

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.



29 September 2023

**Scotgold Resources Limited ("Scotgold", the "Company" or the "Group")
Corporate Update**

On 19 September 2023, the Company announced an update on the Mining Plus review and that while the Geological data and documentation suggested 'no fatal flaws' in the MRE and GC modelling process, the draft mine plan and associated cash flow forecasts indicate that to deliver to the plan, a significant capital investment is required.

Contingency Planning

Financing discussions are ongoing, they are at an advanced stage with confirmatory diligence being undertaken. These have not yet reached final agreement and as such the Company is in discussion with an administration specialist as a precautionary measure in the event it cannot secure financing and needs to appoint an Administrator.

Court Action

The Company is cognizant of its obligations to its creditor base and has accumulated arrears which it is intended will be addressed if a successful re-finance is achieved. Nonetheless, a creditor has recently taken action which the Board hope to resolve through negotiation of a repayment proposal. Should matters not be successfully resolved this could reduce the timescale to achieve a funding solution and necessitate an Administration appointment, which of course it is hoped can be avoided.

Workforce Care and Maintenance Plan

As at 28 September 2023, the Company has placed the majority of its employees on short term unpaid leave until further notice, allowing the Company time to advance the financing discussions and preserve funds to help retain some key trained staff members across mining and plant and maintenance. This care and maintenance team will maintain the Company's assets and ensure

compliance with statutory, regulatory and environmental reporting obligations for the immediate future.

****ENDS****

Scotgold Resources Limited

Sean Duffy, interim CEO and CFO
Peter Hetherington, Non-executive Chairman

**Contact via Shore Capital
below**

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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.

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.