ASX & TSX ANNOUNCEMENT

11 September 2018

ABOUT BLACK DRAGON GOLD

Black Dragon Gold is the 100% owner of the Salave Gold Project, situated in the Asturias province of Northern Spain.

MINERAL RESOURCES

Measured & Indicated
6.52Mt @ 4.51g/t Au for 944,000oz

Inferred
1.08Mt @ 3.05g/t Au for 106,000oz

BOARD & MANAGEMENT

Jo Battershill
Non-Executive Chairman

Paul Cronin
Managing Director & CEO

Alberto Lavandeira
Non-Executive Director

Richard Monti
Non-Executive Director

Jose Manuel Dominguez
General Manager Spain

Sean Duffy
CFO and Company Secretary

BLACK DRAGON GOLD
ASX: BDG TSXV: BDG

DRILLING IDENTIFIES NEW HIGH-GRADE EXTENSIONS TO SALAVE GOLD RESOURCE

- Wide zones of high-grade gold intersected outside of current resource model, including:

  BD18-01
  - 4.4m @ 41.9 g/t Au from 125m
  - 12.4m @ 25.8 g/t Au from 305m, including
    - 5.2m @ 53.0 g/t Au from 313m (new zone)

  BD18-02
  - 30.8m @ 7.1 g/t Au from 218m, including
    - 14.1m @ 9.9 g/t Au from 218m

  BD18-03
  - 12.6m @ 18.1 g/t from 284m
  - 4.2m @ 52.0 g/t Au from 339m (new zone)

- New zone(s) of mineralisation identified at depth and down dip points to strong potential for high-grade extensions to Salave's current Mineral Resource model.

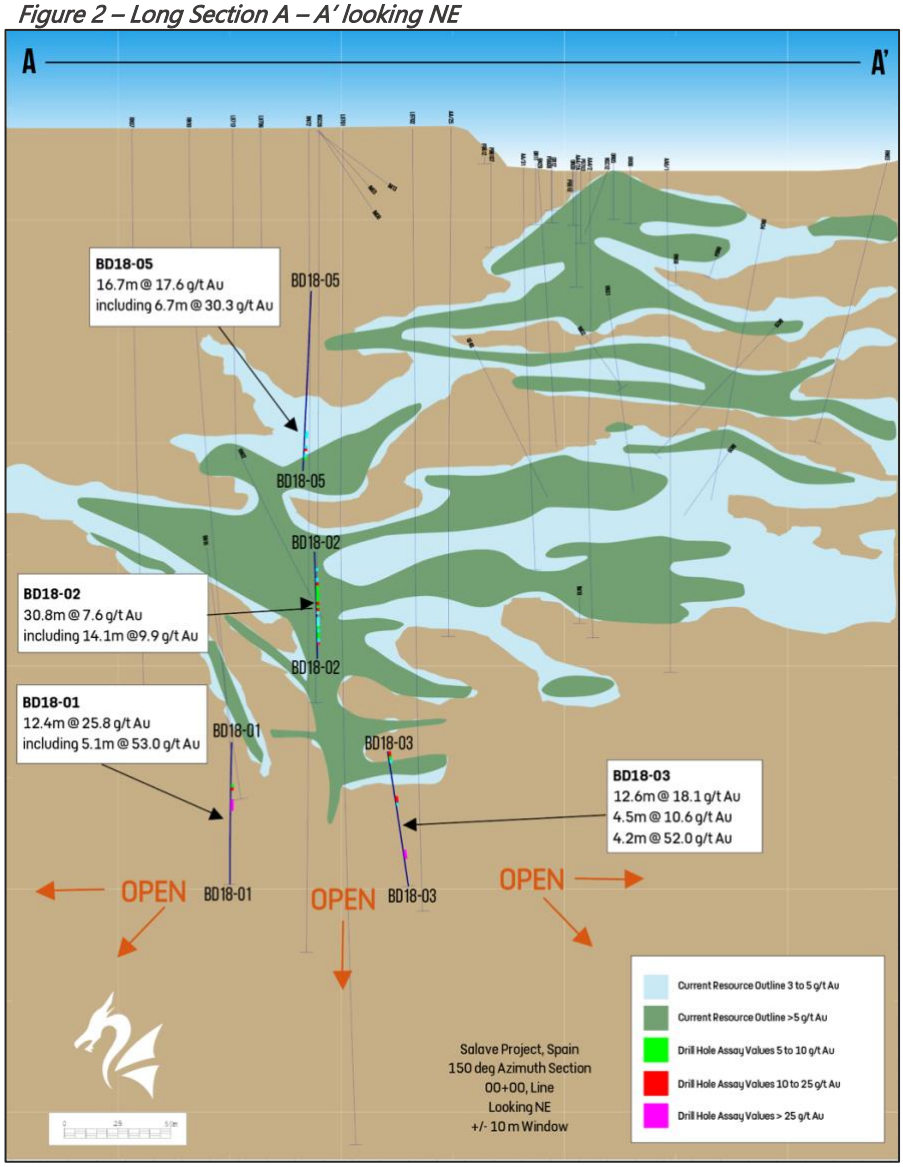
Cheltenham, U.K. – 11 September 2018 – **Black Dragon Gold Corp. (ASX: BDG, TSX-V: BDG) ("Black Dragon"** or the **"Company")** is pleased to announce the assay results of three more drill holes from the Company's 2018 infill and definition drilling campaign at its wholly owned Salave Gold Project in the Asturias region in northern Spain ("**Salave"** or the "**Project"**).

