



22 December 2021

Scotgold Resources Limited ("Scotgold" or the "Company")
Final Results

Scotgold Resources Limited (AIM: SGZ), is pleased to announce its Annual Results for the year ended 30 June 2021.

Overview

Ramping up production at Scotland's first commercial gold mine

- Significant progress made at Cononish Gold and Silver Mine ('Cononish') in Scotland as the Company targets production of c.23,500oz p.a. run rate of gold by Q1 2023
- New management team appointed in April 2021 to spearhead Cononish expansion and optimisation
 - A redesign of the 2021 mine schedule/design was completed in May 2021 to allow for faster access to higher grade zones within the ore body
 - Completed modifications and upgrades on the process plant and identified and purchased critical and required spare parts for the processing plant
 - Implemented maintenance planning practices
 - Formed strategic alliances with suppliers and engineering/fabrication shops within Scotland and the UK
 - Phase 1 ramp up due to be completed end December 2021 with November and December 2021 production in line with management's targets
 - Gravity gold production remains on track with a delivery to the refiners completed in December
- As of August 2021, Scotgold has consistently achieved production revenues that exceed operational costs
- Operational and strategy update will be made in January 2022 with Cononish optimisation initiatives for 2022 and production guidance
- Vision to build a multi-asset gold production company in Scotland - three prospective areas, close to Cononish, being identified as high priority target areas with data modelling in progress to establish the best sites to test these targets in any potential future exploration drill programmes

Scotgold Resources CEO, Phil Day said, *“Considerable progress has been made during 2021 at our flagship Cononish mine in Scotland, seeing us successfully ramp up production, in line with our accelerated expansion plan to achieve production of c.23,500oz p.a. run rate of gold production by Q1 2023.*

“Since joining as CEO in April 2021, with a newly appointed leadership team at the helm, we have been focused on building our foundations to accelerate growth for the future as Scotland’s first commercial gold mining company. We have done this on several fronts. Firstly, investing in the Scotgold team, with our headcount increasing 92% from 38 to 73 in December 2021 with the intention to grow our team further in 2022. Importantly we have focused on the optimisation of our processing plant and mine development plan to increase the production rate of both our gravity concentrate gold which produces gold doré for the Scottish jewellery market and our high-grade concentrate where we have an established off-take agreement.

“We’ve concentrated on de-bottlenecking and the availability of our process plant through maintenance practises and planning and in October 2021 we successfully completed the Ball Mill reline. As I write this, we are consistently achieving production revenues that exceed operational costs. December production currently looks to be another step change higher than previous months, further demonstrating the significant strides we’re making as a team.

“Our Cononish underground gold mine has a world-class ore-body. It’s exceptionally high-grade with grades running as high as c.20 g/t Au, allowing us to run the processing plant with an average mine feed of c.12 g/t Au to date, which is expected to increase in line with our mine expansion plans. As a high margin operation, Cononish has compelling economics with forecast operating costs anticipated at £544/oz AISC, once in full production, which places Cononish in the lowest quartile of gold mining operations globally.

“It’s our intention to increase our current mine life of 8.5 years as detailed in the Strategic Review and believe there is potential to develop Cononish into a +18-year life of mine operation. In addition, it’s our strategy to continue to explore our additional licence areas which run across the prospective Grampian area of Scotland – the Caledonides Mobile Belt, with the ultimate vision of building a mid-tier gold mining company in Scotland with multiple operations in the country that enhance the local environment and economy in ways that have an enduring positive impact.

“I’m excited for 2022 and I’m confident it will be a year of continued growth for the Company. I would like to thank the team for their commitment and dedicated work, our local community, government partners and shareholders for their continued support and look forward to updating the market in the New Year with our 2022 strategy.”

A full version of Scotgold’s Annual Report and Accounts for the year Ended 30 June 2021 is available via the Company’s website or see the following link. <https://www.scotgoldresources.com/wp-content/uploads/2021/12/30-June-2021-Annual-Report-Final.pdf>

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 visit www.scotgoldresources.com or contact the following:

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OPERATIONS REVIEW

BACKGROUND

Scotgold Resources Limited (“the Company”) was established in 2007 and is listed on the AIM market of the London Stock Exchange (AIM: SGZ). The Company delisted from the Australian Securities Exchange on 21 October 2016.

