SCOTGOLD
RESOURCES LTD

ABN : 42 127 042 773

CONTENTS

COMPANY INFORMATION

SCOTGOLD
RESOURCES LTD
AND CONTROLLED ENTITIES

Company / Group / Economic Entity	Scotgold Resources Limited and controlled entities
ABN	Scotgold Resources Limited, incorporated in Australia - 42 127 042 773
Company Secretary	Richard Barker
Registered Office	Suite 4, 189 Stirling Highway, Nedlands, Western Australia, 6009
Securities Exchange Listing	AIM board of the London Stock Exchange. AIM Code: “SGZ”
Nominated Adviser and Broker	SP Angel Corporate Finance LLP Prince Frederick House, 35-39 Maddox Street, London, W1S 2PP
Website	www.scotgoldresources.com

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Your Directors submit their report on the consolidated entity consisting of Scotgold Resources Limited and its controlled entities ("Scotgold") for the six months ended 31 December 2020. All amounts are presented in Australian Dollars, unless otherwise stated.

DIRECTORS

The following persons were Directors of Scotgold Resources Limited during the half-year and up to the date of this report unless otherwise stated:

Nathaniel le Roux	Non-Executive Chairman
Phillip Day	Managing Director and CEO (Appointed on 1 April 2021)
Richard Gray	Non-Executive Director (Managing Director until 31 March 2021)
Chris Sangster	Non-Executive Director (Resigned on 26 February 2021)
Phillip Jackson	Non-Executive Director
Richard Barker	Company Secretary / Non-Executive Director
Peter Hetherington	Non-Executive Director
William Styslinger	Non-Executive Director
Ian Proctor	Non-Executive Director

Mr Richard Gray retired as Managing Director with effect from 1 April 2021 and was appointed as a Non-Executive Director with effect from that date.

Mr Phillip Day was appointed to the Board as Managing Director on 1 April 2021. Scotgold Resources Limited and SGZ Grampian Limited have respectively entered into a service agreement with Mr Day and an agreement for the rendering of consultancy services with PAW Consulting Services GmbH, a company controlled by Mr Day. Details of these agreements are set out in Note 12 of these Interim Financial Statements.

Mr Chris Sangster resigned from the Board on 26 February 2021.

REVIEW OF OPERATIONS

The principal activities of the consolidated entity during the period were the development of the Cononish gold and silver mine and mineral exploration.

Cononish Gold and Silver Project

As announced on 27 April 2021, the issues identified with the processing plant facilities at the Cononish mine have been successfully resolved and the facility is operating consistently and currently focussing on ramping up to full design capacity expeditiously.

The Company commenced a review of the mine plan for Cononish at the beginning of April 2021 and it has been concluded that the ramp up of underground mining production will be slower than originally planned. Mine development is insufficient for the mine to provide optimal ore quantity and quality in the short term, however this is not predicted to have long term impacts. The mine team at Scotgold has undergone a reshuffle in leadership and approach to ensure it can deliver reliable and robust short term mine plans. Accordingly, the Company expects production for calendar year 2021 to be materially less than the guidance range previously announced on 31 March 2021.

A further update in connection with the ramp-up of production, including new estimates for ore to be processed and gold to be produced for the calendar year 2021 will be announced as soon as the Company has completed the review of the mine plan for Cononish.

Grampian Project

On 29 January 2021, the company announced that recent exploration work undertaken across the Company's option areas over the Dalradian Belt had resulted in the identification of:

- additional targets and provided persuasive evidence for the presence of mineralised veins structures; and
- three prospective areas, close to Cononish Mine, as high priority target areas, with data modelling being in progress to establish the best sites to test these targets in any potential future exploration drill programmes.

CORPORATE

Net equity funding of $5,136,633 (after taking into account related expenses of $331,833) was raised from the issuing of 2,727,273 ordinary shares at a price of £1.10 ($2.005) per share in October 2020.

SUBSEQUENT EVENTS

Drawdowns of £500,000 were made on the secured loan facility on each of 5 February 2021 and 17 March 2021.

On 17 February 2021, SGZ Cononish Limited received £150,000 ($268,769) from Scottish Enterprise in the form of the third instalment of the Regional Selective Assistance grant.

Mr Chris Sangster resigned from the Board on 26 February 2021.

The Group entered into an agreement for the sale and purchase of gold concentrates with LN Metals International Limited on 13 July 2012. Subsequently, MRI Trading AG assumed the rights and obligations of LN Metals International Limited set out in that agreement. On 12 March 2021, the Group updated the terms of that agreement to take into account the change in counterparty and it was agreed that those updated terms would be embodied in a new off-take agreement, on materially the same terms, between SGZ Cononish Limited and MRI Trading AG in respect of 100% of the gold concentrate produced by the Cononish Mine for the period up to and including February 2022.

On 19 March 2021, a Minerals Royalty Deed was entered into with FirstRand Investment Holdings Pty Ltd in terms of which a royalty of 0.375% is payable on the value of all gross sales, excluding any premium realised above spot prices, of gold and silver produced and sold by the Cononish Mine. This Deed replaces the obligation to pay a commission on sales of gold concentrate set out in the agreement for the sale and purchase of gold concentrates entered into with LN Metals International Limited on 13 July 2012.

With effect from 1 April 2021, Richard Gray retired from the role of Managing Director, becoming a Non-Executive Director and Phillip Day was appointed as Managing Director on that date.

