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

GRAMPIAN LICENCES RENEWED AND NEW LICENCE GRATED IN PORTUGAL

- **Five Crown Option agreements renewed with improved terms and conditions in respect of the Grampian Project area.**
- **New asset acquired with the granting of the “Pomar” Exploration licence in Portugal.**

Crown Options

Scotgold Resources Limited (the “Company”)(**ASX:SGZ, AIM: SGZ**) is pleased to announce that it has concluded agreements with the Crown Estates regarding the terms of its five Crown Options (and corresponding future leases) that constitute its Grampian Project in Scotland and in particular includes the highly prospective target areas identified in the previously reported structural study.

All Crown Options have initially been granted covering the same areas as before, other than the previously notified agreed reduction in the Inverliever option area. The granted option areas comprising the Grampian Project cover approximately 4100km² (see Figure 1). The Company’s Cononish Gold and Silver Project, which already has a lease granted, is unaffected by the provisions noted above.

The Crown Estate, which is the principal holder of gold and silver mineral rights in the UK, has been working with Scotgold and other industry participants to introduce revised Crown Options. A key objective has been to encourage participation through, among other things, a longer tenure that better reflects modern exploration programmes. The new Crown Options are granted for six years (subject to satisfactory performance on a two yearly review process) and can be extended further under certain circumstances, whereas the previous Crown Option agreements were renewable annually.

A number of other aspects of the Crown Options relating to option size and other commercial terms have also been agreed. The Company will reduce areas under individual options to 250km² per option within the next three years; however, the Company would be entitled to apply for areas relinquished under a separate option agreement.

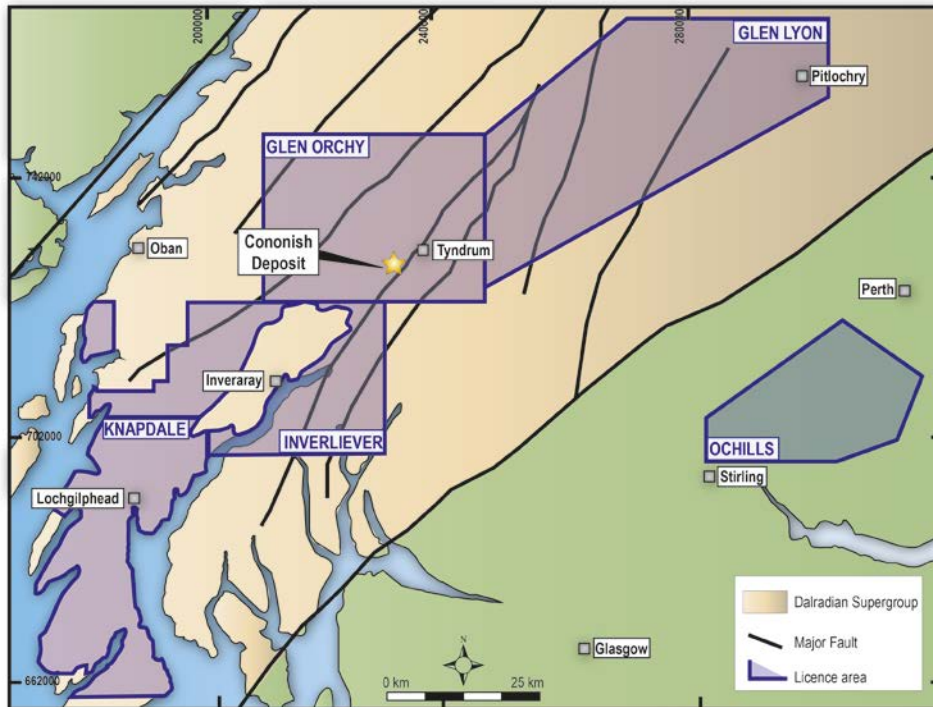


Figure 1: Grampian Project showing area covered by Crown Options

Pomar Exploration Licence in Portugal

The Company is also pleased to announce that wholly owned Portuguese subsidiary, Scotgold Resources Portugal Ltda, has been granted an exploration licence for 3 years (with an option to extend) in eastern central Portugal, near Castelo Branco.

