



28 September 2020

Scotgold Resources Limited
("Scotgold" or the "Company")
Grampian Project Exploration Update

Highlights

- Encouraging results of ongoing exploration programme focused on:
 - increasing the resource inventory at the Cononish Gold and Silver Mine, where first gold is expected by 30 November 2020;
 - further delineating existing prospects; and
 - making new discoveries
- Cononish mine – identification of gold and silver anomalies to the north east of the mine that are consistent with the 'Mother Vein' structure
- Beinn Udlaidh prospect – anomalous area highlighted as part of sampling programme focused on delineating multiple open-ended anomalies – highest Au value returned from current sampling is 15.15 parts per billion ("ppb") (compared to previous high of 9.06ppb)
- Inverchorachan prospect – multiple discrete anomalies identified with encouraging values of 22 ppb Au and 44 ppb Ag returned to date

Scotgold Resources Limited (AIM:SGZ), the gold exploration and production company focused on Scotland, is pleased to update shareholders with regards to its exploration activities on the Cononish Project, ("Cononish") and Grampian Project, ("Grampian") in Scotland. These are focused on increasing the Mineral Resources in the area around the Cononish Gold and Silver Mine, (the "Cononish Mine") which is on course to become Scotland's first commercial gold mine by 30 November 2020; advancing the gold and silver anomalies identified at Beinn Udlaidh and Inverchorachan; and making new discoveries over the Company's extensive Option Area on the Dalradian belt.

Since the last exploration update of 15 January 2020, Scotgold geologists have continued to utilise the Ionic Leach¹ method as further detailed in the Company's RNS of 1 April 2019, both to stream sediment sampling and soil sampling programmes across its option areas.

Subsequent exploration work has been focused on extending the soil sampling grid at Cononish as well as extensions to the soil sampling grids over the Beinn Udlaidh and Inverchorachan prospects, which lie within the adjacent Glen Orchy Central and Inverliever East option areas respectively.

Additionally, the regional stream sediment sampling programme has continued, with samples collected from within 10 of the 13 option areas.

Ionic Leach Soil Sampling Programmes:

Cononish: The existing grid at Cononish, reported on 28 August 2019, has been successfully extended to the north east. A total of 146 samples were collected in an attempt to confine and further define open-ended anomalies identified in previous soil sampling. Further gold and silver anomalies (figure 1), have been identified to the north east of the Cononish Mine which are consistent with the ‘Mother Vein’ structure. Further sampling is planned over the northeast part of the Cononish grid, with extensions across Kilbridge and Coire Nan Sionnach to link the grids and assess the extent, dispersion and distribution of currently open-ended anomalies.