Net equity funding of £1,414,700 ($2,551,768), being £1,500,000 ($2,705,628) net of costs of £85,300 ($153,860), was raised through the placement of 2,142,857 Ordinary shares at £0.70 per share on 7 April 2021. The equity funding was received in two tranches, on 9 April 2021 and 16 April 2021 respectively.

Mr Nat le Roux, Mr Bill Styslinger, Mr Peter Hetherington and Mr Ian Proctor, all directors of the Company, together with a third party, have undertaken to provide short-term, interest-free loan funding of up to £2,000,000 to fund the working capital requirements of the Group.

Apart from the above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITOR

The Perth, Australia affiliate of BDO International, BDO Audit (WA) Pty Ltd, are the auditors of the Company.

NON-AUDIT SERVICES

The Directors have considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by BDO Corporate Tax (WA) Pty Ltd and BDO LLP did not compromise the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

AUDITOR'S INDEPENDENCE DECLARATION

The Independence Declaration in relation to the review of the interim financial report which is required to be provided to the Directors of the Company by our Auditors, BDO Audit (WA) Pty Ltd, in terms of Section 307C of the Corporations Act 2001, has been received for the six months ended 31 December 2020 and forms part of the Directors' report.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

....
PHILLIP DAY – Managing Director and CEO

Dated at Tyndrum, Scotland, this 30th day of April 2021

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF SCOTGOLD RESOURCES LIMITED

As lead auditor for the review of Scotgold Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Scotgold Resources Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 April 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

SCOTGOLD RESOURCES LTD
AND CONTROLLED ENTITIES

	Notes	31 December 2020 $	31 December 2019 $
Interest income		4,572	22,917
Grants received and other income		-	94,186
Gain on loan renegotiation		-	38,383
Administration costs		(374,849)	(227,246)
Interest expense	2	(575,279)	(273,557)
Depreciation of plant and equipment		(565,505)	(334,968)
Employee and consultant costs, excluding share-based payments		(443,316)	(354,968)
Share-based payments	11	(188,833)	(54,527)
Listing and share registry costs		(83,718)	(84,248)
Legal fees		(40,374)	(19,469)
Office and communication costs		(42,901)	(28,334)
Other expenses		(47,474)	(37,579)
LOSS BEFORE INCOME TAX		(2,357,677)	(1,259,410)
Income tax benefit		-	-
LOSS FOR THE PERIOD		(2,357,677)	(1,259,410)
Other Comprehensive Income			
Items that may be reclassified to Profit or Loss			
Exchange difference on translation of foreign subsidiaries		(417,925)	1,047,852
Total comprehensive result for the period		(2,775,602)	(211,558)
Basic (loss) per share (cents per share)		(4.50)	(2.62)

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

SCOTGOLD RESOURCES LTD
AND CONTROLLED ENTITIES

	Notes	31 December 2020 $	30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents		1,256,167	1,019,979
Trade and other receivables		765,317	226,134
Inventories		147,004	62,291
Other current assets		476,066	129,253
Total Current Assets		2,644,554	1,437,657
NON-CURRENT ASSETS			
Trade and other receivables	3	1,512,544	1,527,306
Plant and equipment	4	735,808	469,115
Right of use assets	5	2,683,260	1,738,238
Mineral exploration and evaluation	6	2,738,877	2,441,728
Mine development expenditure	7	35,689,330	28,805,352
Total Non-Current Assets		43,359,819	34,981,739
TOTAL ASSETS		46,004,373	36,419,396
CURRENT LIABILITIES			
Trade and other payables		1,637,309	1,127,113
Other current liabilities		598,483	461,999
Borrowings	8	1,070,129	542,761
Total Current Liabilities		3,305,921	2,131,873
NON-CURRENT LIABILITIES			
Borrowings	8	13,985,613	8,740,965
Provisions	9	902,696	657,934
Total Non-Current Liabilities		14,888,309	9,398,899
TOTAL LIABILITIES		18,194,230	11,530,772
NET ASSETS		27,810,143	24,888,624
EQUITY			
Issued capital	10	50,115,292	44,978,659
Reserves		(454,026)	(596,589)
Accumulated losses		(21,851,123)	(19,493,446)
TOTAL EQUITY		27,810,143	24,888,624

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

SCOTGOLD RESOURCES LTD
AND CONTROLLED ENTITIES

	Issued Capital	Accumulated Losses	Options Reserve	Share-based payment reserve	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$	$	$
HALF YEAR TO 31 DECEMBER 2019						
Balances at 1 July 2019	**41,098,558**	**(16,986,248)**	**134,769**	**205,182**	**(788,262)**	**23,663,999**
Adjustment on initial application of AASB16	-	(3,064)	-	-	-	(3,064)
Total comprehensive result for the period	-	(1,259,410)	-	-	1,047,852	(211,558)
Transactions with owners in their capacity as owners:						
Issue of shares	2,075,997	-	-	-	-	2,075,997
Options converted	1,792,820	-	-	-	-	1,792,820
Options exercised pending conversion	45,978	-	-	-	-	45,978
Share-based payments	-	-	-	64,962	-	64,962
Share issue expenses	(35,452)	-	-	-	-	(35,452)
Balances at 31 December 2019	**44,977,901**	**(18,248,722)**	**134,769**	**270,144**	**259,590**	**27,393,682**
HALF YEAR TO 31 DECEMBER 2020						
Balances at 1 July 2020	**44,978,659**	**(19,493,446)**	**134,769**	**283,642**	**(1,015,000)**	**24,888,624**
Total comprehensive result for the period	-	(2,357,677)	-	-	(417,925)	(2,775,602)
Transactions with owners in their capacity as owners:						
Issue of shares	5,468,466	-	-	-	-	5,468,466
Share-based payments	-	-	-	560,488	-	560,488
Share issue expenses	(331,833)	-	-	-	-	(331,833)
Balances at 31 December 2020	**50,115,292**	**(21,851,123)**	**134,769**	**844,130**	**(1,432,925)**	**27,810,143**

