Black Dragon Gold Corp.: Drilling Identifies New High-Grade Extensions to Salave Gold Resource

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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").

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20180910005931/en/

Figure 2 – Long Section A – A' looking NE (Graphic: Business Wire)

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.

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."

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.

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.

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.

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

	● Nature and quality of sampling (e.g. cut channels, random c standard measurement tools appropriate to the minerals und sondes, or handheld XRF instruments, etc.). These example meaning of sampling.
Sampling techniques	● Include reference to measures taken to ensure sample repre any measurement tools or systems used.
	● Aspects of the determination of mineralisation that are Mate ‘industry standard’ work has been done this w ‘reverse circulation drilling was used to obtain 1 m sa produce a 30 g charge for fire assay’). In other cases as where there is coarse gold that has inherent sampling pro mineralisation types (e.g. submarine nodules) may warrant c
Drilling techniques	● Drill type (e.g. core, reverse circulation, open-hole hammer, and details (e.g. core diameter, triple or standard tube, depth type, whether core is oriented and if so, by what method, etc
	● Method of recording and assessing core and chip sample re
Drill sample recovery	● Measures taken to maximise sample recovery and ensure re
	● Whether a relationship exists between sample recovery and occurred due to preferential loss/gain of fine/coarse material
	● Whether core and chip samples have been geologically and support appropriate Mineral Resource estimation, mining stu
Logging	
	● Whether logging is qualitative or quantitative in nature. Core
	● The total length and percentage of the relevant intersections

Subsampling techniques and sample preparation	● If core, whether cut or sawn and whether quarter, half or all ● If non-core, whether riffled, tube sampled, rotary split, etc. a ● For all sample types, the nature, quality and appropriateness ● Quality control procedures adopted for all subsampling stag ● Measures taken to ensure that the sampling is representativ for instance results for field duplicate/second-half sampling. ● Whether sample sizes are appropriate to the grain size of th
Quality of assay data and laboratory tests	● The nature, quality and appropriateness of the assaying and the technique is considered partial or total. ● For geophysical tools, spectrometers, handheld XRF instrum determining the analysis including instrument make and mod applied and their derivation, etc. ● Nature of quality control procedures adopted (e.g. standards checks) and whether acceptable levels of accuracy (i.e. lack established.

	● The verification of significant intersections by either indepen
Verification of sampling and assaying	● The use of twinned holes.
	● Documentation of primary data, data entry procedures, data electronic) protocols.
	● Discuss any adjustment to assay data.
	● Accuracy and quality of surveys used to locate drillholes (co workings and other locations used in Mineral Resource estir
Location of data points	● Specification of the grid system used.
	● Quality and adequacy of topographic control.
	● Data spacing for reporting of Exploration Results.
Data spacing and distribution	● Whether the data spacing, and distribution is sufficient to es continuity appropriate for the Mineral Resource and Ore Res classifications applied.
	● Whether sample compositing has been applied.

	● Whether the orientation of sampling achieves unbiased sam which this is known, considering the deposit type.
Orientation of data in relation to geological structure	
	● If the relationship between the drilling orientation and the ori considered to have introduced a sampling bias, this should b
Sample security	● The measures taken to ensure sample security.
Audits or reviews	● The results of any audits or reviews of sampling techniques

Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation

Mineral tenement and land tenure status	● Type, reference name/number, location and ow parties such as joint ventures, partnerships, ov wilderness or national park and environmental
	● The security of the tenure held at the time of re licence to operate in the area.
Exploration done by other parties	● Acknowledgment and appraisal of exploration b

Geology	● Deposit type, geological setting and style of mi
Drillhole information	● A summary of all information material to the un of the following information for all Material drillh ● easting and northing of the drillhole collar ● elevation or RL (Reduced Level – ● dip and azimuth of the hole ● downhole length and interception depth ● hole length. ● If the exclusion of this information is justified or exclusion does not detract from the understand explain why this is the case.
Data aggregation methods	● In reporting Exploration Results, weighting ave truncations (e.g. cutting of high grades) and cu ● Where aggregate intercepts incorporate short l grade results, the procedure used for such agg such aggregations should be shown in detail. ● The assumptions used for any reporting of met
Relationship between mineralisation widths and intercept lengths	● These relationships are particularly important ir ● If the geometry of the mineralisation with respe reported. ● If it is not known and only the downhole lengths effect (e.g. ‘downhole length, true width
Diagrams	● Appropriate maps and sections (with scales) ar significant discovery being reported These sho collar locations and appropriate sectional views

Balanced reporting	● Where comprehensive reporting of all Explorati both low and high grades and/or widths should Results.
Other substantive exploration data	● Other exploration data, if meaningful and mate geological observations; geophysical survey re size and method of treatment; metallurgical tes characteristics; potential deleterious or contami
Further work	● The nature and scale of planned further work (e large-scale step-out drilling). ● Diagrams clearly highlighting the areas of poss interpretations and future drilling areas, provide

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