

BLACKROCK SILVER CORP.

Condensed Consolidated Interim Financial Statements

For the Nine Months Ended July 31, 2023 and 2022

(Unaudited – Expressed in Canadian Dollars)

BLACKROCK SILVER CORP.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	July 31, 2023	October 31, 2022
Assets		
Current assets		
Cash	\$ 2,201,665	\$ 3,649,175
Amounts receivable	82,570	167,131
Prepaid expenses and deposits	374,292	245,153
Shares held in trust (Note 6)	33,251	-
	2,691,778	4,061,459
Non-current assets		
Guaranteed investment certificate	33,000	33,000
Equipment (Note 4)	247,573	292,210
Exploration and evaluation assets (Notes 5)	4,989,802	4,061,559
	\$ 7,962,153	\$ 8,448,228
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 588,774	\$ 748,311
Due to related parties (Note 7)	39,595	49,200
Share compensation liability (Note 6)	203,349	148,024
	831,718	945,535
Long-term liabilities		
Share compensation liability (Note 6)	40,828	85,118
	872,546	1,030,653
Shareholders' Equity		
Share capital (Note 6)	65,642,377	61,124,072
Reserves (Note 6)	9,645,226	9,514,437
Accumulated other comprehensive income	258,908	432,876
Deficit	(68,456,904)	(63,653,810)
	7,089,607	7,417,575
	\$ 7,692,153	\$ 8,448,228

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Notes 5)

Subsequent Events (Note 11)

Approved by the Directors:

"David Laing"

David Laing, Director

"Tony Wood"

Tony Wood, Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BLACKROCK SILVER CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2023	2022	2023	2022
Exploration expenditures (Note 5)				
Drilling	\$ 790,178	\$ 3,300,758	\$ 1,790,941	\$ 8,731,787
Geology and consulting	213,042	213,074	586,524	798,406
Geophysics	4,345	7,302	4,345	46,832
Legal fees	254	3,995	19,208	3,995
Property investigation costs	41,780	2,131	41,780	2,131
	(1,049,599)	(3,527,260)	(2,442,798)	(9,583,151)
Operating expenses				
Accounting and audit	29,771	997	125,874	72,613
Bank charges	2,303	3,010	9,504	10,887
Consulting fees	62,840	2,205	127,395	15,230
Director fees (Note 7)	-	-	40,000	-
Insurance	23,171	29,429	81,819	75,017
Legal fees	30,947	11,856	132,844	77,005
Management fees (Note 7)	219,869	217,558	665,713	651,817
Marketing and communications	157,368	346,256	555,189	1,171,966
Office	17,702	34,664	127,221	124,852
Regulatory and filing fees	46,802	18,314	130,135	87,550
Rent	4,112	3,870	12,336	11,610
Share-based compensation (Note 6)	106,652	165,243	258,307	545,170
Travel	15,011	54,497	44,797	69,856
Wages	35,574	32,507	107,593	102,243
	(752,122)	(920,406)	(2,418,727)	(3,015,816)
Other income (expense)				
Foreign exchange gain (loss)	(86,880)	31,181	(32,400)	57,138
Change in fair value of share compensation liability (Note 6)	16,032	375,125	90,831	288,163
	(70,848)	406,306)	58,431)	345,301)
Net Loss for the Period	(1,872,569)	(4,041,360)	(4,803,094)	(12,253,666)
Other comprehensive income (loss)				
Foreign currency translation adjustment	(139,469)	(684)	(173,968)	143,649
Total Comprehensive Loss for the Period	\$ (2,012,038)	\$ (4,042,044)	\$ (4,977,062)	\$ (12,110,017)
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.08)
Weighted average number of shares outstanding, basic and diluted	197,891,280	164,233,387	185,280,620	158,987,258

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BLACKROCK SILVER CORP.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – Expressed in Canadian dollars)

	Nine Months Ended July 31,	
	2023	2022
Cash provided by (used for):		
Operating activities		
Net loss for the period	\$ (4,803,094)	\$ (12,253,666)
Adjustment for items not involving cash:		
Depreciation included in exploration expenditures	35,274	26,613
Foreign exchange	(56,043)	129,757
Share-based payments	258,307	545,170
Change in fair value of share compensation liability	(90,831)	(281,196)
	(4,656,387)	(11,833,322)
Changes in non-cash operating capital:		
Amounts receivable	84,561	(134,571)
Prepaid expenses and deposits	(118,415)	(46,834)
Accounts payable and accrued liabilities	(222,812)	(62,093)
Due to related parties	29,661	(154,375)
	(4,883,392)	(12,231,195)
Investing activities		
Exploration and evaluation additions	(1,145,124)	(985,944)
Option payment received	68,435	-
Equipment additions	-	(111,423)
	(1,076,689)	(1,097,367)
Financing activities		
Issuance of common shares	5,013,881	8,788,488
Share issuance costs	(417,756)	(368,237)
Settlement of restricted share units	(136,724)	(147,820)
	4,459,401	8,272,431
Decrease in cash	(1,447,510)	(5,164,434)
Effect of exchange rate changes on cash	53,170	(108,303)
Cash, beginning of the period	3,649,175	8,535,438
Cash, end of the period	\$ 2,201,665	\$ 3,371,004
Supplementary disclosure:		
Change in fair value of share compensation liability during settlement of RSUs	\$ -	\$ 6,967
Shares held in trust	\$ 33,251	\$ -

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BLACKROCK SILVER CORP.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian dollars)

