

Glencairn Gold reaches Blue Hill settlement

2007-09-04 12:14 ET - News Release

Mr. Peter Tagliamonte reports

GLENCAIRN GOLD REPORTS SETTLEMENT OF BLUE HILL LITIGATION

Glencairn Gold Corp. has reached a final settlement of litigation in both the state of Maine and in Ontario regarding remediation of the Blue Hill site in Maine. Under this settlement, Glencairn will pay \$1-million (U.S.) by Oct. 31, 2007, and will be entitled to benefit from the settlement previously reached between Kerramerican Inc. which operated the former zinc mine in the 1970s and the State of Maine, pursuant to which approximately \$12-million was paid into a single purpose entity established to carry out remediation on the site. Glencairn was joined in a complaint filed by the State of Maine in 2004 and in turn initiated a court proceeding in Ontario for indemnification under the 1970s joint venture agreement. Glencairn expects to finance this settlement through the sale of marketable securities held by the company.

"The Blue Hill litigation has been ongoing since 2004 and this settlement represents an important conclusion as Glencairn continues to resolve outstanding issues," said Peter Tagliamonte, president and chief executive officer. "We are continuing on our program throughout the company of reducing expenditures and managing our cash flow in a prudent and responsible manner."

As a result of the closing of the Bellavista mine in July, 2007, and the resulting cash flow implications from the loss of revenue from the mine, Glencairn has suspended all exploration activities, reduced the number of employees, cut capital expenditure programs, extended payables where possible, and eliminated discretionary expenditures. Cash on hand and cash flows from operations of the company's sole operating mine, Limon, are not sufficient to fund the company's continuing needs. Accordingly, in addition to the company's cash preservation plans, which include aggressive cost-cutting measures, the company will require additional financing which may include the sale of assets or equity or debt financing. While the company has been successful in the past in raising funds, there can be no assurance it will be able to raise sufficient funds in the future.

We seek Safe Harbor.