

**BLACKROCK SILVER CORP. (Formerly Blackrock Gold Corp.)**  
**Management Discussion and Analysis**  
**For the Nine Months Ended July 31, 2021**

Reported on September 29, 2021

**General**

The following Management Discussion and Analysis (“MD&A”) on performance, financial condition and prospects of Blackrock Silver Corp. (formerly Blackrock Gold Corp.) (“Blackrock” or the “Company”) should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes thereto as at July 31, 2021 and for the nine months ended and the audited consolidated financial statements and notes thereto as at October 31, 2020 and for the year ended. The Company’s condensed consolidated interim 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 31 of that year. The date of this MD&A is September 29, 2021.

Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.blackrocksilver.com](http://www.blackrocksilver.com).

**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](http://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 condensed consolidated interim financial statements and the MD&A. The condensed consolidated interim 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 *Continuous Disclosure Obligations* 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 Silver Corp. Mr. Howald, AIPG Certified Professional Geologist #11041, is a “Qualified Person” for the purpose of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

## **Description of Business**

The Company is a British Columbia company engaged in the acquisition, exploration and development of gold and silver mines and projects in Nevada, USA. The mineral properties material to the Company are its interests in the Silver Cloud property situated in Elko, Nevada (the “**Silver Cloud Project**”), and the Tonopah West property located in the Walker Lane trend of western Nevada (the “**Tonopah West Project**”).

The Company entered into a lease agreement dated October 27, 2017 (the “Lease”) on the Silver Cloud Project, which affords the Company all rights and privileges incidental to ownership, including rights to explore, develop and mine the Silver Cloud Project. The Company controls 100% of the Tonopah West Project, which it acquired through a Lease Option to Purchase agreement on April 2, 2020.

With the Silver Cloud Project and the Tonopah West Project, the Company has 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 the Company with a significant position on two prolific gold and silver belts in Nevada.

The Company also owns 100% of the Moore Property located in the Kamloops Mining Division of British Columbia. The Moore Property is not material to the Company and was written off in 2017, as the Company shifted its focus to Nevada.

## **COVID-19**

In response to the global outbreak of COVID-19, on March 17, 2020, the governor of Nevada ordered the closure of all non-essential businesses in the state of Nevada to help prevent the spread of the virus. On April 1, 2020, the governor of Nevada issued a “stay at home” order, which was updated on April 8, 2020. The order restricted non-essential activities, travel and business operations, subject to certain exceptions for necessary activities through April 30, 2020, which was subsequently extended to May 15, 2020. On April 30, 2020, the governor of Nevada announced Nevada’s “Roadmap to Recovery Plan”, which outlined certain criteria and milestones that had to be met in order to safely restart Nevada’s economy. Phase 1 and Phase 2 of the Nevada reopening plan commenced on May 9, 2020 and May 29, 2020, respectively, allowing certain non-essential businesses to voluntarily reopen under strict restrictions.

The Company’s development activities, including exploration drilling, are considered an “essential business” in Nevada and are permitted to continue, so long as these activities are conducted in a safe manner, in groups of ten or less, and social distancing measures are maintained.

## Selected Annual Information

	Restated Balances*		
	October 31, 2020 \$	October 31, 2019 \$	October 31, 2018 \$
Net sales or revenue	-	-	-
Exploration expenditures	5,579,444	653,371	49,573
General and administrative expenses**	6,066,148	1,668,393	1,133,816
Other expenses**	55,988	25,331	14,226
Net loss	11,701,580	2,347,095	1,197,615
Loss per share, basic and fully diluted	0.15	0.05	0.04
Total assets	8,467,651	2,047,110	1,077,798

\* Restated Balances – In accordance with the change in accounting policy, as outlined in Note 4 of the consolidated financial statements for the year ended October 31, 2020, the balances have been restated to reflect the new accounting policy related to exploration expenditures.

\*\* The Company has separated out “other expenses” from “general and administrative expenses” on the consolidated statements of loss and comprehensive loss, for presentation purposes.

The table below outlines the previously reported balances prior to the change in accounting policy.

	October 31, 2019 \$	October 31, 2018 \$
Net sales or revenue	-	-
General and administrative expenses	1,693,724	1,148,042
Net loss	1,693,724	1,148,042
Loss per share, basic and fully diluted	0.04	0.04
Total assets	2,750,054	1,127,371

The above data has been prepared in accordance with IFRS.

In the last few days of fiscal 2017, the Company acquired an exploration property in Nevada, the Silver Cloud property. With the acquisition, the Company became more active with the then management, focusing on increasing the Company’s exposure through marketing and consulting. As a result, the Company’s general and administrative expenditures steadily increased from the beginning of 2018. However, with the focus on increasing the Company’s exposure, little work was completed on the Silver Cloud property. As such, the Board of Directors (the “Board”) decided it was time to bring on a management team more focused on exploring the Silver Cloud property. In May 2019, the Company hired a full-time chief executive officer (“CEO”) and brought in an executive chairman, on a full-time basis, to oversee the Company’s exploration activities. Beginning in fiscal 2019, the new management team ramped up exploration work on the Silver Cloud property, as well as marketing and consulting expenditures, to help increase awareness of the Silver Cloud property. In April 2020, the Company acquired a second property, the Tonopah West property. Once the Company acquired the property, significant resources were allocated to a drilling program on the property. The drill program was very successful and helped the Company’s share price increase significantly, to a high of \$1.61 in July 2020.

With the significant increase in the overall operations, expenditures increased significantly from 2019 to 2020. Below is a breakdown and review of the general and administrative expenditures for fiscal 2019 and 2020. Exploration activities are discussed in the **Exploration and Evaluation Expenditures** section.

