

## Corporate Update by Chairman of the Board

Vancouver, 18 October 2017. Since the completion of Black Dragon Gold Corp's ("BDG" or "the Company") \$8.5m financing in July and the subsequent re-capitalising of the Company's balance Sheet, the new Board of BDG have been working through the past permitting issues of the Company and reviewing the technical aspects of the Salave gold project in Spain. Subsequently, the Board of the Company has agreed a new strategy for realising the value of the Salave gold deposit, which differs from the approach that was defined by previous management. This strategy is defined by four key outcomes, being;

1. The installation of a Spanish management team of the Company's 100% subsidiary company Exploraciones Mineras del Cantabrico SL ("EMC") to be based in Oviedo, Spain who will work actively with our regulators, key stakeholders and the local community to better define and communicate the most acceptable options for the development of the Salave gold deposit.
2. To seek to maximise the value inherent in the EMC portfolio of exploration licenses at Salave via detailed review of past exploration activity, and associated data, to identify new opportunities for expansion and grade increases of the current known resources.
3. Iteratively evaluate options for the mining and processing of the Salave resource, in conjunction with key stakeholders to identify opportunities for reduced capital and operating costs, whilst maximising revenues from concentrate sales.
4. Identify potential partners in the development of the Salave project, who bring additional expertise and technology in the processing of similar ore bodies, in addition to being able to make a contribution to project capital.

Our new CEO and Managing Director, Paul Cronin, has commenced the implementation of these strategic objectives, and we look forward to him updating shareholders on key developments over the coming weeks and months. We have been successful in reducing the current level of corporate overhead, putting the Company on a more solid footing for the advancement of the Salave project and increasing shareholder value.

Jo Battershill  
Chairman