

ASX ANNOUNCEMENT

30 October 2023

Quarterly Activities Report to 30 September 2023

Black Dragon Gold options open as Salave progresses

HIGHLIGHTS

- Padbury Gold Project assay results received showing evidence of hydrothermal activity with anomalous gold and multi-elements detected
- BDG continues to assess next exploration steps for WA projects and potential acquisition opportunities
- EIA permitting program continues to progress for 1.5m+ ounce Salave Gold Project in Spain following municipal and federal elections

Black Dragon Gold (ASX:BDG; “Black Dragon” or “the Company”) is pleased to provide the following quarterly activities report for the period ending 30 September 2023.

CEO and Managing Director Gabriel Chiappini said:

“During the quarter Black Dragon received assay results back from our maiden shallow RC drilling programme conducted at the Padbury Gold Project near Meekatharra in Western Australia.

“Although this phase of exploration didn’t reveal a substantive discovery, the Company remains encouraged by mineral encounters and has options to conduct future exploration at both the adjacent Padbury extension block and also the Ivan Well Gold Project to the east.

“The Company has taken steps to minimise costs and maintain focus on progressing Environmental Impact Assessment permitting for our flagship Salave Gold Project in Spain.

“This includes direct approaches to recently elected Spanish governments at a municipal and Federal level to communicate the enormous economic and social benefits this project offers communities in the Asturias region.

“In the meantime we continue to explore options and opportunities to acquire projects that have potential for near-term accretive value.”

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

During the quarter, Black Dragon identified received assay results from a maiden shallow drilling programme conducted at the Company's 100 per cent-owned Padbury Gold Project northwest of Meekatharra, Western Australia.

Drilling consisted of 10 reverse circulation (RC) holes for 1038m targeting beneath surface gold anomalies, and followed a comprehensive soil sampling program that collected and tested more than 540 samples in late 2022.

Assay results yielded low-level anomalous gold in several parts of the system (refer [ASX announcement](#) 23 August 2023).

Laboratory XRF analysis indicated the presence of multi-element anomalous silver, copper and sulphur, suggesting the Padbury granitoid has been subjected to mineralising activity, however the occurrence of extensive surface gold nugget occurrences is yet to be explained.

Multi-element assay results included:

- 2m @ 37g/t Ag from 49m in hole PRC004
- 3m @ 379ppm Cu from 7m in hole PRC006
- 2m @ 2049ppm Pb from 3m in hole PRC004
- 3m @ 1.8% S from 5m in hole PRC007

Salave Gold Project in northern Spain moves forward

During the quarter, Black Dragon continued to progress its 1.5m+ oz Salave high grade gold project in Asturias, northern Spain, with regular discussions occurring between the Company and key stakeholders including the Asturian Regional Government.

Black Dragon proactively approached the ruling party with a view of reinforcing the significant economic and social benefits the Salave Gold Project will bring to the region once operational.

Company representatives remain in constant communication with the Asturian Regional Government to progress EIA approvals and relevant zoning changes for Salave Gold critical to its development pathway.

Next operational steps

Black Dragon continues taking a responsible fiscal approach while looking at potential exploration activity for the 100 per cent-owned Padbury Gold Extension (E51/1969) and Ivan Well (E69/3818) exploration licences.

Ongoing liaison and outreach with relevant Spanish officials and regulatory bodies as the EIA progresses remains a priority with regard to the Salave Gold Project.

Corporate update

During this quarter and the previous quarter the Company made collective remuneration changes across Board and management level that will save the Company circa AU\$170,000 per annum based on current exchange rates.

The board has resolved to seek and action further operational savings where practicable, while continuing to examine potential acquisition opportunities that would provide accretive value to shareholders and the Company.



Related party costs

During the quarter, the Company paid a total of CAD\$81k 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 30 September 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		
Subtotal		661.97		
Investigation Permit Name	Registration Number	Area (Ha)	Date Granted	Expiration Date
Sallave	30.812	2.655	April 2022	25 February 2025
Total		3,316.97		



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.

In 2022 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.

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.

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")

30 September 2023

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	(187)	(350)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(79)	(192)
	(e) administration and corporate costs	(186)	(489)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
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)	-	-
1.9	Net cash from / (used in) operating activities	(451)	(1,028)
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	-	-

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

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)	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,144	1,777
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(451)	(1,028)
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

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)	-	-
4.5	Effect of movement in exchange rates on cash held	(1)	(57)
4.6	Cash and cash equivalents at end of period	692	692

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	692	1,144
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)	692	1,144

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	81
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

7. Financing facilities	Total facility amount at quarter end CAD\$'000	Amount drawn at quarter end CAD\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>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)	-	-
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)	(451)
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)	(451)
8.4 Cash and cash equivalents at quarter end (item 4.6)	692
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	692
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.53 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: No, it will be less as the current quarter included costs of approx. \$200k for the 1,000m of RC drilling exploration at Padbury Gold. The company is also reducing overheads	
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: At the appropriate time the Company is confident of raising sufficient funds for working capital	



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: Yes on normal business and going concern

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: 30 October 2023

Authorised by:

Gabriel Chiappini

Managing Director & Company Secretary (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.