

25 July 2016

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

POMAR LICENCE REVIEW

- **Potential for separate gold mineralizing event and therefore new gold discoveries outside known antimony related occurrences**
- **Significant historic data available for review and unassayed soil samples from previous operators will quickly provide large new database.**
- **Initial stratigraphic and structural mapping exercise will test potential for wide scale gold occurrences**

In May 2016, the Company announced the acquisition of the Pomar licence area in eastern central Portugal by its wholly owned Portuguese subsidiary, Scotgold Resources Portugal Ltda. Subsequent to this announcement a party of Scotgold staff and independent consultants visited the licence area to conduct an initial site visit. The Scotgold party was accompanied by independent consultant, Mr. Peter Flindell, an exploration geologist with a background in a wide range of commodities and of bringing exploration projects to commercial production.

The Pomar licence area includes the historic antimony mines of das Gatas, Pomar and Casalinho, in addition to numerous small scale trials and occurrences. Re-evaluation of the mineralisation during the site visit indicated there may be two separate mineralising events, an early antimony and later gold event. This opens up the potential for undiscovered gold prospects in zones with quartz-only mineralisation, given previous exploration efforts have focused on antimony mineralisation in the region.

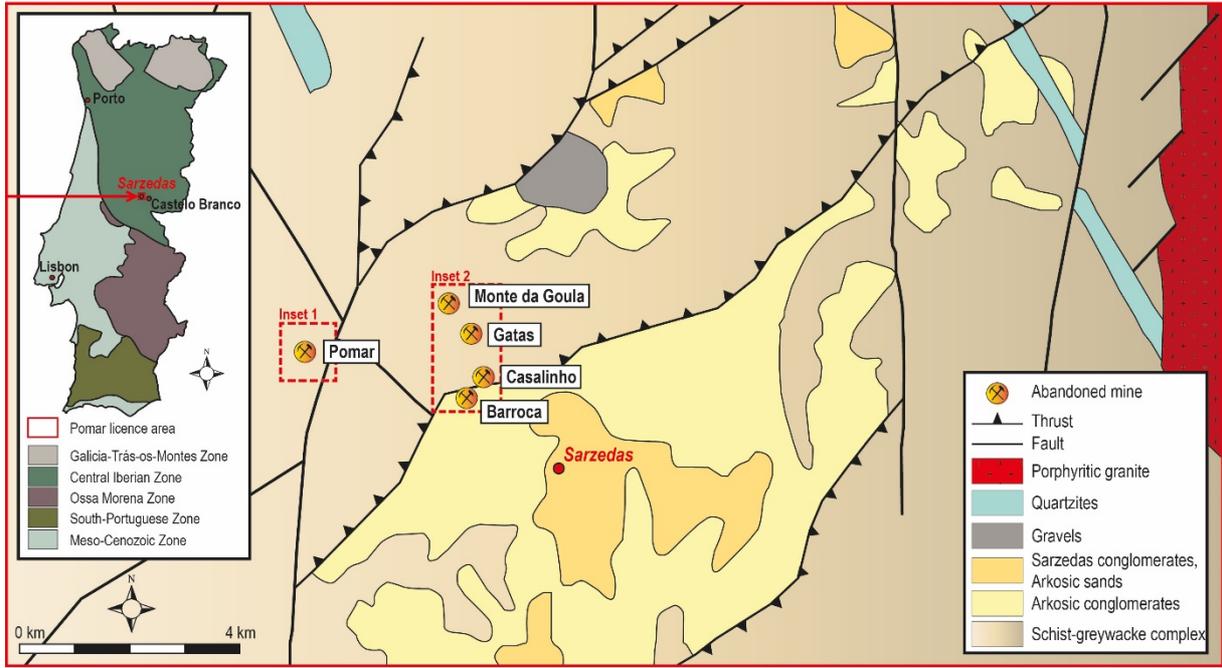
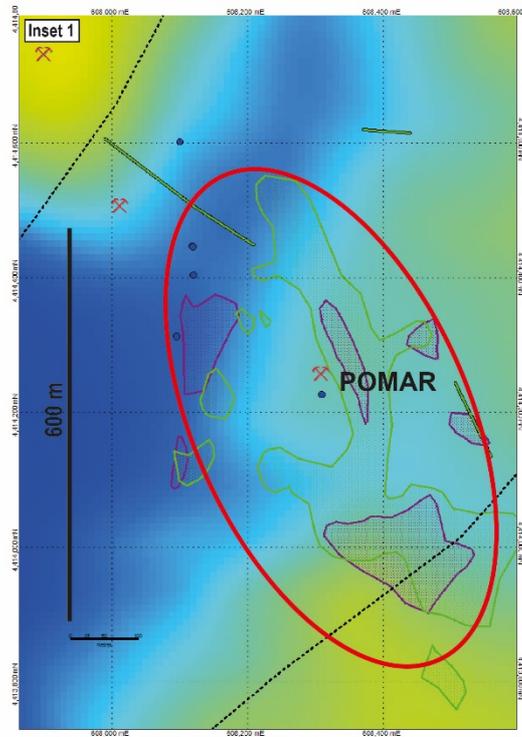
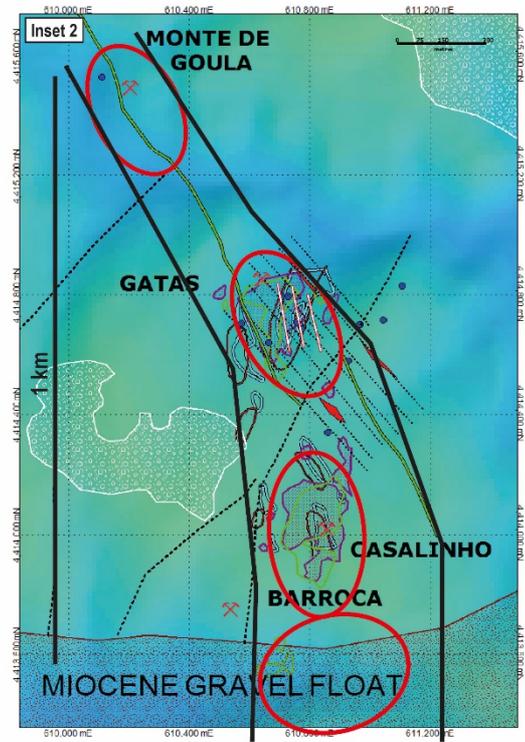


