



SCOTGOLD
RESOURCES LIMITED

Founding a Profitable and Sustainable Scottish Gold Mining Industry

Shares Investor Evening

31 May 2018

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Executive Summary

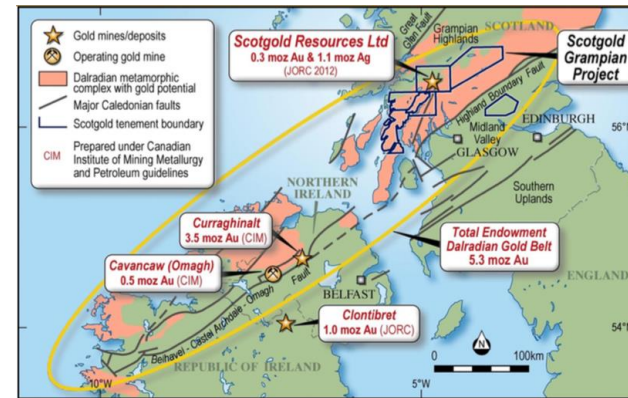
Scotgold Resources Ltd (or the “Company” or “Scotgold”) is a AIM quoted exploration and mine exploitation company focused on the development of its high grade, high return, low cost Cononish Gold and Silver Project in the Scottish highlands (the “Project” or “Cononish”).

The Cononish Gold and Silver Project (<https://www.scotgoldresources.com.au/projects/cononish-project>)

- High grade, high return, low cost mine located in the Scottish Grampian terrain.
- A Bankable Feasibility Study (BFS) has been completed and the project viability verified.
- Subsequently an alternative tailings storage facility has been designed which further improves the project viability and a new planning application to accommodate this was granted in Feb 2018 (subject to documentation and certain conditions). It is expected **project development will commence in June 2018, subject to planning finalisation.**
- Phased approach development plan with expected **first gold production in Q2 2019.**
- The mine has reserves of 550,000 tonnes of ore (proven and probable). Average treatment rate of 72,000 tpa producing approx.23,500oz Au Eq pa on completion of Phase 2.
- The average gold equivalent grade is 11.7 g/t and the metallurgical gold recovery is 93%.
- Life of Mine: 9 years.
- The Project is supported by the local community and designed to have minimum environmental impact on the surrounding area.

Funding Structure

- In addition to cash on hand, Scotgold has raised £9m (including a £5m debt facility) to: develop Cononish, settle an existing £1m loan, undertake an early stage regional exploration program and fund general working capital.



The Cononish mine is part of the Grampian terrain, located in the Caledonides Mobile Belt. The belt extends from Norway through Scotland and Ireland, to Newfoundland.

Total gold resources within the UK part of the belt (including NI) amount to approximately 5.3 million oz.

Project Life of the mine (LOM) Financial Results*

Project funding requirement	£ 7,419,340
Cumulative EBITDA	£ 101,114,660
Cumulative Gross Cashflow	£ 81,017,398
Cumulative Net Cashflow	£ 68,256,497
Pre-Tax NPV (10%)	£ 43,365,530
Pre-Tax IRR ²	80%
Life of Mine	9 years
Operating Margin	59%

The mine will reach an average Total Revenue of £21.7m pa from 2022, generating an EBITDA of £13.2m pa.

The sensitivity analysis shows the Project remains profitable even if gold price decreases to £482/oz Au Eq (45% of its current value), and production falls to c.60% of the Project's forecast.

Increases in £ Gold price also provide significant upside.

**As prepared by Bara Consulting on behalf of Management assuming a development of the mine funded through equity only and a Gold price of 1,150 USD/oz 920 GBP/oz. The information was drawn from the Update to the Cononish Bankable Feasibility Study (BFS) and Short Term Funding Plan referred to in the company press release of March 17th, 2017*

1. Scotgold Resources Ltd Corporate Structure

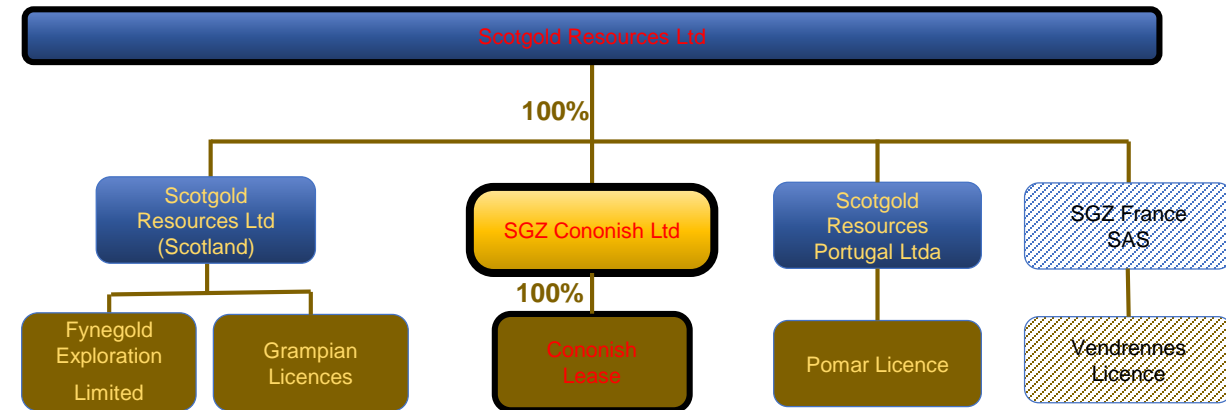
Scotgold Resources Ltd is an Australian Company focused on the exploration and development of low cost gold mining projects in Scotland and other low risk jurisdictions. Scotgold Resources Ltd is traded on the Alternative Investment Market (SGZ).

The Company's assets (held through its 100% owned subsidiaries) include the mining lease for The Cononish Gold and Silver Project, five exploratory licenses over 4,106 square kilometres of the Grampian Highlands, comprising the Grampian Gold Project, an exploration licence in Portugal for the Pomar Gold and Antimony Project. The Company recently disposed of its French subsidiary for which a deferred conditional consideration is due.

Scotgold's immediate objective is the development of its high grade, low cost Cononish Gold and Silver Project in Scotland.

The Company completed a Rights Issue in December 2017 which provided funding for working capital and commencement of development. Subsequently on 18th May the Company announced a further fundraising of £9m.

Corporate Structure



Ambition - “To become a profitable gold producer, operating in low risk environments for the foreseeable future”

Richard Gray - CEO

1.1 Capital Structure

Key Figures

Shares in issue:	42,911,253
Options (see below):	3,754,699
Share Price (24/05/18):	£ 0.335
Market Capitalisation Undiluted (24/05/18):	£ 14.38m
Cash*:	£10.47m**
Debt (secured):	£5m***

30,000 options expiring 31 March 2022

1,240,000 management incentive options expiring 31 Dec 2019

2,484,699 Rights Issue options expiring 31 Dec 2019.

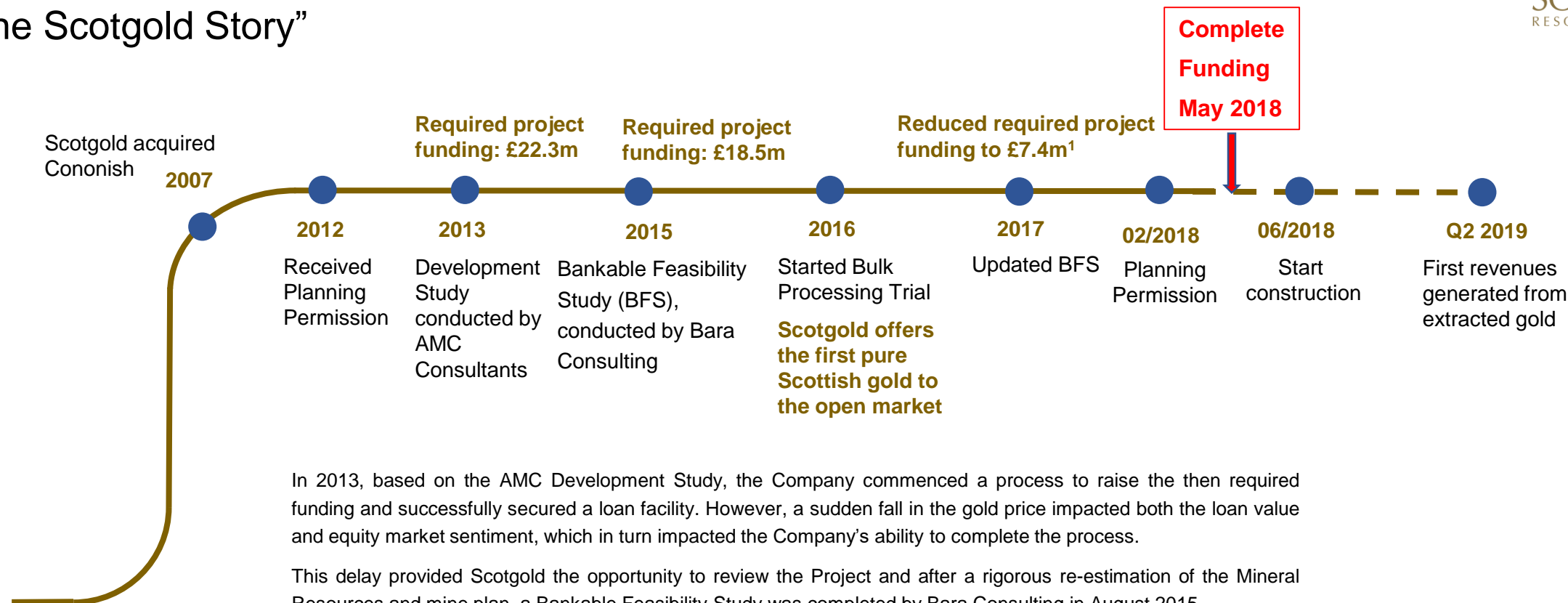
* Cash includes a £50,000 Bond held in favour of Loch Lomond & The Trossachs Planning Authority

