

BLACKROCK GOLD CORP.

Financial Statements

For Three Months Ended January 31, 2018 and 2017

(Expressed in Canadian Dollars)

BLACKROCK GOLD CORP.
(Formerly Almo Capital Corp.)

Statements of Financial Position
(Expressed in Canadian Dollars)

	January 31, 2018	October 31, 2017
Assets		
Current assets		
Cash	\$ 96,070	\$ 91,814
Amounts receivable	10,977	10,040
Prepaid expenses (Note 6)	96,250	85,266
	\$ 203,317	\$ 187,120
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 91,550	\$ 56,361
Due to related parties (Note 4)	20,267	95,923
Loans payable (Note 5)	139,014	-
	250,831	152,284
Shareholders' Equity (Deficit)		
Share capital (Note 4)	2,647,248	2,647,428
Reserve – Equity-settled employee benefits (Note 3)	264,769	264,769
Deficit	(2,959,711)	(2,877,361)
	(47,514)	34,836
	\$ 203,317	\$ 187,120

Nature of Operations and Going Concern (Note 1)
Events Subsequent to the Year End (Note 7)

Approved by the Directors:

“Alan Carter”
Alan Carter, Director

“Deepak Malhotra”
Deepak Malhotra, Director

The accompanying notes are an integral part of these financial statements

BLACKROCK GOLD CORP.
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Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended January 31,	
	2018	2017
Operating expenses		
Bank charges	\$ 262	\$ 506
Consulting fees (Note 4)	-	25,160
Foreign exchange (gain) loss	4,638	7,982
Interest expense	2,319	363
Management fees (Note 4)	7,500	17,500
Marketing and communications	40,438	111,662
Legal fees	7,969	16,656
Office expense	249	5,384
Regulatory and filing fees	3,198	18,087
Rent	-	2,700
Share-based payments	-	28,730
Travel	232	30
Wages	15,545	16,018
Loss from operations	82,350	250,778
Other expenses (income):		
Write-off of exploration and evaluation assets	-	34,591
Net and Comprehensive Loss for the year	\$ 82,350	\$ 285,369
Basic and Diluted Loss per share	\$ 0.00	\$ 0.02
Weighted average number of shares outstanding		
Basic and Diluted	22,442,518	16,468,408

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BLACKROCK GOLD CORP.
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Statements of Cash Flows
(Expressed in Canadian dollars)

	Three Months Ended January 31,	
	2018	2017
Cash provided by (used for):		
Operating activities		
Net loss for the year	\$ (82,350)	\$ (285,369)
Adjustment for items not involving cash:		
Share-based payments	-	28,730
Write-off of exploration and evaluation assets	-	34,591
	(82,350)	(222,048)
Changes in non-cash operating capital:		
Amounts receivable	(957)	(3,236)
Prepaid expenses	(10,984)	58,135
Accounts payable and accrued liabilities	-	116,944
Due to related parties	35,189	29,143
	(59,102)	(21,062)
Investing activity		
Exploration and evaluation assets	-	(34,591)
Financing activities		
Proceeds from related party loans	43,091	24,114
Proceeds from loans payable	20,267	-
Subscriptions received	-	48,627
	63,358	72,741
Increase (decrease) in cash	4,256	(7,026)
Cash, beginning of the year	91,814	47,880
Cash, end of the year	\$ 96,070	\$ 40,854

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Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Subscriptions Received	Reserve – Equity-settled employee benefits	Deficit	Total Equity
Balance at October 31, 2016	16,468,408	\$ 2,198,008	\$ -	\$ 230,989	\$ (2,058,964)	\$ 370,033
Subscriptions received	-	-	48,627	-	-	48,627
Share-based payments	-	-	-	28,730	-	28,730
Net loss for the period	-	-	-	-	(285,369)	(285,369)
Balance at January 31, 2017	16,468,408	\$ 2,198,008	48,627	\$ 259,719	\$ (2,344,333)	\$ 162,021
Balance at October 31, 2017	22,442,518	\$ 2,647,428	-	\$ 264,769	\$ (2,877,361)	\$ 34,836
Net loss for the period	-	-	-	-	(82,350)	(82,350)
Balance at January 31, 2018	22,442,518	\$ 2,647,428	-	\$ 264,769	\$ (2,959,711)	\$ (47,514)

The accompanying notes are an integral part of these financial statements

BLACKROCK GOLD CORP.

(Formerly Almo Capital Corp.)

Notes to the Financial Statements

(Expressed in Canadian dollars)

Three Months Ended January 31, 2018

1) NATURE OF OPERATIONS AND GOING CONCERN

Blackrock Gold Corp. (“our” or the “Company”) was incorporated on April 16, 1999 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition, exploration and development of mineral properties located in Canada. Effective July 27, 2016, the Company changed its name from Almo Capital Corp. to Blackrock Gold Corp. The Company’s shares began trading on the TSX Venture Exchange (“TSX-V”) under the symbol “BRC.V” on July 27, 2016.

The head office, registered address, principal address and records office of the Company are located at 7120 144th street, Surrey, BC, V3W 5S2.

These financial statements have been prepared assuming the Company will continue on a going-concern basis, or that it will continue to realize its assets and meet its obligations in the normal course of business. The Company has incurred losses since inception and has an accumulated operating deficit of \$2,959,711 at January 31, 2018 (October 31, 2017 - \$2,877,361). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate equity and/or debt financing to fund its exploration and administrative expenses.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the statement of financial position. These conditions indicate the existence of material uncertainties that cast significant doubt that the Company will be able to continue on a going concern basis. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company’s ability to continue as a going concern will be impaired. The outcome of these matters cannot be predicted at this time. These financial statements contain no adjustments which would likely become necessary should the Company become unable to continue as a going concern.

Management plans to continue to pursue equity and debt financing to support operations. Management believes this plan will be sufficient to meet the Company’s liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management’s plan will be successful.

2) SIGNIFICANT ACCOUNTING POLICIES

These financial statements were authorized for issue on April 3, 2018 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”).

Basis of presentation

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended October 31, 2017.

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Notes to the Financial Statements

(Expressed in Canadian dollars)

Three Months Ended January 31, 2018

2) SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of presentation - Continued

However, this condensed interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

These condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended October 31, 2017.

Recent Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not yet early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Those that may be applicable to the Company are as follows:

IFRS 9 Financial Instruments

IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company continues to evaluate the impact of IFRS 9; however, based on the evaluation performed to date, the Company does not anticipate the standard to have a material impact on the consolidated financial statements upon adoption.

3) SHARE CAPITAL

a) Authorized:

The authorized share capital of the Company consists of unlimited common shares without par value.

b) Issued:

During the three months ended January 31, 2018, the Company did not issue any common shares.

During the year ended October 31, 2017, the Company issued the following common shares:

- (i) On February 17, 2017, the Company issued 5,451,666 units (the “Units”) at a price of \$0.075 per Unit for gross proceeds of \$408,875. Each Unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$0.15 until February 17, 2019. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company’s shares trade at or above a weighted average trading price of \$0.30 per share for 15 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice. Finder’s fees of \$6,475 were paid to Canaccord Genuity Corp.; and
- (ii) On March 23, 2017, the Company issued 522,444 shares at a price of \$0.09 per share to settle accounts payable of \$47,020.

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 (Expressed in Canadian dollars)
 Three Months Ended January 31, 2018

3) SHARE CAPITAL – CONTINUED

c) Share purchase options

The Company adopted an incentive stock option plan (“the Plan”) which provides that the number of shares issuable under the plan may not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Plan may have a maximum term of 10 years. The exercise price of options granted under the Plan may not be less than the discounted market price of the shares on grant date, or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange.

The continuity of share purchase options for the three months ended January 31, 2018 and the year ended October 31, 2017 is as follows:

	2018		2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	990,000	0.09	1,070,000	0.10
Granted	-	0.075	400,000	0.08
Cancelled	(200,000)	0.08	(480,000)	0.10
Outstanding and Exercisable, end of the period	790,000	0.09	990,000	0.09

The options have a weighted average life of 3.64 years.

Expiry Date	Number of Options	Exercise Price
		\$
August 25, 2021	590,000	0.09
November 18, 2021	100,000	0.10
January 11, 2022	100,000	0.075

The fair value of the share-based payments expense for the three months ended January 31, 2018 and the year ended October 31, 2016 was estimated using the following assumptions:

	2018	2017
Risk-free interest rate	-	0.99% - 1.08%
Expected annual volatility	-	106.43% - 107.70%
Expected life (years)	-	5
Dividend yield	-	0%

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Three Months Ended January 31, 2018

3) SHARE CAPITAL – CONTINUED

d) Warrants

The continuity of warrants for the three months ended January 31, 2018 and year ended October 31, 2017 is as follows:

	2018		2017	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
		\$		\$
Balance, beginning of the period	16,363,664	0.15	10,911,998	0.15
Granted	-	-	5,451,666	0.15
Outstanding, end of the period	16,363,664	0.15	16,363,664	0.15

The warrants have a weighted average life of 0.71 years.

Expiry Date	Number of Warrants	Exercise Price
		\$
May 4, 2018	1,000,000	0.15
May 13, 2018	200,000	0.15
June 10, 2018	1,976,000	0.15
July 6, 2018	1,236,000	0.15
September 16, 2018	3,133,332	0.15
October 19, 2018	3,366,666	0.15
February 17, 2019	5,451,666	0.15

4) RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value.