	Number of shares	Share capital	Deposit for share issuance	Reserves	Accumulated other comprehensive income	Deficit	Total equity
Balance, October 31, 2021	143,793,829	\$ 41,665,824	\$ 5,045,611	\$ 9,315,760	\$ 56,282	\$ (46,144,788)	\$ 9,938,689
Private placement	14,431,819	12,000,001	(5,045,611)	-	-	-	6,954,390
Finders' shares issued	227,272	218,181	-	-	-	-	218,181
Share issuance costs	-	(700,158)	-	113,740	-	-	(586,418)
Shares issued in settlement of RSUs	267,267	212,587	-	-	-	-	212,587
Warrants exercised	5,829,378	1,765,910	-	(144,399)	-	-	1,621,511
Share-based compensation	-	-	-	67,170	-	-	67,170
Net loss for the period	-	-	-	-	-	(12,253,666)	(12,253,666)
Foreign currency translation adjustment	-	-	-	-	143,649	-	143,649
Balance, July 31, 2022	164,549,565	55,162,345	-	9,352,271	199,931	(58,398,454)	6,316,093
Private placement	12,566,000	6,283,000	-	-	-	-	6,283,000
Share issuance costs	-	(700,479)	-	181,101	-	-	(519,378)
Shares issued in settlement of RSUs	120,664	57,919	-	-	-	-	57,919
Warrants exercised	1,098,000	274,499	-	-	-	-	274,499
Share options exercised	375,000	46,788	-	(21,788)	-	-	25,000
Share-based compensation	-	-	-	2,853	-	-	2,853
Net loss for the period	-	-	-	-	-	(5,255,356)	(5,255,356)
Foreign currency translation adjustment	-	-	-	-	232,945	-	232,945
Balance, October 31, 2022	178,709,229	61,124,072	-	9,514,437	432,876	(63,653,810)	7,417,575
Private placement	11,851,800	4,385,166	-	-	-	-	4,385,166
Share issuance costs	-	(551,587)	-	133,831	-	-	(417,756)
Shares issued in settlement of RSUs	355,600	171,368	-	-	-	-	171,368
Warrants exercised	1,555,328	466,598	-	-	-	-	466,598
Share options exercised	200,000	46,760	-	(22,760)	-	-	24,000
Share-based compensation	-	-	-	19,718	-	-	19,718
Net loss for the period	-	-	-	-	-	(4,803,094)	(4,803,094)
Foreign currency translation adjustment	-	-	-	-	(173,968)	-	(173,968)
Balance, July 31, 2023	192,671,957	65,642,377	-	9,645,226	258,908	(68,456,904)	7,089,607

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

1) NATURE OF OPERATIONS AND GOING CONCERN

Blackrock Silver Corp. (“our”, “Blackrock” 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 and the United States (“US”). The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “BRC.V” and also trade on the OTCQB under the symbol “BKRRF”.

The head office, registered address, principal address and records office of the Company are located at 2710 – 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company’s ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company’s interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present, future values or amounts invested in the assets. The Company has chosen an accounting policy of expensing exploration expenditures on the properties and only capitalizing direct acquisition and holding costs.

The Company has incurred losses since inception and has an accumulated operating deficit of \$68,456,904 at July 31, 2023 (October 31, 2022 - \$63,653,810). For the nine months ended July 31, 2023, the Company had a net loss of \$4,803,094 (Nine months ended July 31, 2022 - \$12,253,666) and had current assets exceeding current liabilities of \$1,860,060 (October 31, 2022 - \$3,115,924). The Company expects to incur future losses in the exploration of its mineral properties.

To fund the Company’s exploration activity for at least the next twelve-month period, the Company will be drawing down its current cash, maintaining cost control measures and raising additional proceeds either by way of private placements or exercise of share purchase options, warrants and finders’ warrants. In order to provide additional flexibility and ability to respond to changing market conditions, the Company filed a base-shelf prospectus subsequent to July 31, 2023. The base shelf prospectus will allow the Company to complete at-the-market financings for a period of 24 months.

While these condensed consolidated interim financial statements (“financial statements”) have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of material uncertainties, which may cast significant doubt on the Company’s ability to continue as a going concern, and therefore may not be able to discharge its liabilities in the normal course of business. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

2) BASIS OF PRESENTATION

These financial statements were authorized for issue on September 29, 2023 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

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

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”) that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available for adoption on November 1, 2022, commencing the day of the Company’s annual reporting date.

Basis of consolidation

The financial statements of the Company include the following subsidiary:

Name of subsidiary	Place of incorporation	Percentage ownership
Blackrock Gold Corp.	USA	100%

Blackrock Gold Corp. (“Blackrock US”) was incorporated on May 9, 2018. The Company consolidates the subsidiary for the period ended July 31, 2023, on the basis that it controls the subsidiary. Control exists when the Company is exposed to or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Blackrock US has a December 31 year-end, differing from the Company’s year-end of October 31 for tax purposes.

All intercompany transactions and balances are eliminated on consolidation.

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

2) BASIS OF PRESENTATION – Continued

Accounting estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Accounting estimates and judgments include recoverability of exploration and evaluation costs, impairment of exploration and evaluation assets, valuation of share-based payments and non-recognition of income tax assets.

Foreign currencies

The Company assesses functional currency on an entity-by-entity basis based on the related fact pattern and only when events and conditions of the underlying transactions have changed; however, the presentation currency used in these financial statements is determined at management's discretion.

The functional currency of the parent company, and the presentation currency applicable to these financial statements, is the Canadian dollar. The functional currency of the Company's wholly owned subsidiary is the US dollar for the period ended July 31, 2023.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each condensed consolidated interim statement of financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized as a foreign currency translation adjustment in other comprehensive income (loss) and accumulated in equity.

Future accounting standards and interpretations

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

3) SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS, as issued by the IASB, on a basis consistent with those followed in the Company's most recent annual consolidated financial statements for the year ended October 31, 2022, with the exception of the below accounting policy amendment.

