
SCOTGOLD RESOURCES LIMITED

ACN 127 042 773

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.30am (GMT)
DATE: Tuesday, 26 November 2019
PLACE: Royal College of Physicians Edinburgh
9 Queen Street,
Edinburgh EH2 1JQ
United Kingdom

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 6pm (WST) on date 22 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – CHRIS SANGSTER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Chris Sangster, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 2 – ELECTION OF DIRECTOR – IAN PROCTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.4 of the Constitution and for all other purposes, Ian Proctor, a Director who was appointed casually on 15 August 2019, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – EXECUTIVE MANAGEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, approval is given for the Company to grant, Mr Richard Gray CEO, 1,000,000 options exercisable at £0.30, vesting immediately with an expiry date being 3 years from the date of award."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

- (i) a member of the Key Management Personnel; or
- (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel

5. RESOLUTION 4 – MANAGEMENT INCENTIVE SHARE CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Clause 10.1(a) of the Constitution and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 5% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Voting Prohibition Statement: *A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel

Dated 5 November 2019

By order of the Board

Richard Barker

Director & Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +44 1 838 400 306.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report will be available on its website at www.scotgoldresources.com.

2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – CHRIS SANGSTER

2.1 General

Clause 14.2 of the Constitution provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Sangster who has served as a director since 17 October 2007 and was last re-elected on 29 November 2016, retires by rotation and seeks re-election.

2.2 Board recommendation

The Board supports the re-election of Mr Sangster and recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – IAN PROCTOR

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ian Proctor, having been appointed by other Directors on 15 August 2019 in accordance with the Constitution, will retire in accordance with the clause 14.4 of the Constitution and being eligible, seeks election from Shareholders.

3.2 Board recommendation

The Board supports the re-election of Mr Proctor and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – EXECUTIVE MANAGEMENT OPTIONS

4.1 General

On 1 May 2018 the Board approved the issue of 1,000,000 options exercisable at a price of £0.30 to Mr Richard Gray Executive Director. Whilst the Board noted that shareholder approval was not required to issue these options to Mr Gray, a resolution was passed by the Board to issue these Options subject to shareholder approval. It is noted that at the time of approval that shares in the Company were trading at approximately £0.275 per share.

4.2 Board recommendation

The Board supports the issue of options to Mr Gray and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – MANAGEMENT INCENTIVE SHARE CAPACITY

5.1 General

Resolution 4 seeks shareholder consent for the Company to issue up to that number of Equity Securities equal to 5% of the issued capital of the Company at the time of issue during any 12 month period, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. Whilst noting that shareholder approval of Management Incentive Share Capacity is not required under either Corporate Law or the Constitution the Company seeks the passing of this Resolution to provide guidance to shareholders in respect of its intended remuneration plans as it moves in to production phase at the Cononish Project and prepares to expand its exploration activities for the Grampian Project. It noted that the Company reserves the right to amend this policy as it sees fit in accordance with the Constitution and reserves the right to seek ratification of any issue of Incentive Shares at any subsequent General Meeting of the Company.

5.2 Board recommendation

The Board supports the issue of up to 5% Management Incentive Shares and recommends that Shareholders vote in favour of Resolution 4.

GLOSSARY

\$ means Australian dollars.

£ means Pound Sterling.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day and Boxing Day.

Chair means the chair of the Meeting.

Company means Scotgold Resources Limited (ACN 127 042 773).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities means includes a Share, a right to a Share or Option, an Option, a convertible security, or any security permissible under relevant legislation.

Explanatory Statement means the explanatory statement accompanying the Notice.

GMT means Greenwich Mean Time as observed in London, England

Management Incentive Shares means an Equity Security issued to Company Management, including Executive management.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.