



Scotgold Resources Limited

("Scotgold" or the "Company")

**Cononish Development Activities Update –
Underground Development Recommended
and Mining Fleet Expanded**

Scotgold Resources Limited (AIM:SGZ) is pleased to announce that following the update provided on 12 June 2020, as scheduled the full underground development team has now returned to work and blasting activities are being conducted at the high grade Cononish Gold and Silver Mine ("Cononish"). These activities are being conducted in full compliance with the Covid-19 Safe Operating Procedures developed.

In a separate development, the Company is also pleased to announce it has reached an agreement with Epiroc UK & Ireland Ltd to supply a second new T1D drill rig and a second hand ST2G scooptram, which has become available within the UK. Having a second unit of each machine reduces the mechanical availability risk associated with having single units required for Phase 1 production levels (36,000 tpa ore), and also means only an additional truck is required for any future ramp up to Phase 2 (72,000 tpa ore). A further advantage is that the additional machinery will provide an opportunity to increase our training activities. Both machines are being supplied on a rental with option to purchase basis.

The mine's former Care and Maintenance Team, which includes approximately half of the current mining team, is now engaged with the remaining earthworks activities. These include the Run of Mine (Rom) pad where gold bearing ore will be stockpiled, and the site and tailings stacks drainage system complete with a new settlement pond.

The overall critical path activities remain: the process plant building, equipment installation and commissioning. Current activities are focussed on the building column pads, floor slabs and the preassembly of equipment support infrastructure. These are progressing well and the Company will provide further updates to the market, including a revised development schedule, in due course.

Richard Gray, CEO commented: "Our key focus is obviously the processing plant, but at the same time we are putting the pieces in place to ensure the long term success of the mining operation and a reliable supply of ore to treat."

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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