

Scotland's first commercial gold producer

Hardman & Co Investor Forum Mining Forum
11 November 2020

AIM: SGZ



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Company Overview



AIM-quoted exploration, development and production company, set to become the first commercial gold producer in Scotland



Flagship asset is the Cononish Gold & Silver Mine ('Cononish'), which is targeting first gold by 30 November 2020 – will have an AISC of \$600/oz (bottom quartile for international producers)



Phased development approach at Cononish – Phase 1 commissioning underway and plans to accelerate Phase 2, bringing total production to 23,500oz Au Eq per annum



Strategy to leverage Scotgold's expertise and strong balance sheet, to capitalise on additional opportunities in Scotland and other low-risk and prospective jurisdictions



Pipeline of highly prospective exploration rights across Scotland, offering significant discovery/development upside potential in addition to immediate gold production



Highly experienced board and management team with diverse skill sets, capable of generating value from greenfield exploration interests to mature mining operations



Scottish gold is highly prized and commands a premium to the spot price

Scottish jewellery designers Hamilton & Inches and Sheila Fleet have indicated demand for Scotgold's single source gold.

Following a sealed-bids auction, gold rounds produced as part of the BPT at Cononish were sold at £4,558 per ounce, a premium of 3.5 times the then spot price of £953.

Corporate Overview Continued...



*Significant Shareholders (over 3%)

Name	Shares Held	% Shareholding
Mr Nat le Roux	22,618,223	41.82%
Mr William Styslinger	5,931,400	10.97%
Mr Peter Hetherington	4,088,961	7.56%
Mr Charles Outhwaite	1,883,115	3.48%
Rhodora Ltd	1,744,657	3.22%

Shareholding as at 15 October 2020. As per the Company's announcement of 12 October 2020, Shares issued Pursuant to the placing to start trading on AIM on 15 October 2020

