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This Announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any investment decision in respect of Scotgold Resources Limited or other evaluation of any securities of Scotgold Resources Limited or any other entity and should not be considered as a recommendation that any investor should subscribe for or purchase any such securities.

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). In addition, market soundings (as defined in UK MAR) were taken in respect of certain of the matters contained in this Announcement, with the result that certain persons became aware of such inside information, as permitted by UK MAR. Upon the publication of this Announcement, this inside information is now considered to be in the public domain and such persons shall therefore cease to be in possession of inside information.

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

**Subscription and Open Offer to raise £1.5 to 2.0 million**  
**Long hole stoping at Cononish gold mine progressing well**

Scotgold Resources Limited (AIM: SGZ), Scotland's first commercial gold producer, announces that the transition to the long hole stoping mining method at its Cononish gold mine in Scotland ("Cononish") has progressed well and is in line with management's mine plan.

Notwithstanding operational progress, the Directors of Scotgold feel it would be prudent to raise additional equity funds now, both to procure a resolution definition drill rig (versus using a contractor drill rig) to bolster grade control modelling for mine planning and for additional working capital, as Cononish continues to be developed towards full production.

Noting the current share price, the Directors have decided to undertake an Open Offer as part of the Fundraising so that UK and other eligible shareholders will be able to participate if they wish to. The Fundraising will raise, in aggregate, c.£1.5 million (gross) and up to £2.0 million (gross) by way of a proposed subscription by certain shareholders of the Company as well as an Open Offer to all Qualifying Participants for new Ordinary Shares, in each case at a price of 15 pence (the "**Issue Price**") per share.

Based on indications received, the Directors expect that the Open Offer will raise a minimum of £1.0 million.

**Cononish Operational Update**

Long hole stoping commenced on 4 April 2023 and is performing well and in line with management's expectation. The ROM pad had around 400 – 500 tonnes of stope mined ore built up at the beginning of the week commencing the 11<sup>th</sup> April, as the process plant was offline over the Easter public weekend to comply to the Company's operating licence. This ore and ore which is being delivered to the ROM pad daily, is being processed into gold concentrate and gold doré at the Cononish processing plant (1200 – 1300 tonnes has been processed in the month of April). Since stope mining commenced, the mine is producing consistently and peaked with 28 DUX trucks of ore to ROM pad in a day. The grade of the stope ore is on plan, commencing at 4.9g/t on the first cut and producing gold concentrate at 230 - 300 g/t gold. This grade is expected to improve as we bring the stoping front back into the higher-grade areas of the stope length. Additionally, drones have been flown in the stope block to check the vein from the 415 to 430 drives which show great recovery and continuity of the vein between levels.

The subsequent stope blocks to be mined along the 115m stoping length of the eastern section of the 430 West drive increase in grade as we continue to retreat east on plan.

The next stope block will then be prepared (via drilling) and blasted as planned. This stoping length will provide ore to the process plant until August whilst simultaneously work has been ongoing to ensure next ore development tunnel on the 445 level is accessed in May to develop and prepare the next stope mining area.

### **Subscription**

The Company has entered into a subscription agreement with Maurice and Nicole Mason, existing shareholders, pursuant to which they have subscribed directly with the Company for an aggregate of 3,333,333 Ordinary Shares in the Company (the "**Subscription Shares**") at the Issue Price (the "**Subscription**") to raise gross proceeds of £0.5 million. The Subscription is conditional upon Admission of the Subscription Shares.

Maurice and Nicole Mason have also undertaken to the Company to subscribe for an aggregate of 3,333,333 Open Offer Shares, equivalent to c. £0.5 million, in the Open Offer under the Basic and the Excess Application Facility.

### **Offer to Qualifying Participants**

The Company confirms that it will provide an opportunity for existing shareholders to subscribe for up to 10,065,262 new Ordinary Shares (the "**Open Offer Shares**") at the Issue Price in order to raise a minimum further £1.0 million and up to a maximum of £1.5 million (the "**Offer**" or "**Open Offer**"). Together the Subscription and the Open Offer are defined as the Fundraising.

