21 January 2015

The Company Announcements Office
Australian Securities Exchange Limited
4th Floor 20 Bridge Street
SYDNEY NSW 2000

JORC 2012 MINERAL RESOURCE ESTIMATE FOR CONONISH GOLD PROJECT AND COMPANY UPDATE

Scotgold Resources Limited ('Scotgold or 'the Company') is pleased to announce a new Mineral Resource Estimate ('MRE') for the Cononish Gold Project and provide an update on development activities. The MRE compiled by CSA Global (UK) Limited has been classified and is reported as Measured, Indicated and Inferred based on guidelines recommended in the JORC Code (2012). The Cononish Gold Project is part of the Company's gold portfolio located in Scotland and the MRE is a key step in the Board's plans, as announced on 19 October 2014, to optimise the project's development.

SIGNIFICANT RESOURCE UPGRADE

- Gold metal content of the Measured and Indicated Resource increased by 201% to 248 K oz;
- Average gold grade of the Measured and Indicated Resource increased by 9% to 14.3 g/t;
- Measured and Indicated Resource tonnes increased by 176% to 541 K tonnes;
- Total MRE tonnes increased by 34% to 617 K tonnes; and
- Average gold grade of the Total MRE increased by 18% to 13.4 g/t gold;

The total MRE as at 12 January 2015 has been estimated at a cut-off grade of 3.5 g/t gold and is presented below.

Classification	K Tonnes	Grade Au g/t	Metal Au Koz	Grade Ag g/t	Metal Ag Koz	In-situ Dry BD
Measured - In-situ	60	15.0	29	71.5	139	2.72
Indicated - In situ	474	14.3	217	58.7	895	2.72
Indicated - Mined Stockpile	7	7.9	2	39.0	9	2.72
Sub-total M&I	**541**	**14.3**	**248**	**59.9**	**1,043**	**2.72**
Inferred - In-situ	75	7.4	18	21.9	53	2.72
Total MRE	**617**	**13.4**	**266**	**55.3**	**1,096**	**2.72**
Reported from 3D block model with grades estimated by Ordinary Kriging with 15 m x 15 m SMU Local Uniform Conditioning adjustment. Minimum vein width is 1.2 m.Totals may not appear to add up due to appropriate rounding.						

The Cononish mineralisation is open at depth down plunge and to the west along strike. There is therefore potential to add to the resource by further extensional drilling.

The MRE includes data from 4 drill holes (CON12-14, 16, 17 and 18) reported in July 2013, in addition to all drilling and sampling previously used in the November, 2012 MRE (reported in compliance with JORC 2004). Significantly, this MRE now utilises a detailed 3 dimensional (3D) geological model which more accurately estimates the volume of the vein deposit as well as assisting in the interpretation of other key geological features, such as faults and dykes. It also incorporates advances in geological interpretation, including the use of local uniform conditioning to optimise the grade tonnage distribution for the Selective Mining Unit (SMU) dimensions achievable with the planned underground mining method.

COMPANY UPDATE

Work has now commenced to use the 3D geological model to quantitatively assess the optimal mining methodology for the Cononish deposit. The outcome of this, combined with the new MRE, will inform a revised mine development plan which is scheduled for completion in Quarter 2, 2015.

A second element of the revised Cononish development plan will be a change to the planned processing hours to a 24/6 basis (excluding Public Holidays). An application in this regard, as well as to secure a 3 year extension of the current planning permission, has been submitted to the Loch Lomond and the Trossachs National Park Planning Authority (LLTNPPA). This application has been assessed and recommended for approval by the LLTNPPA executive when it is considered at a special Board meeting scheduled for 26th January, 2015. If approved this amendment will facilitate one of several opportunities to reduce the capital requirement for the project.

Following from the redemption of the RMB loan in full in December 2014, the Company now has greater flexibility as it prepares for the financing of Cononish and will explore its options with a view to minimising dilution for the benefit of all shareholders.

The Company is also continuing its early stage regional exploration work as part of its Grampian Gold Project. A decision on the proposed airborne geophysical survey has however been deferred until Quarter 2, 2015 when the options for financing the Company in the medium and longer term have been advanced.

Richard Gray, Scotgold's Chief Executive Officer commented: "*This MRE released today is truly a cornerstone for the Cononish Project and Scotgold Resources. In addition to the significant increase in resource ounces, this work done on the 3D modelling in particular will underpin a more robust optimisation of our mining plan. This will be of great value to the Board as we look to further optimise the project and make plans for the funding and development of Cononish.* "

Yours faithfully

P.J.Newcomb.

Peter Newcomb
Company Secretary

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Prospect Location and Regional Geology

The Cononish Gold Project is located in the Grampian Highlands of mid-western Scotland and is the most advanced of Scotgold's Grampian gold projects. The deposit is located on the Cononish farm, near Tyndrum, within the north-western extremity of the Loch Lomond and Trossachs National Park, about 90 km northwest of Glasgow (Figure 1).

Figure 1. Location of Cononish Gold Project

The Company completed a Scoping Study in 2008 for the development of the Cononish Gold Project and updated this study in 2013, the Cononish Development Study Results (note – the reporting of this study is not compliant with the JORC 2012 code). The results of these studies demonstrate the viability of the project.

Geology

Cononish is an early Palaeozoic narrow quartz vein system, emplaced into a suite of metamorphosed Proterozoic sediments. Mineralisation is associated with a ~2 m near vertical quartz-carbonate vein that strikes NNW-SSE. The deposit type is described as Phanerozoic Orogenic Lode Gold Deposit. Gold occurs as electrum and silver as telluride with minor native gold and silver. The gold electrum is fine grained and generally less than 100 microns in size. Visible gold up to 2,000 microns is rare. Both gold and silver are spatially associated with sulphides in quartz. Sulphides are dominantly pyrite, but galena, chalocopyrite and sphalerite do exist. Some less than 20 micron gold occurs within the pyrite.

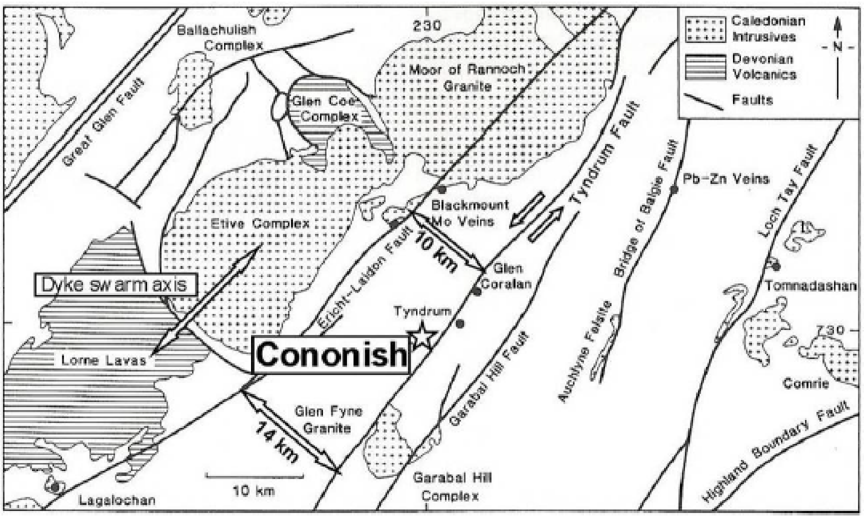

Figure 2. Cononish auriferous vein in relation to regional geology and fault structures

Drilling and Sampling

Four phases of drilling and sampling have been carried out at Cononish, the results of which were included in the MRE. Table 1 presents the drilling and sampling data used in this MRE. Drill holes CON12-14, 16, 17 and 18 reported in July 2012 but not used in the previous November 2012 MRE due to timing issues, have now been included in this MRE. These holes all drilled from a common collar location with different bearing and dip, provide additional new information in the high grade zone from 11,190mE to 11,230mE.

The majority of drilling has been completed on a 40 to 50 m grid (within the plane of the Cononish vein) with more recent drilling spaced between 10 to 20 m apart. Channel sampling in the adit and associated raises has been completed on 2 m spacing.

Drilling and Sampling data used in the January 2015 MRE				
Description	Hole Type	# Holes	Metres	Comment
Historical	DD	141	14,755.8	Ennex 1985 - 1991
Historical	DD	21	2,303.4	Caledonia 1995 - 1997
Recent	DD	61	4,273.4	Scotgold 2008 - 2012
Recent	DD	4	464.3	Scotgold 2012, holes not used in 2012 MRE
Channel	AD	236	632.2	Ennex 1990 - 1991 from 1.2km adit
Raise	RS	57	86.3	Ennex 1990 - 1991 from raises linked to adit
Outcrop	OC	69	29.6	Scotgold 2008 onwards
Trench	TR	122	2,323.9	Scotgold 2008 onwards
Total		**711**	**24,868.9**	

Assay data used in the January 2015 MRE				
Hole Type	Description	Metres Sampled for Au	# Au samples	# Ag Samples
DD	Drill Core	2,062.6	2,994	2,972
AD	Channel	604.3	899	899
RS	Raise	86.3	147	146
OC	Outcrop	15.1	74	71
TR	Trench	919.4	833	833
Total		**3,687.7**	**4,947**	**4,921**

Table 1. Drilling and sampling data used in the MRE

Sampling was selective over mineralised intervals and samples were collected at variable intervals of differing support according to geological domain. Channel sampling in the adit consisted of mostly chip-channel sampling, with approximately 4 kg material collected for each sample.

Samples from 2008 ranged from 1.5 to 4 kg (NQ samples) and around 0.6 kg for AQ samples, depending on intersection lengths, and were assayed by the OMAC (ALS) laboratory in Ireland using a 30 g fire assay with an ICP or AAS finish. Samples prior to 2008 were prepared and assayed by the Curraghinalt and OMAC laboratories with 30 g pulp weight and techniques including predominantly aqua regia wet chemical method with a 1 in 10 repeat fire assay.

