VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 3, 2016) - Medgold Resources Corp. (TSX VENTURE:MED) (the "Company" or "Medgold") is pleased to announce that it has been granted five exploration licences for precious and base metal mineralization in the Republic of Serbia. A block of three contiguous licences totalling 300 km^2 is located in the southeast of the country, bordering Macedonia and Bulgaria. Two licences, each of 100 km^2, are located approximately 50 km to the north of the southern licence block. A licence location map can be found on Medgold's website. Exploration activities on these licences will be fully funded through Medgold's Strategic Alliance with Fortuna Silver Mines (see news release dated 13th June, 2016).

Dan James, President of Medgold, commented: "We are very pleased to have received our first exploration licences in Serbia. They cover large areas of highly prospective ground and are under-explored for gold and silver. The licences are the result of a prolonged period of target generation, working with our partner, Fortuna Silver Mines, and a number of consultants, including Dr. Richard Sillitoe. We're looking forward to commencing field work immediately, to ground-truth a series of prospective targets."

The licences are located in the Serbo-Macedonian Massif ("SMM"), a belt of crustal rocks that runs through Serbia along a north-south axis, extending southwards through Macedonia and Bulgaria and into Greece. In Serbia, the SMM is west of, but parallel to, the Timok Belt which hosts a number of copper-gold porphyry-epithermal deposits. The SMM is under-explored when compared to the Timok Belt, having seen lead and zinc exploration work by the Yugoslav government in the 1960s and 70s, but far less exploration post-2000 than the Timok Belt. In Greece, the SMM hosts several well-known gold deposits including Skouries, Olympias and Perama Hill, all of which are owned by Eldorado Gold.

The three contiguous licences are located along the Macedonian and Bulgarian borders, approximately 40 km southeast of the city of Vranje, in southeast Serbia. They cover areas of Palaeozoic metasediments, including calcareous schists and marbles, which have been intruded by a series of Cenozoic porphyritic felsic igneous dykes, and locally covered with recent alluvial sediments. Contact zones between dykes and favourable country rock are responsible for many of the known base and precious metal showings within the licence areas. Fairly extensive exploration was completed by the Yugoslav government in the 1960s and 1970s for lead and zinc. Precious metals are often referenced in the historical and archival exploration documentation, but were not the focus of any exploration efforts, nor systematically documented. Today, it is recognized that these mineralized systems are intermediate-sulphidation epithermal in nature, and their lack of historical precious metal exploration presents significant upside for Medgold.

The two other licences are located approximately 25 km due east of the city of Leskovac. These cover a series of flysch units comprised of limestones and shales which have been intruded by a series of Cenozoic porphyritic rocks. Almost no previous exploration has been undertaken in these areas.

Recently, Medgold purchased an exploration dataset from Dundee Precious Metals, which had in previous years conducted regional exploration campaigns over parts of these licence areas. The data include regional stream sediment sampling results and a number of fairly detailed soil sampling grids over historical showings and gold-anomalous stream sediment and rock chip results. The data are currently being reviewed and will be followed-up with a series of ground-truthing and quality-control exercises.

In the coming months, field crews will be undertaking licence-wide reconnaissance over all licences, as well as commencing a series of systematic soil and stream sediment sampling programs and a detailed review of the historical data.

About Fortuna Silver Mines Inc.

Fortuna is a growth oriented, precious and base metal producer focused on mining opportunities in Latin America. Its primary assets are the Caylloma silver Mine in southern Peru, the San Jose silver-gold Mine in Mexico, and the Lindero gold Project in Argentina. The company is selectively pursuing acquisition opportunities throughout the Americas and in select other areas. For more information, please visit its website at www.fortunasilver.com.

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.

Qualified Person

Mr. David Clark, M.Sc., P.Geo., is a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Mr. Clark prepared the technical information contained in this news release and has approved its disclosure.

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 proposed exploration work on the Serbia properties and the funding thereof by Fortuna. 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, the completion of exploration work on the Serbia properties as planned and the funding thereof by Fortuna; 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 proposed exploration work on the Serbia properties will be completed as planned and funded by Fortuna; 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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