Figure 1: Pomar Exploration Licence location map



Inset 1: Geochemical and geophysical anomalies at Pomar



Inset 2: Geochemical and geophysical anomalies along the 'Gold Corridor'

The initial program proposed for the Pomar licence area is modest (~£30,000) and consists of historical data collection & analysis, a mapping program and a soil sampling assay program. There is significant historical data available from previous exploration companies, including Billiton and Indumetal, comprising assay results and geophysical data. The Company intends to access and evaluate the historical data available in the licence area to aid further exploration efforts.

The soil sampling program is based around existing samples taken by the previous licence holder. These samples were not analysed, providing a great opportunity for Scotgold to gain a large volume of data quickly and cost-effectively and gather an overview of gold occurrences in the licence area. This field work will be supervised by our Country Manager Joao Barros, a geologist with extensive local knowledge and previous work experience of the Pomar licence area, under the guidance of Scotgold Projects Geologist Dr Nyree Hill.

A mapping program will focus on stratigraphic and structural mapping to identify the possibility for more wide scale gold occurrences and aid understanding the controls on mineralisation types across the Pomar licence area. This work is anticipated to be completed by Dr. Pablo Gumiel and Dr. Monica Arias, who have an existing working relationship with the Company having carried out the highly successful structural study within the Grampian Project last year.

Richard Gray, CEO of Scotgold, commented:

“The Company is very pleased with the outcome of our review findings. Whilst still early stage exploration, we are excited regarding the potential of the Pomar Licence and look forward to the results of the initial studies. With the historic data and unassayed samples available, this potential can be tested at low cost. Perhaps as importantly, by utilizing the extensive skills available in the area, this work can be conducted without distracting from our prime focus of advancing the Cononish Gold and Silver Project.”

For further information please contact:

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