*Speaker:* Ascot Resources. It's a Vancouver-based gold company focused on restarting the past-producing premier goldmine. It was shut down in the 1960's due to a $300 gold price. Premier is located just 25 kilometers from the town of Stewart in British Columbia, in a prolific area that many of you may know as the Golden Triangle. It has a forecast of 200,000 ounces of gold a year at a cash cost of $642 a ounce. Production is slated to start in Q1 of 2023. Please welcome to the stage the President and CEO Derek White *[applause]*.

Thank you very much. My name's Derek White. I'm the President and CEO of Ascot Resources. It's a pleasure to be here with you. I haven't actually been presenting for the last two years, so this is my first time for a little while. Before I start, I'll just give you a little bit of background about Ascot. Maybe some of you know a little bit about it. It's a little bit of a new story. I'm an engineer and I've been working in the mining industry for about 35 years. And we have a little bit of a different model. We look for opportunities where someone has spent a lot of money building on putting all the infrastructure in a mine and, for whatever reason, shut it down.

And I'll tell you a little bit about that story which really started at the beginning of 2018. This is our cautionary statement. So Ascot at a glance, it was a story of a mine that's had a long history back in the 1920's, the Guggenheim made a fortune out of this mine. It was the largest goldmine in North America. They did extremely well. They invested in it in the 1920's and it actually had a fire and the mill burnt down in 1955. They had made so much money by that time. It's a little *[laughs]* different than it is today, but they were, you know, basically a private investor that did really well with it.

And then fast forwarding a little bit forward to the 1990's, there was another company called Westman that came into this area and built a new mill and started an open pit mine. And they were required by a Swedish company in 1996…the Swedish was a company called Boliden. Boliden was a nickel and copper-producer that decided to acquire Westman for a Copper asset in Chile and really had no interest in the goldmine. And when the gold prices dropped at the end of the 1990's, they put it into care and maintenance and they just kind of let everything there.

There was a little bit of exploration. Eric Sprott had got involved with it a little bit. And we had an opportunity to come and potentially put it back into production. You've heard a lot from different companies already and probably will hear more in the rest of the afternoon. And I think to keep it simple from our perspective, there's really three things that we look for when we see these opportunities; that we have the right team oof people – because people are what really makes these things happen. Two, "Does the property have gold?" Like, does the gold exist in the ground? And, three, "Do you have access to the capital?"

And we just heard Randy speak a little bit about the streaming model and how companies – especially in today's world, especially single-asset junior developing companies – have trouble raising capital. And there's a numerous set of reasons why development stories don’t go forward; permitting or indigenous relations or lack of capital or COVID or supply chain difficulties. There's a lot of different reasons why these things take a long time to build. And, you know, a typical cycle for building one of these is, you come and you do exploration, you might spend five to six years doing that. Then you're going to spend another three to five years permitting it. Then you're going to spend another three years building it.

And by that time, the gold cycle has kind of moved on. And so, what we try to do is shorten that period down to a much shorter period. and we're trying to get into production. We like cashflow. We see – and I think Randy spoke about it. There might be an uptick in precious metals. This mine would produce gold and silver. So in Canada right now, there's a number of people that are doing PEA's and feasibility studies and are going through their permitting process. And there's different reasons why they haven't been able to progress.

But we're right in the middle of construction. And the reason that we were able to do that is because we're not building a brand-new house. We're basically just refurbishing a house that already existed. And we'll show you a few pictures about that. But right now, in Canada anyways, Ascot is probably one of the most advanced construction projects in the goldmining industry and will most likely be the next goldmine in Canada. It's located in an area called the Golden Triangle which many of you know.

This is on the border of Alaska and British Columbia. This is where the Gold Rush started in the 1800's. There was numerous people working in this area. It's had a lot of attention in the last little while. Bruce Jack – which was Canada's largest underground goldmine – was just bought by the Australian Newcrest, a group who also acquired another mine called the Red Chris Mine, which is in the triangle in the north. We're located in the southern part in the town of Stewart and Hyder, Alaska. And there's a port there called the Stewart Port, which is one of the world's largest fjords.

The problem in this part of the world – it's a little bit different than Florida *[laughs]*. It has a lot of mountains and glaciers and not a lot of infrastructure. And, yes, this is probably one of the most endowed areas for mining and for especially copper, gold and silver in the world. Unbelievable grades. We've had some of the highest-grade goldmines in the world here and also silver mines. The problem is, here, you don't have a lot of infrastructure and it's very, very expensive to build roads and deal with the weather and all the other requirements that you would expect in kind of the Alaska Frontier.

