VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 1, 2017) - Medgold Resources Corp. (TSX VENTURE:MED) (the "Company" or "Medgold") is pleased to announce that the Company has selected a drilling contractor for a planned diamond drill program at the Tlamino project in Serbia. Drilling is scheduled to start at the end of July. A ground IP-resistivity geophysical survey is currently underway to outline potential anomalies for drill testing.

Dan James, President of Medgold, commented: "We are very pleased at the rapid progress we've made at the Tlamino Project which has built on the high-grade gold-silver results we reported in January. Working with our partner, Fortuna Silver Mines, we've started an IP-resistivity survey over the Barje-Liska and Karamanica showings, and we're excited to drill test our Barje prospect. We'll also be continuing our target generation work throughout Serbia and we have several new licences under application."

The Tlamino Gold Project is located in southern Serbia, and includes two historical showings: Liska and Barje. Both showings are associated with a regional east-west striking detachment fault, which in the vicinity of these showings has been overlain by conglomerates. Mineralization is located at the contact of the basement metamorphic rocks and the base of the conglomerate cover.

In January, Medgold reported the assay results from a series of saw-cut surface channel samples over the outcrop at Barje, where approximately 70 m x 25 m of mineralized tectonic breccia is exposed at the edge of the conglomerate cover (see Medgold news release dated January 9, 2017). A plan map showing the locations of the channel samples is posted on Medgold's website at www.medgoldresources.com.

Medgold's diamond drilling program at Tlamino will test anomalies resulting from the IP program, and will also attempt to confirm the continuity of the Barje outcrop high-grade precious metal mineralization at depth.

Portugal Update

In the light of its recent exploration successes in Serbia, the Company has decided to focus its exploration efforts in Serbia and withdraw from Portugal. Medgold would like to thank everyone on our team in Portugal for their efforts over the last two years.

Following the completion of a 2,500 m diamond drilling program at Boticas, under the Option Agreement with Centerra Gold Inc., it was determined by both Centerra and Medgold that there is insufficient exploration upside to warrant further exploration. Accordingly, our option agreement with Centerra is in the process of being terminated, and Medgold is terminating its option agreement with Luso Recursos for the Marrancos Project.

Shares for Services

In order to preserve its cash on hand during 2017, Medgold has agreed, subject to TSX Venture Exchange approval, to issue a total of 220,000 shares of the Company to Dan James in part consideration for his ongoing services as the Company's President. The shares will be issued in installments over a one-year period commencing as of January 1, 2017.

About Medgold

Medgold is a European-focused, TSX-V listed, exploration and development company targeting gold properties in 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 exploration 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 exploration plans for the Tlamino Project and the Company's termination of exploration in Portugal. 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 exploration plans for the Tlamino Project and termination of exploration work in Portugal; 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 of the Tlamimo Project will proceed as intended; that the termination of the Company's Portugal option agreements will proceed 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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