

Medgold Resources Corp, Toronto stock market listed company, is starting its gold exploration project in Serbia parallel with successful ongoing Portugal JV project with Centerra.

Medgold reported that it has established a wholly-owned subsidiary in Serbia, and has subsequently applied for a 100 sq. km exploration licence targeting newly identified epithermal-porphyry mineralization in the country.

Dan James, the President of Medgold, said: "We're excited to establish ourselves in Serbia which has a long and rich history and culture of mining. The country has a tremendous metal endowment and Serbia's mining industry enjoys high-level government support. Our decision to expand our generative exploration effort into Serbia is timely. The on-going contraction of the gold exploration industry worldwide has created major opportunities for risk-tolerant junior exploration companies like Medgold. The cost of exploration has decreased significantly and there are many dormant exploration projects which can be acquired quickly and at low cost. Exploration of our projects in Portugal is on-going and well-funded through our JV agreement with Centerra, and we've spent a lot of time recently reviewing the exploration potential in other regions of Europe. Serbia is a logical place for us to expand our efforts. We're looking forward to commencing field work in the spring."

Initial Target

Medgold's first exploration target in Serbia has been the focus of reconnaissance geochemical rock sampling and remote sensing studies. The licence application has been made, and management expects the licence to be granted in approximately 90 days.

Medgold has engaged a full-time senior Serbian geologist who has more than 12 years of experience in exploration in the region, and is a co-discoverer of the Kiseljak and Yellow Creek porphyry Cu-Au deposits in Serbia. In addition, we have retained the Serbian consultancy, Jantar Group, who have been providing geological services for over 20 years. The Company intends to apply the same exploration approach in Serbia that it used in Portugal; that is, identifying the key macro controls on metal deposition in the region, and thereby identifying the local deposit-scale controls on mineralization.

The Company is in a very positive position in Portugal. Our key projects - which include 6 exploration licences - are joint-ventured to Centerra with a proposed exploration budget of US\$1.4m for 2016. Management expects to drill-test the Boticas project with a 3,000m diamond core programme in the late spring of this year. Boticas has been recognized by the Portuguese government as a project of Strategic National Importance. We are also awaiting the issuance of the Caramulo licence in early 2016, which is a large gold exploration area located approximately 60 km due south of the Lagares project.

As well, Medgold is expecting repayment of the Boticas and Chaves bonds from Centerra, plus additional bond repayments for several other licences which are in the process of relinquishment. In total, management is anticipating about C\$600k in cash in-flow

throughout the year. This cash will cover G&A costs through 2016 and a portion of our exploration costs in both Portugal and Serbia.