Resource model

3D wireframes representing the auriferous vein, barren dykes, intrusive and fault zones were modelled. Wireframes for the auriferous vein were produced using Implicit modelling based on logged mineralisation sample intercepts. Geological domain boundaries were interpreted and used to limit the extent of the mineralised vein model. A seam filled auriferous vein volume block model was created using block dimensions of 15 m x seam thickness x 15 m (X x Y x Z).

A 3D view of the geology model is presented in Figure 3 and a long section view of the Cononish auriferous vein coloured by vein width is presented in Figure 4.

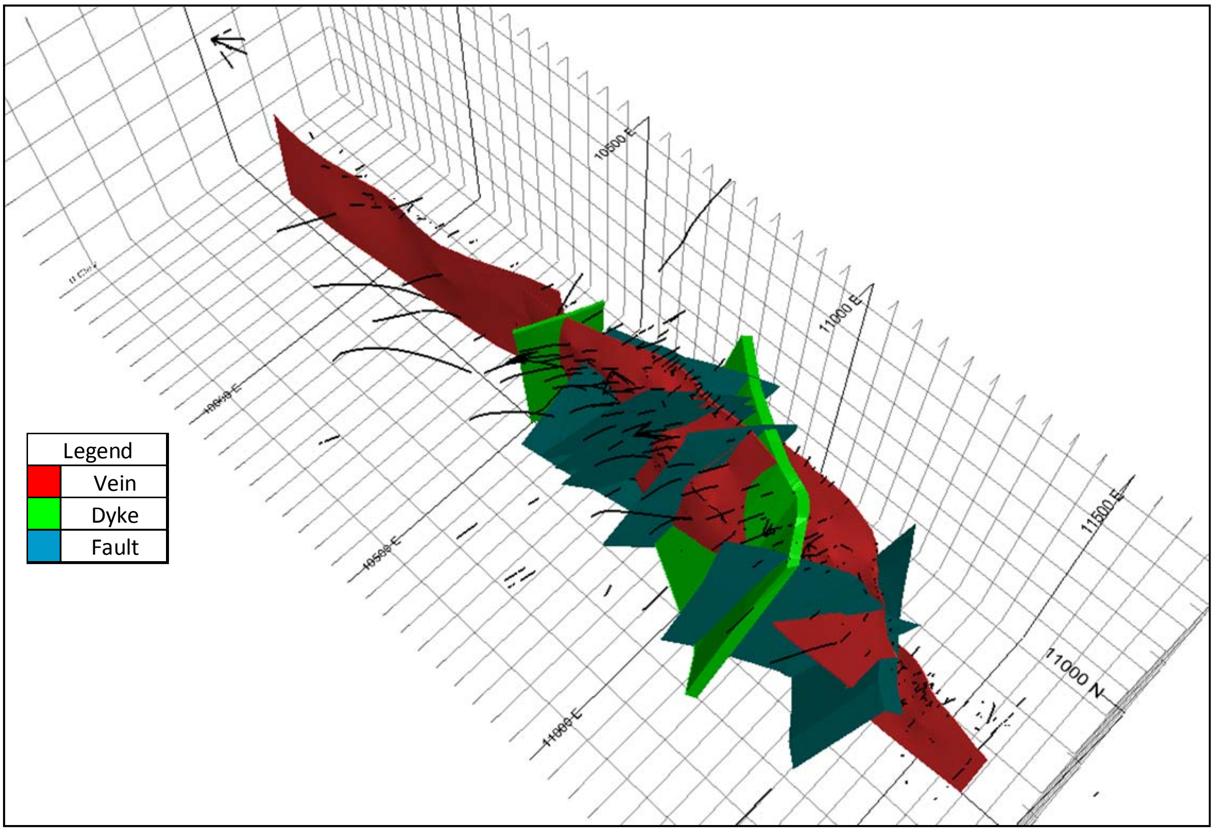

Figure 3. 3D view showing Cononish vein, geology features and drill and sampling data

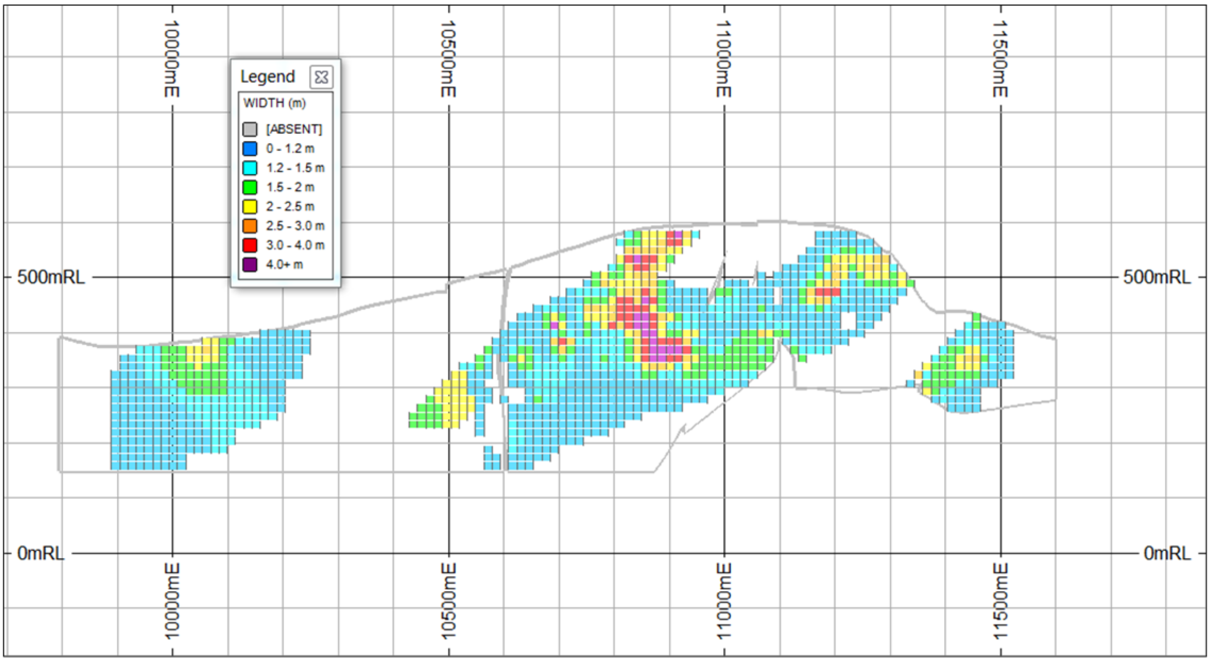

Figure 4. Long section through Cononish vein coloured by true width

Grade Estimate

Sample data logged as auriferous vein material, used for creation of the vein volume model, composited to 1 m with residuals to a minimum 0.5 m length were used for grade estimation.

Cutting of high grade outliers was required to avoid local high grade bias. Analysis demonstrated that top cuts be applied according to sample type, for both Au and Ag. Drillhole samples were top cut to 120 g/t Au and 300 g/t Ag. Adit data was top cut to 120 g/t Au and 500 g/t Ag.

Gold and silver grades were estimated using Isatis software using the Ordinary Kriging (OK) grade estimation method. Variography was undertaken in Isatis. The panel size for OK grade estimation was 45 m x 5 m x 45 m which approximates the average drill grid spacing.

Gold and silver were estimated separately, with separate variograms for each. Variogram parameters and search neighbourhood parameters are presented in Table 2. There is no obvious correlation between gold and silver grades. The search neighbourhood parameters were the same for both variables.

Variogram Parameters												
Variable	Nugget	Sill 1	Ranges			Sill 2	Ranges			Rotation (Isatis Geo Plane)		
			Dir 1	Dir 2	Dir 3		Dir 1	Dir 2	Dir 3	Azimuth	Dip	Plunge
Au	0.35	0.28	25	65	5	0.37	75	60	10	90	90	135
Ag	0.3	0.36	26.5	67.4	3.7	0.34	79.1	22.6	9.3	90	90	135

Estimation Search Neighbourhood											
Domain	Range X	Range Y	Range Z	Azimuth	Dip	Plunge	Min Samp	Max Samp	Data Used		
1	50	25	10	85	70	135	6	12	DD	TR	OC
1	125	62.5	25	85	70	135	6	9	DD	TR	OC
1	250	125	60	85	80	135	3	6	DD	TR	OC
2	25	10	6	85	70	135	6	15	AD	RS	
2	50	20	12	85	70	135	6	12	AD	RS	
2	50	25	10	85	70	135	6	12	DD	TR	OC
2	125	62.5	25	85	70	135	6	9	DD	TR	OC
2	250	125	80	85	80	135	3	6	DD	TR	OC
3	50	25	10	85	70	135	6	12	DD	TR	OC
3	125	62.5	25	85	70	135	6	9	DD	TR	OC
3	250	125	60	85	80	135	3	6	DD	TR	OC

Table 2. Variogram and Search Neighbourhood parameters

A selective mining unit (SMU) of 15 m x 15 m panels is anticipated for detailed mine planning. SMU size is based on the assumption of underground mining using short interval sub level stoping. The expected grade and tonnage distribution at the SMU dimensions and at a gold cut-off grade of 3.5 g/t was completed by localising the OK results from the 45 m panels to 15 m SMU dimensions, using Isatis software uniform conditioning and grade tonnage localisation algorithms. Grade validation was completed using OK, Inverse Distance and Nearest Neighbour methods, including comparison with the previous polygonal MRE.

Long section views of the Cononish vein coloured by gold and silver grade are presented in Figure 5 and Figure 6 respectively.

