



BLACK DRAGON GOLD

NEWS RELEASE

Black Dragon Clarifies and Restates Certain Disclosures

Vancouver, BC – January 20, 2017: Black Dragon Gold Corp. (TSX-V:BDG) ('**Black Dragon**' or the '**Company**') reports that as a result of a review by the British Columbia Securities Commission ("BCSC"), it is issuing the following news release to clarify, retract, restate and update certain of its previously issued press releases, investor relations presentations and disclosures on its website www.blackdragongold.com as well as the technical report for the Salave Project dated October 31, 2016 as prepared by Neil Prenn, P.E., of Mine Development Associates (the "**Technical Report**").

The Technical Report, as currently filed, does not comply with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Mine Development Associates is in the process of amending the Technical Report as soon as reasonably practicable in order to address the deficiencies in the Technical Report identified by the BCSC. Pending the completion of such amendments, the Company cautions investors that the Technical Report is deficient and should not be relied upon.

The Company's January 11, 2016 press release (the "**Press Release**") as well as its January 2017 investor relations presentation (the "**Presentation**" and, collectively with the Press Release, the "**Materials**"), as published on the Company's website, disclosed the results of a preliminary economic assessment completed for the Salave project in 2011 by Golder and Associates (the "**Historical PEA**"). The Historical PEA is no longer current and cannot be relied upon. The Company therefore expressly retracts this disclosure and has updated its investor presentation accordingly. Additionally, The Presentation and the Company's website reference the advancement of the Salave project to production prior to the Company having completed a feasibility study. The Company cautions that it has not yet completed a feasibility study and therefore established the economic viability of the Salave project or proposed operations thereon and that no mineral reserves have been estimated for the Salave project which would support a production decision. Projects which are put into production without first establishing mineral reserves supported by a technical report and completing a feasibility study, historically have a much higher risk of economic or technical failure. The Company cautions that it has not made a production decision for the Salave project at this time.

The Company retracts all non-compliant disclosures as referenced above and has amended the website and Materials to remove such disclosures. Once an amendment to the Technical Report is available, the Company will provide an update to this news release and file the amended report on SEDAR at www.sedar.com



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The Company has engaged TetraTech Inc. (UK) (“TetraTech”) to complete a preliminary economic assessment for the Salave project in the near term. The Company notes that TetraTech has also been mandated to complete a feasibility study for the Salave project for Q4 of 2017.

Douglas Turnbull, P.Geo, is the Qualified Person under National Instrument 43-101 who has reviewed and approved the technical content of this news release.

In those instances, where the Company has retracted, revised, clarified or updated previous disclosure, the Company advises readers not to rely on such statements, including the Press Release, as they may continue to be found in the public domain.

Signed "Brian Wesson"
President and Chief Executive Officer
on behalf of the Board of Directors

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Black Dragon Gold “BDG” is the 100% owner of the largest undeveloped gold project in Europe, the Salave project. Salave is situated in the North of Spain in the province of Asturias. The Company is moving Salave to production supported by a strong management team and board of directors experienced in the design, construction and operation of mining projects worldwide.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release includes certain information that may be deemed “forward-looking information”. Forward-looking information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology, or negative connotations thereof. All information in this release, other than information of historical facts, including, without limitation, expecting timing for commencement and completion of preliminary economic assessment, availability of and timing for project financing, the estimation of mineral resources, the realization of mineral resource estimates, interpretation of prior exploration and potential exploration results, the timing and success of exploration activities generally, future production



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estimates and the timing of same and the timing and results of future resource estimates, are forward-looking information that involve various risks and uncertainties. Although the Company believes that the expectations expressed in such forward-looking information are based on reasonable assumptions, such expectations are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking information. Forward-looking information is based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from the forward-looking information include changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, delays in receiving government approvals, the Company's ability to maintain the support of stakeholders necessary to develop the Salave project, unanticipated environmental impacts on operations and costs to remedy same, and other risks detailed herein and from time to time in the filings made by the Company with securities regulatory authorities in Canada. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral exploration and development of mines is an inherently risky business. Accordingly, actual events may differ materially from those projected in the forward-looking information. For more information on the Company and the key assumptions, risks and challenges with respect to the forward-looking information discussed herein, and about our business in general, investors should review the Company's continuous disclosure filings which are available at www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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