**Assumes Opening balance of £2.74m as at 31/12/17 remains and assumes debt facility drawn down

***Owed to Chairman Nat le Roux and assumed fully drawn down

2. The Cononish Gold Project

“The Scotgold Story”



In 2013, based on the AMC Development Study, the Company commenced a process to raise the then required funding and successfully secured a loan facility. However, a sudden fall in the gold price impacted both the loan value and equity market sentiment, which in turn impacted the Company's ability to complete the process.

This delay provided Scotgold the opportunity to review the Project and after a rigorous re-estimation of the Mineral Resources and mine plan, a Bankable Feasibility Study was completed by Bara Consulting in August 2015.

This was followed in 2016 by the Bulk Processing Trial (BPT), which consists of a pilot scale gravity only plant to treat ore stockpiles generated by the earlier underground development. The BPT not only produced the mine's first gold for sale, but also demonstrated the potential of alternative designs for a Tailings Storage Facility (TSF). Consequently an Updated BFS was completed which incorporated a new "dry stack" design of TSF. This design, in addition to having significantly reduced environmental impacts, has allowed TSF costs to be spread over the life of the mine and the Project to be re-engineered using a "Phased Approach". As a result, the Project has a lower capex requirement over the first 12 months of the mine, which leads to a reduced funding requirement.

In April 2016, Scotgold received permission from the Loch Lomond & The Trossachs National Park Authority to commence a trial mining operation (Bulk Processing Trial). The trial provided an opportunity for the mine to process existing stockpiled ore whilst evaluating alternative tailings storage techniques. More importantly, the trial enabled Scotgold, for the first time, to offer pure Scottish gold to the open market.

Following a sealed-bids auction in November 2016, Scotgold released 10 limited edition 1oz gold rounds. The gold's provenance and purity was certified by The Edinburgh Assay Office, and the rounds were stamped with a Stag's Head, as represented on the registered Scottish Gold Mark logo. This logo is now used by the Edinburgh Assay Office alongside its hallmarking of jewellery produced using Scottish gold from Cononish.

The unique rounds of gold were sold at £4,558 per ounce, a premium of 3.5 times the then current spot price of £953, confirming native Scottish gold is in high demand.

3. Global Gold Market Overview

Demand

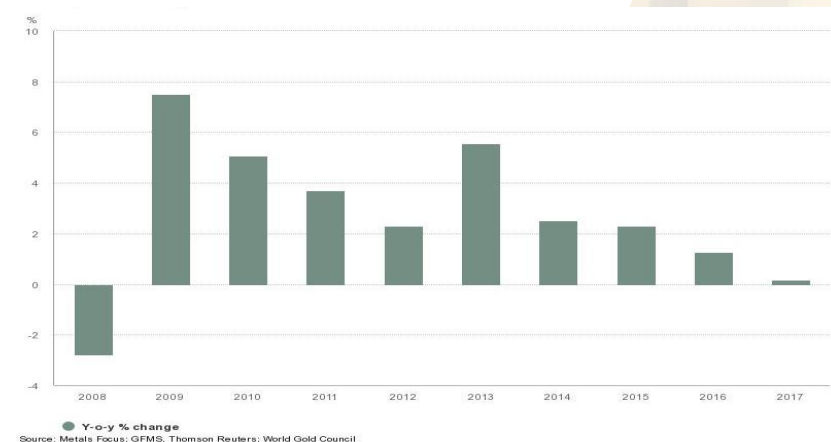
- Demand for gold totalled 4,071.7 MT in 2017, which was a decline of 7 per cent when compared to 2016. This decline was primarily due to a reduction in investment related demand.
- Annual inflows into gold-backed ETFs totalled 202.8 MT in 2017 largely driven by European investors, however this growth was at a much reduced rate when compared to 2016 (ETF inflows of 546.8 MT).
- Central banks added 371.4 MT to global official gold reserves, which represented a 5 per cent decrease on net purchases in 2016 (389.8 MT). Notable central bank purchasers included Russia and Turkey.
- Bar and coin demand fell 2 per cent overall on a sharp drop in US retail investment. However, India and China increased their investment in bar and coin by 8 per cent and 2 per cent respectively. China and India also led a 4 per cent recovery in jewellery, although demand remains below historical averages.
- Demand from the technology sector rose by 3 per cent to 332.8 MT in 2017 (323.4 MT in 2016) as a result of the increased use of gold in smartphones and vehicles. This was the first year of growth in technology demand since 2010

Market Trends

- Gold prices in 2017 were largely trading in a US\$1,200-1,300/oz range after a pickup from lows of approximately US\$1,130/oz in December 2016 with a brief overshoot in September 2017 when prices approached US\$1,350/oz on the back of concerns over the scale of hurricane related disruptions, a reduction in US payroll numbers as well as increased geopolitical risks around North Korean nuclear and ballistic missile test programmes.
- Since January 2018 the gold price has continued to trade above US\$1,300/oz.

Supply

- total gold supply was 4,398.4 MT in 2017, which represents a decline of 4 per cent when compared to 2016 (4,590.9 MT).
- Mine production reached 3,268.7 MT in 2017, a marginal increase on 2016 output of 3,263.0 MT and the highest annual total recorded by the World Gold Council. The introduction of stringent environmental controls in China led to a 9% fall in national mine production. New mine starts in recent years have mostly served to fill the gap left by production losses elsewhere, which has led to a relative plateauing in global output.
- Recycled gold contributed 1,160.0 MT of total supply, a decrease of 10 per cent when compared to the unusually high recycled gold contribution in 2016 (1,295.1 MT), which was as a result of higher gold prices early 2016.
- Total net de-hedging in 2017 reduced supply by 30.4 MT in 2017 compared to a total net hedging contributing 32.8 MT to supply in 2016.
- *Table 1. Mine production growth continued to slow in 2017*



Note: (Source: this slide is based on the information that is prepared and published by the World Gold Council and is publicly available on the official web site of the organisation www.gold.org. Gold prices are LBMA)

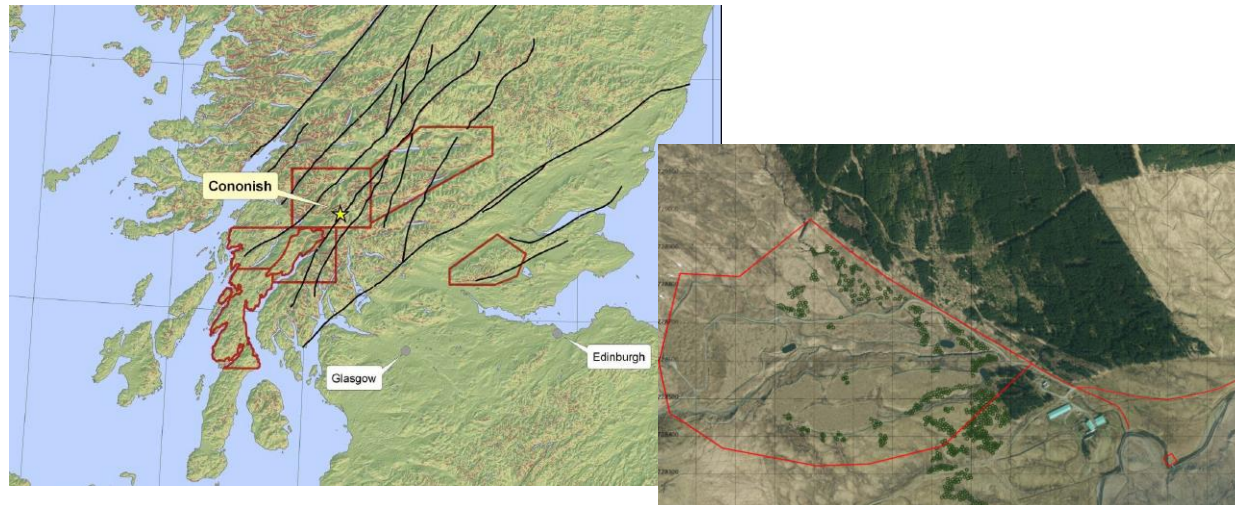
4. The Cononish Gold Project - Overview

The Cononish Project is a high grade, high return, low cost mine in the Highlands of West Scotland. The Project site lies just inside the north-western boundaries of the Loch Lomond and Trossachs National Park.

