



9 June 2022

**Scotgold Resources Limited ("Scotgold" or the "Company")
Cononish Gold and Silver Mine, Scotland – Production and Operations Update**

Scotgold Resources Limited (AIM: SGZ), Scotland's and the UK's first commercial gold producer, provides an update on production and operational progress at its Cononish Gold Mine, Tyndrum, Scotland ('Cononish').

- Record production for April and May 2022 totalling 1,984 ounces of gold and 10,810 ounces of silver
- Production on track to achieve upper quartile and/or exceed Q2 2022 target of 2,600 - 3,200 ounces of gold
- Gold grades in flotation concentrate of up to 324.4 g/t realised during April and May 2022
- Sales of £2.424 million for 226.6 dry metric tonnes of gold concentrate for April and May 2022
- Tailings thickener has been pre-constructed and in transit to site – expected installation in August 2022
- Cut and fill – stoping mining method progressing well during April, May, and into June, to continue to improve production profile – third cut and fill stope targeted for Q3 2022
- £3 million Fern Wealth Debt Facility draw down continues with £1.915 million received by the Company and drawn to date for the processing plant and mine optimisation initiatives

Scotgold Resources CEO, Phil Day said, *"We are pleased to report that April and May have delivered record profitable gold production, a trend we expect to continue in June and the rest of 2022, in line with our mine schedule. Crucially, as we continue to develop the mine and access areas to stope mine - cut and fill, our mining visibility, mining efficiencies, gold grade definition and control further improve which places us in an ideal position to implement the processing plant and mine optimisation plans to yield further growth. With £1.915 million now received and drawn from our Fern Wealth Debt Facility, I am looking-forward to H2 2022 as we commission the tailings thickener and deliver step changes in performance, gold grade, stability of production and reduced costs per tonne of ore mining."*

Scotgold is pleased to announce that it is hosting an investor webinar today, Thursday 9 June, at 17:30 BST via the Investor Meet Company platform. The webinar is open to existing and prospective investors.

To register, please visit and add Scotgold Resources: <https://www.investormeetcompany.com/scotgold-resources-limited/register-investor>

Production

Production for April and May 2022 is on track with management's expectations totalling 1,984 ounces of gold and 10,810 ounces of silver. June 2022 production is progressing very well, and in line with the mine schedule, based on detailed grade control, is expected to deliver a third consecutive month of production in line with guidance. As such the Board believes it will achieve the upper quartile and/or exceed its Q2 2022 production target (three months to 30 June 2022) of 2,600 - 3,200 ounces of gold.

Gravity gold doré continues to be produced and the Company plans to do another gold pour in June 2022.

Scotgold is committed to responsible mining and is pleased to report it is one of the only global gold producers that does not use cyanide for either its flotation gold concentrate production or gravity gold.

Sales

For April and May 2022, gold concentrate shipments totalled 226.6 dry metric tonnes with a sales value of £2.424 million.

Mine and Processing Plant Optimisation

As announced on 23 May 2022, the Company received Tranche 1 of the Fern Wealth Debt Funding totalling £1.2 million of a £3 million loan. As of 8 June, £1.915m has been received to fast-track optimisation initiatives in 2022/2023. Optimisation initiatives include the design, construction, and commissioning of a tailings thickener, enhancing mining efficiencies of the underground mine to ensure continuous operations and the installation of 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.

The tailings thickener has been pre-constructed in Turkey to allow for the fast and efficient installation at Scotgold's site. The thickener is in transit to site where it is planned for installation in August 2022, a delay of one to two months due to current global shipping issues. Once the tailings thickener is operational the expected gold ounces run rate of the process plant will be at 16,500 – 17,500 ounces of gold on an annualised basis.

Mine Development

In Q1 2022 the Company focused on the development of the mine, opening the underground mine faces to prepare Cononish for stope mining. This was to allow the extraction of ore faster, more effectively and give improved detailed grade control definition to the mine plan, increasing gold

recoveries and production. This work resulted in achieving access to the (CAF2) stope at Cononish on 21 March which yielded immediate results with gold grades up to 35g/t for processing being realised.

In late April 2022 the second cut and fill stope placement and extraction commenced and continued through May and into June 2022. Highly defined grade control information has allowed the preparation of a third cut and fill stope for extraction through Q3/Q4 2022, if required. The third cut and fill stope will again improve exploitation of higher-grade areas efficiently and will allow sufficient tunnel development to continue in the mine to support the original mine design method of long hole stoping, whereby Scotgold expects further improvements in performance, gold grade accessibility, stability of production and reduced costs per tonne mined.

****ENDS****

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.

For further information please visit www.scotgoldresources.com or contact the following:

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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. 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.

