

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS 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.



5 April 2023

**Scotgold Resources Limited ("Scotgold" or the "Company")
Offtake advance and commencement of long hole stoping at Cononish gold mine**

Scotgold Resources Limited (AIM: SGZ), Scotland's first commercial gold producer, is pleased to announce that, further to the previous announcements made on 27 and 30 March, it has secured a US\$500,000 advance to assist with short-term working capital from its gold offtake partner which will be received on 5 April 2023. The primary repayment mechanism will be executed by offsetting US\$100,000 against monthly deliveries from July to November 2023 inclusive. The interest rate being charged is SOFR + 4.5% per annum.

Additionally, Bridge Barn Limited ("Bridge Barn"), a company owned and controlled by Mr Nathaniel le Roux, non-executive Director, and provider of debt funding to the Company, has agreed to postpone all interest payments that are currently due and payable by the Company to Bridge Barn up to and including 1 December 2023. The total of the interest payments being deferred is £450,000.

The deferral of interest payments constitutes a related party transaction pursuant to AIM Rule 13 (the "Related Party Transaction"). The independent Directors consider, having consulted with Shore Capital, the Company's nominated adviser, that the terms of the Related Party Transaction are fair and reasonable insofar as Shareholders are concerned.

Commencement of long hole stoping

In line with the update provided on 27 March, the Company is pleased to report that it commenced long hole stope mining yesterday with the first blast in the eastern section of the 430 West drive, with first ore being delivered to the processing plant ROM pad for processing today to produce gold concentrate for sale. The first stope was completely drilled (70 holes, 950 meters of drilling) over the

last 10 days within the expected timeframe. This is a reflection of the team’s dedication to transition the mine into long hole stope mining.

The Company is currently conducting long hole stope mining along a 115m strike in the eastern section of the 430 West drive. See figure 1 and 2 for current long hole stope mining plan.

Figure 1: April 2023 stope mining plan

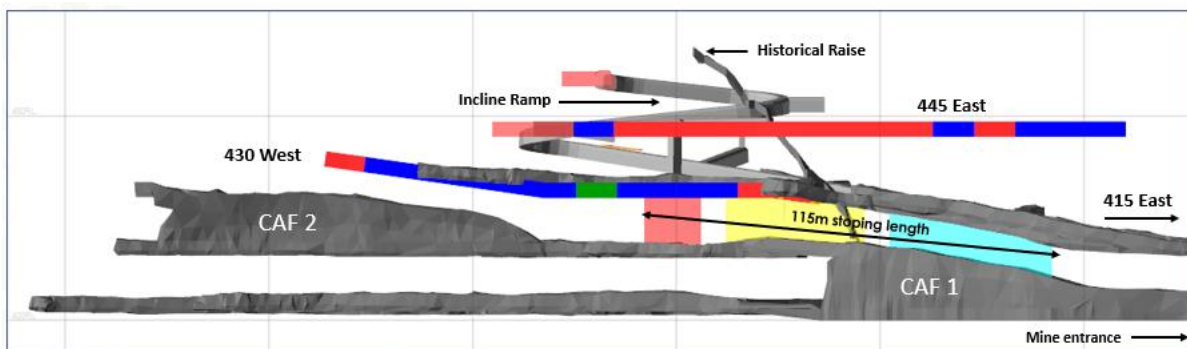
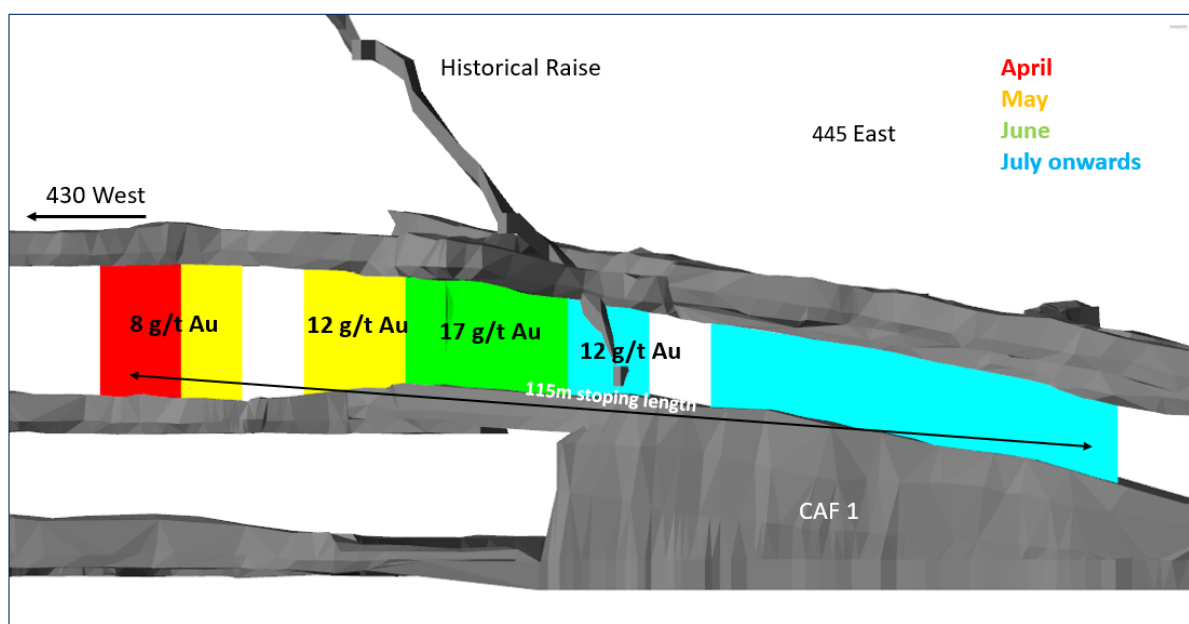


Figure 2: April stope mining plan grades in 430 West eastern section (115m stope length) for April – July 2023 and thereafter.



Additionally, further gold doré was poured this week on site and is being prepared for sale to jewellers to generate further revenue for the Company.

****ENDS****

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 planned +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. The mine has anticipated forecast operating costs of c.£610 per ounce in Q4 2023, 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.