



# ASX ANNOUNCEMENT

24 April 2023

Quarterly Activities Report to 31 March 2023

## Black Dragon Gold's Diversified Strategy Delivers

### HIGHLIGHTS

- Environmental Impact Assessment ('EIA') permitting has advanced to final stages of approval for 1.5m+ ounce High-Grade Salave Gold Project in Spain
- Phase 1 of maiden 100% owned Padbury Gold WA exploration programme identifies 8km trend of gold in soil anomalies across multiple prospects
- Padbury Gold Drill targets identified and locations confirmed to determine potential for an Intrusion Related Gold Structure ('IRGS')
- Follows on from the successful geochemistry soil sampling exploration programme in Q4-CY22
- Native Title Heritage clearance granted for Drilling programme to test the source of gold nuggets at surface along an 8km gold trend across multiple prospects

Black Dragon Gold (ASX:BDG; "Black Dragon" or "the Company") is pleased to provide the following quarterly activities report for the period ending 31 March 2023.

#### CEO & Managing Director Gabriel Chiappini said:

*"We chose a pathway during 2022 to diversify our asset base and to invest in a prospective and early stage exploration project to complement our mature flagship and globally significant asset, Salave Gold in Asturias, Spain. We acquired Marlee Gold Pty Ltd in July 2022 inclusive of 3 tenements spanning 481kms<sup>2</sup> located in the highly prospective North Yilgarn Craton, Murchison/Northern Goldfields in Western Australia and inclusive of Padbury Gold and Ivan Well prospects. We're pleased to confirm that we have progressed the Padbury Gold Project from acquisition in July 2022, to geochemistry testing in Q4-CY22, granting of a drilling permit Q1-CY23, Native Title Heritage Survey clearance Q1-CY23 to now being able to test for an IRGS in Q2-CY23."*

*"The Company looks forward to its maiden Padbury Gold drill programme in Q2-CY23 to test these compelling targets in an area that has long been subject to successful surface prospecting activity but lacking modern exploration techniques. During Q1-CY23 we undertook a Native Title Heritage Survey and we received clearance to undertake our maiden Padbury Gold drill programme."*

*"In parallel, we have continued to de-risk, advance and progress the EIA permit for our 1.5m+ ounce high grade Salave Gold Project, to unlock the pathway to the development of this large, globally significant and high-grade asset. We have continued to receive positive feedback on the quality of our EIA from stakeholders and the regional government in Asturias, Spain."*

#### 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

**Alberto Lavandeira**  
Non-Executive Director

**Gabriel Chiappini**  
Managing Director

**Jose Manuel Dominguez**  
General Manager Spain



## Operational update

### Padbury Gold Project exploration yields early results

As previously reported in Q4-CY22, Black Dragon identified gold in soil anomalies at its 100 per cent-owned Padbury Gold Project near Meekatharra, Western Australia.

As announced by the Company to the ASX on [28 November 2022](#), the programme collected 541 samples, tested using the innovative CSIRO Ultrafine technique, and was the first significant gold exploration programme at the project beyond historic, traditional surface prospecting activity.

Significant gold in soil anomalies identified included:

- 3,700m x 700m gold in soil anomaly at the Fenceline Prospect
- 2,300m x 1,100m gold in soil anomaly at the Ross's Bore Prospect
- 1,000m x 350m gold in soil anomaly at the Honey Pot Hill Prospect

The Padbury Gold Project is an IRGS target located on the northern Yilgarn Craton, Murchison Western Australia. New gold anomalies detected through the sampling programme are parallel with a regional WNW-ESE striking structural geological architecture (refer to Figure 1 below).

Anomalies are coincident with prospecting activity where numerous gold nuggets and gold in quartz have been identified in surface quartz lag deposits. The application of the Ultrafine technique reduces the nugget effect and is designed to detect bedrock accumulation including gold from IRGS.

