



BLACK DRAGON GOLD

## NEWS RELEASE

### Recapitalization of Black Dragon Gold

Vancouver, BC – March 29, 2017 Black Dragon Gold Corp. (TSX-V:BDG) ('Black Dragon' or the 'Company') is pleased to release the following update.

As previously announced, management has been focused on recapitalizing the Company in such a way as to bring long term value and liquidity to the Company's shareholders. The Company explored debt and hybrid instruments, however the requirement for repayment of an existing facility (which has been renegotiated to US\$3.2 million) and legacy issues has made any debt arrangement uneconomic. Further management intends to move to project financing shortly and therefore it was not deemed prudent to enter into further debt arrangement that would encumber the Salave gold asset. The Company, in conjunction with Lionsbridge, has executed a conditional mandate with a successful Australian financial services firm, on a commercially reasonable efforts basis, to place a minimum order of \$7 million (**Private Placement**). The Company also has a number of other discussions with potential equity investors underway. The Company expects the raising to be completed no later than 28 April 2017, subject to Board and exchange approval.

The Company is also pleased to announce that RMB have extended the final repayment date under the definitive contracts for the acquisition of the RMB debt until 28 April 2017. The Company appreciates the continued assistance and good faith of RMB as we work towards closing the RMB debt repayment as soon as possible.

To ensure the Company remains sufficiently capitalized until the close of the Private Placement, the Company has agreed to issue a USD 250,000 (approx. CDN\$334,600) convertible debenture (the "Debenture") to institutional investors. The Debenture bears interest at a rate of 15% per annum payable at maturity. The Debentures will mature and be repayable on or before the date which is one year following their date of issuance. The Debenture is convertible into common shares in the Company at a conversion price \$0.055 per share. Each \$1,000 in principal amount of Debentures also includes (18,181) common share purchase warrants (each a "Warrant"). Each Warrant entitles the holder to acquire additional common shares of the Company at a price of \$0.11 per common shares for a period of 24 months. If, during this 24 month period, the volume weighted average price ("VWAP") of Black Dragon's common shares is at least \$0.22 for a period of 7 consecutive trading days, Black Dragon may, at its option, accelerate the expiry date of the Warrants by issuing a news release or giving written notice thereof to all holders of the Warrants, and, in such case, the Warrants will expire on the earlier of: (i) the 30th day after the date on which the news release or written notice is provided by Black Dragon; and (ii) the original expiry date. In connection with the issuance of the Debenture, the holders thereof will be granted a right to nominate a member for election to the Company's board of directors at any meeting of shareholders where directors are to be elected, provided such nominee is acceptable to regulatory authorities, for so long as the Debenture is outstanding.

**Black Dragon Gold Corp.**

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Brian Wesson stated “ The Company is glad to have resolved its short term capital requirements and a strategy for its medium term requirements. We now look forward to focusing on finalising the financings and then releasing a feasibility study and reengaging with the Salave stakeholders to permit an operation that is beneficial to all involved”.

The Private Placement, as described above, will be arranged for maximum proceeds of \$11,000,000 through the issuance of a maximum of 200,000,000 units. Each unit is priced at \$0.055 per unit and is comprised of one common share of the Company and one Warrant, bearing the terms outlined above in connection with the Debenture. Proceeds from the Private Placement and Debenture will be used for payment of the RMB debt settlement, general working capital and to advance the Company’s property. A finder’s fee may be payable in connection with the Private Placement. The units issued in connection with the Private Placement are subject to TSXV approval and will also be subject to a statutory four month hold period. In regard to the private placement, the Company has closed on a small portion through the issuance of 765,000 shares for total proceeds of \$42,075, which units will be subject to a hold period expiring on July 29, 2017 (as to 400,000 units) and July 30, 2017 (as to 365,000 units). Management expects to close on a further allocation in the next three days.

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

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