

BLACKROCK GOLD CORP. (Formerly Almo Capital Corp.)
Management Discussion and Analysis
For the Three Months Ended January 31, 2020

Reported on March 27, 2020

General

The following management's discussion and analysis ("MD&A") on performance, financial condition, and prospects of Blackrock Gold Corp. (the "Company") should be read in conjunction with the audited financial statements and notes thereto for the year ended October 31, 2019. The Company's financial statements are prepared under International Financial Reporting Standards ("IFRS"). All financial information is presented in Canadian dollars unless otherwise stated. All references to a year refer to the year-ended on October 31st of that year. The date of this MD&A is March 27, 2020.

Additional information on the Company is available on SEDAR at www.sedar.com and on the Company's website at www.blackrockgold.ca.

Forward-Looking Statements

This MD&A includes certain statements that may be deemed "forward-looking statements" as defined under applicable securities law. Other than statements of historical facts, statements in this discussion including, but not limited to expected or anticipated events or developments are forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, market prices, demand for the Company's products, exploration and evaluation successes or delays, continued availability of capital and financing, general economic, market or business conditions, trends in the markets for precious metals and other commodities, technological advancement, competition, and the risk factors identified herein. Forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, changes in market trends, risks associated with resource assets, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability, commodity prices, industry conditions, dependence upon regulatory, environmental, and governmental approvals, and the uncertainty of obtaining additional financing. The information provided herein with respect to the Company's properties and activities should be read in reference to the technical reports and other relevant disclosure documents prepared by or on behalf of the Company, which may be viewed by interested parties at www.sedar.com. Although the Company believes the expectations expressed in any forward-looking statement are based on reasonable assumptions, investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking information and statements are only made as of the date of this MD&A.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of the interim consolidated financial statements and the MD&A. The interim consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Mr. William Howald, Executive Chairman of Blackrock Gold Corp. Mr. William Howald, AIPG Certified Professional Geologist #11041, who is a 'Qualified Person' for the purpose of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Description of Business

The Company is engaged in the acquisition, exploration and development of mineral properties in North America. The Company owns 100% of the Moore Property located in the Kamloops Mining Division of British Columbia. This property was written down in 2017 as the Company shifted its focus to Nevada. The Company entered into a lease agreement dated October 27, 2017 (the "Lease") on the Silver Cloud project situated in Elko, Nevada, and known as the Silver Cloud Project (the "Property"). The Lease affords the Company 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 and so long thereafter as a) exploration and/or development is taking place on the Property and/or b) the Property is held by the Company or its successors and assigns unless earlier terminated in accordance with the terms of the Lease.

The Company continued its focus on silver with the lease option agreement to purchase the West and Tonopah Extension properties through a four-year purchase option from Ely Gold Royalties for payments totaling US\$3 million dollars. The transaction is expected to close on April 1, 2020. With the addition of the consolidated Tonopah West package to the Company's Silver Cloud project, Blackrock will have strategic interests in two prolific low-sulphidation epithermal districts in Nevada. With a presence on both the Walker Lane and the Northern Nevada Rift, these two strategic projects provide Blackrock with a significant position on two prolific gold and silver belts in Nevada.

The Company owns 100% of Blackrock Gold Corp., a US company that was inactive up to October 31, 2018, but was created to ultimately hold and operate the Company's US resource projects.

Global Pandemic

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity.

Selected Annual Information

	October 31, 2019	October 31, 2018	October 31, 2017
Net Sales or Revenue	-	-	-
General and administrative expenses	\$1,693,724	\$1,148,042	\$647,437
Other items	-	-	\$170,960
Net Loss	\$1,693,724	\$1,148,042	\$818,397
Net loss per share basic and fully diluted	\$0.04	\$0.04	\$0.04
Total assets	\$2,750,054	\$1,127,371	\$187,120

The above data has been prepared in accordance with IFRS.