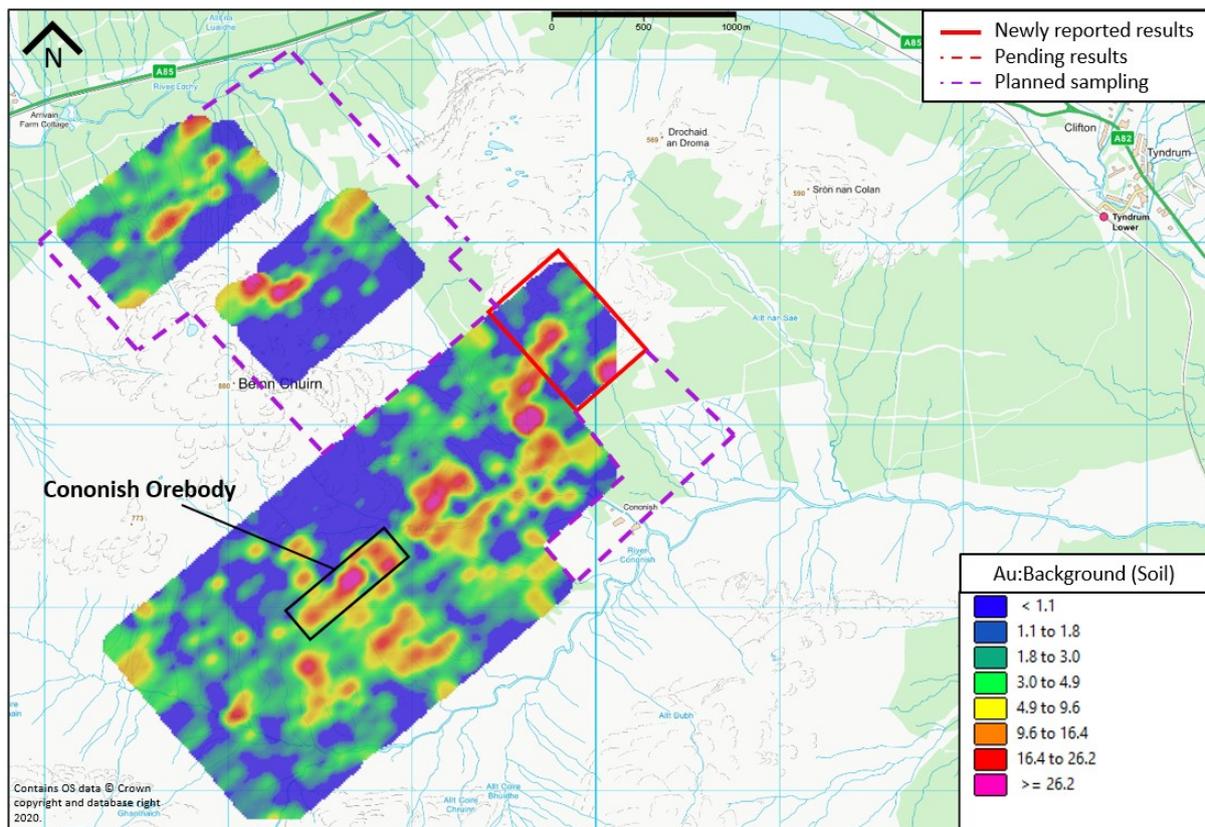


Figure 1: Results from Soil sampling at Cononish, results are presented as Au:background, where Au values are considered as a ratio to a calculated background value.

Beinn Udlaidh: Work previously reported on 15 January 2020 at the Beinn Udlaidh prospect identified multiple open-ended anomalies on all sides of the grid. In order to better assess the extent, dispersion and distribution of these anomalies, the grid has been extended to the north east, south east, south west and north west. Results are reported for 147 samples collected to the south east of the existing grid (figure 2). This extension has highlighted an anomalous area where the highest Au value seen at the prospect so far was collected of 15.15 ppb (compared to previous high of 9.06ppb). The highest Ag value seen from this part of the grid was 52.4 ppb (compared to previous high of 89.9ppb). Further work is planned to the south to define this newly identified anomalous area.

Results from a further 357 samples collected in the aforementioned areas are awaited and will be reported in due course.