During the nine-month period ended July 31, 2023, the Company amended its evaluation and exploration assets accounting policy to include the treatment of proceeds received from option agreements on the Company's exploration and evaluation assets. Option proceeds received will be credited against the related, capitalized evaluation and exploration assets, with any excess being credited to operations.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual consolidated financial statements, and therefore should be read in conjunction with the annual consolidated financial statements as at October 31, 2022 and for the year then ended. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three and nine months ended July 31, 2023, are not necessarily indicative of the results that may be expected for the year to end October 31, 2023.

4) EQUIPMENT

	July 31, 2023	October 31, 2022
<i>Cost</i>		
Balance, beginning of the period	\$ 356,119	\$ 159,283
Additions	-	170,787
Foreign currency translation	(12,315)	26,049
Balance, end of the period	\$ 343,804	\$ 356,119
<i>Depreciation</i>		
Balance, beginning of the period	\$ 63,909	\$ 22,388
Additions	35,274	37,052
Foreign currency translation	(2,952)	4,469
Balance, end of the period	\$ 96,231	\$ 63,909
<i>Net Book Value</i>	\$ 247,573	\$ 292,210

Depreciation related to the assets specific to exploration activity was recorded as a part of exploration expenditures (Note 5) on the condensed consolidated interim statements of loss and comprehensive loss.

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

5) EXPLORATION AND EVALUATION ASSETS

Title disclaimer

As at July 31, 2023, all of the Company's exploration and evaluation assets are located in Nevada, United States. Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, its properties are in good standing.

United States

Acquisition and Holding Costs	Silver Cloud	Tonopah	Total
Balance, October 31, 2021	\$ 1,478,185	\$ 1,037,008	\$ 2,515,193
Additions	391,147	877,413	1,268,560
Foreign currency translation	91,278	186,528	277,806
Balance, October 31, 2022	1,960,610	2,100,949	4,061,559
Option payment received	-	(68,435)	(68,435)
Additions	121,546	1,023,578	1,145,124
Foreign currency translation	(42,325)	(106,121)	(148,446)
Balance, July 31, 2023	\$ 2,039,831	\$ 2,949,971	\$ 4,989,802

The acquisition cost and exploration and evaluation expenditures relating to the West Silver Cloud property have been included with those of Silver Cloud, while Tonopah North and West expenditures have been included together.

The exploration expenditures for the nine-month period ended July 31, 2023 were as follows:

Exploration Expenditures	Silver Cloud	Tonopah	General	Total
Drilling	\$ 828,879	\$ 962,062	\$ -	\$ 1,790,941
Geology and consulting	143,413	443,111	-	586,524
Geophysics	4,345	-	-	4,345
Legal	-	19,208	-	19,208
Property investigation	-	-	41,780	41,780
Total	\$ 976,637	\$ 1,424,381	\$ 41,780	\$ 2,442,798

The exploration expenditures for the nine-month period ended July 31, 2022 were as follows:

Exploration Expenditures	Silver Cloud	Tonopah	General	Total
Drilling	\$ 29,661	\$ 8,693,648	\$ 8,478	\$ 8,731,787
Geology and consulting	102,233	695,811	362	798,406
Geophysics	39,529	7,303	-	46,832
Legal	-	3,995	-	3,995
Property investigation	-	-	2,131	2,131
Total	\$ 171,423	\$ 9,400,757	\$ 10,971	\$ 9,583,151

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

5) EXPLORATION AND EVALUATION ASSETS – Continued

Silver Cloud Project

On October 27, 2017, the Company entered into a Lease Agreement (the “Lease”) with Pescio Exploration, LLC (“Pescio” or the “Lessor”) with respect to 552 unpatented lode mining claims situated in Elko County, Nevada, and known as the Silver Cloud Project (the “Property”). The Lease affords Blackrock all rights and privileges incidental to ownership, including rights to explore, develop and mine the Property. The term of the Lease is 10 years from October 27, 2017 (the “Effective Date”), and so long thereafter as: a) exploration and/or development is taking place on the Property, and/or b) the Property is held by Blackrock or its successors and assigns, unless earlier terminated in accordance with the terms of the Lease.

In June 2019, the Company completed negotiations to amend the Lease terms and conditions with the underlying owner. The amended Lease provides for lower upfront payments, a reduction of the net smelter return royalty through a buyout, and a purchase option for the Property.

Pursuant to the original Lease, to acquire and maintain the Lease in good standing as at July 31, 2022, Blackrock:

- a) reimbursed the Lessor US\$92,308 (\$120,296) for the 2017 Bureau of Land Management (“BLM”) fees;
- b) paid US\$100,000 (\$130,320) and issued 1,000,000 common shares of the Company to the Lessor at a price of \$0.13 per share;
- c) paid US\$100,000 (\$131,810) in lease payments to the Lessor for year 1;
- d) must perform a minimum total of 15,000 feet of drilling on the Property during the first 3 years of the term of the Lease;
- e) must drill an additional 90,000 feet from years 4 to 9 and 20,000 feet each subsequent year;
- f) must pay all BLM permit costs. The Company paid BLM fees of US\$91,080 (\$121,546) in 2023 and US\$91,080 (\$111,910) in 2022; and
- g) must make additional payments to the Lessor of US\$100,000 in year 2, US\$150,000 in year 3, US\$200,000 in year 4, US\$250,000 in year 5, US\$500,000 in year 6, US\$750,000 in year 7 and US\$1,500,000 per year starting in year 8.