The Company has become significantly more active since acquiring the Silver Cloud Project in 2017. As a result, the Company's expenditures have steadily increased since 2017. The Company has increased its expenditures on marketing as well as its management team. The Company anticipates continued increases in its expenditures in future years as its exploration projects continue to move forward.

Summary of Quarterly Results

	Jan 2020	Oct 2019	Jul 2019	Apr 2019	Jan 2019	Oct 2018	Jul 2018	Apr 2018
General and administrative expenses	439,092	1,004,997	309,486	147,164	232,077	316,521	536,072	213,099
Net income (loss)	(439,092)	(1,004,997)	(309,486)	(147,164)	(232,077)	(316,521)	(536,072)	(213,099)
Net Profit (loss) / share	(0.01)	(0.03)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Total Assets	2,758,033	2,750,054	1,263,390	850,036	953,539	1,127,371	903,819	1,255,942

For each of the above periods, the Company had no revenue from the Company's mineral property interests.

The Company's general and administrative expenses vary significantly depending on the level of activity in each quarter. The main areas of variation are in management fees, consulting fees and in share-based compensation. In May 2019, the Company brought on a new management team, including a new CEO and Chairman. As a result the management fees steadily increased, as did share-based compensation as they were given share options upon their hiring. In addition, there were share-options issued in the fourth quarter of 2019 to management, employees, directors and consultants.

The Company's assets also fluctuate significantly based on acquisitions and exploration work on its property as well as financing activities. In 2018, the Company's assets remained relatively stable as the Company consistently raised funds and developed the Silver Cloud property. In 2019, the Company significantly more active in its financing activities, resulting in higher cash balances which in turn resulted in more work on the Company's Silver Cloud property.

Review of Operations

General and Administrative Expenses

	Three Months Ended January 31,	
	2020	2019
Operating expenses		
Accounting and audit	\$ 8,750	\$ 3,250
Bank charges and interest	1,335	1,017
Consulting fees	18,502	72,087
	3,036	-
Foreign exchange loss	2,982	(1,035)
Insurance	5,183	1,932
Interest expense	2,967	2,182
Legal fees	18,933	28,725
Management fees	102,123	30,204
Marketing and communications	164,638	22,279
Office expense	14,896	3,402
Regulatory and filing fees	7,824	10,104
Rent	1,734	6,603
Share-based compensation	14,000	-
Travel	48,382	34,548
Wages	23,807	3,250
Loss from operations	425,092	232,077

The expenses incurred by the Company are typical of junior exploration companies that do not have established mineral reserves. Expenses are not incurred evenly over the quarters as a result of non-recurring activities or events and availability of capital.

The Company was more active during the three months ended January 31, 2020, as compared with the same period last year. Specifically, the Company attended several trade shows during the quarter and as such, travel, marketing and communications expenditures increased significantly. Of note, the following expenses changed significantly during the three months ended January 31, 2020 as compared with the same period in 2019:

Consulting fees decreased from \$72,087 in 2019 to \$18,502 in 2020. With the Company having a full-time management team and focusing on trade shows, the Company did not use consultants as much as compared with the same period in 2019.

Management fees increased from \$30,204 in 2019 to \$102,123 in 2020. The increase was due to compensation paid to the Company's Chief Executive Officer ("CEO") and also bringing on the Company's Chairman as a consultant to work on the Silver Cloud property.

Marketing and communications expenses increased from \$22,279 in 2019 to \$164,638 in 2020. The Company made a significant effort in marketing the Company's property and building up demand for financing.

Travel increased from \$16,779 in 2018 to \$48,382 in 2020 due to the Company attending several trade shows in North America and Europe.

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, 2020, the Company owed \$75,953 (October 31, 2019 - \$99,439) to related parties as follows:

- (i) \$17,610 (October 31, 2019 - \$37,332) in management fees and \$4,790 (October 31, 2019 - \$658) in administration fees to a company controlled by the current chairman of the board;
- (ii) \$Nil (October 31, 2019 - \$7,896) in management fees to the former President of the Company;
- (iii) \$8,250 (October 31, 2019 - \$8,250) in management fees to a company controlled by the current CFO;
- (iv) \$45,303 (October 31, 2019 - \$45,303) to the former President of the Company for management fees; and

During the three months ended January 31, 2020, the Company incurred interest expense of \$2,778 (Three months ended January 31, 2019 - \$1,753) on loans payable to directors of the Company.

