

# Ascot Reports Third Quarter 2023 Results and Provides Construction Update on the Premier Gold Project

09.11.2023 | [GlobeNewswire](#)

VANCOUVER, Nov. 09, 2023 - [Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) ("Ascot" or the "Company") is pleased to announce the Company's unaudited financial results for the three and nine months ended September 30, 2023 ("Q3 2023"), and also to provide a construction update on 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 and nine months ended September 30, 2023, please see the Company's filings at [www.ascotgold.com](http://www.ascotgold.com) or on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

Derek White, President and CEO, commented, *"The third quarter was the busiest yet for construction activity at the Premier Gold Project, with much progress being made on outdoor areas such as the tailings storage facility earthworks, the new water treatment plant, and the electrical substation. We continue to show excellent safety performance with zero lost time injuries and with a new quarterly record-low recordable incident frequency."*

*Underground development and ore stockpiling has resumed at the Big Missouri deposit, coinciding well with record-high gold grades recently intercepted from drilling in that deposit. Additionally, the surface work has been completed for the new Premier portal, and underground development will commence shortly and advance towards the Prew Zone by early 2024, which will enable Ascot to source production from two portals when milling operations commence."*

*The 2023 exploration program has been very successful so far in achieving both short- and long-term goals. In-fill drilling at the Prew Zone of the Premier deposit, and at Big Missouri, has yielded plenty of high-grade gold intercepts in and around planned stopes. For the long-term, our IP geophysics program this year provided promising targets for future step-out drilling across many areas."*

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

## Q3 2023 AND RECENT HIGHLIGHTS

- At the end of Q3 2023, overall construction excluding mine development was 66% complete (73% as of October 31, 2023), compared with 48% complete at the end of Q2 2023. Detailed engineering and procurement are substantially complete. The Company anticipates the first gold pour by the end of Q1 2024.
- On August 8, 2023, the Company entered into a contract with Procon Mining & Tunnelling Ltd. for underground mining services for an initial term of three years with the Company having the option to renew for two consecutive one-year periods. In August 2023, excavation work commenced on the new Premier portal close to the mill, including establishing the start of an access road for waste disposal in the historic Premier pit. Dewatering of the existing Big Missouri development and re-establishing surface infrastructure also commenced in August.

- The Company's 2023 exploration program at PGP consisted of 88 holes totaling 11,886 metres and included exploration drilling for resource expansion as well as in-fill drilling of initial mining areas at the Big Missouri and Premier deposits. On August 25, 2023, the Company announced the first batch of assay results with highlights including 32.85 g/t Au and 216.18 g/t Ag over 4.90m from a depth of 273.1m in hole P23-2468 and 54.28 g/t Ag over 6.52m from a depth of 253.48m in hole P23-2465. On October 19, 2023, the Company announced the second batch of assay results with highlights including 18.93 g/t Au over 6.87m from a depth of 278.1m in hole P23-2475 and 21.98 g/t Au over 4.28m from a depth of 279.2m in hole P23-2472. On November 3, 2023, a third batch of assay results was announced which was the initial batch of assay results from the surface drilling at the Big Missouri deposit. Highlights include 98.84 g/t Au over 6.48m from a depth of 51.5m in hole P23-2490, including 691.50 g/t Au over 0.90m. This is the all-time second highest-grade drill intercept at Big Missouri and is the Company's highest-grade drill intercept property-wide since 2015.
- On July 31, 2023, the Company entered into a master lease agreement with Caterpillar Financial Services ("CAT Financial") for an equipment lease facility up to US\$15 million on an uncommitted basis for surface mining equipment and construction equipment. The lease terms of the equipment are 4 to 5 years at an interest rate of the Canadian Dollar Offered Rate plus 4.25%.
- On August 29, 2023, the Company announced positive results from the 2023 induced polarization ("IP") geophysics program at PGP. These results were from 28 IP lines totaling 29 line-kilometers across three grids. Highlights of the results included a strong IP anomaly showing potential that the Sebakwe Zone structure extends approximately 1,000 metres beyond the westernmost extent of surface drilling from 2022, Day Zone IP signature continuing approximately 800 metres to the north of previous surface drill results and Dilworth IP showing strong chargeability anomaly to the west and below where most drilling was previously focused.
- On September 19, 2023, the Company acquired a full-service laboratory facility ("Assay Lab") in Stewart, BC from Seacan Labs Corp. The Assay Lab will be used to perform the testing required by Ascot for mineral exploration, mining operation, and environmental monitoring.
- Construction of the new water treatment plant ("WTP") is substantially complete. Commissioning process commenced in October.
- On October 3, 2023, the town council of Stewart, B.C. approved a Temporary Use Permit ("TUP") to install a camp facility in the town to provide additional accommodations for workers at the Project. The TUP is for a three-year term with potential to renew for another three years afterwards. The Company quickly started to mobilize and install living quarters for the camp and expects an initial capacity of 76 beds to be ready by the end of November. The addition of bed capacity in the near term is expected to alleviate some of the pressure caused by the extended earthworks schedule.