Pursuant to the amending agreement:

- (i) The Company must make the following cash payments:
 - i. 2nd anniversary of the Effective Date, October 27, 2019, US\$75,000 (\$98,731) (paid);
 - ii. 3rd anniversary of the Effective Date, October 27, 2020, US\$100,000 (\$131,640) (paid);
 - iii. 4th anniversary of the Effective Date, October 27, 2021, US\$150,000 (\$188,565) (paid);
 - iv. 5th anniversary of the Effective Date, October 27, 2022, US\$200,000 (\$266,020) (paid);
 - v. 6th anniversary of the Effective Date, October 27, 2023, US\$500,000;
 - vi. 7th anniversary of the Effective Date, October 27, 2024, US\$750,000; and
 - vii. 8th anniversary of the Effective Date and all subsequent anniversaries the Lease is in effect, US\$1,500,000.

The cash minimum payments will not be credited cumulatively against the Company’s royalty payment obligations.

- (ii) The Company must complete the following minimum drilling requirements:
 - i. 1st to 5th years of the Lease, 25,000 feet (completed);
 - ii. 6th year of the Lease, 10,000 feet;
 - iii. 7th year of the Lease, 20,000 feet;
 - iv. 8th year of the Lease, 20,000 feet; and
 - v. 9th year of the Lease and each subsequent Lease year, 20,000 feet.

BLACKROCK SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited – Expressed in Canadian dollars)
Nine Months Ended July 31, 2023

5) EXPLORATION AND EVALUATION ASSETS – Continued

Silver Cloud Project - Continued

- (iii) The Company was granted the sole and exclusive option to purchase and own 100% of the Property for a total purchase price of US\$3,500,000 on or before October 27, 2023. Exercising the purchase option will terminate the Company's obligation with respect to making any further cash payments and the only further payment obligation is the royalty. If the option to purchase is exercised, the exploration drilling commitment or drilling escape payment obligations remain in effect. If the Company elects to exercise the purchase option after October 27, 2023, it will have to pay a total purchase price of US\$5,000,000 and will be obligated to pay all minimum payments and any and all related financial obligations.
- (iv) The Company will pay Pescio a non-participating royalty of 3.5% based on the gross value from the production or sale of minerals from the Property and any area of interest acquired interests. The royalty percentage, as a whole, is made subject to a buy-down option of 3.5% representing 1% of the gross value for a total of US\$3,000,000 at any time within the first five years.

On July 11, 2019, the Company, through its subsidiary, Blackrock US, entered into a purchase agreement for 20 unpatented mining claims located immediately adjacent to the western boundary of the Property. These unpatented lode mining claims, collectively known as the West Silver Cloud property, extend the Property westward from the Northwest Canyon target. The Company:

- (i) paid US\$5,000 upon closing of the transaction;
- (ii) issued 150,000 common shares of the Company; and
- (iii) issued 50,000 common share purchase warrants exercisable for a period of 3 years with an exercise price of \$0.20 per common share.

The Property is subject to a production royalty equal to one-half of 1% (0.5%) of the net smelter returns. The Company has the right to purchase the royalty at any time for US\$500,000.

Tonopah Project

On February 24, 2020, the Company, through its subsidiary, Blackrock US, entered into the Blackrock Gold Corp. Option Agreement (the "OA") with Nevada Select Royalty, Inc. ("Nevada Select"), a wholly owned subsidiary of Ely Gold Royalties Inc., with respect to 17 unpatented mining claims and 23 patented mining claims (the Tonopah Claims) and 75 patented mining claims (the Cliff ZZ Claims), collectively known as the Nevada Select Claims, situated in Esmeralda and Nye counties, Nevada, and known as the Tonopah West Project (the "Project"). The OA gives and grants Blackrock US the sole and exclusive right and option to purchase 100% of Nevada Select's right, title and interest in and to the Project, including the existing data (as defined) possessed by Nevada Select and any additional data, information and records regarding the Project acquired by Nevada Select during the option period. The term of the OA is until the first to occur of (i) the option closing; (ii) the termination of the OA; or (iii) four years from the Initial Closing Date, being April 1, 2020. Until all option payments have been made and the option is exercised and closed, Blackrock US must pay all claim maintenance and rental fees for the Nevada Select Claims.

Pursuant to the OA, the total purchase price of US\$3,000,000 will be paid by the following option payments:

- (i) on the Initial Closing Date, US\$325,000 (\$464,815) (paid);
- (ii) 1st anniversary of the Initial Closing Date, US\$325,000 (\$409,695) (paid);
- (iii) 2nd anniversary of the Initial Closing Date, US\$650,000 (\$812,630) (paid);
- (iv) 3rd anniversary of the Initial Closing Date, US\$700,000 (\$957,740) (paid); and
- (v) 4th anniversary of the Initial Closing Date, US\$1,000,000.

Upon the option exercise, Blackrock US will grant Nevada Select a 3% net smelter returns mineral production royalty in respect of all products (as defined) produced from the Nevada Select Claims.

BLACKROCK SILVER CORP.

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5) EXPLORATION AND EVALUATION ASSETS – Continued

Tonopah West Project

During the option period and following the option exercise, if the option closing occurs and unless otherwise agreed to by the parties, if either party or its affiliate acquires, directly or indirectly, any additional mining claims, located wholly or partly within the area of interest (as defined), the after-acquired interest will be included in and form part of the Nevada Select Claims and will be subject to the OA. If any unpatented or patented claims or other property are or become subject to any third-party royalty obligations that existed prior to initial closing, the royalty will be reduced so that the total royalty percentage on each of the mining claims or real property interests comprising the Project does not exceed 3%.

Blackrock US can terminate the OA without further liability at any time by giving written notice of termination to Nevada Select, and Nevada Select will retain all payments made prior to termination.