Corporate Structure



Market

AIM

EPIC

SGZ

Market cap*

£63 million

Share price*

120p

52 week low | high*

42p | 158p

Broker | Nomad

SP Angel

*as at 05 November 2020

— SCOTGOLD RESOURCES LIMITED



Board & Management



Nat le Roux
Chairman



Richard Gray
MD and CEO



Peter Hetherington
Non-Executive Director



Christopher Sangster
Technical Director



Phillip Jackson
Non-Executive Director



Richard Barker
Non-Executive Director
& Company Secretary



**William "Bill"
Styslinger III**
Non-Executive Director



Ian Proctor
Non-Executive Director



Jeff Hogg
Financial Controller



Marshall Badza
Mine Manager



Nigel Smalley
Process Plant Manager



Jason Saint
Project Construction
Manager



Dr Simon Dominy
Group Manager –
Resources & Reserves



David Catterall
Exploration Consultant

Operational Focus



IMMEDIATE VALUE TRIGGERS

Production and Expansion

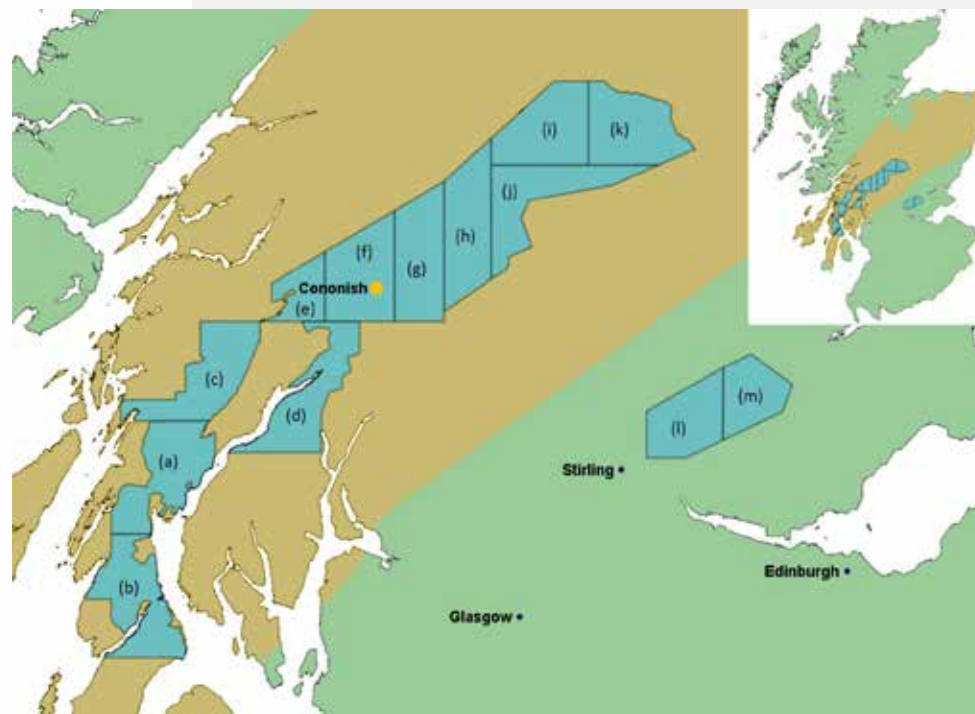
- Cononish Gold & Silver Mine
- First gold expected by 30 November 2020
- Accelerated expansion plan to achieve production of 23,500oz pa



ADDITIONAL UPSIDE

Exploration and Development

- Near Cononish Mine development targets
- Grampian Exploration Project
- 13 licences covering 2,900km² of Dalradian Belt



Dalradian Supergroup and related
Neoproterozoic sequences



Cononish Gold & Silver Mine

First gold pour expected by 30
November 2020



Cononish Gold & Silver Mine - Overview



Phase 1 commissioning underway, first gold expected by 30 November 2020

- High grade, high return, low cost mine located in the Scottish Grampian Mountains area
- The mine is estimated to contain 555,000 tonnes of ore, broken down as follows:
 - Proven¹ reserves - 65,000 tonnes comprised of 11.5g/t Au and 51.5 g/t Ag
 - Probable² reserves - 490,000 tonnes comprised of 11.1g/t Au and 47.2 g/t Ag
 - Total gold resource - 266,000 ounces (estimated value: £372.4m*)
 - Total silver resource - 1,096,000 ounces (estimated value: £21m**)
- The Project is supported by the local community and designed to have minimum environmental impact on the surrounding area

Production Statistics

Total Mine Production	175,483 oz Au 684,517 oz Ag
Life of Mine (LOM)	8.5 years
Ore Processing Rate	72,000 tonnes per annum
Average Head Grade	11.7 g/t Au equivalent
Metallurgical Recovery	93% Au - 90% Ag
Average Annual Metal Period	21,751oz Au equivalent
Peak Period	29,073oz Au equivalent

oz = ounces, Au=Gold, Ag= Silver
oz Au Equivalent = oz Au + oz Ag*12.8/920

¹Proven Reserves: The economically mineable part of a Measured Mineral Resource.

²Probable Reserves: The economically mineable part of an Indicated Mineral Resource.

Source: Scotgold website

*Gold price / ounce (24/09/2020): £1,400

**Silver price / ounce (24/09/2020): £19.23

Life of Mine Plan – Phase 2 Expansion



Accelerating the stepped development strategy for the Cononish Gold & Silver Mine