## Summary of Quarterly Results

	Restated Balances*							
	Jul 2021 \$	Apr 2021 \$	Jan 2021 \$	Oct 2020 \$	Jul 2020 \$	Apr 2020 \$	Jan 2020 \$	Oct 2019 \$
Exploration expenditures	5,604,891	6,080,037	3,690,884	3,717,123	1,005,042	375,878	481,401	577,194
General and administrative expenses**	1,009,204	2,945,961	879,094	4,420,247	630,729	528,102	433,143	985,919
Other expenses (income)**	(229,107)	(117,901)	(20,920)	44,843	(55,324)	(3,861)	5,949	19,078
Net loss	(6,384,988)	(9,143,899)	(4,549,058)	(8,182,213)	(1,691,095)	(907,841)	(920,493)	(1,582,191)
Loss per share	(0.06)	(0.08)	(0.04)	(0.11)	(0.02)	(0.01)	(0.01)	(0.03)
Total assets	12,368,041	6,597,376	3,688,372	8,467,651	13,468,808	1,598,886	1,837,312	2,047,110

\* Restated Balances – In accordance with the change in accounting policy, as outlined in Note 4 of the consolidated financial statements for the year ended October 31, 2020, the balances have been restated to reflect the new accounting policy related to exploration expenditures.

\*\* The Company has separated out “other expenses” from “general and administrative expenses”, on the condensed consolidated interim statements of loss and comprehensive loss, for presentation purposes.

The table below outlines the previously reported balances prior to the change in accounting policy.

	Jul 2020 \$	Apr 2020 \$	Jan 2020 \$	Oct 2019 \$	Jul 2019 \$	Apr 2019 \$	Jan 2019 \$
General and administrative expenses	686,053	531,811	439,092	1,004,997	309,486	147,164	232,077
Net loss	(686,053)	(531,811)	(439,092)	(1,004,997)	(309,486)	(147,164)	(232,077)
Loss per share	(0.01)	(0.01)	(0.01)	(0.03)	(0.00)	(0.00)	(0.01)
Total assets	14,993,860	3,219,308	2,758,033	2,750,054	1,263,390	850,036	953,539

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 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.

In 2020, the Company continued ramping up exploration work on the Silver Cloud property, as well as increasing awareness of the Silver Cloud Project through marketing and consulting expenditures. In April 2020, the Company acquired a second project, the Tonopah West Project. Once acquired, the Company began a significant exploration program on the property. In July 2020, the Company received very positive results, which resulted in the Company’s share price appreciating to all-time highs, reaching a peak of \$1.61 in July 2020. With the results, the Company was able to raise gross proceeds of \$7.5M through a non-brokered private placement. With the funding, the Company continued to increase drilling on the Tonopah West property, while concurrently increasing the marketing and awareness of the Company in the markets.

### Operating Expenses for the Three and Nine Months Ended July 31, 2021

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>July 31,</b>		<b>July 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Operating expenses</b>				
Accounting and audit	\$ 1,905	\$ 1,350	\$ 42,949	\$ 20,767
Bank charges	3,425	2,712	9,569	4,952
Consulting fees (recovery)	(3,715)	72,493	53,862	145,700
Depreciation	-	630	-	4,302
Insurance	17,944	15,965	44,650	37,263
Legal fees	26,547	82,705	105,784	146,333
Management fees	333,922	257,745	628,426	452,649
Marketing and communications	293,116	91,815	1,061,661	282,296
Office	28,098	13,251	74,044	45,260
Regulatory and filing fees	26,225	34,211	69,729	56,684
Rent	8,569	3,997	19,059	21,292
Share-based compensation	206,254	-	2,572,717	200,615
Travel	22,689	6,602	38,791	73,581
Wages	44,225	47,253	113,018	100,128
	<b>\$ (1,009,204)</b>	<b>\$ (630,729)</b>	<b>\$ (4,834,259)</b>	<b>\$ (1,591,822)</b>

For the three months ended July 31, 2021, the Company incurred operating expenses of \$1,009,204, as compared with \$630,729 during the same period in 2020. The Company has continually ramped up its operations in Nevada and has also increased its management team while also becoming more active in marketing in order to increase its exposure in the market. Of note, the following expenses changed significantly during the three months ended July 31, 2021, as compared with the same period in 2020:

- (i) Management fees totaling \$333,922, as compared with \$257,745 during the same period in 2020. The increase is the result of compensation increases for the management team in 2021, as compared with 2020, as well as performance bonuses in 2021. In addition, the Company hired a SVP of Corporate Development in January 2021;
- (ii) Marketing and communications fees increased to \$293,116 in 2021, as compared to \$91,815 in 2020. As the Company has grown in size and activity, the Company increased its marketing and communications budget to enhance its exposure in the market and grow its investor base; and
- (iii) Share-based compensation totaled \$206,254, as compared with \$Nil during the same period in 2020. The increase is the result of restricted share units (“RSU”) being issued in previous periods and share-based compensation expense related to options issued to investor relations consultants in previous periods. With the Company’s share price having increased significantly since the same period in 2020, the resulting compensation expense has also increased.

For the nine months ended July 31, 2021, the Company incurred operating expenses of \$4,834,259, as compared with \$1,591,822 during the same period in 2020. The Company has continually ramped up its operations in Nevada and has also increased its management team while also becoming more active in marketing in order to increase its exposure in the market. Of note, the following expenses changed significantly during the nine months ended July 31, 2021, as compared with the same period in 2020:

- (i) Accounting and audit fees increased to \$42,949 in 2021, as compared with \$20,767 during the same period in 2020. During the period, the Company completed its AIF, as well as the

bought-deal financing completed in February 2021, requiring additional involvement of the auditors;

- (ii) Management fees totaling \$628,426, as compared with \$452,649 during the same period in 2020. The increase is the result of compensation increases for the management team in 2021, as compared with 2020, as well as higher performance bonuses during the period. In addition, the Company hired a SVP of Corporate Development in January 2021;
- (iii) Marketing and communications fees increased to \$1,061,661 in 2021, as compared to \$282,296 in 2020. As the Company has grown in size and activity, the Company increased its marketing and communications budget to enhance its exposure in the market and grow its investor base. In addition, with the completion of two significant financings and significant exploration work completed, the Company's CEO spent a significant amount of time making presentations in relation to the Tonopah West Project; and
- (iv) Share-based compensation totaled \$2,572,717, as compared with \$200,615 during the same period in 2020. The increase is the result of RSUs being issued during the period and share-based compensation related to options issued during the period. With the Company's share price having increased significantly since the same period in 2020, the resulting compensation expense has also increased.