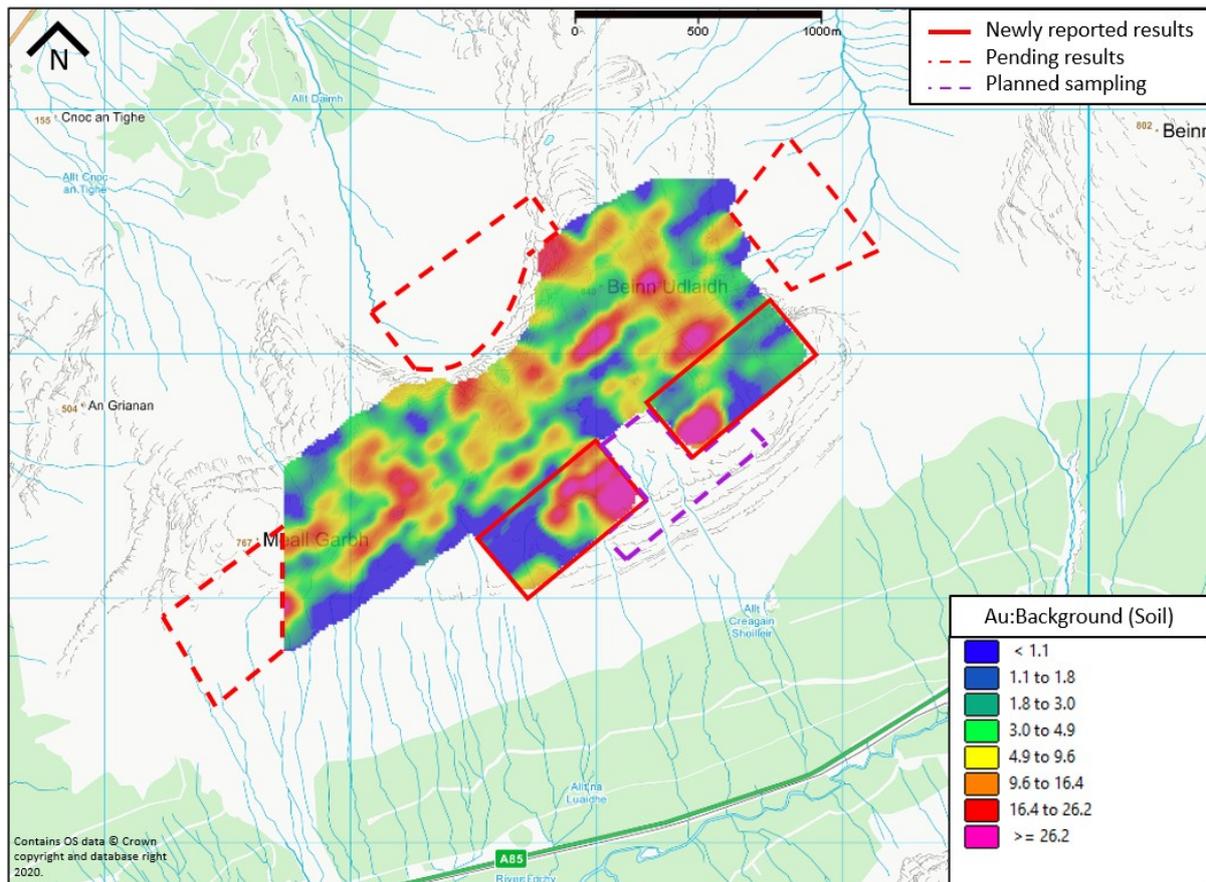


Figure 2: Results from Soil sampling at Beinn Udlaidh, results are presented as Au: background, where Au values are considered as a ratio to a calculated background value.

Inverchorachan: Work on this grid previously reported on 15 January 2020 at the Inverchorachan prospect has been extended to the south west and north east, where the previously identified Au anomaly was open along strike in both directions. Results are reported for a total of 232 soil samples that were collected to the south west of the existing grid.

Promising results from the south west extension exhibit an increased number of more discrete anomalies, rather than the large more uniform anomaly previously identified in the core area (figure 3). Anomalous values from the extension report encouraging values of 22 ppb Au and 44 ppb Ag. The grid remains open to the south west, and further sampling is planned to constrain the anomaly.

Results are awaited by the Company for a further 100 samples that have been collected to the north east and will be reported in due course.