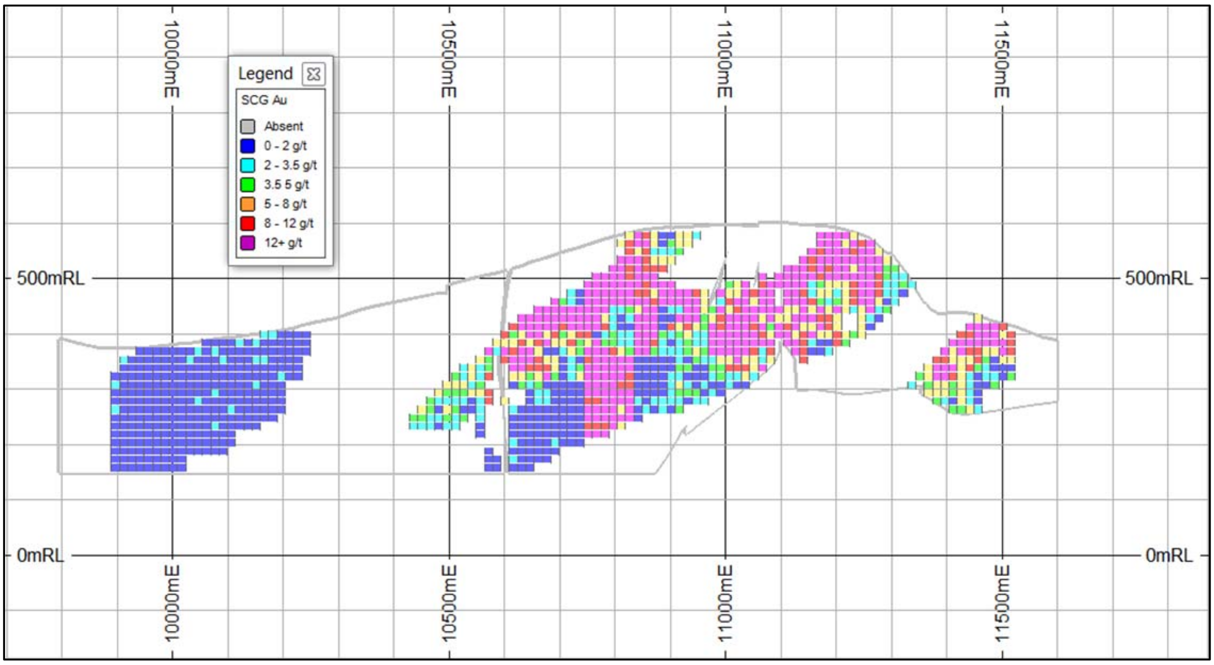

Figure 5. Long section through Cononish vein coloured by gold grades

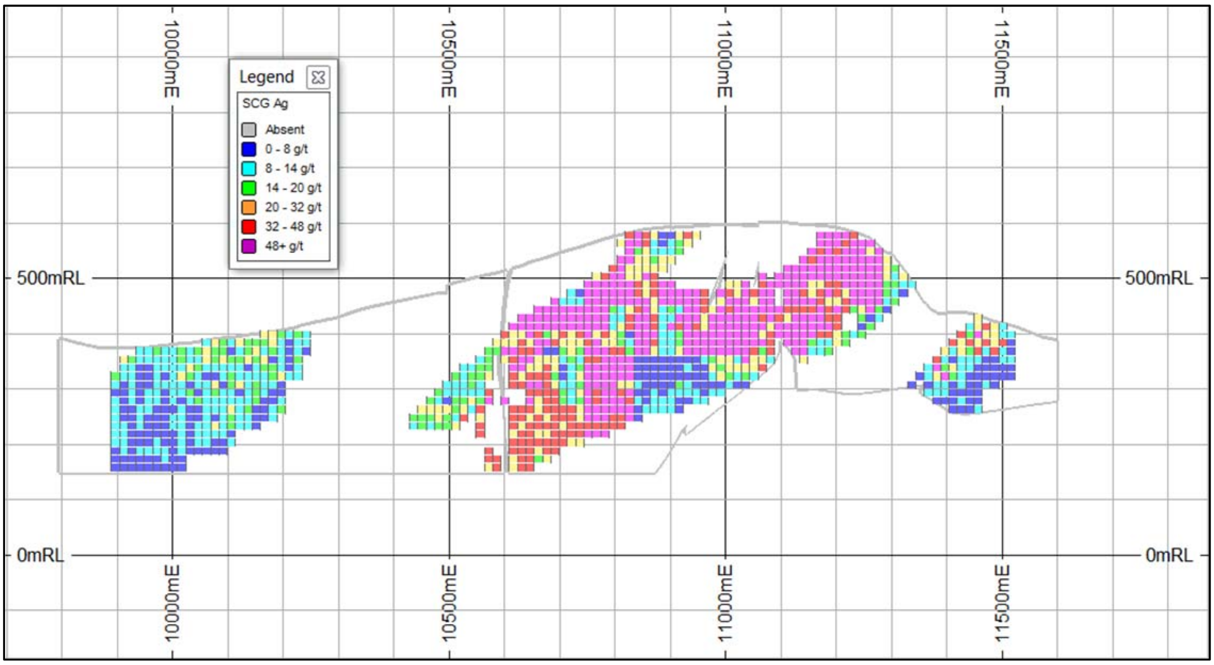

Figure 6. Long section through Cononish vein coloured by silver grades

Mineral Resource Estimate

A bulk density of 2.72 used to estimate tonnage was assigned to the model, based upon test work from 19 mineralised vein samples from diamond core conducted in 1987 and 2014.

The MRE is reported at a gold cut-off grade of 3.5 g/t, which is the estimated the breakeven gold grade for this style of deposit, mining method and gold recovery process based on previous scoping and other studies of Cononish.

MRE has been diluted to a minimum mining width of 1.2 m. Anticipated mining methods include sublevel open stoping on 10 m to 15 m panels, or shrinkage stoping on 30 m panels. The SMU selected is consistent with these possible methods. The grade of dilution material has been assumed to be zero.

The reported MRE has been classified as Measured, Indicated and Inferred after consideration of the following:

- Adequate geological evidence and sampling data to support geological spatiality, mineralisation boundaries and grade continuity.
- Adequate verification of gold and silver grades to provide confidence in the estimated block grades.
- Adequate in-situ dry bulk density data available to estimate appropriate tonnage factors.
- Adequate mining, metallurgy and processing knowledge to imply potential prospects for eventual economic extraction.

The resource was classified according sample density, with closer spaced sampling providing higher levels of global and local grade confidence. The Measured classification was assigned to mineralisation proximal to the existing adit. Indicated classification was assigned to material situated around the Measured material, where closer spaced drilling data exists. Inferred classification was assigned to material constrained within the interpreted mineralisation envelope and outside the Measured and Indicated boundaries. The Inferred material represents material that is down dip below the adit to the 150 elevation (approximately 150m below the adit) and along strike (maximum distance of 100m from the nearest drillhole intercept) outside the extents of the adit.

The reported MRE and its classification are consistent with the Competent Person's (CP) view of the deposit. The CP was responsible for determining the resource classification. Table 3 presented the Cononish gold and silver project MRE as at 12 January, 2015. Figure 7 presents a long section view of the Cononish vein coloured by resource classification.

Scotgold Resources Limited - Cononish Gold Project

Mineral Resource Estimate as at 12 January, 2015

Reported at a cut-off grade of 3.5 g/t gold

Classification	K Tonnes	Grade Au g/t	Metal Au Koz	Grade Ag g/t	Metal Ag Koz	In-situ Dry BD
Measured - In-situ	60	15.0	29	71.5	139	2.72
Indicated - In situ	474	14.3	217	58.7	895	2.72
Indicated - Mined Stockpile	7	7.9	2	39.0	9	2.72
Sub-total M&I	**541**	**14.3**	**248**	**59.9**	**1,043**	**2.72**
Inferred - In-situ	75	7.4	18	21.9	53	2.72
Total MRE	**617**	**13.4**	**266**	**55.3**	**1,096**	**2.72**

Reported from 3D block model with grades estimated by Ordinary Kriging with 15 m x 15 m SMU Local Uniform Conditioning adjustment. Minimum vein width is 1.2 m.Totals may not appear to add up due to appropriate rounding.

Table 3. Cononish gold and silver project MRE as at 12 January, 2015

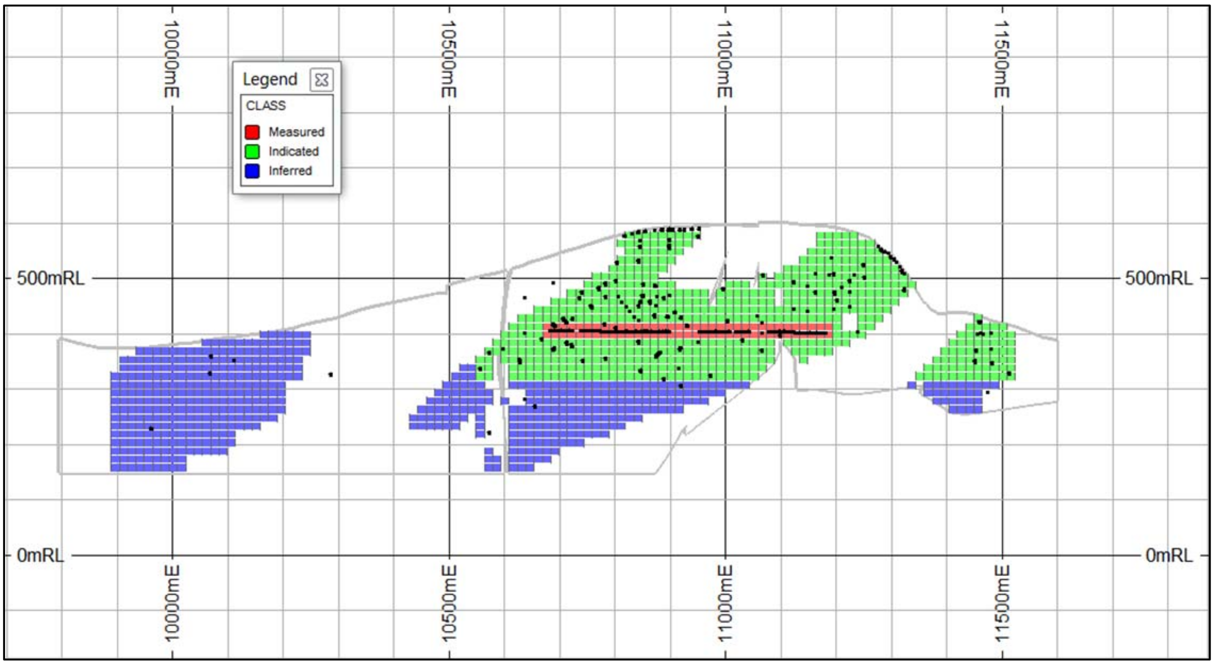

Figure 7. Long section through Cononish vein coloured by MRE classification

Comparison with previous Mineral Resource Estimate

A comparison with the previous reported MRE as at 12 November, 2012 is presented in Table 4.