### **Related Party Transactions**

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

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties.

As at July 31, 2021, the Company owed \$113,915 (October 31, 2020 - \$235,224) to related parties as follows:

- (i) \$19,571 (2020 - \$67,025) in management fees and \$4,867 (2020 - \$5,412) in administration fees to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board. In addition, a total of \$44,174 (2020 - \$57,484) is payable as expense reimbursements;
- (ii) \$Nil (2020 - \$20,000) in management fees to the Company's Chief Financial Officer ("CFO");
- (iii) \$Nil (2020 - \$40,000) to The Mining Recruitment Group Ltd., a company controlled by the CEO of the Company for consulting fees; and
- (iv) \$45,303 (2020 - \$45,303) to the former CEO of the Company for management fees.

### **Key management compensation**

During the period ended July 31, 2021, the Company paid or accrued compensation to key management, or companies controlled by them, totalling \$628,426 (2020 - \$452,649). Of this amount:

- (i) \$5,500 (2020 - \$34,750) in management fees to Minhas Consulting Corp., a company controlled by the current CFO;
- (ii) \$114,999 (2020 - \$Nil) in management fees to the current CFO, including \$18,778 in bonuses;
- (iii) \$233,727 (2020 - \$230,899) in management fees, including \$53,790 in bonuses and \$51,674 (2020 - \$17,781) in administration fees, to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board;
- (iv) \$225,525 (2020 - \$187,000) in management fees to The Mining Recruitment Group Ltd., a company controlled by the CEO, including \$55,525 in bonuses; and

- (v) \$48,675 (2020 - \$Nil) in management fees to Jasperskye Ltd., a company controlled by the Senior Vice President of Corporate Development, of which \$12,675 related to bonuses.

During the period ended July 31, 2021, \$26,631 (2020 - \$10,374) in health and dental benefit premiums were paid on behalf of officers, employees and directors of the Company.

On October 1, 2019, the Company entered into a consulting agreement with a company whereby that company's director was retained to perform executive, technical, managerial and consulting services, as directed by the Company's 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 instalments of US\$12,000. Effective August 1, 2020, the agreement was amended to increase the base rate to US\$186,000 per annum, payable in equal monthly instalments of US\$15,500.

On October 1, 2019, the Company entered into a consulting agreement with a company whereby that company's president was retained to perform executive, managerial and consulting services, as directed by the Company's Board, to act as president and CEO 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. Effective January 1, 2021, the base rate was increased to \$240,000 per annum, payable in monthly instalments of \$20,000.

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 agreement 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.

On January 1, 2021, the Company entered into an employment agreement with its CFO. Pursuant to the agreement, the CFO will:

- (i) Is eligible for a target annual bonus based on the Company achieving its annual targets, individual performance and according to the annual bonus plan, as determined by the Compensation Committee;
- (ii) If terminated without cause or if he leaves the Company within six months of a change of city from which the Company carries on business, he is entitled to three months his current annual base salary plus the pro rata amount of the previous year's annual bonus plus the cash equivalent of accrued vacation pay; and
- (iii) If terminated within six months of a change of control (as defined), he is entitled to receive severance pay equal to 12 months of annual base salary, plus the pro rata amount of the previous year's annual bonus plus the cash equivalent of accrued vacation pay.

### **Liquidity and Capital Resources**

Working capital on July 31, 2021 was \$9,091,755 (October 31, 2020 - \$5,261,391), 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 nine months ended July 31, 2021 have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. This MD&A does not give effect to any adjustment that 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.

	July 31, 2021	October 31, 2020
	\$	\$
Working capital	9,091,755	5,261,391
Deficit	38,201,596	18,123,651

### **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, 2020, for additional detail on accounting principles.

## Future Accounting Pronouncements

New IFRS pronouncement that has been issued but is not yet effective at the date of the condensed consolidated interim financial statements is listed below. The Company plans to apply new standards or interpretations in the annual period for which they are first required.

### Presentation of financial statements

An amendment to International Accounting Standard 1 *Presentation of Financial Statements* was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least twelve months after the reporting period.

## Exploration and Evaluation Expenditures

### Title disclaimer

As at July 31, 2021, all of the Company's exploration and evaluation assets are located in British Columbia, Canada, and 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

<b>Acquisition and Holding Costs</b>	<b>Silver Cloud</b>	<b>Tonopah West</b>	<b>Total</b>
<b>Balance, October 31, 2019</b>	\$ 920,721	\$ -	\$ <b>920,721</b>
Additions	275,667	513,274	<b>788,941</b>
Foreign currency translation	(254)	(30,970)	<b>(31,224)</b>
<b>Balance, October 31, 2020</b>	1,196,134	482,304	<b>1,678,438</b>
Additions	115,993	415,929	<b>531,922</b>
Foreign currency translation	(25,065)	(35,449)	<b>(60,514)</b>
<b>Balance, July 31, 2021</b>	\$ 1,287,062	\$ 862,784	\$ <b>2,149,846</b>

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

The exploration expenditures for the nine months ended July 31, 2021 were as follows:

<b>Exploration Expenditures</b>	<b>Silver Cloud</b>	<b>Tonopah West</b>	<b>General</b>	<b>Total</b>
Drilling	\$ 530,802	\$ 13,851,102	\$ -	\$ 14,381,904
Geology and consulting	58,779	810,728	-	869,507
Geophysics	3,687	55,912	-	59,599
Legal	-	18,760	-	18,760
Property investigation	-	-	46,042	46,042
<b>Total</b>	<b>\$ 593,268</b>	<b>\$ 14,736,502</b>	<b>\$ 46,042</b>	<b>\$ 15,375,812</b>

The exploration expenditures for the nine months ended July 31, 2020 were as follows:

<b>Exploration Expenditures</b>	<b>Silver Cloud</b>	<b>Tonopah West</b>	<b>Total</b>
Drilling	\$ 672,592	\$ 923,605	\$ 1,596,197
Geology and consulting	154,051	35,035	189,086
Geophysics	77,038	-	77,038
<b>Total</b>	<b>\$ 903,681</b>	<b>\$ 958,640</b>	<b>\$ 1,862,321</b>

## **Mining Properties Owned or Controlled by Blackrock**

### **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, 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 (\$123,459) in 2020 and US\$91,080 (\$119,415 in 2019); 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;
  - 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 years 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 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 US subsidiary, Blackrock Gold Corp. ("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 West 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 (paid);
- (iii) 2nd anniversary of the Initial Closing Date, US\$650,000;
- (iv) 3rd anniversary of the Initial Closing Date, US\$700,000; 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.

