



23 May 2022

**Scotgold Resources Limited ("Scotgold" or the "Company")
Fern Wealth Debt Funding – £1.2 million – Tranche 1 of £3 million Loan Complete
Payment of £250,000 Bridge Barn Loan through £X million April gold concentrate sales]**

Scotgold Resources Limited (AIM: SGZ), Scotland's and the UK's first commercial gold producer, announced on 7 April 2022 that it had entered into a loan procurement agreement with Fern Wealth GmbH ("Fern Wealth") from a syndicate of high-net-worth investors for an amount up to £3 million (the "New Loans") (the "Agreement"). The Company is pleased to announce that, under the terms of the Agreement, it has received and completed the first tranche of the New Loans drawdown for the total of £1.2 million on 20 May 2022. It is anticipated that the remaining £1.8 million of the £3 million New Loans will be received and fully drawdown on or before 30 June 2022.

Subject to the receipt of the full amount of £3m under the New Loans the Company intends to use the proceeds received to fast-track the Company's Optimisation Initiatives to achieve a gold production run rate of c.23,500oz p.a. by the end of Q1 2023.

The core Optimisation Initiatives planned for 2022 include:

- Design, construct, and commission a tailings thickener, a cost-effective technology to improve the throughput and recoveries of concentrate product in the processing plant to achieve a monthly run rate of c. 4,000 feed tonnes to the process plant by end of Q2 2022 which equates to c 16,000 – 17,500 ounces p.a. run rate of gold by the end of Q2 2022.
- Enhancing mining efficiencies of the underground mine to ensure continuous operations; and
- Design, construct, and commission an ore sorter at the processing plant between the existing crushing unit and the Mill to realise an increase in ounces of gold processed per tonne at lower tonnages and potentially lower CAPEX and OPEX. Due diligence to be completed by the end of Q2 2022 and the sorter, if approved, to be operational by the end of Q1 2023.

Tranche 1 of the New Loans drawdown has enabled Scotgold to improve its working capital position and be able to finalise the purchase of the tailings thickener to commence the construct and commissioning stage of the optimisation initiative.

Terms of the New Loans

Tranche 1 of the New Loans have, and when procured by Fern Wealth, the remainder of the New Loans will be, provided to SGZ Cononish Ltd (SC569264), a 100% owned subsidiary of the Company (“Borrower”) by a syndicate of private individuals. The principal terms of the New Loans are as follows:

Principal: Up to £3,000,000.00, which can be drawn in up to three amounts of at least £1,000,000
Borrower: SGZ Cononish Ltd, a 100% owned subsidiary of the Company.
Lender: A syndicate of private individuals.
Term: 2 Years from date of drawdown
Interest: 7% annual interest
Warrant: Up to 450,000 warrants over new ordinary shares of no par value each in the Company to be issued (300,000 to the Lender and 150,000 to Fern Wealth) on a pro rata basis (0 warrants if no New Loans advanced and 450,000 if £3,000,000 is drawn down). Each warrant entitles the holder to be issued with one new ordinary share of no par value each in the Company at an exercise price of 78.83p per share and expires 3 years from the date of issue.
Security: Parent Company guarantee provided by the Company
Fees: In addition to the up to 150,000 warrants referred to above, Fern Wealth is also entitled to an arrangement fee of 3% of the gross amount of the New Loans which are drawn down.

Fern Wealth is a sophisticated wealth management company based in Zug, Switzerland whose focus is to seek out and manage quality investment opportunities for their Investors.

Repayment of short-term loan facility – Bridge Barn

Scotgold announced on 3 March 2022 that it had secured a short-term Loan Facility with Bridge Barn Limited ("Bridge Barn") a company owned and controlled by Nathaniel Le Roux (Non-Executive Director) providing £250,000 to Scotgold (the "Short Term Loan Facility"), to cover working capital requirements which had been impacted by the delay in shipment of the Company's gold concentrate from port, due to macro and geo-political events in March 2022 impacting global shipping lines.

The Company is pleased to announce that it has repaid the Short Term Loan Facility in full plus interest, utilising revenues from its April 2022 gold concentrate sales which totalled just over £1 million for the month.

The information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under Article 7 of the Market Abuse Regulation (EU) No. 596/2014 (as amended) as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended). Upon the publication of this Announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

****ENDS****

Scotgold Resources Limited	SP Angel Corporate Finance LLP	Celicourt Communications
Chief Executive Officer	Nomad and Broker	Financial PR
Philip Day	Ewan Leggat / Charlie Bouverat	Felicity Winkles/ Josh Funnell
	Tel +44 (0) 20 3470 0470	Tel +44 (0) 208 434 2643 Tel +44 (0) 774 8843 871

Notes

Scotgold Resources Ltd (AIM: SGZ), is Scotland's first commercial gold producer. The Company poured first gold in November 2020 at its Cononish Gold and Silver Mine ('Cononish') in Tyndrum, Scotland and is developing it into a +23,500-ounce gold mine per annum by end of Q1 2023. Cononish is a high-grade underground mining operation with a central processing plant producing gold concentrate for off-take and gold doré for the Scottish Jewellery industry. Once in full production, the mine has anticipated forecast operating costs of c.£544/oz AISC, which will place Cononish in the lowest quartile of gold mining operations globally.

It is Scotgold's vision to build 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.