The results from drill holes BD18-01, 02 and 03 are significant because they have intersected high-grade mineralisation beyond the constraints of the current Mineral Resource model, at depth and down dip to the west and north-west. This confirms the potential for significant exploration upside to Salave's existing measured and indicated resource of 6.52 million tonnes at 4.51 g/t Au, for 944,000 ounces of gold (see February 2, 2017 News Release).

These new drill results are some of the highest-grade intersections recorded to date at the Project and are expected to have an positive impact on the next Mineral Resource estimate, which is due for completion in late Q3/early Q4 2018.

The main objective of the 2018 drill program was to confirm the extent and continuity of high-grade gold mineralisation at Salave as the Company prepares to immediately undertake a Preliminary Economic Assessment ("PEA") focusing on an updated Mineral Resource estimate and a new underground mine plan.

Figure 2 – Long Section A – A' looking NE



CEO and Managing Director of Black Dragon, Paul Cronin, commented:

" *The drill hole results announced today support our belief that the Salave deposit is open at depth and laterally.*

"Additionally, the 2018 drill program has in-filled gaps and voids in the current resource block model and we are anxious to see what impact the rest of the 2018 drilling and possibly a revised interpretation of the deposit will have on an updated Mineral Resource estimate, which we plan to complete once we have received and compiled all results from the remaining two drill holes.

"The new management team at Black Dragon has been working diligently to review the extensive historical work undertaken at Salave, including the establishment of a new Geological Database of the deposit that is substantially more extensive than previously prepared.

"When we listed on the ASX in August, we promised shareholders positive news flow. These results are the start of what we hope will be a period of advancing and improving the value of this tremendous gold project."