During the option period and following the option exercise, if the option closing occurs and unless otherwise agreed 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.

### **CANADA – Moore Property**

During the year ended October 31, 2017, the Company wrote-off all costs related to this project, as management has no plans to complete any additional work on the property. The 14 remaining claims will be allowed to lapse as they come due in 2021.

### **Silver Cloud Project Update**

The Silver Cloud project has multiple targets covering a 45 square kilometre area over a portion of the prolific Northern Nevada Rift in north central Nevada. Blackrock, through its wholly owned subsidiary, Blackrock US, completed 17 drillholes totaling 5,980 metres (or “m”) (19,621 feet) between September

2019 and December 2020. Five core holes were completed in 2019 at the Silver Cloud Mine target and Northwest Canyon and the remaining drillholes were completed with a reverse circulation drill in the Northeast Veins and Quiver targets.

The Company is revisiting work completed in the Silver Cloud Mine target and has re-processed and interpreted gravity and CSAMT data from the area. A target located approximately one kilometre north of the historic Silver Cloud mercury mine has emerged as an area of interest that requires follow up. A small mapping and Niton soil sampling program is being planned and will be implemented this fall.

The Company is reassessing the drill results from the Northeast Veins and Quiver. The drilling at Northeast Veins did not reach the target due to water issues encountered with the RC drill. Additional drilling is being planned using a core drill to mitigate the water issue and test the unconformity with the underlying Ordovician sediments. The target is a similar setting to the adjacent Hollister mine.

At the Quiver target, the 2020 drill program encountered significant thicknesses of low-grade gold within the volcanic units along the margin of the Silver Cloud graben. This geologic setting is similar to the Midas mine located 15 kilometres to the north. Recently, Hecla announced the Green Sinter discovery with bonanza gold grades on the Midas property approximately 3 kilometres east of the Midas mine. This new discovery represents a new deposit model that may be applied to the Quiver target at Silver Cloud.

### **Tonopah West Project**

On April 27, 2020, the Company announced exploration plans for its 100% controlled Tonopah West Project located in the Walker Lane trend of western Nevada. The project is a significant landholding within the historic Tonopah silver district with 97 patented and 19 unpatented lode mining claims comprising the property. Blackrock closed the Lease Option to Purchase agreement on April 1, 2020.

The historic Tonopah silver district produced 174 Mozs of silver and 1.8 Mozs of gold from 7.45 million tonnes of material. Blackrock's consolidated land position yielded 2.1 million tonnes of the total Tonopah gold and silver production making the combined area the second largest producer by tons and gross dollar yield.

In 2020, the Company outlined five broad target areas showing significant potential. A 7,000 metre, 16-hole RC drilling program commenced on June 17, 2020 to test these five target areas. All five target areas were drilled with significant results being achieved in the Victor and DPB targets. Drilling continued to December 18, 2020 with a three-week break for the holidays, and restarted on January 4, 2021.

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.

To date, a total of 90,000 metres of drilling has been completed in 193 pre-collar, core and RC drillholes. An in-fill core program is advancing in the DPB area while exploration continues to step out and identify new vein targets.

### **DPB IN-FILL PROGRAM**

Three core drills are working on the in-fill program at the DPB target. The in-fill program is designed to add additional pierce points to the Denver, Paymaster, Bermuda and Merten veins to provide for a maiden resource estimate by year-end. The drillhole spacing is being reduced from 150 metre spacing to approximately 50 metre spacing within an area roughly 1,000 x 1,000 metres.

To date, a total of 40 core in-fill drillholes have been completed in the DPB target area along with approximately 39 RC drillholes for a total of 46,550 metres of core and RC. A summary of all drillhole intercepts great than 200 grams per tonne (“g/t”) AgEq is present in Table 1.