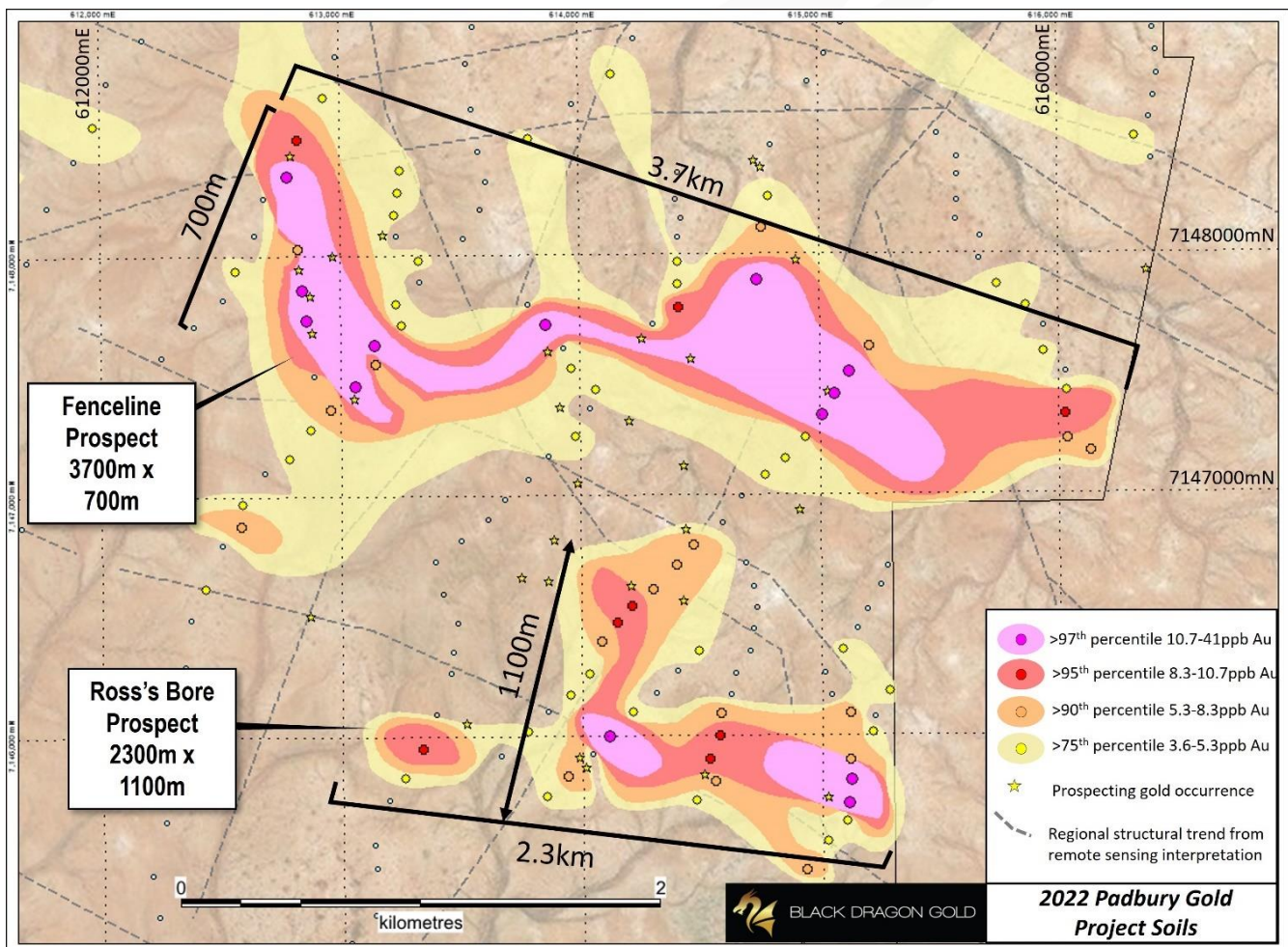


Figure 1: Contours of gold in soils at the Fenceline and Ross's Bore Prospect areas (MGA94 Z50)



### Soil sampling programme

After acquiring the project in July 2022 (ASX announcement 6 July 2022), the Company commenced a soil sampling programme focused on ridges and spurs where transported cover is thinnest, with samples spaced between 100m and 600m along sample lines (refer to Figure 2 below).

