



Medgold Resources Corp. announced on a C\$1.5-million strategic investment in the Company by Fortuna Silver Mines Inc, a leading mid-tier precious metals miner.

The private placement is part of a broader strategic alliance between Medgold and Fortuna to explore for precious metal deposits in Serbia. Subject to stock exchange approval, Fortuna will purchase 10.0 million units at \$0.15 per unit, representing a premium of 36% to the closing price of Medgold's shares on June 10. Each unit is comprised of one common share in Medgold and one warrant entitling Fortuna to acquire one additional Medgold common share at \$0.15 for a period of 12 months.

Medgold will use the proceeds of the private placement on project-generating exploration in Serbia within 12 months. If Fortuna exercises its warrants, Medgold will use the exercise proceeds on further exploration work in Serbia within 12 months following the date of the warrant exercise.

In conjunction with the private placement, Medgold has granted Fortuna the right to enter into an option agreement to earn up to a 70% interest in one of the geological target areas (a "Selected Property") identified by Medgold's project generation and exploration work in Serbia, by spending a total of US\$8.0 million on the Selected Property and completing a PEA.

Dan James, the President of Medgold, said: "I'm delighted to welcome Fortuna as a strategic investor into Medgold. Our early-stage work in Serbia is already generating some very interesting targets - we have eight licences currently under application with the Ministry of Mines. Our agreement with Fortuna firstly secures the funding we need -at a premium to market- to kick off an aggressive project generation program in the country. Secondly, it provides Medgold with a potential partner for the advanced exploration to possible PEA level of at least one of the targets generated by our work, transmits Serbia-energy.eu