Table 1: Tonopah West Drillholes Assay Values Greater than 200 g/t AgEq

HOLEID	Area	From (m)	To (m)	Length (m)	Au_g/t	Ag_g/t	AgEq_g/t
TW20-001	Victor Vein	554.7	557.8	3.0	2.435	221.3	464.8
TW20-001	Victor Vein	560.8	563.9	3.0	11.518	1046.1	2197.9
Including		560.8	562.4	1.5	18.667	1736.7	3603.4
TW20-001	Victor Vein	574.5	603.5	29.0	5.291	435.7	964.8
Including		582.2	592.8	10.7	7.941	623.1	1417.2
TW20-001	Victor Vein	612.6	615.7	3.0	1.925	135.1	327.6
TW20-003	Victor Vein	702.6	704.1	1.5	1.890	140.0	329.0
TW20-005	DPB	402.3	403.9	1.5	1.630	182.3	345.3
TW20-006	DPB	275.8	277.4	1.5	8.680	802.6	1670.6
TW20-006	DPB	321.6	326.1	4.6	9.036	673.1	1576.7
Including		323.1	326.1	3.0	12.633	952.0	2215.3
TW20-006	DPB	327.7	329.2	1.5	2.170	163.0	380.0
TW20-007	DPB	484.6	486.2	1.5	2.060	180.8	386.8
TW20-008	New Discovery	242.3	243.8	1.5	3.430	218.6	561.6
TW20-012C	Victor Vein	581.9	583.4	1.5	2.670	223.5	490.5
TW20-016	Step Out	233.2	234.7	1.5	4.840	5.3	489.3
TW20-016	Step Out	307.9	309.4	1.5	1.780	144.6	322.6
TW20-016	Step Out	385.6	387.1	1.5	3.220	231.7	553.7
TW20-017	DPB	374.9	376.4	3.1	13.962	1070.2	2466.3
Including		376.4	378.0	1.5	26.133	2029.8	4643.1
TW20-017	DPB	440.4	442.0	1.5	2.840	221.9	505.9
TW20-020C	Victor	585.2	586.7	1.5	4.750	334.5	809.5
TW20-020C	Victor	592.2	593.1	0.9	19.000	1634.4	3534.4
TW20-021C	Victor	621.2	624.2	3.0	3.500	435.5	785.5
TW20-022	DPB	474.0	478.6	4.5	1.530	131.6	284.7
TW20-024C	Victor	521.5	523.1	1.6	2.050	210.0	415.0
TW20-024C	Victor	573.3	574.7	1.4	3.560	405.0	761.0
TW20-024C	Victor	580.0	582.4	2.4	3.948	364.0	758.8
TW20-027	DPB	474.0	475.5	1.5	1.650	120.0	285.0
TW20-027	DPB	495.3	507.5	12.2	1.508	146.4	297.2
TW20-027	DPB	518.2	519.7	1.5	1.090	121.0	230.0
TW20-027	DPB	548.6	551.7	3.0	1.545	157.0	311.5
TW20-030	DPB	522.7	524.3	1.5	1.350	153.0	288.0
TW20-031C	Victor	535.8	538.7	2.9	5.353	545.9	1081.2
TW20-034	DPB	426.7	428.2	1.5	1.240	94.2	218.2
TW20-034	DPB	477.0	478.5	1.5	1.270	137.0	264.0
TW20-034	DPB	480.0	481.6	1.5	0.978	105.0	202.8

HOLEID	Area	From (m)	To (m)	Length (m)	Au_g/t	Ag_g/t	AgEq_g/t
TW20-037	DPB	275.8	278.9	3.0	10.510	1187.5	2238.5
TW20-040	DPB	481.6	483.1	1.5	1.960	164.0	360.0
TW20-041C	Victor	578.2	581.3	3.1	1.884	198.0	386.4
Including		578.2	578.5	0.3	5.500	571.0	1121.0
TW20-061C	Victor	631.6	650.1	18.5	1.539	142.0	295.0
Including		631.6	641.0	9.4	1.241	125.0	249.1
Including		631.6	633.0	1.3	4.350	354.0	789.0
Including		644.0	650.1	6.1	2.743	235.0	509.3
Including		648.6	650.1	1.5	9.830	808.0	1791.0
TW21-033C	Victor W. Ext.	589.5	593.4	3.9	No values above 200 g/t AgEq cutoff		
TW21-054	DPB	400.8	403.9	3.1	4.780	286.0	764.0
TW21-058	Step Out	317.0	318.5	1.5	1.290	94.5	223.5
TW21-062	Step Out	397.8	400.8	3.1	6.150	388.0	1003.0
Including		399.3	400.8	1.5	9.860	568.0	1554.0
TW21-066	Step Out	329.2	332.2	3.0	No values above 200 g/t AgEq cutoff		
TW21-067	Step Out	539.5	541.0	1.5	No values above 200 g/t AgEq cutoff		
TW21-068	Step Out	385.6	387.1	1.5	1.600	178.0	338.0
TW21-068	Step Out	410.0	414.5	4.5	6.564	743.0	1399.4
Including		411.5	413.0	1.5	16.000	1722.0	3322.0
TW21-076	DPB	143.2	155.4	12.2	2.538	14.9	268.7
Including		146.3	150.9	4.6	5.372	22.9	560.1
TW21-077	Victor	599.0	602.0	3.0	3.075	310.0	617.5
Including		599.0	600.5	1.5	4.190	443.0	862.0
TW21-077	Victor	606.5	614.2	7.6	2.139	230.0	444.0
Including		609.5	611.1	1.5	4.890	512.0	1001.0
TW21-079	DPB	201.2	204.2	3.0	1.485	130.1	278.6
TW21-082	DPB	356.6	365.8	9.1	0.850	135.0	220.3
Including		358.1	359.6	1.5	1.670	278.0	445.0
Including		364.2	365.7	1.5	2.330	393.0	626.0
TW21-083	DPB	440.4	441.9	1.5	1.3	137.0	264.0
TW21-085	Victor	594.4	599	4.6	3.113	275.6	338.9
Including		597.4	599	1.6	7.12	577	1289
TW21-092C	Victor W. Ext.	467.7	469.9	2.2	1.533	140.9	294.2
Including		467.7	468.7	1.0	2.860	250.0	536.0
TW21-093C	Victor	494.3	495.1	0.8	1.930	207.0	400.0
TW21-094C	Victor	527.8	532.2	4.4	1.837	140.8	324.5
Including		528.2	530.4	2.2	2.956	226.8	522.4
TW21-094C	Victor	597.4	598.3	0.9	0.942	117.0	211.2
TW21-094C	Victor	601.2	601.9	0.7	1.020	117.0	219.0
TW21-095C	Victor	551.1	552.6	1.5	3.660	376.0	742.0
TW21-095C	Victor	608.0	608.2	0.2	1.100	152.0	262.0
TW21-096C	Victor	465.0	466.1	1.1	1.970	126.0	323.0