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

SCOTGOLD RESOURCES LTD
AND CONTROLLED ENTITIES

	Notes	31 December 2020 $	31 December 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(969,719)	(749,020)
Interest income received		4,572	22,917
Net Cash Outflow from Operating Activities		**(965,147)**	**(726,103)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(346,289)	(469,328)
Payments for mine development activities		(7,140,729)	(5,347,856)
Purchase of plant and equipment		(357,069)	(221,895)
Proceeds from disposal of plant and equipment		400	-
Net Cash Outflow from Investing Activities		**(7,843,687)**	**(6,039,079)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		5,468,466	2,075,997
Share issue costs		(331,833)	(35,452)
Proceeds from exercise of options		-	1,838,798
Proceeds on draw-down of tranches of non-current borrowings		4,545,272	3,762,227
Repayment of lease liabilities		(547,890)	(305,948)
Net Cash Inflow from Financing Activities		**9,134,015**	**7,335,622**
Net increase in cash held		325,181	570,440
Effect of exchange rate fluctuations on cash and cash equivalents		(88,993)	79,429
Cash and cash equivalents at the beginning of the period		1,019,979	3,917,920
Cash and cash equivalents at the end of the period		**1,256,167**	**4,567,789**

These financial statements should be read in conjunction with the accompanying notes.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These consolidated financial statements for the interim half-year reporting period ended 31 December 2020 are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, including AASB 134 'Interim Financial Reporting', and other applicable requirements of the law.

These financial statements have been prepared on a historical cost basis and are presented in Australian dollars. These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period.

The Company is a listed public company, incorporated in Australia and operating in Australia and Scotland. The entity's principal activity is mine development and mineral exploration. These financial statements are for the consolidated entity consisting of Scotgold Resources Limited and its controlled entities.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim period, except for the policies stated below.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

In addition to tranches 3 to 5 of the secured loan facility being drawn down in an aggregate amount of £2,500,000 ($4,545,272), a net amount of $5,136,633 (after taking into account related expenses of $331,833) was raised from the issuing of 2,727,273 ordinary shares at a price of £1.10 ($2.005) per share during the period. These amounts fully funded the operating and investing activities carried out during the period.

Reaching the point of commercial production has taken longer than planned, with the first shipment of concentrate product to MRI Trading AG expected to be made in the second week of May 2021.The ability of the consolidated entity to continue as a going concern is dependent on the quantity and grade of ore mined and processed matching the forecast quantity and grade and adherence to the planned product shipment schedule.

Although the Group has successfully mitigated the effects of the Covid-19 pandemic on operations, the ban on travellers to the United Kingdom from Southern Africa and the limitations on travel to the United Kingdom from Europe have hampered and delayed the efforts to bring the processing plant to a state of commercial production due to inability to bring suppliers' representatives to site.

These conditions indicate a material uncertainty that may cast significant doubt over the ability of the consolidated entity to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued**)**

In April 2021, net equity funding of £1,414,700 ($2,551,768), being £1,500,000 ($2,705,628) net of costs of £85,300 ($153,860), was raised through the placement of 2,142,857 Ordinary shares at £0.70 per share. In addition, Mr Nat le Roux, Mr Bill Styslinger, Mr Peter Hetherington and Mr Ian Proctor, all directors of the Company, together with a third party, have undertaken to provide short-term, interest-free loan funding of up to £2,000,000 to fund the working capital requirements of the Group as commercial production volumes are ramped up and the first cash inflows from product sales are received.

Accordingly, the Directors believe that the consolidated entity has access to sufficient financing to be able to continue as a going concern.

Should the consolidated entity not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity be unable to continue as a going concern.

Statement of Compliance

The financial report was authorised for issue on 30 April 2021.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Adoption of new and revised standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

In applying AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia, it is noted that the following International Financial Reporting Standards issued by the International Accounting Standards Board are effective for annual reporting periods commencing on or after 1 January 2021, preceding the effective date of application of the equivalent Australian Accounting Standard:

- Amendments to IFRS 17 and IFRS 4, 'Insurance contracts', deferral of IFRS 9, which defer the date of application of IFRS 17 Insurance Contracts by two years until 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 (the current International Financial Reporting Standard dealing with insurance contracts) from applying IFRS 9 Financial Instruments until 1 January 2023; and
- Amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, which address issues that arise from the implementation of interest rate benchmark reforms, including the replacement of one benchmark with an alternative one.

The application of these International Financial Reporting Standards during the current period have had no effect on the entity.

The application of the other new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period has had no effect on the entity during the current period.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other than the amendments to AASB 116 contained in AASB 2020-3 Amendments to Australian Accounting Standards - Annual improvements 2018-2020 and Other Amendments, there has been no early adoption of new or amended Accounting Standards or Interpretations that are not yet mandatory.

