



27<sup>th</sup> September 2021

**Scotgold Resources Limited  
("Scotgold" or the "Company")**

**Conversion of short-term loan funding**

Further to its announcement of 4 May 2021, the Company is pleased to announce that it has agreed to the settlement of the amounts owed by SGZ Cononish Ltd ("SCL"), a wholly owned subsidiary of the Company, under the short-term loan funding provided to the Company (the "Director Loan") by certain directors of the Company, being Nathaniel le Roux, William "Bill" Styslinger, Peter Hetherington and Ian Proctor, together with an unrelated third party (the "Lenders") by the issuing of 3,301,420 new ordinary shares of no par value each in the Company ("Ordinary Shares") at a price of 60.58p per new Ordinary Share (the "Loan Settlement Shares").

The Loan Settlement Share price of 60.58p represents a 15.07% discount to the volume weighted average price (VWAP) of the Ordinary Share for the last 30 trading days. The 15.07% discount is the average discount for equity issues for cash by AIM basic materials companies over the five month period ending 31 August 2021.

**Background**

In light of the significant operational progress made this year, the participants in the Director Loan expressed their willingness to convert the loan into equity. The directors took the view that conversion was in the best interests of the Company and all the shareholders. Relieved of its obligation to repay the loan in November 2021, the Company will have significant additional cash resources. These will be used in the immediate term to further de-risk operational processes and accelerate optimisation of the mine and process plant.

The Company's operational performance is on track to achieve the targets for September in line with previous announcements. The DUX truck arrived as planned, mining has

continued in the cut and fill stope area and the process plant is expected to produce between 50 and 75 tonnes of concentrate.

**CEO, Phillip Day, commented:** *“This a clear signal to the market of the Board’s continued commitment to the success of Scotgold, and also to their confidence in our combined ability to generate real returns for our shareholders. The agreement of this short-term loan in May came at a time when the management were addressing a number of operational challenges as part of the ramp up of our Cononish Gold-Silver Mine in Scotland, with the funds used judiciously to continue this process with a view to achieving targeted design processing capacity. As communicated in my monthly operational updates, this process has been successful, and we are on track to achieve monthly operating targets.*

*Today’s settlement and conversion is an important development for Scotgold, and I look forward to continuing this forward momentum by building on our operational successes and enhancing our financial performance over the coming months.”*

#### **Director Shareholdings on Admission**

On Admission of the Loan Settlement Shares to trading on AIM (“Admission”) the beneficial interests of those directors of Scotgold receiving Loan Settlement Shares are set out below:

Director	Current Shareholding	Current % Shareholding	Loan Settlement Shares	Shareholding on Admission	Resultant % shareholding on Admission
Mr Nat le Roux	22,618,223	40.23%	2,094,751	24,712,974	41.52%
Mr William Styslinger	5,931,400	10.55%	549,686	6,481,086	10.89%
Mr Peter Hetherington	2,088,961	3.72%	378,013	2,466,974	4.14%
Mr Ian Proctor	1,155,844	2.06%	105,645	1,261,489	2.12%

#### **Related Party Transaction**

The conversion of funds provided by Nathaniel Le Roux, Bill Styslinger, Peter Hetherington and Ian Proctor pursuant to the Director Loan into new Ordinary Shares constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Accordingly, the board of Scotgold (excluding those Lenders who are directors of the Company, who are precluded from opining) consisting of Phillip Day, Richard Gray, Philip Jackson and Richard Barker, having consulted with SP Angel, the Company's nominated adviser, consider that the conversion of the funds provided by Nathaniel Le Roux, Bill Styslinger, Peter

Hetherington and Ian Proctor pursuant to the Director Loan into new Ordinary Shares to be fair and reasonable insofar as its shareholders are concerned.

### Application for admission

The Loan Settlement Shares will rank pari passu in all respects with the existing Ordinary Shares. Application will be made for the 3,301,420 Loan Settlement Shares to be admitted to trading on AIM ("Admission") and Admission is expected to take place on or around 30 September 2021.

Following Admission, the Company's enlarged issued share capital will comprise of 59,523,291 ordinary shares of no par value with voting rights. The Company does not hold any shares in treasury, therefore the total number of shares in the Company with voting rights will be 59,523,291. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company.

### NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1.	Details of the person discharging managerial responsibilities/ person closely associated	
(a)	Full name of person Dealing	<ol style="list-style-type: none"> <li>1. Nathaniel le Roux</li> <li>2. Peter Hetherington</li> <li>3. Ian Proctor</li> <li>4. Bill Stysliger</li> </ol>
2.	Reason for notification	
(a)	Position/status	<ol style="list-style-type: none"> <li>1. Non-Executive Chairman</li> <li>2. Non-Executive Director</li> <li>3. Non-Executive Director</li> <li>4. Non-Executive Director</li> </ol>
(b)	Initial notification/ Amendment	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	

(a)	Name of entity	Scotgold Resources Limited										
(b)	LEI	213800HL5A2K7LW2G360										
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted											
(a)	Description of the financial instrument, type of instrument	Ordinary Shares of No Par Value										
(b)	Identification code	AU000XINEAK5										
(c)	Nature of the transaction	Issue of new Ordinary Shares in lieu of cash										
(d)	Price(s) and volume(s)	<table> <thead> <tr> <th>Prices(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>60.58 pence</td> <td>2,094,751</td> </tr> <tr> <td>60.58 pence</td> <td>549,686</td> </tr> <tr> <td>60.58 pence</td> <td>378,013</td> </tr> <tr> <td>60.58 pence</td> <td>105,645</td> </tr> </tbody> </table>	Prices(s)	Volume(s)	60.58 pence	2,094,751	60.58 pence	549,686	60.58 pence	378,013	60.58 pence	105,645
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(e)	Aggregated information: - Aggregated volume - Price	Single transaction as in 4(d) above <table> <thead> <tr> <th>Prices(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>60.58 pence</td> <td>3,128,095</td> </tr> </tbody> </table>	Prices(s)	Volume(s)	60.58 pence	3,128,095						
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60.58 pence	3,128,095											
(f)	Date of transaction	24 September 2021										
(g)	Place of transaction	XLON										

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.

For further information please contact:

**Scotgold Resources  
Limited**

Chief Executive Officer

Philip Day

**SP Angel Corporate Finance  
LLP**

Nomad and Broker

Ewan Leggat / Charlie  
Bouverat

Tel +44 (0) 20 3470 0470

**St Brides Partners**

Financial PR

Susie Geliher / Selina

Lovell

Tel +44 (0) 20 7236 1177