

ASX & TSX ANNOUNCEMENT

4 October 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

BLACK DRAGON AGREES DEAL WITH RMB TO BUY BACK ROYALTY

Vancouver, BC – 4 October 2018 – **Black Dragon Gold Corp. (ASX: BDG, TSX-V: BDG)** (“**Black Dragon**” or the “**Company**”) is pleased to announce that it has entered into an agreement with **RMB Australia Holdings Limited (“RMB”)** to buy out a Royalty Deed, which previously entitled RMB to a 2% Net Smelter Royalty on the first 800,000 ounces of production from Black Dragon’s 100% owned high-grade Salave Gold Project (“**Salave**”). Salave, in the Asturias region northern Spain, has a Measured and Indicated Resource of 944,000 ounces gold as well as a further 106,000 ounces in the Inferred category.

The Royalty Deed, agreed by previous management in November 2016 as part of the RMB debt restructuring, was originally structured to allow for a buy-out by Black Dragon with a cash payment of US\$3,000,000 (C\$3,843,542) to RMB. Black Dragon is pleased to advise that the Company and RMB have now agreed to a significantly reduced buy-out fee of C\$570,000 (US\$447,621), which was settled today.

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

“The buy-out of the Royalty Deed is another significant milestone in advancing the Salave project and clearly indicates our team’s confidence in future gold production from Salave.”

“The buy-out of this royalty will have a significant positive impact on the economics of Salave, which will become clear to investors when we are able to release a Preliminary Economic Assessment later this year.”

“The royalty buy-out continues the flow of positive news since Black Dragon listed on the ASX in August, and should continue with a pending Salave Mineral Resource update this quarter.”



BLACK DRAGON GOLD
ASX:BDG TSXV:BDG

For further information, please contact:

Paul Cronin

CEO & Managing Director

P: +44 20 79934077

E: paul.cronin@blackdragongold.com

Peter Klinger

Cannings Purple

P: +61 (0)411 251 540

E: pklinger@canningspurple.com.au

BLACK DRAGON GOLD CORP.

1000 Cathedral Place

925 West Georgia Street

Vancouver, BC V6C 3L2, Canada,

T- +44 20 79934077 F- +44 20 71128814

info@blackdragongold.com

www.blackdragongold.com

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 cut off 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, located on the Company's website at www.blackdragongold.com and filed on SEDAR. In addition to the current Mineral Resource, historical exploration work suggests there is potential for further mineralisation within Black Dragon's landholdings.