



NEWS RELEASE

Medallion Resources Ltd

TSX-V: MDL
21 January 2009

Definitive Agreement Finalized to option 100% Interest in the Everett Iron-Titanium Property

Vancouver, BC – Medallion Resources Ltd (“Medallion” or the “Company” - TSX.V: MDL) announces that, following extensive due diligence, it has executed, with privately held Romaine River Titanium Inc (“RRT”), a definitive option agreement that grants to Medallion the option (the “Option”) to acquire a 100% legal and beneficial interest (“Option Agreement”) in the Everett iron-titanium property (“Everett Property”). The Everett Property consists of 60 claims, located three kilometres east of the Rio Tinto-owned Lac Allard iron-titanium mine in Duplessis County, Quebec. The Everett Property, the centre piece of Medallion’s Romaine Iron-Titanium Project, is potentially one of the world’s largest iron-titanium occurrences, with a historical 234-million-tonne estimated resource.* The Option Agreement has been conditionally accepted by the TSX Venture Exchange (the “Exchange”); however, it remains subject to final Exchange acceptance pending the completion of a technical report prepared and filed in accordance with National Instrument 43-101 (“NI 43-101”) – Standards of Disclosure for Mineral Projects, and a financial plan to support the recommended advancement of the Everett Property. The technical report and financial plan are in progress.

President William Bird reports, “Over the past four months, Medallion’s Romaine Project completed a rigorous due-diligence study of the Everett Property. The property has surpassed expectations. The potential size of the historical resource and its location in Quebec, near deep-water port facilities and planned new hydroelectric power projects, rank the Everett Property as an exceptional opportunity for Medallion shareholders. Add to this the advantages provided by the ground-breaking technical work of the neighboring QIT mine, with its environmental success and good community relations, the Everett Property could potentially become one of the largest hard-rock iron-titanium projects in the world. It’s very rare that a project of this magnitude is available to any company.”

Terms of the Option Agreement

In consideration of the grant of the Option, the Company, among other things, must pay to RRT an aggregate of \$30,000 in installments on or before May 30, 2009, of which \$5,000 has already been paid and will issue to RRT 100,000 common shares of Medallion (collectively the “Initial Payments”) upon receipt of final Exchange acceptance to the grant of the Option.

In order to maintain the right to exercise the Option and acquire a 100% interest in the Romaine Property, Medallion is required to pay to RRT on or before 31 December 2012, an aggregate of \$480,000 in installments, issue to RRT an additional aggregate of 800,000 Medallion common shares and incur an aggregate of \$6,000,000 in optional expenditures on the Everett Property (collectively, the “Option Payments”). These expenditures include an obligation that Medallion incurs an aggregate of \$750,000 in expenditures on the Everett Property on or before 31 December 2009 and produces, on or before 31 December 2011, a technical report in accordance with NI 43-101 to confirm measured and/or indicated mineral resources on the Everett Property. The Option Agreement permits Medallion to extend the term of the Option to 31 August 2013, in the event that Medallion defers a portion of the required expenditures due by 31 December 2012 and agrees to expend the deferred shortfall, plus a premium, by 31 August 2013. In the event that Medallion wants to exercise the Option at an earlier date, Medallion has

the right to complete the Option Payments at any time prior to the required dates set out in the Option Agreement. The Everett Property is not subject to any royalties.

On completion of the above mentioned Initial Payments and Option Payments and provided that Medallion has not less than \$4,000,000 in working capital on hand and no long-term unconvertible debt, Medallion will have the right to exercise the Option and acquire the Everett Property by paying to RRT an additional \$1 million and by issuing to RRT that number of Medallion common shares so that RRT will then hold, inclusive of all shares previously issued to RRT, an aggregate of 50% of the then issued and outstanding Medallion common shares. In addition, Medallion will also grant to RRT the right to acquire, for no additional consideration, a proportion of the number of Medallion common shares which are subsequently issued upon exercise of any warrants of Medallion outstanding at the date of the exercise of the Option based on the extent to which such warrants are in the money when exercised. Medallion will also grant to RRT the right to acquire, for no additional consideration, such number of Medallion common shares as is equal to the number of any Medallion Shares that are subsequently issued upon conversion of any special warrants, subscription receipts and convertible debt instruments of Medallion (excluding stock options), which are outstanding at the date of the exercise of the Option.