Key Management Compensation

During the three months ended January 31, 2020, the Company paid or accrued compensation to key management, or companies controlled by them, totalling \$123,166 (2019 - \$76,186). Of this amount:

- (i) \$8,250 (2019 - \$Nil) in management fees to a company controlled by the current CFO;
- (ii) \$69,916 (2019 - \$Nil) in management fees and \$5,002 (2019 - \$Nil) in administration fees to a company controlled by the current chairman of the board;
- (iii) \$45,000 (2019 - \$Nil) in management fees to a company controlled by the CEO;
- (iv) \$Nil (2018 - \$19,500) for salary to the former interim CEO and corporate secretary of the Company;
- (v) \$Nil (2019 - \$17,444) in management fees to the former CFO of the Company;
- (vi) \$Nil (2018 - \$30,041) in management fees to the former CEO of the Company; and
- (vii) \$Nil (2019 - \$7,896) in management fees to the former CEO of the Company's subsidiary.

During the three months ended January 31, 2020, \$Nil (2019 - \$25,023) was paid for project related exploration (a soil sampling program) to a company controlled by the CEO of the Company and \$14,000 (2018 - \$Nil) in share-based compensation related to 200,000 common shares issued to the estate of the former CEO of the subsidiary.

On October 1, 2019, the Company entered into a consulting agreement with a company whereby the company's director was retained to perform executive, technical, managerial and consulting services as directed by the Company's Board of Directors (the "Board"), to act as executive chair of the Company, to serve as a director of the Company and to hold such additional offices to which he may be appointed by the Company or any subsidiary of the Company. The agreement is effective September 1, 2019 for a term of one year with automatic renewals of consecutive one-year terms. Pursuant to the agreement, the consultant will receive a consulting fee at the base rate of US\$144,000 per annum, payable in equal monthly installments of US\$12,000.

On October 1, 2019, the Company entered into a consulting agreement with a company whereby the company's president was retained to perform executive, managerial and consulting services as directed by the Company's Board, to act as president and chief executive officer of the Company, to serve as a

director of the Company and to hold such additional offices to which he may be appointed by the Company or any subsidiary of the Company. The agreement is effective October 1, 2019, for a term of one year with automatic renewals of consecutive one-year terms. Pursuant to the agreement, the consultant will receive a consulting fee at the base rate of \$180,000 per annum, payable in equal monthly instalments of \$15,000.

Pursuant to the agreements:

- i. The annual base rates are subject to increase at the Board's discretion;
- ii. The consultants are entitled to receive an annual bonus as determined at the Board's discretion;
- iii. The consultants are entitled to participate in the Company's stock option plan;
- iv. The consultants may terminate the agreements upon three months written notice and will receive a termination payment equal to the then applicable base rate per annum if terminated for other than cause; and
- v. If at any time during the term of the agreements there is a change of control (as defined) and the contracts are terminated within six months of the date of change of control, the consultants will receive an amount equal to two times both the then applicable base rate and any bonus paid or payable in respect of the Company's most recently completed financial year.

On November 1, 2019, the Company entered into an employment contract with its corporate secretary for a term of one year with automatic renewals. Pursuant to the agreement, the corporate secretary will:

- (i) Receive a severance benefit equal to three times his current monthly salary, which shall increase by one month per year to a maximum of six months. In addition, his coverage under employee benefit programs will continue for an equal period of time unless the Company elects to pay a lump sum cash payment equal to the projected cost of maintaining him in such programs in lieu; and
- (ii) If at any time during the term of the agreement there is a change of control (as defined) and his employment is terminated within six months of the date of change of control, he will receive an amount equal to six times his current monthly salary, which will increase by one month per year to a maximum of 12 months and benefits for the same period in lieu of notice, severance, damages or other payments.

