of 2026, up to 50% (the "Buyback Percentage") of the Spratt Royalty can be repurchased by the Company for varying amounts depending on timing and cumulative production (the "Spratt Royalty buyback option"). The repurchase price is payable in ounces of gold bullion or the equivalent value in cash and is equal to 21,600 and 24,000 gold equivalent ounces in 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 for the future extraction services of gold and silver ounces. On initial recognition the consideration received for the Spratt 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 a contract liability. Closing fees, legal fees and due diligence fees associated with the Spratt Royalty were recognized as financing costs in the consolidated statements of comprehensive income (loss).

The Spratt Royalty buyback option represents an embedded derivative asset requiring bifurcation from the balance recorded as contract liabilities. The initial recognition of a derivative asset was accounted for at fair value and subsequent

Ascot Resources Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
Presented in Thousands of Canadian Dollars Except Price per Share/Unit
(Unaudited)

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 June 30, 2025, the fair value of the Sprott Royalty buyback option was \$Nil (December 31, 2024: \$Nil).

Movements in the value of the Company's contract liabilities are as follows:

		Stream		Extraction Services		Total
Balance at January 1, 2025	\$	195,657	\$	38,247	\$	233,904
Accretion		11,402		1,736		13,138
Balance, June 30, 2025	\$	207,059	\$	39,983	\$	247,042
Current		207,059		-		207,059
Non-current	\$	-	\$	39,983	\$	39,983

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		(2,019)		-		(2,019)
Balance, June 30, 2025	\$	-	\$	-	\$	-

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		(163)
Accretion of reclamation liability		1,478
Balance, June 30, 2025	\$	76,708
Current		957
Non Current		75,751

The Company's provision for environmental obligations at the Premier Gold mine is based on project plans prepared by management. As at June 30, 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 June 30, 2025, the estimated future cash flows have been discounted using a risk-free rate of 3.28% 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.

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	3,307
Foreign exchange gain	(1,543)
Balance, June 30, 2025	\$ 29,032
Current	29,032
Non-current	-

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 contract liabilities and any premium portion of flow through shares). On June 25, 2025, the Company suspended underground development and operations which resulted in a default of the COF. Accordingly, the entire balance of the COF is classified as a current liability.

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 contract liabilities and any premium portion of flow through

Ascot Resources Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 Presented in Thousands of Canadian Dollars Except Price per Share/Unit (Unaudited)

shares). On June 25, 2025, the Company suspended underground development and operations which resulted in a default of the Convertible facility.

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 June 30, 2025, the Company accrued interest of \$4,273 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 June 30, 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	2,154	-	2,154
Change in fair value of derivative	-	(6,811)	(6,811)
Foreign exchange gain	(950)	-	(950)
Balance, June 30, 2025	\$ 17,346	\$ 1,337	\$ 18,683
Current	17,346	1,337	18,683
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 is fair valued with changes in fair value recorded as a gain or loss in the statement of comprehensive income (loss).

The fair value of the conversion option derivative at each valuation date was calculated using the Finite Difference Method. The expected volatility assumption in the valuation model is based on the historical volatility of the Company's stock commensurate with the remaining term of the conversion option.

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

Valuation date:	June 30, 2025	December 31, 2024
Maturity date:	Jun. 27, 2027	Jun. 27, 2027
Risk-free rate:	3.73%-4.20%	4.25%-4.32%
Share price:	US\$0.0476	US\$0.1287
Foreign exchange rate:	1.3643	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:	23.48%	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 leased 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 six months ended June 30, 2025, the Company incurred \$557 (six months ended June 30, 2024: \$372) 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 and lease adjustments		133
Interest expense		39
Interest expense capitalized		518
Lease payments		(2,249)
Balance, June 30, 2025	\$	11,336
Current		4,608
Non-current		6,728

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

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 June 30, 2025, the number of total issued and outstanding common shares is 1,486,509,381 (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"). On April 10, 2025, the Company closed the second and final tranche of the Offering (the "Second Tranche"), pursuant to which the Company issued an additional 166,686,959 HD Units at a price of C\$0.115 per HD Unit for additional net proceeds of \$18,732. Each Warrant entitles the holder to acquire one Share at a price of C\$0.155 per Share for a period of 24 months from March 14, 2025. 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 have been 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 are 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.

