

ASX Announcement

13 JULY 2010

ASX/AIM Code: SGZ

Company Overview

Scotgold Resources Limited ("Scotgold" or the "Company") 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. Scotgold is quoted on both the ASX and AIM.

Fast Facts

Shares on issue:	117M
Options:	
Share price	A\$ 0.088
Market capitalisation:	A\$10m
Cash on hand (30/06/10):	A\$1.6M

Board of Directors

Chris Sangster	Chief Executive Officer
John Bentley	Non-Executive Chairman
Shane Sadleir	Non-Executive Director
Adam Davey	Non-Executive Director
Edmond Edwards	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

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INFILL AND EXTENSION DRILLING RESULTS ADVANCE CONONISH GOLD AND SILVER PROJECT

HIGHLIGHTS

- **High grade intersections from current infill drilling confirm vein continuity and robustness of the main vein mineralization, including:**
 - **Con 10 02 - 15.82g/t Au, 52.6g/t Ag over 1.41m**
 - **Con 10 05 - 5.00g/t Au, 22.8g/t Ag over 6.16m (including 14.82 g/t Au, 55.5g/t Ag over 2.15m)**
- **Drilling within Eastern Extension zone indicates additional mineralization including:**
 - **EA 02 - 7.84g/t, 12.2g/t Ag over 2.25m (including 15.67g/t Au, 33.8g/t Ag over 0.72m)**
- **Mineralization extends eastwards within a westerly plunging payshoot up to 300 metres beyond previously defined JORC resource**

The Directors of Scotgold Resources Limited (ASX:SGZ) (AIM:SGZ) are pleased to announce the completion of the first phase of the Company's Infill and Eastern Extension Drilling Program at the Cononish Gold and Silver Project in Scotland.

Infill drilling into the main vein within the Inferred Resource zone above the 400 level continues to encounter high grades and excellent widths of gold and silver mineralization in most cases.



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Drilling results from the Eastern Extension have encountered additional mineralization below the 400' level, where a westerly plunging payshoot extends over 300 metres beyond the eastern boundary of the previously defined JORC resource.

The Company is now focusing its drilling activities at the Beinn Udlaidh prospect north of Cononish, where gold mineralization was recently discovered in a number of breccia pipes.

Scotgold's CEO, Mr Chris Sangster, said:

"We consider the drilling results to date at Cononish as highly encouraging and supportive of the Company's plans to become Scotland's first modern commercial gold mine."

"The Resource Infill and Eastern Extension drilling program is an essential part of the mining development and production schedule for the Cononish project."

"A major step in this schedule is a decision by the Loch Lomond and The Trossachs National Park on the Company's application for Planning Approval, which is expected during August."

Infill Drilling of Inferred Resource Mineralization:

Infill drilling into the main vein within the Inferred Resource zone above the 400 level continues to encounter high grades and excellent widths of gold and silver mineralization in most cases.

Holes Con 09 01, 10 02 and 10 02a were drilled into the eastern section of the resource. Con 10 05 was drilled into the western section of the resource.

Drilling results, including those previously announced (05/02/2010) are shown in Table 1 and Figure 1. Drill statistics are shown in Appendix A.

Eastern Extension Drilling:

Results from the Eastern Extension indicate a westerly plunging payshoot extending over 300 metres beyond the eastern boundary of the previously defined JORC resource, delineated by surface holes EA 01, 02 and 03, underneath the recently announced extension of the resource to the east.

Further drilling to define this area is hampered by extreme topography and will be followed up by underground drilling during mine development.

Underground holes EA UG 03 and 02 were drilled to test the possible extension of the high grade vein (the 'adit' vein) encountered in the adit. The results indicate vein continuity with encouraging values and warrants further investigation at a later stage.

Drilling results, including those previously announced (05/02/2010) are shown in Table 2 and Figure 2. Drill statistics are shown in Appendix A.