HOLEID	Area	From (m)	To (m)	Length (m)	Au_g/t	Ag_g/t	AgEq_g/t
TW21-096C	Victor	467.4	468.9	1.5	1.140	118.0	232.0
TW21-097C	Victor	461.2	467.7	6.5	1.945	261.3	455.8
Including		464.5	466.1	1.6	5.260	655.0	1181.0
TW21-097C	Victor	469.4	477.5	8.1	1.076	192.9	300.5
TW21-097C	Victor	488.2	489.9	1.7	3.930	660.0	1053.0
TW21-097C	Victor	499.3	500.9	1.6	0.917	122.0	213.7
TXC21-001	DPB	439.8	442.9	3.1	1.291	136.1	265.2
TXC21-002	DPB	514.0	515.1	1.1	3.080	300.0	608.0
TXC21-004	DPB	504.1	504.7	0.6	1.050	139.0	244.0
TXC21-005	DPB	362.9	363.4	0.5	0.842	159.0	243.2
TXC21-005	DPB	371.7	372.1	0.4	5.660	677.0	1243.0
TXC21-005	DPB	399.0	400.0	1.0	1.300	135.0	265.0
TXC21-006	DPB	348.7	352.2	3.5	7.281	510.9	1239.0
Including		349.0	349.9	0.9	21.866	1355.0	3541.6
TXC21-008	DPB	476.4	477.6	1.2	0.684	159.0	227.4
TXC21-008	DPB	484.2	484.8	0.6	1.820	234.0	416.0
TXC21-008	DPB	487.2	487.7	0.5	4.210	401.0	822.0
TXC21-015	DPB	554.7	556	1.3	2.190	260.0	479.0
TXC21-015	DPB	610.5	611.9	1.4	0.783	120.5	198.8
TXC21-015	DPB	625.3	626.3	1	2.400	297.0	537.0
TXC21-016	DPB	477.4	480.7	3.3	2.256	222.7	448.3
Including		477.4	477.9	0.5	5.520	494.0	1046.0
TXC21-016	DPB	487.2	488.1	0.9	0.761	123.5	199.6
TXC21-017	DPB	369.7	370.2	0.5	2.610	155.0	416.0
TXC21-017	DPB	371.2	371.6	0.4	1.020	108.0	210.0
TXC21-017	DPB	373.4	374.7	1.3	1.217	132.0	253.7
TXC21-017	DPB	375.5	376.3	0.8	1.550	126.0	281.0
TXC21-017	DPB	377.9	385.3	7.4	2.003	180.6	380.8
Including		381	382.5	1.5	5.467	487.3	1034.0
TXC21-017	DPB	395.3	396.4	1.1	1.465	148.5	295.0
TXC21-017	DPB	397.6	401.1	3.5	2.560	279.2	295.0
Including		399.6	401.1	1.5	4.950	536.0	1031.0
AgEq_g/t = Ag_g/t + Au_g/t*100; AuEq_g/t = Au_g/t + Ag_g/t/100. True thickness unknown. NSV = No significant values							



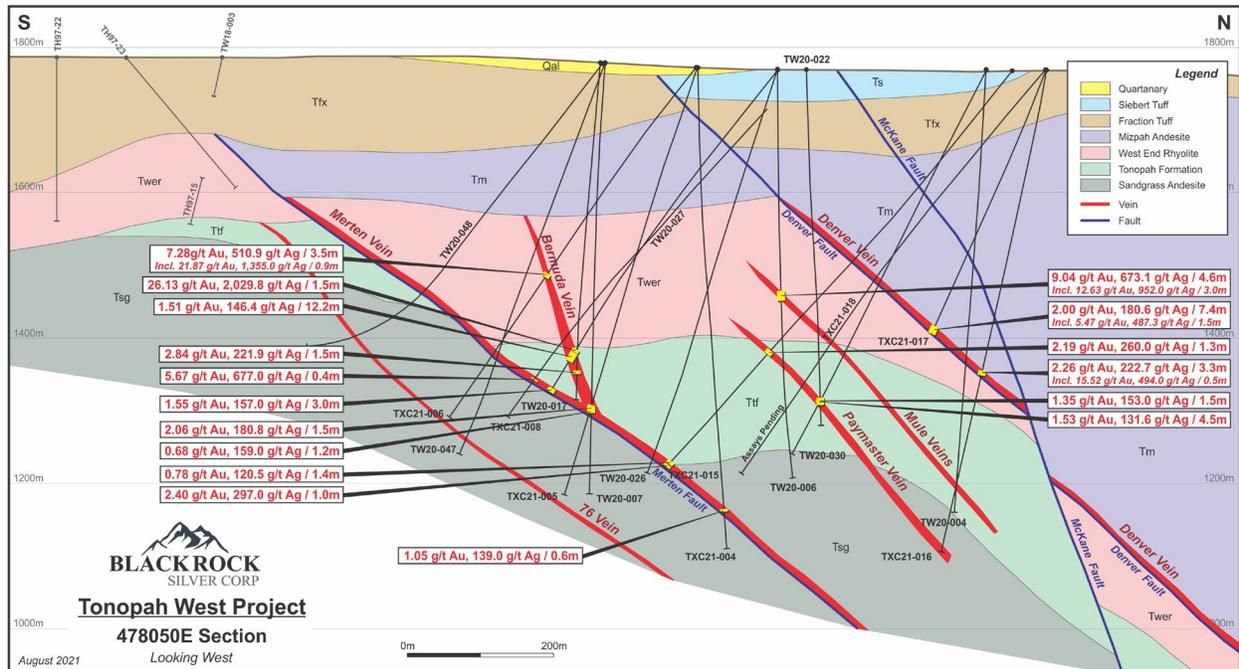


Figure 1: North-South Cross Section Through DPB Target

### STEP-OUT PROGRAM

The RC drill continues to complete step out drilling to the east, west and south of the DPB resource area.

