

ASX ANNOUNCEMENT
4 AUGUST 2016

SHARE PLACEMENT

Scotgold Resources Limited (the "Company") (ASX:SGZ, AIM:SGZ) is pleased to announce that the Company has placed 62,500,000 new ordinary shares ("Shares") at an issue price of £0.008 (approximately AUD\$0.014) each with new shareholders to raise £500,000 (approximately AUD\$880,000) before expenses (the "Placing").

The funds raised will be used to:

- Commence the technical studies to investigate the viability of a phased approach to the development of the Cononish Gold and Silver Project and as appropriate revise the Cononish Bankable Feasibility Study ("BFS").
- Provide additional working capital during the previously announced Bulk Processing Trial ("BPT") such that the anticipated premium to be achieved on verified Scottish gold can be optimized. This will require the development of a comprehensive and long term marketing strategy and an accumulation of gold stocks, thus delaying for a short period, the proceeds from gold sales.

Completion of the Placing is scheduled to occur, and the 62,500,000 new Shares are expected to be issued on or about 18 August 2016. The Shares issued under the Placement will rank pari passu with existing Scotgold Shares.

The new Shares are being issued under the company's 15% capacity under ASX Listing Rule 7.1.

Total Voting Rights

Following Admission, the Company's enlarged issued share capital will comprise 1,500,274,214 shares with voting rights. The Company does not hold any Shares in treasury, therefore the total number of Shares in the Company with voting rights will be 1,500,274,214. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Richard Gray, CEO of Scotgold, commented:

“Following the successful first gold pour at the Cononish project yesterday, this fund raise, together with anticipated revenue from gold sales, means the Company is now well placed to advance Cononish beyond the BPT.”

For further information please contact:

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