

RNS Number : 2299X  
 Scotgold Resources Ltd  
 26 August 2015



**SCOTGOLD RESOURCES LIMITED**

**NON-RENOUNCEABLE RIGHTS ISSUE**

Scotgold Resources Limited (ASX: SGZ) (**Company**) today announces 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**), 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.

The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 26 August 2015.

Shares under the Rights Issue will be offered at 1.3 cents per New Share. The maximum number of New Shares which may be issued under the Rights Issue is 113,539,247 to raise approximately \$1,476,010 (before expenses, based on the current capital structure of the Company). The maximum number of Options which may be issued is 113,539,247.

New Shares issued under the Rights Issue will rank equally with existing shares and the Company will apply for official quotation of the New Shares. The Options to be issued under the Rights Issue will be a new class of security of the Company, the terms and conditions of which are set out in the Prospectus.

Option holders are not entitled to participate in the Rights Issue without first exercising their options to be registered as a Shareholder on the Record Date, in accordance with the terms and conditions of their options.

An Appendix 3B in respect of the Rights Issue accompanies this announcement. The Company confirms it is in compliance with its continuous disclosure obligations.

<b>Event</b>	<b>Date</b>
<b>Announcement of Rights Issue, Appendix 3B, Lodgement of Prospectus</b>	<b>26 August 2015</b>
<b>Notice Sent to Security Holders</b>	<b>26 August 2015</b>
<b>Ex Date</b> (date from which securities commence trading without the entitlement to participate in the Rights Issue)	<b>2 September 2015</b>
<b>Record Date</b> (date for determining entitlements of eligible shareholders to participate in the Rights Issue)	<b>4 September 2015</b>
<b>Prospectus Dispatched to Shareholders</b> (expected date of dispatch of Prospectus, entitlement and acceptance forms)	<b>8 September 2015</b>
<b>Rights Issue Opens</b>	<b>8 September 2015</b>
<b>Closing Date* 5pm (WST)</b>	<b>30 September 2015</b>
<b>New Shares quoted on a deferred settlement basis</b>	<b>1 October 2015</b>
<b>ASX Notified of Undersubscriptions</b>	<b>6 October 2015</b>
<b>Issue Date</b>	<b>7 October 2015</b>

(Deferred settlement trading ends, and Company will confirm to ASX all information required by Appendix 3B)	
<b>Dispatch Holding Statements</b> (normal T+3 trading commences)	<b>8 October 2015</b>

*\*Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Securities*

*\*\* Dates are indicative only*

The Company has appointed CPS Capital Group Pty Ltd as nominee for foreign holders of the Company's securities in those countries outside of Australia, New Zealand and United Kingdom (or who are otherwise Ineligible Shareholders) to arrange the sale of the entitlement which would have been offered to the ineligible foreign holders, details of which are set out in the Prospectus. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, and any balance will then be distributed to the relevant Ineligible Shareholders. UK residents wishing to settle in Sterling are advised that the company will accept .6p as an equivalent to 1.3 cents.

The Company intends to apply the funds raised from the Rights Issue as follows:

<b>Proceeds of Offer</b>	<b>25% Subscription (\$)</b>	<b>50% Subscription (\$)</b>	<b>80% Subscription (\$)</b>	<b>Full Subscription (\$)</b>
Cononish Project Development Costs*	130,000	270,000	450,000	570,000
Costs of issue	55,240	56,5000	57,720	58,540
Working Capital	183,763	411,585	673,088	847,470
<b>Total</b>	<b>369,003</b>	<b>738,005</b>	<b>1,180,808</b>	<b>1,476,010</b>

**Notes:** The above table is a statement of current intentions as at the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

In his letter to shareholders that the accompanies the rights issue documentation, Chairman Nat Le Roux comments:

"The announcement of the bankable feasibility study on 5 August 2015 (BFS) represents significant progress in the development of the Cononish Project.

The Company will now focus on securing suitable and sufficient project financing on commercially suitable terms, which it anticipates may take several months. In the meantime, the Company requires ongoing capital.

Accordingly, the Company wishes to give existing Shareholders the opportunity to further invest in the Company via the For a pro-rata non-renounceable rights issue of fully paid ordinary shares in the capital of the Company at an issue price of 1.3 cents on the basis of one (1) New Share for every ten (10) existing shares held at the record date of 4 September 2015, together with one (1) free attaching Unlisted Option per New Share subscribed exercisable at £0.01 on or before 30 September 2017 to raise approximately \$1,476,010 (before expenses).

I strongly recommend you to carefully read the Prospectus in full, and as required seek professional financial advice before investing. In particular, you should read the risks associated with an investment in the Company, as set out in section 2, including but not limited to, Cononish Project permitting risks, securing project financing risks, and commodity price volatility and exchange rate risk.

I would like to thank you for your support to date. Richard Gray, our Chief Executive Officer and Managing Director, and I both intend taking up our rights in full and I hope that you will also continue to support Scotgold in this fund raising, as we look to progress the Cononish Project."

A copy of this Prospectus can be downloaded from the Company's website at [www.scotgoldresources.com/prospectus](http://www.scotgoldresources.com/prospectus)"

For further information

Scotgold Resources Limited  
Richard Gray  
Chief Executive Officer  
Tel: +44 (0)7905 884 021

Capital Markets Consultants  
Simon Rothschild  
Tel +44 (0)7703 167 065

Westhouse Securities Limited  
Martin Davison

Tel: +44 (0)20 7601 6100

Vicarage Capital Limited  
Rupert Williams  
Tel: +44 (0)20 3651 2911