Prior to the exercise of the Option, Medallion has also granted to RRT the right to acquire up to 10% of the securities issued in any equity financing of Medallion on the terms and conditions applicable to other investors in such financing.

Subject to regulatory acceptance, Medallion has also agreed upon request of RRT to appoint one nominee of RRT to the board of directors of Medallion, and upon exercise of the Option to appoint nominees of RRT to comprise 50% of the members of the board of directors of Medallion.

Medallion's Romaine Iron-Titanium Project

The Everett Property, the centre piece of Medallion's Romaine Iron-Titanium Project located 40 kilometres north of Havre St Pierre, Quebec, includes a historical resource estimate of 234 million tonnes grading 10.8% titanium oxide (TiO₂) and 17.9% iron.* Medallion's fall field mapping indicates a potential to increase the historical tonnage. It expanded the outcrop area of iron-titanium mineralization to a total length of over three kilometres and a width that ranges from 200 metres to 460 metres. It remains open along strike and down dip.

Fall field program sampling, along with information from the 1960's and 1970's, suggests that there also is good potential for increasing the grade over that which was reported for the historical resource.* Assays of 67 surface-core samples, collected systematically along the full length of the main body of mineralization, average 13.66% titanium oxide (TiO₂) and 30.39% iron oxide (Fe₂O₃). These averages represent a significant increase over those of the historical resource, which are 10.8% titanium oxide (TiO₂) and 17.9% iron (17.9% iron is approximately 26.5% Fe₂O₃).*

The Romaine Project minerals are hematite (Fe₂O₃) and ilmenite (FeTiO₃), which also are the minerals mined at the nearby QIT mine. Rio Tinto's QIT mine, with a 50-million-tonne reserve (as of 2006) three kilometres to the west, is a leading producer of high-quality titanium and steel products and it is presently the largest iron-titanium mine of its type in the world.

** The historical resource estimate and the Everett property reports supporting the estimate were prepared before the introduction of NI 43-101. They may not be relied upon until they are confirmed using methods and standards that comply with those required by NI 43-101. The potential for the Everett Property mineralization to replicate the historical resource estimate, or for new data to expand its tonnage and grade, is conceptual and is based on historical reports and field observations, which cite approximate lengths, widths, depths, grades, metallurgical test work and projections of the historical resource. Investors are*

cautioned that a qualified person has not yet completed sufficient exploration, test work or examination of past work to define a resource that is currently compliant with NI 43-101. The Company further cautions that there is a risk that exploration and test work will not result in the delineation of such a currently compliant resource. Neither the Company nor its personnel treat the historical resource estimate or the historical data as defining a current mineral resource, as defined under NI 43-101, nor do they rely upon the estimate or the data for evaluation purposes; however, these data are considered relevant and will be used to guide exploration as the Company develops new data to support a current mineral-resource estimate in accordance with the requirements of NI 43-101.

ON BEHALF OF THE BOARD OF DIRECTORS

“William H Bird”, PhD, PGeo

President & CEO

For Further Information, check the website www.medallionresources.com or contact David Fry (888) 827-6611, e-mail mdlcorpcom@shaw.ca

William H. Bird, PhD, PGeo, serves the Board of Directors of the Company as an internal, technically Qualified Person. Technical information in this news release has been reviewed by Dr Bird and prepared in accordance with Canadian regulatory requirements as set out in NI 43-101. Company Management, which takes full responsibility for content, prepared this news release. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company’s future exploration and financing plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in these statements. Such risks include expectations that may be raised by discussing potential mine types and by comparing the Company’s projects to other projects. Also, in order to proceed with the Company’s exploration and acquisition plans, additional funding is necessary and, depending on market conditions, this funding may not be forthcoming on a schedule or on terms that facilitate the Company’s plans.