The 'Pomar' licence (see Figure 2) covers 264km² and includes the historic antimony (with gold) mines of das Gatas, Pomar and Casalihno and numerous small scale antimony trials and occurrences. These small high grade mines were active during the 1940's producing antimony concentrate with associated gold. Some tungsten mineralisation has been identified in the licence area associated with the antimony / gold veins.

In the 1980's, Indumetal and Billiton (in joint venture) conducted a brief exploration program consisting of tip sampling and metallurgical testwork, soil and stream sediment sampling, hand held geophysics and limited drilling before withdrawing from antimony exploration. The Company will shortly commence the process of accessing historical exploration data through the relevant Portuguese authorities and determining what modern exploration techniques could be appropriate.

The focus of exploration is to examine potential extensions to the existing mines as well as examining the regional prospectivity for antimony / gold presented by the other occurrences and trials. In addition, previous exploration has identified two antimony / gold bearing regional scale felsite dykes which warrant systematic exploration.

The licence area is situated 40kms south of the world class tin tungsten mine at Panasqueira, which has produced more than 100,000t WO₃ concentrate in over 100 years of production.

Initial expenditure commitments are modest (€40,000 in the first year) and will comprise assimilation of historical data, an initial soil sampling program and regional and localised mapping to assist in target definition.

Further details regarding the Pomar licence area will be made available in due course.

Richard Gray, CEO of Scotgold, commented:

“The Company continues to move forward on all fronts. Whilst the previously reported developments associated with the Bulk Processing Trial at our Cononish Gold and Silver project continue apace, we are adding to and improving the quality of our exploration assets. The application for and grant of the Pomar licence is in accordance with Scotgold’s strategy of identifying and developing high grade, low impact projects with a focus on gold and other strategic metals, located in a low risk European environment. Together with the progress on our Grampian Project, the Company is already demonstrating promising exploration potential.”

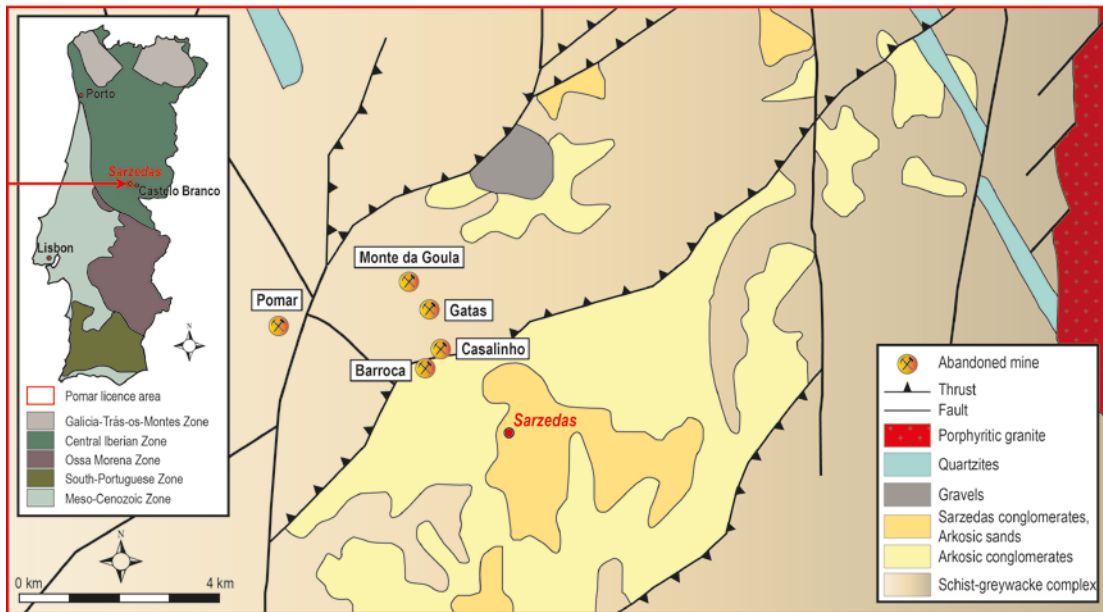


Figure 2: Pomar Exploration Licence location map

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