

RNS Strategy/Company/Operations Update

Production and Corporate Update

SCOTGOLD RESOURCES LIMITED

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Scotgold Resources Limited ('Scotgold' or the 'Company') Production and Corporate Update

Scotgold Resources Limited (AIM: SGZ), the gold exploration and production company focused on Scotland, is pleased to provide an update on mine production and processing performance at the Cononish Gold and Silver Project in Scotland, ('Cononish') during July 2021.

Mining: high grade ore being mined as planned

Mining activity continued uninterrupted throughout July in the high grade area of the mine as planned. Scotgold's dual focus is to further enhance safe production through consistency and stability of mine and process plant operations in parallel with the opening of multiple faces of ore in the underground mine itself.

Mining activities further increased the volume and, importantly, the quality of ore stored on the stockpile. The ore thickness is wider than anticipated producing more high grade ore from this cut and fill section.

Our second DUX truck is expected to arrive at the end of August and is expected to be available for use in September, greatly reducing the risk to our operations with expected utilisation of mining equipment to be achieved.

Processing: continuous operations expected following risk analysis

As part of the Risk Analysis approach implemented by the Company, the process plant was taken offline several times throughout July to conduct further proactive inspections of risk areas to prevent future failures. This work proved useful in identifying a number of preventative measures which has resulted in the process plant having been in 24 hour operations since this work was completed. This step change has seen the process plant average over 90% of design throughput for the last 10 days of the month.

Shipments: second gold concentrate shipment made

As planned, the process plant produced sufficient concentrate throughout the month to allow another shipment of 25 tonnes of concentrate, further strengthening our goal to achieve steady ramp up in production.

Monthly updates

The Company expects to continue informing the market through regular monthly updates, where a focus on more forward looking statements is expected including the ramp-up of production and new estimates for calendar year 2021 gold production.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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