

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 21, 2015) - [Medgold Resources Corp.](#) (TSX VENTURE:MED) (the "Company" or "Medgold") is pleased to provide an exploration update at the Boticas gold project.

Recent sampling and geophysical work has increased the size of the main gold anomaly at the Limarinho zone. This work has also identified a new zone of mineralization, called Casas Novas, exhibiting similar characteristics to Limarinho.

Dan James, President of Medgold, said, "The Boticas story is advancing extremely well and we're very happy with the progress. We have achieved our goal of increasing the dimensions of the Limarinho zone. Over the last few months our field teams have been conducting grid-soil and rock-chip sampling programs and completed a phase of ground-magnetics. We've collected high-grade rock samples, up to 75.10 g/t Au which is the highest Au grade found to date at Boticas, and broad gold- and arsenic-in-soil anomalies. The geophysics outlined a prominent magnetic low which we interpret to be an alteration feature. A soil program over an area we haven't worked on before, called Casas Novas, has picked up anomalous multi-element geochemistry coincident with a remote sensing anomaly and this is potentially an exciting new target. Our overall exploration objective is to drill test the principal Limarinho gold zones later this year."

Boticas Exploration Update

Medgold's wholly owned Boticas gold project, which is approximately 100 sq km in size, is located in northern Portugal, close to the towns of Boticas and Chaves. Medgold is targeting granite-hosted and structurally-controlled gold mineralization, typically associated with sheeted quartz veins, oxidized fractures, and silica-sericite-arsenopyrite alteration. The principal prospects of Limarinho and Limarinho South have been interpreted as dilational structural zones at the intersections of two shear orientations within a granite body. Dilation in these zones focussed hydrothermal fluid flow and gold concentrations into northeast-trending structural corridors.

Grid-based soil sampling was undertaken over the Limarinho prospect. Three hundred samples were taken, which highlighted a gold- and arsenic-in-soil anomaly over 3 km by 2 km north-south to east-west and open to the north and south.

A program of ground magnetics was completed in June focussed on the Limarinho prospect, with the aims of expanding the known extent of alteration and to identify any key structures. Preliminary results seem to identify an extensive NNW-trending magnetic-low, likely to be a representation of alteration, which is broadly coincident with the zones of historical mining and the gold-in-soil anomaly.

Forty-two reconnaissance rock chip samples were collected in conjunction with the soil sampling and geophysics program, yielding results from trace to 75.10 g/t Au, 6.91 g/t Au and 4.53 g/t Au.

The high-grade results were from samples collected outside of the original area of interest, and add significantly to the strike and width potential. Furthermore, the highest-grade sample of 75.10 g/t Au is distinct from the previously described mineralization, consisting of a silica-poor, highly friable, intensely-altered clay- and arsenic-rich material within a linear fracture. This style of mineralization may also have been a focus of ancient miners due to the presence of high-grade free-gold within easily mineable rock.

Grid-based soil sampling on an 800m by 100m grid spacing (274 samples) was also undertaken in a new area, called Casas Novas, located 1 km to the southeast of Limarinho. The program targeted a significant structural and alteration anomaly identified from interpretation of Landsat and Aster imagery. A coincident gold- and arsenic-in-soil anomaly was outlined approximately 3 km by 2 km and is still open to the north and south. It will be the focus of on-going exploration work throughout the summer.

Medgold is expecting the issuance of a new exploration licence, called Chaves, which is a large exploration area that completely envelopes the Boticas licence. Following the successful delineation of a new structural and alteration anomaly at Casas Novas, we will be applying similar exploration techniques to explore for similar anomalies. Historical stream sediment geochemistry completed throughout the Chaves area, highlights a number of gold and arsenic anomalies, as well as numerous potentially favourable structural features identified from satellite imagery. Licence issuance is expected in the fall of 2015.

Previous Work

A total of 3,234 metres of historic diamond drilling was completed at Limarinho in 26 holes by COGEMA in the 1980's, and in the early 2000's by Kernow Resources & Developments Ltd. Key drill intercepts are as follows*:

- KL4: 20.4 m @ 2.92 g/t Au from 20.7 m, and 9.05 m @ 3.37 g/t Au from 145.0 m
- PF3: 19.7 m @ 2.80 g/t Au from 32.3 m
- PF11: 12.1 m @ 2.98 g/t Au from 51.1 m
- PF17: 13.5 m @ 2.17 g/t Au from 65.7 m
- PF8: 10.0 m @ 1.37 g/t Au from 86.2 m

** These are historical data provided for information purposes and Medgold has not completed sufficient work to verify these results.*

These zones of higher-grade intersections are cohesive along strike and at depth, with veining occurring oblique to the general zone direction, and occur within a much broader envelope of ~1 g/t Au mineralization.

Quality Assurance/ Quality Control

Samples were prepared by ALS Minerals at the Seville Laboratory, Spain. Soil samples were analyzed for gold using 50gm fire assay with ICP 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. 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 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 about the proposed work programs on the Boticas Project. 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 results of exploration work to be conducted at the Boticas 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: 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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