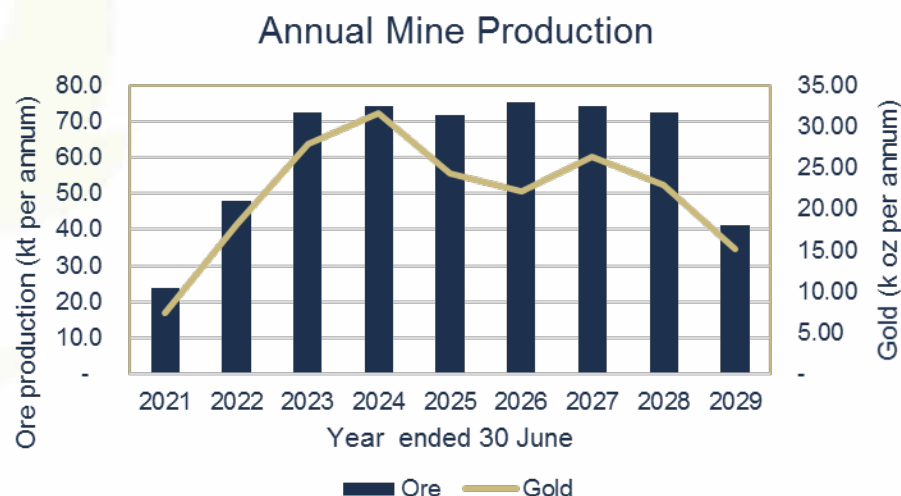
- Initial plan to escalate to Phase 2 **28 months** after commencement of Phase 1
- New strategy to accelerate this process and achieve Phase 2 expansion **17 months** from Phase 1 production

Production Phase 1

Expected to commence	November 2020
Annual rate of ore production	36,000 tonnes
Ave. Annual Au production	9,910 oz

Production Phase 2

Expected to commence	May 2022
Annual rate of ore production	72,000 tonnes
Ave. Annual Au production	23,500 oz



Life of Mine Plan – Phase 2 Expansion



Source information described on slide 27

Project Returns: October 2020 to end of LOM		
Gold price	£/oz	1,400
Silver price	£/oz	19.23
EBITDA	£	177,893,130
Pre-tax Cash Flow	£	155,593,371
Net Cash Flow	£	127,502,037
NPV calculation date		1 Oct 2020
Pre-tax NPV @ discount rate of 8%	£	96,240,337
Operating Margin	%	68.7

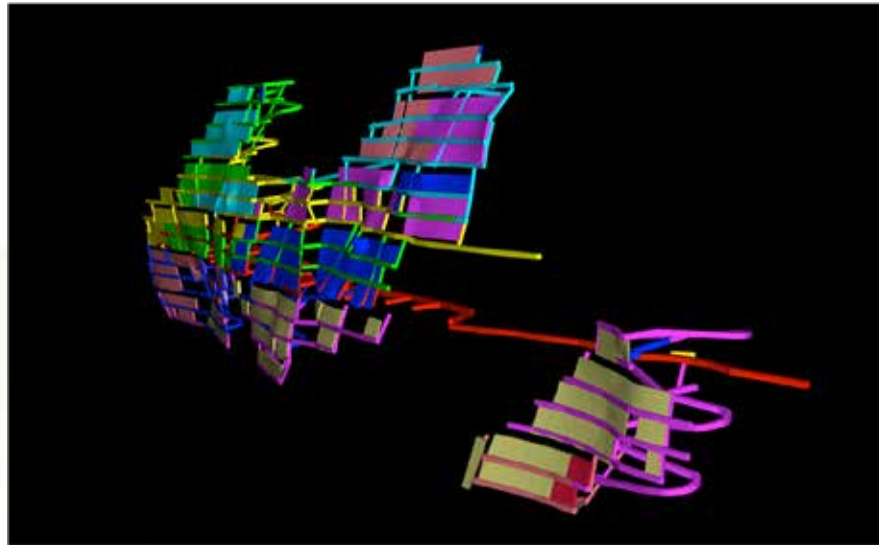
Cost Dynamics: Project Lifetime		
Capital Cost	£	34,012,963*
Operating Cost	£	81,196,935
Average Operating Cost/oz Eq Au.	£	439.17
Average Capital Cost/oz Eq Au.	£	183.97
Total Average Cost/oz Eq Au.	£	623.14

Phase 2 Production Build-Up Capital cost		
Mine development	£	563,182
Mining equipment	£	1,040,792
Processing plant	£	2,887,409
Tailings facility	£	144,800
Environmental & Social	£	275,000
Mains electricity supply project	£	1,700,000
Total Phase 2 Capital Cost	£	6,611,183
Funded by:		
Asset-based financing	£	956,350
Equity funding	£	2,500,000
Internal generation of funds	£	3,154,833
	£	6,611,183