The comparison shows a global 34% increase in MRE tonnes, with an 18% increase in gold grade resulting in a 57% increase on gold metal content. Importantly the combined Measured and Indicated tonnage has increased by 176%, gold grade by 9% and gold metal content by 201%. The primary reasons for this increase compared to the previous polygon models are:

- Improved confidence in the projection and continuity of gold mineralisation demonstrated by detailed 3D geological interpretation and variography.
- Extension of the global resource down dip by linking deeper mineralisation intercepts with those from the adit along directional trends supported by the variography.
- Improved confidence in the mineralisation in the eastern zone (above the adit) due to the addition of drillholes CON12-14, 16, 17 and 18.
- An overall increase in gold grade due to the application of Local Uniform Condition to estimate in-situ tonnes and grades at 3.5 g/t gold cutoff with selectivity expected from a 15m SMU underground mining method.

Scotgold Resources Limited - Cononish Gold Project Mineral Resource Estimate as at 12 November, 2012 *Reported at a cut-off grade of 3.5 g/t gold*						
Classification	**Tonnes**	**Grade Au g/t**	**Metal Au Oz**	**Grade Ag g/t**	**Metal Ag Koz**	**In-situ Dry BD**
Measured - In-situ	53,100	14.1	24,000	61.2	104,500	2.72
Indicated - In situ	142,900	12.7	58,600	49.9	229,500	2.72
Indicated - Mined Stockpile	-	-	-	-	-	-
Sub-total M&I	**196,000**	**13.1**	**82,600**	**53.0**	**334,000**	**2.72**
Inferred - In-situ	264,600	10.2	86,600	34.9	297,300	2.72
Total MRE	**460,600**	**11.4**	**169,200**	**42.6**	**631,300**	**2.72**
Values obtained from Spreadsheet 121111_SCOGOL_2012 Resource Updated_Ver3.1.xls						

Scotgold Resources Limited - Cononish Gold Project Mineral Resource Estimate as at 12 January, 2015 Comparison with 12 November 2012 MRE						
Classification	**Difference K Tonnes**	**Difference Au Grade**	**Difference Au Metal**	**Difference Ag Grade**	**Difference Ag Metal**	**Difference In-situ BD**
Measured - In-situ	14%	7%	22%	17%	33%	0%
Indicated - In situ	232%	12%	271%	18%	290%	0%
Indicated - Mined Stockpile	-	-	-	-	-	-
Sub-total M&I	**176%**	**9%**	**201%**	**13%**	**212%**	**0%**
Inferred - In-situ	-72%	-28%	-79%	-37%	-82%	0%
Total MRE	**34%**	**18%**	**57%**	**30%**	**74%**	**0%**
Difference are reported as % difference compared to the June 2012 MRE. A positive difference is an increase compared to the June 2012 MRE.						

Table 4. 12 November 2012 MRE and comparison with the 12 January 2015 MRE

Competent Persons Statement

The information in this report that relates to the 2015 Mineral Resources for Cononish Gold Project is based on information compiled by Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by CSA Global (UK) Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Titley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results (refer ASX announcement Quarterly Activities Report dated 31/07/2013) is based on information compiled by Mr David Catterall. Pr Sci Nat, who is a member of the South African Council for Natural Scientific Professions. Mr Catterall is employed as a independent consultant to Scotgold Resources Ltd. Mr Catterall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Catterall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004

The Information in this report that relates to Mineral Resources up to the end of 2014 is based on resource estimates compiled by EurGeol Dr Simon Dominy FAusIMM (CP), FGS (CGeol), FIMMM, previously Executive Consultant with Snowden based in the London, UK Office. Dr. Dominy has sufficient experience that is relevant to the style of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves. Dr Dominy consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004

The information in this report that relates to the Cononish Scoping Study and Cononish Development Study Results (refer ASX announcements dated 17/02/2009 and 30/4/2013 respectively) was compiled by Mr. Martin W Staples BSc, FAusIMM., Director and Principal Mining Engineer with AMC Consultants (UK) Ltd based in the Maidenhead, UK office (now relocated to Perth W.A). Mr. Staples has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Staples consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004

Forward Looking Statement

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

Summary of Resource Estimate and Reporting Criteria

This announcement has been prepared in compliance with JORC Code 2012 Edition, the ASX Listing Rules and the AIM Rules for Companies. The Company has included in Appendix A, the Table 1 Checklist of Assessment and Reporting Criteria for Cononish Gold Project as prescribed by the JORC Code (2012) and the ASX Listing Rules, and Appendix B a glossary of technical terms used in this report.

The following is a summary of the pertinent information used in the MRE:

Geological Interpretation

Micromine software was used for modelling the geological boundaries. 3D wireframes representing the auriferous vein, dykes, intrusive and fault zones were modelled.

Diamond drill core and adit / raise channel samples are the main spatial controls on the vein geometry. Surface and underground mapping combined with lithology logging of the drilling data has been used to identify and interpret geology domains including structural faulting, intrusive dykes and barren sediments.

Wireframes for the auriferous vein were produced using Implicit modelling based on logged mineralisation sample intercepts. Geological domain boundaries were used to limit the extent of the mineralised vein model

Drilling and Sampling Techniques

The Cononish resource is based upon diamond drill hole and adit and raise face sample data collected since the 1980's. The most recent diamond drilling was completed by Scotgold between 2008 and 2012.

Diamond drill core was sampled by selection of half core intervals from NQ and BQ, with full samples from AQ core. Intervals honoured the extents of gold and silver mineralisation and included a waste selvedge on either side of the mineralisation. The adit and associated raises were sampled by channel sampling which consisted of mostly chip-channel sampling, with approximately 4kg material collected for each sample.

The sampled intervals were prepared and assayed for gold and silver by OMAC (now ALS) laboratory in Ireland using fire assay with a 30g charge and ICP or AAS finish.

Dry in situ bulk density values used to derive the tonnage estimate were obtained by density analysis of diamond drill core.

Resource Estimation Methodology

Datamine and Isatis software was used for block modelling, grade estimation, MRE classification and reporting. The gold and silver mineralisation has been modelled within a hard boundary which defines the extent of the mineralised Cononish auriferous quartz carbonate vein. A 3D block volume model was created using Datamine seam modelling functions. Variography for both gold and silver was completed. Gold and silver grades were estimated using Ordinary Kriging on 45 m x 45 m panels. Local Uniform Conditioning was used to estimate the recoverable grade and tonnage which was assigned to 15 m x 15 m sub blocks representing the expected selectivity available during underground mining. In areas where the auriferous vein width was less than 1.2 m the model was expanded to 1.2 m with barren waste material included as edge dilution. No mining dilution has been applied to the resource estimate.

Cut-off Grades

The MRE has been reported using a cut-off grade of 3.5 g/t gold, which is consistent with the outcome from the 2008 Scoping Study based on eventual economic extraction using the proposed mining and processing methods.

Mining and Metallurgical methods and parameters

Various mining studies have been completed over the life of the project since the 1980's. The most recent is the work completed by AMC consultants in 2008 and 2013. The mining studies all demonstrate feasible extraction of gold and silver mineralisation using narrow vein underground mining methods. The availability of an accessible adit and associated raises which extend through the centre of the known mineralisation along approximately 75% of the mineralised vein strike length, provides detailed information relevant to the underground mining conditions.

Metallurgical testwork conducted by Lakefield Research, Gekko Systems Pty and AMMTEC and others at various times between 1987 and 2011 indicates that gold is recoverable by gravity concentration followed by flotation, with recoveries of 93% and 90% for Au and Ag respectively.

Resource Classification Criteria

The MRE has been classified and is reported as Measured, Indicated and Inferred based on guidelines recommended in the JORC Code (2012). The reported MRE has been classified with consideration of the quality and reliability of the raw data, the confidence of the geological interpretation, the number, spacing and orientation of intercepts through the mineralised zones, and knowledge of grade continuity gained from observations and variogram analysis. There is adequate mining, metallurgy and processing knowledge from feasibility studies on geologically similar deposits within the region to imply reasonable prospects for eventual economic extraction.

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Appendix A: JORC Code, 2012 Edition – Table 1 report

Appendix B: Glossary of technical terms

JORC Code, 2012 Edition – Table 1 - Scotgold Cononish Gold and Silver Project MRE as at 12th January, 2015

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*
		• The data comprises:
		  • 227 Diamond drill holes (DD) for 21,796.9 m
		  • 236 Adit samples (AD) for 632.17 m
		  • 122 Trench samples (TR) over 2,323.93 m
		  • 69 Surface outcrop (OC) for 29.62 m
		  • 57 Raise samples (RS) over 86.33 m.
		• Historical diamond drilling which comprises 78% of DD (1985 to 1997) by Ennex and Caledonian Mining was completed on approximately 40 m spacing. Drilling by Scotgold 22% of DD (2007 to 2009) was completed to 10 m to 20 m spacing for selected areas.
		  • Ennex (1985 – 1991) – Surface DD – 13191.8 m (60.4%)
		  • Ennex (1985 – 1991) – UG DD – 1563.9 m (7.2%)
		  • Caledonia (1995 – 1997) – Surface DD – 2057.7 m (9.4%)
		  • Caledonia (1995 – 1997) – UG DD – 245.7 m (1.1%)
		  • Scotgold (2008 onwards) Surface DD – 4225.5 m (19.8%)
		  • Scotgold (2008 onwards) UG DD – 550.9 m (2.5%)
		• Sampling was selective over mineralised intervals and samples were collected at variable intervals of differing support according to geological domain. Channel sampling in the adit consisted of mostly chip-channel sampling, with approximately 4 kg material collected for each sample.
		• A total of 4,947 samples were used for the resource estimate:
		  • 2,994 DD (drill core) samples over 2062.57 m
		  • 899 AD samples (channel / panel chip) over 604.29 m
		  • 74 OC samples (diamond saw) over 15.1 m
		  • 147 RS samples (channel / panel chip) over 86.33 m

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
833 TR samples(channel) over 919.36 m

Standard Operating Procedures (SOP) were drawn up and followed to ensure consistency in sampling technique and representation and the gold and silver mineralisation.
Holes and channels were selectively sampled based on proximity of the auriferous quartz vein with approximately 1 m of waste sampled either side of the vein.
Samples from 2008 ranged from 1.5 to 4 kg (NQ samples) and around 0.6 kg for AQ samples, depending on intersection lengths, and were assayed by the OMAC (ALS) laboratory in Ireland using a 30 g fire assay with an ICP or AAS finish. Samples prior to 2008 were prepared and assayed by the Curraghinalt and OMAC laboratories with 30 g weights and techniques including predominantly aqua regia wet chemical method with a 1 in 10 repeat fire assay.
Sampling is summarised in the table below by type.