The mine is estimated to contain 555,000 tonnes of ore, broken down as follows:

- Proven¹ reserves - 65,000 tonnes comprised of 11.5g/t Au and 51.5 g/t Ag
- Probable² reserves - 490,000 tonnes comprised of 11.1g/t Au and 47.2 g/t Ag
- Total gold resource - 266,000 ounces (estimated value: £258m*)
- Total silver resource - 1,096,000 ounces (estimated value: £13m**)

The extraction site is designed to have minimal visual and noise impact on the area and, as a result, Scotgold has secured permission to operate the mine 24 hours a day, six days a week.



¹Proven Reserves: The economically mineable part of a Measured Mineral Resource.
²Probable Reserves: The economically mineable part of an Indicated Mineral Resource.
Source: Scotgold website
*Gold price / ounce (09/05/2017): £968.06
**Silver price / ounce (09/05/2017): £12.18
***Assuming 1 June 2018 project start date



Production Statistics

Total Mine Production	175,762 oz Au 672,697 oz Ag
Life of Mine (LOM)	9 years
Ore Processing Rate	72,000 tonnes per annum
Average Head Grade	11.7 g/t Au equivalent
Metallurgical Recovery	93% Au - 90% Ag
Average Annual Metal Period***	23,491oz Au equivalent
Peak Period***	26,875oz Au equivalent

oz = ounces, Au=Gold, Ag= Silver
oz Au Equivalent = oz Au + oz Ag*12.8/920

The Cononish Gold Project

4.1 Environmental and Social Responsibilities

Scotgold are acutely aware that the Project is situated within one of Scotland's two National Parks. In order to meet both their and the Loch Lomond and Trossachs National Park Authority's high environmental standards, the Company completed an Environmental and Social Impact Assessment (ESIA) and a Decommission and Restoration Plan.

The ESIA evaluated:

- The Project's visual impact on the National Park's landscape
- The preservation of surface and other groundwater
- The surrounding ecology and nature conservation
- Proposed planning restoration activities
- Air quality study
- The socio-economic impact
- The Project's management of mining waste (as defined by the EU Mine Waste Directive)

Potential impacts from the Project were assessed to be minor from an environmental and visual perspective. Furthermore the site restoration and rehabilitation upon Project completion has the potential to improve biodiversity, conservation and habitats amongst other socio-economic benefits.



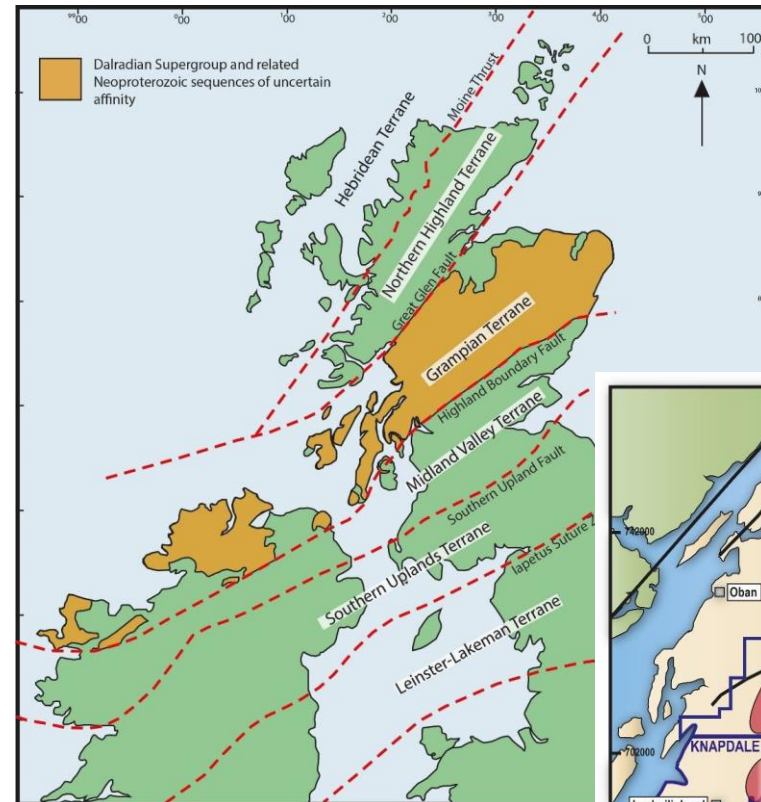
The Cononish Gold Project

4.2 Geology

The Cononish mine is part of the Grampian terrain, located in the Caledonides Mobile Belt. The belt extends from Norway through Scotland and Ireland, to Newfoundland.

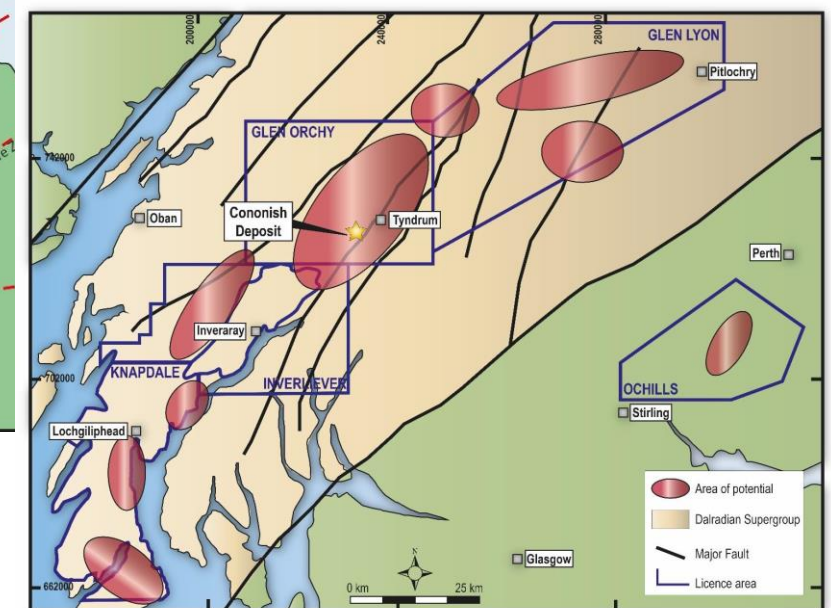
In Scotland, Grampian terrain consists of the Dalradian Belt, a geographically significant area due to its high gold potential. The sequence stretches throughout northern Scotland and into Ireland, hosting a total of 5.3 million oz of gold resources.

The Cononish Gold and Silver Project - a narrow (<6m) gold-silver mineralised vein - is part of a suite of quartz veins running sub-parallel to the northeast-southwest trending Tyndrum Fault. The veins occur along the fault southwest of Cononish and also in north northwest-south southeast zone linking the Tyndrum and Erich - Laidon Faults.



Regional Geology

Source: Scotgold



Grampian Project Licensed Areas

The Cononish Gold Project

4.3 Bankable Feasibility Study and Update



The Bankable Feasibility Study (BFS) for “The Cononish Gold and Silver Project” was conducted by Bara Consulting and published in August 2015. An update was published in March 2017.

The report highlights that the Phased Project approach improves Project economic returns and reduces the development funding requirements to £7.4m¹.

▪ Project Development Strategy

The Project development is intended to take place in two stages to strengthen the mine’s production ability whilst minimising technical risks. Assuming June 2018 commencement:

→ **Phase One** (August 2019 - October 2021, 41 months): After 4 month ramp up and commissioning period, the mine is intended to operate at a production level of 3,000 tonnes per month (36,000 tonnes per annum).

→ **Phase Two** (November 2021 - End of LOM): The mining is intended to reach a steady state level of production at 6,000 tonnes per month (72,000 tonnes of ore per annum).

Phase Two is intended to be organically funded by Phase One. Within 2.5 years Scotgold aim to be in a position where profits generated by Phase One can be invested into the development requirements of Phase Two.

▪ Tailings Storage Facility

The TSF is designed as a “Dry Stack” tailings system, where tailings (waste) are stored on the surface in the form of piles (dry stacks).

