

Ascot Resources Reports Q2 2022 Results

[Ascot Resources \(TSX: AOT\)](#)

Announced the Company's unaudited financial results for the three months ended June 30, 2022, as well as a summary of recent development highlights at the Company's Premier Gold Project, located in the prolific Golden Triangle of northwestern British Columbia.

Ascot Resources	TSX : AOT
Stage	Development
Metals	Gold
Market cap	C\$178 m @ \$0.41
Location	Golden Triangle, British Columbia



Ascot Resources – Big Missouri portal

Ascot Resources Reports Second Quarter 2022 Results

Vancouver, B.C. August 8, 2022 – Ascot Resources (TSX: AOT; OTCQX: AOTVF) (“Ascot” or the “Company”) is pleased to announce the Company’s unaudited financial results for the three months ended June 30, 2022 (“Q2 2022”), as well as a summary of recent development highlights at the Company’s Premier Gold Project (“PGP” or the “project”), located on Nisga’a Nation Treaty Lands in the prolific Golden Triangle of northwestern British Columbia.

For details of the unaudited condensed interim consolidated financial statements and Management's Discussion and Analysis for the three months ended June 30, 2022, please see the Company's filings on SEDAR (www.sedar.com).

Derek White, President and CEO, commented

"We continue to make progress towards arranging alternative financing to fund the remaining construction at PGP, and in the meantime much headway has been made during Q2 2022 on various construction activities.

"Approximately 95% of the remaining fixed equipment for the project has been ordered, which partially insulates Ascot from continued inflationary pressures in the mining industry.

"Underground development, benefitting from excellent ground conditions, has been going very well and to date has progressed approximately 320 metres.

"Development is now accessing initial ore in the A Zone of the Big Missouri deposit, which will enable direct sampling and confirmatory work on ore grades, geometries, and stope shapes.

"On the exploration front, drilling continues to impress at

the emerging Sebakwe Zone, with the first batch of assay results from this season yielding coarse, visible gold and high-grade intercepts up to 193 g/t gold.

“We expect the second batch of assays from the drill program at Sebakwe in the near-term.”

All amounts herein are reported in \$000s of Canadian dollars (“C\$”) unless otherwise specified.

Q2 2022 AND RECENT HIGHLIGHTS

- On April 4, 2022, the Company provided an update on construction financing and development plans for PGP, including an update on the availability of further drawdowns under the construction finance package of US\$105M (see News Release dated [December 10, 2020](#)), where the Company had secured a US\$80M senior credit facility (the “Senior Facility”) with Sprott Private Resource Lending II (Collector), LP (“Sprott”).
- After drawing down the initial US\$20M tranche under the Senior Facility, Ascot was required to satisfy various conditions before drawing down the remaining US\$60M, which was available until June 30, 2022. However, the Company has been unable to reach an agreement with Sprott on the satisfaction of the drawdown conditions for the remaining US\$60M of the Senior Facility. Therefore, the initial US\$20M drawdown remains

outstanding and Ascot is pursuing alternative financing options to replace the remainder of the Senior Facility.

FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2022

The Company reported a net loss of \$1,054 for Q2 2022 compared to \$3,751 for Q2 2021. The decrease in net loss is attributable to a combination of factors including an increase in the gain on valuation of the Company's derivative liabilities and an increase in flow-through premium recognition, partially offset by an increase in foreign exchange loss due to the strengthening U.S. dollar and senior debt deferred financing costs expensed in Q2 2022.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2022, the Company had working capital of \$37,825 and cash & cash equivalents balance of \$60,212. In the first half of 2022, the Company issued 59,271,000 common shares, 13,710,500 warrants, 3,732,284 stock options, 176,312 deferred share units, 721,432 Restricted Share Units ("RSU") and 162,162 performance share units. Also, 906,750 stock options expired and 17,902 RSUs were exercised during the first half of 2022.

MANAGEMENT'S OUTLOOK FOR 2022

As noted in the Company's press release of April 4, 2022, the Company is undergoing a process to refinance its Senior Facility with Sprott.

As a result, the Company made the decision to slow down certain work packages and the general project construction until the refinancing has been completed.

Consequently, certain critical construction activities such as the construction of the tailings dam and the new water treatment plant will be deferred until the spring of 2023. The Company is now targeting the start of production between late 2023 and early 2024.

Management is planning a number of activities for the remainder of 2022, which include:

- Completion of an optimized life of mine plan
- Completion of refinancing of the Senior Facility
- Advancement of underground ramp development with target delivery of ore for pre commissioning by Q4 2023
- Completion of a site preservation plan for a construction restart in Spring 2023
- Surface exploration drilling with a focus on the Day and Sebakwe zones
- Stope definition drilling at Big Missouri both from surface and underground
- Underground diamond drilling to probe additional historical openings
- Health and safety initiatives related to health screening and construction protocols
- Permit amendments due to slow down of certain

construction activities

For brevity, this summary has been redacted, to read the full news release, please click [HERE](#)

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

At the time of writing the author holds shares in **Ascot Resources**, bought in the market at the prevailing price on the days of purchase.

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