

ASX Announcement

1 November 2010

ASX Code: SGZ

Company Overview

Scotgold Resources Limited is a gold exploration and development company with projects in the Grampian region of Central Scotland. The company's assets include the Cononish gold and silver deposit and exploration licences covering 3,200km² of central Scotland.

Fast Facts

Shares on issue:	117M
Share price:	A\$0.055
Market capitalisation:	\$6.4m
Last quarter Cash on hand:	\$1.6M

Board of Directors

Chris Sangster	Chief Executive Officer
John Bentley	Non-Executive Chairman
Shane Sadleir	Non-Executive Director
Philip Jackson	Non-Executive Director

Major Shareholdings

Shane Sadleir	9.87%
Chris Sangster	4.01%
Saruman Holdings Pty Ltd	3.87%

Company Contacts

Scotland

Chris Sangster	Chief Executive Officer
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Australia

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Planning Decision

HIGHLIGHTS

- Ongoing positive discussions with Parks Authority towards re-application
- Appeal process to be engaged to 'preserve planning position'

Scotgold Resources Limited ("Scotgold" or the "Company") is pleased to provide an update on planning matters relating to the Cononish Gold and Silver Project.

On 11th August, the Parks Authority's Director of Planning recommended refusal of Scotgold's application for planning permission for the Cononish Gold and Silver Project. This refusal was upheld by a narrow margin of 12 to 10 at the National Parks Board meeting on 18th August. The principal reason for refusal was the landscape and visual impact of the Tailings Management Facility (TMF).

Scotgold was surprised and most disappointed at the decision, given the apparent spirit in which previous discussions stretching for over three years had been held, and that it was first told of an intended recommendation for refusal by the Director of Planning only seven days prior to the planning hearing.

Since 18th August, Scotgold directors have met on several occasions with senior representatives of the Parks Authority to discuss the issues surrounding their recommendation for refusal. Scotgold believes encouraging progress is being made through collaborative discussions regarding the possible relocation and re-sizing of the TMF. These discussions are ongoing.

Under Scottish Planning law, an appeal can only be lodged within three months of the decision date (by 18th November) and whilst the above discussions would indicate that a solution satisfactory to both parties may be attainable, it is unlikely that discussions will have progressed to an extent that the Company is prepared to solely consider re-application for permission by this time.

Scotgold believes its recent application had considerable merit, with significant environmental improvements to the original application which was granted permission in 1996 and hence, pending further positive discussions regarding reapplication, the Company believes it to be prudent in the meantime to 'preserve its position' by lodging an appeal against the decision of the Parks Authority, and this is the course of action that Scotgold will take.

It is hoped, however, that the discussions with the Parks Authority can be brought to a successful conclusion.



For further information please contact:

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Competent Persons Statement:

The information in this report that relates to Exploration Results 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 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 2004 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.

Forward Looking Statements:

This release includes certain "forward looking statements." All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements.