

VANCOUVER, BC--(Marketwired - January 28, 2016) - [Medallion Resources Ltd.](#) (TSX VENTURE: MDL) (OTC PINK: MLLOF) ("Medallion" or the "Company"), today provided an update on its plans for 2016 with a focus on moving towards rare-earth production.

"2015 was a difficult year for the rare-earth marketplace, but we made important progress, albeit at a measured pace," said Don Lay, Medallion President & CEO. "As a result of last year's positive bench-level metallurgical tests and feedback from prospective customers, we can now focus on scaling up our rare-earth extraction process and building relationships with potential customers. These objectives, along with attracting capital, constitute the next steps toward achieving commercial production."

Medallion believes that it is well-positioned to move forward in advancing to rare-earth concentrate production, even with the limited capital available in the current marketplace. The Company's priorities for 2016 are as follows:

#### Pilot Plant

Using our existing metallurgical flow sheet, which was validated in our recent bench-level tests, we will be requesting proposals from qualified mineral labs to scale up to the pilot-plant level. Scaling up the process is important to further optimize the flow-sheet, produce larger sample volumes of products and by-products, and implement re-cycling processes. Importantly, a pilot plant also will allow Medallion to test the operating parameters for the variety of monazite input feedstocks currently under consideration. The metallurgical techniques are time-tested and well-known; therefore significant technical hurdles at the pilot plant operation level are not anticipated. The Company will need to raise additional capital before committing to a pilot plant operation.

#### Customer Engagement

Medallion's initial mixed rare-earth concentrate samples from bench-level tests were well-received and recognized as suitable input by rare-earth separation plants (refineries). Refineries purchase and separate mixed rare-earth chemical concentrates into higher-value, individual rare-earth oxides and refined rare-earth products. Close collaboration with refiners is important in order to meet their input specifications, and the timing and volume of shipments -- this work takes significant lead time. As such, we will be devoting more attention in 2016 to building relationships with both established solvent extraction-based refiners and new groups working to commercialize alternative rare-earth separation technologies.

#### Financing

The Company will devote significant energy in 2016 on capital-raising efforts for both pilot-plant funding and its business-development activities. Although our 'burn rate' is low, we expect that additional equity raises or other forms of financing will be required. At every opportunity, we will look for strategic partners or alternative financial approaches to provide minimally dilutive capital to further the development of the business.

#### Monazite Feedstock

Our business plan involves sourcing monazite, a rare-earth phosphate mineral that is produced in significant quantities as a by-product of heavy-mineral sands mining operations. These operations mine and process beach sands rich in heavy minerals, principally zirconia and titanium minerals. Considerable time has been spent establishing business and technical relationships with these operators in order to assess and source monazite-sand concentrate as feedstock. Based on information provided by this industry, we are confident that there are suitable feedstocks available from operations in Australia, south-east Asia and Africa. We also believe that commercial contracts can be successfully negotiated with these monazite suppliers once additional progress towards production is made, such as the completion of a pilot plant and customer agreements. Fortunately, in today's depressed commodity marketplace, the mineral-sand operators, like all mining companies, are keen to generate additional cash flow, especially from high margin by-product minerals such as monazite.

#### Board and Advisors

Medallion aims to become a leading provider of rare-earth feedstock for the global marketplace by taking advantage of available monazite, which is commonly considered "waste" material by the mineral sands industry. We are cutting a very different path from the typical rare-earth junior exploration company that only focuses on a single property. This path has created an opportunity for Medallion to become a significant value-added mineral processor -- as such, we are looking to make both board and advisory board adjustments over the coming year to reflect these changes.

#### About Medallion Resources

Medallion is focused on low-cost, near-term, rare-earth production by exploiting the mineral monazite. Monazite is a rare-earth

phosphate that is available as a by-product of existing mining and mineral-sands sources, principally in the Indian Ocean basin. Rare earths are used in critical components for virtually all computing and mobile electronic products, as well as wind turbines, electric and hybrid vehicles, and strategic defense systems. Medallion is committed to following best practices and accepted international standards in all aspects of mineral processing and the safe management of waste materials. More about Medallion (TSX-V: MDL; OTCPK: MLLOF; Frankfurt: MRD) can be found at [www.medallionresources.com](http://www.medallionresources.com).

*Medallion management takes full responsibility for content and has prepared this news release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Some of the statements contained in this release are forward-looking statements, such as statements relating to future plans of Medallion, including financing plans, plans regarding purchasing or processing monazite, construction of a pilot plant, changes to Medallions board or advisory board, and any other statements regarding objectives or goals, including words to the effect that Medallion or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties, including risks related to Medallion's ability to raise further financing, and the risks inherent in completing pilot plant-scale processing tests and applying the results to full-scale production and other risks outlined in the Company's management discussions and analysis of financial results. Actual results in each case could differ materially from those currently anticipated in these statements, and therefore investors should not place undue reliance on forward looking statements. Also, in order to proceed with Medallion's plans, additional funding will be necessary and, depending on market conditions, this funding may not be forthcoming on a schedule or on terms that facilitate Medallion's plans. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date hereof or revise them to reflect the occurrence of future anticipated events.*

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