The amendments to AASB 116 are mandatory for annual reporting periods beginning on or after 1 January 2022 and apply retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary to be capable of operating in the manner intended by management, on or after the beginning of the earliest period presented in the financial statements to which the amendments first apply (i.e. 1 July 2021) and provide that where samples are produced as a result of testing whether an asset is functioning properly, then the revenue resulting from the sale of those samples produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management must be recognised in profit or loss (as opposed to being credited to the cost of that asset). As no such revenue has been generated during the current reporting period, the early adoption of the amendments to AASB 116 has had no effect on the financial statements for the current reporting period.

NOTE 2 – INTEREST EXPENSE

	Six months to 31 December 2020 $	Six months to 31 December 2019 $
Interest expense is attributable to the following:		
Secured loan (see Note 8)	472,190	221,681
Lease liabilities (see Note 8)	100,312	50,273
Unwinding of discount on provision for restoration and decommissioning (see Note 9)	2,777	1,603
Total interest cost expensed	575,279	273,557

NOTE 3 – TRADE AND OTHER RECEIVABLES

Non-current trade and other receivables comprise the following:

	31 December 2020 $	30 June 2020 $
Rehabilitation, restoration and land management Bond deposits	1,459,512	1,473,600
Performance Bond deposits	53,032	53,706
	1,512,544	1,527,306

NOTE 4 – PLANT AND EQUIPMENT

Plant and equipment	31 December 2020 $	30 June 2020 $
Cost	1,129,368	791,625
Accumulated depreciation	(393,560)	(322,510)
	735,808	469,115

NOTE 4 – PLANT AND EQUIPMENT (continued)

Movement for the six months ended 31 December 2020

Cost	**Plant and equipment**	**Motor vehicles**	**Furniture and office equipment**	**Total**
Opening balance	706,751	56,206	28,668	791,625
Additions	325,218	679	31,172	357,069
Disposals	-	-	(403)	(403)
Foreign exchange movement	(17,349)	(722)	(852)	(18,923)
Closing balance	1,014,620	56,163	58,585	1,129,368
Accumulated depreciation				
Opening balance	292,204	23,995	6,311	322,510
Depreciation expensed	67,091	4,153	5,499	76,743
Disposals	-	-	(3)	(3)
Foreign exchange movement	(5,102)	(391)	(197)	(5,690)
Closing balance	354,193	27,757	11,610	393,560

Movement for the year ended 30 June 2020

Cost	**Plant and equipment**	**Motor vehicles**	**Furniture and office equipment**	**Total**
Opening balance	1,221,591	71,348	11,366	1,304,305
Reclassification as right-of-use assets	(865,168)	(42,620)	-	(907,788)
Additions	376,007	34,509	18,217	428,733
Disposals	-	(6,709)	-	(6,709)
Foreign exchange movement	(25,679)	(322)	(915)	(26,916)
Closing balance	706,751	56,206	28,668	791,625
Accumulated depreciation				
Opening balance	282,276	24,439	1,028	307,743
Reclassification as right-of-use assets	(59,257)	(6,014)	-	(65,271)
Depreciation expensed	75,253	8,755	5,589	89,597
Disposals	-	(2,789)	-	(2,789)
Foreign exchange movement	(6,068)	(396)	(306)	(6,770)
Closing balance	292,204	23,995	6,311	322,510
Net carrying value				
At 31 December 2020	660,427	28,406	46,975	735,808
At 30 June 2020	414,547	32,211	22,357	469,115

NOTE 5 – RIGHT-OF-USE ASSETS

	31 December 2020 $	30 June 2020 $
Cost	3,826,505	2,411,627
Accumulated Depreciation	(1,143,245)	(673,389)
	2,683,260	1,738,238

The movements in Right-of-use assets are as follows:

	Period ended 31 December 2020 $	Year ended 30 June 2020 $
Cost		
Opening balance	2,411,627	-
Recognition at date of initial application	-	756,378
Reclassification from plant and equipment on initial application	-	907,788
Additions	1,452,277	552,323
Modifications of rights	27,113	257,641
Foreign exchange movement	(64,512)	(62,503)
Closing balance	3,826,505	2,411,627
Accumulated Depreciation		
Opening balance	673,389	-
Reclassification from plant and equipment on initial application	-	65,271
Depreciation expensed	488,762	638,842
Foreign exchange movement	(18,906)	(30,724)
Closing balance	1,143,245	673,389

During the period, an amount of $180,333 (year ended 30 June 2020 - $276,732) paid in respect of short-term leases and leases of low value assets was charged to mine development expenditure, being primarily payments in respect of mobile plant used in the construction of the processing plant building and tailings management facility hired on a weekly basis for consecutive periods of more than one month, most of which were off-hired by 31 December 2020.

NOTE 6 – MINERAL EXPLORATION AND EVALUATION

	Six months to 31 December 2020 $	Year to 30 June 2020 $
Opening balance	2,441,728	2,034,815
Additional expenditure capitalised during the period	334,959	440,126
Foreign exchange movement	(37,810)	(33,213)
Closing balance	2,738,877	2,441,728

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation, or sale of the respective areas.

NOTE 7 – MINE DEVELOPMENT EXPENDITURE

	Six months to 31 December 2020 $	Year to 30 June 2020 $
Opening balance	28,805,352	20,293,754
Expenditure incurred	6,764,877	8,680,503
Share-based payment costs capitalised (see Note 11)	371,655	12,266
Increase in Provision for restoration and decommissioning (see Note 9)	253,483	381,727
Foreign exchange movement	(506,037)	(562,898)
Closing balance	35,689,330	28,805,352

Share-based payment costs capitalised as mine development expenditure relate to options granted to senior management to incentivise the meeting of the corporate target of producing first gold at the Cononish Mine.

