

ASX debut reaches 80% premium: Scotgold

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SCOTGOLD Resources rode the gold wave today, debuting on the Australian Securities Exchange and rocketing to an intra-day high of 45c or an 80% premium to its 25c issue price.

The Perth-based company plans on being Scotland's first significant gold producer after raising \$A4.9 million in an initial public offering.

The IPO proceeds will fund exploration and development at Scotgold's flagship Cononish deposit – within the Grampian project in west Scotland – acquired from United Kingdom-based Fynegold Exploration in May last year.



"As a priority, Scotgold plans to undertake an assessment of the known gold and silver mineralisation at Cononish, 90 kilometres north of Glasgow, with the aim of determining a JORC-compliant resource in the first quarter of 2008," Scotgold non-executive chairman Shane Sadlier said.

"Much of the hard work has already been done for us, with the previous owners carrying out exploration on the project over 15 years, including diamond drilling and the construction of a 1.2 kilometre tunnel along the vein, culminating with planning approval for a small mining operation of 25,000 ounces of gold per annum in 1996," he said.

"A downturn in the gold price shortly after saw the project placed in care and maintenance for the next 10 years," he added.

"The successful implementation of gold mining operations would represent only stage one of an ambitious project for Scotgold."

Sadlier added the company will enter discussions with Scottish jewellery manufacturers over gold produced from Cononish.

Scotgold's board of directors have a wide array of experience and include chief executive Chris Sangster, exploration director Dr Ron Thom, and non-executive chairman Shane Sadleir.

Scotgold shares cooled 12.5c to 32.5c in late afternoon trade.

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