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## FOURTH QUARTER ACTIVITIES REPORT

June 2008

### HIGHLIGHTS

- ***JORC Code compliant resource report for the Company's gold and silver deposit at Cononish in Scotland has been completed by Snowden Mining Industry Consultants Limited (Snowden)***
- ***The resource estimate of between 152,000 oz gold and 198,000 oz gold, as qualified in the body of this report, is comparable to historic resource estimates for this deposit***
- ***The Company plans to undertake a Scoping Study to assess viability of a mining operation based on the current resource***
- ***The Company has purchased a small diamond drilling rig suitable for hilly terrain. The rig is currently being commissioned and drilling is expected to commence at Cononish in two weeks***
- ***A total of \$284,842 was raised through a non-renounceable rights issue of options in mid July***

### Introduction

Minerals explorer Scotgold Resources Limited ("Scotgold", "the Company") (**ASX:SGZ**) is wholly focused on exploration for gold and base metals in the SW Grampians area of Scotland. As its core asset the Company has 100 per cent ownership of the Cononish gold and silver project at Tyndrum, about 90 miles north of Glasgow.

The Company's exploration program is initially aimed at delineation of additional resources within the quartz vein which hosts the gold and silver at Cononish, as well as within adjacent quartz veins. The Company has just purchased a small drilling rig which can be used in hilly terrain with minimal environmental impact, and will commence drilling at the Cononish deposit within a few weeks to seek additional resources.

The Company plans to commission a 'scoping study' to determine the viability of mining the existing Cononish deposit under prevailing economic conditions. As a preliminary step towards this the Company recently commissioned Snowden to undertake a resource estimate which has been reported in compliance with the JORC Code (2004). This has now been completed.

## Resource report

The Company has received a JORC Code compliant report completed by Snowden and this has now been posted on Scotgold's website ([www.scotgoldresources.com](http://www.scotgoldresources.com)). Their estimate of between 152,000 oz and 198,000 oz of gold (at a 3.5g/t Au cut off) as qualified below is comparable to historic resource estimates for this deposit.

In their report Snowden note that *'there is some potential for increased gold grade locally at Cononish, due to a high nugget effect and an information effect...'*. They have since commented that *'An Inferred Mineral Resource upgrade of between 30% and 40% may be possible but cannot be proven at this stage'*. As a result, the previously released resource tables have been updated to reflect the 'grade range' for the Inferred Mineral Resources as shown in Tables 1 and 2 below.

**Table 1: Cononish Main Vein global Mineral Resources (reported at a zero g/t Au cut-off). Reported using the 2004 JORC Code (JORC, 2004). Tonnages and contained ounces rounded to the nearest 1,000 t or 1,000 oz. Grade rounded to the nearest 0.1 g/t Au or g/t Ag. The Inferred Resource grade is reported with a grade range to indicate the likely upside due to the information effect**

Classification	Tonnes (t)	Grade (g/t)		Ounces (Oz)	
		Au	Ag	Au	Ag
Measured	60,000	12.7	55.1	25,000	107,000
Indicated	72,000	11.8	48.2	28,000	112,000
Inferred	431,000	8.9 [8-12]	33.5	124,000	464,000

Incorporating the grade range, the Inferred Mineral Resource is estimated to lie between 111,000 ozs Au and 166,000 ozs Au for a total combined (Measured, Indicated and Inferred Mineral Resources) gold resource of between 164,000 ozs Au and 219,000 ozs Au at a zero g/t cut off.

**Table 2: Cononish Main Vein Mineral Resources (reported at a 3.5 g/t Au cut-off). Reported using the 2004 JORC Code (JORC, 2004). Tonnages and contained ounces rounded to the nearest 1,000 t or 1,000 oz. Grade rounded to the nearest 0.1 g/t Au or g/t Ag. The Inferred Resource grade is reported with a grade range to indicate the likely upside due to the information effect**

Classification	Tonnes (t)	Grade (g/t)		Ounces (Oz)	
		Au	Ag	Au	Ag
Measured	53,000	17.9	75.0	31,000	128,000
Indicated	63,000	10.1	42.2	20,000	85,000
Inferred	285,000	11.2 [11-16]	41.0	103,000	376,000



Incorporating the grade range, the Inferred Mineral Resource is estimated to lie between 101,000 ozs Au and 147,000 ozs Au for a total combined (Measured, Indicated and Inferred Mineral Resources) gold resource of between **152,000 ozs Au and 198,000 ozs Au at a 3.5 g/t Au cut off.**

Within their resource report Snowden notes: “...*there is strong potential to prove up further resources close to mine (within a few kilometres). This is likely to be in the region of 160,000 to 320,000 ounces of gold.*” Further drilling will be undertaken in the coming months to try to prove up additional resources in the vicinity of the Cononish deposit.

Snowden also report on the regional potential of the Company’s tenements saying that “*there is also strong potential to prove up resources within Scotgold Resources’ license areas, along the regional Tyndrum and Loch Tay Fault Zones, generally within 70 km of the Cononish site.*”

### **Scoping Study**

The Company has commenced discussions with an internationally recognised independent mining consulting group regarding a ‘scoping study’ which would examine the economic potential of the existing resource and the impact of possible increased resources which might result from exploration at Cononish.

### **Exploration**

A recently-purchased man-portable diamond drill rig, manufactured in Chile, has been received at the drilling contractor’s yard in Ireland for commissioning after which the rig will be transported to Scotland to commence the initial drill program.

Ownership of the Explorer Plus MD3 diamond drill rig will ensure that the Company had a dedicated rig at its disposal at all times for its exploration programs in Scotland.

This rig was selected specifically for its ‘portable’ nature, which facilitates transport by low ground pressure All Terrain Vehicles and is ideal for working in the environmentally sensitive and difficult terrain within the Company’s License areas.

The drilling program will initially target possible down dip and strike extensions to the gold and silver resource at Cononish in accordance with recommendations contained in the Snowden report.

The program will then focus on improving the categorisation of the existing resource. The total program of 2500m drilling is expected to take at least six months

Drilling at Cononish will be followed by drill programs at the Company’s other prospects (which have not been subject to any previous drilling), subject to obtaining any necessary permissions.

### **Corporate**

In June 2008 Shane Sadleir resigned as Chairman and Director of Scotgold and his considerable contribution to the formation of the Company is acknowledged by the Board.

Peter Newcomb was appointed Company Secretary on 31 March 2008.

The Company’s non-renounceable rights issue of options closed on 14 July, raising a total of \$284,842. These options are quoted on the ASX.



**Competent Persons Statement:**

*The Information in this release that relates to Mineral Resources is based on resource estimates compiled by EurGeol Dr S C Dominy FAusIMM (CP), FGS (CGeol), MIMMM (CEng), MAIG, General Manager and Principal Geological Engineer 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.*

*The Information in this release that relates to Exploration Results is based on information compiled by Dr R Thom MAusIMM. Dr. Thom 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 Thom, who is an employee of Scotgold, consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

**Forward Looking Statements**

*This release includes certain "forward looking statements." All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements*

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