The stacks - 11 in total - will be built during the Life of Mine (LOM) from mining waste, eliminating a previously required impoundment dam.

The lower upfront capex requirement enhances Project’s operational flexibility and significantly lowers the capital costs.

Due to the avoidance of a reservoir facility, progressive rehabilitation and naturalistic final landform, the new design has significant environmental advantages.

Project Lifetime²

EBITDA	£ 101,114,660
Pre Tax Cash Flow	£ 81,017,398
Net Cashflow	£ 68,256,497
IRR pre-Tax @ 10%	80%
Operating Margin	59%

Cost Dynamics²

Capital Cost	£ 20,097,262
Operating Cost	£ 69,066,131
Average Operating Cost/oz Eq Au.	£ 373.09
Average Capital Cost/oz Eq Au.	£ 108.56
Total Average Cost/oz Eq Au.	£ 481.65

¹Provided by Bara Consulting BFS and Scotgold management

²As prepared by Bara Consulting on behalf of Management assuming a development of the mine funded through equity only. The information was drawn from the Update to the Cononish Bankable Feasibility Study (BFS) and Short Term Funding Plan referred to in the company press release of March 17th, 2017

The Cononish Gold Project

4.4 Mine Production Forecasts – (assuming June 2018 commencement)

- Annual production is forecast to increase significantly over the first 3 years
- The Project is predicted to generate around 73,000 tonnes of ROM ore at its peak
- In the same period, gold extraction is predicted to reach around 24,000 ounces per annum

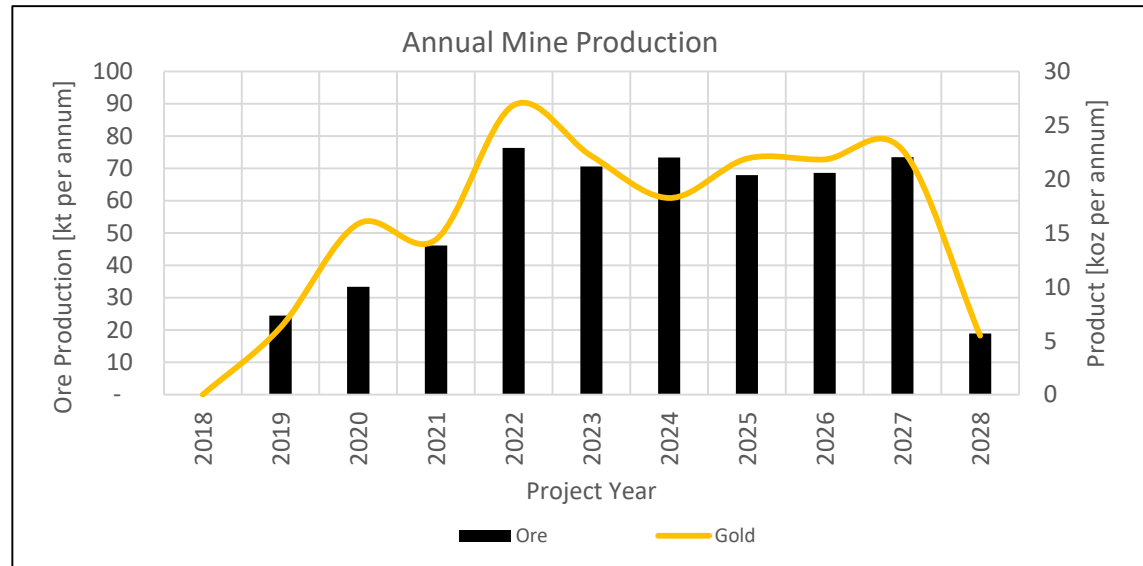
Production Phase One

- Starts in April 2019 (Month 11)
- Monthly Production: 3,000 tonnes*

* Run rate production

Production Phase Two

- Starts in November 2021 (Month 42)
- Monthly Production: 6,000 tonnes*



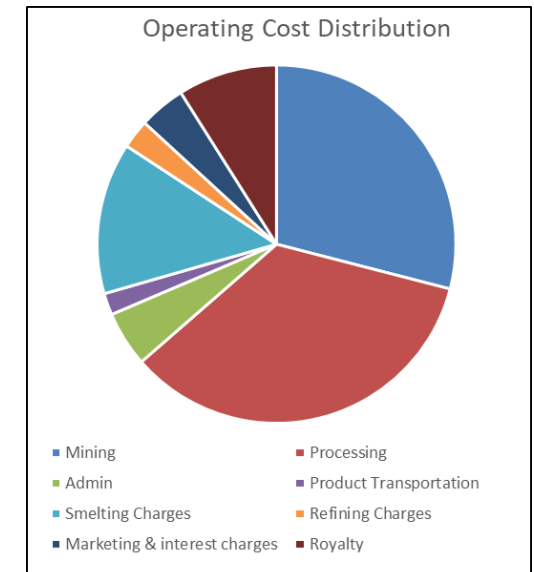
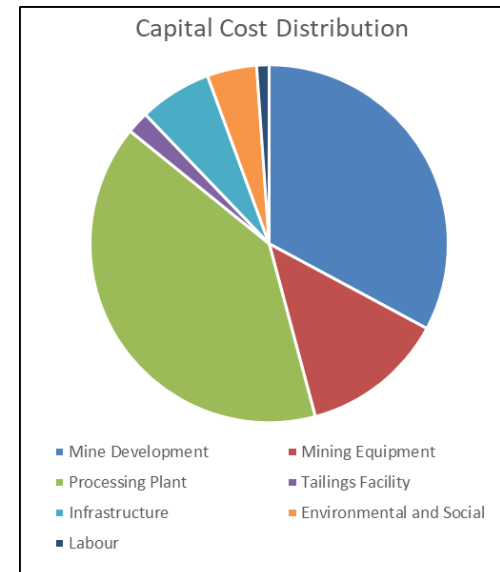
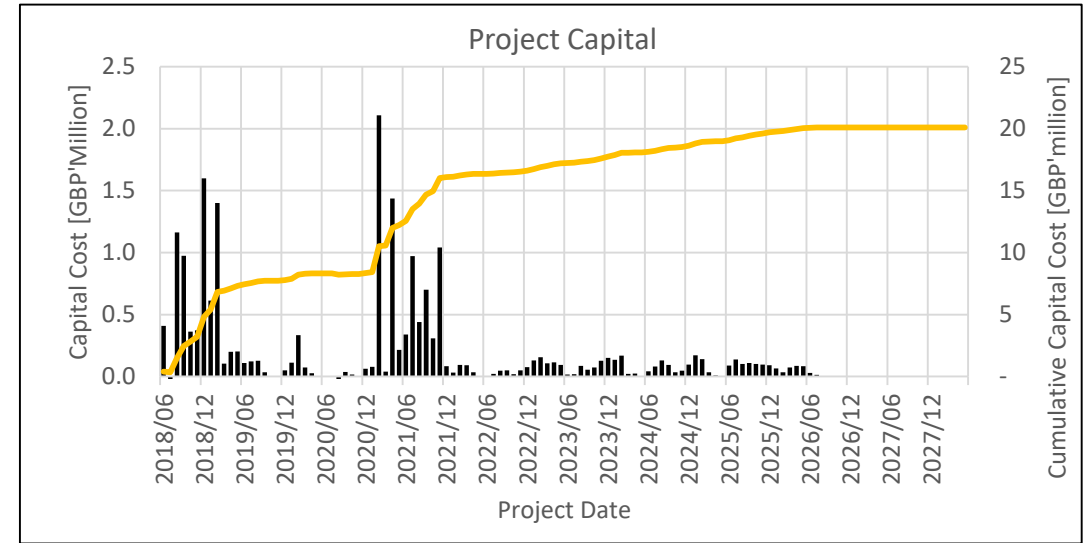
The Cononish Gold Project

4.5 Costs Summary*

Capital Cost	Prod-Buildup (£)	Steady State (£)	LOM Total (£)	Cost/oz Eq Au (£/oz Eq Au)
Mine Development	2,758,452	3,844,734	6,603,186	35.67
Mining Equipment	2,150,884	459,923	2,610,807	14.10
Processing Plant	7,377,807	661,243	8,039,050	43.43
Tailings Facility	404,206	-	404,206	2.18
Infrastructure	1,315,505	-	1,315,505	7.11
Environmental and Social	739,317	160,000	899,317	4.86
Labour	225,192	-	225,192	1.22
Total	14,971,362	5,125,900	20,097,262	108.56