In this case, what we decided to do was take the mine and build what's called a hub-and-spoke model. And so, we have a centralized processing facility and we have a number of high-grade deposits that are around that. And when we started in 2018, we redid the existing resources that existed so that we could get a bankable feasibility, but we also made two acquisitions; one called Silver Coin – which is pretty close to Infed. This mill was owned by a billionaire of Hong Kong who unfortunately passed away, but we were able to acquire that; and then a public company called IDM, we bought the Red Mountain Mine.

And these four deposits over the next eight to ten years will feed the mine. We have approximately 3 million ounces of underground reserves and resources. About roughly half of that is put into the reserve to do the initial eight years of mining. And we have a number of other resources and other people all around us to feed that infrastructure. We're about a 25-minute drive from Stewart on a road – we have a hydroelectric dam at the site and a power connection into Stewart already.

Just go through very quickly some of the – and this is what I talk about the condensed time frame. So we joined this company at – based on experience, we said, "Okay. From the people perspective, there's three things we're going to change: the strategy of the company, the management of the company and the board of the company." And we sort of said to the shareholders, "If you don't like that, we're not going to come and do this. Because this is how we work. We're trying to get ourselves into production." The shareholder group agreed. They were – and Eric Sprot was a large shareholder. They agreed that they were going to do that.

And we were able to say, "Okay. The strategy" – they had a 5-million-ounce open pit, 1-gram-a-ton type deposit. And we said, "For this kind of the world, probably isn't the right thing to do. This was one of the highest-grade goldmines in the world for a long period of time. We see all the drilling. We see over an ounce a ton or roughly 32 grams a ton all over the place. Why don't we focus on the underground? We don't need to have a big mill." So what we started to work on is developing underground resources. On an average, we ended up with around 8 grams a ton. Which was the feed we could do in the mill.

And what we've seen from our friends to the north of us – Brucejack – they had originally a feasibility study, I believe, with a 15-gram-a-ton resource that probably ended up being closer to 8 to 10 grams. And what we saw when the Guggenheims were mining this…was the same thing. And at 8 grams a ton, you can generate quite a lot of money from around 2,500 tons a day or to 3,000 tons a day. You're going to produce somewhere between 150,000 and 200,000 ounces a year. Your all-in sustaining costs are roughly about $800 an ounce.

I agree with many of the statements that were made earlier. Obviously, you want to have a margin that can survive any kind of gold price. Burt capital does matter. And when you're a single-asset developer you don’t have huge amounts of money. So you have to be able to build these things for as cheap as you possibly can. And having the benefit of that infrastructure is huge. Because in this part of the world, the last mine – which was Bruce Jack, which was built – cost over $1 billion to build this. and we're estimating it's about $200 million. So roughly 1/5 of the cost.

And even though we're buying a house to renovate it to 2022 standards and to meet all the regulations – 'cause we're a fully permitted mine – that still does cost some money but it's a fraction of what it would cost, you know, if you were doing it at the greenfield site. So over this four-year period, what we did really quickly was we built resources, we acquired other companies, we did all the feasibility work, we got all the permitting done, we made friends with First Nations and the BC regulators in the State of Alaska.

We caught the operating team; we brought in the ball mill and sag mill. We were convinced there was going to be a squeeze in the supply chain, so we ordered the ball mill and sag mill in 2020 and basically go that delivered to the site last year or last summer. That was the key components of the refurbishments of the mill. We got that installed. We did hit a bit of a snag. We originally were shooting to have our production at the Q3, at the end of Q3 or Q4 of 2022. And unfortunately, on the West Coast in November we had a terrible storm which wiped out a lot of the highways East of Vancouver.

We had a ship with our clarifier and our thickener coasting the Pacific Ocean and the ship lost its load completely – including our clarifier and thickener. Now, we're insured for that but we've delayed it now by about three to four months. Because of that, we've had to wait to get that back, which will now be delivered in April. This just gives a high-level time frame of where we are. This has been adjusted for the fact that we lost our clarifier and thickener. But really, we're focused on the first gold that we would deliver in Q1 of 2023. We're excited about that.

We're probably about 30 percent of the construction done. The mill is largely completed and now it's the remainder of work on the tailings and water treatment. In the world of permitting for mining right now, what regulators are really focused on is water. "How well do you control your water? What are the standards that you have to discharge that water?" Other waste products and then obviously their tailing stability, making sure that that's in this case. We are not actually building anything new, so this is all just using the existing framework and existing infrastructure and sites.

There's not very much disturbance here. We're basically just redoing what was there in the past. High level – and I know everyone talks about the different economics – one of the problems we *[laughs]* have in our industry right now – just like for any industry on any kind of heavy-duty construction is estimating any kind of capital costs or estimating things. You can have all the engineers in the world try and tell you what inflation's going to be and what it's going to be like to deal with COVID and what's – "How are you going to deal with the supply chain crisis because you can't get semi-conductors," or different types of components.