On April 6, 2021, the Company announced that it had acquired three strategic patented mining claims covering the centre portion of the project area. Blackrock acquired the three claims through a land swap with local land owners. The Company acquired surface and mineral rights to 14.3 hectares in exchange for surface rights covering 19.8 hectares. The Company retains the mineral rights beneath the 19.8 hectares. After completion of the transaction, the Company controls mineral rights on 19 unpatented lode mining claims and 100 patented lode claims (fee lands) totaling 566.5 hectares (1,400 acres).

In addition, on July 19, 2021, the Company increased its land position to the north and west of the existing patented lands. The Company has staked an additional 260 unpatented lode mining claims covering approximately 21 square kilometres, more than tripling its land position within this prolific mining camp.

The Company's wholly owned Nevada subsidiary, Blackrock US, entered into an option agreement (the "Option Agreement") with Tearlach Resources Limited (TSX-V: TEA) and its wholly owned Nevada subsidiary, Pan Am Lithium (Nevada) Corp. (collectively, "Tearlach") pursuant to which Tearlach has been granted the option to acquire, in two stages, up to a 70% interest in the lithium minerals in certain unpatented mining claims forming a portion of the Company's Tonopah North project (the "Tonopah North Project") in Esmeralda County and Nye County, Nevada, upon incurring cumulative exploration expenditures of US\$15,000,000 and the completion of a feasibility study within five years.

Under the terms of the Option Agreement, Tearlach has the right to explore for, and the exclusive option (the "First Option") to earn a 51% interest in, the lithium minerals from the topographical surface to 650 feet below the surface of a portion of the Tonopah North Project (the "Optioned Zone") by incurring expenditures for exploration and development work on the Tonopah North Project ("Expenditures") in the aggregate amount of at least US\$5,000,000 consisting of: (i) at least US\$500,000 in Expenditures on or before January 9, 2024; and (ii) at least US\$4,500,000 in Expenditures on or before January 9, 2026 (collectively, the "Initial Earn-In").

Subject to Tearlach completing the Initial Earn-In, under the terms of the Option Agreement, Tearlach shall have the option (the "Second Option") to elect within thirty days of completing the Initial Earn-In to earn an additional 19% interest in lithium minerals in the Optioned Zone for an aggregate interest of 70% by: (i) expending an additional US\$10,000,000 in Expenditures; and (ii) by bearing the costs of preparation of a National Instrument 43-101-compliant bankable feasibility study for the development and construction of a lithium mine on the Tonopah North Project (collectively, the "Additional Earn-In"), with such Second Option terminating if not exercised by Tearlach by January 9, 2028.

In addition, pursuant to the Option Agreement, Tearlach agreed to pay an initial US\$50,000 (\$68,435) (paid) for exclusive negotiating rights for the Tonopah North Project and has agreed to pay an additional option payment of US\$100,000, in cash, on or before April 30, 2024, failing which the Company shall have the right to terminate the Option Agreement.

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5) EXPLORATION AND EVALUATION ASSETS – Continued

Tonopah Project – Continued

The exploration and development rights conferred to Tearlach under the Option Agreement in respect of the Tonopah North Project are exclusive to lithium minerals in the Optioned Zone. Subject to the terms of the Option Agreement, Blackrock retains and reserves the rights to explore for, develop and mine all minerals (including gold and silver) other than lithium on the entire Tonopah North Project, including the Optioned Zone.

Upon Tearlach completing the Initial Earn-In and exercising the First Option, Tearlach and Blackrock US shall enter into a definitive mining joint venture agreement (the “Joint Venture Agreement”) in respect of the management and ownership of the Optioned Zone of the Tonopah North Project (the “Joint Venture”). After completion of the Additional Earn-In, Tearlach may elect to exercise the Second Option, upon which its participation interest in the Joint Venture shall increase by an additional 19% to a total of 70%. The parties to the Joint Venture shall contribute to future Expenditures in accordance with their respective participating interests, as prescribed in the Joint Venture Agreement.

Pursuant to the Joint Venture Agreement, if at any time a party’s participating interest in the Joint Venture is diluted to below 5%, the diluted party shall be deemed to have withdrawn from the Joint Venture and its participating interest in the Joint Venture shall be converted to a non-administrative, non-executive and non-working mineral production royalty of 2% of the gross revenues from the sale of lithium minerals and lithium mineral products produced from the Tonopah North Project.

Subject to the terms of the Joint Venture Agreement, Tearlach shall be the initial manager of the Joint Venture and shall have control of the activities and operations of the Joint Venture.

6) SHARE CAPITAL

a) Authorized

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

b) Issued

During the period ended July 31, 2023, the Company issued the following common shares:

- (i) On July 18, 2023, a total of 95,002, restricted share units (“RSU” or “RSUs”) vested, with all RSU holders electing to have the RSUs settled in cash. The Company issued 95,002 common shares, and subsequent to period end, sold, the common shares for gross proceeds of \$35,901 and incurred share issuance costs of \$470. The net proceeds of \$35,431 were used to settle the vested RSUs.
- (ii) On March 17, 2023, the Company closed a brokered private placement offering for gross proceeds of \$4,385,166 consisting of 11,851,800 units of the Company at a price of \$0.37 per unit. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share at a price of \$0.50 until March 17, 2026.

The Company paid a cash commission of \$263,110 and issued 711,108 finders’ warrants. Each finder’s warrant entitles the holder thereof to acquire one common share at a price equal to \$0.37 until March 17, 2026. The finders’ warrants and underlying common shares are subject to a four-month hold period ending on July 18, 2023.

- (iii) On December 20, 2022 and January 18, 2023, a total of 124,998 and 135,600, respectively, RSUs vested, with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 260,598 common shares for gross proceeds of \$118,851 and incurred share issuance costs of \$1,393. The net proceeds of \$117,458 were used to settle the vested RSUs.