During the six months ended June 30, 2025, the Company issued 3,003,300 common shares for exercised restricted share units ("RSU").

b) Stock options

Total compensation expense related to stock options for the six months ended June 30, 2025 was \$692 (six months ended June 30, 2024: \$848). The unrecognized compensation cost for non-vested stock options at June 30, 2025 was \$636 (December 31, 2024: \$858).

As of June 30, 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\$
\$0.06 to \$0.36	10,771,308	4.58	0.17	2,438,973	4.64	0.16
\$0.37 to \$0.49	13,452,148	2.67	0.44	12,150,189	2.64	0.44
\$0.50 to \$0.99	530,000	2.60	0.66	530,000	2.60	0.66
\$1.00 to \$1.35	4,843,465	1.13	1.20	4,843,465	1.13	1.20

Ascot Resources Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
Presented in Thousands of Canadian Dollars Except Price per Share/Unit
(Unaudited)

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	6,104,603	0.16
Canceled	(206,184)	0.22
Expired	(6,510,851)	0.73
Forfeited	(1,156,676)	0.25
Outstanding at June 30, 2025	29,596,921	0.47

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 six months ended June 30, 2025, the Company granted 6,104,603 stock options to new employees and consultants to retain their services at a weighted average exercise price of \$0.16. 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 six months ended June 30, 2025 were as follows:

Risk-free rate:	2.87% - 3.24%
Expected life:	5 years
Expected volatility:	80.68% - 85.36%
Expected dividends:	Nil
Estimated forfeiture rate:	4%
Weighted average fair value per option:	\$ 0.10

Subsequent to June 30, 2025, 3,334 stock options expired unexercised and 38,194 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 six months ended June 30, 2025, \$501 was expensed in the statement of comprehensive income (loss) as stock-based compensation expense for RSUs (six months ended June 30, 2024: \$247).

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 six months ended June 30, 2025, \$5 was expensed in the statement of comprehensive income (loss) as stock-based compensation expense for DSUs (six months ended June 30, 2024: \$22).

During the six months ended June 30, 2025, the Company granted 3,933,332 RSUs to new employees and consultants to retain their services.

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	3,933,332	43,181
Exercised	(3,003,300)	-
Forfeited	(536,267)	-
Expired	(248,131)	-
Outstanding at June 30, 2025	8,351,313	3,166,222

The weighted average remaining contractual life of RSUs outstanding at June 30, 2025 is 4.18 years. The DSUs outstanding at June 30, 2025 expire one year after the individual ceases to be a director of the Company.

Subsequent to June 30, 2025, 642,339 DSUs were exercised by a departing director and 20,675 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. On April 10, 2025, as a part of the Second Tranche (Note 11a), the Company issued 166,686,959 warrants for HD Units. The warrants are exercisable for two years from March 14, 2025 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 and on April 10, 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:	\$28,874
Relative fair value:	\$19,860

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	500,673,729	0.16
Outstanding at June 30, 2025	585,268,257	0.20

The weighted average remaining contractual life of the warrants outstanding at June 30, 2025 was 1.63 years.

In addition to vested warrants, 25,767,777 unvested warrants were outstanding at June 30, 2025 (Note 8b).