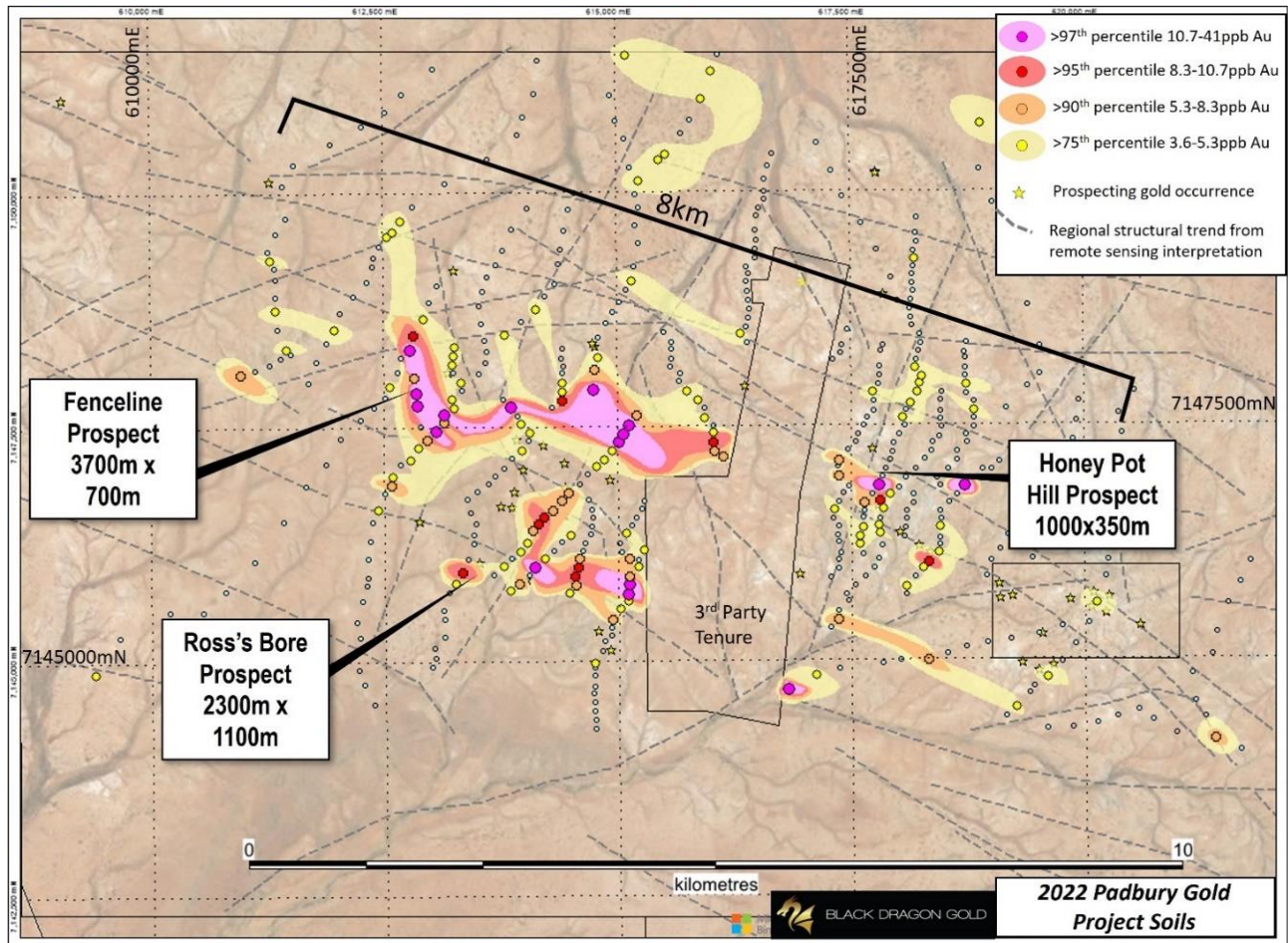


Figure 2: Contouring of the 2022 soil sampling programme at Padbury (MGA94 Z50)

This work identified several targets over a regional 8km gold trend, coincident with a WNW-ESE striking structural grain identified in previously conducted remote sensing interpretations. These associations further indicate that the source of the anomalism is likely related to a bedrock accumulation of mineralisation.

### Native Title Heritage Survey

During Q1-CY23, the Company worked collaboratively with the Wajarri Yamaji Aboriginal Corporation (“WYAC”) and successfully completed a Native Title Heritage Survey at its 100% owned Padbury Gold Project. The Heritage Survey was completed with senior members of the WYAC and a Company representative. Black Dragon acknowledges the Traditional Owners of the land and is very grateful to the senior Aboriginal knowledge holders of the WYAC for undertaking the heritage survey for the Company. The survey was coordinated and formally documented by land and cultural resource management consultants Archaeological Excavations. The Heritage Survey covers off on the prospective drill locations identified as part of the Company’s Padbury Gold maiden drill programme.



## Salave Gold Project in Asturias, Spain advances and continues to be de-risked

During the quarter, Black Dragon continued to advance, progress and de-risk its 1.5m+ oz/au Salave high grade gold project in Asturias, northern Spain, with post EIA dialogue continuing between the Company and Salave Gold key stakeholders, including the Asturian Regional Government. The Company understands that it is in the final stages for the award and issue of the EIA and the Company continues to mature its relationships with key stakeholders.

In readiness of an EIA, the Company has commenced to undertake due diligence on appropriate Front End Engineering & Design and preliminary work flow associated with a definitive feasibility study. There are regional and local elections in Spain during May-2023 and the company anticipates the EIA decision to be made following the conclusion of these elections.

### Related party costs

During the quarter, the Company paid a total of CAD\$91 thousand to related parties for Director fees and salaries.