The Company’s principal objectives have continued to be:

- a) the development and operation of the Cononish Gold and Silver Mine (“Cononish” or the “Project”) in Scotland’s Grampian Highlands; and
- b) the ongoing exploration of the highly prospective tenements comprising the Grampian Gold Project with the view to identifying further project opportunities.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The Company recognises its responsibilities to the Community, the Environment, its Employees and the Workplace with respect to sustainable development, safety and community development. The CSR Committee, which held its inaugural meeting on 10th May 2019, continued throughout the year to pursue its purpose of reviewing and monitoring relevant policies, programmes and activities of the Scotgold Resources Group on behalf of the Board of Directors of the Company to ensure these responsibilities are met.

In doing so, it continued to focus on the three broad areas of:

- Health, Safety and Welfare of the Community, Employees, Consultants and Visitors;
- Stewardship of the Environment; and
- Corporate Citizenship and Societal Interaction

These areas are presented on the Scotgold website alongside details of how complaints will be handled.

The CSR Committee continues to oversee the carrying out of regular assessments of the risks posed by Covid-19 and the adjustment of the aforementioned operating procedures in response thereto.

CONONISH GOLD AND SILVER PROJECT

Gold production commenced in November 2020 and progress continued throughout 2021. As at end of June 2021 ramp up had not been fully completed.

On 26th February 2021, the Company provided an update to shareholders in respect of the Cononish schedule indicating that design capacity of 3,000 tonnes per month was going to be achieved from April 2021.

On the 31st March, the company provided an update, confirming a production guidance between 25,700t and 28,500t processed through the process plant.

By Late March 2021 concentrate shipments had not been achieved and ramp up of the mine and process plant were hindering.

COVID-19 had a significant impact on the Cononish Mine's overall development during 2020 which ultimately reduced access areas of the mine higher grade zones.

In April 2021 a new CEO was appointed, and a new leadership team was formed. The ramp up of the mine and process plant facilities accelerated ultimately achieving several 25 tonne lot shipments of gold bearing concentrate to its offtake provider post year end.

On the 27th April, the Company announced that after conducting a review of the Company mine plan, the Company expects production for calendar year 2021 to be materially less than the guidance range previously announced on 31 March 2021.

A redesign of the 2021 mine schedule/design was completed in May 2021 which allowed for faster access to higher grade zones within the ore body. In combination with the mine plan change other very important aspects to the process plant operation were planned and executed such as:

- Completion of modifications and upgrades identified on the process plant;
- Identification and purchasing of critical and required spares;
- Implementation of maintenance planning practices; and
- Forming strategic alliances with suppliers and engineering/fabrication shops within Scotland and the UK.

GRAMPIAN GOLD 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, being identified as high priority target areas and data modelling is in progress to establish the best sites to test these targets in any potential future exploration drill programmes.

PORTUGUESE AND FRENCH PROJECTS

The Pomar licence held by Scotgold Resources Portugal Ltd was terminated during the year.

CORPORATE ACTIVITIES

Mr Richard Gray retired as Managing Director and was appointed as a Non-Executive Director on 1 April 2021. On the same day, Mr Phillip Day was appointed as Chief Executive Officer and Managing Director.

Mr Christopher Sangster resigned as Non-Executive Director on 26 February 2021.

Equity funding was raised during the year as follows:

- \$5,136,633 (net of expenses of \$331,833) was raised from the issuing of 2,727,273 ordinary shares in October 2020; and
- \$2,525,053 (net of expenses of £153,983) was raised from the issuing of 2,142,857 ordinary shares in April 2021.

Drawdowns totalling £3,500,000 (\$6,343,675) were made on the secured loan facility during the year, with the full £7,500,000 facility amount being fully utilised as at 30 June 2021. A short term unsecured interest free loan facility of £2,000,000 million was made available to SGZ Cononish Limited by four Directors and a shareholder in May 2021 and £1,000,000 (\$1,810,938) of that facility was drawn down in May 2021.

Subsequent to 30 June 2021, the remaining £1,000,000 available under the short term unsecured loan facility was drawn down in August 2021 and in September 2021 the short term unsecured loan was settled by the issuing of 3,301,420 ordinary shares.

CONONISH MINERAL RESOURCES

The Mineral Resource Estimate (“MRE”) is classified as Measured, Indicated and Inferred Mineral Resources, (adhering to guidelines set out in the JORC Code (2012 Edition)), and is reported at a cut-off grade of 3.5 g/t gold as is presented in the Table below. The Table also serves as the Company’s Annual Mineral Resource Statement.

Table: 2021 Annual Mineral Resource Statement

Cononish Main Vein Gold and Silver Mineral Resources, estimated in accordance with the JORC code (2012 Edition) and reported at a 3.5 g/t Au cut-off as at 12/01/2015, which remain current subject to the depletion of approximately 6.5kt from the Indicated Resources – Mined Stockpile. Mine development during the reporting period has predominantly been in waste, with a non-material volume of Mineral Resource placed on surface stockpiles.

Scotgold Resources Limited - Cononish Gold Project						
Mineral Resource Estimate as at 12 January 2015						
<i>Reported at a cut-off grade of 3.5 g/t gold</i>						
Classification	K Tonnes	Grade Au g/t	Metal Au Koz	Grade Ag g/t	Metal Ag Koz	In-situ Dry BD
Measured -In-situ	60	15.0	29	71.5	139	2.72
Indicated - In-situ	474	14.3	217	58.7	89.5	2.72
Indicated - Mined Stockpile	7	7.9	2	39.0	9	2.72
Sub-total M&I	541	14.3	248	59.9	1,043	2.72
Inferred - In-situ	75	7.4	18	21.9	53	2.72
Total MRE	617	13.4	266	55.3	1,096	2.72

Reported from 3D block model with grades estimated by Ordinary Kriging with 15 m x 15 m SMU Local Uniform Conditioning adjustment. Minimum vein width is 1.2m. Totals may not appear to add up due to appropriate rounding.

Note: Mineral Resources presented above include Ore Reserves stated below.

Approximately 1.6Kt was processed during commissioning during the reporting period and is not a material effect on the Mineral Resources as reported previously.

An internal review of the Mineral Resource Estimate concluded that the estimation techniques and parameters employed remained appropriate.

The Cononish mineralisation remains open at depth down plunge and to the west along strike. There is therefore potential to add to the resource by further extensional drilling.

In addition to the currently defined Mineral Resources, Scotgold believes that there is additional resource development potential close to Cononish, subject to appropriate and successful further work. Extensive gold-in-soil anomalies, mineralisation associated with outcrops and trenches, and geophysical anomalies close to the current resource clearly warrant further follow up. In addition, there are indications that other reefs are present in the area. At this stage, such indications are highly conceptual and there is no guarantee that further exploration will define additional Mineral Resources.

CONONISH ORE RESERVES

As part of initial work towards developing the 2015 BFS, Bara Consulting Ltd (“Bara Consulting”) completed a thorough review of the 2013 Cononish Development plan in order to identify opportunities to not only improve on the plan but to also improve the confidence in the plan. As a result of this review, further work was undertaken on the mining methodology, access design, geotechnical evaluation and overall mine design.

The outcome of this work was that an Ore Reserve Estimate was completed on 25 May 2015, in accordance with the JORC code (2012 Edition) based on the Mineral Resource Estimate (MRE) issued in January 2015. The subsequent addendum to the Bankable Feasibility Study resulted in no change to the Ore Reserve. Hence there is no change to the Ore Reserves reported previously for the Project as at 30/06/2021. Mine development during the reporting period has predominantly been in waste, with a non-material volume of Ore Reserve placed on surface stockpiles

An internal review of the Ore Reserve Statement concluded that the modifying factors used in determining the Ore Reserve remained appropriate.

Table: 2021 Annual Ore Reserve Statement

As at 25 May 2015 (JORC 2012 Code)			
Classification	Proven	Probable	Total
Tonnes ('000)	65	490	555
Au Grade (g/t)	11.5	11.1	11.1
Au Metal (k oz)	24	174	198
Ag Grade (g/t)	51.5	47.2	47.7
Ag Metal (k oz)	108	743	851
<i>(Bara Consulting Limited Ore Reserve Statement dated May 2015)</i>			

For greater detail on the parameters derived from this work and used for the Ore Reserve estimation process, please refer to the Company's announcement on 26/05/2015 – Cononish Gold Project Study Update and Reserve Estimate; and to the subsequent announcement on 16/03/2017 - Update to Cononish Bankable feasibility study on the Company's website.