Ascot Resources Ltd.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
Presented in Thousands of Canadian Dollars Except Price per Share/Unit
(Unaudited)

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Wages, benefits and management fees	\$ 630	\$ 1,086	\$ 1,744	\$ 2,057
Legal and professional services	943	487	1,718	821
Office and administration expenses	56	118	169	222
Travel	11	58	21	88
Investor relations and shareholders costs	51	108	151	227
Insurance	57	130	105	234
Compliance costs and property taxes	912	117	968	141
	\$ 2,660	\$ 2,104	\$ 4,876	\$ 3,790

13. FINANCE EXPENSE

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Accretion	\$ 741	\$ 482	\$ 1,478	\$ 819
Reclamation bond fee	365	297	632	522
Interest on office lease liability	19	7	39	18
	\$ 1,125	\$ 786	\$ 2,149	\$ 1,359

14. OTHER INCOME

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest income	\$ 227	\$ -	\$ 371	\$ -
Flow through share premium	2,158	-	2,524	917
Other	53	-	84	-
	\$ 2,438	\$ -	\$ 2,979	\$ 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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Salaries, directors' and consulting fee and short-term benefits	\$ 327	\$ 426	\$ 967	\$ 865
Share-based payment transactions	212	189	576	517
	\$ 539	\$ 615	\$ 1,543	\$ 1,382

b) Other Related Party Transactions

Included in accounts payable and accruals at June 30, 2025 is \$71 (December 31, 2024: \$77) due to the Company's executive management.

During the six months ended June 30, 2025, new members of the Company's executive management were granted 5,004,603 stock options at a weighted average exercise price of \$0.17 and 3,333,332 RSUs with the total fair value of \$528 and \$528, respectively to retain their services.

During the six months ended June 30, 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

	Six months ended June 30, 2025	Six months ended June 30, 2024
Net changes in non-cash items included in mineral properties		
Depreciation and amortization	\$ (245)	\$ (1,904)
Capitalized borrowing cost	19,020	15,434
Stock-based compensation	301	275
Change in estimate of reclamation provisions	(163)	14,854
Right-of-use assets	133	6,472
Accounts payable, accrued liabilities and holdbacks	(3,467)	(1,549)
	\$ 15,579	\$ 33,582

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

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

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

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

The Company's recorded amounts of cash and cash equivalents, trade and other receivables, trade and other payables, other liabilities, lease 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 due to absence of significant change in interest rates in the period between the inception date of the credit facilities (February 20, 2024), date of re-establishment (November 18, 2024) and June 30, 2025.

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 June 30, 2025

	Fair value		
	Level 1	Level 2	Level 3
Financial assets			
Stream buyback option	\$ -	\$ -	\$ -
Royalty buyback option	-	-	-
	\$ -	\$ -	\$ -
Financial liabilities			
Convertible facility - derivative portion	\$ -	\$ -	\$ 1,337
	\$ -	\$ -	\$ 1,337

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.

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 June 30, 2025 would result in an additional \$4,564 foreign exchange loss (gain) reported in the Company's statement of comprehensive income (loss) for the six months ended June 30, 2025 (six months ended June 30, 2024: \$3,155).

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 \$245 of interest added to the balance of the credit facilities and \$51 interest paid for the six months ended June 30, 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 June 30, 2025, Ascot had a cash and cash equivalents balance of \$21,633 and working capital deficiency of \$260,531, which included the \$207,059 value of the Sprott Stream, the \$18,683 value of the Convertible facility and the \$29,032 value of the COF, which are classified as current due to the Company being in default (Notes 6 and 8).

Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2025 were as follows:

	Less than 1 year	1-3 years	4-5 years	After 5 years	TOTAL
Trade and other payables	\$ 14,093	\$ -	\$ -	\$ -	\$ 14,093
Lease liabilities	4,608	6,690	1,759	-	13,057
Promissory note (Note 10)	15,504	5,925	-	-	21,429
Convertible facility (Note 8)	27,275	-	-	-	27,275
Cost overrun facility (Note 8)	35,450	-	-	-	35,450
	\$ 96,930	\$ 12,615	\$ 1,759	\$ -	\$111,304

As of June 30, 2025, the Convertible facility and the COF are classified as current liabilities (payable in less than 1 year) since the Company is not considered to have unconditional right to defer payment for the next 12 months under IAS 1 due to being in default (Note 8).

As of June 30, 2025, the Company had an outstanding purchase commitment of \$1,957 for surface mining equipment.

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 monitors 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 and COF are classified as current on the statement of financial position as the Company was in default on those financial instruments as of June 30, 2025. 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. 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.