

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 21, 2016) - [Medgold Resources Corp.](#) (TSX VENTURE:MED) is pleased to advise that it has closed its previously announced non-brokered private placement financing with the issuance to [Fortuna Silver Mines Inc.](#) of 10.0 million units at \$0.15 per unit, for proceeds of \$1.5 million. Each unit consists of one common share of Medgold and one warrant entitling Fortuna to purchase one additional common share of Medgold at \$0.15 for one year from closing. The common shares and warrants issued are subject to a resale restriction until October 18, 2016. No finder's fees or commissions were paid in connection with this financing.

The proceeds of the placement will be used to fund project-generating exploration in Serbia, and for general working capital purposes.

Dan James, President of Medgold, said: "We are pleased to close our financing with Fortuna Silver Mines, and speaking on behalf of the Medgold team, we're all looking forward to starting work with them in Serbia under our strategic alliance. Our early stage work has identified a number of key district-scale targets which are the focus of our first licence applications there. We hope to have the first licences issued in the late summer or early fall of this year. Our experienced team of geologists is planning a busy summer field season of reconnaissance and target generation work, and we'll be starting more detailed work on the targets we've already identified."

About Medgold

Medgold is a European-focused, TSX-V listed exploration and development company targeting gold properties in northwest Iberia and the under-explored gold provinces of southern Europe. Run by a highly experienced management team with a successful track record of building value in resource companies, Medgold is aiming to become a leading European gold company.

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

Simon Ridgway, Chief Executive Officer

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Forward-looking statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking statements and include, without limitation, statements about the intended use of the financing proceeds. Often, but not always, these forward looking statements can be identified by the use of words such as "estimate", "estimates", "estimated", "potential", "open", "future", "assumed", "projected", "used", "detailed", "has been", "gain", "upgraded", "offset", "limited", "contained", "reflecting", "containing", "remaining", "to be", "periodically", or statements that events, "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by forward-looking statements. Such uncertainties and factors include, among others, whether the Company will spend the financing proceeds as intended; changes in general economic conditions and financial markets; the Company or any joint venture partner not having the financial ability to meet its exploration and development goals; risks associated with the results of exploration and development activities, estimation of mineral resources and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses; and such other risks detailed from time to time in the Company's quarterly and annual filings with securities regulators and available under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to: that the Company will spend the financing proceeds as intended; that the Company's stated goals and planned exploration and development activities will be achieved; that there will be no material adverse change affecting the Company or its properties; and such other assumptions as set out herein. Forward-looking statements are made as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those

anticipated in such statements. Accordingly, investors should not place undue reliance on forward-looking statements.

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