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6) SHARE CAPITAL – Continued

b) Issued – Continued

(iv) A total of 1,555,328 share purchase warrants were exercised for gross proceeds of \$466,598.

(v) A total of 200,000 share purchase options were exercised for proceeds of \$24,000.
During the year ended October 31, 2022, the Company issued the following common shares:

(i) On August 30, 2022, the Company closed a non-brokered private placement. The Company issued a total of 12,566,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$6,283,000, of which \$5,906,020 was raised, net of related share issuance costs. Each unit consisted of one common share of the Company (each a “Common Share”) and one-half of one Common Share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.75 until August 30, 2025. One insider of the Company purchased or acquired direction and control over a total of 200,000 units under the private placement.

In connection with the financing, the Company paid total cash commissions of \$376,980 to the agents along with issuing the agents 753,960 finders’ warrants, exercisable for a period of three years at an exercise price of \$0.50 for each share purchase warrant. The fair value of the warrants was \$181,101 and were treated as non-cash share issuance costs.

(ii) On August 5, 2022, 120,664 RSUs vested with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 120,664 common shares for gross proceeds of \$56,672 and incurred share issuance costs of \$580. The net proceeds of \$56,092 were used to settle the 120,664 RSUs that vested.

(iii) On July 16, 2022, 111,667 RSUs vested with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 111,667 common shares for gross proceeds of \$71,735 and incurred share issuance costs of \$698. The net proceeds of \$71,037 were used to settle the 111,667 RSUs that vested.

(iv) On March 3, 2022, the Company closed a non-brokered private placement. The Company issued a total of 5,681,819 common shares of the Company at a price of \$0.88 per common share for gross proceeds of \$5,000,001. The non-brokered private placement consisted of a single investor. In connection with the financing, the Company will issue 227,272 shares as a finders’ fee to Research Capital Corporation fair valued at \$218,181.

(v) On January 18, 2022, 155,600 RSUs vested with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 155,600 common shares for gross proceeds of \$143,742 and incurred share issuance costs of \$1,477. The net proceeds of \$142,265 were used to settle the 155,600 RSUs that vested.

(vi) On November 3, 2021, the Company closed a non-brokered private placement. The Company issued a total of 8,750,000 units of the Company at a price of \$0.80 per unit for gross proceeds of \$7,000,000, of which \$5,045,611 was raised, net of related share issuance costs, during the year ended October 31, 2021. Each unit consisted of one common share of the Company (each a “Common Share”) and one-half of one Common Share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$1.20 until November 3, 2023. Two insiders of the Company purchased or acquired direction and control over a total of 112,500 units under the private placement.

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Notes to the Condensed Consolidated Interim Financial Statements
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6) SHARE CAPITAL – Continued

b) Issued – Continued

In connection with the offering, the Company paid total cash commission of \$267,348 and issued 167,093 non-transferable finders' warrants, each entitling the holder to purchase one Common Share of the Company at a price of \$1.20 until November 3, 2023. The fair value of the warrants was \$113,740 and were treated as non-cash share issuance costs.

(vii) During the year, 6,731,469 warrants and 195,909 finders' warrant were exercised for proceeds of \$1,770,354 and \$125,656, respectively. In connection with the exercise of the finders' warrants, a total of \$144,399 was transferred from share-based payments reserve to share capital representing the grant date fair value of the finders' warrants. In addition, 375,000 share purchase options were exercised for proceeds of \$25,000. In connection with the exercise of share purchase options, a total of \$21,788 was transferred from share-based payments reserve to share capital representing the grant date fair value of the share purchase options.

c) Omnibus Equity Incentive Plan

On December 9, 2022, shareholders of the Company approved a new Omnibus Equity Incentive Plan (the "Plan"), replacing the Company's previous approved stock option plan and RSU plan. Under the newly adopted Plan, the Company is permitted to grant of share purchase options, restricted share units, deferred share units ("DSUs"), performance units and other share-based awards.

The Plan is a "rolling up to 10% and fixed up to 10%" security-based compensation plan, as defined in Policy 4.4 - Security Based Compensation of the TSXV. The Plan is a: (a) "rolling" plan pursuant to which the number of shares that are issuable pursuant to the exercise of share purchase options granted hereunder shall not exceed 10% of the issued shares of the Company as at the date of any share option grant, and (b) "fixed" plan under which the number of shares of the Company that are issuable pursuant to all awards other than share options granted hereunder and under any other security based compensation plan of the Company, in aggregate is a maximum of 17,870,922 shares. Any RSUs, DSUs, Performance Units or other share-based awards granted under the Plan will reduce the corresponding number of share options available for grant under the Plan.

d) Share purchase options

Under the Company's newly adopted Plan, the number of shares issuable may not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Plan 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 the grant date, or such other price as may be agreed to by the Company and accepted by the TSX-V.

The continuity of share purchase options for the period ended July 31, 2023, and year ended October 31, 2022 is as follows:

	Nine Months Ended July 31, 2023		Year Ended October 31, 2022	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Balance, beginning of the period	10,785,000	0.78	11,205,000	0.75
Exercised	(200,000)	0.12	(375,000)	0.07
Expired/Cancelled	-	-	(45,000)	0.86
Outstanding and exercisable, end of the period	10,585,000	0.79	10,785,000	0.78

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6) SHARE CAPITAL – Continued

d) Share purchase options – Continued

As a part of the share options issued on February 24, 2021 and October 4, 2021, the Company granted 150,000 and 100,000, respectively, share options for investor relations purposes. The share options vest over a twelve-month period, from the date of grant, with 25% of the share options vesting every three months. On August 5, 2020, as part of the Company's grant of share options, the Company granted 350,000 share option for investor relations purposes. The share options vest over a twelve-month period, from the date of grant, with 25% of the share options vesting every three months. All other share options granted vested immediately upon grant.

