ASX ANNOUNCEMENT

29 October 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

Gabriel Chiappini
CFO and Company Secretary

www.blackdragongold.com

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BLACK DRAGON GOLD
ASX: BDG

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2020

HIGHLIGHTS

- **Black Dragon completes placement raising AUD$1,500,000 at AUD$0.07 per CDI**
- **Proceeds to be used to towards progression of Salave Gold Project in North-West Spain, costs incurred in connection wit h due diligence for complementary projects, general working capital and costs of the capital raising**
- **Administrative and exploration costs have been kept to a minimum**

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 September quarter 2020. The Company and management continue to prepare the Environmental Impact Assessment ("EIA") and operate at a functional level while keeping administrative and exploration costs to a minimum. The Company's progress in Spain has been slowed down by the impact of COVID-19.

ENVIRONMENTAL IMPACT ASSESSMENT PROCESS FOR SALAVE PROJECT

In the first quarter this year, after receiving the Terms of Reference from the Environmental Ministry of the Principality of Asturias, the Company's wholly owned subsidiary, Exploraciones Minera del Cantábrico ("EMC") commenced the preparation of the final Mine and Restoration Plan, which will be followed by the EIA. Significant progress had been made in assessing water management of both the terrestrial and marine domains. Nevertheless, the impact of Covid-19 has brought the whole country, since early March, to a complete lockdown of the population. This has also meant that businesses and regulatory authorities in Spain have slowed down with no clear deadline of resumption of normal activities.

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The current situation has resulted in a significant delay of EMC's activities to perform test-work and field-specific studies required for the EIA. The impact of the pandemic on the timing of our EIA submission is unclear at present, but the Company will continue to provide regular updates on our progress. At present we are anticipating the lockdown may last several weeks and possibly longer before normal business activities resume.

CAPITAL RAISING

During August 2020, the Company allotted 21,428,572 ordinary shares in the form of CDIs at an issue price of AUD$0.07 per CDI to raise a total of AUD$1,500,000.
The proceeds of the Placement are intended to be applied towards:

(i) progressing development of Salave Gold Project in North-West Spain;
(ii) due diligence investigations on potential complementary resource project acquisitions;
(iii) general working capital; and
(iv) costs of the capital raising.

RELATED PARTY COSTS

During the period, the Company cleared outstanding director fees that had previously been accrued with a total of CAD$57,855 paid to directors as a related party cost. This outflow related to director fees and for direct reimbursement of overheads relating to office costs and staff.

TENEMENT HOLDING

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 September 2020:

Concession name	Registration number	Area (Ha)	Date granted	Expiry Date
Dos Amigos	24.371	41.99	10.09.1941	10.10.2045
Salave	25.380	67.98	10.04.1945	10.10.2045
Figueras y Demasia	29.500	212.02 92.55	25.01.1977	25.01.2037
Ampliaciona Figueras y Demasia	29.969	10.99 68.85	9.11.1988	9.11.2048
Segunda Ampliacion a Figueras y Demasia	28.820	100.4 67.55	16.09.1981	16.09.2041
Subtotal		**661.97**		
Investigation Permit name	**Registration number**	**Area (Ha)**	**Date granted**	**Expiry Date**
Sallave	30.812	2.765	18.02.2014	14.11.2021
Subtotal		**3,426.97**		

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Authorised and approved for release by:
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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.

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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

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APPENDIX 5B

MINING EXPLORATION ENTITY OR OIL AND GAS EXPLORATION ENTITY QUARTERLY CASH FLOW REPORT

Name of entity

BLACK DRAGON GOLD CORP.

ABN	Quarter ended ("current quarter")
625 522 250	**September 2020**

Consolidated statement of cash flows		**Current quarter CAD$'000**	**Year to date 9 months CAD$'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(82)	(231)
	(b) development		
	(c) production		
	(d) staff costs	(78)	(317)
	(e) administration and corporate costs	(142)	(378)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	5	94
1.9	**Net cash from / (used in) operating activities**	**(297)**	**(832)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter CAD$'000	Year to date 9 months CAD$'000
2.2	Proceeds from the disposal of: (a) entities (b) tenements (c) property, plant and equipment (d) investments (e) 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**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,429	1,429
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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**	**1,429**	**1,429**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,180	1,762
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	(832)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

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Consolidated statement of cash flows		**Current quarter CAD$'000**	**Year to date 9 months CAD$'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,429	1,429
4.5	Effect of movement in exchange rates on cash held	24	(23)
4.6	**Cash and cash equivalents at end of period**	**2,336**	**2,336**

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	2,336	2,336
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)**	**2,336**	**2,336**

6.	**Payments to related parties of the entity and their associates**	**Current quarter CAD$'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	58
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments related to director fee and cost reimbursement for overheads and staff costs

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end CAD$'000**	**Amount drawn at quarter end CAD$'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**CAD$'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(297)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(297)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,336
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,336
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)** *Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*	7.8 times

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
Not Applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
Not Applicable

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not Applicable	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Gabriel Chiappini

Gabriel Chiappini

Chief Financial Officer & Company Secretary (for and on behalf of the Board of Directors)

29 October 2020

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.