



Scotgold launches \$6m IPO

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Perth-based gold exploration company Scotgold Resources Ltd has launched an initial public offer to raise up to \$6 million ahead of its plans to list on the Australian Securities Exchange in 2008.

The prospectus is for the issue of 16 million shares at 25 cents each to raise \$4 million, with the ability to raise up to a further \$2 million in oversubscriptions.

Scotgold will use the funds to pursue a number of advanced gold exploration targets in Scotland.

The offer opened on 28 November and is planned to close on Friday, 21 December 2007. The company's proposed listing date is Tuesday, 15 January 2008.

Montagu Stockbrokers is the sponsoring broker and lead manager to the issue.

Scotgold non-executive chairman Shane Sadleir said the company aimed to establish a gold mine at its key project of Cononish in Western Scotland and become the only significant gold mining company in Scotland, a country not usually thought of for its mining prospects.

Cononish, 90km north of Glasgow and part of the company's Grampian Gold Project, is 100 per cent owned by Scotgold and has been estimated to contain an historic resource of 564,656 tonnes grading 10.55 g/t of gold and 55.0 g/t of silver.

As a priority, Scotgold plans to undertake an assessment of the known gold and silver mineralisation at Cononish with the aim of determining a JORC-compliant resource.

The company expects that a draft report will be received within three months of listing on the ASX from the nominated competent person engaged.

Drilling of defined exploration targets in 2008 will focus on increasing the extent of known mineralisation around Cononish.