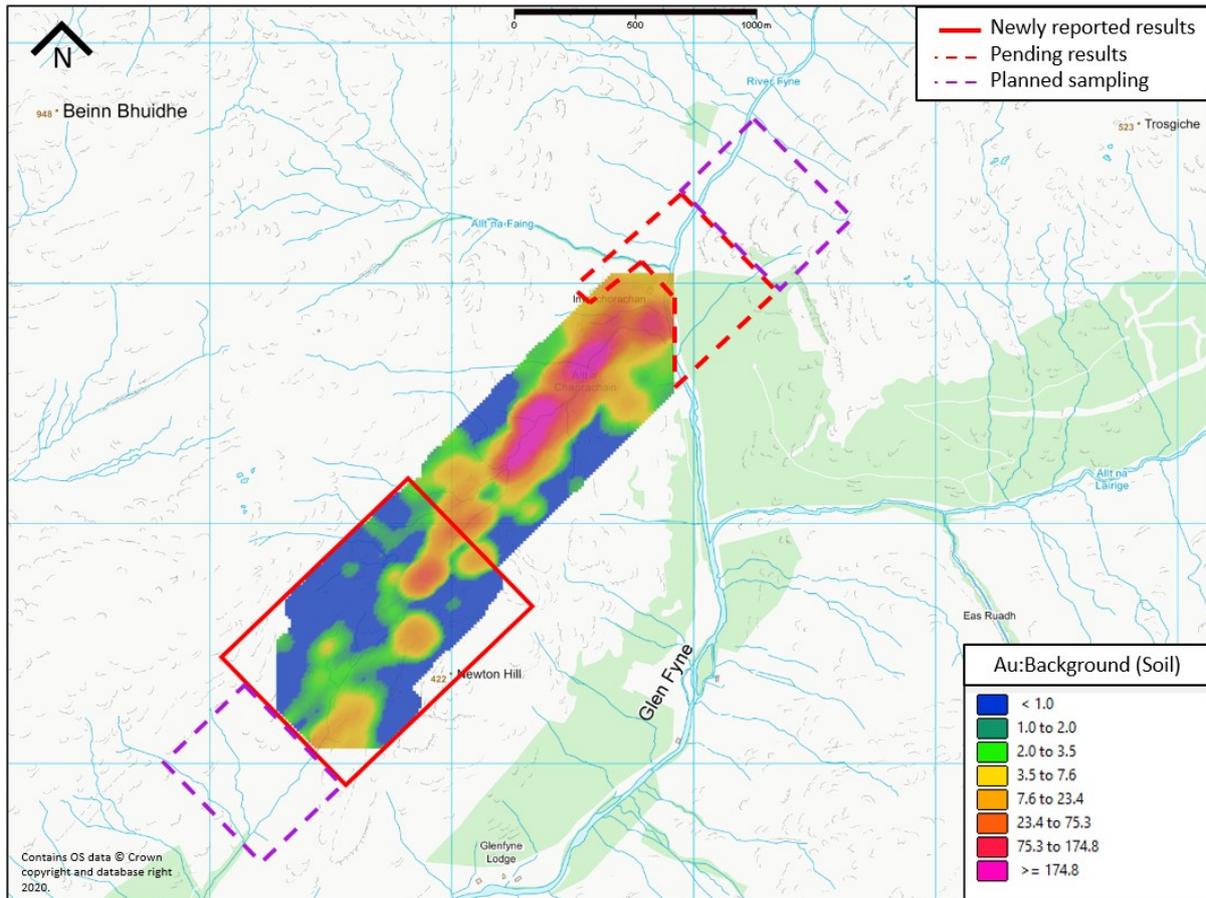


Figure 3: Results from Soil sampling at Inverchorachan; results are presented as Au: background, where Au values are considered as a ratio to a calculated background value.

Regional Ionic Leach Stream Sediment Sampling Programme:

A total of 508 samples have now been collected as part of the regional stream sediment sampling programme this year. Samples have been collected from 10 of the 13 option areas with encouraging results returned over several drainage catchments effectively identifying targets for further follow-up. Sampling is ongoing as well as follow up mapping in areas identified as anomalous.

CEO, Richard Gray, commented:

“Scotgold is now at an exciting juncture, with first gold expected from the Cononish Gold and Silver Mine by 30 November this year and a growing portfolio of exploration anomalies and targets. We look forward to advancing our systematic exploration program, which holds out the promise of; increasing our Mineral Resources within reach of the Cononish Mine, identifying new orebodies at Beinn Udlaidh and Inverchorachan and of course making new discoveries over the rest of our extensive Option Area on the Dalradian belt.”

¹ Ionic Leach™ is a static sodium cyanide leach using the chelating agents ammonium chloride, citric acid and Ethylenediaminetetraacetic acid ('EDTA') with the leachate buffered at an alkaline pH (pH 8.5). Samples are digested as collected so there is very little opportunity to lose or introduce elements during the partial leach process. This innovative leach technique is designed for near surface soil samples. It is designed to

improve geochemical mapping and enhance the potential to detect and resolve geochemical anomalies for a range of commodity elements.

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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