

Ascot Secures US\$105 Million Construction Finance Package For Premier Gold Project



Ascot Resources Ltd (TSX: AOT)

Announced the closing of a US\$105 million project financing package with Sprott Private Resource Lending II LP (“Sprott”) and Beedie Investments Ltd.

The Financing will be used to develop the Company’s Premier Gold Project in northern British Columbia.

Ascot Resources	TSX : AOT
Stage	Development
Metals	Gold
Market cap	C\$353 m @ \$1.23
Location	Golden Triangle, British Columbia

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Vancouver, B.C. December 10, 2020 – Ascot Resources Ltd (TSX: AOT; OTCQX: AOTVF) (“Ascot” or the “Company”) is pleased to announce the closing of a US\$105 million project financing package (the “Financing”) with Sprott Private Resource Lending II (Collector), LP (“Sprott”) and Beedie Investments Ltd. (“Beedie Capital”).

The Financing will be used to develop the Company’s Premier Gold Project (the “Project” or “PGP”) in northern British Columbia and to repay the existing Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership convertible notes on closing. The Financing is comprised of a senior credit facility (the “Senior Facility”) for US\$80 million provided by Sprott, and a subordinated convertible facility for US\$25 million (the “Convertible Facility”) provided by Beedie and Sprott.

A summary of the key terms of the Senior Facility and Convertible Facility are as follows: The Senior Facility

- Term of 5 years
- US\$80 million in principal structured in multiple tranches:
 - US\$20 million advanced at closing
 - Subsequent tranches available to the Company on satisfaction of customary conditions
- Interest rate greater of 3-month LIBOR and 1.5% plus 7.0% and 5.75% per annum
 - 100% of interest costs capitalized until June 2022
- Principal payments including capitalized interest are payable in 10 quarterly instalments commencing September 2023
 - 2.0% original issue discount payable on drawdown of each tranche
 - 1.75% partner alignment fee payable in Ascot common shares at closing
- Fixed US\$13 per ounce production-linked payment on the first 450,000 ounces produced
- Payments are to be financially settled on a monthly basis and can be terminated at any time by payment of an early termination fee
 - Voluntary prepayment of outstanding principal and interest after December 2023
- The facility is available to be drawn until June 30, 2022 and project completion no later than September 30, 2023
 - No hedging, cash sweeps, cash collateralisation or offtake agreement
- At Ascot’s option, Sprott will purchase 10% of the common shares or up to a maximum of US\$3 million, to be issued in connection with Ascot’s minimum equity requirement of US\$25 M associated with the financing package.

The Convertible Facility

- Term of 3 years extended to 4 years upon receipt of project construction permits
 - US\$25 million in principal structured in two tranches:
 - US\$10 million will be advanced at closing (“Initial Advance”)
 - US\$15 million will be advanced on satisfaction of customary conditions (“Subsequent Advance”)
 - Interest rate of 8.0% per annum
- 100% of interest costs capitalised to principal until construction is complete and the Project has successfully completed an agreed completion test
 - 3.0% standby fee on undrawn amounts, accrued until maturity date
 - 1.5% commitment fee payable at closing
- Prepayment is subject to Senior Facility conditions, 1.0% penalty on repayment of outstanding principal and interest after December 2022, prior to December 2022 a make whole fee of 24 months interest
- Subject to the terms and conditions of the Convertible Facility, all or a portion of the Initial Advance can be converted into Ascot common shares at the option of the Lenders at a price equal to the higher of (“Initial Advance Conversion Price”):
 - 20% premium to the 30-day VWAP of Ascot common shares immediately prior to the date hereof; and
 - The market price immediately prior to the date hereof, as defined by the rules and policies of the Toronto Stock Exchange (“TSX”)
- Subject to the terms and conditions of the Convertible Facility, all or a portion of the Subsequent Advance, if any, can be converted into Ascot common shares at the option of the Lenders at a price equal to the higher of (the “Subsequent Advance Conversion Price”):
 - the Initial Advance Conversion Price; and
 - the market price subject to the maximum allowable discount, pursuant to the rules and policies of the TSX
- If over 20 consecutive trading days the VWAP of Ascot common shares exceeds 45% of the Initial Advance Conversion Price or Subsequent Advance Conversion Price (together, the “Conversion Price”), as applicable, Ascot may, subject to the terms and conditions of the Convertible Facility, convert up to 50% of the Conversion Price, as applicable, to Ascot common shares, in accordance with the terms and conditions of the Convertible Facility.

“We are very pleased with the financial commitments that Sprott and Beedie Capital have made towards the development of the Project. We have achieved our objective of securing a flexible financing package on terms that are competitive and protect the upside for our shareholders. The optionality of repayment of both the Senior Facility and the Convertible Facility in a rising gold price environment provides the Company financing flexibility. Combined with the equity financing completed in June, this package secures approximately US\$45 million of immediate funding enabling us to order long lead-time equipment, undertake pre-construction activities, advance permitting and refinance our existing convertible note. The financing process has been a team effort and I would like to acknowledge the efforts of all involved from the Ascot team, our advisors Auramet International LLC, Agentis Capital Mining Partners, and our legal counsel Blakes Cassels and Graydon, LLP.”

– Derek White, President and CEO of Ascot

.Narinder Nagra, Managing Partner of Sprott, commented, “As one of the largest investors dedicated to the natural resource sector, Sprott is excited to partner with Ascot on the development of the Premier Gold Project. Our partnership with Ascot is consistent with our strategy of providing innovative and flexible capital to maximize the value of exceptional projects.”

“We are excited to partner with Ascot and Sprott as part of this comprehensive financing package” said David Bell, Managing Director at Beedie Capital. “We look forward to supporting Ascot through the development of the Project into becoming a significant gold producer in British Columbia.”

All definitive documentation for the Financing has been signed and the Company expects to receive the first US\$20 million tranche from the Senior Facility, on December 10, 2020. The US\$10 million advance from the Convertible Facility will be used to repay the existing convertible notes. Drawdown on each facility is subject to customary conditions including all regulatory approvals.

For more information about the Company, please refer to the Company’s profile on SEDAR at www.sedar.com or visit the Company’s web site at www.ascotgold.com, or for a virtual tour visit www.vrify.com under Ascot Resources.

ON BEHALF OF THE BOARD OF DIRECTORS OF
ASCOT RESOURCES LTD.

“Derek C. White”, President and CEO

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