Loans Payable

Loans payable at January 31, 2020 and October 31, 2019, is comprised of the following:

	2020	2019
Related parties:		
Principal (i, iv, v)	\$ 81,364	\$ 81,364
Principal (iii, iv)	32,860	32,860
Interest	19,990	17,212
Repayment (vi)	-	-
	134,214	131,436
Arm's length:		
Principal (ii, iv, v)	-	21,463
Interest	-	1,209
Repayment (ii)	-	(22,672)
	-	-
Total	\$ 134,214	\$ 131,436

- (i) On November 10, and 14, 2017, the Company entered into loan agreements with two directors of the Company to borrow a total of \$81,364 for a period of one year. Of this amount, \$40,308 was a non-interest-bearing advance at October 31, 2017 that was converted into a loan. As further consideration for advancing the loans, the Company issued a total of 1,162,273 bonus warrants to the directors exercisable at a price of \$0.07 per share for a period of 12 months. The warrants subsequently expired unexercised. These loans were extended for an additional six-month term expiring on May 10 and 14, 2019 and have not been further extended. The number of bonus warrants to be issued with respect to the extension agreements has not yet been determined.
- (ii) On November 27, 2017, the Company entered into a loan agreement with an arms-length party to borrow \$19,983. As further consideration for advancing the loan, the Company issued 285,714 bonus warrants to the lender exercisable at a price of \$0.07 per share for a period of 12 months. The warrants subsequently expired unexercised. The principal balance of \$19,983, and interest of \$2,689, was repaid during the year.
- (iii) On January 14, 2019, the Company entered into a loan agreement with a director of the Company to borrow a total of \$32,860 (US\$25,000) for a period of one year. The number of bonus warrants to be issued with respect to this loan agreement have not yet been determined and the bonus warrants have not been issued.
- (iv) These loans are unsecured and bear interest at 8% per annum with interest accruing and payable at maturity. Principal and all accrued and unpaid interest is payable in full on maturity or upon demand after six months and can be prepaid in full or in part at any time without penalty. Overdue principal and accrued interest bear interest at 8% per annum.
- (v) Loan agreements that include bonus warrants are considered to be a compound financial instrument with the liability and equity component being classified separately in the consolidated statements of financial position on the date of issuance. The fair value of the liability component is determined first, with the residual value, if any, being allocated to the equity component. At the time of issuance, the fair value of the liability component was determined not to be materially different from the loan proceeds. Accordingly, no amount has been allocated to the equity component.
- (vi) The principal balance of \$24,114 and interest of \$2,774 was repaid during 2018.

Liquidity and Capital Resources

Working capital on January 31, 2020 was \$348,117 (October 31, 2019 – \$512,744), which is the current assets minus the current liabilities of the Company. The sources of cash in the year included cash from issuing common shares, share options and share purchase warrants exercised, and borrowing (loans).

The Company's continuation as a going concern is dependent on its ability to raise equity capital or borrowings sufficient to meet current and future obligations. Future operations, acquisitions and exploration will require additional capital, which the Company anticipates could come from loans, private placements and public offerings of the Company's shares. There can be no assurances that management's plans for the Company will be successful. To date, the Company has not earned operating revenue. The Company is uncertain that it can raise capital to meet its obligations, fund operations, or advance its mineral projects. The Company is subject to significant liquidity risk. See the section titled "Risks and Uncertainties" below.

The condensed consolidated interim financial statements for the three months ended January 31, 2020 have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. This MD&A does not give effect to any adjustment which would be necessary should the Company be unable to continue as a

going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in this MD&A.

The Company continues to raise funds through equity raises and through the exercise of share options and warrants. The Company will need to continue to raise funds in order to continue on as a going concern.

	January 31, 2020	October 31, 2019
Working capital	\$ 348,117	\$ 512,744
Deficit	\$ 6,158,219	\$ 5,719,127

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Accounting Principles

The condensed consolidated interim financial statements have been prepared in accordance with IFRS. The policies and estimates are considered appropriate under the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. See also Note 2 in the consolidated financial statements for the year ended October 31, 2019, for additional detail on accounting principles.