<table>
<tr><th>Type</th><th>Count</th><th>Sum Metres</th><th>Count Samples</th><th>Metres Sampled</th><th>Average Sample Interval</th></tr>
<tr><td>AD</td><td>236</td><td>634.40</td><td>900</td><td>604.29</td><td>0.67</td></tr>
<tr><td>DD</td><td>228</td><td>24744.20</td><td>3033</td><td>2093.00</td><td>0.69</td></tr>
<tr><td>OC</td><td>69</td><td>29.62</td><td>74</td><td>15.10</td><td>0.2</td></tr>
<tr><td>RS</td><td>31</td><td>81.70</td><td>73</td><td>61.00</td><td>0.59</td></tr>
<tr><td>TR</td><td>122</td><td>2323.93</td><td>833</td><td>921.00</td><td>1.1</td></tr>
</table>
</td></tr>
<tr><td>Drilling techniques</td><td>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</td><td>
Surface diamond core drilling (88% of drilled metres) was completed using standard NQ diameter rods.
Underground core drilling used AQ and BQ (Kempe hand held rig) diameter rods.
Surface NQ core drilled after 2008 was oriented using Ezy Mark core orientation tool. It is not known whether core drilled prior to 2008 was orientated.
</td></tr>
<tr><td>Drill sample recovery</td><td>
Method of recording and assessing core and chip sample recoveries and results assessed.
Measures taken to maximise sample recovery and ensure representative nature of the samples.
Whether a relationship exists between sample recovery and grade and whether sample bias may have
</td><td>
Core recovery was reviewed by Snowden (June, 2008) from drill logs who reported that recovery exceeded 85%. The retained core and recently drilled core viewed by CSA supports the Snowden conclusion.
Due to good competent hard rock ground conditions the core drilling methods used were appropriate to maximise core recovery.
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	occurred due to preferential loss/gain of fine/coarse material.	• There is no relationship between core recovery and gold grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill and underground channel data has been logged for host lithology. • All holes have been qualitatively logged in detail. Drill core logging including geotechnical information (RQD, recovery, etc.) for holes drilled from 2008 onwards was recorded on paper and transferred to Scotgold database. Paper logs are retained for holes drilled prior to 2008, no geotechnical logging information is recorded for these holes other than core recovery. • Drill and sample logging data is adequate and appropriate for determination of geological domains. • All holes drilled since 2008 have been digitally photographed. • Summary of logged geology within mineralisation wireframes below:

Primary Lithology Code	Description	Occurrence by Sample Type		% Total		Total Count	% Total
		AD	DD	AD	DD		
BX / EAV BX	Breccia	27		5.8%	0.0%	27	3.1%
CALC	Calcareous horizon	1		0.2%	0.0%	1	0.1%
EAV / MV	East Anie Vein / Main Vein	355	367	76.5%	90.2%	722	82.9%
HW EAV	Hangingwall East Anie Vein	1		0.2%	0.0%	1	0.1%
LAS / LAV	B' Mineralisation	18		3.9%	0.0%	18	2.1%
NR	No Record	4	16	0.9%	3.9%	20	2.3%
PEG	Pegmatite	2		0.4%	0.0%	2	0.2%
PEL	Pelite	12		2.6%	0.0%	12	1.4%
PSM	Psammite	34		7.3%	0.0%	34	3.9%
PSM BX	Psammite Breccia	7		1.5%	0.0%	7	0.8%
PYSH	Pyritic shear	3		0.6%	0.0%	3	0.3%
QV	Quartz Vein		24	0.0%	5.9%	24	2.8%
TOTALS		464	407			871	

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split,*	• Sample intervals varied in length from 2 cm (10th percentile 27 cm) to 6.5 m (90th percentile 1.1 m), with the average sample size being 75 cm. Sample lengths were

Criteria	JORC Code explanation	Commentary
and sample preparation	*etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	selected based on interpreted geological domains. • Diamond core drilled between 1985 and 1996 was sampled using hammer and chisel, with half core being sent for assay, and half core being retained. • Diamond NQ and BQ core drilled post 2008 was cut using a diamond saw with half core retained. Full AQ core was submitted for sampling, with no core retained. • No QAQC sampling was completed for any of the sub-sampling stages. • Sample preparation procedures for core, channel and trench samples followed industry best practice at the time of their analysis and was completed by the relevant laboratories. • Excavation during 1990 and 1991 of a 1.2 km adit through the centre of the mineralisation (~400 elevation) along the strike of the vein, followed up by 2 m spaced channel sampling, demonstrated that the surface diamond core drilling is representative of the both the in-situ vein width and gold and silver grades. Additional underground diamond core drilling and sampling in raise development from the adit continued to support the geometry and grade tenor of the vein. • A study complete by Snowden (June, 2008) demonstrated, based on Gy sample theory, that sample sizes were adequate for the gold particle size and style of mineralisation. CSA are satisfied that the sampling is appropriate for this project.

Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*
		• Between 2008 and 2013 samples were submitted to OMAC (ALS) laboratories in Ireland using 30 g fire assay and an ICP or AAS finish
		• No independent QAQC review has been completed by CSA, however; the Snowden (June, 2008) report discusses the use of umpire samples, the assay techniques used and the appropriateness of the sampling procedures for the nature of gold distribution. The Snowden conclusions are that both the sampling and assay methods used are acceptable for this style of gold mineralisation. Based on review of the Snowden report and site visit completed by CSA CP, CSA supports the Snowden conclusions.
		• Since 2008 Scotgold QAQC includes:
		  • Certified Standards every 10^{th} sample
		  • ¼ core duplicates for selected samples
		  • Barren quartz blanks occasionally submitted
		  • 51 core and exploration samples (21 from Cononish MRE area) sent for umpire analysis in 2010

Criteria	JORC Code explanation	Commentary
		• Internal QAQC procedures from ALS included 1 in 10 repeats, internal certified standards and blanks • Six certified standards from Geostats Pty Ltd routinely used covering grade ranges <1 g/t, 10 g/t and >10 g/t • An internal review of the Scotgold QAQC results indicated no significant issues.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intercepts were reviewed by Malcolm Titley (CP) during his site visit during the period 22 to 23 October 2014. No issues were detected. • No twinned holes were drilled, but during excavation of the adit, significant close spaced channel and underground core sampling was completed. These included a resampling exercise over three representative areas of the adit which showed good repeatability of historical results. • Historical assay results are retained as the original paper copy. Post 2007 results are delivered electronically and transferred to the Scotgold database following appropriate internal data management procedures. • Errors were corrected in the database due to data entry errors for 7 holes (5 AD and 2 DD). Errors were manually corrected using original hardcopies of assay records. No other adjustments to the assay data were made.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Scotgold conducted check collar surveys for more than 90% of historical drilling data. Minor adjustments were required. Collar surveys were also validated by comparing the surveyed collar elevation with the aerial survey topography digital terrain model. • Historical down hole survey of drilling by Ennex (78% of DD) was surveyed using Tropari, acid test and Photobar methods at various phases, with recent (2008 to 2012) drilling surveyed using a single shot camera. Survey points with the Tropari method included EOH for all holes, plus one third and two thirds of drillhole depth for the post 1987 drilling. The post 2008 drilling used single shots taken at collar, then every 50 m until EOH. • The grid system is a local mine grid transformed from OSGB (1936), with a local origin of 0 m, 0 m at Easting 228,779 m and Northing at 712,651 m with an anticlockwise rotation about the origin of 45.26 degrees. • Topography control is based on a digital terrain model with +/- 0.5 m vertical accuracy provided by Ordnance Survey of GB completed during the period 1936 to 1962.

Criteria	JORC Code explanation	Commentary
		• As the mineralisation is steeply dipping, with minor outcrop, and the proposed mining is by underground methods, the accuracy of the topography model is adequate.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing ranges from approximately 40 to 50 m for the historical drilling, down to 10 to 20 m in places when recent drilling is included. The channel sample data in the adit is approximately 2 m spacing in the plane of the vein. • Sample spacing in the adit is sufficient to reliably inform both grade and thickness in the vicinity of the adit to be classified as a Measured resource. Sample spacing in the area between the adit and surface, within which the majority of the tighter spaced recent drilling occurs, is of sufficient spacing and distribution to allow material in this area to be classified as Indicated. Sample spacing of approximately 100 m below the adit is of sufficient density and confidence to classify material as Inferred. • Samples were composited to 1 m, with the sub 1 m residual samples then compared with the 1 m composites to determine their suitably for inclusion in the estimate. Residuals greater than 0.5 m in length showed sufficient correlation with the 1 m data as to be included in the grade estimate, whereas residuals less than 0.5 m length did not correlate very well with the 1 m samples and were excluded from the grade estimate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Diamond drillholes from surface were drilled to intersect the auriferous vein as close to perpendicular to the interpreted plane of mineralisation as was possible. Trench data was taken across the vein at right angles to strike. Underground face samples were taken across the width of the vein within the adit, which was excavated on the vein along strike. Underground drilling data was drilled at right angles to the vein where possible. It is unknown if the raise samples used in the estimate were taken across or along the vein. The raise has been checked by Scotgold personnel in order to verify the vein widths interpreted in the raise sample data. • It is CSA's opinion that over 90% of samples used for the grade estimate reflects the true width of the auriferous vein and have been sampled in a way that reduces any potential gold grade bias.
Sample	• *The measures taken to ensure sample security.*	• Drill core was removed from drill sites to core sheds on a regular basis using

Criteria	JORC Code explanation	Commentary
security		standard procedures. Subsequent to logging and sample preparation, sample dispatch was through a reputable commercial carrier. • All retained drill core mineralised intercepts from the auriferous vein from 2008 onwards are stored in a locked metal cage within the core storage facility. • All pulps are returned from the commercial laboratories and stored appropriately on site. • CSA cannot verify the security of samples submitted for assay but has no reason to suspect any issues, as the transport of samples from Scotland to the assay laboratory in Ireland is straightforward and unlikely to be subjected to any security or other issues.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Snowden (June, 2008) completed a review of the appropriateness of sampling techniques and assay methods, which was updated in 2009 and 2012. Snowden confirmed that all procedures were acceptable for use in resource estimation.

