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Scotgold Resources Ltd
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**Scotgold Resources Limited ("Scotgold" or the "Company")
Update on Commissioning and Ramp up progress at Scotland's first commercial gold mine**

Scotgold Resources Limited (AIM:SGZ), the gold exploration and production company focused on Scotland, is pleased to announce that following the commissioning of the comminution and gravity circuits, which enabled the achievement of First Pour on 30th November 2020, further good progress has been made.

During December work has focussed on supplier commissioning of the outstanding circuits, principally the flotation and dewatering circuits, as well as operator training and punch listing minor items. The Company is pleased to report that the complete plant has now operated at the design throughput rate of 7.5tonnes per hour, including the commencement of tailings deposition on "Dry Stack 1" of the Tailings Management Facility. There is currently insufficient data available from the commissioning process to assess the metallurgical performance of the plant, however visual indications are that the flotation circuit is successfully recovering the sulphide minerals and therefore overall recoveries are also expected to be as planned.

Further punch listing activities will be completed over the coming Festive period and the planned production ramp up will accelerate in January with the commencement of 24 hour processing operations. Under the Company's accelerated expansion plan, Phase 1 production is targeted to increase to an annual rate of ore production of 36,000 tonnes and total gold production of 9,910oz in 2021. Phase 2 will focus on doubling the annual rate of ore production to 72,000 tonnes and a more than doubling in average annual gold production to 23,500oz. The Company is fully-funded to achieve Phase 2 expansion by May 2022 as it looks to deliver the highly attractive LOM economics, (based on £1,400/oz gold and £19.23/oz silver prices) of £178 million EBITDA; £156 million pre-tax Cash Flow; £127 million Net Cash Flow; and £96 million Pre-tax NPV (8% discount rate).

CEO, Richard Gray, commented: *"I would like to wish all our Stakeholders a Merry Christmas. Although this Christmas and New Year may be more sedate than usual, it is gratifying and exciting to know we enter 2021 having achieved our first Gold Pour on schedule, and we do so with an operating mine that is well placed to achieve our planned production ramp up. May we all have a Happy and Prosperous 2021!"*

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.

****ENDS****

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