VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 1, 2016) - Medgold Resources Corp. (TSX VENTURE:MED) (the "Company" or "Medgold") is pleased to announce new sampling results from the Marrancos project in northern Portugal. A series of contiguous chip-channel samples, testing a set of quartz lenses over an exposed width of approximately 50 m, has returned best intercepts of 12.55 m at 3.28 g/t Au (including 5.40 m at 6.88 g/t Au), and 12.98 m at 2.71 g/t Au. The channel sampling is sub-parallel to the main northeast-trending shear zone, but nearly perpendicular to individual quartz lenses, and confirms that the majority of the gold is hosted in the quartz lenses.

A single sample of rock float was collected 450 m to the northeast of the channel sampling reported here. It assayed 36.5 g/t Au, highlighting exciting potential for strike continuity of the mineralized shear over at least 1 km.

Medgold's team has also identified a promising parallel structure located a few hundred metres to the northwest of the main northeast-trending Marrancos shear. This structure was apparently drilled in the past but never properly sampled or assayed. Three grab samples collected by Medgold yielded grades of 30.10 g/t Au, 9.57 g/t Au and 5.91 g/t Au.

Dan James, the President of Medgold, said: "Our work at Marrancos has advanced very rapidly since signing the option agreement with Lusorecursos in July, and we have already identified very significant gold mineralization. Our geological model for the Marrancos zone is also evolving quickly. We now see a strong relationship between high-grade gold mineralization and quartz veins that are oriented at right angles to the shear that may occupy dilation zones related to bends in the main structure. The mineralized shear structure has now been mapped over a strike length of 600 m and an average width of 15 m."

Medgold's due diligence work, reported in July of this year, returned some very high-grade rock chip samples. In the current work, a series of channel-chip samples were completed focussed on testing the continuity of these high grades within the shear structure at right angles to the quartz veins. Although the sampling program was limited by exposure of the mineralization at surface, the channel samples confirm highly anomalous gold mineralization over a total length of nearly 40 m.

Medgold plans to continue its work at Marrancos during the Fall, and aims to complete detailed sampling of mineralization within the shear corridor. Preliminary field studies will also begin at the newly granted, wholly-owned Caramulo licence (see below).

The Marrancos Gold Project

In July 2016, Medgold acquired an option to earn an initial 70% interest in the Marrancos Gold Project, and has the right to acquire up to a 100% interest (see Medgold news release July 11, 2016 for details of the option agreement).

The Marrancos Gold Project, which covers 39 square kilometers, is located in the Braga District in central-northern Portugal, 20 km north of the city of Braga. The Project, which is being optioned from Lusorecursos, a private Portuguese company, is centered on the intersection of the northwest-trending Vigo-Regua fault and the northeast-trending Portela das Cabras-Carbalinho fault which is considered to be the macro-control on the regional mineralization. The Project is also located on a metasediment-granite contact, an important geological feature, and a possible project-level control on gold mineralization which has also been noted at some of Medgold's other projects (*e.g.* Castromil, Lagares).

The Marrancos Project covers four targets. Medgold's priority target is the Marrancos prospect, where mineralization is controlled by a 15 m wide, northeast-trending structure which crops out and is mineralized over a strike length of 600 m. Historical trenching across this structure by the Portuguese government mineral exploration agency, Serviço de Fomento Mineiro (SFM), identified narrow zones of high-grade mineralization from surface sampling: *e.g.* 1.00 m at 97.5 g/t Au. SFM later completed 642 m of drilling in 8 diamond drill holes, initially drilling towards the southeast to test the northeast-trending shear corridor. The drilling yielded a best result of 5.82 m @ 5.14 g/t Au (from 70.50 m) and likely intersected the shear-orthogonal quartz veins at an oblique angle.

The reader is cautioned that these results are historical, and are quoted from government reports. Medgold and its Qualified Person have not yet completed sufficient work to verify them.

