

18 February 2010

The Company Announcements Office
Australian Stock Exchange Limited
4 Floor 20 Bridge Street
SYDNEY NSW 2000

BEINN UDLAIDH - BRECCIA PIPES – EXPLORATION TARGET CONFIRMATION.

Scotgold in conjunction with Snowden Mining Industry Consultants Ltd (Scotgold's independent geological consultants) would like to clarify the announcement made on 17 February 2010 that the breccia pipes identified at Beinn Udlaidh constitute an 'Exploration Target' in terms of paragraph 18 of Appendix 5a of the JORC code.

The tonnage potential for the Beinn Udlaidh breccia pipefield is considered to be between 0.57Mt and 5.7Mt. The basis for the tonnage potential is the current mapped area of individual pipe outcrops to a depth of between 10m (observed/ drilled) to 100m, using a specific gravity of 2.65 and a 'complexity factor' of 70%. It is noted that breccia pipes can extend to greater depths than 100m. Details are shown in Appendix A.

Limited drilling to date at the Beinn Udlaidh breccia pipefield has confirmed anomalous gold grades (see ASX release 17 February 2010).

Gold grades encountered in breccia hosted mineralisation may lie in the range of 1.0g/t to 2.0g/t based on similar style occurrences elsewhere in the world. Breccia hosted mineralisation may show zonation and include higher grade zones.

Scotgold thus confirms an Exploration Target at Beinn Udlaidh of between 0.57 and 5.7 Mt at a grade of between 1 and 2 g/t Au.

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Scotgold also confirms that the rock chips results reported in Appendix B of the 17 February 2010 announcement are the only samples taken at the Beinn Udlaidh Vein and Pipe 13.

Mr Chris Sangster
Managing Director

Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr David Catterall. Pr Sci Nat, who is a member of the South African Council for Natural Scientific Professions. Mr Catterall is employed as a consultant to Scotgold Resources Ltd. Mr Catterall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Catterall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Exploration Results is based on information compiled by EurGeol Dr S C Dominy FAusIMM (CP), FGS (CGeol), MIMMM (CEng), MAIG, General Manager (UK) and Executive Consultant with Snowden based in the London, England Office. Dr. Dominy has sufficient experience that is relevant to the style of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves. Dr Dominy consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix A

TONNAGE POTENTIAL OF BEINN UDLAIDH BRECCIA PIPES

PIPE	Easting	Northing	Elev (m)	SURFACE AREA m2	COMPLEXITY	POTENTIAL TONNAGE	
						TO 10M	TO 100M
BU01	226636	733870	400	3213	70%	59601	596012
BU03	226619	734182	320	469	70%	8700	87000
BU04	226617	734072	355	120	70%	2226	22260
BU05	226199	733159	450	2291	70%	42498	424981
BU06	225700	733248	290	763	70%	14154	141537
BU07	225825	733199	350	242	70%	4489	44891
BU08	225749	733121	350	1442	70%	26749	267491
BU09	225612	733024	290	531	70%	9850	98501
BU10	225631	732981	310	832	70%	15434	154336
BU11	225914	732806	480	6943	70%	128793	1287927
BU12	227430	732664	765	1351	70%	25061	250611
BU13	225709	731946	465	10674	70%	198003	1980027
BU14	225872	732997	430	1296	70%	24041	240408
BU15	226724	733969	380	182	70%	3376	33761
BU16	226642	734054	358	217	70%	4025	40254
BU17	225649	732913	340	79	70%	1465	14655
BU18	225709	733063	350	118	70%	2189	21889
BU19	225836	733119	380	203	70%	3766	37657
BU20	226706	734041	370	75	70%	1391	13913

**TOTAL POTENTIAL TONNAGE
PIPEFIELD**

575811 5758106

Scotgold/Snowden has applied a complexity factor of 70% to Exploration Tonnage targets to allow for pipe geometric complexity with depth.