The Ore Reserve statement above does not take account of the depletion of the surface stockpile through the BPT. At 30 June 2021, approximately 6.5kt had been removed from the stockpile and the reserves will be adjusted on full depletion of the stockpile. Approximately 1.6Kt was processed during commissioning during the reporting period and is not a material effect on the Mineral Reserve as reported previously.

Both the Mineral Resource Estimate and Ore Reserve statement were compiled by suitably qualified Independent Competent Persons as identified at the time of their release.

GRAMPIAN GOLD PROJECT

The Company continues to actively pursue exploration activities on its substantial land position (approx. 2,900 km²) in the Dalradian Belt of the south west Grampians, a terrain highly prospective for both precious and base metal occurrences. The majority (85%) of the area currently under option to Scotgold is located outside the Loch Lomond and the Trossachs National Park.

Following on from the success of the previously completed orientation surveys, Scotgold has continued to use the ionic leach technique for regional stream sediment sampling across 6 of its 13 Crown Option areas, identifying several drainage catchments with encouraging values that require detailed follow up work. During the year, regional stream sediment sampling was completed across 10 of Scotgold's 13 Crown Option areas.

Very little fieldwork was completed during the year due to the coronavirus pandemic and nationwide lockdown restrictions. This time was principally used for data analysis, procedure review and database work.

PORTUGUESE AND FRENCH PROJECTS

The Pomar licence held by Scotgold Resources Portugal Ltda was terminated during the year.

TENEMENT DETAILS

United Kingdom

The Company holds a lease (100%) from the Crown Estate Scotland over Cononish Farm, county of Perth, Scotland UK.

The Company holds a lease (100%) from the landowner over Cononish Farm, county of Perth, Scotland UK.

The Company holds thirteen Mines Royal Option Agreements (100%) with the Crown Estate Scotland as detailed below:

No.	Name	Area	Location
1	Knapdale South	250 km ²	county of Argyll, Scotland UK
2	Knapdale North	250 km ²	county of Argyll, Scotland UK
3	Inverliever West	250 km ²	counties of Dunbarton, Argyll and Perth, Scotland UK

4	Inverliever East	233 km ²	counties of Dunbarton, Argyll and Perth, Scotland UK
5	Glen Orchy West	103 km ²	counties of Perth and Argyll, Scotland UK
6	Glen Orchy Central	242 km ²	counties of Perth and Argyll, Scotland UK
7	Glen Orchy East	241 km ²	counties of Perth and Argyll, Scotland UK
8	Glen Lyon West	246 km ²	counties of Perth and Argyll, Scotland UK
9	Glen Lyon North	244 km ²	counties of Perth and Argyll, Scotland UK
10	Glen Lyon South	243 km ²	counties of Perth and Argyll, Scotland UK
11	Glen Lyon East	247 km ²	counties of Perth and Argyll, Scotland UK
12	Ochills West	189 km ²	county of Clackmannan, Perth, Kinross and Stirling, Scotland UK
13	Ochills East	150 km ²	county of Clackmannan, Perth, Kinross and Stirling, Scotland UK

Portugal

During the year, Scotgold Resources Portugal Ltda terminated its 100% interest in the Pomar Licence in eastern central Portugal.

No other beneficial interests are held in any farm-in or farm-out agreements and no other beneficial interests in farm-in or farm out agreements were acquired or disposed of during the period.

Competent Persons Statement:

No new exploration results are presented in this report. All results have been previously notified under JORC 2004 and are contained in Scotgold Annual reports 2008 - 2019 and various corresponding market releases.