Section 2 Reporting of Exploration Results

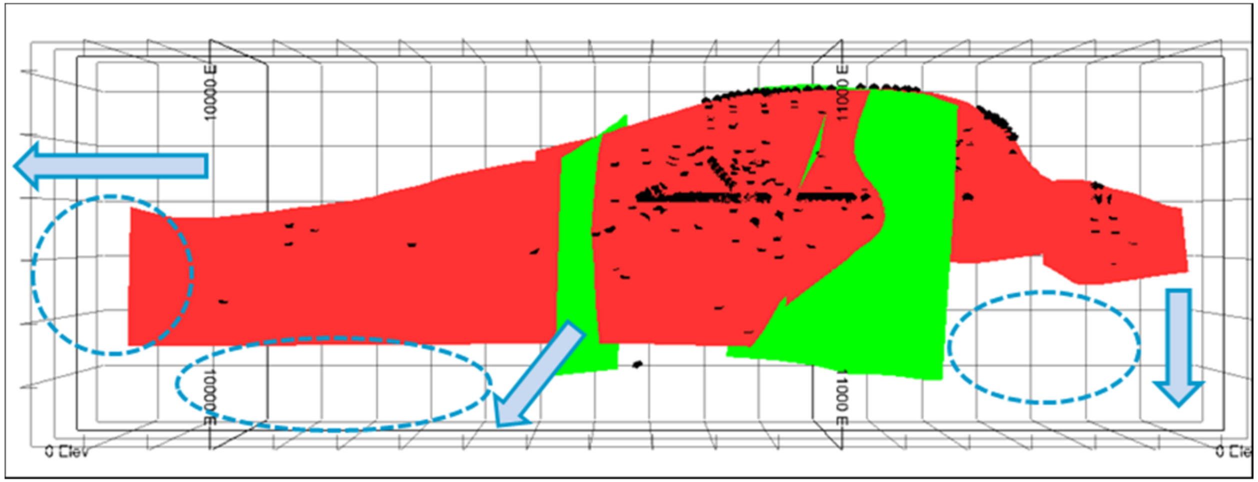
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Cononish Gold Project is located in the Grampian Highlands of mid-western Scotland, about 90 km northwest of Glasgow. • The project is wholly owned by Scotgold Resources Limited, who acquired the project in May 2007. • The Company holds a lease with the landowner over Cononish farm upon which the deposit is situated. The lease is valid for 21 years from the 21st July 2009 and can be further extended for an additional 21 years. • The Company holds a lease from the Crown Estates for the exploitation of gold and silver at Cononish with an attendant royalty payable. The duration of the lease is 10 years from the start of production and can be extended at the Crown's discretion. • The project is situated in the Loch Lomond and the Trossachs National Park and received planning permission for the establishment of a mine with associated facilities in 2011.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration commenced in 1984 by Ennex International PLC with regional stream sediment geochemistry. Diamond core drilling and surface trenching commenced in 1985. • From 1989 to 1990 underground adit development commenced to test the geological and grade continuity of the main Cononish auriferous vein. • In 1995 the project was purchased by Caledonia Mining Corporation and operated by Fynegold Exploration Limited. • During 1995 to 1997 feasibility studies were completed and planning approval was obtained from the Stirling Council in 1996, but due to low gold price the project was placed on care and maintenance. • Scotgold acquired the project in 2007, and undertook environmental remedial work, restored the core storage facility and conducted infill diamond core drill and additional adit sampling. • Historical and recent exploration through a combination of outcrop chip sampling, regional geology and structure mapping, stream sediment sampling, trenching and where justified, diamond core drilling, has proved successful in locating potentially economic extractable gold and silver mineralisation. Scotgold are continuing with this work on the remainder of their tenements.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Cononish is an early Palaeozoic narrow vein quartz vein system, emplaced into a suite of metamorphosed Proterozoic sediments. Mineralisation is associated with a narrow, ~2m, near vertical quartz-carbonate vein, that strikes NNW-SSE. • The deposit type is described as ‘Phanerozoic Orogenic Lode Gold Deposit’ • Gold occurs as electrum and silver as telluride with minor native gold and silver. The gold electrum is fine grained generally less than 100 microns in size. Visible gold up to 2,000 microns is rare. Both gold and silver are spatially associated with sulphides in quartz. Sulphides are dominantly pyrite, but galena, chalcopyrite and sphalerite do exist. Some less than 20 micron gold occurs within the pyrite.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above*
		• No new exploration results are included in this release. All Scotgold drill holes within the resource area have previously been reported.
		• The extents of the drilling and sampling data used in the MRE are displayed below:

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>sea level in metres) of the drill hole collar
• dip and azimuth of the hole
• down hole length and interception depth
• hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td><table><tr><th colspan="2">Extents of drilling and sampling data used in MRE</th></tr><tr><td>Minimum Easting</td><td>9,551</td></tr><tr><td>Maximum Easting</td><td>13,002</td></tr><tr><td>Minimum Northing</td><td>9,882</td></tr><tr><td>Maximum Northing</td><td>11,272</td></tr><tr><td>Minimum RL</td><td>85</td></tr><tr><td>Maximum RL</td><td>633</td></tr></table></td></tr>
<tr><td>Data aggregation methods</td><td>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.
• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
• The assumptions used for any reporting of metal equivalent values should be clearly stated.</td><td>• No new exploration results are included in this release. All Scotgold drill holes within the resource area have previously been reported.
• No metal equivalent values were used.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• These relationships are particularly important in the reporting of Exploration Results.
• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</td><td>• Diamond core drilling at Cononish has mostly been drilled approximately perpendicular to mineralisation. Therefore most drill intersections approximate true width intersections.</td></tr>
<tr><td>Diagrams</td><td>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</td><td>• Appropriate diagrams, including a drill plan and cross sections, are included in the main body of this release.</td></tr>
<tr><td>Balanced reporting</td><td>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</td><td>• No new exploration results are included in this release. All Scotgold drill holes within the resource area have previously been reported.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Verification of previous in situ dry bulk density analysis was carried out by collection of 11 samples from representative core. The results of the analysis verified the previously reported auriferous vein in situ dry bulk density of 2.72 tonnes per cubic meter.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional geotechnical work may be required to support the detailed mine planning work being undertaken in Q1 2015. • The mineralisation remains open along strike towards the west, which should be tested by further drilling. The figure showing a long section of the auriferous vein in red, dykes in green and drilling and sampling in black with locations to be tested by further drilling highlighted with arrows and blue dotted lines.  • Further sampling, trenching and geochemical work is planned on a number of other exploration targets within the Tyndrum Region.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• Steps taken to validate geology drilling and sampling data used in the mineral resource estimate:
		  • Cross validation of historical maps, plans and sections with the 3D sample data during the CP site visit and subsequent site visit by CSA resource geologist William Cooper during November 2014.
		  • Spot checks of assay data from hardcopy records with database records.
		  • Field checks on the surface and in the Adit and Raises by Scotgold personnel to check and validate queries raised by CSA during the compilation of the 3D model.
		  • Statistical review of data populations and 'reasonableness' check on the grade and vein thickness values during construction of the 3D vein and geology model.
		• CSA acknowledge that additional surface drillhole QAQC and spatial validation information would be useful, however; the most useful and reliable source of information is the sampling and geological data available from the adit. The adit intersects over 75% of the strike length of the modelled auriferous vein. The adit and raises from the adit have been sampled and mapped in detail by a number of companies and consultants. The adit and raises are still accessible and both visually and statistically demonstrates the geological and grade continuity of the mineralisation. The diamond core drilling data supports the results indicated by the detailed sampling and mapping completed in the adit.

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*
	• *If no site visits have been undertaken indicate why this is the case.*
		• Malcolm Titley, CSA Principal and CP, undertook a site visit to Cononish from Wednesday 22nd to Thursday 23rd October 2014. The following work was completed:
		  • Visited the core storage facility and inspected existing drill core (both waste and mineralised sections)
		  • Inspected the underground adit, where the main auriferous vein, including channel and underground core sample sites was viewed in-situ.
		  • Completed visual checks underground in the adit on vein width and gold grade against sampling and mapping plans.
		  • In the Scotgold office a review of historical geological plans, cross sections and assay data was completed. Spot checks were undertaken on hardcopy plans and sheets and cross validated against the database

Criteria	JORC Code explanation	Commentary
		• Initial work on construction of the 3D model of the auriferous vein, fault structures, dykes and intrusive was commenced in collaboration with Scotgold personnel and their consulting geologist.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Moderate to high confidence in geology interpretation of the auriferous vein spatial location and mineralisation width. Close spaced sampling data supports the gold grade continuity. • Surface trenching data, Geological logging and mapping data and adit/raise mapping data were used to create geological model. • An alternative interpretation of barren dykes or barren areas may affect the volume of the inferred part of the deposit. • Vein continuity in the adit is very good, with one dyke creating a significant break in the vein. Minor faults, which have been modelled, result in minor offsets (less than 5 m) but do not affect grade continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The auriferous vein has been interpreted along a strike length of 1.7 km. Down dip extent has been interpreted to a depth of up to 450 m below surface. Vein widths vary from 0.5 m to 5 m, with an average width of approximately 2 m. The mineral resource has a strike extent of up to 1.2 km.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size*	• Micromine software was used for geological modelling. 3D wireframes representing the auriferous vein, barren dykes, intrusive and fault zones were modelled. Wireframes for the auriferous vein were produced using Implicit modelling based on logged mineralisation sample intercepts. Geological domain boundaries were interpreted and used to limit the extent of the mineralised vein model. • A seam filled auriferous vein volume block model was created using Datamine software. Block dimensions were 15 m x seam thickness x 15 m (X x Y x Z). Seam filling creates a single cell in the direction of filling that honours the auriferous vein wireframe thickness. • The block model was regularised to 15 m x 5 m x 15 m with proportional fields representing Mineralisation, Barren zones and Vein volume. • Gold and silver grades were estimated using Isatis software using the Ordinary Kriging (OK) grade estimation method. Variography was undertaken in Isatis. The panel size for OK grade estimation was 45 m x 5 m x 45 m which approximates the average drill grid spacing. • Sample data logged as auriferous vein material, used for creation of the vein volume

Criteria	JORC Code explanation	Commentary

in relation to the average sample spacing and the search employed.