As at January 31, 2018, the Company owed \$139,014 (October 31, 2017 - \$95,923) to related parties as follows:

- (i) \$1,709 (October 31, 2017 - \$1,709) to a former President and CEO of the Company for miscellaneous expenditures paid on behalf of the Company.
- (ii) \$2,625 (October 31, 2017 - \$2,625) to a company controlled by the CFO of the Company for management fees;
- (iii) \$68,648 (October 31, 2017 - \$26,281) to a director of the Company for two loans. On November 14, 2017, the director entered into a second loan for a total of \$41,057 for a period of one year at a rate of 8% per annum.
- (iv) \$41,032 (October 31, 2017 - \$40,308) to a director of the Company for loan for the period of one year at a rate of 8% per annum.

During the three months ended January 31, 2018, the Company consulting fees totalling \$nil (Three months ended January 31, 2017 - \$10,000) to a former insider and control person of the Company. The Company also incurred interest expense of \$2,034 (Three months ended January 31, 2017 - \$363) to directors of the Company on the above-mentioned loans.

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Three Months Ended January 31, 2018

4) RELATED PARTY TRANSACTIONS

Key Management Compensation

During the three months ended January 31, 2018, the Company incurred management fees totalling \$7,500 (Three months ended January 31, 2017 - \$17,500). Of this amount, \$Nil (Three months ended January 31, 2017 - \$10,000) was charged by a company controlled by the President and CEO of the Company and \$7,500 (Three months ended January 31, 2017 - \$17,500) was charged by a company controlled by the CFO of the Company. These amounts are incurred on a month-by-month basis.

During the three months ended January 31, 2018, \$14,420 (Three months ended January 31, 2017 - \$28,730) in share-based compensation was in respect of officers and directors of the Company.

5) LOANS PAYABLE

On November 27, 2017, the Company entered into a loan agreement with an arms-length party for \$19,982 due in one year accruing interest at a rate of 8% per annum.

In 2013, the Company entered into loan agreements with two private companies controlled by the former President and CEO of the Company who resigned in April 2016. Pursuant to loan amendment agreements in 2013, the maturity dates were extended from August 31, 2013 to August 31, 2018 and interest on the loans was waived effective November 1, 2011. In February 2017, the Company settled these loans for an aggregate payment of \$30,000. The Company realized an \$851,672 gain on settlement of the loans.

	January 31, 2018	October 31, 2017
Principal	\$ 19,982	\$ 789,878
Accrued interest	285	96,794
Repayment of loan	-	(30,000)
Gain on debt settlement	-	(856,672)
Total	\$ 20,267	\$ -

6) COMMITMENTS

On September 9, 2016, the Company entered into a digital marketing agreement for online marketing services for a period of 90 days commencing November 28, 2016. A non-refundable digital marketing fee of US\$125,000 was paid to the advertiser as compensation for these services. This agreement has been placed on hold and will be continued when the Company deems it appropriate to do so. As at October 31, 2017, \$76,831 (US\$62,500) (October 31, 2017 - \$80,600 (US\$62,500)) remains in prepaids.

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(Expressed in Canadian dollars)

Three Months Ended January 31, 2018

7) EVENTS SUBSEQUENT TO THE PERIOD END

The following transactions occurred subsequent to the period-end:

- (i) On February 2, 2018, the Company issued 200,000 share options to an officer of the Company exercisable for a period of five years at an exercise price of \$0.08 per common share.
- (ii) On November 10, 14 and 27, 2017, the Company entered into loan agreements with two current directors and an unrelated third party to borrow a total of \$101,350 for a period of one year at a rate of 8% per annum. In addition, the parties have been issued 1,447,987 share purchase warrants exercisable at a price of \$0.07 per common share until the one-year anniversary date of the loans. The Company received regulatory approval on February 8, 2018.
- (iii) On March 15, 2018, The Company has issued 12,960,000 (the “Units”) at a price of \$0.10 per Unit for gross proceeds of \$1,296,000. Each Unit is comprised of one common share and one half of one share purchase warrant. Each full warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$0.20 until March 14, 2020. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company’s shares trade at or above a weighted average trading price of \$0.40 per share for 15 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice. Finder fees of 7% were paid to PI Financial Corp. (\$9,450) and Haywood Securities (\$1,750). The following insiders of the Company acquired an aggregate of 5,970,000 Units: Deepak Malhotra (250,000 Units), Alan Carter (250,000 Units), and Gregory Schifrin (190,000 Units).
- (iv) On March 22, 2018, the Company received final acceptance from the TSX Venture Exchange for the Silver Cloud project in Elko, Nevada. Pursuant to the terms of the lease agreement with Pescio Exploration LLC (Pescio), the Company paid US\$100,000 to Pescio and issued 1,000,000 shares of common stock of the Company to Pescio. The Company has also agreed to pay a finder’s fee to David Sidder of Bermuda 600,000 shares which will be payable over a three-year period, with the first 200,000 shares issued upon Exchange acceptance of the transaction and now issued. The remaining finder’s fee shares will be issued, if the lease agreement is not terminated, on the following schedule; 200,000 shares will be issued to the finder on the first anniversary of the lease agreement renewal with the remaining 200,000 shares issued to the finder on the second anniversary of the lease agreement renewal.