

News Release

Medgold Resources Drills 9 m of 14.2 g/t Au at the Tlamino Gold Project in Serbia

Vancouver, Canada, July 5, 2018 – Medgold Resources Corp. (TSX-V: MED) is pleased to announce that it has completed its Phase 1 drill program at the Tlamino project in southern Serbia. The drill program was fully funded by Fortuna Silver Mines Inc. (“Fortuna”) under the terms of an option agreement between Medgold and Fortuna. Assays have been received for holes BAR005, BAR006 and BAR007. All holes have intersected significant gold mineralization:

- BAR006: 9.0 m of 14.17 g/t Au and 58 g/t Ag from 95.0 to 104.0 m within a broader zone of 30.0 m grading 5.45 g/t Au and 25 g/t Ag from 74.0 m to 104.0 m;
- BAR007: 12.1 m grading 3.37 g/t Au and 12 g/t Ag from 89.5 to 101.6 m;
- BAR005: 20.2 m of 1.08 g/t Au and 11 g/t Ag from 82.2 m to 102.4 m.

Highlights:

- Mineralization identified over an area of at least 300 m by 200 m, and demonstrates a close spatial correlation with the IP-chargeability anomaly, which extends at least 700 m further to the west for a total of area of approximately 1,400 m east-west and 500 m north-south;
- High-grade mineralized breccias are associated with a large-scale detachment structure;
- The hanging wall to the high-grade mineralization is anomalous in gold over broad thicknesses, and;
- Second phase of drilling expected to commence in late July, with a program of at least 3,000 m, fully-funded by Fortuna Silver Mines.

Dan James, President of Medgold, said: “We are delighted to have identified gold mineralization in all of our first 7 holes at Tlamino. We’re seeing multi-metre high-grade gold intercepts within very broad zones of low- to moderate-grade rock over a large area, and in some holes the mineralization starts at surface. The gold mineralization is flat-lying, near-surface and associated with a large-scale regional detachment fault. We’ve confirmed a strong relationship between IP-chargeability, disseminated sulphides, and gold mineralization which gives us sufficient confidence to plan for Phase 2 drilling to start later this month. We aim to expand the known mineralized area by systematically testing the IP anomaly towards the west. We believe we’ve made a significant gold-silver discovery at Tlamino. The discovery highlights the tremendous exploration potential of Serbia and we’re looking forward to expanding our generative work in country.”

BAR005 is collared 160 m to the NNW of the Barje outcrop and drilled towards the southeast. BAR006 and BAR007 are collared 190 m to the NW of the Barje outcrop, with BAR006 drilled to the southeast and BAR007 drilled to the northwest. All three drill holes intersected intervals of approximately 100 m of moderate to strong sericite and silica alteration with precious metal grades increasing with depth. All culminate with intersections of 13-30 m of intense brecciation and sulphide mineralization close to the contact of the detachment fault. BAR006 and BAR007 are located on the eastern flanks of an IP-chargeability anomaly, considered to be associated with disseminated sulphide mineralization, which continues for at least a further 700 m to the west.

Table 1 – Summary of Drill Results from Phase 1

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
BAR001	2.38	33.20	30.82	2.06	54.7
BAR002	13.35	48.00	34.65	3.11	27.5
including			2.00	23.88	340
BAR003	2.00	28.10	26.10	2.44	219
including	3.60	9.60	6.00	4.20	754
BAR004	2.20	24.30	22.10	1.83	109
BAR005	1.60	102.40	100.80	0.52	5
including	82.15	102.40	20.25	1.08	11
BAR006	74.00	104.00	30.00	5.45	11
including	74.00	85.00	11.00	0.78	25
and	85.00	95.00	10.00	2.73	12
and	95.00	104.00	9.00	14.17	58
BAR007	53.00	77.00	24.00	0.52	4
	89.50	101.60	12.10	3.37	12

Table 2 – Drill collars from Phase 1

Drill hole	Easting*	Northing*	Elevation (m)	Azimuth (°)	Inclination (°)	Length (m)
BAR001	616845	4691857	1085	180	-50	54.9
BAR002	616931	4692088	1133	140	-50	99.3
BAR003	616845	4691857	1085	0	-60	49.1
BAR004	616845	4691857	1085	0	-90	100.2
BAR005	616820	4691998	1130	135	-50	125.6
BAR006	616688	4691951	1144	135	-70	151.6
BAR007	616688	4691951	1144	315	-60	153.4

* Coordinates are given in WGS84 datum and UTM zone 34 projection. Results from BAR001 to BAR004 are described in detail in Medgold's news releases of June 11th and June 18th, 2018.