- *Any assumptions behind modelling of selective mining units.*
- *Any assumptions about correlation between variables.*
- *Description of how the geological interpretation was used to control the resource estimates.*
- *Discussion of basis for using or not using grade cutting or capping.*
- *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*

model, composited to 1 m with residuals to a minimum 0.5 m length were used for grade estimation.

- Cutting of high grade outliers was required to avoid local high grade bias. Analysis demonstrated that top cuts be applied according to sample type, for both Au and Ag. Drillhole samples were top cut to 120 g/t Au and 300 g/t Ag. Adit data was top cut to 120 g/t Au and 500 g/t Ag.
- Gold and silver were estimated separately, with separate variograms for each. Variogram parameters are presented below. There is no obvious correlation between gold and silver grades. The search neighbourhood parameters were the same for both variables.

Variogram Parameters

Variable	Nugget	Sill 1	Ranges			Sill 2	Ranges			Rotation (Isatis Geo Plane)		
			Dir 1	Dir 2	Dir 3		Dir 1	Dir 2	Dir 3	Azimuth	Dip	Plunge
Au	0.35	0.28	25	65	5	0.37	75	60	10	90	90	135
Ag	0.3	0.36	26.5	67.4	3.7	0.34	79.1	22.6	9.3	90	90	135

- Grade was estimated into 3 domains, up to 5 estimation passes were used to estimate grade. Parameters for each run are presented in the table below

Estimation Search Neighbourhood

Domain	Range X	Range Y	Range Z	Azimuth	Dip	Plunge	Min Samp	Max Samp	Data Used		
1	50	25	10	85	70	135	6	12	DD	TR	OC
1	125	62.5	25	85	70	135	6	9	DD	TR	OC
1	250	125	60	85	80	135	3	6	DD	TR	OC
2	25	10	6	85	70	135	6	15	AD	RS	
2	50	20	12	85	70	135	6	12	AD	RS	
2	50	25	10	85	70	135	6	12	DD	TR	OC
2	125	62.5	25	85	70	135	6	9	DD	TR	OC
2	250	125	80	85	80	135	3	6	DD	TR	OC
3	50	25	10	85	70	135	6	12	DD	TR	OC
3	125	62.5	25	85	70	135	6	9	DD	TR	OC
3	250	125	60	85	80	135	3	6	DD	TR	OC

- A selective mining unit (SMU) of 15 m x vein thickness x 15 m (X x Y x Z) is required for detailed mine planning. SMU size was based on an assumption of underground mining using short interval sub level stoping.

Criteria	JORC Code explanation	Commentary
		• In order to estimate the expected grade and tonnage distribution at the SMU dimensions and at a gold cut-off grade of 3.5 g/t, the OK results were localised from the 45 m panels to 15 m SMU dimensions using the Isatis software uniform conditioning algorithms (UC and LUC). • Datamine Studio 3 was used for validation of the grade estimation using OK, Inverse Distance Squared (IDS) and Nearest Neighbour (NN) which were run as check estimates and supported the UC estimate. • A 4 point validation was undertaken on the final model. Reviewing Input and output mean grades globally, on trend plots and visually in 2D section.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated dry.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The MRE is reported at a gold cut-off grade of 3.5 g/t, which is the estimated the breakeven gold grade for this style of deposit, mining method and gold recovery process based on previous scoping and other studies.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• MRE has been diluted to a minimum mining width of 1.2 m (pre any mining dilution). Anticipated mining methods from previous studies include sublevel open stoping on 10 m to 15 m panels, or shrinkage stoping on 30 m panels. The SMU selected is consistent with these possible methods. The grade of dilution material has been assumed to be zero.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical test work conducted by Lakefield Research, Gekko Systems Pty and AMMTEC and others at various times between 1987 and 2011 indicates that gold is recoverable by gravity concentration followed by flotation, with recoveries of 93% and 90% for Au and Ag respectively.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Previous work on Cononish has included Baseline and Environmental Impact Assessments. The Cononish deposit is located within the Loch Lomond and the Trossachs National Park. Permitting has been approved with by the National Parks Authority for underground mining practices, including blasting, loading and hauling and processing operations and the implementation, construction and operation of a surface tailings storage facility. Discharge consents for excess site water have been approved by the Scottish Environmental Protection Agency
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A bulk density of 2.72 was assigned to the model, based upon test work from 8 mineralised vein samples from diamond core conducted in 1987. • Scotgold completed further analysis in November 2014 on 11 samples selected from a range of mineralised intercept styles and grades with an average sample mass of 600 g. The mean density calculated supports the use of 2.72 dry tonnes per cubic metre. • There are no expected voids within the mineralised material.

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*
	• *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*
		• The reported MRE has been classified as Measured, Indicated and Inferred after consideration of the following:
		  • Adequate geological evidence and sampling data to support geological spatiality, mineralisation boundaries and grade continuity.
		  • Adequate verification of gold and silver grades to provide confidence in the estimated block grades.
		  • Adequate in-situ dry bulk density data available to estimate appropriate tonnage factors.
		  • Adequate mining, metallurgy and processing knowledge to imply potential prospect for eventual economic extraction.
		• The resource was classified according sample density, with closer spaced sampling providing higher levels of global and local grade confidence. The Measured classification was assigned to mineralisation proximal to the existing adit. Indicated classification was

Criteria	JORC Code explanation	Commentary
		assigned to material situated around the Measured material, where closer spaced drilling data exists. Inferred classification was assigned to material constrained within the interpreted mineralisation envelope and outside the Measured and Indicated boundaries. The Inferred material generally represents material that is down dip below the adit and along strike outside the extents of the adit. • The reported MRE and its classification are consistent with the Competent Person's (CP) view of the deposit. The CP was responsible for determining the resource classification.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits have been completed for this updated MRE. The current MRE has been reviewed against the previously released polygonal MRE, and compares favourably for the areas that were previously reported.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The confidence level of the MRE is reflected in the resource classification categories chosen for the reported MRE. • A Uniform Conditioning algorithm has been used to estimate the expected recoverable grade and tonnage at a 3.5 g/t gold cut-off grade using underground short interval sublevel stoping mining methods. • OK grade estimation verified the global results derived from UC. OK estimates global resources, while UC and LUC estimate local variability at the SMU scale. • The MRE is a constrained estimate. Sampling and geological data was used to separate mineralised material from waste. The boundary between mineralisation is visual and sharp. This is verified by both drill core and adit sampling. • Tonnages were calculated by multiplying block volume by the in situ dry bulk density value. The gold and silver metal values (g) for each block were calculated by multiplying the Au grade (g/t) and the Ag (g/t) by the block tonnage. Any blocks with a vein width less than 1.2 m were diluted with zero grade material to 1.2 m width. Only blocks with gold grade greater than or equal to 3.5 g/t were reported in the MRE. • Depletion of the MRE to remove the adit volume compares favourably with the estimated mined tonnage and grade currently stockpiled. This stockpiled material has not been processed so detailed reconciliation has not been completed.

Table 1 Glossary of Terms

Term	Description
%	Percent
°C	Celsius degrees
3D	Three-dimensional model or data
AAS	Atomic Adsorption Spectronomy
Acid test	A method of orientating a drillhole using an acid etch
Adit	Underground mining tunnel, for mining, drainage, access
Ag	Silver, atomic number: 47. Measured in parts per million (grams per tonnes)
AQ	Diamond Drill core Diameter: 27mm inside barrel
Aqua regia	Partial acid digestion method, dissolving base and precious metals but not silicates and/or alumina's
Assay	A general term for geochemical analysis of a sample
Au	Gold, atomic number: 79. Measured in parts per million (grams per tonnes)
Auriferous	Enriched in gold
Azimuth	An angular measurement in a spherical coordinate system, i.e. deviation degree relative to north
Blanks	A reference material/sample which contains zero grade, inserted to determine sampling or laboratory contamination
BQ	Diamond Drill core Diameter: 36.5mm inside barrel
Breccia	A rock that has experienced significant brittle deformation, and is composed of broken fragments typically cemented together by a fine-grained matrix
Bulk density	The density of material, which includes porosity, i.e. volume/mass
Calcareous	Enriched in calcium, typically calcium carbonate
CAPEX	Capital Costs (short for Capital Expenditure).
Carbonate	A carbonate is a salt of carbonic acid, characterised by the presence of the carbonate ion, CO_3^{2-}
Chalcopyrite	One of the chief ores of copper. Sulphide mineral, composition $CuFeS_2$
Channel sample	A hard rock sample, typically taken perpendicular to the mineralised orientation, continuously over a set length
Chip-channel	A hard rock composite sample, typically collected using a hammer to obtain numerous fragments of rock
cm	centimetre
Collar	Geographical coordinates of the collar of a drill hole or a working portal
Compositing	The process of dividing or adding sample intervals together to form a regular length
CP	Competent Person
CRM	Certified Reference Materials, a QAQC standard sample
CSA	CSA Global (UK) Ltd
Cut-off grade	The threshold value in exploration and geological resources estimation above which mineralised material is selectively processed or estimated
Datamine	A 3D mining software package
DD	Diamond core drilling method
DGPS	Differential Global Position System
Diamond drill hole	Method of drilling, using a diamond impregnated core-bit which produces a solid cylinder of rock core