Figure 1 – Plan Map showing >5g/t Au blocks from MDA Mineral Resource Estimate

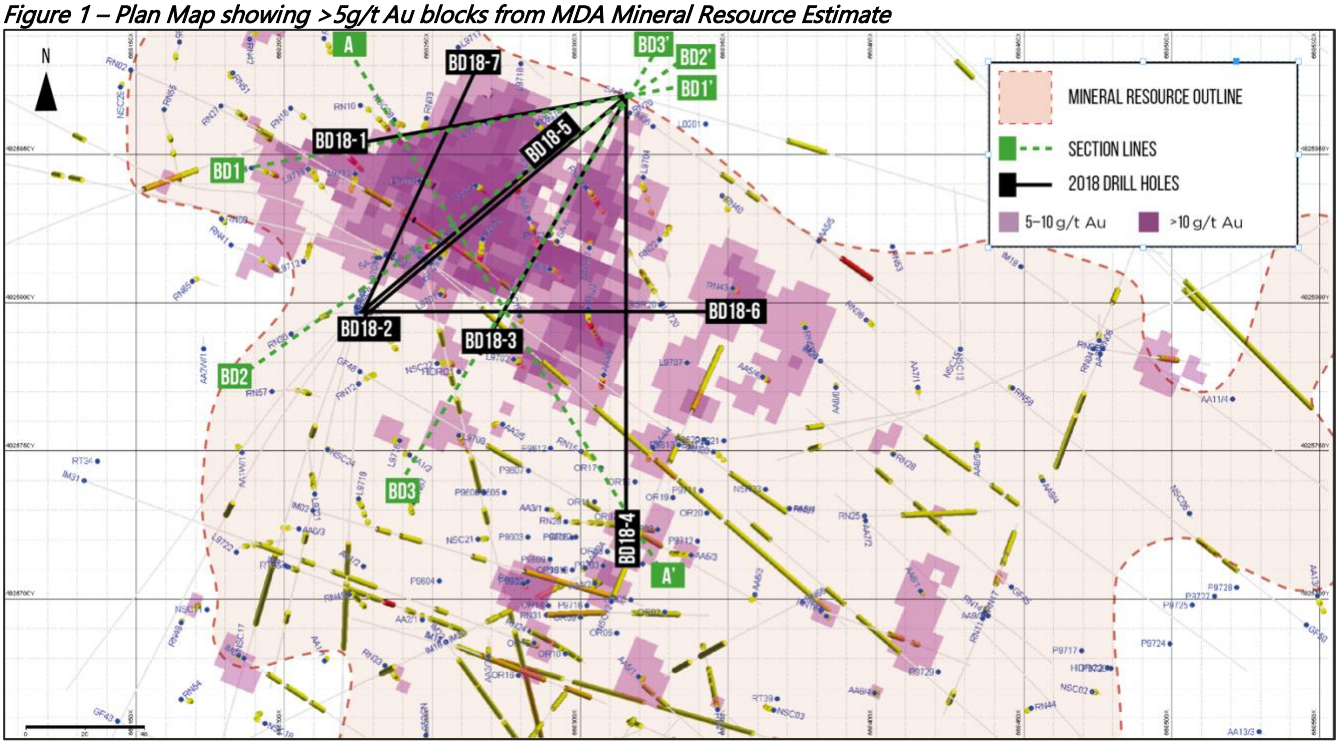


Table 1 - Select results from diamond drill holes BD18-01, 02 and 03

Hole	From (m)	To (m)	Interval (m)	Au(ppm)
BD18-01	**125.00**	**129.35**	**4.35**	**41.90**
	146.60	167.25	20.65	5.10
Including	146.60	157.90	11.30	7.42
	199.60	206.40	6.80	8.25
	217.10	220.20	3.10	7.13
	305.30	**317.70**	**12.40**	**25.83**
Including	**312.55**	**317.70**	**5.15**	**52.99**
BD18-02	**218.40**	**249.20**	**30.80**	**7.07**
Including	218.40	232.50	14.10	9.89
	272.00	275.50	3.50	5.20
	294.00	297.95	3.95	8.30
	310.00	311.50	1.50	8.88
BD18-03	159.75	165.90	6.15	8.18
	283.65	**296.25**	**12.60**	**18.09**
	313.55	318.00	4.45	10.58
	339.00	**343.20**	**4.20**	**52.03**

Mineralised intervals were selected to achieve a minimum grade consistent with the Mineral Resource grades deemed amenable to underground mining methods in the 2017 MDA Mineral Resource estimate. The selected intervals included above were based on 2.5 g/t Au cut-off grade, 2 metres minimum interval length and maximum internal waste interval of 2 metres. Reported mineral widths may not represent true width. Collar locations were surveyed in UTM coordinates based on ERTS89 datum, Zone 29N – Please see Appendix 1.

Figure 3 – Cross Section BD18-01 looking NW

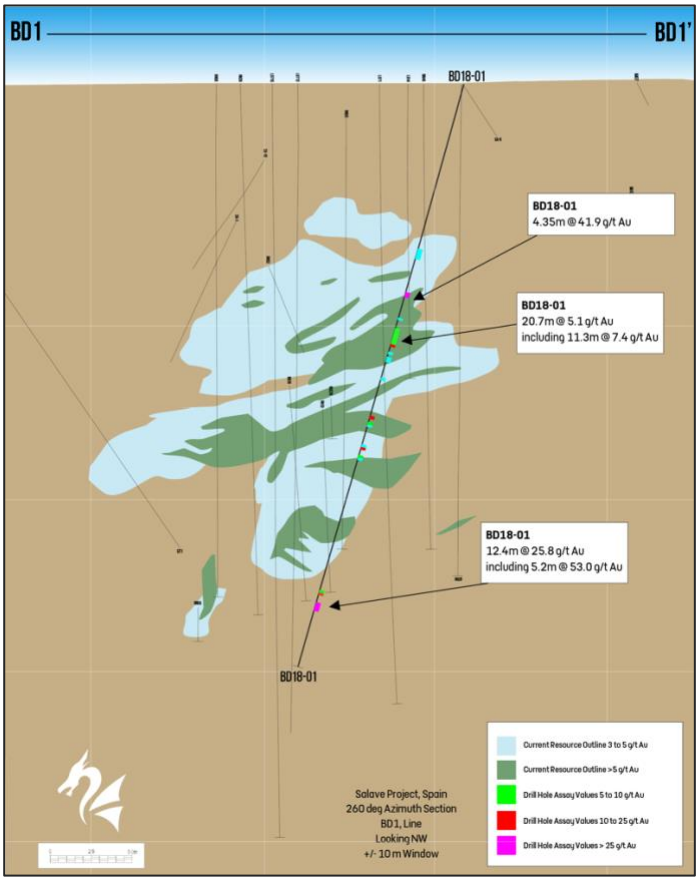
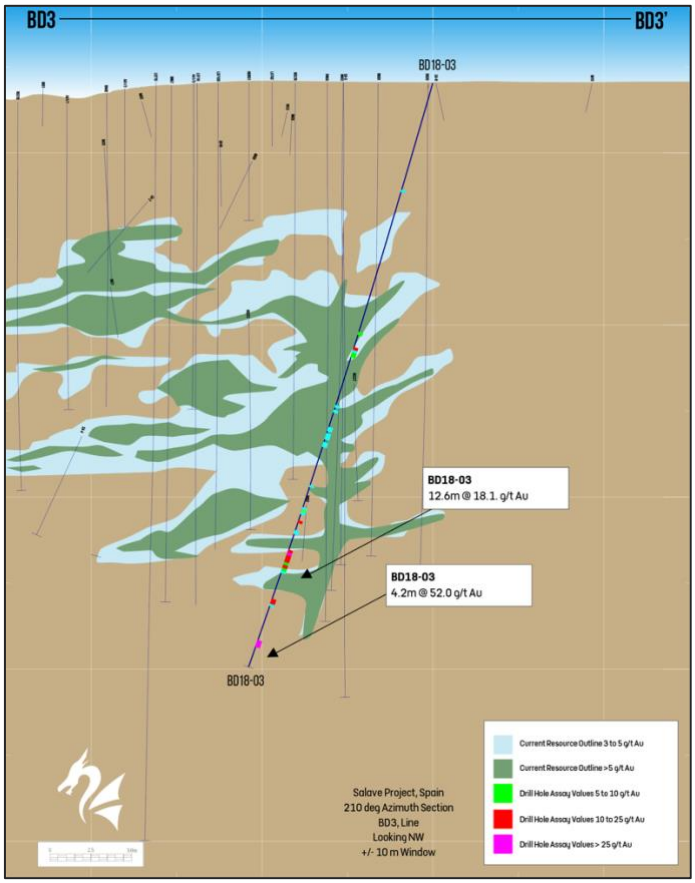
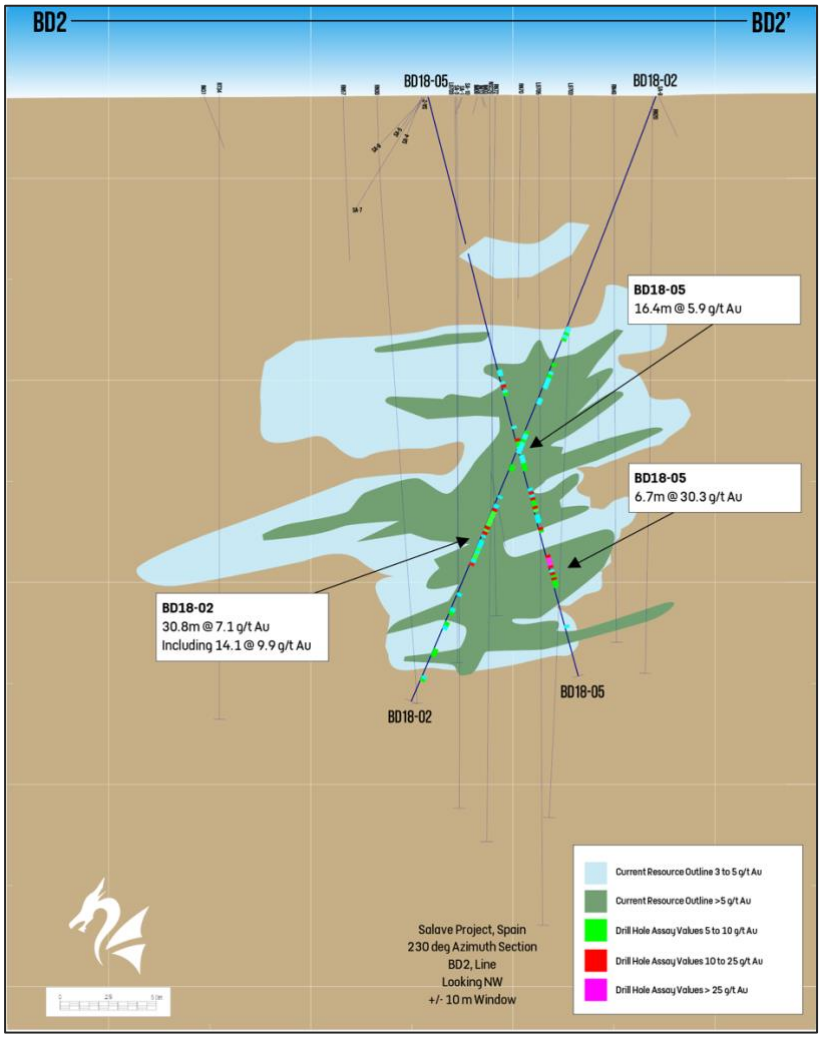


