

RNS Number: 06641
Scotgold Resources Ltd
19 March 2018



Scotgold Resources Limited

("the Company" or "Scotgold")

Earn In Agreement to Portuguese Subsidiary

The directors of Scotgold are pleased to announce that the Company has today concluded an Earn In Agreement (the "Agreement") to its Portuguese subsidiary, Scotgold Resources Portugal Limitada ("Scotgold Portugal") which holds the Pomar Licence, with PanEx Resources Limited ("PanEx").

The Agreement is subject to fulfilment of customary conditions precedent within 60 days, including completion of satisfactory due diligence by PanEx, and confirmation of title and authority.

On satisfaction of the conditions precedent, PanEx will commence the Initial Project Development Phase which will entail expenditure of up to €100,000 within 180 days of this Agreement. PanEx may elect within this period to commence the First Development Phase, under which it will expend at least €1,500,000 within 18 months of election to do so. Upon providing satisfactory evidence of such expenditure to the Company, Scotgold Portugal will issue shares representing 50% of its total issued share capital to PanEx.

Panex may then elect to commence the Second Project Development Phase, under which it will expend at least €5,000,000 within a further 2 years of election to do so, designed to complete a feasibility study. Upon providing satisfactory evidence of such expenditure to the Company, Scotgold Portugal will issue shares representing a further 30% of its total issued share capital to PanEx.

Upon issue of the full 80% of the total issued share capital of Scotgold Portugal to PanEx, any further funding for the project will be provided pro rata by PanEx and the Company.

The Company will make further announcements upon the completion of due diligence and fulfilment of the conditions precedent.

Richard Gray, CEO of Scotgold, said:

"We are delighted to conclude this Agreement with PanEx, who, using their strong technical and financial resources, will enable the accelerated development of the highly prospective Pomar licence. In particular it allows us to retain an interest in the project as it advances and potentially continue to participate beyond the feasibility study stage."

About PanEx

PanEx Resources Limited is an exploration company based in Johannesburg, South Africa. The PanEx team has an unrivalled track record of finding and developing gold mining projects by having the ability to select the best exploration projects at an early stage. Value is added from in-house expertise and access to financial resources and other disciplines required to advance a project from exploration through feasibility to production.

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.

For further information -

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