Term	Description
Diamond saw	Circular hand-saw, with a diamond impregnated cutting disk, typically used to collect channel samples from hard rock outcrop
Dilution	The inclusion of waste or low grade (uneconomic) material either during estimation or mining
DIP	The angle of drilling (or of a structure) relative to horizontal
DTM	Digital Terrain Model. Three-dimensional wireframe surface model, for example, topography
Duplicates	A QAQC sample that duplicates a previously collected sampling, employing the same collection and analysis methods
Dyke	An intrusive, microcrystalline rock, concentrated along a linear feature, typically mafic (enriched in iron and magnesium)
Easting	Coordinate axis (X) for metre based Projection, typically UTM. Refers specifically to metres east of a reference point (0,0)
Electrum	A variety of gold containing minor silver (usually ~20% weight of silver)
Elevation	Distance above a datum, typically above sea level
Ezy mark	A down-hole tool which marks the base of piece of core, while still in the core-barrel (down-hole), the marks are used to orientate drill core
Face sample	A chip or channel sample collected from an advancing underground mine drive
Fault	A planar fracture or discontinuity in a volume of rock, across which significant displacement has occurred
Fire assay	A laboratory method to analyse the total precious metal (Au, Ag, PGE) content of a sample, by fusion, furnace and cupellation followed by Spectrometry analysis
Flotation	A metallurgical process, typically used for non-acid soluble ore (e.g. sulphides) to concentrate pulverised ore minerals using flocculants
Footwall	The volume of rock which lies below a structural contact
g	Gram
g/t	Grams per tonne (equal to parts per million)
Galena	One of the chief ores of lead. A sulphide mineral, composition PbS
Geochemical sampling	In exploration, the main method of sampling for determination of presence of mineralisation. A geochemical sample usually unites fragments of rock chipped with a hammer from drill hole core at a specific interval
Geological domain	A domain of rock that has a similar character, age, mineralisation style etc.
GPS	Global Positioning System
Gravity concentration	A metallurgical process, used to concentrate dense minerals, typically employing a centrifuge or gravity tables
Hangingwall	The volume of rock which lies above a structural contact
Histogram	Diagrammatic representation of data distribution by calculating frequency of occurrence
HQ	A diamond drill core diameter of 96 mm (outside of bit) and 63.5 mm (inside of bit)
ICP	Inductively Coupled Plasma analysis, used to analysis elemental concentrations of metals and several non-metals
IDS	Inverse Distance Squared
Implicit modelling	A method of creating digital surfaces, wireframes and models using automated processes and geological constraints

Term	Description
Indicated Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
Isatis	Geovariances' geostatistical software
JORC	Joint Ore Reserves Committee
K	Potassium
Kg	kilogram
km	kilometre
km^2	Square kilometre
Kriging	Method of interpolating grade using variogram parameters associated with the samples' spatial distribution. Kriging estimates grades in untested areas (blocks) such that the variogram parameters are used for optimum weighting of known grades. Kriging weights known grades such that variation of the estimation is minimised, and the standard deviation is equal to zero (based on the model)
LHOS	Long hole Open Stoping method of underground mining
Lithology	Rock type: based on standard international geological classifications
Lode	Another term for a mineralised vein
LUC	Localised uniform conditioning, a non-linear "recoverable resource" estimation technique
m	metre
M	Million
Ma	Million years
Mean	Arithmetic mean
Measured Resource	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are appropriately spaced to confirm geological and/or grade continuity to a high confidence
Median	Sample occupying the middle position in a database
Metamorphosed	Undergone physical and/or chemical change due to heat and pressure, through geological processes
MICROMINE	A 3D mining software package
Microns	A micrometre – a measurement of length – 1×10^{-6} metres
Mineralised	Enriched in concentrations of an element (e.g.) to a degree where it is economically significant

Term	Description
Mineral Resource	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Minimum mining width	A minimum width, dictated by the mining method employed (open-stope, raise-bore) to which mining can realistically be achieved
mm	millimetre
MRE	Mineral Resource Estimate
Mt	million tonnes
Mtpa	Million tonnes per annum
Native Metal	A native metal is any metal that is found in its metallic form, either pure or as an alloy, in nature
NN	Nearest Neighbour, a method of assigning grades to blocks based on samples that are nearest to it
Northing	Coordinate axis (Y) for metre based Projection, typically UTM. Refers specifically to metres north of a reference point (0,0)
NQ	A diamond drill core diameter of 75.7 mm (outside of bit) and 47.6 mm (inside of bit)
Nugget	The typical difference (for an individual domain) in grade between samples taken immediately adjacent to each other
OK	Ordinary Kriging. A linear estimation technique using weights determined through variography
OPEX	Operating Costs
Orogenic	Geological term for the process of mountain building
OSGB	Ordnance Survey of Great Britain
Outcrop	Exposed rock, i.e. not covered by soil or scree
Outliers	A statistical term. Outliers are defined as data points that do not fit into the distribution of the overall dataset
oz.	Troy ounce (31.1034768 grams)
Palaeozoic	Geological Era - from 542Ma to 251Ma
Panel chip	Chip sampling using a regular grid
Pb	Lead, atomic number 82
Pegmatite	A holocrystalline intrusive rock, dominated by quartz, feldspar, mica and associated with granitic intrusion and high grade metamorphism
Pelite	Metamorphic rock; of fine-grained sedimentary protolith
Percentile	A measure used in statistics indicating the value below which a given percentage of observations in a group of observations fall
Phanerozoic	Geological Eon - from 542Ma to the present day
PLC	Public Listed Company
Population	In geostatistics, a population formed from grades having identical or similar geostatistical characteristics. Ideally, one given population is characterized by a linear distribution
Porphyry	An igneous rock consisting of large-grained crystals in a fine-grained matrix
ppm	Parts per million

Term	Description
PQ	A diamond drill core diameter of 122.6 mm (outside of bit) and 85 mm (inside of bit)
Proterozoic	Geological Eon - from 2500Ma to 542Ma
Psammite	Metamorphosed sandstone
Pulps	Final stage of sample preparation prior to analysis, typically pulverised to micron size and homogenised
Pyrite	An iron sulphide with the chemical composition of FeS_2
QA/QC	Quality Assurance Quality Control
Quartz	A common silicate mineral, composition SiO_2
Quartz vein	Intruded vein of quartz, typically younger than the host rock
RAB	Rotary Air Blast. A form of open hole drilling where the drill cuttings are ejected by air, travelling to surface in the interface between the drill rod and the ground
RC	Reverse Circulation. A form of drilling where the drill cuttings are ejected by air, travelling to surface within an opening within the drill stem itself
Raise	A vertical underground excavation
Recovery (Drill)	Measurement of core loss (in meters(or chip sample (in mass) to ascertain total drill recovery
Reserves	Mineable geological resources
Residual sample	A sample that is shorter than the composited length, after compositing
Resources	Geological resources (both mineable and un-mineable)
RL	Reduced Level. Elevation of the collar of a drill hole, a trench or a pit bench above the sea level
ROM	Run of Mine
RQD	Rock-quality designation, a geotechnical measurement of how fractured or broken a drill intersection is
Sample	Specimen with analytically determined grade values for the components being studied
Seam filling	A Datamine process of filling a wireframe, from a designated direction, which forms a single cell that honours the true thickness of the wireframe in that direction
Shear	A structural discontinuity in a rock mass, typically resulting in non-brittle deformation and movement of blocks along a plane
Shrinkage stoping	A mining method used for steeply dipping, narrower ore bodies with self-supporting walls and ore
Sill	Variation value at which a variogram reaches a plateau
Silver	Precious metal (Ag), atomic number: 47
Single shot	A surveying method, employing single film exposures to determine the azimuth and dip of the surveying instrument downhole
SMU	Smallest Mining Unit, typically refers to a block whose dimensions match minimum mining block size expected mining methods
Snowden	International Mining and Exploration Consultancy
SOP	Standard Operating Procedure
Sphalerite	The chief zinc sulphide mineral with a chemical composition of ZnS
Standards	Certified Reference Materials (CRMs) samples which have a known constant geochemical value, inserted to ascertain laboratory precision
Stockworks	A interconnected network of veins
Strike	The orientation of a feature, in plan view, or as intersecting a horizontal plane

Term	Description
Sub-level stoping	Underground mining technique that involves vertical mining in a large, open stope
Sulphides	A mineral group that contains sulphur as the major anion
Support	Equal support implies that all data has the same statistical weight
SURPAC	A 3D mining software package
Swath plot	A method of block model validation using a graph that compares input grades, drill metres, block model tonnes
t	Tonnes
Telluride	A mineral group that contains tellurium as the major anion
TMF	Tailings Management Facility
Top cut	A value to which anomalously high grades are restricted to, determined by statistical methods
Topography	Detailed, precise description of the surface of the earth, based on XYZ data, to form a 3-D surface
Trench	A method of sampling across and excavated trench at surface, using either hand-tools or a mechanical back-hoe. Used to expose fresh/less-weathered rock
Tropari	A 'single-shot' method of surveying, using single film exposures to determine the azimuth and dip of the surveying instrument downhole
UC	Uniform Conditioning, a non-linear "recoverable resource" estimation technique
UTM	Universal Transverse Mercator
Variation	In statistics, the measure of dispersion around the mean value of a data set
Variogram	Graph showing variability of an element by increasing spacing between samples
Variography	The process of constructing a semi-variogram
Vein	A sheet like body of crystallized minerals intruded into a host rock
Waste	Un-mineralised rock, or rock that is uneconomic to extract/process
Wireframe	A 3-D digital model, typically an solid volume which encloses a geological domain
X	The direction aligned with the x-axis of a coordinate system
Y	The direction aligned with the y-axis of a coordinate system
Z	The direction aligned with the z-axis of a coordinate system
Zn	Zinc, atomic number 30