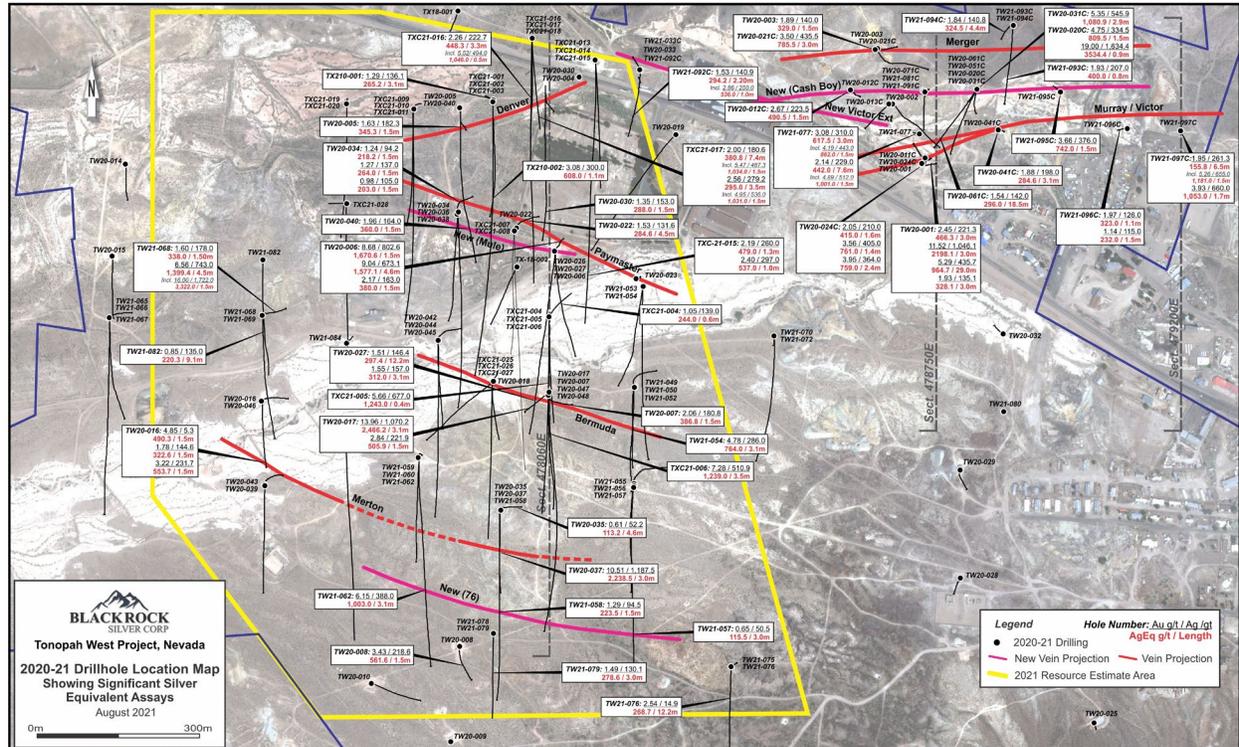


Figure 2: Tonopah West Significant Drillhole Assay Map Showing Surface Projection of Known Veins

Table 2: Location Data For All Tonopah West Drillholes To Date

Drillhole ID	Target	Type	NAD27 East	NAD27 North	Elevation metres	Azimuth	Dip	Total Depth metres
TW20-001	Victor	RC	478730.6	4214117.6	1795.8	0	-90	623.3
TW20-002	Victor	RC	478675.1	4214226.0	1801.6	150	-85	716.3
TW20-003	Victor	RC	478643.3	4214322.6	1800.7	150	-85	748.3
TW20-004	DPB	RC	478052.5	4214258.8	1771.6	180	-87	611.1
TW20-005	DPB	RC	477901.3	4214219.7	1767.3	175	-85	605.0
TW20-006	DPB	RC	478069.4	4213961.8	1778.1	0	-90	571.5
TW20-007	DPB	RC	478059.0	4213713.9	1777.2	180	-85	605.0
TW20-008	Coeur Discovery	RC	477897.7	4213262.3	1776.3	175	-80	519.7
TW20-009	Coeur Discovery	RC	477884.4	4213091.7	1780.1	0	-90	312.4
TW20-010	Coeur Discovery	RC	477744.4	4213195.2	1773.9	110	-70	355.1
TW20-011C	Victor	Core	478728.8	4214127.4	1795.7	305	-88	648.0
TW20-012C	Victor	Core	478600.3	4214248.9	1796.2	0	-90	691.6
TW20-013C	Victor	Core	478668.6	4214230.8	1801.5	220	-85	674.4
TW20-014	Step Out	RC	478668.6	4214230.8	1801.5	220	-85	457.2
TW20-015	Step Out	RC	477306.0	4214119.4	1754.8	180	-80	414.5
TW20-016	Step Out	RC	477282.0	4213956.1	1753.7	180	-70	391.7
TW20-017	DPB	RC	477548.9	4213699.9	1762.1	180	-70	472.4
TW20-018	DPB	RC	478059.9	4213713.6	1777.1	230	-80	516.6
TW20-019	DPB	RC	477960.9	4213733.4	1773.8	230	-75	563.9
TW20-020C	Victor	Core	478283.4	4214170.9	1779.2	220	-70	593.0
TW20-021C	Victor	Core	478641.8	4214323.9	1800.7	0	-90	741.6
TW20-022	DPB	RC	478000.3	4214006.2	1775.8	0	-90	509.0
TW20-023	DPB	RC	478215.5	4213914.5	1782.0	0	-90	525.8
TW20-024C	Victor	Core	478730.0	4214120.3	1795.7	0	-90	582.4
TW20-025	Ohio	RC	479033.2	4213127.2	1846.1	0	-90	410.0
TW20-026	DPB	RC	478070.6	4213963.9	1778.1	180	-70	609.6
TW20-027	DPB	RC	478070.7	4213962.4	1778.2	180	-50	563.9
TW20-028	Ohio	RC	478790.9	4213380.1	1814.0	0	-90	434.3
TW20-029	Ohio	RC	478789.8	4213576.3	1808.5	0	-90	457.2
TW20-030	DPB	RC	478053.1	4214257.0	1771.6	180	-65	609.6
TW20-031C	Victor	Core	478819.7	4214251.4	1798.8	180	-85	720.2
TW20-032	Ohio	RC	478865.5	4213820.3	1801.7	0	-90	361.2
TW20-033	DPB	Pre-Collar	478222.4	4214288.4	1782.8	0	-90	365.8
TW20-034	DPB	RC	477897.6	4214035.9	1772.5	0	-90	548.6
TW20-035	DPB	RC	477972.0	4213507.9	1779.5	0	-90	361.2
TW20-036	DPB	RC	477897.6	4214034.9	1772.6	180	-70	548.6
TW20-037	DPB	RC	477972.5	4213507.7	1779.6	180	-75	457.2
TW20-038	DPB	RC	477897.7	4214033.0	1772.5	180	-50	579.1
TW20-039	Step Out	RC	477554.5	4213554.5	1761.2	0	-90	396.2
TW20-040	DPB	RC	477902.2	4214215.0	1767.3	180	-70	609.6
TW20-041C	Victor	Core	478859.3	4214181.4	1803.1	0	-90	762.0
TW20-042	DPB	RC	477554.3	4213554.0	1761.2	0	-90	592.8

