

RNS Number: 8070H  
Scotgold Resources Ltd  
15 March 2018



**Scotgold Resources Limited**

**("the Company" or "Scotgold")**

**Conditional Sale of French Subsidiary**

The directors of Scotgold are pleased to announce that the Company has today sold all of its shares in its wholly owned subsidiary SGZ France SAS (the "Subsidiary") which holds the French exploration licence, Vendrennes.

The sale of the Subsidiary is conditional upon the parties receiving an acknowledgement from the Minerals Resources Office of the Ministry for Economy and Finance of France ("relevant French Government Office"), that the transfer of shares is acceptable. The relevant French government office will require satisfaction that the purchaser has the financial capacity to meet the licence expenditure commitments. This acknowledgement must be received within three months from the date of the share sale agreement, or such longer period as may be agreed between the parties.

In addition to the Vendrennes license, the Subsidiary has current applications pending for the additional exploration licences of Penlan and Olivet (altogether the "Licences"). If the Penlan Licence is granted to the Subsidiary, the purchaser must immediately offer it to the Company for €1.00 but is under no obligation to accept such offer.

The consideration for the sale includes settlement cash proceeds of €100,000 and further deferred cash payments of up to €900,000 conditional upon completion of certain milestones by the purchaser, related to the development of any of the Licences.

Further details are provided below.

Richard Gray, CEO of Scotgold, said:

*"We are delighted to have sold our French Subsidiary on the terms offered. We strongly believe in the potential value of the assets, however, given our current focus on the Cononish project with its exciting developments and the recently announced planning permission, we are pleased to have attracted a purchaser who can progress the French Licences, making the sale mutually beneficial. We retain the opportunity to acquire the Penlan licence if it becomes available, and moreover the Company will benefit from the commercial exploitation of any of the Licences in the future and we wish the purchaser every success in their endeavours."*

## Further Details

The following information is provided pursuant to Schedule Four of the AIM Rules for Companies.

- a) The name of the purchaser is Ikigai Limited. The Company has, pursuant to a share sale agreement, sold its holding of 100% of all of the shares in the capital of its Subsidiary, being 200,000 fully paid shares of €1.00 each ("SAA"). The SAA provides the opportunity, but not the obligation, for the Company to purchase from the Subsidiary, the Penlan licence in the event that it should be subsequently granted to the Subsidiary.
- b) The only asset held by the Subsidiary is the exploration licence of Vendrennes (Permit Exclusif de Recherche). In addition, the Subsidiary has outstanding applications for each of the exploration licences of Penlan and Olivet.
- c) All expenditure related to the Vendrennes licence has been expensed as incurred and accordingly, the licence is carried at €Nil value on the balance sheet of the Subsidiary.
- d) The consideration comprises €30,000 receivable upon receipt by the purchaser of an acknowledgement or approval from the relevant Government Department, being the Minerals Resources Office of the Ministry for Economy and Finance and/or Ministère de l'Ecologie, du Logement et de la Nature of France, that the shares in the Subsidiary may be transferred.

A further €70,000 is receivable on the date which is nine (9) months after the date of signing the SAA, being 14 December 2018.

A further €200,000 is receivable upon completion by the purchaser of a bankable feasibility study in relation to any of the Licences.

A final amount of €700,000 is receivable upon the commencement of profitable production of minerals from any of the Licences.

- e) The above consideration proceeds will be applied by the Company, firstly to general working capital and secondly to the proposed exploration programmes of the Company.

## Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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