Scotgold Plummets After Market Update

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This comes a month or so after a recent placing, and the obvious question is what did they know before they raised the funds? Investors who paid 40p per share cannot be happy.



Scotgold mine portal, Cononish, Scotland

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Scotgold (ASX / AIM: SCZ) shares plummeted over 63% today after a disastrous market update, where the company highlighted production problems and a lack of cash.

This comes a month or so after a recent placing, see here, on February 16th, where the company raised £3 million by issuing shares at 40p.

The obvious question is what did they know before they raised the funds? Investors who paid 40p per share cannot be happy at losing 66% of their funds in 6 weeks!

It beggars belief that the company were not aware of problems barely six weeks ago, and where has all the money raised then gone?

Investors will rightly be asking some hard questions of management.

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