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The Companies Announcements Office
 Australian Stock Exchange Limited
 4th Floor, 20 Bridge Street
 SYDNEY NSW 2000

INVERCHORACHAN PROSPECT UPDATE

Australian gold exploration company Scotgold Resources Limited (Scotgold Resources, the Company) (ASX: SGZ) is pleased to announce the following advancements at the Inverchorachan Prospect within its exploration project in the Grampian Highlands of west Scotland.

This prospect lies on the Tyndrum Fault, one of the major fault structures in the South West Highlands of Scotland. Previous investigations have shown strong gold anomalism and high gold values from rock chip sampling, delineating an anomalous zone approximately 500m long by 50m across.

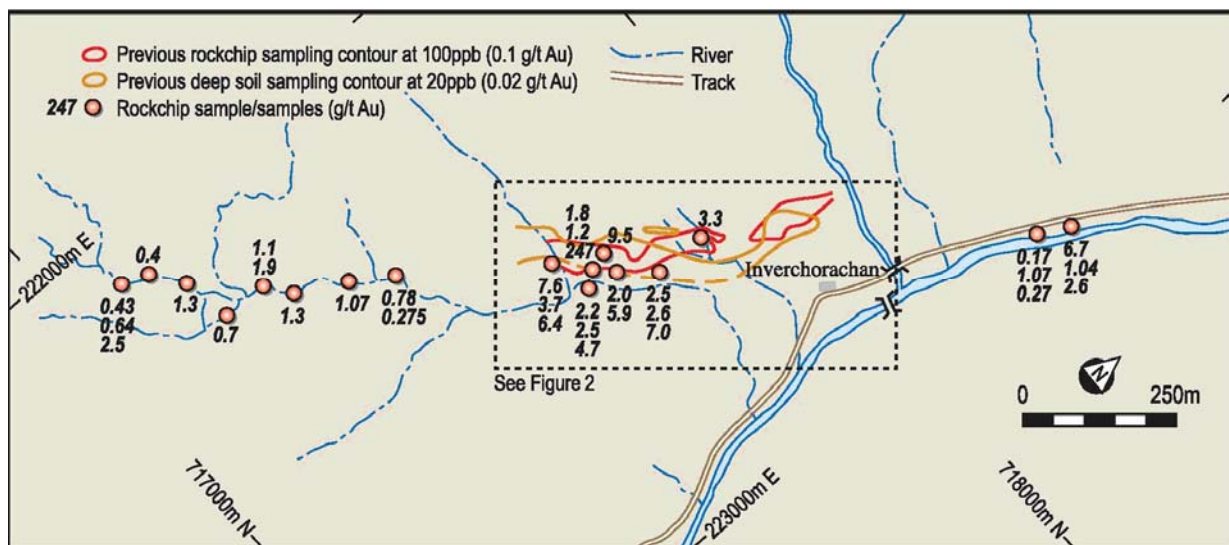


Figure 1 Location of Inverchorachan, in Glen Fyne

The company has already carried out field work to advance this prospect and a detailed field mapping and rock sampling survey, covering the anomalous zone has recently been completed.

Rock chip sampling along two of the cliff sections ('trenches') previously found to be strongly mineralised have given consistently high assay results (as shown in table 1 below), broadly confirming the historic investigations. The table represents 13 results >1g/t Au out of a total of 69 samples selected in the area. Most of the mineralised samples occurred within altered intrusive rock exposed within the trenches.

Table 1 Selected Rock Chip Samples

Sample number	Au (g/t)	Ag (g/t)	Rock type	Location
IN 091	1.11	4.7	Tuff, Green Beds	Trench A-B
IN 070	1.23	5.8	Tuff/altered intrusive contact	Trench A-B
IN 066	1.33	7.8	Altered intrusive	Trench A-B
IN 101	1.38	6.4	Altered intrusive	Trench C-D
IN 086	1.78	6.1	Altered intrusive	Trench A-B
IN 084	1.85	7.9	Altered intrusive	Trench A-B
IN 085	2.04	9.3	Altered intrusive	Trench A-B
IN 102	2.82	8.5	Altered intrusive	Trench C-D
IN 087	2.90	10.4	Altered intrusive	Trench A-B
IN 075	3.20	17.3	Altered intrusive	Trench A-B
IN088	3.40	16.7	Altered intrusive	Trench A-B
IN 072	7.83	30.5	Altered intrusive	Trench A-B
IN 099	9.43	38.8	Altered intrusive	Trench C-D

The assays were carried out by Omac Laboratories Ltd in Ireland. Gold was determined by 30g fire assay and the silver was determined by a multi-element ICP scan.

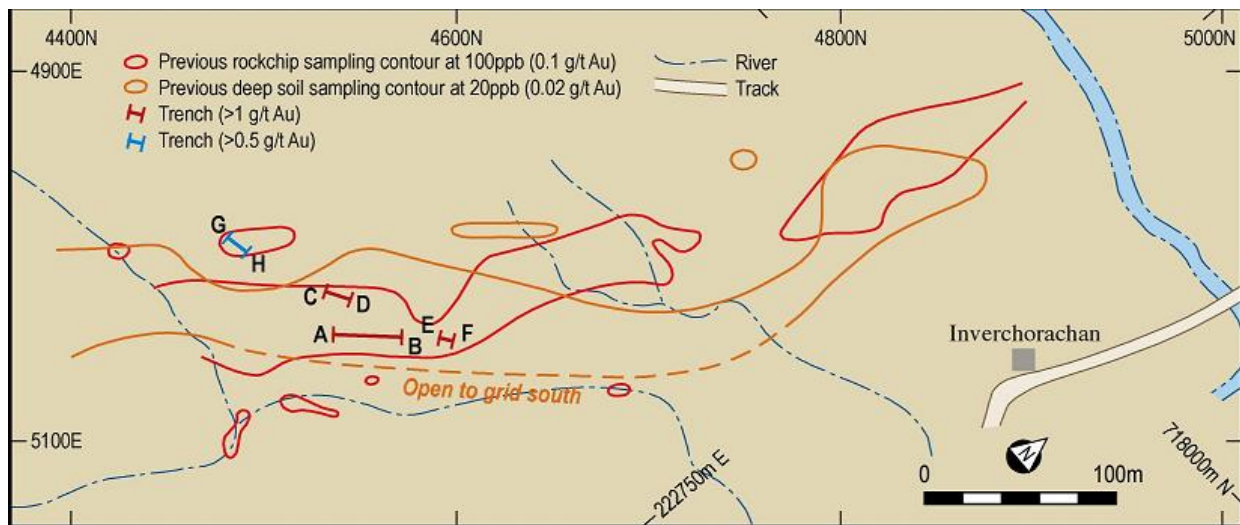


Figure 2 Inset from figure 1, showing location of re-sampled trenches

Other current investigations for this prospect include X-ray diffraction studies to examine the types of alteration associated with the mineralisation, Scanning Electron Microscope and electron microprobe studies to examine the relationship between pyrite and gold, petrography of the main rock types and an ICP scan for a range of elements to more closely define the style of the mineralisation.

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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