ASX ANNOUNCEMENT

6 July 2022

Black Dragon Acquires WA Gold Projects

HIGHLIGHTS

- **Black Dragon makes entry into WA gold exploration through acquisition of Marlee Gold Pty Ltd and three highly prospective permits**
- **Early-stage exploration with surface gold discovery across 481km^2 in the Yilgarn Craton area**
- **Marlee Gold holds two 100% owned projects – Padbury Gold (366km^2) and Ivan Well (115km^2)**
- **Immediate exploration focus on regional mapping, sampling and trenching across structures at the Padbury Gold Project**
- **Padbury Gold Project includes widespread gold occurrences in granite never before tested with modern gold focussed exploration techniques**
- **Acquisition is a key part of Black Dragon's strategic growth plan to expand and diversify its precious metal exploration portfolio whilst advancing the high grade +1.5M/oz Salave Gold Deposit**

Black Dragon Gold Corp. ("ASX:BDG; Black Dragon; and or the 'Company'") is pleased to announce its entry into gold exploration in Western Australia through the acquisition of both the Padbury Gold Project and Ivan Well Project in the highly prospective Yilgarn Craton area ("**Acquisition**").

The acquisition will be completed by purchasing 100% of private company, Marlee Gold Pty Ltd ("**Marlee Gold**").It forms a key part of the Company's strategic growth plans, providing Black Dragon with a quality exploration portfolio to complement its flagship Salave gold project in northern Spain.

The acquisition delivers 100% interests in three highly prospective exploration permits in the Yilgarn Craton region of Western Australia to Black Dragon, covering an area of 481km^2.

Perth-based Black Dragon Managing Director Mr Gabriel Chiappini says the most compelling reason for completing the deal was the existing discovery of surface gold.

"The deal presents our shareholders with exciting early-stage exploration opportunities in a proven gold region of Western Australia."

"We have completed a thorough review and due diligence process of several precious metal new venture opportunities in Australia. The standout performer from this process was Marlee Gold, offering a low cost - high reward entry into the Western Australian gold exploration sector.

ABOUT BLACK DRAGON GOLD

Black Dragon Gold is the 100% owner of the 1.5m+ oz high grade Salave Gold Project, situated in the Asturias province in Northern Spain.

BOARD & MANAGEMENT

Paul Cronin
Non-Executive Chairman

Gabriel Chiappini
Managing Director

Alberto Lavandeira
Non-Executive Director

Jose Manuel Dominguez
General Manager Spain

"The projects compiled by Marlee Gold show extensive, yet untested gold anomalism and present a significant opportunity for a new discovery."

"The addition of Marlee Gold complements the ongoing development work we're undertaking at our 1.5m+ ounce Salave Gold Project in Spain. Our main focus for value accretive returns for our shareholders is to progress and develop the Salave Gold Project in Spain," said Mr Chiappini.

The material terms of the acquisition and further details regarding the Marlee Gold projects are disclosed in appendices to this announcement.

- ENDS -

Authorised for release by the Black Dragon Gold board of directors

FURTHER INFORMATION

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ABOUT - BLACK DRAGON GOLD

Black Dragon Gold Corp. (ASX: BDG) is an exploration company with a global portfolio of exploration assets. The Company's flagship project is Salave, one of the largest undeveloped gold projects in all of Europe. Salave is 100 per cent owned by the Company and situated in the North of Spain in the province of Asturias. Recently the Company acquired Australian mining explorer Marlee Gold Pty Ltd as part of its growth strategy. The deal includes the purchase of three permits with early-exploration discovering near surface gold. For more information visit www.blackdragongold.com.

ABOUT - SALAVE PROJECT

The project has a 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 0.35 million ounces of gold.

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.

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.

APPENDICES

About Marlee Gold Pty Ltd

Marlee Gold holds two projects, Padbury Gold (two tenements) and Ivan Well (one tenement) in Western Australia (Figure 1) consisting of 481 square kilometres of mineral exploration licenses.

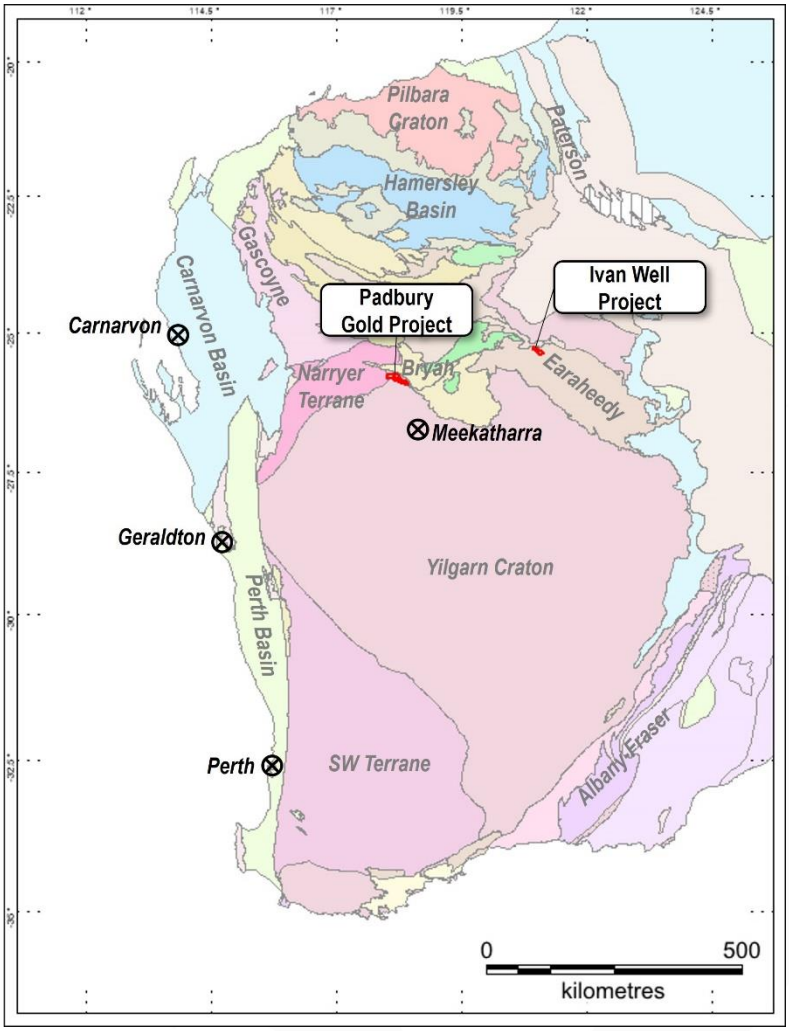

***Figure 1**: Marlee Gold Projects Padbury Gold and Ivan Well in Western Australia. Background map is the Geological Survey of Western Australia's (GSWA) Tectonic Elements map (1:10M).*

Padbury Gold Project (E51/1942, E51/1968)

The Padbury Gold Project is located approximately 90 kilometres NNW of the gold mining centre of Meekatharra. The project is readily accessible with access via Mt Clere Road.

Padbury is hosted within granites on the northern margin of the Yilgarn Craton. The project is bounded by the Narryer Terrane to the west and the Bryah Basin to the north.

The project consists of granitoid hosted gold targets with extensive gold occurrences compiled by Marlee Gold from prospecting over a 15km by 7km area.

This gold occurrence atlas (Figures 2 and 3) produced by Marlee Gold has been constructed in agreement with prospectors who have well-worked the area and identified numerous clusters of gold nuggets, flakes and gold in quartz principally from metal-detecting.

The nuggets are generally angular and with quartz still attached indicating that they are close to a local bed-rock source (Figure 4). Drainage analysis of the GSWA's heavy mineral database (diamond) indicates gold in streams over 20 km draining both to the north and south of topographic divide (Figure 2 and 3).

A GSWA minedex database occurrence (S0003429, Mt Padbury Deep Well) occurs within a small prospecting license (held by a third party) within the main EL51/1942). The Mt Padbury Deep Well occurrence consists of a 90m by 6m pit to a depth ~4m, with gold hosted in centrimetric scale sheeted quartz veins within WNW striking shear-zone and serves to confirm the presence of intrusion related bedrock gold on the project.

Other than localised prospecting, the Padbury Gold Project has not been subjected to modern exploration techniques with no rigorous surface geochemistry sampling or drilling undertaken.

The Padbury granitoid, in places, is sheared with a general NW-SE strike. Analysis of geophysics and satellite imagery indicates a series of extensive NW-SE to WNW-ESE striking structures transecting the project.

Within the Padbury Gold Project, Marlee Gold has an option to acquire additional exploration blocks from Daniel Di Nunzio Block (P51/3158) (refer below). Through the acquisition of Marlee Gold, Black Dragon has acquired this option.

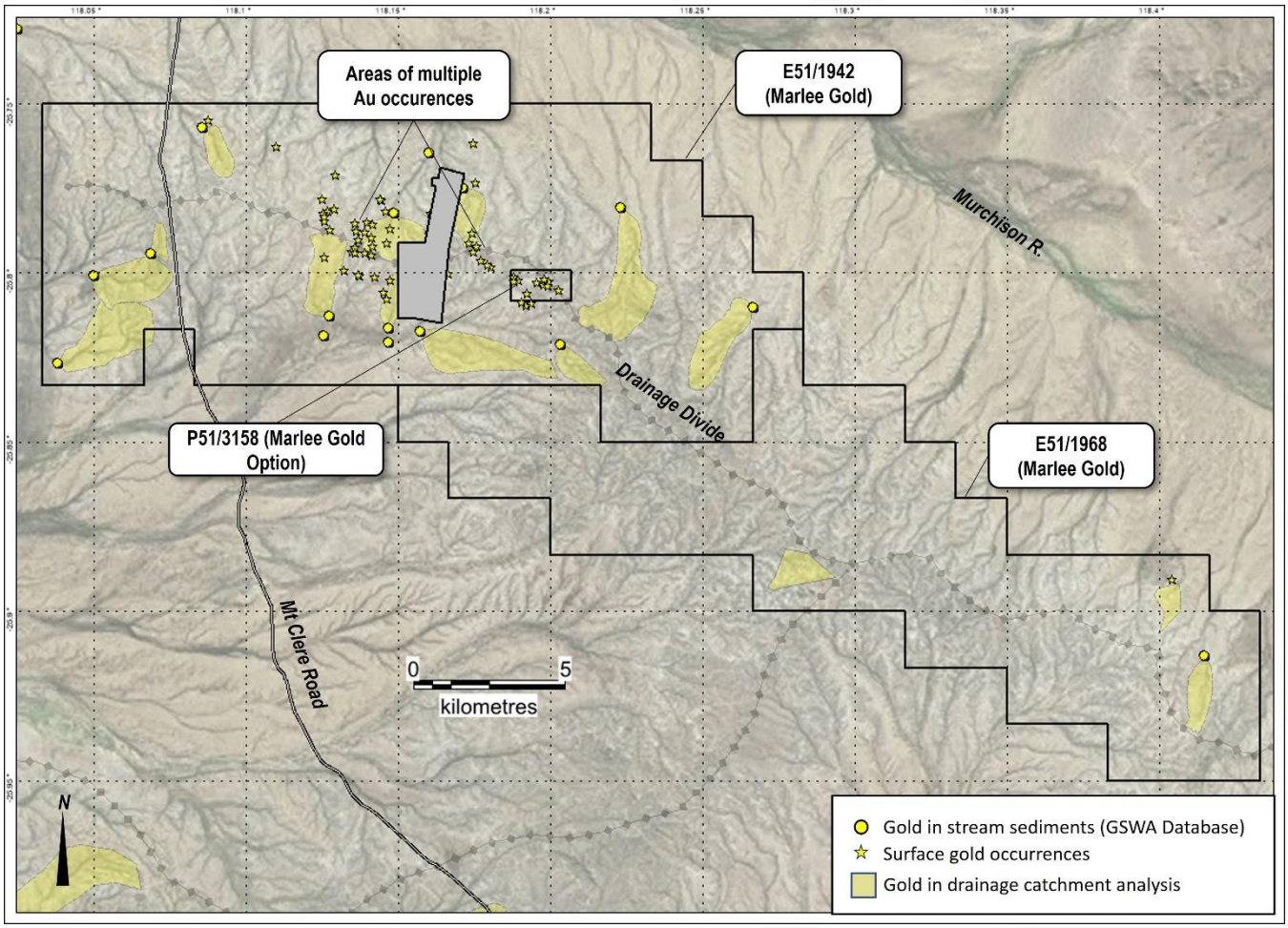

***Figure 2**: Padbury Gold Project showing tenements and gold occurrences.*

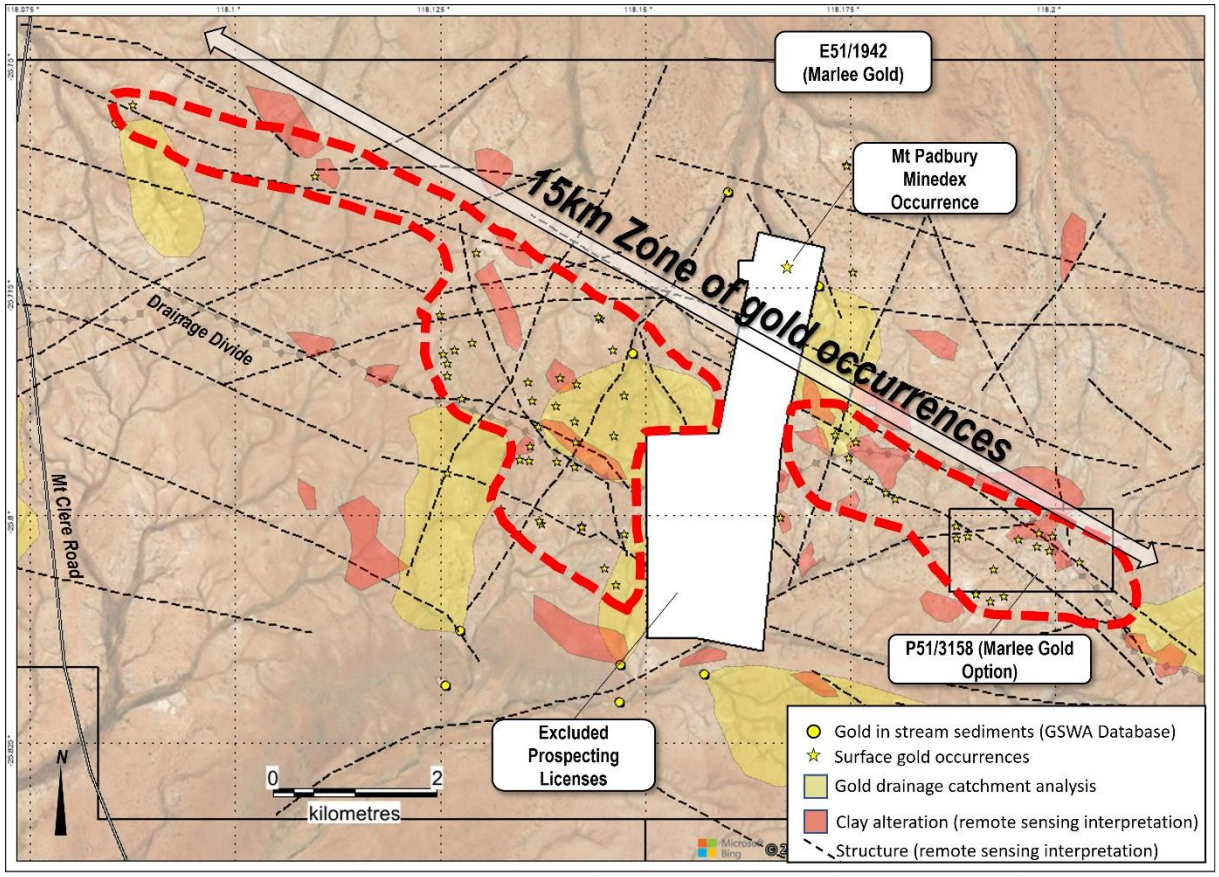

***Figure 3**: Central part of the Padbury Gold Project showing interpreted structure, alteration zones and gold occurrences.*

Ivan Well Project (E69/3818)

The Ivan Well Project is located approximately 160km NNE of Wiluna in the northern Goldfields region of Western Australia and is transected by the Canning Stock Route track.

The project consists of a largely underexplored portion of the Earaheedy Basin. The area is mapped predominantly as Frere Formation, a Proterozoic intercalated series of magnetic granular iron formations and shale/siltstones, which have been folded and sheared.

The GSWA's heavy mineral database shows more than 24 occurrences of gold shedding of a NW-SE drainage divide. Previous exploration (historic by nature) by Ramelius Resources (WAMEX Report A069934 (2004)) showed whole of stream sediment analysis of up to 30ppb gold.

The source of the gold is yet to be determined, but is hypothesised, based on stream dispersion, to be from folded shales within the Frere Formation. The area is host to one gold Minedex occurrence (S0020642) and 12 Minedex iron ore occurrences.

The Frere Formation on the southern margin of the Earaheedy Basin is host to Rumble Resources' Chinook-Earaheedy Zn-Pb-Ag discovery, though E69/3818 has not been previously explored for such base-metals.

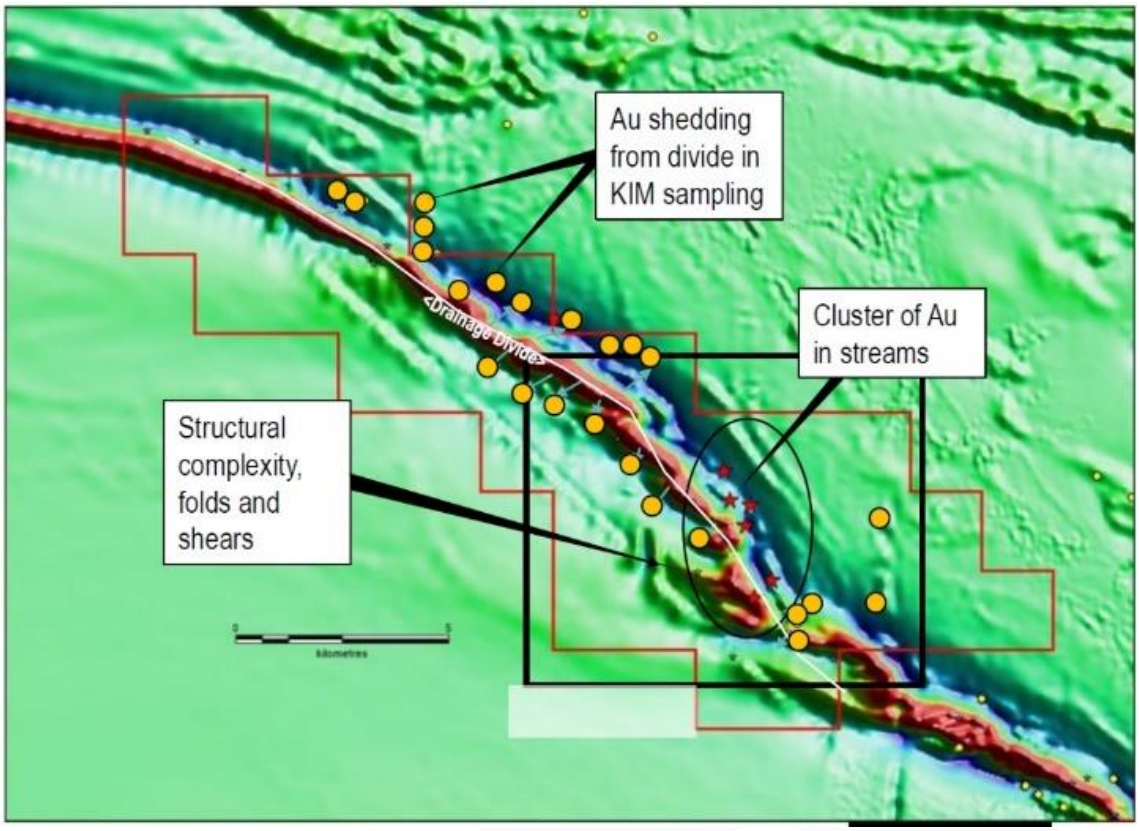

***Figure 4**. Magnetic (RTP) image of Ivan Well showing gold in streams from KIM (kimberlite indicator mineral) sampling (GSWA) and Ramelius Resources' sampling.*

Proposed exploration program

Black Dragon is currently preparing an exploration program for Padbury and Ivan Well that consists of:

1. Further integration and interpretation of remote sensing and geophysical data
2. Regional reconnaissance and mapping
3. Soil geochemistry across the main structural trends and areas of gold occurrences

Subject to the outcomes of these programs, the Company will design appropriate drill programs to test the targets.

Consideration for acquisition of Marlee Gold

The consideration for the acquisition of Marlee Gold comprises:

(i) **Exclusivity fee:** A$10,000 fee for exclusive due diligence to acquire Marlee Gold (previously paid)

(ii) **Completion consideration:**

- $70,000 cash;
- 1,428,571 shares (**Initial Consideration Shares**), being A$70,000 worth of shares based on the 20-day volume weighted average price (**VWAP**) to the date of signing the agreement; and
- 1m unlisted options exercisable at A$0.098 each and an expiry date of 24 months from date of issue (**Initial Consideration Options**).

The Initial Consideration Shares and Initial Consideration Options will be issued on or about 11 July 2022 pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

(iv) **Royalty:** Net smelter royalty of 1.5%

(v) **Deferred consideration:** of:

- $1m payable in cash or shares subject to Black Dragon announcing to ASX a mineral resource estimate (of at least indicated category) for the Marlee Gold project(s) in accordance with the JORC Code of at least 500,000 ounces of gold at a grade of at least 2 grams per tonne.
- $1m payable in cash or shares subject to Black Dragon announcing to ASX a mineral resource estimate (of at least indicated category) for the Marlee Gold project(s) in accordance with the JORC Code of an additional 500,000 ounces of gold at a grade of at least 2 grams per tonne.

The election to pay the deferred consideration in cash or shares is at the sole discretion of Black Dragon. Should Black Dragon elect to issue shares, the deemed issue price will be equal to the 20-day VWAP to the date of satisfaction of the relevant milestone.

In addition, within the Padbury Gold Project, Marlee Gold has an option to acquire an additional exploration block from Daniel Di Nunzio Block (P51/3158).

The option period expires on 30 January 2030 and allows Marlee Gold to explore on P51/3158 and purchase the prospecting license outright for $100,000 with $1 per ounce payable on resources (measured and indicated categories) and reserves, in accordance with JORC code, if a threshold of >250,000 ounces at greater than or equal to 2g/t gold).

Black Dragon has acquired this option as part of its acquisition of Marlee Gold. The agreement for the acquisition of Marlee Gold contains such other terms considered customary for agreements of this nature, including representations and warranties and indemnity claims processes.

Tenement List

Project	Owner	Tenement	Blocks	Area Km^2	Grant Date
Ivan Well	Marlee Gold Pty Ltd	E69/3818	37	114.8	1/03/2022
Padbury	Marlee Gold Pty Ltd	E51/1942	70	208.5	15/07/2020
Padbury	Marlee Gold Pty Ltd	E51/1969	51	157.6	17/07/2021
Padbury	Daniel Di Nunzio (option to Marlee Gold)	P51/3158	<1	2	30/07/2020

References

Geological Survey of Western Australia Minedex Database (2022) of mines and mineral deposits of Western Australia. https://www.dmp.wa.gov.au/Mines-and-mineral-deposits-1502.aspx

Hutchison, M.T. (ed) (2018). Heavy mineral sampling database provided in *Diamond exploration and prospectivity of Western Australia*. (Government of Western Australia). https://dmpbookshop.eruditetechnologies.com.au/product/diamond-exploration-and-prospectivity-of-western-australia.do

Ramelius Resources & Westex Resources. Exploration license E69/1657: Blue Hills Project Final Report (2001-2004). WAMEX Archive A069934, Department of Mines, Industry Regulation and Safety (Government of Western Australia).

Competent Persons Statement

The information in this report that relates to mineral exploration from the Padbury and Ivan Well projects is based on and fairly represents information compiled and reviewed by Dr Darren Holden, who is a director of Marlee Gold Pty Ltd.

Dr Holden is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code).

