Ascot Resources Announce Mine Financing

Ascot Resources (TSX: AOT)

Announced the Company has entered into non-binding letters of intent for a total of approximately C$200 million in project financing for construction of the Premier Gold Project, located in the prolific Golden Triangle of northwestern British Columbia.



Ascot Resources Premier Mill B.C.

Ascot Arranges C$200 Million Financing Package For Construction Of The Premier Gold Project

Vancouver, B.C. December 12, 2022 – Ascot Resources Ltd. (TSX: AOT; OTCQX: AOTVF) ("**Ascot**" or the "**Company**") is pleased to announce the Company has entered into non-binding letters of intent for a total of approximately C$200 million in project financing for construction of the Premier Gold Project ("**PGP**" or the "**project**"), located on Nisga'a Nation Treaty Lands in the prolific Golden Triangle of northwestern British Columbia.

The proposed finance package will consist of a US$110 million gold and silver streaming agreement (the "**Stream**") with Sprott Resource Streaming and Royalty Corp. and/or its affiliates ("**Sprott Streaming**" or "**SRSR**") and a strategic equity investment (the "**Strategic Investment**") by Ccori Apu S.A.C ("**Ccori Apu**") of C$45 million, a portion of which will be structured as Canadian Development Expenditures flow through shares ("**CDE flow through**"), such that the total gross proceeds to the Company is C$50 million.

Ccori Apu's shareholders are the majority shareholders of Compañía Minera Poderosa S.A. ("**Poderosa**"), which owns and operates a high-grade gold mine in northern Peru and produces approximately 300,000 ounces of gold per year. Ascot is also pleased to provide an update on the construction plans for PGP and the path towards production, which is anticipated in early 2024.

Proposed finance package highlights

- Ascot will be funded with approximately C$200 million in project finance for construction of PGP, to repay the outstanding principal and accrued interest of the senior credit facility and production payment agreement from Sprott Private Resource Lending II (Collector), LP ("**SRL**") in order to enter into production with minimal debt.
- Ascot maintains its previously announced targeted project timeline, with plant pre-commissioning to start in Q4 2023 and first gold pour anticipated to occur in early 2024.
- Gold and silver stream with Sprott Streaming: US$110 million for delivery of 8.75% and 100% of gold and silver production, respectively, from PGP and RMP for ongoing payment of 10% of prevailing gold and silver prices.
- Existing 10% gold streaming agreement with SRSR on the Red Mountain Project ("**RMP**") to be altered, such that it will be part of the Stream described above.
- Strategic Investment by Ccori Apu of C$45 million, a portion of which will be structured as CDE flow through, such that the total gross proceeds to Ascot is C$50 million, resulting in Ccori Apu having a 19.9% pro forma ownership of Ascot common shares upon closing and the right to nominate up to two people to Ascot's Board of Directors.
- The US$10 million convertible facility from Beedie Investments Ltd. ("**Beedie**") remains outstanding and Beedie will enter into an intercreditor agreement with SRSR. The Company has sent a cancellation notice to Beedie to cancel the undrawn convertible facility of US$15 million effective on December 12, 2022.

- The completion of the Stream and the Strategic Investment are each conditional on the other being completed.

Derek White, President and CEO of Ascot commented,

“We are thrilled to have found an attractive financing solution to complete construction at PGP. In combining the new US$110 million stream from Sprott Streaming with the strategic equity investment from Ccori Apu, Ascot is able to advance towards production with minimal debt.

“We are delighted to see Ccori Apu’s interest in our project and welcome their involvement and experience as successful operators in high-grade, underground gold mining as we advance PGP.

“The Company considers Ccori Apu’s investment as a strong vote of confidence from an experienced underground gold mining company.”

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 *Calidus Resources*, bought in the market at the prevailing price on the days of purchase.

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