Figure 4 – Cross Section BD18-03 Looking NW



The 2018 drill campaign consists of seven diamond holes (BD18-01-07) totalling 2,117 metres. To date, results have been received for holes BD18-01 to 05. Compilation and verification of results from holes BD18-06 and BD18-07 is pending and expected to be reported in the coming weeks. Hole BD18-05 did not reach its target at depth and was re drilled as Hole BD18-07.

Figure 5 – Cross Section BD18-02 & BD18-05 Looking NW



The 2018 drill program targeted the north-west quadrant of the current resource model and was designed to confirm the presence of steep structures associated with high-grade gold mineralisation and to test for possible lateral extensions of flat to shallow west-dipping stacked lenses of mineralisation defined in the Company's current Mineral Resource model. The Company will be utilising the new information from the 2018 drill holes to update the current Salave Mineral Resource estimate, which will be used as the basis for a PEA and ongoing feasibility study of an underground mine at Salave. Previously released drill results from holes BD18-04 and BD18-05 are summarised below (see 14 April 14 2018 news release for full details):

Hole	From (m)	To (m)	Interval (m)	Au(g/t)
BD18-05	147.00	152.60	5.60	6.00
	174.60	191.00	16.40	5.86
Including	***174.60***	***179.85***	***5.25***	***8.66***
Including	***187.10***	***191.00***	***3.90***	***8.35***
	199.90	212.00	12.10	8.02
	220.00	222.60	2.60	9.08
	234.10	250.80	16.70	17.60
Including	***234.10***	***240.80***	***6.70***	***30.27***

BD18-04	103.50	109.50	6.00	5.91
	167.00	171.50	4.50	6.05
	183.05	220.50	37.45	6.60
Including	***209.00***	***219.00***	***10.00***	***13.43***
	243.00	255.00	12.00	6.83

Mineralised intervals were selected to achieve a minimum grade consistent with the Mineral Resource grades deemed amenable to underground mining methods in the 2017 MDA Mineral Resource estimate. The selected intervals included above were based on 2.5 g/t Au cut-off grade, 2 metres minimum interval length and maximum continuous internal waste interval of 2 metres. Reported mineral widths may not represent true width. Collar locations were surveyed in UTM coordinates based on ERTS89 datum, Zone 29N – Please see Appendix 1.