### Tenement holding

In accordance with ASX Listing Rule 5.3.3, the Company's tenements as at 31 March 2023 are listed below.

#### Spain

Concession Name	Registration Number	Area (Ha)	Date Granted	Expiration Date
Dos Amigos	24.371	41.99	Sep 10, 1941	Oct 10, 2045
Salave	25.380	67.98	April 10, 1945	Oct 10, 2045
Figueras	29.500	212.02	Jan 25, 1977	Jan 25, 2037
<i>Demasia</i>		92.55		
Ampliación a Figueras	29.969	10.99	Nov 9, 1988	Nov 9, 2048
<i>Demasia</i>		68.85		
Segunda Ampliación a Figueras	28.820	100.04	Sept 16, 1981	Sept 16, 2041
<i>Demasia</i>		67.55		
<b>Subtotal</b>		<b>661.97</b>		
Investigation Permit Name	Registration Number	Area (Ha)	Date Granted	Expiration Date
Sallave	30.812	2,655	April 2022	25 February 2025
<b>Total</b>		<b>3,316.97</b>		



## Australia

Concession Name	Licence Number	Square Kms	Date Granted	Expiration Date
Padbury Gold	E51/1942	216	16 July 2020	15 July 2025
Padbury Gold Extension	E51/1969	167	12 July 2021	11 July 2026
Ivan Well	E69/3818	115	1 March 2022	28 February 2027

- ENDS -

Approved for release by the Black Dragon Gold Board of Directors

## FURTHER INFORMATION

### Shareholders contact

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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 Europe. Salave is 100 per cent owned by the Company and located 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 included the purchase of three permits with early exploration discovering near surface gold. For more information visit [www.blackdragongold.com](http://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.

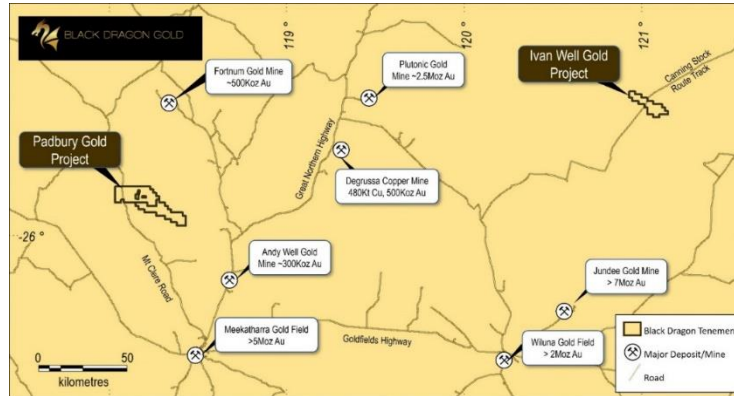
Black Dragon confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially 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](http://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.



## ABOUT MARLEE GOLD

Marlee Gold Pty Ltd was acquired in July 2022 to diversify the Company's exploration portfolio. Marlee Gold is the owner of 3 exploration licences in the North Yilgarn Craton of Western Australia, that has been underexplored but has significant regional gold and copper regional mines. Marlee Gold has 2 main projects called Padbury Gold and Ivan Well spread out of 3 exploration licences covering 481km<sup>2</sup>. The main focus for the Marlee Gold prospects are to conduct modern exploration techniques to determine the likelihood of bedrock sourced mineralisation with a focus on gold.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BLACK DRAGON GOLD CORP.

ABN

625 522 250

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter CAD\$'000	Year to date (3 months) CAD\$'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(47)	(47)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(70)	(70)
	(e) administration and corporate costs	(164)	(164)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	1	1
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(280)</b>	<b>(280)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
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	-	-



**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter CAD\$'000</b>	<b>Year to date (3 months) CAD\$'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,777	1,777
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(280)	(280)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-





**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter CAD\$'000</b>	<b>Year to date (3 months) CAD\$'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(23)	(23)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,474</b>	<b>1,474</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter CAD\$'000</b>	<b>Previous quarter CAD\$'000</b>
5.1	Bank balances	1,474	1,777
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,474</b>	<b>1,777</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter CAD\$'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	91
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.*



**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end CAD\$'000</b>	<b>Amount drawn at quarter end CAD\$'000</b>
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>CAD\$'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(280)
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)	(280)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,474
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,474
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.27 times
<i>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.</i>	
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: N/A	
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: N/A	



**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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: N/A

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.

Date: 24 April 2023

*Gabriel Chiappini*

Authorised by:

**Gabriel Chiappini**

Managing Director (for and on behalf of the Board of Directors)

## 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.