Mineral Property Expenditures

The Company incurred \$481,401 in acquisition and exploration expenditures on the Silver Cloud property during the three months ended January 31, 2020 (Three months ended January 31, 2019 - \$27,103).

Mining Properties Owned by Blackrock Gold Corp.

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, 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 up-front payments, a reduction of the NSR through a buyout, and a purchase option for the Property.

Pursuant to the original Lease, to acquire and maintain the Lease in good standing, Blackrock:

- (a) reimbursed the Lessor US\$92,308 for the 2017 Bureau of Land Management (“BLM”) fees;
- (b) paid US\$100,000 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 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 four to nine and 20,000 feet each subsequent year;
- (f) must pay all BLM permit costs. The Company paid BLM fees of US\$91,080 in 2019 and US\$92,544

- in 2018. The next BLM payment in the amount of US\$92,544 is due on or before July 15, 2020; 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 (paid);
 - ii. 3rd Anniversary of the Effective Date October 27, 2020, US\$100,000;
 - iii. 4th Anniversary of the Effective Date October 27, 2021, US\$150,000;
 - iv. 5th Anniversary of the Effective Date October 27, 2022, US\$200,000;
 - 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 Company is committed to and must pay all minimum payments up to and including the October 27, 2022 payment. 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 year of the Lease, 25,000 feet;
 - 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.

If the minimum drilling threshold is not achieved, the Company is subject to a penalty of US\$50 per foot of undrilled footage.

- (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 1% of the 3.5% upon payment of US\$3,000,000 at any time within the first five years, reducing the remaining royalty to 2.5%.

On July 11, 2019, the Company, through its US subsidiary Blackrock Gold Corp., 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.

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

NEVADA – Silver Cloud		October 31, 2019	Net Additions		January 31, 2020
Acquisition and holding	\$	821,990	\$	-	\$ 821,990
Geology and consulting		144,563		-	144,563
Drilling and exploration		657,112		481,401	1,138,513
TOTAL	\$	1,623,665	\$	481,401	\$ 2,105,066

The acquisition cost and exploration and evaluation expenditures relating to the West Silver Cloud property have been included with those of the Property.

Silver Cloud Project Update

Based on the historical work and drill results, Silver Cloud, like the Midas and Hollister deposits, is a low sulphidation epithermal gold deposit. Historic drill holes completed by Placer Dome and Teck in the Silver Cloud mine area returned bonanza-grade gold intercepts. Geologic cross-sections show the bonanza-gold grades in the Placer Dome and Teck drill holes (1.5m of 12.5g/t Au and 0.7m grading 7.6 g/t Au respectively) align at the same elevation along an east-west zone with approximately 1500 meters of strike potential. A revaluation of the surface geochemistry, geology and geophysics revealed that high-grade veins may have an east-west orientation. A drill campaign utilizing all the available data was permitted and bonded with core drilling started in early October and completed in early December 2019. The drill program was the first drill campaign following a 15-year hiatus.

As announced on January 6, 2020, the Company completed the first drill program at Silver Cloud since 2005. Five HQ core holes totalling 2,207 metres (7,240 feet) were drilled, and partial gold and trace element assay results have been received for SBC19-001, SBC19-002, and SBC19-003, with assays for SBC19-004 and SBC19-005 pending. The program commenced on October 5, 2019, and was completed in early December 2019.

The initial results confirm the existence of an epithermal vein system oriented in an east-west direction. Given the reported gold grades and the trace element geochemistry, the drill encountered the structures too high in the system. This suggests potential exists for higher-grade gold at depth within the boiling zone of this epithermal system.

A mineralized porphyry intrusive system adjacent to the vein zone was also identified and could lead to a significant secondary target. If gravity data indicates the location of the altered porphyry intrusives

(rhyolite flow domes) with associated high-grade gold veins, the Company has identified numerous additional targets to explore throughout the project. Of significant interest are the multiple gravity lows that extend directly east of the Silver Cloud mine area to our property boundary, which could represent the potential strike extent of this newly recognized east-west oriented system.