Nathaniel Le Roux, Non-Executive Director, William Styslinger, Non-Executive Director, Peter Hetherington, Non-Executive Chairman and Ian Proctor, Non-Executive Director have each undertaken to the Company to subscribe for 1,666,667, 666,667, 730,046 and 198,598 Ordinary Shares in the Open Offer. Charles Outhwaite, significant shareholder in the Company, has also undertaken to the Company to subscribe for 320,238 Ordinary Shares in the Open Offer.

Subject to the fulfilment of the terms and conditions referred to in the Open Offer Circular and, where relevant, set out in the Application Form, Qualifying Participants are being given the opportunity to apply for Open Offer Shares at a price of 15 pence per Open Offer Share, free of expenses, payable in full, in cash on application, on the basis of:

#### **3 Open Offer Shares for every 20 Existing Ordinary Shares**

registered in the name of each Qualifying Participant at the Record Date and so in proportion for any other number of Ordinary Shares then held. Entitlements to apply to subscribe for Open Offer Shares will be rounded down to the nearest whole number.

Qualifying Participants may apply for more or fewer Open Offer Shares than they are entitled to under the Open Offer and applications in excess of the Basic Entitlements will be dealt with under the Excess Application Facility.

- Maurice and Nicole Mason have undertaken to the Company to subscribe for an aggregate of 3,333,333 Open Offer Shares, equivalent to c. £0.5 million, in the Open Offer under the Basic and the Excess Application Facility.
- Peter Hetherington has undertaken to the Company to subscribe for a minimum of 730,046 Offer Shares, equivalent to c. £109,507, in the Open Offer.
- Ian Proctor has undertaken to the Company to subscribe for a minimum of 198,598 Offer Shares, equivalent to c. £29,790, in the Open Offer.
- Nathaniel Le Roux has undertaken to the Company to subscribe for a minimum of 1,66,667 Offer Shares, equivalent to c. £250,000 in the Open Offer.

- William Styslinger has undertaken to the Company to subscribe for a minimum of 666,667 Offer Shares, equivalent to c. £100,000 in the Open Offer.
- Charles Outhwaite has undertaken to the Company to subscribe for a minimum of 320,238 Offer Shares, equivalent to c. £48,036, and his full Basic Entitlement in the Open Offer.

As such, the Company expects that the Open Offer will raise a minimum of £1.0 million.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Basic Entitlements, such applications will be scaled back pro-rata to the number of Excess Shares applied for by Qualifying Participants under the Excess Application Facility.

A circular to shareholders pursuant to which the Company will make the Open Offer to Qualifying Participants (as defined below) (the "**Open Offer Circular**") and which will set out its detailed terms and timetable, will be posted shortly together with an accompanying form of application. The Record Date for the Open Offer is 20 April 2023. A copy of the Open Offer Circular will also be made available on the Company's website <https://www.scotgoldresources.com/investors/>

Assuming the maximum number of Open Offer Shares are issued, when combined with the Subscription Shares, the total number of new Ordinary Shares issued would represent approximately 20.0 per cent. of the Company's Existing Ordinary Shares.

The Issue Price for the Open Offer Shares and the Subscription Shares represents a discount of approximately 6.25 per cent. to the middle market closing price per ordinary share of 16 pence on 20 April 2023, being the last business day prior to the publication of the Announcement.

**Phil Day, CEO of Scotgold, said:**

**“Long hole stoping at Cononish is performing well. With the previous optimisation initiatives completed in 2022 in the underground mine and processing plant, we are now removing ore from the mine and producing gold concentrate through the processing plant in line with our mine plan. The additional funds raised will allow us to purchase a more advanced resolution definition drill rig, to further improve development of the underground mine and our grade control modelling. This will be invaluable as we progress towards full production at Cononish and for future development of its current 8-year mine life.”**

### Subscription

The following Directors and shareholders intend to subscribe in the following minimum amounts as part of the Subscription and Open Offer:

Director / PDMR / Shareholder	Position	Current Shareholding	Subscription Shares Subscribed for	Shareholding Following Subscription Admission <sup>1</sup>	Open Offer Shares subscribed for	Shareholding following Open Offer Admission <sup>2</sup>	% Shareholding Following Open Offer Admission <sup>2</sup>
Nathaniel Le Roux	Non-Executive Director	25,300,474	-	25,300,474	1,666,667	26,967,141	33.50%
William Styslinger	Non-Executive Director	6,762,336	-	6,762,336	666,667	7,429,003	9.23%
Peter Hetherington	Non-Executive Chairman	4,866,974	-	4,886,974	730,046	5,597,020	6.95%

Ian Proctor	Non-Executive Director	1,323,989	-	1,323,989	198,598	1,522,587	1.89%
Maurice and Nicole Mason	Existing shareholders	657,343	3,333,333	3,990,676	3,333,333	7,324,009	9.10%
Charles Outhwaite	Significant shareholder	2,134,921	-	2,134,921	320,238	2,455,159	3.05%

1. Assuming no Ordinary Shares are issued between the date of this announcement and Admission.
2. Assuming the Open Offer is fully taken up and no Ordinary Shares are issued between the date of this announcement and Offer Admission.

### Related Party Transaction

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

### Working Capital

For the period ended 31 December 2022 the Group recorded a loss of \$9.5 million (2021: \$5.6 million) and had a working capital deficiency of \$4.8 million (2021: \$13.0 million). The Group recorded net operating cash outflows of \$0.1 million for the financial period (2022: \$1.7 million). The cash position of the Company as at 31 March 2023 was £8k.

These conditions indicate a material uncertainty that may cast significant doubt over the ability of the consolidated entity to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The ability of the consolidated entity to continue as a going concern over the long term will remain dependent on the quantity and grade of ore mined and processed being within a reasonable tolerance of the forecast quantity and grade and adherence to the planned product shipment schedule.

The Group also recognises the inherent operational risks (such as mining fleet availability, processing plant recovery and environmental accidents and disputes) and macro-economic factors (such as the gold price and foreign exchange movements) which could further impact the Group's ability to continue as a going concern.

### Admission

Application has been made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM ("**Admission**"). It is currently expected that Admission will become effective, and that dealings in the Subscription Shares will commence on AIM, at 8.00 a.m. on 25 April 2023.

### Expected Timetable

Record Date for the Open Offer	6.00 p.m. (BST) on 20 April 2023
Announcement of the Fundraising	21 April 2023

Ex-entitlement for the Open Offer	24 April 2023
Admission of and commencement of dealings on AIM of the Subscription Shares	25 April 2023
Posting of the Open Offer Circular and Application Forms	26 April 2023
Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	27 April 2023
Latest time and date for receipt of completed Application Forms	11.00 a.m. (BST) on 12 May 2023
The results of the Open Offer announced by way of a Regulatory Information Service	16 May 2023
Admission of and commencement of dealings on AIM of the Open Offer Shares	8.00 a.m. (BST) on 17 May 2023
CREST accounts expected to be credited for DIs in respect of the Open Offer Shares	17 May 2023

### Notes

Each of the times and dates in the above timetable, and shown elsewhere in this Announcement, are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to shareholders by means of an announcement through a Regulatory Information Service.

### For further information please contact:

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Via Celicourt Communications

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### Forward-looking statements

This Announcement may include certain "forward-looking statements" and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Assumptions upon which such forward-looking statements are based

include that all required third party regulatory and governmental approvals will be obtained. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this announcement and other documents filed with the applicable securities regulatory authorities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

**Shore Capital is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Fundraising, and Shore Capital will not be responsible to any party other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising or any other matters referred to in this Announcement.**

**No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Shore Capital or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.**

**No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.**

**The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.**

**The Fundraising Shares to be issued pursuant to the Fundraising will not be admitted to trading on any stock exchange other than on AIM.**

**Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.**

## **DEFINITIONS**

The following definitions apply throughout this Announcement, including the Appendix:

<b>"Admission"</b>	the admission of the Subscription Shares and/or Open Offer Shares (as the case may be) to trading on AIM becoming effective pursuant to Rule 6 of the AIM Rules
<b>"AIM"</b>	the AIM market operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies published by the London Stock Exchange, as in force at the date of the Announcement