## PROJECT CONSTRUCTION

In January 2023, the Company closed a project financing package consisting of US\$110 million as a deposit in respect of gold and silver streaming agreements (the "Stream") and a strategic equity investment (the "Strategic Investment") of C\$45 million, a portion of which is structured as Canadian Development Expenditures flow through shares, such that the total gross proceeds to the Company were C\$50 million. Upon securing the new project financing, Ascot re-mobilized various contractors to progress activities for the remainder of construction scope for the Project. At the start of Q3 2023, there were approximately 192 employees and contractors working at the project site, and by the end of the quarter on September 30, 2023, there were over 260 people working at site.

### Construction Progress Key Performance Indicators ("KPI")

At the end of Q3 2023, overall construction excluding mine development was 66% complete (73% as of October 31, 2023), compared with 48% complete at the end of Q2 2023. Detailed engineering and procurement are substantially complete. The Company anticipates the first gold pour by the end of Q1 2024.

Previously, the Company had anticipated to complete earthworks by the end of September. The bedrock in the north dam area was deeper than anticipated and this required the removal and replacement of ~100,000 bank cubic metres of material that was not previously planned for. In addition, the drill and blasting of Cascade Creek Diversion Channel ("CCDC") for new construction material was more complicated and took longer than previously expected. The earthworks contractor is now anticipated to complete the work by the end of November. The earthworks contractor's personnel also increased from the originally planned 70 to 120 people, resulting in an increase in accommodation costs and delays in ramp up of other construction activities.

Capital costs, including mining costs, incurred as of September 30, 2023 were \$245 million. As of September 30, 2023, the remaining project construction capital required to complete construction and achieve the first

gold pour is approximately \$89 million including mine development costs but excluding certain pre-operating costs and working capital. This implies a total project capital cost of \$334 million, which is higher than the most recent total project budget of \$310 million as reported last quarter. The increase is mainly due to the increase in scope and duration of the earthworks and project indirect costs.

The company is assessing its working capital requirements to progress the project from construction to commissioning, initial production, and ramp-up phases, and is evaluating various potential financing options.

#### Safety

The Project continues to have an excellent safety record with 865,016 hours of work to the end of Q3 2023 and zero lost time incidents. The total recordable incident frequency has been reduced yet again from 0.95 at the end of Q2 2023 to 0.69 by the end of Q3 2023. In addition, despite the expanding construction activity on site resulting in a 30% increase in exposure hours compared to last quarter, the absolute number of incidents including property damage, first aid injuries, and near misses, decreased by 12% in Q3 2023. Reporting activity has been improved, and the Company will continue to work on proactive safety training and measures to reduce overall incidents at the Project site.

#### Processing Plant

In Q3 2023, mechanical and electrical work in the mill has been substantially completed. The work in the mill is currently focused on piping and systems and controls.

The tailings thickener and cyanide destruction tank outside the mill are mechanically complete. The freshwater collection point has been constructed and all lines have been completed to the pumphouse. Piping installation at the mill is over 70% complete. Instrumentation and controls installations are advancing well. All concrete works have been completed. Commissioning of some selected subsystems has commenced focusing on electrical rooms within the mill.