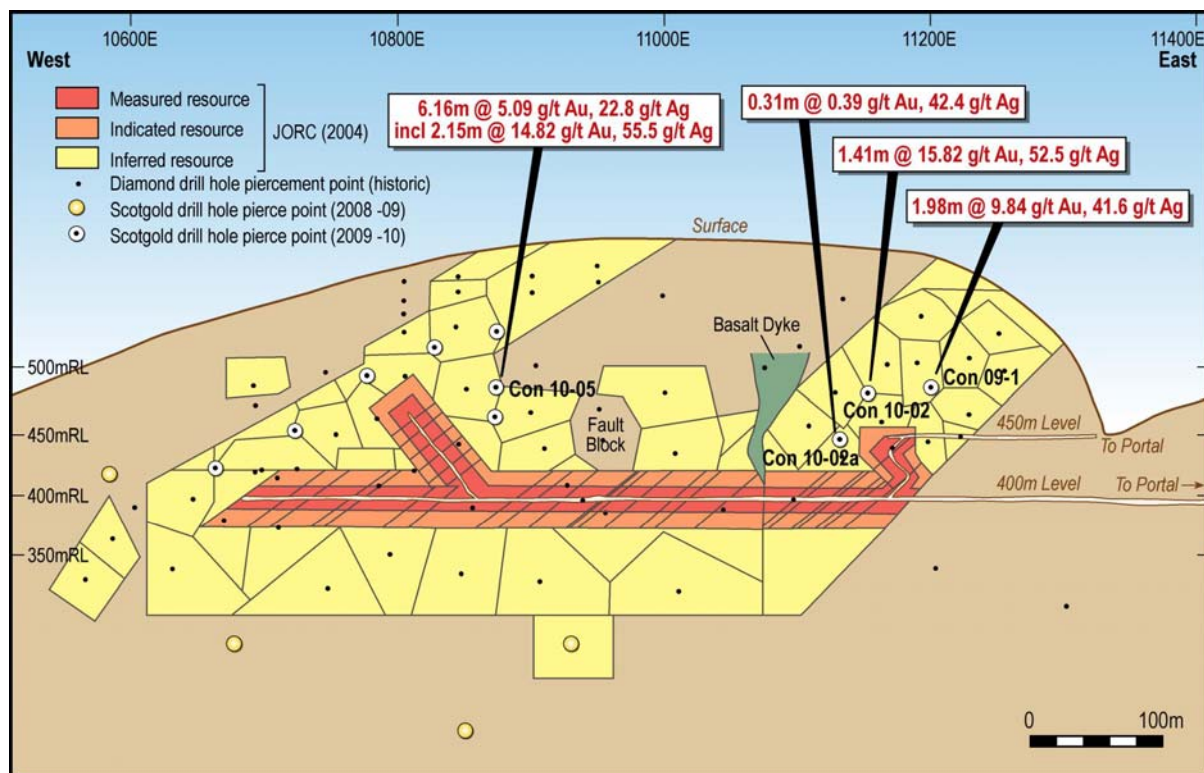


Figure 1: Results of infill drilling into Inferred Resource zone at Cononish

Table 1: Resource Infill Drilling Results

Hole	From (m)	To (m)	Downhole intersection (m)	Est. true thickness (m)	Au g/t	Ag g/t	Comment
Con 09 01*	103.95	106.00	2.05	1.98	9.84	41.6	Main Vein intersection
Con 10 02	103.00	104.50	1.50	1.41	15.82	52.5	Main Vein intersection
Con 10 02a	126.90	127.25	0.35	0.31	0.39	42.4	Main Vein Sheared, dyke
Con 10 05	67.24	83.75	11.04	6.16	5.09	22.8	Mineralised intersection
Including	66.24	70.46	4.22	2.35	2.55	7.2	Upper vein
and	79.15	83.00	3.85	2.15	14.82	55.5	Main vein intersection