Mine development expenditure includes $180,333 (year ended 30 June 2020 - $276,732) of amounts paid during the period in respect of short-term leases and leases of low value assets.

Mine development expenditure includes the following amounts in respect of the Cononish Mine which will be transferred to plant and equipment when they have been completed and are in a condition suitable for their intended use or in the case of capitalised mining costs, once the stage of commercial production is reached:

	31 December 2020 $	30 June 2020 $
Processing plant	7,545,005	6,026,401
Processing plant building	4,668,152	2,841,013
Tailings management facility	953,714	429,080
Capitalised mining costs	5,242,112	3,650,350
Provision for restoration and decommissioning	852,659	610,013
	19,261,642	13,556,857

NOTE 8 – BORROWINGS

	31 December 2020 $	30 June 2020 $
Non-current		
Secured loan facility	12,466,826	7,681,847
Lease liabilities	1,518,787	1,059,118
	13,985,613	8,740,965

	31 December 2020 $	30 June 2020 $
Current		
Lease liabilities	1,070,129	542,761
	1,070,129	542,761
Total borrowings	15,055,742	9,283,726

NOTE 8 – BORROWINGS (continued**)**

All of the borrowings are denominated in £ (Pounds sterling).

Loan from company controlled by shareholder

There have been no material changes or variations to the terms of the secured loan facility agreement since the prior reporting year ended 30 June 2020.

A drawdown of £500,000 was made on the secured loan facility on 8 July 2020 (the Third Tranche) and further drawdowns of £1,000,000 each were made on 12 August 2020 and 1 September 2020 (the Fourth and Fifth Tranches).

The secured loan is in good standing at the reporting date.

Movements on the secured facility loan for the six months ended 31 December 2020:

	First tranche $	Second Tranche $	Third Tranche $	Fourth Tranche $	Fifth Tranche $	Total $
Balance at beginning of period	3,898,092	3,783,755	-	-	-	7,681,847
Drawdowns	-	-	904,159	1,830,831	1,810,282	4,545,272
Interest at effective rate	169,115	158,400	36,323	58,280	50,072	472,190
Foreign exchange movement	(52,542)	(50,877)	(21,076)	(64,356)	(43,632)	(232,483)
Balance at end of period	4,014,665	3,891,278	919,406	1,824,755	1,816,722	12,466,826

The effective interest rate on the secured loan facility is 8.40% (Year ended 30 June 2020 – 8.46%) per annum.

Lease liabilities

The movements in lease liabilities are as follows:

	Six months to 31 December 2020 $	Year to 30 June 2020 $
Opening balance	1,601,879	-
Recognition at date of initial application	-	759,442
Reclassification of hire purchase facilities on initial application	-	732,531
Additional rights acquired	1,452,277	477,137
Modifications to rights	27,113	257,641
Interest expense	100,312	98,956
Repayments	(547,890)	(698,243)
Foreign exchange movement	(44,775)	(25,585)
Balance at end of period	2,588,916	1,601,879
Non-current portion	1,518,787	1,059,118
Current portion	1,070,129	542,761

NOTE 8 – BORROWINGS (continued**)**

The effective interest rate on the lease liabilities is 8.96% (year ended 30 June 2020 – 7.44%) per annum. Right-of-use assets with an aggregate net carrying value of $2,683,260 (30 June 2020 - $1,738,238) are financed by the lease liabilities.

NOTE 9 – PROVISIONS

	31 December 2020 $	30 June 2020 $
Provision for restoration and decommissioning	902,696	657,934

This provision represents the best estimate of the present value of expenditures required to effect restoration of the Cononish mine area at the end of mining operations at the mine as well as to carry out aftercare and monitoring activities in terms of the Decommissioning and Restoration Plan formulated in accordance with the requirements set out in the Section 75 Agreement entered into by SGZ Cononish Limited on 12 September 2018, based on the mine development activities carried out up to and including 31 December 2020.

In arriving at the amount of the provision, an annual inflation rate of 2.0% has been applied to estimated future costs stated at current levels and the resultant cashflows have been discounted back to 31 December 2020 using a discount rate of 0.98%. The discount rate was changed during the period from the rate of 0.87% used to determine the amount of the provision at 30 June 2020.

The movements in the provision are as follows:

	Six months to 31 December 2020 $	Year to 30 June 2020 $
Opening balance	657,934	238,690
Unwinding of discount	2,777	24,209
Adjustment for mine development progress and change in rate	253,483	381,727
Restoration provision attributable to right-of-use asset acquired	-	27,476
Foreign exchange movement	(11,498)	(14,168)
Closing balance	902,696	657,934

NOTE 10 – ISSUED CAPITAL

	31 December 2020 No. of shares	30 June 2020 No. of shares	31 December 2020 $	30 June 2020 $
Ordinary shares – fully paid	54,079,014	51,351,741	50,115,292	44,978,659

NOTE 10 – ISSUED CAPITAL (continued)