* Includes asset based finance costs

Ave. all in sustaining cost (AISC) October 2020 to life of mine: £461.24/oz or \$599.61/oz

Mine & Processing



3D mine design, Source: Bara Consulting, May 2015

Bara* completed the mine design using the Long Hole Open Stopping (LHOS) methodology. In LHOS access onto a level, from the ramp, will be via an access cross cut. From the access cross cut ore drives will be developed to the extent of the mining block. The mining block will be split into stopes of a maximum span of 80m long and a vertical span of 45m with sub levels developed each 15m.





Environmental & Social Governance



Cononish is situated within one of Scotland's two National Parks and Scotgold is committed to meeting the most rigorous ESG protocols

- To measure and provide verifiable confirmation of the impacts of developing Cononish, the Company completed an Environmental and Social Impact Assessment (ESIA) and a Decommission and Restoration Plan.
- Potential impacts from the Project were assessed to be minor from an environmental and visual perspective – furthermore the site restoration and rehabilitation upon completion has the potential to improve biodiversity, conservation and habitats amongst other socio-economic benefits

“ The development of Cononish is supported by the local community and the company has enjoyed positive dialogue with local stakeholders throughout the development process

The ESIA evaluated:

- The Project's visual impact on the National Park's landscape
- The preservation of surface and other groundwater
- The surrounding ecology and nature conservation
- Proposed planning restoration activities
- Air quality study
- The socio-economic impact
- The Project's management of mining waste (as defined by the EU Mine Waste Directive)



Cononish Expansion

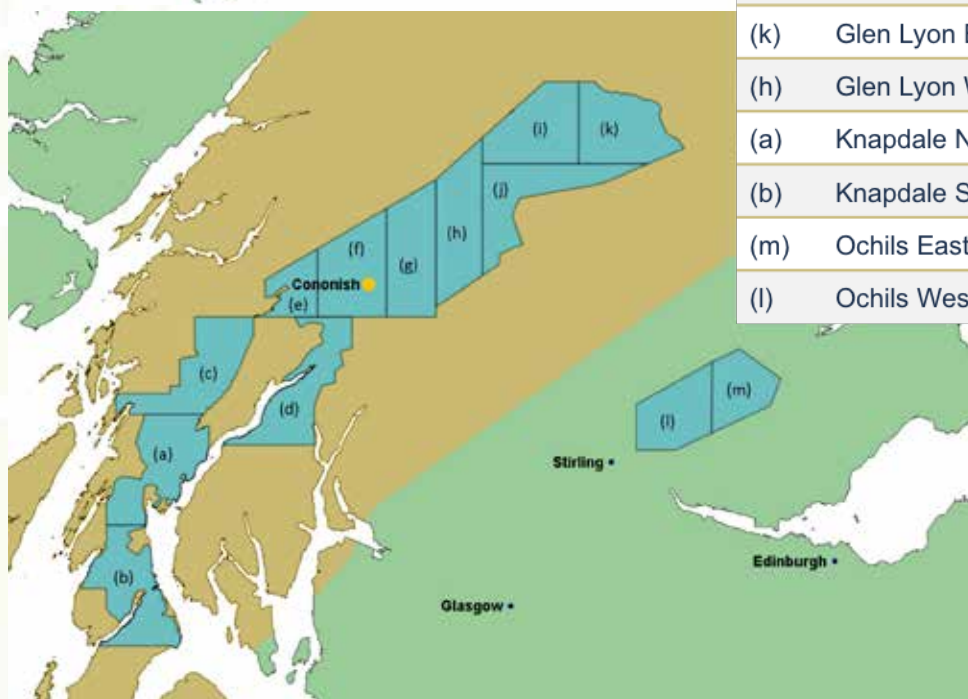
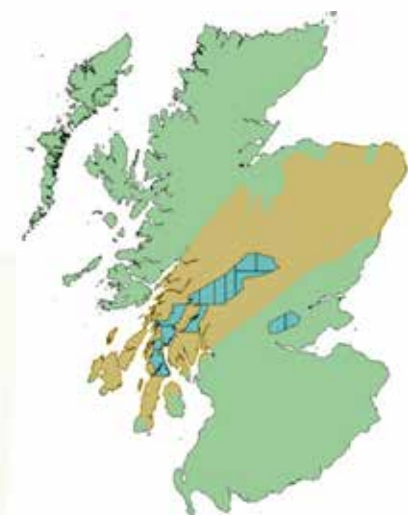
Near Mine Targets