Dr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	**Padbury & Ivan Well KIM Stream Sediment gold occurrences.** This data is as recorded in the GSWA Diamond Exploration Database (2018) whereby heavy mineral/media separation. The occurrence of gold is recorded as grains picked as an ancillary mineral in diamond indicator mineral searches. This data is considered historic, and its representivity cannot be verified. **Padbury Gold Occurrences (prospecting)**: gold occurrences recorded in the above maps is based on information provided by prospectors on the Padbury Project. The Competent Person has met with prospectors and visited them on the project during operations, and witnessed gold being found with detectors. Gold occurrences are based on detected gold using metal detectors with the amount and size of gold particles recorded in some cases. The size and amount of gold particles recovered has been omitted from this release due to confidentiality. However, it is not considered material to include such statistics as the presence of gold in surface soils (from detecting) is not necessarily representative, but is presented here as an indication of regional fertility and prospectivity. **Ivan Well Stream Sediment (Company)**. Stream sediment data from Ramelius Resources WAMEX Archive report A069934 and reported as whole of sample (not concentrates). Samples were collected at -80mesh for 300g of material from a depth of 10cm.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• NA (drilling not reported)
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• NA (drilling not reported)

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• NA (drilling not reported)
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For all sample types, the nature and quality are considered appropriate for regional reconnaissance exploration only. • **Padbury & Ivan Well KIM Stream Sediment gold occurrences** are to be considered historic in nature, with QA/QC not recorded. • **Padbury Gold Occurrences (prospecting)**: sampling via detecting is not to be considered with representivity. • **Ivan Well Stream Sediment (Company)**. Stream sediment data from Ramelius Resources WAMEX Archive report A069934 and reported as whole of sample (not concentrates). This is considered an industry standard technique and representative of stream sediment catchments.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• **Padbury & Ivan Well KIM Stream Sediment gold occurrences** are to be considered historic in nature, and with gold recorded as visible grains in samples rather than via geochemistry assay techniques. • **Ivan Well Stream Sediment (Company)**. Stream sediment data from Ramelius Resources WAMEX Archive report A069934 with assaying recorded by Genalysis laboratories of Perth with code B/AAS for aqua regia digestion.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• **Padbury Gold Occurrences (prospecting)**: Competent person has visited the site on multiple occasions and witnessed the process of detecting for gold in the near surface. • **For historic stream-sediment sampling,** the data is be considered historic with no verification conducted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• **Padbury & Ivan Well KIM Stream Sediment gold occurrences** are reported in Diamond Exploration database provided by the GSWA • **Padbury Gold Occurrences (prospecting)**: are supplied coordinates by prospectors and checked by the Competent person. Locations are recorded in hand-held GPS using GDA94, with an accuracy of ~5m. • **Ivan Well Stream Sediment (Company):** Stream sediment data from Ramelius Resources WAMEX Archive report A069934 records that handheld GPS locations using LL WGS84 (converted by the Competent Person).

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• All results: all data is considered as regional reconnaissance with no spacing to ensure geological or grade continuity.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All results: detecting and stream-sediment sampling are biased to the action of regolith and drainage transport and are to be considered as regional reconnaissance only.
Sample security	• *The measures taken to ensure sample security.*	• Data considered historic and based on provided information as noted above.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The Competent Person has reviewed the historic data and considers it appropriate for regional reconnaissance and targeting purposes only.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• As detailed in the body of this report.
Explora-tion done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Data is compiled based on historic information, with no appraisal by other parties other than reported in the body of this report.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• **Padbury:** The Padbury gold project is hosted in granites on the northern margin of the Yilgarn Craton, Western Australia. It is considered prospective for intrusion related gold systems with gold hosted in veins within sheared granitoids. • **Ivan Well:** The Ivan Well gold project is hosted by the sediments of the Frere Formation of the Earaheedy basin. The project is considered prospective for sedimentary hosted gold deposits related to veins preferentially following shale or iron horizons.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• NA (drilling not reported)

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• NA (no averaging reported).
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• NA (drilling not reported, and geometry of mineralisation)
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps of historic sample points presented in the body of this report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Information considered material to regional exploration and reconnaissance only. Sampling and prospecting to be considered as an indication of prospectivity, yet the scale and grade of mineralisation is yet to be established.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No substantive exploration data reported, other than those relevant to regional exploration and reconnaissance only.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Company is planning soil geochemistry surveys and regional reconnaissance on both projects.