* Previously announced

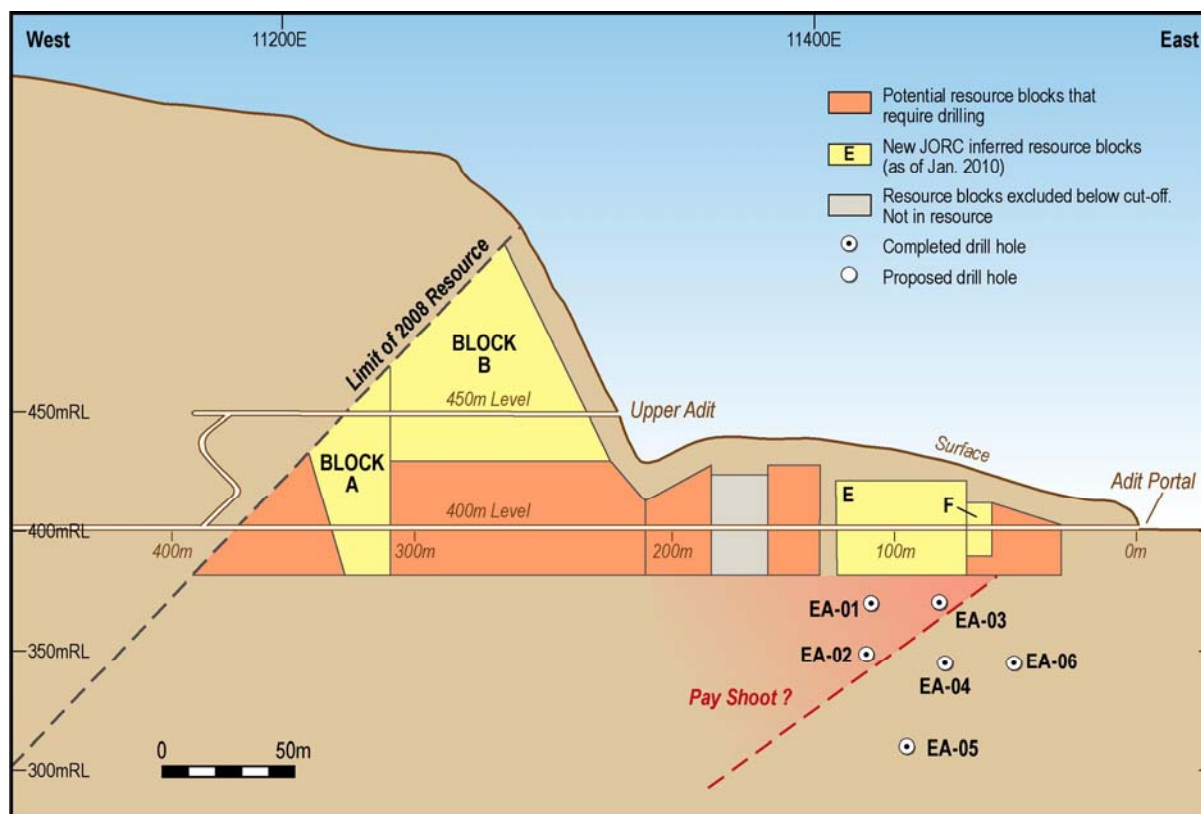


Figure 2: Pierce points of recent surface drilling at Eastern Extension

Table 2: Eastern Extension Drilling Results:

Hole	From (m)	To (m)	Downhole intersection (m)	Est. true thickness (m)	Au g/t	Ag g/t	Comment
EA 01	49.30	51.60	2.30	1.99	2.68	1.8	Main vein intersection
EA 02*	60.40	64.00	3.60	2.25	7.84	12.2	Main vein intersection
Including	60.40	60.65	0.25	0.18	28.35	16.6	
	63.00	64.00	1.00	0.72	15.67	33.8	
EA 03	46.73	47.30	0.57	0.52	3.67	4.8	Main vein intersection
EA 04	62.80	65.00	2.20	1.58	0.94	1.4	Out of payshoot?
EA 05	112.6	113.15	0.55	0.25	0.54	0.5	Out of payshoot?
EA 06	74.92	76.00	1.08	0.68	1.24	<0.5	Out of payshoot?
EA UG 03*	2.50	3.00	0.50		5.16	3.4	'Adit' vein
EA UG 02	0.50	1.00	0.50		7.50	5.4	'Adit' vein

* Previously announced



For further information:

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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.

The Information in this report that relates to Mineral Resources is based on resource estimates compiled by EurGeol Dr S C Dominy FAusIMM (CP), FGS (CGeol), FIMMM (CEng), MAIG, General Manager (UK) and Executive Consultant with Snowden based in the London, England Office. Dr. Dominy 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 Dominy 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.

Appendix A: Drill Statistics

Hole ID	Easting	Northing	Depth(m)	Elevation(m)	Azimuth	Inclination	Core
09 – 01	228918	728277	114.8	558	322	-45	NQ
10 – 02	228871	728247	117.8	562	317	-50	NQ
10 – 02a	228871	728247	142.5	562	306	-66	NQ
10 – 05	228641	728049	91.7	565	327	-77	NQ
EA 01	229094	728454	102.0	405	326	-45	NQ
EA 02	229094	728454	105.5	405	326	-65	NQ

EA 03	229125	728471	62.0	404	315	-43.5	NQ
EA 04	229125	728471	74.4	404	315	-66	NQ
EA 05	229125	728471	129.0	404	299	-80	NQ
EA 06	229156	728500	80.5	397	294	-68	NQ
EA UG 03	229098	728556	16.0	400	316	0	AQ
EA UG 02	229114	728574	9.0	400	316	0	AQ