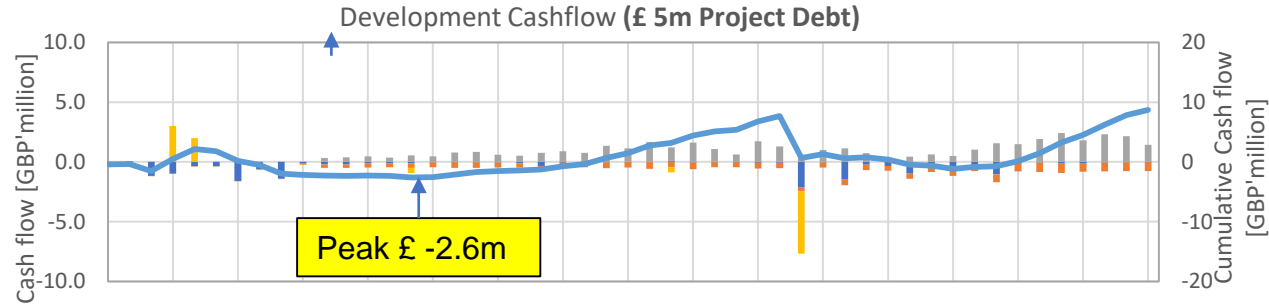
Operating Cost	LOM Total (£)	Cost/ Tonne (£/tonne)	Cost/oz Au (£/oz Au)	Cost/oz Eq Au (£/oz Eq Au)
Mining	20,046,771	36.23	114.06	108.29
Processing	23,869,030	43.14	135.80	128.94
Admin	3,447,321	6.23	19.61	18.62
Product Transportation	1,353,673	2.45	7.70	7.31
Smelting Charges	9,462,010	17.10	53.83	51.11
Refining Charges	1,801,709	3.26	10.25	9.73
Marketing & interest charges	2,899,043	5.24	16.49	15.66
Royalty	6,186,154	11.18	35.20	33.42
Total	69,066,131	124.82	392.95	373.09
Total Capital + Operating	£ 481.65/oz			

*As prepared by Management. The information was drawn from the Update to the Cononish Bankable Feasibility Study (BFS) and Short Term Funding Plan referred to in the company press release of March 17th, 2017

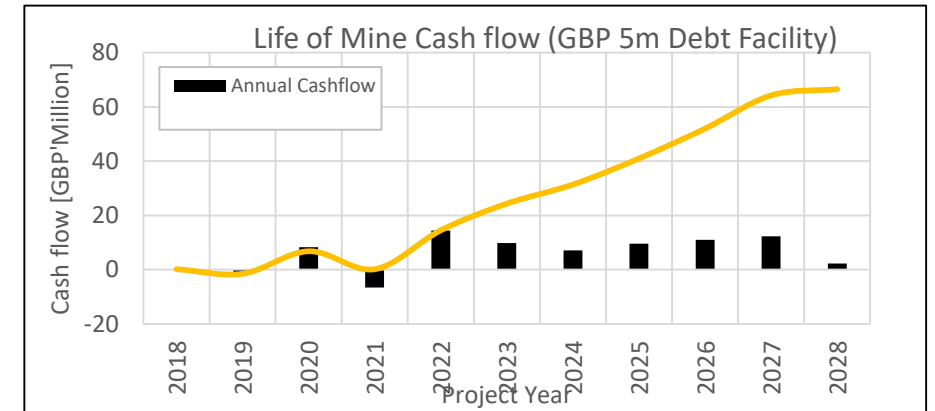


The Cononish Gold Project

4.6 SGZ Cononish Ltd Funding Requirement from Scotgold.



Based on BFS Update figures and management's estimate of impact of debt facility



The Cononish Gold Project

4.7 Project Economic Returns

Project Economic Returns (100% Equity)

Project Financial Metrics		
EBITDA	101,114,660	GBP
Pre Tax Cashflow	81,017,398	GBP
Pre-Tax NPV	43,359,149	GBP
Pre-Tax IRR	81.0	%
Post-Tax NPV	35,960,435	GBP
Post-Tax IRR	74.3	%
Operating Margin	59.4	%
Payback Period	28	months
Peak Funding Requirement	- 7,335,601	GBP

Based on BFS Update announced 17 March 2017 adjusted for assumed 1 June 2018 start date

£5m Debt

Debit Facility			
Loan Amount	-	5,000,000	GBP
Interest Rate	-	9	%
Loan Period	-	30	months
Total Repayment	-	6,110,000	GBP
Equity Financial Metrics			
Equity NPV	35,960,435	36,019,437	GBP
Peak Funding Requirement	- 7,335,601	- 2,611,739	GBP

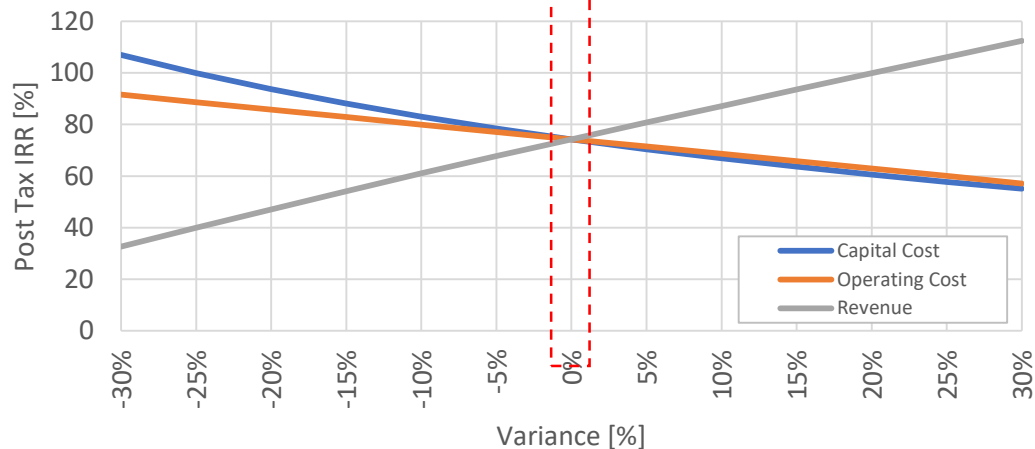
Note NPV calculated at 10% discount rate

Based on BFS Update figures and management's estimate of impact of debt facility

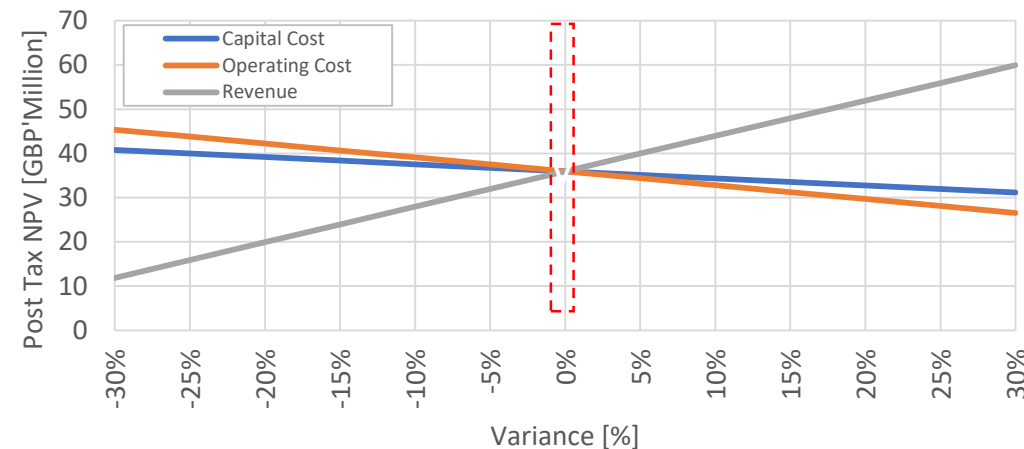
The Cononish Gold Project

4.8 Sensitivity Analysis (100% Equity)

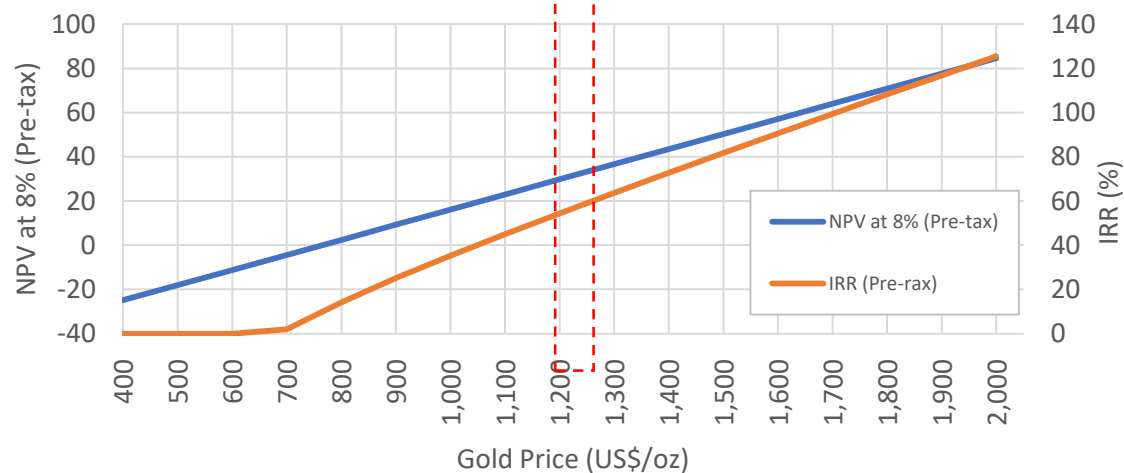
Sensitivity of IRR by Area



Sensitivity of NPV by Area



Sensitivity of NPV and IRR to Gold Price



All the graphs are provided by the Management.

