

RNS Number : 8268L
Scotgold Resources Ltd
06 October 2016



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

Bulk Processing Trial Preliminary Results

Scotgold announces that its CEO, Mr Richard Gray made a presentation to the Shares Magazine forum in Edinburgh on the night of 5 October 2016. Included in the presentation were the preliminary results of the Bulk Processing Trial ("BPT") currently underway at the Company's Cononish Gold and Silver Project. A copy of the presentation is available at the Company's website at www.scotgoldresources.com.

BPT Preliminary Technical Results

The preliminary test results for the BPT up to 24 September 2016 show the following results (all figures approximate):

- 870 t (wet) ore processed
- 8g/t Au feed grade
- 10 t (wet) pyrite concentrate produced containing approx. 200g/t Au
- 200kg (wet) galena concentrate produced containing approx. 9,000g/t Au
- 530g gold doré produced
- 62% Au overall recovery from BPT, with balance remaining in tail for future further processing

BPT salient Learning Points

- Positive that coarse grind liberates sulphide minerals and associated gold.
- Positive that separate Galena concentrate can be recovered by gravity methods
- Positive that sulphide concentrates produced are at higher grade (200g/t Au versus 150g/t Au) and lower mass pull than BFS plant design (1.4% versus 4.75%).
- Positive that sufficient gold can be directly poured for marketing to Scottish jewellery industry etc. without further processing being required (Estimated total Scottish gold production for the duration of the BPT is 75 - 100oz).
- Positive that tailing storage system is working well and technology may be incorporated into final mine development plan.
- Overall BPT recovery is 62% at current grind size of approx. p80 500 micron, however test-work on tailings supports BFS design overall recovery estimated at 93% at a grind size of p80 150 micron.

- Scottish gold poured for marketing is less than initially expected, however the BPT has identified opportunities to increase the Scottish gold available from the full scale plant.

Richard Gray (CEO) commented: "The Company is pleased with the preliminary results of the BPT and in particular the potentially positive implications for the future development of Cononish. We look forward to completing the technical work streams underway to incorporate the opportunities identified into a revised development plan and assessing their economic impact. We also look forward to achieving our first sales of Scottish Gold at a premium to spot price before the end of this year."

For further information, please contact

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