The options have a weighted average life of 2.11 (October 31, 2022 - 2.82) years.

Expiry Date	Number of Options (Outstanding)	Number of Options (Exercisable)	Exercise Price
			\$
May 28, 2024	240,000	240,000	0.06
June 19, 2024	395,000	395,000	0.10
September 10, 2024	1,325,000	1,325,000	0.31
April 3, 2025	1,550,000	1,550,000	0.15
August 5, 2025	2,560,000	2,560,000	1.43
August 6, 2025	250,000	250,000	1.33
February 24, 2026	2,485,000	2,485,000	0.91
October 4, 2026	1,780,000	1,780,000	0.79
	10,585,000	10,585,000	

e) Warrants

The continuity of warrants for the period ended July 31, 2023 and year ended October 31, 2022 is as follows:

	Nine Months Ended July 31, 2023		Year Ended October 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	30,171,051	0.94	31,498,351	0.81
Issued	5,925,900	0.50	10,658,000	0.93
Exercised	(1,555,328)	0.30	(6,701,969)	0.26
Expired	(10,770,223)	0.93	(5,283,331)	0.99
Outstanding, end of the period	23,771,400	0.88	30,171,051	0.94

The warrants have a weighted average life of 0.77 (October 31, 2022 - 1.29) years.

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6) SHARE CAPITAL – Continued

e) Warrants – Continued

Expiry Date	Number of Warrants	Exercise Price
		\$
November 3, 2023	4,375,000	1.20
February 19, 2024	7,187,500	1.10
August 30, 2025	6,283,000	0.75
March 17, 2026	5,925,900	0.50
	23,771,400	

f) Restricted share units

The Company adopted the Plan on December 9, 2022. Included in the Plan was the ability for the Company to issue RSUs for the purpose of securing for the Company and its shareholders the benefits of incentive inherent in share ownership by the employees, officers and directors of the Company and its affiliates who, in the judgment of the Board of Directors (the “Board”) and the Compensation Committee, will be largely responsible for the Company’s future growth and success. Subject to the specific provisions of the RSU plan, eligibility, vesting period, terms of the RSUs and the number of RSUs granted are to be determined by the Board or the Compensation Committee at the time of the grant. Each award granted entitles the participant to receive one RSU. Within two business days of the award grant, the participant must send a written settlement election to the Company choosing whether it wishes the awards to be subject to cash or share settlement procedures. The RSUs vest over a three-year period with one-third vesting on the first anniversary date, one-third on the second anniversary date and the final one-third on the third anniversary date.

The continuity of restricted share units for the period ended July 31, 2023 and year ended October 31, 2022 as follows:

	Nine Months Ended July 31, 2023	Year Ended October 31, 2022
	Number of RSUs	Number of RSUs
Balance, beginning of the period	943,538	1,043,136
Granted	542,250	430,000
Vested	(355,600)	(387,931)
Forfeited	-	(141,667)
Outstanding, end of the period	1,130,188	943,538

In accordance with IFRS 2 *Share-based Payments*, where there is an option to settle the payment in cash, the entity recognizes the services received and a liability to pay for those services. Until the liability is settled, the Company remeasures the fair value of the liability at the end of each reporting period and at date of settlement, with any changes in fair value recognized in profit and loss for the period.

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6) SHARE CAPITAL – Continued

f) Restricted share units - Continued

	Nine Months Ended July 31, 2023	Year Ended October 31, 2022
	Share Compensation Liability	Share Compensation Liability
Balance, beginning of the period	\$ 233,142	\$ 412,127
Share-based compensation	238,589	560,920
RSU settlement, net of share issuance costs	(117,458)	(272,149)
RSUs forfeited	-	(62,333)
Change in fair value	(110,096)	(405,423)
Outstanding, end of the period	\$ 244,177	\$ 233,142

The current portion of the share compensation liability is \$203,349 (October 31, 2022 - \$148,024) and the long-term portion of the liability is \$40,828 (October 31, 2022 - \$85,118).

The following table summarizes the status of the Company's outstanding RSUs as at July 31, 2023:

Grant date	Vesting Date	RSUs Outstanding	Grant Date Fair Value
			\$
August 5, 2020	August 5, 2023	107,336	1.42
January 18, 2021	January 18, 2024	135,601	0.79
July 16, 2021	July 16, 2024	95,000	0.86
December 20, 2021	December 20, 2023	125,001	0.85
December 20, 2021	December 20, 2024	125,000	0.85
April 20, 2023	April 20, 2024	180,750	0.36
April 20, 2023	April 20, 2025	180,750	0.36
April 20, 2023	April 20, 2026	180,750	0.36
		1,130,188	

g) Deferred share units

On April 20, 2023, the Company granted 197,180 DSUs to the independent directors of the Company. The DSUs have a vesting period of 12 months. In accordance with the Plan, the DSUs are to be credited to the holder's DSU account upon vesting. Once vested, the DSUs would remain unsettled until such time as the holder ceases to be in their role with the Company.

The following table summarizes the status of the Company's outstanding DSUs as at July 31, 2023:

Grant date	Vesting Date	DSUs Outstanding	Grant Date Fair Value
			\$
April 20, 2023	April 20, 2024	197,180	0.36

During the period, the Company recognized share-based compensation expense of \$19,718 (2022 - \$Nil) related to the DSUs.