The Salave Deposit consists of a series of stacked horizontal to shallow west-dipping lenses of mineralisation associated with altered (advanced sercitisation and albitisation) fracture zones within the Salave granodiorite. The Salave Granodiorite is a large north-west trending, approximately 500m wide, steeply dipping sill-like intrusive body overlain by metasediments on the western flank of the deposit. The contact between the metasediments and the Salave granodiorite trends approximately north-east and dips gently to the north-west, approximately parallel to the dip of the regional thrust faulting and the Salave Deposit. The mineralised lenses that form the Salave Deposit pinch and swell and at time these lenses appear to coalesce or are connected by steeper structures, which may act as feeders to the mineralisation within the shallow dipping lenses. As the focus moves deeper through the deposit, the lenses appear to offset and step down to the west and collectively form a tabular zone immediately below and roughly parallel to the contact with the overlying metasediments. Not only have drill holes BD18-01 to 05 confirmed and infilled areas of gold mineralisation within the previous resource model, they have intersected high-grade intervals of gold mineralisation outside of the current resource model, at depth and down dip to the west. The 2018 drilling was logged using oriented drill core. This information will be used to complete a detailed structural study in Q4 2018 that will assist in the interpretation of the structural setting that is controlling the distribution of high-grade gold zones amenable to underground mining.

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COMPETENT & QUALIFIED PERSONS

Santiago Gonzales Nistal, EurGeol., a Qualified Person as defined by National Instrument 43-101 and a Competent Person as defined by JORC 2012. Mr Nistal who is a consultant to Black Dragon, supervised the diamond drilling program at the Salave Gold Project and reviewed, verified and compiled the data reported herein. Douglas Turnbull, P.Geo., a Qualified Person as defined by National Instrument 43-101 and Competent Person as defined by JORC 2012 is a consultant to Black Dragon and has reviewed and approved the scientific and technical disclosure in this news release.

METHODOLOGY AND QA/QC

The analytical work reported on herein was performed by ALS Laboratory Group. SL ("ALS") in, Spain and Ireland. ALS is an ISO 17025-2005 accredited and internationally recognised analytical services provider. All drill core was logged and sampled at its core storage facility in Tapia de Casariego. Sample intervals varied from 0.85 to 2.05 metres and all core was split and one half quartered by saw and quarter core samples were shipped to ALS in Seville. Samples were crushed and pulverised at ALS and a 50 gm sample was analysed for gold by Fire Assay method and AA finish. Samples were also analysed by four acid ICP-AES for arsenic, antimony and sulphur. The Company follows industry standard procedures for the work carried out on the Salave Gold Project with a quality assurance/quality control (QA/QC) program. Blank, duplicate and standard samples were inserted into the sample sequence sent to the laboratory for analysis. Black Dragon detected no significant QA/QC issues during review of the data.

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ABOUT BLACK DRAGON GOLD

Black Dragon Gold Corp. (ASX/TSXV: BDG) is the 100% owner of one of the largest undeveloped gold projects in Europe, the Salave project. Salave is situated in the north of Spain in the province of Asturias. The Salave project has measured and indicated resources totalling 6.52 million Tonnes grading 4.51 g/t Au containing 944,000 ounces of gold at a 2.0 g/t cutoff grade and gold price of USD$1,100/ounce. For more information on the Salave project, please refer to the technical report "Amended Technical Report on the Salave Gold Project, Asturias Region, Spain" dated October 7, 2016, as amended January 31, 2017, and filed on SEDAR and posted on the Company's website at www.blackdragongold.com.. In addition to the current Mineral Resource, historical exploration work suggests there is potential for further mineralisation within Black Dragon's landholdings.

Appendix 1 - Drill Summary

Note: Collar locations were surveyed in UTM coordinates based on ERTS89 datum, Zone 29N .

Hole	Easting	Northing	Elev (m)	Azimuth	Dip	EOH (m)	From (m)	To (m)	Interval (m)	Au(ppm)
BD18-01	668317	4825867	40	260	-75	352	98.75	103.50	4.75	3.54
							125.00	129.35	4.35	41.90
							146.60	167.25	20.65	5.10
						Including	**146.60**	**157.90**	**11.30**	**7.42**
						Including	**164.10**	**167.25**	**3.15**	**3.64**
							176.80	178.15	1.35	4.48
							199.60	206.40	6.80	8.25
							217.10	226.30	9.20	4.05
						Including	**217.10**	**220.20**	**3.10**	**7.13**
							223.60	226.30	2.70	4.94
							305.30	317.70	12.40	25.83
						Including	**312.55**	**317.70**	**5.15**	**52.99**
BD18-02	668317	4825865	40	230	-70	323	121.70	129.00	7.30	4.69
							145.40	154.30	8.90	4.10
							177.25	184.25	7.00	4.12
							195.25	198.50	3.25	7.47
							218.40	249.20	30.80	7.07
						Including	**218.40**	**232.50**	**14.10**	**9.89**
							272.00	275.50	3.50	5.20
							279.50	283.40	3.90	4.44
							294.00	297.95	3.95	8.30
							308.50	311.50	3.00	4.77

						Including	310.00	311.50	1.50	8.88
BD18-03	668319	4825865	40	210	-75	356	150.35	151.90	1.55	5.74
							159.75	165.90	6.15	8.18
							195.10	199.50	4.40	3.12
						Including	**195.10**	**196.50**	**1.40**	**5.91**
							208.50	220.50	12.00	2.75
							257.55	261.40	3.85	4.52
							265.50	267.00	1.50	11.25
							283.65	296.25	12.60	18.09
							313.55	318.00	4.45	10.58
							339.00	343.20	4.20	52.03
BD18-04	668316	4825870	41	180	-65	296	103.50	109.50	6.00	5.91
							167.00	171.50	4.50	6.05
							183.05	220.50	37.45	6.60
						including	***209.00***	***219.00***	***10.00***	***13.43***
							243.00	255.00	12.00	6.83
							266.00	269.00	3.00	3.87
BD18-05	668230	4825802	40	050	-75	323	147.00	152.60	5.60	6.00
							174.60	191.00	16.40	5.86
						Including	***174.60***	***179.85***	***5.25***	***8.66***
						Including	***187.10***	***191.00***	***3.90***	***8.35***
							199.90	212.00	12.10	8.02
							220.00	222.60	2.60	9.08
							234.10	250.80	16.70	17.60
						Including	***234.10***	***240.80***	***6.70***	***30.27***

Appendix 2 – JORC Table

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Black Dragon Gold's (BDG or "the Company") 2018 drilling programme comprised 7 diamond core drill holes totalling 2,217m of PQ and HQ size drill core. Hole BD18-XX failed to reach its target depth due to issues with drilling fluid, but recovered core was sampled and is to be reported.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	The 2018 drilling was initiated with PQ size core to variable depths to approximately the fresh rock interface (16-61m) and then HQ size core in fresh rock till the end of the hole.. Samples consisted of quarter core over predominantly 1 to 2 m lengths (average sample length of 1.33m). All core was cut along oriented core markings (producing one half and two quarter core lengths) with a diamond saw into various lengths depending on lithology and alteration contacts determined by the drill site geologist. All drill core was sampled and the average sample length for the 2018 drilling was 1.33 m.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine*	Core drilling was used to obtain PQ or HQ size drill core which was subsequently cut lengthwise using a diamond saw to obtain quarter core samples, which were crushed in a jaw crusher before being pulverised in a ring mill to produce a 50 g charge for fire assay and a 25 g charge for near total four acid digest for S, As and Sb analyses. Sample interval breaks were determined by changes in alteration types. There is a strong correlation between gold grades and alteration type and intensity

Criteria	JORC Code explanation	Commentary
	nodules) may warrant disclosure of detailed information.	
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	2018 drilling commenced with PQ core reducing to HQ standard tube and core is orientated using the down hole spear and wax pencil method.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery from the 2018 drilling is estimated using the drillers recorded depth marks against the length of the core recovered. There was no significant core loss from the holes completed in 2018. The average core recovery was above 96% and above 99% in the mineralized zones.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	No special measures were needed to maximise recovery, with standard drilling practice providing high recoveries..
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	There appears to be no potential sample bias as there was no regular or excessive loss of core.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	The core logging procedures include photos taken of the drill core, both dry and wet, before core cutting. The drill core was orientated and logged including fracture orientation, recovery, geology, mineralogy, and geotechnical parameters in order to estimate a RMR value. Also density measures were taken. Drill core is stored at Black Dragon's warehouse and logging facility. The level of detail captured in the logging data is believed to be of an appropriate level to support resource estimation.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	The drill core logging is qualitative and core was photographed. The Geotechnical logging is quantitative.
	• *The total length and percentage of the relevant intersections logged.*	All of the 2018 drill core is logged.

Criteria	JORC Code explanation	Commentary
Subsampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	For the 2018 drill campaign, all core was cut in half and quartered, and quarter core was assayed. .
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	For the 2018 drill campaign, All sampled material is core.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	For the 2018 drill campaign, individual drill core samples were crushed by jaw crusher to 70% <2mm, split sample d using a Boyd rotary splitter, then 1000 gm pulverized to 85% <75um. The Boyd rotary splitter is a demonstrated method of accurately splitting the primary sample and is verified by duplicate analyses of the 2018 drilling.Sample preparation was conducted by ALS Laboratories in Spain
	• *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.*	For the 2018 drill campaign, additional selective sub-sampling of quarter core is was carried out to demonstrate sampling precision. Blind field duplicates were submitted for analyses and reviewed. Laboratory duplicate analyses were also reviewed.
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	For the 2018 drill campaign, a second quarter core sample was collected for duplicate analyses and inserted into the sample stream at a rate of one in every thirty samples. All duplicate analyses were reviewed and show acceptable precision and variability .
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Based on the characteristics of gold mineralisation in this style of deposit and results from the QA/QC program, the 1-2 metre sample size is considered appropriate to reasonably represent the grain size of the material being tested.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	For the 2018 drill campaign, BDG used ALS Laboratory Group. SL ("ALS") in, Spain and Ireland. ALS, is an ISO 17025-2005 accredited and internationally recognized analytical services provider. ALS utilized the following methods which were deemed to be appropriate for the style of mineralization:

Criteria	JORC Code explanation	Commentary
		• PREP-31CY for sample preparation, Fine crushing – 70% <2mm, split sample – Boyd rotary splitter, Pulverise 1,000 gm to 85% <75um • Ore grade Au_AA26 Au by fire assay and AAS (50 gm pulp sample) for gold • ICP 61 – Near total four acid digest for S, As, and Sb. Sample analyses are considered a partial digestion when using an aqua regia digest and total when using fire assay.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	Standard chemical analyses were used for grade determination. There was no reliance on determination of analysis by geophysical tools.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Recent drilling: QAQC procedures included the insertion of Certified Reference Materials (CRMs) , duplicates and blank material for each sample batch at a frequency of 10% of samples sent. AGQ Laboratories in Seville, Spain was used as an umpire lab for approximately 100 samples, and results have conformed to the initial assay results to an acceptable level of accuracy. All QA/QC data was reviewed and yielded acceptable levels of precisions and accuracy. No batches failed QA/QC analyses.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	The 2018 drill campaign was supervised by Santiago Gonzales Nistal, EurGeol., a Qualified Person as defined by National Instrument 43-101, a Competent Person as defined by JORC and consultant to Black Dragon and reviewed, verified and compiled the data reported herein. Douglas Turnbull, P.Geo. a Qualified Person as defined by National Instrument 43-101, a Competent Person as defined by JORC and consultant to Black Dragon visited the property and core logging facilities in May 2018 and has reviewed and approved of the data reported herein.

Criteria	JORC Code explanation	Commentary
		CSA Global visited the property in February 2018 and inspected the current drilling and some of the historical collars.
	• *The use of twinned holes.*	The 2018 drill campaign in filled areas of tightly spaced historically drilling which allowed for the verification of mineralized zones intersected by historical drilling.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	The core logging process is manual including lithology,and geotechnical logging. Logged information is input into Microsoft Excel spreadsheets. Excel data is checked and then imported into the master drill hole database which is stored off site in Acquire data management software. Data verification is performed during the database load. Core is boxed at the drill site and trucked to the company's core storage facility for logging and storage.
	• *Discuss any adjustment to assay data.*	No adjustments were necessary or were made.
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All 2018 drill holes were surveyed by trained surveyors using Total Station and differential GPS. Down hole survey measurements using either a Reflex Maxibor device or Gyro smart were recorded every 3 or 5 m by the drill site geologist with an accuracy of <5cm.
	• *Specification of the grid system used.*	The grid system used is UTM-29, ETRS89 datum
	• *Quality and adequacy of topographic control.*	The topographic surface of the deposit area was generated by TopCad surveyors and is based on surveyed drill collar coordinates merged with 1:50,000 topographic mapping.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	The 2018 drilling is on an irregular pattern at various orientations to confirm historical exploration results.
	• *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	Drill hole density across the project (including the 2018 drilling) is approximately 20- 40 m x 20-40 m closing in to better than 10 m x 10 m in places. The data spacing and distribution is sufficient and appropriate for a mineral resource estimate.

Criteria	JORC Code explanation	Commentary
	• *Whether sample compositing has been applied.*	For presentation in the accompanying news release, assays are reviewed on an individual sample basis and intervals are selected and weight averaged based on 2.5 g/t Au cut off grade, minimum total interval length of 2m, and a maximum continuous internal waste interval of 2m. Select included high grade intervals are broken out where they have a significant impact on larger interval average grades.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The current drilling program is located on historical drill hole locations, drill at various azimuths with angled drill holes between -65 to -75 degrees. The generally flat to shallow dipping nature of the mineralisation is well established by historic drilling and previous interpretations have also suggested the presence of vertical mineralized structures which are poorly defined due to the lack of angled drilling, but not unexpected in this deposit type. The drill orientations of the 2018 drilling is suitable to not only confirm the extent of the shallow dipping zones of mineralisation, but to also test and confirm previously interpreted steeper zones of mineralisation .
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drill pad location permitting only allowed the 2018 drilling to be conducted from two drill pads and drill holes were oriented to maximize the drill coverage that could be achieved from these two pads. As a result some mineralized zones were not intersected at optimal angles and mineralised intervals may not represent true widths. Some mineralised intervals lie outside of the limits of the current mineral resource model and there is insufficient information to determine the orientation of these new zones and whether there is a sampling bias. In all cases we have cautioned that the reported mineralised intervals may not represent true widths.
Sample security	• *The measures taken to ensure sample security.*	The drillers put the core in core-boxes. A Company geologist transported the core to the core logging and storage facility. At the core logging facility, samples are marked by a project geologist at intervals according to changes in lithology or alteration.

Criteria	JORC Code explanation	Commentary
		The samples are numbered sequentially including the control samples. The same person always takes the samples with the supervision of the BDG project manager. There is always oversight of the person controlling the accuracy of the saw cuts. Each sample is bagged in two bags for transport with bar codes on both sides of the bag and another label inside the bag and closed with a cable tie. Each hole is sent as one shipment to avoid confusion or mixing of samples from different drillholes. All core and samples are stored at the core logging and storage facility. The facility is protected by an alarm system and BDG minimizes the number of staff involved with handling the core and having access to the facility.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	CSA Global has conducted audits of the current sampling techniques and data. .