And so, there are guidelines and you have to adjust for that. But when you're actually in it doing it when you're actually building these things, you experience what really happens and what's actually happening out there. And I think we feel pretty good about where we are right now, because we've been doing this now since July and I think we have a pretty good feel for where our economics are. In this case, the sequence of these four deposits that will fill this common mill will be optimized. But we start on the area to the north called the Big Missouri and Silver Coin Mine, and we bring in the Premier Mine and then ultimately bring in the Red Mountain mine and deliver it.

At the time we did the feasibility study, and depending on what kind do gold price, we also had a very high IRR in the 50-percent category. The mine would generate somewhere in the neighborhood of $600 – a little bit less than $600 million NPV. And we certainly see an opportunity expand this. One of the difficulties with underground mining as opposed to open pit mining is just you have higher grades. But in order to have more life, you have to drill those things from underground. and it takes longer to do that.

You can't just do that in the beginning. You got to be underground to try to make those advantages happen. So we see the opportunity to have a very long life here and continue to expand the mine beyond its eight-to-ten-year period that It has now in the feasibility study. That's a picture of the ball mill and sag mill that were installed this summer. These are just some of the refurbishments of the mill. So the guys back in the 1990's, when they built this, they did a pretty good job. We connected up the power, put a lot of the motors in place, started redoing all of the piping.

Just like thinking about renovating an old house, you have to go and look at everything, and we certainly tried to do that. But I think we feel pretty good about where we are in terms of getting the mill put back in place replacing some of the tanks. One of the things as we amended our permits, we had to meet 2022 standards; meaning we had to upgrade the water treatment plant and all the qualities that you would expect a 2022 mine standard to have. What you can see here are some of the other early works that are outside.

We have an existing water treatment plant; so what you see in the Top-Left corner there. The regulators didn't want us turning off the old water treatment plant until the new one was built. And so, we had to adjust our plans a little bit. We had an idea of basically shutting one of those water treatment plants down. You can see a picture of the tailings Down in the Middle. We have to put a diversion channel – there was a diversion channel for a 1-in-100-year storm. Now we have to build it for a 1-in-10,000-year storm.

And so, there are some things that we have to do, and we've got around, but the team has a lot of experience. And that's why I say in the first P of having the right people; you have to find engineering workarounds for whatever they're going to throw at you. And our view is that greenfield sites will have more difficulty permitting in in the future. It's going to be tougher for mining companies given the ESG standards that we haver to meet.

But because we're not disturbing very much, we did get both of our permits amended. So we've completed that process and we're executing on that plan, and we've pretty well gone around every challenge that the regulators have thrown at us. We are getting ready to go underground. We've got an area we have to – we call it the Swimming Pool, what you see on the Left there. That takes any water that's disturbed form underground and contains that, and we have to hold all that water and then process it through the water treatment plant.

And so, we've been able to do that. We've got our mine road in place and we're getting ready to start the underground development in April of this year. On the exploration side – and, you know, often in underground mining we've gone very quickly her and our focus, obviously, is to try and get the mine back into production. But would it be remiss for us not to continue to do exploration. Because there's so many different opportunities here for us, and we want to obviously build on that.

In the last year, we've found four areas which are really just extensions to the outside of our existing resources that are opportunities for us to expand. So when we start in that big Missouri silver coin that you see Up on the :Top-Left, we've had a new area called the Day Zone, which runs to the west of those deposits. We're going to be passing right by there when we do the underground mining, so it's a relatively easy position for us to drill and put that into the mine plan. And then, some of the best pulls we've ever hit were to the north of where we have the Premier Mine; an area called The Sabackway, where we hit over seven meters of an ounce a ton.

In the time in the 1920's when the Guggenheims were mining this, they looked for everything that came to surface. But what we found is that there's a lot of opportunities that they just didn't go after 'cause they don’t come to surface, and we have techniques today where we can find these things. So we have an opportunity to go both to the west and to the north of the Premier Mine. So certainly a lot of opportunity to expand what we're mining and continue to update the resources and hopefully keep that ten years of mine life all ahead of us.

On the Sabackway Zone, what you can see here – and this is one of the reasons that we found this – in the Bottom-Right corner we have the advantage of…we have about 100 kilometers of underground infrastructure. So we can go underground now and sort of see what's going on; which a lot of people in the greenfield site couldn't do. And we ran some geophysics, which is a method to identify some properties that are underground, and you can see the highlight right smack in the middle of that anomaly…was where we hit that seven meters of roughly an ounce of ton.

