

ASX ANNOUNCEMENT

28 JANUARY 2020

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

1.03Mt @ 5.59g/t Au for 0.19 Moz

Indicated

7.18Mt @ 4.43g/t Au for 1.02 Moz

Inferred

3.12 Mt @ 3.47g/t Au for 0.35 Moz

BOARD & MANAGEMENT

Jo Battershill

Non-Executive Chairman

Paul Cronin

Executive Director

Alberto Lavandeira

Non-Executive Director

Richard Monti

Non-Executive Director

Jose Manuel Dominguez

General Manager Spain

Sean Duffy

CFO and Joint Company Secretary

Gabriel Chiappini

Joint Company Secretary



BLACK DRAGON GOLD
ASX: BDG

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2019

HIGHLIGHTS

- Black Dragon Gold Corp's Spanish subsidiary Exploraciones Mineras del Cantábrico ("EMC") has received Terms of References from the various administrative bodies involved in the Environmental Impact Assessment ("EIA") process and is waiting to receive the final summary Terms of Reference document from the Ministry of Environment.
- Administrative and exploration costs have been kept to a minimum while the Company continues to consolidate and strengthen its asset base.
- Black Dragon Gold Corp attended the Mines & Money in London as part of our ongoing efforts to communicate and update shareholders about the progress that has been achieved in 2019 to advance the Salave Gold Project to development.

Black Dragon Gold Corp. (ASX:BDG) ('Black Dragon' or the 'Company') is pleased to provide the following activities report that outlines the progress made and reported during the fourth quarter 2019. It has been a quiet quarter, focusing on keeping administrative and exploration costs low, while the Company continues to initiate proceedings on the EIA.

ENVIRONMENTAL IMPACT ASSESSMENT PROCESS FOR SALAVE PROJECT

The Company's Spanish subsidiary EMC has officially received the Terms of Reference ("ToR") from several administrative bodies involved in the EIA process. The technical section of the ToR has been completed, however, this and the summary document still continues to be reviewed by the Director General of the Ministry.



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ASX: BDG

EMC, therefore, has commenced the preparation of the final Mine and Restoration Plan, which will be followed by the EIA. Significant progress has been made in assessing water management of the both terrestrial and marine domains.

In July 2019, EMC had submitted the Initial Project Description to the General Directorate of Mines in the Principality of Asturias to initiate the EIA procedure for their Salave Gold Project ("Salave" or "Project") in northern Spain. The submission of the Initial Project Description is the first of a multistage review process which culminates in a decision to grant environmental clearance for the development of the Salave Project.

MINES AND MONEY LONDON 2019

The Company attended the Mines & Money conference in London and EMC's General Manager, Jose Manuel Dominguez, gave a presentation to inform the market of the Company's progress. Mr Dominguez elaborated on the permitting steps for the EIA and discussed the Company's progress and timeline for completing a full pre-feasibility and feasibility study by the end of 2020. The presentation is available as per the 26th November 2019 news release.

For more information, please contact;
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ABOUT BLACK DRAGON GOLD

Black Dragon Gold "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 an updated Measured Mineral Resource of 1.03 million tonnes grading 5.59 g/t Au, containing 0.19 million ounces of gold; an Indicated Mineral Resource of 7.18 million tonnes grading 4.43 g/t Au, containing 1.02 million ounces of gold, plus Inferred Resources totalling 3.12 million tonnes grading 3.47 g/t Au, containing 348,000 ounces of gold.

A full technical report summarising the Mineral Resource estimate completed by CSA Global is available on the company's web site (www.blackdragongold.com) and posted on SEDAR. In addition to the current Mineral Resource, historical exploration work suggests there is the potential for additional mineralisation within Black Dragon's landholdings.

COMPETENT PERSON STATEMENTS

The information in this announcement that relates to exploration results for the Salave Project is based on and fairly represents information and supporting documentation reviewed and approved by Douglas Turnbull, P.Geo. Mr. Turnbull is a consultant to Black Dragon Gold and a Qualified Professional Geoscientist recognized by the Association of Professional Engineers and Geoscientists of British Columbia, a recognized professional organization for the purposes of the JORC code. Mr. Turnbull has provided his prior written consent as to the form and context in which the exploration results and supporting information are presented in this announcement.

The information in this announcement that relates to the mineral resource estimate for the Salave Project was first released by the Company in its news release entitled 'New NI 43-101 Mineral Resource Estimate Increases Resources at Salave' dated 25 October 2018. Black Dragon confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.

FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current planned exploration activities; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays or any inability in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BLACK DRAGON GOLD CORP.

ABN

625 522 250

Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows	Current Qtr CAD\$'000	YTD 12Mths CAD\$ '000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(55)	(550)
(b) development	-	-
(c) production	-	-
(d) staff costs	(37)	(460)
(e) administration and corporate costs	(233)	(851)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	24
1.5 Interest and other costs of finance paid	-	-



Consolidated statement of cash flows		Current Qtr CAD\$'000	YTD 12Mths CAD\$ '000
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (VAT Refund)	-	50
1.9	Net cash from/ (used in) operating activities	(324)	(1,787)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from/ (used in) investing activities	-	-



Consolidated statement of cash flows	Current Qtr CAD\$'000	YTD 12Mths CAD\$ '000
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3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,081	3,575
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(324)	(1,787)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-



Consolidated statement of cash flows		Current Qtr CAD\$'000	YTD 12Mths CAD\$ '000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	31	-
4.6	Cash and cash equivalents at end of period	1,788	1,788

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$CAD '000	Previous quarter \$CAD '000
5.1	Bank balances	1,788	2,081
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,788	2,081



6. Payments to directors of the entity and their associates

**Current quarter
\$CAD '000**

6.1 Aggregate amount of payments to these parties included in item 1.2

-

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees deferred and shares issued – No cash movement.

7. Payments to related entities of the entity and their associates

**Current quarter
\$CAD '000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.1 (b)

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2



8. Financing facilities available	Total facility amount at quarter end \$CAD '000	Amount drawn at quarter end \$CAD '000
<i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$CAD '000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	120
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	320

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter



COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Date: 28 January 2020

(Company secretary)

Print name: Sean Duffy

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.