An updated plan map showing drill collar locations and hole traces, and cross sections are available on Medgold's website at <http://medgoldresources.com/tlamino/>.

The Tlamino Project

The Tlamino Gold Project (the "Project") is located in Southern Serbia, close to the borders of both Bulgaria and Macedonia, approximately five hours south of the capital, Belgrade. The Project is comprised of two exploration licences, Donje Tlamino and Surlica-Dukat, each approximately 100 km². All exploration work at the Project is fully-funded by Fortuna, which has an option to earn up to 70% of the Project by spending US \$8 million on exploration over five years and completing a Preliminary Economic Assessment (see Medgold news release of March 7, 2017).

The Barje Zone

The Barje Zone is host to a large outcrop of intense brecciation and mineralization, which was identified and sampled by Medgold in 2017, yielding a best result of 84 m of 5.60 g/t Au and 105 g/t Ag (see Company press release on July 18, 2017), following a period of target generation and desktop studies.

Later in 2017, an IP-Resistivity geophysical program undertaken by Medgold at the Barje Zone identified a large chargeability anomaly measuring approximately 1,400 m east-west by 500 m north-south, as well as a second-order anomaly with a NNE-axis overlying the Barje outcrop. The outcrop channel sampling and geophysical survey results were highly encouraging, and a first phase diamond drilling program was

designed to test for the presence of a large shallow mineralized body associated with the Barje outcrop and chargeability anomaly. This drill programme has confirmed this mineralization.

Gold-silver mineralization at Barje is associated with tectonic brecciation along a large regional detachment fault which is mostly hosted within the hangingwall schists. This brecciation has structurally prepared large volumes of porous and permeable rocks, suitable to host mineralization. Intense hydrothermal breccias, with sulphide mineralization groundmasses and altered schist clasts, typically form at the base of the hangingwall zones in close proximity to the detachment structure. These zones of intense brecciation, associated with sulphide mineralization, typically yield high-grade gold-silver intercepts. Brecciation, fracturing and sulphide mineralization is pervasive across large zones of the hanging wall schists and yields broad intersections of low-grade (>0.5 g/t Au) to moderate-grade (>1 g/t Au) gold plus silver mineralization.

About Medgold Resources Corp.

Medgold is a Serbia-focused, TSX-V listed, project generator company targeting early-stage gold properties in the Oligo-Miocene Belt of Serbia. Run by an experienced management team with a successful track-record of building value in resource companies.

Qualified Person

Mr. David Clark, M.Sc., P.Geo., is a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr. Clark prepared the technical information contained in this news release and has approved its disclosure.

Quality Assurance and Quality Control

Half-core samples are delivered by Medgold personnel directly to the ALS Geochemistry laboratory facilities in Bor, Serbia. The samples are crushed and pulverised using method code PREP-31, are fire assayed for Au using method code Au-ICP21, and are analysed for multi-elements using method code ME-MS61 following a four-acid digestion. Overlimits are analysed using an appropriate method. Medgold routinely inserts multi-element geochemical standards, blanks, and field duplicate samples into the drill core sample stream to monitor laboratory performance.

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

"Dan James"

Daniel P. James, President & Director

For Further Information, Contact:

President

Dan James (London), dj@medgoldresources.com, +44 7972 579188

Investor Relations

Elina Chow (Toronto), ec@catchadvisorygroup.com, +1 416.845.8495

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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 exploration plans for the Tlamino 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 exploration plans for the Tlamino 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 proposed exploration of the Tlamino Project will proceed as intended; 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.