SFM's final 2 drill holes were drilled with azimuths closer to north-south, probably to test the shear-orthogonal quartz veins located on the parallel structure to the main Marrancos shear. Nothing was assayed in these holes due to core recovery problems in the zones of interest, but the historical logs indicate that quartz was intersected down hole. Medgold has confirmed that the surface outcrop in historical pits along this parallel structure is strongly mineralized. Three grab samples collected from quartz vein outcrop returned values of 30.10 g/t Au, 9.57 g/t Au, and 5.91 g/t Au.

Work completed by Medgold over the summer includes 60 contiguous channel-chip samples, from two historical pits along the main Marrancos shear zone, with samples collected at approximately one sample per metre. A 3 cm deep by 5 cm wide channel is cut with an angle grinder and the sample is then chipped out of the channel. As two directions of mineralization have been identified, channels were cut in both northeast and northwest orientations.

In one historical pit, a series of chip-channel samples was cut in a northeast orientation, sub-parallel to the main structure but almost perpendicular to a series of shear-oblique veins or lenses. Contiguous chip-channel samples were collected along the long axis of the pit walls, perpendicular to the quartz veins/lenses, and over approximately 40 m along strike of the shear, which returned the following intersections:

- 12.55 m at 3.28 g/t Au (including 5.40 m at 6.88 g/t Au)
- 1.69 m at 0.51 g/t Au
- 12.98 m at 2.71 g/t Au
- 3.69 m at 4.24 g/t Au
- 6.62 m at 0.41 g/t Au
- 7.58 m at 2.98 g/t Au

A plan map and schematic geological pit face map can be found at:
http://www.medgoldresources.com/s/marrancos.asp

A second channel was cut in a northwest orientation across the best outcrop of the shear corridor, in a different historical pit along the Marrancos shear, where veining occurs parallel to the shear. This chip-channel returned 4.50 m at 2.43 g/t Au.

Fieldwork into the fourth quarter of 2016 will focus on further sampling and mapping of the main Marrancos shear and the parallel structure. More rock sampling is required, as well as detailed structural mapping, before a phase of trenching can be planned.

Further details on the project, plus a series of maps, can be found on the Company's website at www.medgoldresources.com/s/marrancos.asp.

The Caramulo Gold Project

We are also pleased to announce that the Company has been issued a licence for the Caramulo Gold Project which incorporates the towns of Agueda and Caramulo and covers 391 square kilometers. Orogenic-style gold mineralization is hosted by a series of quartz veins which are typically hundreds of meters long and orientated northwest-southeast. They are hosted within weakly altered metasediments surrounding a large Hercynian granitic intrusion.

The Caramulo Project was explored in two phases - the first by the Portuguese Geological Survey (LNEG) in the mid-1990s, and then later by Rio Tinto from 1998 to 2000. Several phases of stream sediment sampling, grid-soil sampling, and diamond drilling have been undertaken at the property. Several prospects were identified by the previous workers, including; Carvalhal, Cortelho and Dornas, which form a broadly continuous gold anomaly over a strike length of 7 km flanking the western and southern margin of a large granitic intrusive called the Caramulo Granite.

Medgold will start fieldwork at Marrancos in the Fall, including detailed mapping and sampling of the anomalous corridor, with an aim to understand the controls and distribution of the quartz veins and possible shear corridors surrounding the intrusion. It is expected that the work will identify the primary controls on gold mineralization.

Quality Assurance/ Quality Control

Samples were prepared by ALS Minerals at the Seville Laboratory, Spain. Rock samples were analyzed for gold using 50gm fire assay with AAS analysis and multi elements were analyzed by inductively coupled plasma mass spectrometer and inductively coupled plasma emission spectrometer by ALS Minerals at the Omac Laboratory, Ireland.

Certified reference materials, blanks, and field and laboratory duplicates were routinely inserted for quality assurance and quality control.

Qualified Person

David Clark, PGeo, 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 technical information contained in this news release.

About Medgold

Medgold is a European-focused, TSX-V listed exploration and development company targeting gold properties in Portugal and Serbia. 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

Daniel P. James, President & Director

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 Company's plans for the Marrancos and Caramulo Projects. 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's exploration programs on the Marrancos and Caramulo Projects will proceed as planned; 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's plans for the Marrancos and Caramulo Projects will proceed as planned; 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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