<b>“Application Form”</b>	the application form in respect of the Open Offer accompanying the Open Offer Circular
<b>“\$”</b>	Australian dollars, the lawful currency of Australia
<b>“Basic Entitlements”</b>	the pro rata entitlement for Qualifying Participants to subscribe for Open Offer Shares, pursuant to the Open Offer on the terms and conditions set out in the Open Offer Circular and the Application Form accompanying the Open Offer Circular
<b>“Computershare”</b>	Computershare Investor Services PLC, receiving agents to the Company and depositary for the DIs
<b>“Company” or “Scotgold”</b>	Scotgold Resources Limited (ABN 42 127 042 773) and whose registered office address is Suite 4, 189 Stirling Highway, Nedlands, Western Australia, 6009
<b>“CREST”</b>	the Relevant System for the paperless settlement of share transfers and the holding of shares in uncertified form in respect of which Euroclear is the Operator (as defined by the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
<b>“Depository Interest” or “DI”</b>	the depository interests issued by Computershare representing Ordinary Shares
<b>“Directors” or the “Board”</b>	the board of directors of the Company
<b>“Enlarged Issued Share Capital”</b>	the issued ordinary share capital of the Company as enlarged following the Fundraising and assuming the maximum number of Open Offer Shares are issued
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Participants may apply for any number of Open Offer Shares in excess of their Basic Entitlement
<b>“Excess Entitlement(s)”</b>	the Open Offer Shares for which Qualifying Participants may apply under the Excess Application Facility in addition to their Basic Entitlement
<b>“Existing Ordinary Shares”</b>	the 67,101,751 existing Ordinary Shares in issue at the date of the Announcement, all of which are admitted to trading on AIM
<b>“FCA”</b>	the Financial Conduct Authority
<b>“Financial Promotion Order”</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended

<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fundraising”</b>	the Subscription and the Open Offer
<b>“Issue Price”</b>	15 pence per New Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Maximum Allocation”</b>	10,065,262 new Ordinary Shares at the Issue Price which is equivalent to £1.5 million available to be issued pursuant to the Open Offer
<b>“New Ordinary Shares”</b>	the Open Offer Shares and the Subscription Shares
<b>“Open Offer”</b>	the offer of the Open Offer Shares on the terms and conditions set out in the Open Offer Circular and the Application Form accompanying the Open Offer Circular
<b>“Open Offer Shares”</b>	new Ordinary Shares to be issued to Qualifying Participants under the Open Offer
<b>“Ordinary Shares”</b>	ordinary shares of no par value in the Company or, where the context requires, DIs
<b>“Overseas Shareholders”</b>	all Shareholders resident in a Restricted Jurisdiction
<b>“£” and “p”</b>	respectively pounds and pence sterling, the lawful currency of the United Kingdom
<b>“Qualifying Participants”</b>	Shareholders on the register of members of the Company or the register of holders of DIs, as applicable, on the Record Date with a registered address in the UK, Ireland or the Channel Islands
<b>“Record Date”</b>	the record date in relation to the Open Offer, being 6.00 p.m. on 20 April 2023
<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements
<b>“Relevant System”</b>	has the meaning given in the CREST Regulations
<b>“Restricted Jurisdictions”</b>	means all jurisdictions other than the UK, Ireland or the Channel Islands
<b>“SCC”</b>	Shore Capital and Corporate Limited, the Company’s nominated adviser for the purposes of the AIM Rules;
<b>“SCS”</b>	Shore Capital Stockbrokers Limited, the Company’s broker
<b>“Shareholders”</b>	holders of Ordinary Shares or Depositary Interests, as applicable
<b>“Shore Capital”</b>	SCC and/or SCS as the case may be



<b>“Subscription”</b>	the subscription for the Subscription Shares at the Issue Price by Maurice Mason and Nicole Mason
<b>“Subscribing Directors”</b>	Nathaniel Le Roux, William Styslinger, Peter Hetherington and Ian Proctor
<b>“Subscription Shares”</b>	the 3,333,333 new Ordinary Shares to be issued pursuant to the Subscription
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland
<b>“US” or “United States”</b>	the United States of America, each state thereof, its territories and possessions, and all areas subject to its jurisdiction