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SCOTGOLD INTERSECTS TARGET VEIN IN SECOND DRILL HOLE AT CONONISH, SCOTLAND

Gold exploration company Scotgold Resources Limited (**ASX: SGZ**) has completed the second diamond drill hole at its 100% owned Cononish gold and silver project in Scotland.

The drill hole was targeted at about **150m** below the JORC compliant gold and silver resource which has been detailed in previous announcements.

The altered zone, as intersected, has many of the characteristics of the Cononish vein as encountered elsewhere, and this new intersection suggests continuity of the mineralised vein system to at least 150m below the current JORC-defined resource.

The target intersection, which occurred at a downhole depth of 356m, consists of 17m of altered psammitic (sandy) sediments, commonly brecciated and with pink colouration and abundant pyritic veinlets. From 357.50m downhole there is a 0.62m brecciated white quartz vein cut by dark grey quartz veinlets and containing abundant pyrite. The hole was terminated at 379m.

Samples representing the target zone have been sent for assay, and results are expected in a few weeks.

This drill hole is part of an ongoing drilling program aimed at extending the known resources at the Cononish gold deposit, both at depth and along strike. Drilling of the third hole in this program has now commenced and is expected to be completed before the end of the year.

The photos below show part of the alteration zone, the quartz vein and vein breccia intersection.



Previous Scotgold announcements can be viewed on the Scotgold website www.scotgoldresources.com.

Chris Sangster
Chief Executive Officer



Competent Persons Statement:

The Information in this release that relates to Exploration Results is based on information compiled by Dr R Thom MAusIMM. Dr Thom 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves. Dr Thom, who is a Director of Scotgold, consents to the inclusion in the report of the matters based on this 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.

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