(a) Movements in ordinary share capital

During the six months ended 31 December 2020

Date	Details	Shares	Value (cents)	$
	Balance at beginning of period	51,351,741		44,978,659
16/10/2020	Share subscription	999,545	2.005	2,004,192
26/10/2020	Share subscription	1,727,728	2.005	3,464,274
26/10/2020	Expenses related to share subscription			(331,833)
	Balance at 31 December 2020	54,079,014		50,115,292

During the year ended 30 June 2020

Date	Details	Shares	Value (cents)	$
	Balance at beginning of year	45,639,546		41,098,558
28/08/2019	Share subscription	3,285,783	0.6318	2,075,997
28/08/2019	Expenses related to share subscription			(35,452)
28/08/2019	Options conversion	23,704	0.7169	16,994
22/10/2019	Options conversion	826	0.7203	595
20/11/2019	Options conversion	153,000	0.7550	115,523
03/12/2019	Options conversion	43,968	0.7639	33,589
09/12/2019	Options conversion	398,137	0.7639	304,157
23/12/2019	Options conversion	1,744,657	0.7577	1,321,962
07/01/2020	Options conversion	59,256	0.7524	44,582
05/02/2020	Options conversion	2,856	0.7525	2,148
11/03/2020	Options conversion	8	0.7500	6
	Balance at 30 June 2020	51,351,741		44,978,659

Shares issued for non-cash consideration amounted to Nil during the period (year ended 30 June 2020 - Nil).

(b) Movements in options

There have been no movements in options since the prior reporting year ended 30 June 2020, other than the share-based payment changes disclosed in Note 11.

The options outstanding at 31 December 2020, excluding options issued to key management and senior managers as share-based payment, are as follows:

Number	Exercise Price	Expiry Date	Option Reserve $
30,000	$8.00	31 March 2022	134,769

Details of options issued to key management and senior managers are set out in Note 11.

NOTE 11 – SHARE-BASED PAYMENTS

The rules of the Enterprise Management Incentive Scheme of the Company provide that the Board may at its discretion grant Enterprise Management Incentive Scheme options to employees of the Company and its controlled entities to acquire ordinary shares in the Company at such exercise price and in such numbers as it considers appropriate and to attach such performance conditions to the vesting of such options as it considers appropriate, subject to compliance with the provisions of Schedule 5 of the United Kingdom Income Tax (Earnings and Pensions) Act 2003 and other applicable legislation,

On 1 July 2020, 400,000 options were granted to Mr Richard Gray, the then Managing Director of the Company. Each option entitles the holder to one ordinary unissued share at a strike price of £0.71. The vesting of these options is subject to the non-market vesting condition of cumulative gold production at the Cononish mine (excluding any gold produced prior to 1 July 2020) exceeding a level of 500 gold equivalent ounces. The options are exercisable by the holder with effect from the vesting date, expire on 30 June 2025 and carry no dividend or voting rights. Of these 400,000 options, 352,112 were granted under the Enterprise Management Incentive Scheme of the Company. None of the 400,000 options had vested at 31 December 2020, but all of the options are expected to vest in future.

On 1 July 2020, 750,000 options were granted to senior managers of the Company under the Enterprise Management Incentive Scheme of the Company. Each option entitles the holder to one ordinary unissued share at a strike price of £0.71. Of the 750,000 options, 400,000 vest when cumulative gold production at the Cononish mine (excluding any gold produced prior to 1 July 2020) exceeds a level of 500 gold equivalent ounces and 350,000 vest when cumulative gold production at the Cononish mine (excluding any gold produced prior to 1 July 2020) exceeds a level of 10,000 gold equivalent ounces, these vesting conditions being non-market vesting conditions. The options are exercisable by the holder with effect from the vesting date, expire on 30 June 2025 and carry no dividend or voting rights. None of the 400,000 options had vested at 31 December 2020, but all of the options are expected to vest in future.

On the granting of the 750,000 options, 120,000 of the options with an exercise price of £0.34 per share granted to senior managers on 16 April 2019 were cancelled.

On 29 July 2020, 200,000 options were granted to Saint Consulting (UK) Limited, the company providing project management services in respect of the construction of the Cononish mine processing plant building and tailings management facility. Each option entitles the holder to one ordinary unissued share at a strike price of £0.71. The vesting of these options is subject to the non-market vesting condition of successful completion of hot commissioning of the Cononish Mine processing plant on or before 31 December 2020, as determined by the Board. The options are exercisable by the holder with effect from the vesting date, expire on 28 July 2023 and carry no dividend or voting rights. All of these options had vested by 31 December 2020.

The options were valued using the “Black-Scholes” model, employing the following key inputs and assumptions:

	Granted 1 July 2020	Granted 29 July 2020
Expected volatility	55%	55%
Risk-free rate	0.30%	0.20%
Life of option	5 years	3 years
Valuation date	1 July 2020	29 July 2020

As at 31 December 2020, the share options granted to management and consultants for services rendered and expected to vest in future have the following expiry dates and exercise prices:

NOTE 11 – SHARE-BASED PAYMENTS (continued**)**

Grant date	Number of options	Expiry date	Exercise price per option	Fair value per option
1 May 2018	1,000,000	1 May 2028	£0.30	£0.172
1 July 2020	1,150,000	30 June 2025	£0.71	£0.331
29 July 2020	200,000	28 July 2023	£0.71	£0.439

The average strike price at 31 December 2020 of the 2,350,000 options outstanding at that date and expected to vest in future is £0.536 (30 June 2020 - £0.304).

