

RNS Number : 3675Q  
Scotgold Resources Ltd  
29 November 2016



## **SCOTGOLD RESOURCES LTD**

### **BULK PROCESSING TRIAL PRODUCTION SALES UPDATE**

#### **Highlights:**

- **Agreement entered into for sale of gold rich pyrite concentrate to Ocean Partners UK Limited ("Ocean Partners").**
- **Improved production of Scottish Gold.**

#### **Gold rich pyrite concentrate sales**

Scotgold Resources Ltd yesterday (28<sup>th</sup> November 2016) entered into an agreement with Ocean Partners for the sale of up to 120 tonne ("t") of the gold rich pyrite concentrate to be generated by the Bulk Processing Trial ("BPT"). The first shipment to Ocean Partners' premises in the Netherlands will take place as soon as the appropriate logistics have been put in place. The Company has now accumulated what is considered to be a cost effective shipping load and as of 26<sup>th</sup> October 2016 the BPT had generated an estimated mass of approximately 13.5t of pyrite concentrate with a preliminary estimated gold content of 91oz from approximately 1,100t of treated stockpile material.

It should be noted that all estimates quoted are preliminary figures and final reconciliation and payment will be based on 3<sup>rd</sup> party independent sampling and assays.

#### **Gold rich galena concentrate and the production of Scottish Gold**

In a separate development, the company has been working with SGS United Kingdom Limited ("SGS") and Wheal Jane Laboratory ("Wheal Jane") on the extraction of gold and silver from the gold rich galena concentrate, also generated by the BPT.

To date the Company has generated approximately 17 oz of refined Scottish Gold, which has been produced by the use of gravity methods (tabling) to extract approximately 40% of the "free gravity gold" contained within the gold rich galena concentrate. Given the limited processing facilities available for the BPT, this has proved an achievable but labour intensive process.

The work undertaken by SGS and Wheal Jane has now demonstrated that virtually 100% of the gold contained in the galena concentrate can be extracted by cupellation (a thermal process), using Wheal Jane's facilities in Cornwall. Further trials at a production rate to match the BPT output are now underway, however the significance of this for the Company is that the Edinburgh Assay Office is expected to be able to establish and certify a chain of custody including Wheal Jane and our refiner, Baird & Co. (who have already been audited). As such the Company will be able to supply greater volumes of gold of proven provenance to the Scottish jewelry industry in the next phase of our marketing strategy.

As at 26<sup>th</sup> October the BPT had generated approximately 300kg of gold rich galena concentrate, containing approximately 77oz of gold (inclusive of the approximately 17oz refined gold already extracted by tabling) from the same approximately 1,100t of feed material as discussed above.

Richard Gray, CEO of Scotgold, commented:

"We continue to find opportunities to improve the BPT and, more importantly, the ultimate development plan for the Cononish Mine. The technical work to verify these potential opportunities is ongoing and we anticipate an update to the Cononish BFS to be completed in Q1 2017."

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|----------------------------|------------------------------|-----------------------------|--------------------------|
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