Disclosure of Outstanding Share Data:

• Share capital authorized:	Unlimited common shares
• Share capital issued as of January 31, 2020	65,890,143 common shares
• Share capital issued as of March 27, 2020	69,402,208 common shares
• Share purchase options outstanding, January 31, 2020	4,200,000 share purchase options
• Share purchase options outstanding, March 27, 2020	4,200,000 share purchase options
• Share purchase warrants outstanding, January 31, 2020	11,495,063 share purchase warrants
• Share purchase warrants outstanding, March 27, 2020	8,638,596 share purchase warrants

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 is measured using Level 1. The Company does not have any financial instruments that are measured using Level 2 or Level 3 inputs. The carrying value of receivables, accounts payable and accrued liabilities and employment liability approximate fair value because of the short-term nature of these instruments. During the year, there were no transfers between Level 1, Level 2, and Level 3 classified assets and liabilities.

Risk and Uncertainties

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in similar businesses. The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded.

The only sources of future funds for further exploration programs or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are borrowing, the sale of equity capital or the offering of the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company was successful in accessing the equity market during the past year, there is no certainty or assurance that such sources of financing will be available on acceptable terms, if at all.

Other risks include:

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 and one in the US. As most of the Company's cash is held by three 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 January 31, 2020, the Company had cash of \$567,969 to settle current liabilities of \$270,011. The Company is subject to significant liquidity risk.

No dividends have been paid to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors.

The Company will need additional funding to complete its short and long-term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility as a result of which access to public financing has been negatively impacted. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company.

The market price of the Company's shares at any given point in time may not accurately reflect the long-term value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures

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 January 31, 2020, the Company had cash balances of US\$32,971 (October 31, 2019 - US\$457,992, loans payable of US\$27,149 (October 31, 2019 - US\$26,617, and accounts payable and accrued liabilities of US\$23,197 (October 31, 2019 - US\$247,365). The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Personnel risk

The Company is dependent upon the services of key executives, including the CEO. Also, certain of the directors and officers of the Company also serve as directors and/or officers of other companies and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Management's Report on Internal Controls

Disclosure controls and procedures ("DC&P") have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of DC&P. There have been no changes in the Company's DC&P during the three months ended January 31, 2020.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with applicable IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. There have been no changes in the Company's internal control over financial reporting during the year ended October 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's controls are based on the COSO framework. COSO (Committee of Sponsoring Organizations of the Treadway Commission) is a joint initiative of the American Accounting Association, the American Institute of Certified Public Accountants, Financial Executives International, the Association of Accountants and Financial Professionals in Business and the Institute of Internal Auditors dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence.

Corporate Governance Practices

The disclosure required pursuant to National Instrument 58-101-Disclosure of Corporate Governance Practices was made by the Company in its Management Information Circular which was mailed to shareholders and is accessible via the Internet for public viewing on SEDAR at www.sedar.com.

Critical Accounting Estimates

Critical accounting estimates are used in the preparation of the financial statements. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company's recorded value of the Company's mineral properties is in all cases, based on historical costs that are to be recovered in the future. The Company's recoverability evaluation is based on market conditions of minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale or by joint venture. The Company is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, regulatory risk, ownership and political risk, funding and currency risk as well as environmental risk and risks arising out of the traditional territories of Native Indian Bands. The Company's financial statements have been prepared with these risks in mind. All of the assumptions set out herein are potentially subject to significant change and out of the Company's control. These changes are not determinable at this time.

Additional Information

Updated additional information relating to the Company is available at the SEDAR website: www.sedar.com. Shareholders should go to Blackrock Gold Corp.'s company profile for updated information. Shareholders are encouraged to register their shares with the Company. Shareholders who register their shares in their name will be entitled to receive up-to-date news releases as and when they are released.