The movement in number of options issued as share-based payment is as follows:

	Six months to 31 December 2020 Number	Year to 30 June 2020 Number
Opening balance	1,120,000	1,120,000
Grant of options on 1 July 2020	1,150,000	-
Options cancelled on 1 July 2020	(120,000)	-
Grant of options on 29 July 2020	200,000	-
Closing balance	2,350,000	1,120,000

Charges in respect of share-based payment have been recognised as follows:

	Charged to profit or loss	Charged to mine development	Increase in share-based payment reserve
	$	$	$
Cumulative to 30 June 2019	200,954	4,228	205,182
During year ended 30 June 2020	66,194	12,266	78,460
Cumulative to 30 June 2020	267,148	16,494	283,642
During year ended 31 December 2020	188,833	371,655	560,488
Cumulative to 31 December 2020	455,981	388,149	844,130

The charge to profit or loss has been made in respect of the 1,000,000 options and 400,000 options granted to Mr Richard Gray on 1 May 2018 and 1 July 2020 respectively.

NOTE 12 – RELATED PARTIES

During the period of six months ended 31 December 2020, 400,000 options were granted to Mr Richard Gray as share-based payment. Details of these options are set out in Note 11.

Mr Phillip Day was appointed to the Board on 1 April 2021. The Company and SGZ Grampian Limited have respectively entered into a service agreement with Mr Phillip Day and an agreement for the rendering of consultancy services with PAW Consulting Services GmbH, a company controlled by Mr Phillip Day.

NOTE 12 – RELATED PARTIES (continued**)**

Basic remuneration of £161,250 per annum is payable in terms of the service agreement and Mr Phillip Day shall be eligible to join the Group pension fund. The annual leave entitlement of Mr Phillip Day amounts to 18.75 days plus a pro rata number of public holidays in Scotland. The service agreement further provides that Mr Phillip Day shall be reimbursed for the reasonable cost of necessary travel incurred in connection with visits to the operations of the Group in Scotland, including flights to and from Switzerland and car hire in the United Kingdom, and that the Group shall provide accommodation to Mr Phillip Day while he is visiting the operations.

The agreement for the rendering of consultancy services with PAW Consulting Services GmbH provides for a consultancy service fee of £4,479 per month, excluding VAT, to be payable net of any amounts in respect of income tax and national insurance contributions required to be deducted by law. In addition, the Group shall reimburse all reasonable expenses incurred by PAW Consulting Services GmbH in rendering the consultancy services.

Each of the Directors is a related party. Mr Chris Sangster provides technical consulting services to the Company. Of the $38,380 paid to Mr Chris Sangster for these services during the period of six months ended 31 December 2020, $21,338 relates to a technical project sponsored by the European Union and is claimable against the grant funding received in respect of that project. The fees charged by Mr Chris Sangster for technical consulting services are charged at commercial, arm's length rates in accordance with time incurred. Mr Chris Sangster resigned from the Board on 26 February 2021.

Mr Richard Barker provides the services of Company Secretary through his service company Barston Corporation Pty Ltd. The services as Company Secretary provided by Mr Barker are charged at commercial, arm's length rates.

A company controlled by Mr Nat le Roux provided loan funds to the consolidated entity on commercial terms throughout the period, details of which are disclosed in Note 8. That company also paid an amount of £22,800 ($40,304) in respect of recruitment fees on behalf of the Group during the period, which amount was included in trade and other payables at 31 December 2020 and was reimbursed by the Group on 18 January 2021. The recruitment fees were paid on normal commercial terms by Mr Nat le Roux's company and were reimbursed on normal commercial terms.

As disclosed in Note 16, Mr Nat le Roux, Mr Bill Styslinger, Mr Peter Hetherington and Mr Ian Proctor, all directors of the Company, together with a third party, have undertaken to provide short-term, interest-free loan funding of up to £2,000,000 to fund the working capital requirements of the Group.

NOTE 13 - COMMITMENTS FOR EXPENDITURE

Amounts payable to Loch Lomond and the Trossachs Countryside Trust

The following amounts are payable to the Loch Lomond and the Trossachs Countryside Trust in terms of Clause 18 of the Section 75 Agreement entered into with the owner of the land on which the Cononish mine is situated, the Loch Lomond and the Trossachs National Park Authority and the Crown Estate Scotland in respect of the development of the Cononish mine:

	$
Not later than one year	44,193
Later than 1 year but not later than 2 years	88,386
Later than 2 years but not later than 5 years	265,158
Later than 5 years	265,158
	662,895

NOTE 13 - COMMITMENTS FOR EXPENDITURE (continued**)**

Contract for purchase of mobile plant

On 6 November 2020, SGZ Cononish Limited entered into a contract for the purchase of a dump truck for use in underground mining operations. As at 31 December 2020, an amount of $326,502 (USD251,472) is payable after that date when the dump truck is ready to be shipped from the plant in Canada.

Other than the commitments disclosed above, there have been no material changes during the period to the commitments disclosed in the annual report for the year ended 30 June 2020.

NOTE 14 - CONTINGENT LIABILITIES

There have been no material changes during the period to the contingent liabilities disclosed in the annual report for the year ended 30 June 2020.

NOTE 15 - SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Scotgold Resources Limited.

The comparative information disclosed is for the period ended 31 December 2019 in the case of segment loss, interest expense and depreciation and for the year ended 30 June 2020 in the case of balances of and movements in segment assets and liabilities.