#### Tailings Storage Facility ("TSF") and Cascade Creek Diversion Channel ("CCDC") Earthworks

The earthworks contract for the TSF and CCDC was signed in March 2023 and the contractor was mobilized to the site in April 2023. In order to dewater the tailings facility for the required earthworks, an additional temporary WTP was mobilized to site and commissioned in May 2023.

During Q3 2023, the earthworks contractor focused the reconstruction of the North Dam area where historical old tailings needed to be removed and underlying bedrock needed to be exposed and new dam material placed. The bedrock was deeper in certain areas and this required the removal and replacement of ~100,000 bank cubic metres that was not previously planned for. In addition, the drilling and blasting of CCDC for new construction material was more complicated and took longer than previously expected.

Despite these challenges, the earthworks contractor completed the North Dam and has completed the liner install in the North Dam and spillway. Fortunately, the weather cooperated and now the main focus is on completing the South Dam, which is expected by the end of November 2023. The earthworks contractor occupies a significant portion of the site camp accommodation and this has resulted in delay in bringing other construction workers to site to focus on other aspects of the project. To mitigate the impact of this delay, Ascot was successful in obtaining a temporary use permit to construct a temporary camp in Stewart, which is expected to be completed in late November 2023.

#### Water Treatment Plant ("WTP")

Crews have also made progress on the new WTP and associated infrastructure, including the clarifier, lime silos, moving bed bio-reactor ("MBBR") tanks and other reagent tanks. Construction of all major pieces of equipment is now complete with major milestones of mechanical completion tests for the clarifier and MBBR tanks successful. Most components are being commissioned in isolation, and upon the delivery and installation of two additional transformers, full commissioning of the WTP is anticipated before year-end.

#### Site Infrastructure

During Q3 2023, most of the new electrical substation was mechanically completed. The only remaining component is a protection and control panel, scheduled to be installed by the end of November. Crews have completed the 138kV power line to connect to the power grid less than 500 metres away. All 138kV lines have been pulled and the physical link up with the BC Hydro grid is currently taking place. Site electrification is planned for mid-December. Overland piping is over 70% complete and will be completed once the TSF

work area has been opened. Medium voltage overhead lines are 80% complete and are expected to be completed in early December 2023.

#### Mine Development

As reported last quarter and after an extensive and competitive process involving six contracting companies, in August 2023 Ascot selected Procon Mining & Tunnelling ("Procon") for a 3-year contract to advance the underground portion of the project. Procon has extensive underground mining experience in the province, including its current mining and development contract at the nearby Brucejack underground gold mine. In early Q3 2023, Procon began their initial mobilization to site, which has been planned in cost-effective stages, and deployed senior project management personnel to coordinate storage and laydown areas ahead of operating crew mobilization.

In 2022, work commenced on the Big Missouri portal and approximately 907 metres of underground development was completed before being paused for the winter. In August 2023, Procon brought in mining personnel and equipment to do the initial work on dewatering of this existing Big Missouri development and re-establishing mine infrastructure. Currently, Procon is advancing underground waste and ore development including the decline, which will eventually connect to the Silver Coin deposit. In advance of mill start-up in Q1 2024, Ascot will stockpile mineralized material from Big Missouri in the Dago pit, ready for processing.

In August 2023, surface work commenced on the new Premier portal close to the mill, including establishing the start of an access road for waste disposal in the historic Premier pit. In September 2023, Procon started the portal face preparations including holes for cable bolts and other ground support and began clearing a pad area for service infrastructure including gensets and compressors. Initial underground decline development will start in November with initial rounds and placement of shotcrete arches similar to what was done at Big Missouri last year, and will be advanced down into the Premier deposit for initial mining in the Prew Zone. The ramp has been strategically laid out to allow for underground drilling on the Sebakwe Zone next spring and will eventually connect a footwall ramp over to the 602 area at the southern end of the Premier deposit. It is anticipated that the Prew Zone will be accessed in early 2024. This is an integral part of Ascot's de-risking strategy to have multiple mining production sources from two portals when milling operations are started.