The information in this report that relates to the 2015 Mineral Resources for Cononish Gold Project (refer ASX release - Resource Estimate Update – 22/01/2015) is based on information compiled by Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by CSA Global (UK) Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Titley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the 2015 Ore Reserves for Cononish Gold Project (refer ASX announcement dated 26/05/2015) is based on information compiled by Pat Willis, a Competent Person who is registered as a Professional Engineer (Pr.Eng.) with the Engineering Council for South Africa (ECSA) and a Fellow in good standing and Past President of the Southern Africa Institute of Mining and Metallurgy (FSAIMM). Mr Willis is employed by Bara Consulting Limited, an independent consulting company. Mr Willis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Willis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Further, the Company confirms it is not aware of any new information or data that materially affects the information contained in the original announcements and that all material assumptions and technical parameters

underpinning the estimate of Resources and Reserves continue to apply and have not materially changed.

STRATEGIC REVIEW

The Company continues to review its corporate governance, structure, policies and practices with a view to maintaining and enhancing shareholder value.

The Company adopted the QCA code of corporate governance in 2018 and subsequently appointed an advisory service to assist with UK regulatory compliance issues as an AIM listed company.

Operationally, the Company's immediate focus remains the development and operation of the Cononish Gold and Silver Mine, which commenced construction in January 2019 and was completed at the end of November 2020. In 2021 all efforts were focused on achieving a successful ramp up of the Cononish Mine.

Additionally, to achieving a staged focus developing growth from the Cononish Mine a review of the strategic goals of the Company was conducted post period in 2021. The focus was modified to incorporate the following objectives and built on the following six principles:

- Upon successful ramp up of the Cononish Mine, further increase production through step wise optimisation until Phase 2 production has been achieved, this is aimed for completion Q1 2023;
- Optimise the current Cononish Reserve;
- Expand Resources and Reserves within the Cononish vein;
- Explore and develop within "The shadow of the head frame";
- Explore and develop near mine drill ready targets to develop network of satellite deposits for processing at Cononish; and
- Continue to explore in a more focused manner within the most prospective portion of leaseholding.

The work completed on advancing our future pipeline of projects during the current reporting period has been modest due to the need to focus cash and management resources on the advancement of Cononish. Notwithstanding this, the Company has identified the analysis of soil and stream samples using ionic leach as providing a cost effective and efficient method of identifying anomalous zones. Using this new methodology, the Company has to date identified potential extensions to the Cononish orebody and a potentially new prospect at Inverchorachan.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Revenue	2	299,807	-
Cost of sales	3	(299,807)	-
Profit (loss) from production operations		-	-
Interest income	4	8,285	38,989
Other income	5	416,007	381,708
Gain on loan renegotiation		-	38,383
Administration costs		(888,176)	(462,151)
Interest expense	6	(1,259,484)	(669,912)
Depreciation and loss on disposal of non-current assets	7	(1,314,847)	(732,359)
Employee and consultant costs, excluding share-based payments		(1,095,882)	(736,371)
Share-based payments	21	(364,725)	(66,194)
Listing and share registry costs		(193,023)	(188,178)
Legal fees		(103,530)	(36,677)
Office and communication costs		(101,913)	(68,174)
Currency exchange variances		(57,580)	19,470
Other expenses		(26,074)	(22,668)
LOSS BEFORE INCOME TAX		(4,980,942)	(2,504,134)
Income tax benefit	8	-	-
LOSS FOR THE YEAR		(4,980,942)	(2,504,134)
Other Comprehensive Income			
<i>Items that may be reclassified to Profit or Loss</i>			
Exchange difference on translation of foreign subsidiaries		765,392	(226,738)
Total comprehensive result for the year		(4,215,550)	(2,730,872)
Basic (loss) per share (cents per share)	30	(9.28)	(5.04)
Loss per share for the year attributable to the members of Scotgold Resources Ltd (cents per share)		(9.28)	(5.04)