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6) SHARE CAPITAL – Continued

h) Finders' warrants

The continuity of finders' warrants for the period ended July 31, 2023 and year ended October 31, 2022 is as follows:

	Nine Months Ended July 31, 2023		Year Ended October 31, 2022	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance, beginning of the period	2,505,554	0.57	2,269,459	0.64
Issued	711,108	0.37	921,053	0.63
Exercised	-	-	(225,409)	0.60
Expired	(1,166,001)	0.48	(459,549)	1.00
Outstanding, end of the period	2,050,661	0.56	2,505,554	0.57

Expiry Date	Number of Finders' Warrants	Exercise Price \$
November 3, 2023	167,093	1.20
February 19, 2024	418,500	0.72
August 30, 2025	753,960	0.50
March 17, 2026	711,108	0.37
	2,050,661	

The finders' warrants have a weighted average life of 1.81 (October 31, 2022 - 1.41) years.

The fair value of the finders' warrants granted during the period ended July 31, 2023 and year ended October 31, 2022, as determined by the Black-Scholes option pricing model, was estimated using the following assumptions:

	Nine Months Ended July 31, 2023 (weighted average)	Year Ended October 31, 2022 (weighted average)
Risk-free interest rate	3.32%	3.11%
Expected annual volatility	96.64%	113.21%
Expected life (years)	3.00	2.82
Grant date fair value	0.188	0.32
Dividend yield	0%	0%

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7) RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and have been measured at their fair value amount.

As at July 31, 2023, the Company owed \$39,595 (October 31, 2022 - \$49,200) to related parties. A total of \$20,183 (October 31, 2022 - \$26,338) in management fees, \$4,546 (October 31, 2022 - \$8,989) in office fees, \$4,190 (October 31, 2022 - \$3,276) in exploration fees and a total of \$10,676 (October 31, 2022 - \$10,597) is payable as expense reimbursements to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board.

Key management compensation

During the period ended July 31, 2023, the Company paid or accrued compensation to key management, or companies controlled by them, totalling \$791,546 (2022 - \$738,206). Of this amount:

- (i) \$130,416 (2022 - \$129,500) in management fees to the current chief financial officer;
- (ii) \$197,797 (2022 - \$185,047) in management fees, \$47,666 (2022 - \$65,700) in administration fees and \$38,167 (2022 - \$22,259) in exploration fees, to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board;
- (iii) \$189,000 (2022 - \$187,000) in management fees to The Mining Recruitment Group Ltd., a company controlled by the chief executive officer; and
- (iv) \$148,500 (2022 - \$148,500) in management fees to Silvergreen Resources SLU, a company controlled by the Senior Vice President of Corporate Development.

During the nine-month period ended July 31, 2023, \$92,867 (2022 - \$217,348) in share-based compensation related to RSUs and DSUs for the directors of the Company. In addition, the independent directors were paid directors' fees totaling \$10,000 per director, totaling \$40,000 (2022 - \$Nil).

During the nine-month period ended July 31, 2023, \$150,446 (2022 - \$232,325) in share-based compensation related to RSUs for the management of the Company and \$37,936 (2022 - \$31,785) in health and dental benefit premiums were paid on behalf of officers, employees and directors of the Company.

8) CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its projects. In the management of capital, the Company includes the components of shareholders' equity and cash. There are no external restrictions on the use of the Company's capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets and its ability to compete for investment or support of its projects.

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9) FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Financial instruments

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
and

Level 3: Inputs that are not based on observable market data.

Cash and share compensation liability are measured using Level 1. The Company does not have any financial instruments that are measured using Level 2 and 3 inputs. During the period, there were no transfers between Level 1, Level 2 and Level 3 classified assets and liabilities.

The Company's financial instruments are exposed to certain financial risks, including the following:

Financial risk factors

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with two major banks in Canada. As most of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions, as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at July 31, 2023, the Company had cash of \$2,201,665 (October 31, 2022 - \$3,649,175) to settle current liabilities of \$831,718 (October 31, 2022 - \$945,535).

Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are expenses, assets and liabilities in US dollars. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. As at July 31, 2023, the Company had cash balances of US\$869,488 (October 31, 2022 - US\$1,504,500) and accounts payable and accrued liabilities of US\$442,714 (October 31, 2022 - US\$552,808). Should the Canadian exchange rate against the US dollar change by 1%, the potential impact on the Company's net income (loss) would be approximately \$17,000. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

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10) SEGMENTED INFORMATION

The Company considers itself to operate in a single operating segment, being resource exploration. The Company's assets and liabilities are located within two geographical areas, Canada and the state of Nevada in the United States of America.

	July 31, 2023	October 31, 2022
<i>Total Assets</i>		
Canada	\$ 2,366,909	\$ 3,022,448
US	5,595,244	5,425,780
	\$ 7,962,153	\$ 8,448,228
<i>Total Liabilities</i>		
Canada	\$ 315,776	\$ 310,769
US	556,770	719,884
	\$ 872,546	\$ 1,030,653
<hr/>		
	Nine Months Ended July 31, 2023	Nine Months Ended July 31, 2022
<i>Exploration Expenditures</i>		
Canada	\$ -	\$ -
US	2,442,798	9,583,151
	\$ 2,442,798	\$ 9,583,151
<i>Operating Expenditures</i>		
Canada	\$ 2,366,821	\$ 2,946,367
US	51,906	69,449
	\$ 2,418,727	\$ 3,015,816

11) SUBSEQUENT EVENTS

The following transactions, not disclosed elsewhere in the financial statements, occurred subsequent to the period-end:

- (i) On July 16, 2023 and August 5, 2023, a total of 95,002 and 107,338, respectively, RSUs vested, with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 202,340 common shares for gross proceeds of \$78,453 and incurred share issuance costs of \$979. The net proceeds of \$77,474 were used to settle the vested RSUs.
- (ii) On September 28th, a total of 240,000 share purchase options were exercised for gross proceeds of \$31,500