Ascot also received various pieces of mine operating equipment during Q3 2023. For the underground mine, Procon initially mobilized two jumbos, three 30-tonne haul trucks, two scoops, and an emulsion loader, in addition to support equipment such as scissor-decks, flat-decks and telehandlers, with further equipment to follow in Q4 2023 as the mining area expands. Ascot itself has purchased the initial two CAT 45-tonne rock trucks for the surface ore and waste haulage fleet, as well as support equipment including two front end loaders and a grader, which will also be used for snow clearing.

#### Recruitment

As recruitment efforts continue to ramp up in the coming months, Ascot continues to have many qualified candidates applying for open positions. Encouragingly, local interest is high, as many applications are coming from candidates in the area of Stewart and northwestern British Columbia.

During Q3 2023, Ascot made significant recruitment efforts focusing on mill and maintenance operations. Recently recruited positions include a Supply Chain and Logistics Manager, Operations Superintendent and two Site Services Supervisors. Approximately one third of Ascot's site-based employees are Nisga'a citizens.

#### Permitting and Environmental Compliance

As a result of the refinancing and project slowdown in 2022, a Joint Permit Amendment Application ("JPAA") was required to be re-aligned with the project completion dates and was submitted in October 2023. The JPAA is currently in the government screening process. In addition, a Mines Act Permit Amendment ("MAPA") was submitted in June 2023 with respect to changing the location of the Premier portal from the southern location to an area closer to the mill facility, for which the Company received approval in September 2023.

#### 2023 EXPLORATION PROGRAM

The exploration program commenced on June 21, 2023 when a drill rig was mobilized to the Prew Zone of the Premier deposit. After 16 holes were drilled totaling 5,347 metres at the Prew Zone, drilling was moved

north to the Big Missouri deposit and the Day Zone, where a further 72 holes were drilled totaling 6,539 metres. Drilling was completed in late October, and the total 2023 drilling program was comprised of 88 holes totaling approximately 11,886 metres. Assay results from the 2023 drilling season continue to be received and the Company anticipates releasing results over the coming months.

The 2023 ground geophysical induced polarization ("IP") survey was completed in the summer. The program comprised of 28 IP lines totaling 29 line-kilometers across three grids - one grid near the Premier mill targeting the western extension of the Sebakwe Zone, one grid targeting the northern extension of the Day Zone at the Big Missouri deposit, and one grid testing the strike and depth extent of the Dilworth deposit. The results were highly encouraging, and are summarized as follows:

- Strong IP anomaly shows potential that the Sebakwe Zone structure extends approximately 1,000 metres beyond the westernmost extent of surface drilling from 2022;
- Day Zone IP signature continues approximately 800 metres to the north of previous surface drill results, and
- Dilworth IP shows strong chargeability anomaly to the west and below where most drilling was previously focused.

#### FINANCIAL RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

The Company reported a net loss of \$1,473 for Q3 2023 compared to \$2,396 for Q3 2022. The lower net loss in current quarter was mainly driven by lower foreign exchange loss.

#### LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2023, the Company had cash & cash equivalents of \$80,814 and working capital of \$42,026 (including current portion of deferred revenue of \$8,118 and flow through premium liability of \$4,125). During the nine months ended September 30, 2023, the Company issued 120,086,206 common shares, 745,000 stock options, and 51,496 deferred share units. Also, 620,250 stock options expired or were terminated, and 55,530 stock options, 352,006 deferred share units and 721,597 restricted share units were exercised in the first nine months of 2023.

As at November 9, 2023, the Company had 555,947,352 common shares outstanding, 23,854,048 stock options, 13,710,500 vested share purchase warrants, 1,575,902 deferred share units, 3,758,731 restricted share units and 108,108 performance share units outstanding. Also, 25,767,777 unvested Prepayment Warrants issued to Nebari are outstanding.