CONSOLIDATED STATEMENT OF

FINANCIAL POSITION

AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents		2,624,342	1,019,979
Trade and other receivables	9	448,336	226,134
Inventory	10	187,276	62,291
Other current assets	11	296,657	129,253
Total Current Assets		<u>3,556,611</u>	<u>1,437,657</u>
NON-CURRENT ASSETS			
Trade and other receivables	9	1,579,820	1,527,306
Plant and equipment	12	16,280,930	469,115
Right-of-use assets	13	2,777,962	1,738,238
Mineral exploration and evaluation	14	2,990,000	2,441,728
Mine development asset	15	25,770,548	28,805,352
Total Non-Current Assets		<u>49,399,260</u>	<u>34,981,739</u>
TOTAL ASSETS		<u>52,955,871</u>	<u>36,419,396</u>
CURRENT LIABILITIES			
Trade and other payables	16	2,306,453	1,127,113
Other current liabilities	16	873,977	461,999
Borrowings	17	7,927,888	542,761
Total Current Liabilities		<u>11,108,318</u>	<u>2,131,873</u>
NON-CURRENT LIABILITIES			
Borrowings	17	11,986,714	8,740,965
Provisions	18	908,915	657,934
Total Non-Current Liabilities		<u>12,895,629</u>	<u>9,398,899</u>
TOTAL LIABILITIES		<u>24,003,947</u>	<u>11,530,772</u>
NET ASSETS		<u>28,951,924</u>	<u>24,888,624</u>
EQUITY			
Issued capital	19	52,640,345	44,978,659
Reserves	20	785,967	(596,589)
Accumulated losses	20	(24,474,388)	(19,493,446)
TOTAL EQUITY		<u>28,951,924</u>	<u>24,888,624</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital	Accumulated Losses	Options Reserve	Share- based payment reserve	Foreign Currency Translation Reserve	Total Equity
YEAR ENDED 30 JUNE 2020	\$	\$	\$	\$	\$	\$
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 AASB 16	-	(3,064)	-	-	-	(3,064)
Total comprehensive result for the year	-	(2,504,134)	-	-	(226,738)	(2,730,872)
Transactions with owners in their capacity as owners:						
Issue of shares	2,075,997	-	-	-	-	2,075,997
Options exercised	1,839,556	-	-	-	-	1,839,556
Share-based payments	-	-	-	78,460	-	78,460
Share issue expenses	(35,452)	-	-	-	-	(35,452)
Balances at 30 June 2020	<u>44,978,659</u>	<u>(19,493,446)</u>	<u>134,769</u>	<u>283,642</u>	<u>(1,015,000)</u>	<u>24,888,624</u>
YEAR ENDED 30 JUNE 2021						
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 year	-	(4,980,942)	-	-	765,392	(4,215,550)
Transactions with owners in their capacity as owners:						
Issue of shares	8,147,502	-	-	-	-	8,147,502
Share-based payments	-	-	-	617,164	-	617,164
Share issue expenses	(485,816)	-	-	-	-	(485,816)
Balances at 30 June 2021	<u>52,640,345</u>	<u>(24,474,388)</u>	<u>134,769</u>	<u>900,806</u>	<u>(249,608)</u>	<u>28,951,924</u>

CONSOLIDATED STATEMENT OF

CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers		(1,443,368)	(1,031,667)
Interest income received		8,285	38,989
Net Cash Outflow from Operating Activities	26	<u>(1,435,083)</u>	<u>(992,678)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(428,794)	(507,795)
Payments for mine development activities		(10,249,942)	(7,957,393)
Purchase of plant and equipment		(803,791)	(428,733)
Proceeds on disposal of plant and equipment		400	-
Expenditure on right-of-use assets		-	(47,710)
Net Cash Outflow from Investing Activities		<u>(11,482,127)</u>	<u>(8,941,631)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options, net of costs		7,661,686	2,040,545
Proceeds from exercise of options		-	1,839,556
Proceeds on draw-down of first tranche of unsecured loan		1,810,938	-
Proceeds on draw-down of secured loan		6,343,675	3,762,227
Repayment of right-of-use leases		(1,297,746)	(698,243)
Net Cash Inflow from Financing Activities		<u>14,518,553</u>	<u>6,944,085</u>
Net increase (decrease) in cash held		1,601,343	(2,990,224)
Effect of exchange rate fluctuations on cash and cash equivalents		3,020	92,283
Cash and cash equivalents at beginning of year		1,019,979	3,917,920
Cash and cash equivalents at end of year		<u>2,624,342</u>	<u>1,019,979</u>

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

The Notes to and forming part of the consolidated Financial Statements for the year ended 30 June 2021 can be found in the full version of Scotgold's Annual Report and Accounts for the year Ended 30 June 2021, available via the Company's website.