They're pretty good grades. You know, that's 32 times what most open pit miners would mine, so you're talking about pretty high grades to be able to do that. and we can use that technique to expand. And what we're focused on right now is all the things that are close to the areas we're going to mine. 'Cause it'd be easiest for us to bring back into production. On valuation and some of the things that we look at, you know, I think – we originally, when we started in this company back in 2018…it was an exploration company.

It had a lot of retail shareholders based out of Calgary-Alberta area. They were mostly oil and gas investors who decided to go into *[laughs]* goldmining investing. And they had some interesting comments about our strategy and stuff, but they supported us. As we've developed towards becoming a producer – we're not there yet but we've got more institutions. So we've got some large institutions that have invested in us. We are, you know, basically fully funded now to complete the mine project and we hope to try to continue to develop ourselves out of our own cashflow once we get into production.

I think with us – and we'll show a picture of this. For a lot of the companies that are in the development stage, even though there's very few of us that are actually building mines right now, you get a real re-rating in the market when you go from just being a developer to an actual producer. And many of you may have seen this graph called a Lassonde Curve where you have the discovery. Yep. We can go to the next – yeah, thank you. You may have seen a thing called a Lassonde Curve where you have a discovery, and it goes Up, and then it comes back Down.

Well, the boring part of engineering happens when you're trying to build a mine, and it comes back Up again when you get back into production. But in reality, this is the real Lassonde Curve. This is what it actually looks like. And what you see on the Left is when you're starting the construction. and what you see on the Right is when you actually declare a commercial production. And along the way, you have your first gold pour; usually six to a – a year before you have your actual production.

What this graph was showing was the last 14 companies that actually went through this cycle. It's just based on what they had. and they all had different problems. They had capital overruns. They had delays for permitting. And they typically would take four to five years to do this. Ascot's trying to do this in 18 months, so much faster because of the advantages we have from having a brownfield site. And we're kind of just starting that. And we're pretty well sticking along the curve. But on average, for investors typically you're going to have 100-percent return.

So from whatever your stock price is doing when you actually get to that commercial production, you would re-rate on average by 100 percent. And that ranges from about 30-percent re-rating to 300-percent rerating. And generally, the companies that are able to get over that risk and get back into production more quickly – they tend to take the higher part of that rating. and this is against the GDXJ Index. So the guys that rate really high are people that are able to bring themselves into production pretty quickly. On ESG and sustainability, we actually are reducing our footprint.

Because the Red Mount guys were going to build their mine, and we said, "Well, you can bring that ore to our mill and we can save about $150 million; most of your capital. And so, we'll reduce your footprint by 50 percent." Because we have a hydroelectric dam effectively on our property, we don't consume very much carbon. So we're in the lowest quartile of carbon-emitters. And we've been working with the Nisga first nations. We've spent two years working with these guys. We really have their trust, and we will try and do a really good job on water waste, putting a lot of money into making sure that we do not contaminate the water.

In fact, we're making the water better than it ever was naturally. So we feel pretty good about our low-carbon footprint and our ability to make the environment a better place in the future. The town of Stewart and Hyder, Alaska, they need these kinds of projects. You know, logging and a lot of COVID and other things have really caused these towns to have a real problem. And they need these mines to have employment and to have the ability to be a robust town. And we're planning to have a camp people who live in Stewart or Hyder and come to the mine every day. So that's kind of our story in a nutshell. And I'll leave about five minutes and just ask if there's any questions. Thank you very much *[applause]*.

*Speaker:* I do. It's a great story. And the only wart that may have appeared lately is, you're going to need a little bit more capital. Can you address the sources you're looking at for that and give us some idea of how much?

Well, last week or about a week-and-a-bit ago, we closed a bought deal for $60 million. So we've already basically financed the whole. So we believe we have actually more than enough capital to finish the project. So the company is now fully funded.

*Speaker:* Right.

*Speaker:* Any other questions?

*Audience:* What are the depths of those high grades that you're showing the satellite from?

They go from almost right at surface – like basically 50 meters – down to approximately 300 feet. But it's pretty shallow. And all this – there's no shafts here. This is all sidehill access You're kind of just drilling in the side of a mountain, and we've drilling it from the top. So the deepest would be about 600 feet. The shallowest would be about 50 feet. So you're just kind of mining the ridges of the mountain, basically, and that's where the gold trends tend to be. We did stick some drill holes deeper and actually found an opportunity – it's not right on our immediate radar screen, but we do believe we actually could go deeper. Because where the tunnel goes in the bottom of the mountain, we're about 200 feet from the top. So we do have some opportunity to go below as well.

*[End of Audio]*