

Medgold Resources Corp. announced the completion of metallurgical test and highly positive results which will be incorporated into the Preliminary Economic Assessment (PEA) for the Barje Prospect in southern Serbia, currently in progress. It is anticipated that the results of the PEA will be reported in the current quarter.

The company also said that with effect of October 12, 2020 it is in receipt of new Exploration Licenses from the Serbian Ministry of Mining and Energy in respect to the Donje Tlamino and Surlica Dukat properties that together comprise the Tlamino Project. These Licenses are each valid for terms of three years and are renewable for terms of three and then two years.

The company also announced Highlights of this work are as follows:

- Conventional flotation has produced a concentrate grading 48.9 g/t Au and 824 g/t Ag with recoveries to concentrate of 83.4 % for gold and 82.4% for silver from a composite sample representing the main hydrothermal breccias; this material type hosts approximately 72% of the total gold inventory reported in the current Mineral Resource Estimate for the Barje Prospect.

- A second composite sample representing the mineralized schist immediately above the hydrothermal breccias produced a flotation concentrate grading 24.4 g/t Au and 238 g/t Ag with recoveries to concentrate of 71.2% for gold and 79.2% for silver; this second material type hosts approximately 16% of the total gold inventory reported in the current MRE.

Metallurgical Test Work

Metallurgical test work was performed on three composite samples derived from drill core assay rejects from the main hydrothermal breccias (HG Fresh), from the mineralized schist immediately above the hydrothermal breccias (LG Fresh) and from oxidized material developed on both the HG Fresh and LG Fresh materials (OX). At approximately 3.9 g/t Au, 1.0 g/t Au and 1.3 g/t Au, the head grades of these three composites are considered representative of the material types forming the basis of the MRE.

Each composite sample was characterized mineralogically using QEMSCAN and TESCAN techniques as a basis for informing metallurgical processing requirements. Subsequent flotation testing, via conventional means, of both HG and LG Fresh samples returned positive results, with HG Fresh producing a concentrate grading 48.9 g/t Au and 824.0 g/t Ag at a gold recovery of 83.4% and a silver recovery of 82.4%. HG Fresh represents approximately 72% of the total gold inventory within the MRE at Barje. Flotation testing of LG Fresh produced a concentrate grading 24.4 g/t Au and 228.0 g/t Ag at a gold recovery of 71.2% and a silver recovery of 79.2%. LG Fresh represents a further 16.5% of the total gold inventory within the MRE at Barje. While OX was not subjected to flotation test work, leaching tests have demonstrated that gold extraction of up to 80% can be achieved from this material. OX represents the balance, or 11.5%, of the total gold inventory within the

MRE at Barje. Gravity test work returned gold recoveries of 41.4% for LG Fresh, 38% for HG Fresh, and 12% for OX.

All metallurgical test work was performed by ALS Metallurgical Laboratories in Kamloops, British Columbia, and overseen by Addison Mining Services Ltd. and Bara Consulting Ltd., both of the United Kingdom. The results of the test work will be incorporated into the ongoing PEA study, completion of which Medgold anticipates by the end of the current quarter.

The Tlamino Project

A Mineral Resource Estimate of approximately 570,000 oz Au and 8.6 Moz Ag (680,000 oz AuEq) in 7.1 Mt grading 2.5 g/t Au and 38 g/t Ag (3.0 g/t AuEq) in the inferred resource category was reported by Medgold for the Barje Prospect. Mineralization is at or near surface and with adjacent road and grid power access.

The Tlamino Project covers an area of approximately 200 km² in southern Serbia and is held by Medgold under two exploration licenses. Outcropping mineralization was first observed at the Barje Prospect by Yugoslav State agencies in the 1950's and 1960's when a short adit was opened but no drilling was carried out. The prospect was then held by private and public companies between approximately 2005 and 2012 during which time limited drilling failed to intersect significant mineralization.

Medgold conducted mapping, surface sampling and geophysics (IP) at the Barje Prospect followed by diamond drilling in 2018 and 2019 which successfully intersected gold mineralization in a shallowly inclined body of hydrothermal breccia below altered schist. The Inferred Mineral Resource at Barje extends from surface to a depth of approximately 110 m as a shallowly inclined zone over an area of approximately 600 m x 350 m. The true thickness of mineralization generally ranges between 10 m to 40 m.

Source: stockhouse.com