Six months ended 31 December 2020

	Scotland Mining	Scotland Exploration	Australia	Other	Total
	$	$	$	$	$
Segment other income	4,503	69	-	-	4,572
Segment loss	1,900,926	11,472	445,279	-	2,357,677
Segment assets	42,254,665	3,673,679	72,537	3,492	46,004,373
Segment non-current assets	40,585,069	2,771,014	3,736	-	43,359,819
Segment liabilities	18,086,722	48,446	48,070	10,992	18,194,230
Segment non-current liabilities	14,877,940	10,369	-	-	14,888,309
Included in segment result:					
Interest expense	574,653	626	-	-	575,279
Depreciation	560,738	4,767	-	-	565,505
Capitalised exploration	-	334,959	-	-	334,959
Mine development costs	6,764,877	-	-	-	6,764,877
Acquisition of fixed assets	357,069	-	-	-	357,069
Right-of-use assets acquired	1,452,277	-	-	-	1,452,277

NOTE 15 - SEGMENT INFORMATION (continued)

Comparative figures

For the six months ended 31 December 2019:	Scotland Mining $	Scotland Exploration $	Australia $	Other $	Total $
Segment other income	153,559	1,926	1	-	155,486
Segment loss	952,492	9,878	271,623	25,417	1,259,410
As at 30 June 2020:					
Segment assets	33,519,343	2,808,519	87,951	3,583	36,419,396
Segment non-current assets	32,499,007	2,478,996	3,736	-	34,981,739
Segment liabilities	11,384,404	73,087	62,003	11,278	11,530,772
Segment non-current liabilities	9,385,903	12,996	-	-	9,398,899
Included in segment result for the six months ended 31 December 2019:					
Interest expense	272,746	811	-	-	273,557
Depreciation	327,865	7,103	-	-	334,968
Movement for the year ended 30 June 2020:					
Capitalised exploration	-	440,126	-	-	440,126
Mine development costs	8,680,503	-	-	-	8,680,503
Acquisition of fixed assets	428,733	-	-	-	428,733
Right-of-use assets acquired	552,323	-	-	-	552,323

NOTE 16 - MATTERS SUBSEQUENT TO THE END OF PERIOD

Drawdowns of £500,000 were made on the secured loan facility on each of 5 February 2021 and 17 March 2021.

On 17 February 2021, SGZ Cononish Limited received £150,000 ($268,769) from Scottish Enterprise in the form of the third instalment of the Regional Selective Assistance grant

Mr Chris Sangster resigned from the Board on 26 February 2021.

The Group entered into an agreement for the sale and purchase of gold concentrates with LN Metals International Limited on 13 July 2012. Subsequently, MRI Trading AG assumed the rights and obligations of LN Metals International Limited set out in that agreement. On 12 March 2021, the Group updated the terms of that agreement to take into account the change in counterparty and it was agreed that those updated terms would be embodied in a new off-take agreement, on materially the same terms, between SGZ Cononish Limited and MRI Trading AG in respect of 100% of the gold concentrate produced by the Cononish Mine for the period up to and including February 2022.

NOTE 16 - MATTERS SUBSEQUENT TO THE END OF PERIOD (continued**)**

On 19 March 2021, a Minerals Royalty Deed was entered into with FirstRand Investment Holdings Pty Ltd in terms of which a royalty of 0.375% is payable on the value of all gross sales, excluding any premium realised above spot prices, of gold and silver produced and sold by the Cononish Mine. This Deed replaces the obligation to pay a commission on sales of gold concentrate set out in the agreement for the sale and purchase of gold concentrates entered into with LN Metals International Limited on 13 July 2012.

With effect from 1 April 2021, Richard Gray retired from the role of Managing Director, becoming a Non-Executive Director, and Phillip Day was appointed as Managing Director on that date.

Net equity funding of £1,414,700 ($2,551,768), being £1,500,000 ($2,705,628) net of costs of £85,300 ($153,860), was raised through the placement of 2,142,857 Ordinary shares at £0.70 per share on 7 April 2021. The equity funding was received in two tranches, on 9 April 2021 and 16 April 2021 respectively.

Mr Nat le Roux, Mr Bill Styslinger, Mr Peter Hetherington and Mr Ian Proctor, all directors of the Company, together with a third party, have undertaken to provide short-term, interest-free loan funding of up to £2,000,000 to fund the working capital requirements of the Group.

Apart from the above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

SCOTGOLD RESOURCES LTD
AND CONTROLLED ENTITIES

1. In the opinion of the Directors of Scotgold Resources Limited (the 'Company'):
    a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
        i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended; and
        ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
    b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5) of the Corporations Act 2001

....
PHILLIP DAY – Managing Director and CEO

Dated at Tyndrum, this 30th day of April, 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Scotgold Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Scotgold Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 April 2021

SCOTGOLD
RESOURCES LTD
AND CONTROLLED ENTITIES

ANALYSIS OF SHAREHOLDING

Voting Rights

Article 16 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

a) for every fully paid share held by him one vote
b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares

Substantial Shareholders as at 30 April 2021

The following substantial shareholders have notified the Company in accordance with Corporations Act 2001.

Mr Nat le Roux	22,618,223	40.23%
Mr William Styslinger	5,931,400	10.55%
Mr Peter Hetherington	2,088,961	3.72%
The Holywell Alpaca Settlement	2,000,000	3.56%
Mr Charles Outhwaite	1,883,115	3.35%
Rhodora Ltd	1,744,657	3.10%

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