Gold price / ounce (14/07/2017): £945.30 or \$1236.83

¹The price used in the Bara Consulting model was \$1,150/oz

The Cononish Gold Project

4.9 Major Risks

Management believes the major risks are as set out below:

Economic Risks

Risk Description	Assessment / Mitigation
Significant changes in gold prices	The Company intends to monitor the potential to hedge its production costs
Unexpected changes in business or economic conditions	Professional taxation, legal and marketing specialists are engaged to assist Scotgold enable the appropriate prompt response
Interest rate or currency exchange changes	Most revenues and some costs, including capital equipment, will be denominated in USD, hence there is exposure to the GBP/USD exchange rate. Labour costs will be in GBP,
Adverse hedging strategies	Professional advisers will be engaged to assist Scotgold consider potential outcomes and risk mitigation strategies

Technical Risks

Risk Description	Assessment / Mitigation
Difference between actual and estimated mineral resources	All reports have been conducted by reputable, qualified and independent consultants to minimise errors
Variations in ore grade	Short term mine planning will allow some management of grade through selective mining
Metallurgical difficulties adversely affecting recovery	Appropriate testwork has been completed for the BFS and specialist consultants may be used to optimise processing operations.

Operational Risks

Risk Description	Assessment / Mitigation
Increased production costs	Fluctuations in production, labour and supplies have been assessed through the BFS sensitivity analysis
Limitation of mining rights	Mining rights and planning permission are anticipated to be finalised shortly to the satisfaction of all parties
Environmental Issues	Having conducted the ESIA, the Company monitors its environmental impacts and intends to fully comply with the various procedures agreed with the relevant agencies.
Health and Safety	The Company manages all aspects of H&S, from regular training to safety work-wear. On-site induction programmes are run for both visitors and employees
Production	Severe winter conditions may impact site access and freeze pipelines. 4 wheel drive vehicles and appropriate pipe routing will mitigate.

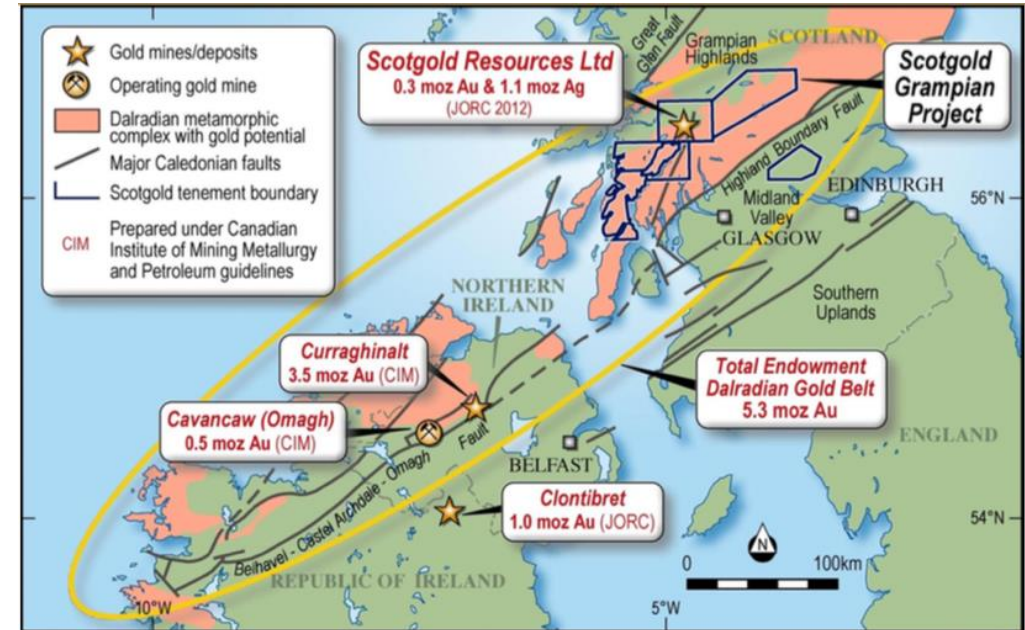
Development Risks

Risk Description	Assessment / Mitigation
Increased Capex	Project scope will be managed and price escalation will be mitigated through competitive bidding where appropriate.
Delivery delays	Existing relationships with suppliers and freight forwarders assist mitigate potential delays.

5. Scotgold Resources Peers

According to their publically available information, Dalradian Resources and Galantas Gold also have very high grade gold mines projects in the Dalradian area. Their projects have similarly low cash costs / ounce and very high IRRs.

	Scotgold	Galantas Gold ²	Dalradian Resources ³
Ticker	SGZ (LON)	GAL (LON)	DALR (LON)
Share Price (14/05/2018)	33.5p	5.75p	59.75p
Market Cap (24/05/2018)	£14.38m	£10.78m	£212.41m
Project	Cononish	Omagh	Curraghinalt
Estimated Reserves ¹	550,000 tonnes	1,879,810 tonnes	5,239,240 tonnes
Au grade	11.8 g/t	6.78 g/t	8.54 g/t
LOM	9 years	6 years	24 years
Average Annual Production	23,370 oz	24,788 oz	130,000 oz
Average Total Cost/oz (Capital + Operating)	£482/oz ⁴	£672/oz	£953/oz
Capex	£20.1m	£11.6m	£280m



Proactive Investor Forum Presentation, London, 12 January 2017

¹ Proven & Probable

² Resource estimate, preliminary economic assessment & detailed feasibility study On the Omagh gold project County tyrone, Northern Ireland 26th July 2014

³ Dalradian Resources. Feasibility study technical report on the Curraghinalt gold project Northern Ireland, 12th Dec 2016

Referenced Historical Reserves and Resources not conform to sections 1.3 and 1.4 of NI 43-101 (CIM standards)

⁴ Provided by Bara Consulting BFS and Scotgold Management

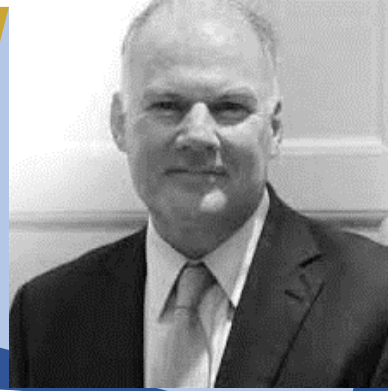
6. Management and Board of Directors



Nat le Roux

Chairman

Nat le Roux has spent most of his career in the financial markets and was Chief Executive of IG Group Plc between 2002 and 2006. He served as an independent director of the London Metal Exchange from 2008 to 2016. Born in Scotland and educated in Edinburgh, he holds an MA in Law from Cambridge University and an MSc in Anthropology from University College London.



Richard Gray

MD and CEO

Richard Gray has extensive experience developing and operating international gold mines, both underground and open pit, at a senior executive level. He has served as VP Gencor International Gold, VP operations at Golden Star and COO at Avocet. He holds a BSc Hons in Mining Engineering from the Royal School of Mines, Imperial College and a MBA from the Graduate School of Business, Cape Town University.



David Swan

CFO

David Swan is a chartered accountant (FCA ICAANZ and ICAEW) with over 30 years' experience in natural resources. He has been involved with international IPOs, corporate reconstructions and is a non-executive director of several public natural resources companies. David has overseen several successful fundraises having grown numerous companies from start-ups through to operating production.

Management and Board of Directors



Christopher Sangster

Technical Director

Chris is a mining engineer with over 35 years' technical experience extracting gold, diamonds and base metals across Africa, Canada and the UK. His CV includes notable positions at GM of European Diamonds Plc and VP of Mining Services at KCM. Chris' extensive skillset covers project feasibility, exploration initiatives and project due diligence. He has a BSc Hons in Mining Engineering from the Royal School of Mines, Imperial College in London and a GDE in Mineral Economics from the University of the Witwatersrand.



