
SCOTGOLD RESOURCES LIMITED

ACN 127 042 773

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00 am (BST)
DATE: 21 August 2017
PLACE: ICAEW
Chartered Accountants' Hall
Business Centre
Moorgate Place
London EC2R 6EA

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11am (BST) on 18 August 2017.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 100 Shares be consolidated into 1 Share; and*
- (b) every 100 Options be consolidated into 1 Option,*

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."

Dated: 21 July 2017

By order of the Board



Richard Barker
Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxies

- To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 11am (BST) on 19 August 2017 (6:00pm (AWST) Saturday, 19 August 2017). Any proxy form received after that time will not be valid for the scheduled meeting.
 - Online At www.investorvote.com.au
 - By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
 - By fax 1800 783 447 (within Australia)
 - +61 3 9473 2555 (outside Australia)
 - By mobile Scan the QR Code on your proxy form and follow the prompts
 - Custodian For Intermediary Online subscribers only (custodians) please visit
 - voting www.intermediaryonline.com to submit your voting intentions

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 419 790 875.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

1.1 Background

If Resolution 1 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 1,593,270,665 to 15,932,707 subject to rounding);
- (b) Unlisted options on issue @ £0.0069 expiring 22/09/2017 will be reduced from 30,000,000 to 300,000 (subject to rounding) and the conversion price adjusted to £0.69;
- (c) Unlisted options on issue @ £0.01 expiring 30/09/2017 will be reduced from 123,407,334 to 1,234,074 (subject to rounding) and the conversion price adjusted to £1.00; and
- (d) Unlisted options on issue @ AUD\$0.08 expiring 31/03/2022 will be reduced from 3,000,000 to 30,000 (subject to rounding) and the conversion price adjusted to AUD\$8.0.

The effect the Consolidation will have on the terms of the Options, including the adjusted exercise price (based on the 1 for 100 consolidation) is as set out in the tables below (numbers are subject to exercise prior to consolidation and rounding):

Options – Pre Consolidation

Terms	Number
Options exercisable at £0.0069 by 22/09/2017	30,000,000
Options exercisable at £0.01 by 30/09/2017	123,407,334
Options exercisable at AUD\$0.08 by 31/03/2022	3,000,000
Total	156,407,334

Options – Post Consolidation

Terms	Number
Options exercisable at £0.69 by 22/09/2017	300,000
Options exercisable at £1.00 by 30/09/2017	1,234,074
Options exercisable at AUD\$8.00 by 31/03/2022	30,000
Total	1,564,074

1.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

1.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 100. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

1.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

1.5 Certificates and Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements or certificates for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new certificates for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

1.6 Minimum parcel sale

Following completion of the Consolidation, the Company proposes undertaking a minimum parcel sale in accordance with clause 3 of the Company's Constitution. This process will apply only to holdings of less than AUD\$500 at the time of the consolidation. This will have the effect of reducing the Company costs, in particular administration costs, going forward. Further information on that process will be contained in correspondence to Shareholders holding a minimum shareholding (as defined in the Constitution).

1.7 Indicative timetable

If Resolution 1 is passed, the reduction of capital will take effect in accordance with the following timetable:

Action	Date
Company Announces Proposed Share Consolidation	21 July 2017
General Meeting	21 August 2017
Last day for pre-Consolidation trading on AIM	24 August 2017

Action	Date
Last day for Company to register transfers on a pre-Consolidation basis (Record Date 5pm (BST))	24 August 2017
Post-Consolidation trading starts on AIM	25 August 2017
Consolidation is effected on the Australian share and UK Depository Interest registers	25 August 2017

GLOSSARY

\$ means Australian dollars.

AIM means the Alternative Investment Market of the London Stock Exchange.

ASIC means the Australian Securities & Investments Commission.

AWST means Australia Western Standard Time

Board means the current board of directors of the Company.

BST means British Summer Time

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Scotgold Resources Limited (ACN 127 042 773).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.