Grampian Exploration Projects

Significant mineralised footprint potentially offers exceptional future upside

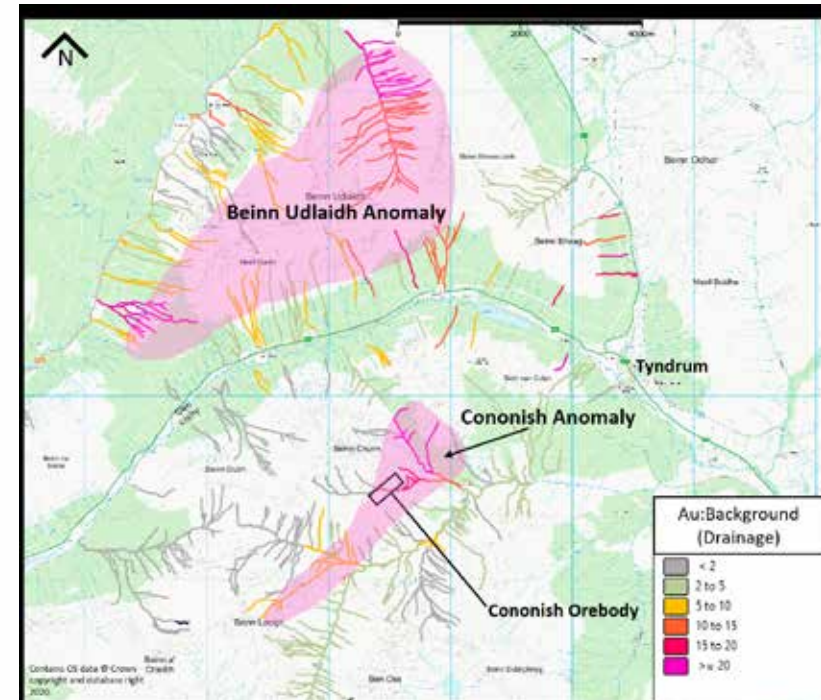
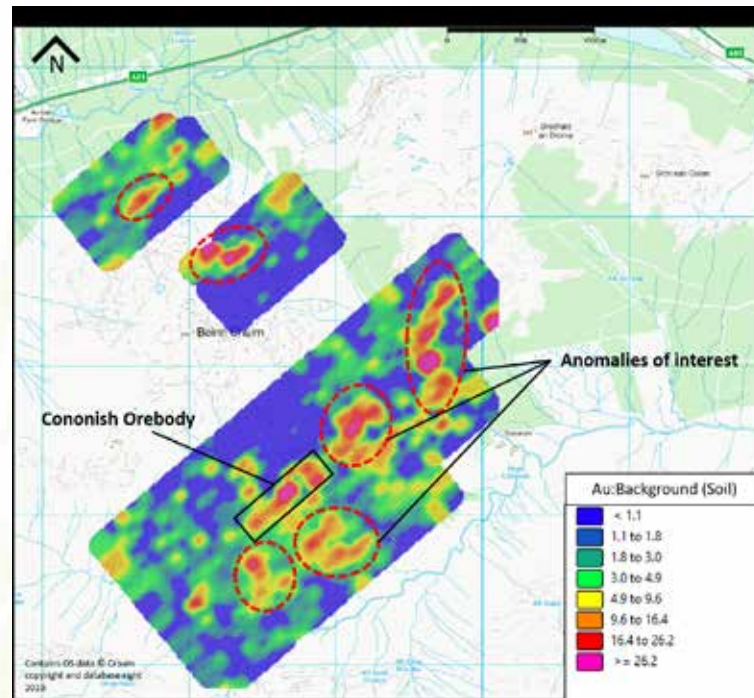


