



RNS Number: 7485C
Scotgold Resources Ltd
02 October, 2018

Scotgold Resources Limited
("Scotgold" or the "Company")

Amendment to Secured Loan Agreement

Scotgold Resources Limited (**AIM:SGZ**) wishes to advise that the terms of the draw-down of the £5.0m secured loan ("Loan") from Bridge Barn Ltd ("Bridge Barn"), which was due to have been partly drawn down by the end of September 2018 under the original terms of the Loan as detailed in the RNS released on 18 May 2018, have been amended on favourable terms to the Company.

RENEGOTIATION OF DRAW-DOWN OF £5,000,000 SECURED LOAN:

The original terms of the Loan, as announced on 18 May 2018, required an initial draw down of £3,000,000 by 30 September 2018 and the draw down of the balance of the Loan in a second tranche within 30 days of the first draw down. Due to the delay in the commencement of the development of the Company's Cononish project ("Cononish"), it has been agreed that there is a consequent deferral in the need to draw down the loan funds at this time. The Company has now amended the draw down of the loan funds to be more flexible, without incurring any charges to Bridge Barn. The Loan will now be drawn down in three tranches over a maximum of a 12 month period, with each tranche repayable 2 years after each respective draw down, enabling the Company to better match the profile of the Cononish Project development and in so doing minimise finance costs, (the "Amended Terms").

Related Party transaction:

Bridge Barn is a company owned and controlled by Mr Nathaniel ("Nat") le Roux, the Chairman and a substantial shareholder of Scotgold. The details of the Loan entered into by Bridge Barn and the Company, and the further details as required to be disclosed under Schedule 4 of the AIM Rules, were announced on 18 May 2018. Other than the Amended Terms noted above, all other terms of the Loan remain unchanged. The Renegotiated Terms of the Loan constitute a related party transaction under Rule 13 of the AIM Rules for Companies ("the Transaction").

Accordingly, the board of Scotgold, excluding Nat Le Roux who is precluded from opining, consisting of Richard Gray, Christopher Sangster, Philip Jackson Richard Barker, Peter Hetherington and William Styslinger, having consulted with SP Angel, the Company's nominated adviser, consider that the terms of the Transaction are fair and reasonable insofar as its shareholders are concerned.

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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