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	BDG owns 100% of the Salave gold deposit through its wholly owned Spanish subsidiary Exploraciones Mineras del Cantabrico SL (EMC). The BDG tenure includes five mining concessions and associated extensions covering 662 Ha and an investigation permit covering another 2,765 Ha. BDG currently has five Mining Concessions and an Investigation Permit detailed in the January 2017 "Amended Technical Report on the Salave Gold Project" by MDA on the Company's website. A Mining Concession entitles the holder to develop resources located within the concession area, except those already reserved by the State. An Investigation permit gives the holder the right to carry out, within the indicated perimeter and for a specific term (a maximum of three years),

Criteria	JORC Code explanation	Commentary
		studies and work aimed at demonstrating and defining resources and the right, once defined, to be granted for mining those resources. The term of an Investigation permit may be renewed by the Regional Ministry of Economy and Employment for three years and, exceptionally, for successive periods. The BDG Investigation permit expired in February of 2017 and is currently under application for extension and is pending a response from the respective authority. The Salave gold deposit and mineral resources as currently defined is situated completely within the confines of the Company's Mining concessions and is therefore not impacted by a renewal of the Investigation permit. The Mining Concessions and Investigation permit are subject to restrictions defined by the Plan de Ordenacion del Litoral de Asturias (POLA) which does not allow any surface activity within 500 metres of the coast line of the Bay of Biscay. The Salave Project is subject to a royalty agreement with SPG Royalties Inc. described in the January 2017 Amended Technical Report on the Salave Gold Project by MDA on the Company's website.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Mining Concessions are believed to be in good standing with the governing authority and there is no known impediment to the Concessions remaining in force until expiry dates (2037 to 2045 for the main concessions covering the project)
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Exploration activities commenced in 1967 with several periods of exploration and mining studies prior to BDG (originally named Dagilev Capital Corp., renamed Astur Gold Corporation in 2010, renamed Black Dragon Gold Corp. in 2016) taking ownership of the project in 2010. A significant amount of drilling has been undertaken on or immediately adjacent to the current property boundary during this period totalling 484 drill holes for 69,585m completed. The first drilling commenced with Northgate/IMBESA in 1970 and continued with various owners until 2005

Criteria	JORC Code explanation	Commentary
		BDG commenced the 2018 drill program in January 2018, the first to be undertaken since 2013.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Salave gold deposit is hosted mainly by the strongly altered Salave granodiorite at its western boundary, close to the contact with the Los Cabos Sedimentary Sequence. The Salave gold deposit is considered by BDG to be an Orogenic Gold or an Intrusive Related Gold Deposit. Most of the gold mineralisation has been delineated within an area of approximately 500m wide, 780 m long and test to a depth of 420 m. Gold mineralisation occurs in a series of stacked irregular lenses related to faults and fracture zones collectively forming a broad northwest dipping tabular zone parallel to the contact between the Salave granodiorite and overlying metasedimentary rocks. The faults and fracture zones appear to be related to one or more steeply dipping structures, some of which contain high grade gold. These structures may play a role as conduits and opening shallow dipping structures (lenses) for hydrothermal solutions. Gold mineralisation at Salave is related to hydrothermal alteration of the host granodiorite. The highest grades are associated with intense albite-sericite alteration with fine grained arsenopyrite and stibnite. Destruction of the original textures is a major feature of the most intensively altered and mineralised granodiorite. Quartz veins and quartz carbonate molybdenite bearing veins are present are present in the deposit do not contain gold and represent a separate mineralising event.

Criteria	JORC Code explanation	Commentary
Drillhole information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* ○ *easting and northing of the drillhole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar* ○ *dip and azimuth of the hole* ○ *downhole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Details of current drilling including collars and survey information are included in the accompanying news release.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Significant mineralized intervals from the 2018 drill program were selected based on a 2.5 g/t Au cut off, a minimum interval length of 2m and a maximum allowable, continuous interval of waste of 2m. Assay averages were weighted by individual sample length and no top cutting was applied. Where appropriate, select samples or internal intervals of higher grade gold mineralization was broken out as an included interval to illustrate how it influenced the overall average of the larger mineralised intervals.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	Where encountered included shorter intervals of higher grade results have consistently been broken out as included intervals in the accompanying news release
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	There are no metal equivalents reported
Relationship between mineralisation	• *These relationships are particularly important in the reporting of Exploration Results.*	

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.*	The mineralisation forms gently, westerly dipping stacked irregular lenses which have been well defined by previous closed spaced drilling. Given the irregular nature of these lenses and the possibility that there may be other steeper mineralised structures, the reported mineralised interval may not reflect precise true widths in all instances.
	• *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	Readers are cautioned that information regarding the precise geometry and orientation of the mineralized zones is insufficient in some cases and the reported intervals may not be true widths
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	Relevant maps and diagrams are included in news release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Criteria for the selection of mineralised intervals is clearly defined in the accompanying news release and the 2018 drilling was entirely sampled. All intervals not reported failed to meet the criteria as a result of having little or no gold mineralization
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Several programs of metallurgical test work, geotechnical studies and resource estimations have been completed by previous explorers and are considered to be not within the scope of this news release. In 2013 Astur Gold engaged a Structural Geological consultant to complete a structural analyses based on observations and measurement of oriented core data from 6 historical drill holes. Details of this work are summarized in the 2017 MDA technical report on the Company's website.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	BDG intends to complete a detailed interpretation of the 2018 drilling and an update to its current mineral resource estimate. BDG is also considering further surface exploration

Criteria	JORC Code explanation	Commentary
		work which may include mapping, soil geochemical surveys and airborne geophysical surveys.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Diagrams have been included in the body of this news release.