Grampian Project Exploration Portfolio Overview

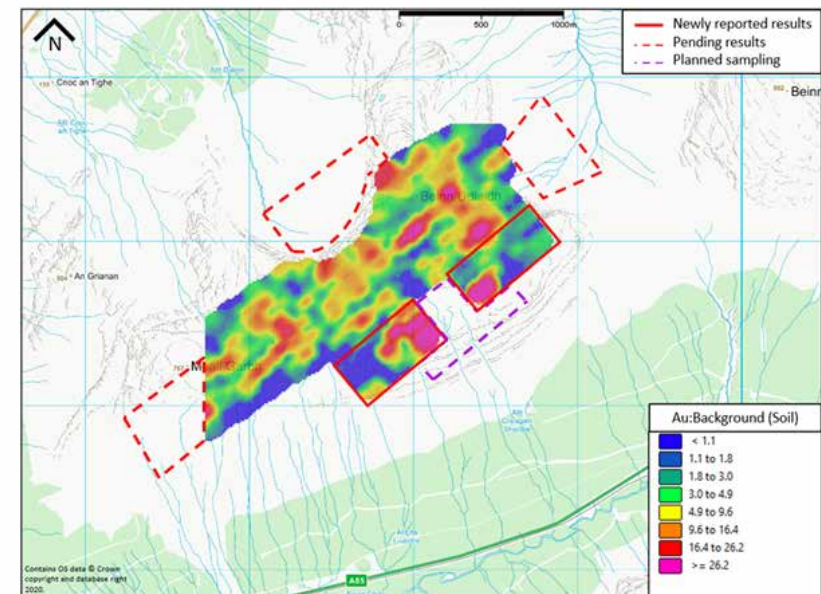


Map Key	Licence	Stream sediment sampling (pre-2018)	Stream sediment sampling by new ionic leach method	Soil sampling by ionic leach method	Historic rock sampling
(e)	Glen Orchy West	●	●		●
(f)	Glen Orchy Central	●	●	●	●
(g)	Glen Orchy East	●	●		●
(d)	Inverliever East	●	●	●	●
(c)	Inverliever West	●	●		
(i)	Glen Lyon North	●	●		●
(j)	Glen Lyon South	●	●		
(k)	Glen Lyon East	●	●		
(h)	Glen Lyon West	●	●		●
(a)	Knapdale North	●			●
(b)	Knapdale South	●			●
(m)	Ochils East	●			
(l)	Ochils West	●			

Near Mine Expansion Targets



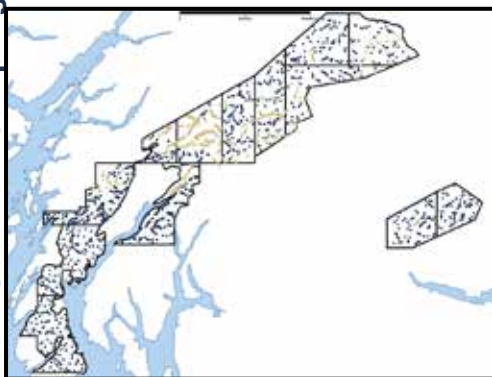
“Calibration” drainage survey over known Cononish orebody using Ionic Leach and new drainage survey over Beinn Udlaidh prospect using Ionic Leach



Grampian Exploration Programme – 2021 onwards



Stream Sediment Sampling



Phase One:

Samples collected: 508
Planned samples: 1,470

Phase Two

Infill sampling of areas where an anomalous catchment is identified: 150 samples

Soil Sampling



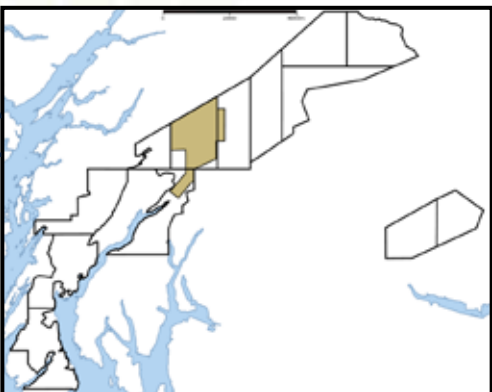
6.5km² area sampled

1km² area sampled: result pending

8km² proposed sample area

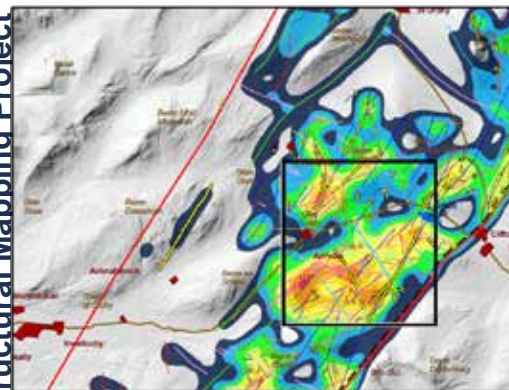
Contingency for new soil sampling grids from areas identified by stream sediment sampling

Airborne Geophysics



Proposed area for airborne magnetics and radiometrics survey
Expected line spacing 100m

Structural Mapping Project



Prospectivity map and ranking of most promising structures

- Structural mapping and characterisation of veins
- Fractal analysis
- Whole rock lithogeochemical analysis
- Regional rock sampling
- Consultant analysis

Drilling



- Identify and test potential additional resources for Cononish, close by or extensions of the vein
- Identify and test other structures to establish an inventory of satellite deposits

Drill targets will be identified and tested with diamond drilling once sufficient data is available over a particular target to vector in on the vein or structure identified as gold and silver bearing.

Conclusions



Production in the near term

- First gold expected within four weeks
- High grade
- High return



Significant upside from mine optimisation and resource expansion

- Production to increase by 100% by May 2022
- Near mine exploration targets
- 2,900km² exploration land holding
- Potential new mines of Cononish scale or larger



Strong organic growth potential and growth through acquisition

- Strategy to deliver pipeline of mineable assets
- Strategy to capitalise on additional opportunities



Supportive shareholders and stakeholders

- Tightly held share register
- Supportive significant shareholder – Nat le Roux (44.05%)
- Supportive local communities



Commitment to sustainability

- Site restoration and rehabilitation has the potential to improve biodiversity, conservation and habitats
- Moving to sustainable power sources



Market opportunity

- Expected average total revenue of £33.7m pa during Phase 2
- EBITDA of £23.7m pa
- Bottom quartile AISC @ \$600/oz
- Un-hedged and fully exposed to upside of gold price
- Scottish gold is highly prized and commands a premium price
- SP Angel price target of 182p

Contacts & Glossary



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Glossary

Ag	Gold
Au	Silver
Au equivalent (oz/tonne)	$Au\ eq = Au + Ag / 88$
BFS	Bankable Feasibility Study
BPT	Bulk Processing Trial
ESIA	Environmental and Social Impact Assessment
g / t	Gold grade per tonne
LOM	Life of Mine
ORE	Naturally occurring solid material from which a metal or valuable mineral can be extracted.
oz.	ounce
ROM	Run of Mine
tpm	Tonnes per month
TSF	Tailings Storage Facility

Slide 13 source information:

The production and financial figures and metrics set out in this presentation are based on:

- a revised Mine Schedule developed by Bara Consulting in early September 2020;
- historical actual figures;
- a budget for the period of 24 months ending 30 June 2022 prepared by the management of Scotgold Resources Limited (incorporating the aforementioned Mine Schedule); and
- a Life-of-Mine Financial Model updated by Bara Consulting with the input of the management of Scotgold Resources Limited incorporating the aforementioned budget and based on the revised Mine Schedule.