Medgold Samples 36.17g/t Au Over 4.6m at Lagares Project, Portugal

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 3, 2014) - Medgold Resources Corp. (TSX VENTURE:MED), the European-focused gold exploration company, is pleased to announce new high-grade gold results for its Lagares Gold Project in Portugal.

Highlights

- Underground sampling yielded a composite of 4.60m @ 36.17g/t Au, from three samples individually assaying at 44.90, 10.10 and 54.60 g/t Au.
- Surface channel-chip sampling yielded 6.10 m @ 4.78 g/t Au.
- Surface reconnaissance sampling over a strike length of 1.7 km yielded results from trace gold to highs of 15.10, 9.88 and 9.33 g/t Au, within a newly extended mineralized corridor totaling 4 km in strike.

The recent work has also led to a significant re-interpretation of the geological model for the project which is explained below.

Dan James, the President of Medgold, said, "Recent work at the Lagares Gold Project has been very encouraging. We have identified high-grade mineralization at surface and underground, but more importantly, our work has led to a new geological model and interpretation of historical results from the project. Several phases of historical exploration have been conducted on the property. Using the historic drill data and underground mapping and our new interpretation of the controls of the mineralization, we believe we have significantly increased the potential for the area. This is supported by our reconnaissance work and geochemical sampling which have identified strongly altered rocks and mineralization extensive over a strike length of 4 km. Our field teams are carrying out a systematic exploration program to further develop the geological model and its potential link to a significant and large-scale mineralized system."

Lagares Gold Project

The Lagares Gold Project is located in the central-eastern part of the Valongo Belt close to the town of Sobreira. The main geological control on mineralization in the area is an intrusive contact between a package of meta-sediments and granites which has subsequently been faulted. The controlling fault, called the Railway Fault, is mineralized over a semi-continuous strike length of 4 km. The fault cuts through the three main prospects on the Project, which are, from north to south, Castromil, Serra da Quinta and San Domingos.

Previous exploration has focused mainly on the Castromil prospect. The Romans mined gold from underground at Castromil and it was also drilled by Billiton and Connary Minerals between 1988-1990 and 1995-1996, respectively. The Company therefore has access to drill core and numerous underground workings.

Medgold's work has completely revised the apparent controls on gold mineralization and has put the Project within a larger-scale geological context. The revised model assumes that the main controlling feature is a normal fault, which is typically mineralized. Associated with this fault are stacked, antithetic, shallow-dipping fluid conduits which are also mineralized. The Railway Fault is now interpreted to be a series of parallel normal faults, rather than a single fault, which therefore allows much greater fluid introduction and increased gold mineralization. Lastly, it was previously thought that the footwall of the fault was unmineralized, but our reinterpretation shows that some of the best and highest grade mineralization is located in the footwall,

hosted in breccias and commonly bounded between the intrusive contact and the Railway fault. This combination of parallel normal faults in the hangingwall with associated antithetic veins opens up significant resource potential.

Medgold's sampling and reconnaissance work has largely focused on the Serra da Quinta area, as this prospect is relatively under-explored, but is believed to host significant strike-extensive and high-grade mineralization. Underground sampling at Serra da Quinta yielded a channel result of 4.60 m @ 36.17 g/t Au from three contiguous samples, individually yielding 44.90, 10.10 and 54.60 g/t Au, and is considered to represent a true thickness of the mineralized zone. The sampling was from a zone of intense alteration associated with the Railway Fault.

Located 200m to the south of the underground channel, a surface channel sample was collected, which yielded 6.10 m @ 4.78 g/t Au, with 5 assays ranging from 0.75 to 14.30 g/t Au. Reconnaissance sampling along the strike of the fault was continued 1.7km to the south of the underground channel sample, and returned grab sample results from 0.03 g/t Au (from footwall sediments) to highs of 15.10, 9.88 and 9.33 g/t Au (in intensely altered granites).

Historical drilling at Serra da Quinta by Billiton and Connary Minerals yielded the following highlights:

- 13.1 m at 3.84 g/t Au from 1.0 m, including 2.9 m at 13.15 g/t Au from 4.36 m (*BIL67, Billiton Portuguesa, 1990*)
- 18.6 m at 3.73 g/t Au from 4.2 m (*MIL29, Billiton Portuguesa, 1988*)
- 11.3 m at 3.75 g/t Au from 11.4 m (*95-13, Connary Minerals, 1995*)

Historical reports indicate a total of approximately 1,600 meters of diamond drilling was completed in 51 holes at Serra do Quinta. These are historical data provided for information purposes and Medgold has not completed sufficient work to verify these results.

Further reconnaissance work and geological mapping has extended the strike length of the mineralized structure for a total strike length of approximately 4km. New zones of mineralization have been identified for the first time to the north of Castromil, and to the south of Serra da Quinta and throughout the San Domingos zone. Work is on-going throughout the Project area with field teams continuing the program of mapping, reconnaissance and systematic sampling.

Qualified Person

Mr. David Clark, P.Geo., Consulting Geologist to the Company, is a Qualified Person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects.* Mr. Clark has reviewed and approved the disclosure of the technical information contained in this news release.

QA/QC

Samples were prepared and analysed for gold by fire assay with atomic adsorption finish by ACME Laboratories in Poland at the Krakow laboratory. Multi-elements were analyzed by inductively coupled plasma mass spectrometer (ICP-MS) and inductively coupled plasma emission spectrometer (ICP-AES) on a sample split sent to the ACME Laboratories facility in Vancouver, Canada. Blank, certified standard reference materials, and field and laboratory duplicates were routinely inserted for quality assurance and quality control.

About Medgold

Medgold is aiming to become the leading Mediterranean-focused gold exploration and project development company, with an extensive portfolio and pipeline of projects in Portugal and Spain, targeting economically stressed, but politically stable European countries that are seeking foreign investment to invigorate the mining sector.

Additional information on Medgold can be found on the Company's website at www.Medgoldresources.com

and by reviewing the Company's page on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD

Daniel P. James, President & Director

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Forward-looking statements

This press release may contain forward-looking statements including, but not limited to, comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, and other related matters. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Medgold's projects in Europe are at an early stage and all estimates and projections are based on limited, and possibly incomplete, data. More work is required before the mineralization and the projects' economic aspects can be confidently modelled. Actual results may differ materially from those currently anticipated in this news release. No representation or prediction is intended as to the results of future work, nor can there be any promise that the estimates and projections herein will be sustained in future work or that the projects will otherwise prove to be economic.

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