



22 September 2022

**Scotgold Resources Limited ("Scotgold" or the "Company")
Operations Update – Optimisation Initiatives, Production and Sales**

Scotgold Resources Limited (AIM: SGZ), Scotland's first commercial gold producer, announces an operations, production and sales update for its Cononish Gold and Silver Mine in Scotland ("Cononish") as it continues to deliver optimisation initiatives to increase efficiencies, mining rates, gold recovery and production in line with the Company's objective to achieve Phase 2 production levels of 23,500 ounces p.a. run rate of gold.

Optimisation Initiatives

- Underground power and ventilation upgrades to improve access, operations and increase mining rate and ore extraction completed in late August.
- Debottlenecking of process plant areas, such as flotation and tailings filtration, completed enhancing gold recoveries and efficiencies beyond management's initial expectations. This enables the plant to process up to c.4,000 tonnes of feed per month prior to installation of tailings thickener (a 33% increase in previous capacity at this point).
- Tailings thickener erected in the processing plant with construction well under way. Planned commissioning moved to Q4 2022 to enable smooth implementation inline with increased throughput of ore from the debottlenecking initiative. Following commissioning, the process plant is estimated to achieve c.5,000 tonnes per month throughput (an 11% increase to previous estimates).
- Further optimisations of process plant tailings filter (adding further filter plates to the tailings filter and minor modifications around the Ball Mill and flotation areas) planned for Q4 2022 to further increase throughput of the processing plant to c.6,000 tonnes per month to achieve production levels of 23,500 ounces p.a. run rate of gold.

Cononish Gold Production

- Q3 2022 (3 months to 30 September 2022) revised production guidance of c.2,000 ounces of gold (previous guidance of 2,900 to 3,500 ounces of gold) due to the successful but delayed commissioning of the power and ventilation project, delaying mine development on the waste ramp which allows access to cut and fill stope 3.
- With underground power and ventilation upgrades and incremental debottlenecking of process plant completed, throughput has increased to c.4,000 tonnes of feed per month. Q4

2022 production is expected to be in line with mine plan and significantly ahead of Q2 / Q3 2022 production and achieve Optimisation Phase Production run rate of c.16,000 ounces p.a. of gold. This is a significant step towards achieving Phase 2 production levels of 23,500 ounces p.a. run rate of gold as planned by end of Q1 2023.

Gold Sales

- July and August gold concentrate shipments totalled 214 tonnes with a sales value of £2.6 million.

Scotgold Resources CEO, Phil Day said, *“We achieved commercial production in July 2022 and continue to operate as a cash generative business. I am hugely encouraged by progress to date, which sees the majority of optimisation initiatives completed, strongly placing us for Q4 2022 and Q1 2023, driving the production ramp up towards Phase 2, and indeed margins, cash generation and profitability, in line with our stated strategy.*

“Notwithstanding the reduction in gold production in late August/early September and consequent knock-on reduction of Q3 2022 guidance to c.2,000 ounces of gold, due to the successful, but delayed implementation of the power and ventilation upgrades - I am excited looking ahead. The delayed ore extraction from the mine will be negated by the recent upgrades in power and ventilation and Q4 2022/Q1 2023 are set to be very robust quarters in line with our mine plan and forecast to see a significant increase to Q2 and Q3 2022 production.

“The process plant current throughput has increased to c.4,000 tonnes per month (from 3,000 tonnes per month in Q2 2022) and this is targeted to increase to c.5,000 tonnes per month when the tailings thickener comes online and then again to c.6,000 tonnes per month with further optimisation of the plant in Q4 2022. We remain on track to deliver Phase 2 of Cononish’s ramp up and annualised production levels of 23,500-ounces of gold by the end of Q1 in 2023.”

Investor Webcast – Monday 26 September 14:00 BST

The Company will host a live investor webcast via the Investor Meet Company (IMC) on Monday 26 September at 14:00 BST, followed by an opportunity to ask questions.

Investors can sign up to Investor Meet Company for free and add "Scotgold Resources" via the following link to join the webinar:

<https://www.investormeetcompany.com/scotgold-resources-limited/register-investor>

The information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under Article 7 of the Market Abuse Regulation (EU) No. 596/2014 (as amended) as it forms part of the domestic law of the United Kingdom by virtue of the European Union

(Withdrawal) Act 2018 (as amended). Upon the publication of this Announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

****ENDS****

Scotgold Resources Limited	Shore Capital	Celicourt Communications
Chief Executive Officer	Nomad and Broker	Financial PR
Phil Day	Toby Gibbs / John More	Felicity Winkles
Via Celicourt Communications	Tel +44 (0)20 7408 4090	Tel +44 (0) 208 434 2643 Tel +44 (0) 774 8843 871

Notes

Scotgold Resources Ltd (AIM: SGZ), is Scotland's and the UK'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 by the end of Q1 2023. 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. Once in full production, the mine has anticipated forecast operating costs of c.£544/oz AISC, 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.

Linked in

Our optimisation initiatives are well underway with the majority completed - increasing efficiencies, mining rates, gold recovery and production at our Cononish Gold Mine in Scotland.

in line with the Company's objective to achieve Phase 2 production levels of 23,500 ounces p.a. run rate of gold.

Our CEO commented, “I’m *hugely encouraged by progress to date, which sees the majority of optimisation initiatives completed, strongly placing us for Q4 2022 and Q1 2023, driving the production ramp up towards Phase 2, and indeed margins, cash generation and profitability, in line with our stated strategy.*”