#### MANAGEMENT'S OUTLOOK FOR 2023

Looking forward, the key items for the Company for the remainder of the year include:

- Completing the earthworks on the TSF and CCDC by the end of November
- Increasing the number of piping contractors at the mill to finish the piping and systems and controls at the process plant to mitigate the impact from the delay in earthworks at the TSF
- Completing the new temporary camp in Stewart
- Fully commissioning the WTP
- Energising the new substation with full connection to the Long Lake power plant in mid-December
- Advancing the mining development at Big Missouri and at Premier
- Continuing to ramp up the operating team personnel
- Ensuring there is sufficient capital to complete the project and provide the working capital for start up at the end of Q1 2024

#### UPCOMING CONFERENCE PARTICIPATION

Ascot management will be participating in two upcoming conferences in Europe and will be conducting presentations and one-on-one meetings with investors:

- November 13-15 - Precious Metals Summit Zurich, Switzerland

- November 20-21 - 121 Mining Investment London, UK

## CONSTRUCTION PROGRESS PHOTOS

Figure 1 - Premier Portal construction

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/21ebe11d-6b80-41d2-9ee9-8f84bfc80deb>

Figure 2 - New electrical substation construction

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/fa614f3e-4f23-4462-afe9-4c6e45bf4bef>

Figure 3 - New WTP overview

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/94146c94-390e-4b10-a624-566584d6a529>

Figure 4 - New WTP MBBR tanks and electrical building

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/00dbc413-7f8e-4363-b390-b54171f73da5>

Figure 5 - Process plant interior

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/e7df5666-3470-4e3d-bbeb-b2ebab15ea30>

Figure 6 - TSF construction looking north

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/e0580995-3540-4d7d-b03f-1e46f238d0fa>

Figure 7 - TSF spillway liner installation

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/67761d26-f7b1-4c6c-b5c4-d789092e4492>

Figure 8 - TSF north dam liner installation

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/68437f6a-a0fd-40a6-82af-79ce0491bc43>

Qualified Person

John Kiernan, P.Eng., Chief Operating Officer of the Company is the Company's Qualified Person (QP) as defined by National Instrument 43-101 and has reviewed and approved the technical contents of this news release.

On behalf of the Board of Directors of [Ascot Resources Ltd.](#)  
*"Derek C. White"*  
President & CEO

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About Ascot Resources Ltd.

Ascot is a Canadian junior exploration and development company focused on re-starting the past producing Premier gold mine, located on Nisga'a Nation Treaty Lands, in British Columbia's prolific Golden Triangle. Ascot shares trade on the TSX under the ticker AOT. Concurrent with progressing the development of Premier, the Company continues to successfully explore its properties for additional high-grade underground resources. Ascot is committed to the safe and responsible development of Premier in collaboration with Nisga'a Nation as outlined in the Benefits Agreement.

For more information about the Company, please refer to the Company's profile on SEDAR+ at [www.sedar.ca](http://www.sedar.ca) or visit the Company's web site at [www.ascotgold.com](http://www.ascotgold.com), or for a virtual tour visit [www.vrify.com](http://www.vrify.com) under Ascot Resources.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding Forward-Looking Information

All statements and other information contained in this press release about anticipated future events may constitute forward-looking information under Canadian securities laws ("forward-looking statements"). Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeted", "outlook", "on track" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the advancement and development of the PGP and the timing related thereto, the exploration of the Company's properties and management's outlook for the remainder of 2023 and beyond. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks associated with the business of Ascot; risks related to exploration and potential development of Ascot's projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; risks associated with COVID-19 including adverse impacts on the world economy, construction timing and the availability of personnel; and other risk factors as detailed from time to time in Ascot's filings with Canadian securities regulators, available on Ascot's profile on SEDAR+ at [www.sedar.ca](http://www.sedar.ca) including the Annual Information Form of the Company dated March 23, 2023 in the section entitled "Risk Factors". Forward-looking statements are based on assumptions made with regard to: the estimated costs associated with construction of the Project; the timing of the anticipated start of production at the Project; the ability to maintain throughput and production levels at the Premier Mill; the tax rate applicable to the Company; future commodity prices; the grade of Resources and Reserves; the ability of the Company to convert inferred resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; and exploration plans. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Ascot can give no assurance that such expectations will prove to be correct. Ascot does not undertake any obligation to update forward-looking statements. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

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