

Medgold signs Definitive Amalgamation Agreement for proposed acquisition of Balkan Metals Corp. and issues Convertible Debenture

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Vancouver, Jan. 30, 2023 - [Medgold Resources Corp.](#) (TSXV:MED)(FRA:1XD) ("Medgold" or the "Company") is pleased to announce that Medgold and Balkan Metals Corp. ("Balkan Metals") have signed a definitive amalgamation agreement (the "Amalgamation Agreement") setting out the terms of the proposed acquisition (the "Acquisition") by Medgold of Balkan Metals, a private British Columbia company which holds a portfolio of exploration licenses in Serbia, some of which are contiguous to Medgold's existing Serbian exploration permits (see Medgold news releases November 24, 2022 and December 21, 2022 for a description of the Acquisition terms). With mineral rights covering close to 1,000 square kilometers, the resulting company will be the largest holder of highly prospective exploration ground in the Republic of Serbia.

In addition, Medgold has issued a convertible debenture (the "Debenture") to Balkan Metals in the maximum principal amount of C\$150,000, whereby Balkan Metals will advance funds to provide Medgold with interim working capital financing until April 30, 2023. The Debenture matures in two years and has a conversion price of C\$0.05 if converted in the first year, and C\$0.10 if converted in the second year. The Debenture and any shares issuable on conversion are subject to a regulatory resale restriction that expires on May 28, 2023.

Amounts advanced under the Debenture will bear interest at 5% per annum, calculated and compounded monthly, and accrued interest may be paid by the issuance of Medgold shares; however, any interest amount accrued pursuant to the Debenture will be converted at the lowest conversion price permitted by the TSX Venture Exchange ("TSXV"). The settlement of such interest with Medgold shares will be subject to TSXV approval.

Upon execution of the Amalgamation Agreement, Balkan Metals will make a cash payment to Medgold of C\$30,000 which funds are to be used to cover the renewal of Medgold's Serbian exploration licences. Balkan Metals will also make an initial cash advance to Medgold under the Debenture of C\$75,000.

The parties are working together to satisfy the conditions precedent to completion of the Acquisition, including seeking conditional approval of the TSXV and approval by the Medgold and Balkan Metals shareholders, as well as arranging the proposed C\$2.0 million private placement financing, the net proceeds of which will be used by the resulting issuer to fund exploration of its Serbian properties (principally, the Timok East Project) and for working capital and general corporate purposes.

Trading in the Company's common shares continues to be halted and is expected to remain halted until completion of the Acquisition.

About Medgold Resources Corp.

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

Jeremy Crozier, President and CEO

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking Information

Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking information and include, without limitation, statements regarding the proposed Acquisition transactions. Often, but not always, this forward-looking information 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 information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Medgold and the Resulting Issuer to be materially different from any results, performance or achievements expressed or implied by forward-looking information. Such uncertainties and factors include, among others, whether the Exchange and Medgold and Balkan Metals shareholders will approve of the Acquisition and related transactions; whether the Acquisition will be completed as planned; changes in general economic conditions and financial markets; risks associated with the results of exploration and development activities, and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses; and such other risks detailed from time to time in Medgold's quarterly and annual filings with securities regulators and available under Medgold's profile on SEDAR at www.sedar.com. Although Medgold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking information contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to: that the Acquisition will be completed as planned; that the Resulting Issuer's stated goals and planned exploration and development activities will be achieved; that there will be no material adverse change affecting the Resulting Issuer or its properties; and such other assumptions as set out herein. Forward-looking information has been made as of the date hereof and Medgold disclaims any obligation to update any forward-looking information, 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 information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information.

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