

RNS Number : 3786N
Scotgold Resources Ltd
28 January 2016



SCOTGOLD RESOURCES LIMITED

December 2015 QUARTERLY ACTIVITIES REPORT

INITIAL STRUCTURAL STUDY COMPLETED

On 27 November 2015 Scotgold Resources Limited (ASX:SGZ, AIM: SGZ) (Company) announced the completion of the Initial Structural Study and Database review on Scotgold's Cononish and Grampian Gold Projects. The study, as previously announced in June 2015, was carried out by Dr. Pablo Gumiel and Dr. Monica Arias, of Consulting de Geología y Minería, S.L.

Highlights of the report include:

- 6 highly prospective targets are identified within 2.5 km of the Cononish Gold and Silver Project;
- 5 further highly prospective targets are outlined within study area;
- The study has highlighted the Beinn Udlaidh and Arrivain areas in particular as having prospectivity at least comparable to the Cononish deposit and further exploration work for these is being prioritised accordingly; and
- The study also indicates that structural analysis will be a key tool for the identification of "pay shoots" within the Cononish deposit and therefore is expected to assist with future resource expansion at depth and along strike.

Further work is now being planned to expand the collection of structural data and coverage of the prospectivity map regionally.

CORPORATE

Rights Issue

On 27th August 2015, the Company announced a pro-rata non-renounceable rights issue (Rights Issue or Offer) of fully paid ordinary shares in the capital of the Company (New Shares) on the basis of one (1) New Share for every ten (10) existing shares held at the record date of 4 September 2015 (Record Date) at an issue price of 1.3 cents each, together with one (1) free attaching unlisted option per New Share subscribed (Options). The Options are exercisable at £0.01 on or before 30 September 2017.

Subsequently the Company advised that its pro-rata non-renounceable rights issue had closed on 30 September 2015.

The shares and Options under the Rights issue were then issued on 7 October 2015.

A total of 95,295,889 new shares were applied for under the Rights Issue to raise approximately \$1,238,846 (before costs) and a total of 95,295,889 Options will be issued under the Rights Issue. Accordingly, the shortfall under the Rights Issue was 18,243,341 shares and 18,243,341 Options, as follows:

| Event | Number | \$ | % of total offered under Rights Issue |
|---|-------------------|--------------------|---------------------------------------|
| Shares applied for under Rights Issue | 91,090,481 | \$1,184,176 | 80% |
| Shares applied for under Excess Entitlements Facility (by eligible shareholders in excess of their entitlement) | 4,205,408 | \$54,670 | 4% |
| Total shares to be issued | 95,295,889 | \$1,238,846 | 84% |
| Total free attaching Options to be issued | 95,295,889 | | |
| Remaining Shortfall shares to be placed | 18,243,341 | \$237,163 | 16% |
| Remaining Shortfall free attaching Options | 18,243,341 | | |

On the 28th October 2015 the Company announced that it had completed the placement of the following securities:

- The placement of the shortfall from the Company's rights issue, comprised of 18,243,341 fully paid ordinary shares at an issue price of 1.3c per share to raise \$237,163, together with one (1) free attaching unlisted option per share.
- A placement under the Company's existing Listing Rule 7.1 capacity of 10,556,659 fully paid ordinary shares at an issue price of 1.3c per share to raise \$137,237, together with one (1) free attaching option per share issued.

The Company's enlarged issued share capital as at the end of the quarter comprised 1,259,488,361 ordinary shares, with voting rights. The Company does not hold any ordinary shares in treasury. Following the conversion of 12,000 options on 20 January 2016 the total number of ordinary shares in the Company with voting rights is currently 1,259,500,361.

Expiry of Options

On 7 December 2015 153,161 options with an exercise price of £0.031 expired.

Appointment of Chief Financial Officer and Company Secretary

On 13 January 2016 the Company announced the appointment of David Swan as Chief Financial Officer ("CFO"). David has acted as CFO and finance director of a number of public and public listed companies in the exploration and mining sector in Australia and UK. David is based in London, UK.

The Company also announced the appointment of Gabriel Chiappini as Company Secretary. Mr Chiappini is an Australian chartered accountant with extensive corporate experience within Australia and the UK. Mr Chiappini has worked in the exploration and mining sector for many years. Mr Chiappini's appointment was effective 31 December, 2015.

Change of name of Nominated Adviser and Broker

The Company notifies that its Nominated Adviser and Broker has changed its registered name from Westhouse Securities Limited to Stockdale Securities Limited.

Gabriel Chiappini
Company Secretary

Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Competent Persons Statement

The information in this report that relates to the 2015 Ore Reserves for Cononish Gold Project (refer ASX announcement dated 25/05/2015) is based on information compiled by Pat Willis, a Competent Person who is registered as a Professional Engineer (Pr.Eng.) with the Engineering Council for South Africa (ECSA) and a Fellow in good standing and Past President of the Southern Africa Institute of Mining and Metallurgy (FSAIMM).. Mr Willis is employed by Bara Consulting Limited, an independent consulting company. Mr Willis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Willis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the 2015 Mineral Resources Estimate for Cononish Gold Project (refer ASX announcement dated 22/01/2015) is based on information compiled by Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by CSA Global (UK) Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Titley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Further, the Company confirms it is not aware of any new information or data that materially affects the information contained in the original announcements and that all material assumptions and technical parameters underpinning the estimate of Resources and Reserves continue to apply and have not materially changed.

For further information please contact:

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|----------------------------|------------------------------|-----------------------------|--------------------------|
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TENEMENT DETAILS

The Company holds a Lease (100%) from the Crown Estate Commissioners over Cononish Farm, county of Perth, Scotland UK.

The Company holds a Lease (100%) from the landowner over Cononish Farm, county of Perth, Scotland UK.

The Company holds five Mines Royal Option Agreements (100%) with the Crown Estate Commissioners as detailed below:

- Glen Orchy: Location - counties of Perth and Argyll, Scotland UK
- Glen Lyon: Location - counties of Perth and Argyll, Scotland UK
- Inverliever: Location - counties of Dunbarton, Argyll and Perth, Scotland UK
- Knapdale: Location - county of Argyll, Scotland UK
- Ochils: Location - county of Clackmannan, Perth, Kinross and Stirling, Scotland UK

No tenements were acquired or disposed of during the quarter, although as previously noted, the Inverliever option area will reduce in size on finalization of matters with the Crown Estates.

No other beneficial interests are held in any farm-in or farm-out agreements.

No other beneficial interests in farm-in or farm out agreements were acquired or disposed of during the quarter