Phillip Jackson

Non executive Director

Phillip is a barrister and solicitor with over 25 years international experience, specialising in corporate structuring, commercial, contract and mining law. He has worked extensively in the Middle East; Asia and the US. In Australia, he was formerly managing legal counsel for Western Mining Corporation, and in private practice specialized in small to medium resource companies. He has been a director of a number of Australian junior mining companies. His experience includes management, finance, accounting and HR and holds the following qualifications B.Juris; LLB; MBA; FAICD.



Richard Barker

Non executive Director & Company Secretary

Richard is a corporate advisor with extensive experience within Australia and the UK within the minerals and petroleum sectors. He has acted as company secretary and director for listed and privately funded companies. He holds Bachelor and Masters of Laws degrees.

Appendix 1

The Cononish Mine Schedule

The sustainable production rate for Cononish has been estimated by using two empirical methods: Tatman's formula and the McCarthy's relationship. The production schedule considers the amount of waste storage permitted to be brought to surface, the maximum tailings amount placed on the TSF.

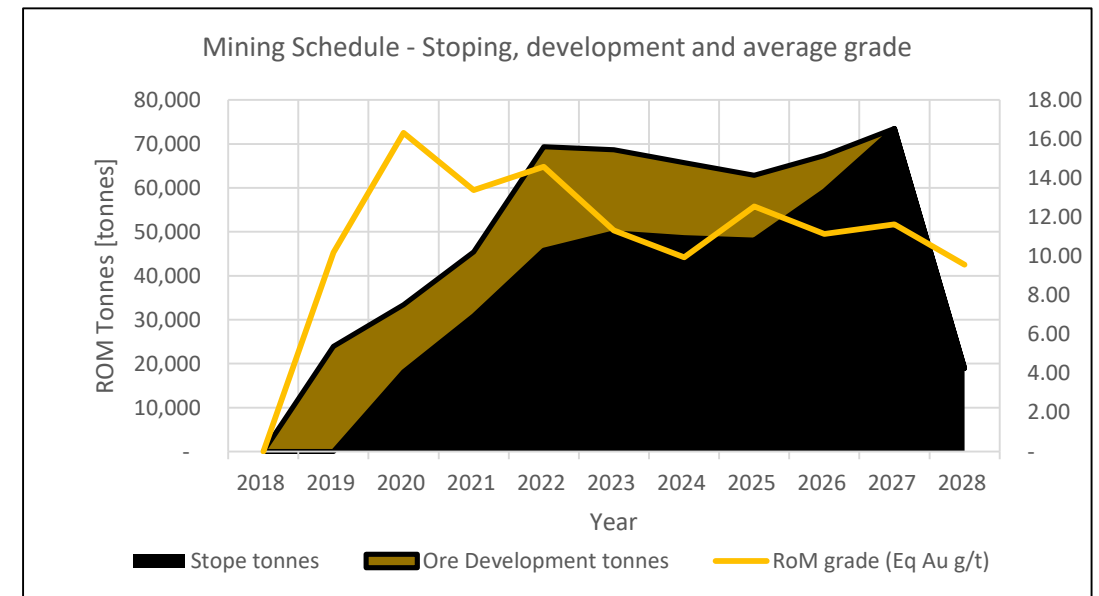
Plant Feed	Total	Units	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Tonnage	553,334	tonnes	-	23,000	36,000	42,000	72,000	72,000	72,000	72,000	72,000	72,000	20,334
Gold (Au) C	196,273	oz	-	6,974	17,718	16,083	30,012	24,743	20,388	24,472	24,387	25,379	6,117
Gold (Au) G	11.0	g/t	-	9.4	15.3	11.9	13.0	10.7	8.8	10.6	10.5	11.0	9.4
Silver (Ag) I	841,344	oz	-	33,114	82,948	69,945	131,030	94,937	94,380	117,982	98,270	108,322	10,416
Silver (Ag) I	47.3	g/t	-	44.8	71.7	51.8	56.6	41.0	40.8	51.0	42.5	46.8	15.9

Development Plan

The mine is divided into 12 stoping blocks and each one operated independently.

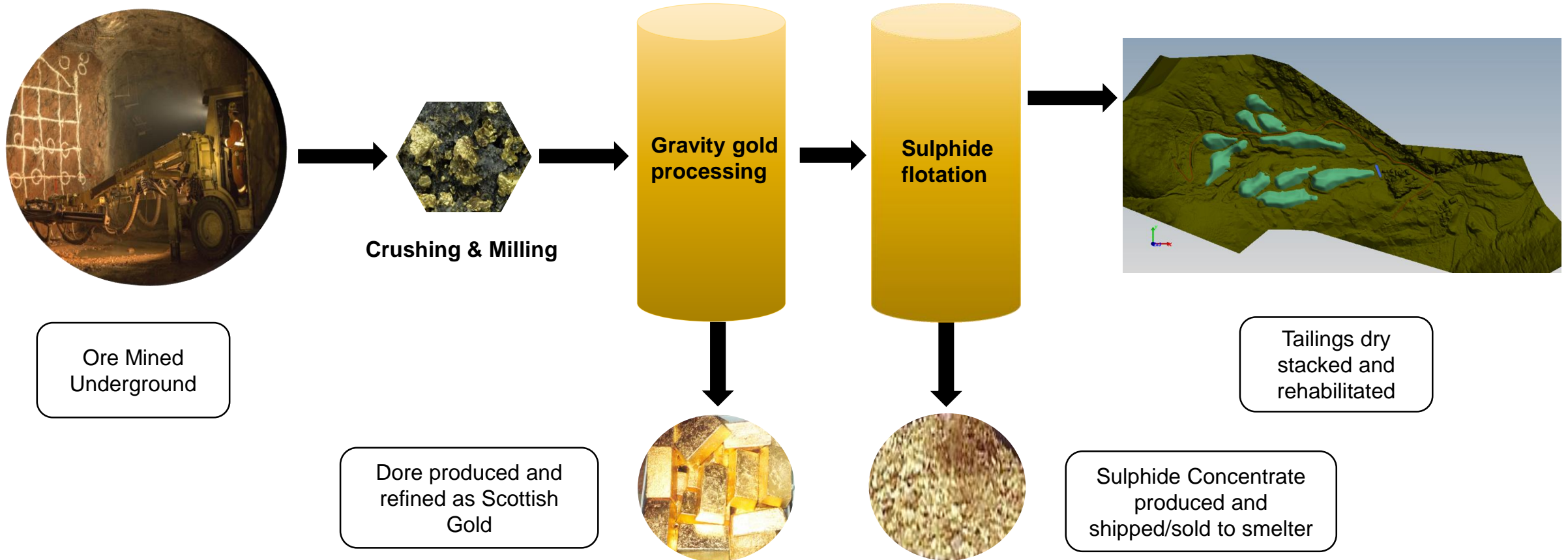
Schedule of Operations:

- **Month 1:** Start of mining schedule, with striping and rehabilitation of the 397m Level, so as to develop the mine design.
- **Month 15:** Completion of footwall and ramp development - Start stoping in Block 1.
- **Month 7:** First development ore will be produced.
- **Month 7 - Month 16:** Production of 21,000 tonnes of ore.
- **Month 15 - Month 41:** Production of 3,000 tpm.
- **Month 42 - End of development:** Standard production of 6,000 tpm.



