

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 2, 2015) - [Medgold Resources Corp.](#) (TSX VENTURE:MED) (the "Company" or "Medgold") is pleased to provide an update on the on-going diamond drilling program at the Lagares gold project in northern Portugal. To date, a total of 1,192 metres have been drilled in 12 holes of a 3,000 metre program. The Company has granted [Centerra Gold Inc.](#) ("Centerra") the option to earn a 51% interest in the project by spending US\$3 million over 3 years, and then the right to earn an additional 19% by spending a further US\$3 million over 2 years.

Assay results have been received for 5 holes from the initial phase of drilling at Lagares that targeted high-grade gold mineralization identified at the Castromil zone from surface channel-chip sampling, and shallow historical drilling. Highlights of the new assay results include:

- MLG-001: 10.90 m @ 2.32 g/t Au from surface, section 150mS
- MLG-003: 19.95 m @ 3.17 g/t Au from surface, section 450mS *
- MLG-004: 17.49 m @ 4.45 g/t Au from 10.00m, section 400mS

** Includes intervals of 19.1 g/t Au (5.45 to 6.00 m), 31.4 g/t Au (10.40 to 11.00 m), and 38.7 g/t Au (13.04 to 13.25 m)*

Gold assay values received to date from the 2015 drilling program range from below detection limit to highs of 38.70 g/t Au (in MLG-003, 13.04-13.25 m), 31.40 g/t Au (in MLG-003, 10.40-11.00 m) and 19.95 g/t Au (in MLG-004, 22.57-23.40 m). A location map, cross-sections and core photographs can be found on Medgold's website, at the following location: <http://www.medgoldresources.com/s/lagares.asp>, with full details about the recent drilling.

Dan James, President of Medgold, said: "We are delighted with the early success of the drilling at Castromil. All drill holes have cut significant alteration and gold mineralization, and surface rock and soil sampling programs have traced the Lagares mineralized system along strike for 4 kilometres. We've confirmed the existence of high-grade gold mineralization associated with zones of silica and pyrite alteration, and the current drilling is indicating good depth potential, with the highest grade zones apparently extending to the northeast under cover. We're about a third of the way through our proposed 3,000 m program, and will soon start drilling the next prospect - Serra da Quinta - with two rigs. We really like the upside potential of the Lagares project, and the drilling at Serra da Quinta will drill-test high-grade surface mineralization which appears to have very similar characteristics to the mineralization at Castromil."

Lagares Property

The Lagares property is one of four mineral concessions Medgold holds in the Valongo Belt, all of which are currently under option to Centerra.

The first phase of significant work being conducted at the Lagares property is a program of 3,000 metres of diamond drilling, of which 1,192 metres have been drilled in 12 holes. To date, 497 assays have been received from the first 5 drill-holes, a few of which are discussed above. The current program includes some verification drilling, to confirm results obtained by previous drilling campaigns, but the majority of this year's drill-holes are designed as exploration holes inclined between 60 and 70 degrees to the southwest, beneath the limits of the historical drilling. Previous explorers, including the Romans, generally targeted oxide mineralization due to the very high gold grades and excellent gold recoveries typically obtained with this material. However, the sulphide-associated gold mineralization has not been well tested, and the recent drilling has intersected some broad widths of semi-massive sulphide mineralization, predominantly pyrite, where the highest gold grades have been identified.

The early drilling results of the ongoing drilling program demonstrate a good positive correlation with both the historical drilling and our recent channel-chip results. The Company's geological model for the Lagares system has also evolved, and we now understand that the strongest mineralization is hosted in shallow-dipping tabular zones broadly associated with the northwest-trending Railway Fault.

Outcropping gold mineralization extends along a northwest-trending strike of 4 kilometres with only 500 metres drill-tested by Medgold. Gold-associated hydrothermal alteration in the granitic host-rock is up to 200 metres wide and is continuous for over 100 metres vertically, showing a zonation from silica-pyrite through phyllic and kaolinite alteration to low-temperature propylitic alteration. The highest gold grades are associated with the silica-pyrite alteration phase.

Due to access restrictions, three drill-holes were steeply inclined towards the northeast, effectively sub-parallel to the dip orientation of the mineralization, but still intersected the shallowly northeast-dipping, tabular mineralized zones, albeit obliquely. Assays are pending for these drill-holes, however, geological information provided by these drill-holes suggests that the mineralized zones extend at low-angles to the northeast beyond the main hill of the Castromil prospect beneath valley lands where no bedrock is exposed. The continuity of these zones will be the focus of future drilling.

A summary of the drill-collars is shown in the table below.

Hole ID	Line ID	X UTM29 (mS)	Y UTM29 WGS 84	Z WGS 84 (m)	Azimuth	Dip	Total Depth (m)	Recovery (%)
MLG-001	150	550993	4556258	184	222	-70	80.2	85
MLG-002	150	551034	4556295	174	222	-70	83.4	86
MLG-003	450	551240	4556064	167	222	-60	87.8	92
MLG-004	400	551256	4556145	143	222	-70	129.7	89
MLG-005	300	551187	4556229	150	222	-60	101.3	86

Previous Work

Previous work done by Medgold on the Lagares property includes a program of surface channel-chip sampling, comprising 800 samples from 732 metres of channel cuts made along 9 survey lines. Eight of the 9 channel-sampled lines yielded significant gold mineralization. Highlights of this sampling program were previously reported in a press release dated December 02, 2014, with full details on our website, including the channel results highlighted here:

- 69.00 m @ 4.15 g/t Au (line 150)
- 40.70 m @ 5.73 g/t Au, including 5.20 m @ 15.50 g/t Au (line 300)
- 15.50 m @ 9.44 g/t Au, including 4.00 m @ 18.00 g/t Au (line 300)
- 4.60 m @ 36.17 g/t Au (from underground sampling at Serra da Quinta, reported in June 03, 2014)

Quality Assurance / Quality Control

Samples were prepared by ALS Minerals at the Seville Laboratory, Spain. Half-core samples were analyzed for gold by fire assay with atomic absorption finish, 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. For the current drilling program reported on in this release, a total of 497 half-core samples, ranging from 0.5 to 1.5 metres in length, were submitted for analysis along with 8 sterile 'blank' samples, 13 certified reference standards and 6 field duplicate samples.

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 aiming to become the leading Mediterranean-focused gold exploration and project development company, with an extensive portfolio and pipeline of projects in Portugal and Spain, targeting economically stressed, but politically stable European countries that are seeking foreign investment to invigorate the mining sector.

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 regarding the Company's plans to continue the drilling program at the Castromil zone and to start drilling the Serra da Quinta prospect with two rigs at the same time. 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 information in this news releases includes statements.

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 Company's plans to continue the drill program on the Lagares Project; 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: expectations that the drill program on the Lagares Project will continue 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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