



RNS Number : 4411U
Scotgold Resources Ltd
15 October 2014

SCOTGOLD RESOURCES PLC

NOTICE TO SHAREHOLDERS - NON-RENOUNCEABLE RIGHTS ISSUE

Scotgold Resources Limited (**Company**) announced on 13 October 2014 a pro-rata non-renounceable rights issue of fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of one (1) New Share for every one (1) existing shares held at the record date of 22 October 2014 (**Record Date**).

The Rights Issue is non-renounceable and is available to all eligible Scotgold Resources Limited shareholders registered on the Record Date as detailed in the timetable below. Please note that shareholders at the Record Date that have an address registered outside of Australia, New Zealand or United Kingdom may not be eligible to participate in the Rights Issue.

Shares under the Rights Issue will be offered at 0.6 cents per New Share. The maximum number of New Shares which may be issued under the Rights Issue is 568,529,569 to raise approximately \$3,411,177 (before expenses, based on the current capital structure of the Company).

New Shares issued under the Rights Issue will rank equally with existing shares and the Company will apply for official quotation of the New Shares.

An offer letter containing your entitlement will be sent to you on the date referred to in the timetable below.

New Shares issued will rank equally with all existing shares on issue. Shareholder approval is not required in relation to the Rights Issue. There will be no deferred settlement of the sale of shares offered under the pro-rata offer. Trading in the New Shares will commence on the first business day following dispatch of the holding statements.

A notice under section 708AA (2) (f) of the Corporations Act and an offer document (**Offer Document**) have been lodged with the ASX on or about 23 October 2014 in respect of the Rights Issue. The Offer Document is available on the ASX website and will be mailed to shareholders on 23 October 2014. However, the Offer Document will not constitute an offer in any place in which or to any person to whom it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of securities pursuant to the Offer Document.

The purpose of the Rights Issue is to raise approximately \$3,411,177 (before expenses of the Rights Issue). The Company intends to apply the funds raised from the Rights Issue as follows;

- a) further debt retirement;
- b) meet costs of the Rights Issue;

- c) ongoing mine development studies at Cononish;
- d) exploration, and
- e) general working capital.

The Offer is fully underwritten by directors Nathaniel le Roux and Alexander Littlejohn. The underwriters' obligations will not arise until after the exhaustion of the Shortfall under the Offer. Full details of the underwriting arrangements and the potential impact on the Company are outlined in the attached Offer Document. Refer to Section 1.9 of the Offer Document for details regarding the terms of the Underwriting Agreement.

Pursuant to section 615 of the Corporations Act and for the purposes of Listing Rule 7.7, the Company has appointed CPS Capital Pty Ltd as the Company's foreign holder nominee (Nominee). The Company has applied to ASIC to approve the appointment of the Nominee. However, as at the date of this Offer Document, ASIC has not approved the appointment of the Nominee.

Pursuant to the arrangement with the Nominee, the Nominee will subscribe for the New Shares which Ineligible Shareholders would be entitled to if they were eligible to participate in the Offer (Nominee Shares).

The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Shareholders in proportion to their respective shareholdings.

The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Ineligible Shareholders (if any).

The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Shareholders in proportion to their respective shareholdings (after deducting the subscription price, brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee must sell the Nominee Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds.

The Company will pay the Nominee \$4,000 plus GST.

Both the Company and the Nominee take no responsibility for the outcome of the sale of the Nominee Shares.

The total number and class of all securities quoted on ASX (including the maximum number of New Shares to be issued under the Rights Issue on an undiluted basis - ie. assuming none of the Company's existing options are exercised) is as follows:

<i>On Issue and Quoted</i>		
Number	Ordinary Shares	Options
On Issue before Rights Issue	568,529,569	116,486,494
New Shares Issued under Rights Issue (if fully subscribed)	568,529,569	-
Total	1,137,059,138	116,486,494

The timetable for the Rights Issue is as follows:

Event	Date
Announcement of Rights Issue, Appendix 3B, First Cleansing Notice and Offer Document	13 October 2014
Notice Sent to Security Holders	15 October 2014
Ex Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	20 October 2014
Record Date (date for determining entitlements of eligible shareholders to participate in the Rights Issue)	22 October 2014
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	23 October 2014
Rights Issue Opens	23 October 2014
Closing Date* 5pm (WST)	24 November 2014
New Shares quoted on a deferred settlement basis	25 November 2014
ASX Notified of Undersubscriptions	26 November 2014
Issue Date**	26 November 2014
Second Cleansing Statement lodged with ASX (under section 708A (5))	26 November 2014
Dispatch Holding Statements**	27 November 2014

**Subject to the Listing Rules, the Directors reserve the right to extend the closing date for the offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.*

***Dates are indicative only.*

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