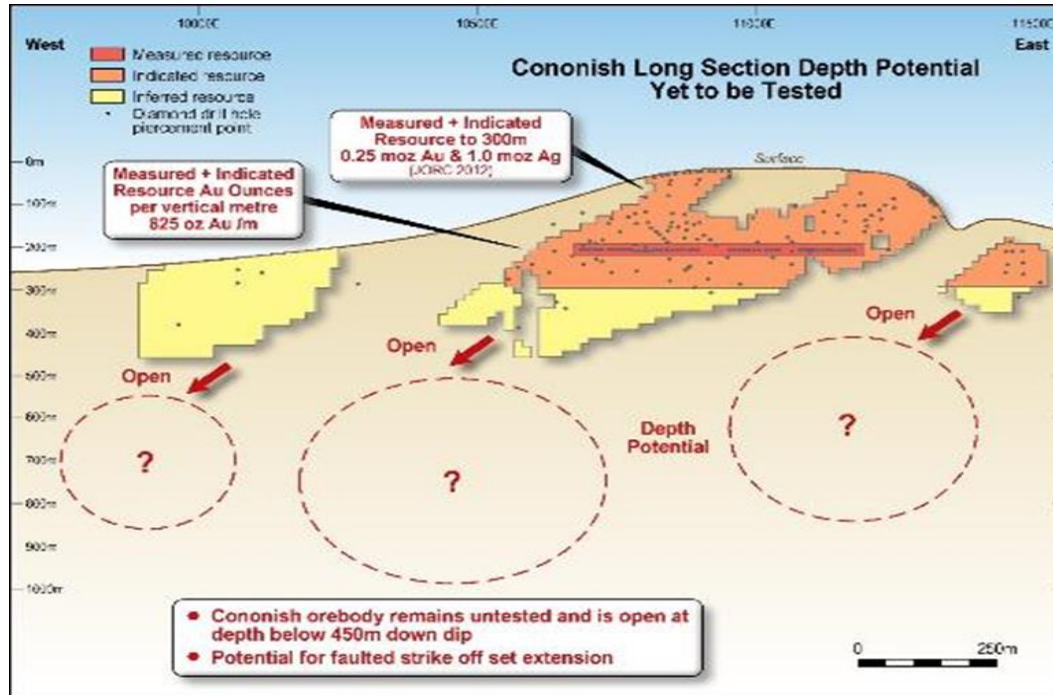
Appendix 2

The Extraction Process



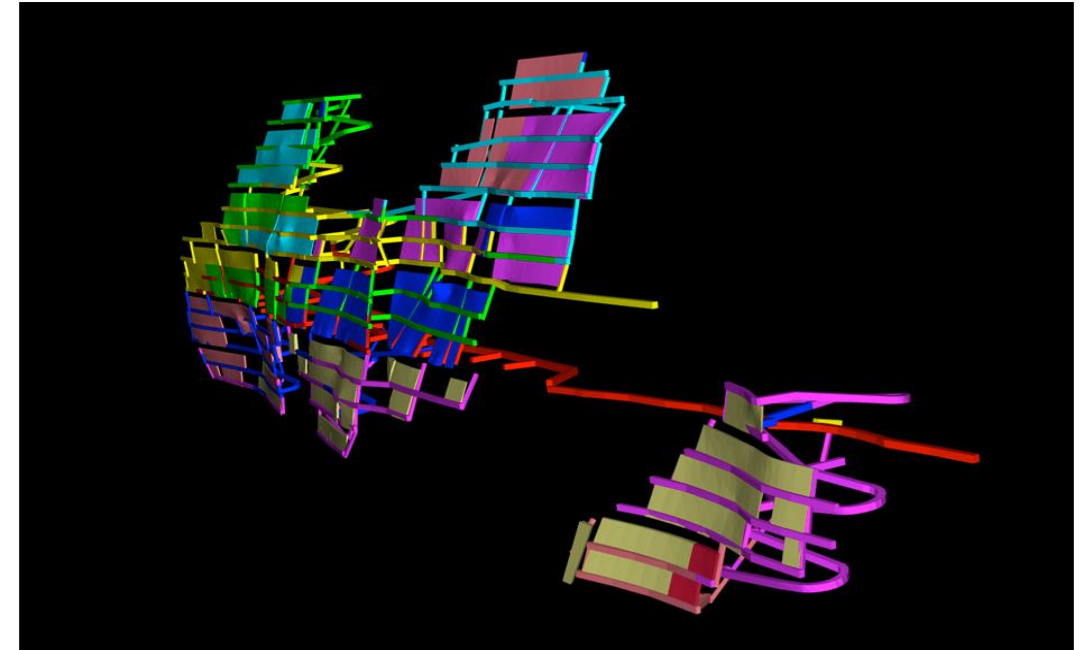
Appendix 3

Mining Plan



Long Section – Resource Classification Estimation, Source: CSA January 2015

The plan is based on a Mineral Resource Estimate (MRE) for Cononish, generated by CSA (Global) Ltd in January 2015. It utilises a 3 dimensional (3D) geological model to estimate the volume of the vein deposit as well as assisting in the interpretation of other key geological features, such as faults and dykes. It also incorporates advances in geological interpretation, including the use of local uniform conditioning to optimise the grade tonnage distribution for the Selective Mining Unit (SMU) dimensions achievable with the planned underground mining method..



3D mine design, Source: Bara Consulting, May 2015

Bara completed the mine design using the Long Hole Open Stopping (LHOS) methodology. In LHOS access onto a level, from the ramp, will be via an access cross cut. From the access cross cut ore drives will be developed to the extent of the mining block. The mining block will be split into stopes of a maximum span of 80 m long and a vertical span of 45 m with sub levels developed each 15m.

Appendix 4

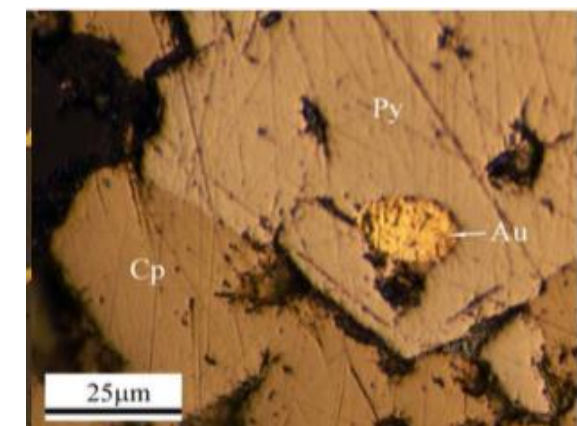
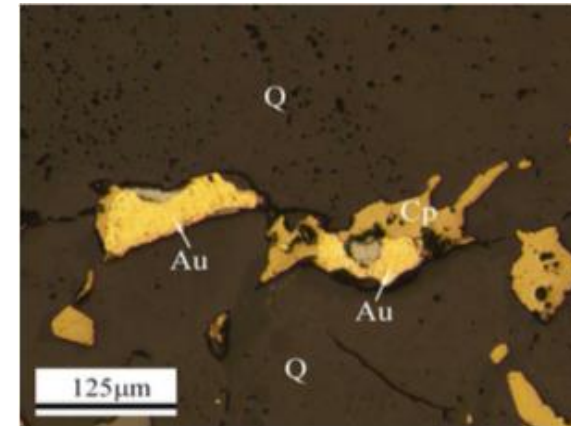
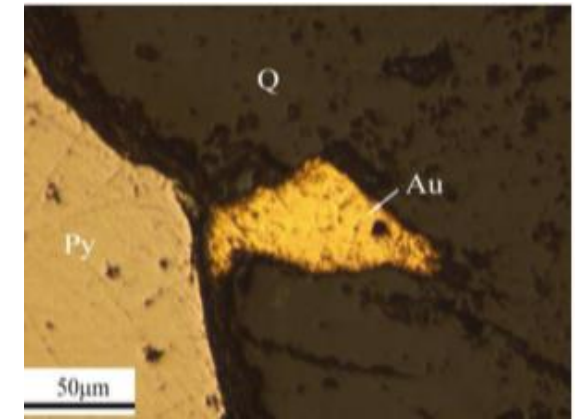
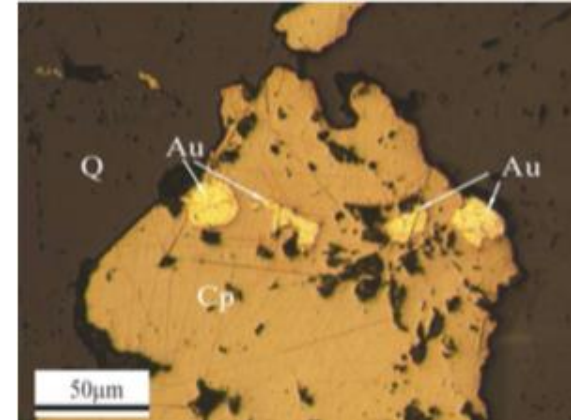
Snowden's Mineralogical Study

Snowden's study was performed on mineralised vein material, collected from in-situ samples. Every location they collected samples from was photographed and recorded on a mine plan.

The study observed 225 gold particles ranging in size from $< 10\mu\text{m}$ to $550\mu\text{m}$, with the majority being $< 40\mu\text{m}$ in size. A single $1,200\mu\text{m}$ particle was observed, indicating that the vein also contains a small proportion of coarse gold.

Mineralisation at Cononish occurs in a narrow, average 1.8m wide, near vertical quartz-carbonate vein. The dominantly gold mineralized vein is called the Cononish Vein (Snowden report, 2008,2011).

Gold occurs as electrum and minor native gold, fine-grained, generally less than 100 microns in size. Visible gold particles up to $2,000\mu\text{m}$ can also be observed. Silver occurs as telluride and rare native silver. Both metals are associated with sulphides in the quartz, mainly pyrite, with lesser galena, chalcopyrite and sphalerite.



Glossary

Glossary

Ag	Gold
Au	Silver
Au equivalent (oz/tonne)	$Au\ eq = Au + Ag / 88$
BFS	Bankable Feasibility Study
BPT	Bulk Processing Trial
ESIA	Environmental and Social Impact Assessment
g / t	Gold grade per tonne
LOM	Life of Mine
<i>ORE</i>	Naturally occurring solid material from which a metal or valuable mineral can be extracted.
oz.	ounce
ROM	Run of Mine
tpm	Tonnes per month
TSF	Tailings Storage Facility



SCOTGOLD
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