

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.



19 September 2023

**Scotgold Resources Limited ("Scotgold", the "Company" or the "Group")
Mining review update**

On 11 September 2023, the Company announced an update on the Mining Plus review of the Cononish mine plan for the next twelve months, encompassing a geological review of the Cononish Mine mineral resource estimate ("MRE") and grade control ("GC") process, mine design, schedule and production forecasts stating that Initial findings have been fed back to the Board.

The Company further stated 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 are currently being reviewed by the Company, but they indicate that to deliver to the plan, a significant capital investment is required. The Company is actively seeking additional financing and discussions are in an advanced stage and, should they materialize, are expected to provide sufficient funding for the Company to continue as a going concern. The outcome of the funding discussions is highly uncertain and if the Company cannot conclude a significant fund-raise, it will cast material uncertainty for the Company to continue as a going concern.

Forward Mine Planning update

The updated mine plan and associated schedule till July 2025, revised on 14 September 2023, has been received and remains under internal review. The revised mine schedule was developed using the latest grade control model and focusses on the transition to sustainable and top-down Long Hole Open Stopping ("LHS"). The philosophy to focus on transitioning to sustainable top down LHS is initially heavily development intensive, with the bulk of development scheduled over the next 6 to 9 months. Mine development over the next 6 - 9 months priorities:

Reaching levels beyond the 445L (replacing the lost ore from the 430 Level) and accessing new top down LHS areas above 445L. The ability to transition away from LHS with waste fill to fully top down LHS method without fill enables key efficiencies and cost reductions to be delivered.

Development of the return air way to improve mine ventilation further enhancing the mine development.

Delivery on the key power and ventilation capital upgrades.

To achieve this mine development, power and ventilation upgrades will require significant capital investment. The board have requested site management to review key productivities and timing of capital infrastructure delivery and commissioning, in order to combine and sequence the mine development philosophy into a fully integrated operational plan. The Board will also commission a review into the circumstances surrounding the initial power upgrade completed in 2022 and what implications this may have had for the achievement of the 2023 mine plan.

Scotgold will continue to provide updates on the progress of the mine design and planning.

****ENDS****

Scotgold Resources Limited

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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.