Drillhole ID	Target	Type	NAD27 East	NAD27 North	Elevation metres	Azimuth	Dip	Total Depth metres
TW20-043	Step Out	RC	477862.4	4213810.6	1769.8	180	-70	457.2
TW20-044	DPB	RC	477862.5	4213809.4	1769.9	180	-70	548.6
TW20-045	DPB	RC	477862.4	4213808.0	1769.7	180	-50	579.1
TW20-046	Step Out	RC	477548.9	4213699.9	1762.1	0	-90	548.6
TW20-047	DPB	RC	478059.4	4213711.4	1777.2	180	-70	579.1
TW20-048	DPB	RC	478059.2	4213709.8	1777.1	180	-50	594.4
TW20-049	DPB	RC	478211.4	4213724.9	1781.7	0	-90	609.6
TW20-050	DPB	RC	478210.5	4213726.8	1781.7	180	-70	579.1
TW20-051C	Victor	Core	478820.8	4214251.9	1798.9	215	-76	104.4
TW20-052	DPB	RC	478211.2	4213722.5	1781.7	180	-50	556.3
TW20-061C	Victor	Core	478821.1	4214253.0	1798.8	215	-78	688.2
TW20-071C	Victor	Core	478720.0	4214250.0	1797.0	0	-90	359.0
TW21-033C	Victor Ext	Core	478222.4	4214288.4	1782.8	0	-90	678.8
TW21-053	DPB	RC	478226.6	4213907.2	1782.1	180	-70	609.6
TW21-054	DPB	RC	478226.8	4213905.5	1781.9	180	-50	585.2
TW21-055	Step Out	RC	478210.3	4213555.3	1781.8	0	-90	609.6
TW21-056	Step Out	RC	478210.2	4213554.2	1781.8	180	-70	579.1
TW21-057	Step Out	RC	478210.3	4213552.8	1781.9	180	-50	563.9
TW21-058	Step Out	RC	477971.6	4213505.3	1779.4	180	-50	548.6
TW21-059	Step Out	RC	477828.5	4213600.4	1771.1	0	-90	548.6
TW21-060	Step Out	RC	477828.5	4213599.4	1771.1	180	-70	594.4
TW21-062	Step Out	RC	477828.5	4213597.7	1770.9	180	-50	609.6
TW21-063	Step Out	RC	477575.2	4212822.6	1773.4	180	-90	599.2
TW21-064	Step Out	RC	477574.9	4212822.5	1770.9	180	-70	579.1
TW21-065	Step Out	RC	477277.0	4213848.0	1755.9	0	-90	548.6
TW21-066	Step Out	RC	477277.4	4213847.0	1756.0	180	-70	640.1
TW21-067	Step Out	RC	477277.2	4213845.4	1756.1	180	-50	612.6
TW21-068	Step Out	RC	477549.8	4213852.8	1762.1	0	-90	563.9
TW21-069	Step Out	RC	477549.7	4213851.6	1761.4	180	-70	579.1
TW21-070	Step Out	RC	478461.5	4213815.2	1794.0	0	-90	609.6
TW21-072	Step Out	RC	478461.5	4213814.4	1794.0	180	-70	624.8
TW21-073	Step Out	RC	476766.3	4215195.4	1740.9	0	-90	548.6
TW21-074	Step Out	RC	476766.8	4215194.4	1740.2	180	-70	513.6
TW21-075	DPB	RC	478384.0	4213224.7	1803.6	0	-90	457.2
TW21-076	DPB	RC	478384.0	4213224.0	1803.6	180	-70	457.2
TW21-077	Victor	RC	478724.1	4214178.1	1795.4	0	-90	623.3
TW21-078	DPB	RC	477953.8	4213287.4	1782.4	0	-90	457.2
TW21-079	DPB	RC	477956.7	4213286.7	1777.2	180	-70	434.3
TW21-080	Ohio	RC	478870.1	4213678.3	1807.0	0	-90	304.8
TW21-081C	Victor	Core	478730.4	4214251.9	1800.5	0	-90	798.0
TW21-082	DPB	RC	477543.9	4213950.2	1763.6	180	-70	579.1
TW21-083	DPB	RC	477544.0	4213951.1	1763.6	180	-80	553.2
TW21-084	DPB	RC	477694.7	4213776.6	1766.1	0	-90	548.6

Drillhole ID	Target	Type	NAD27 East	NAD27 North	Elevation metres	Azimuth	Dip	Total Depth metres
TW21-085	Victor	RC	478791.4	4214194.1	1796.3	0	-90	655.3
TW21-086	Step Out	RC	477310.0	4214285.0	1775.0	0	-90	562.4
TW21-087	Step Out	RC	477310.0	4214285.0	1775.0	180	-70	422.1
TW21-088	DPB	RC	478347.0	4213910.0	1768.4	180	-80	579.1
TW21-089	DPB	RC	478347.0	4213910.0	1768.4	180	-70	548.6
TW21-090	DPB	RC	478347.0	4213910.0	1768.4	180	-60	548.6
TW21-091C	Victor	Core	478730.2	4214250.5	1800.5	180	-85	779.2
TW21-092C	Victor Ext	Core	478222.4	4214288.4	1782.8	180	-80	652.9
TW21-093C	Victor	Core	478890.0	4214355.0	1807.0	180	-80	806.5
TW21-094C	Victor	Core	478886.6	4214368.9	1811.3	0	-90	844.7
TW21-095C	Victor	Core	478900.0	4214246.9	1802.1	0	-90	751.2
TW21-096C	Victor	Core	479088.7	4214187.6	1807.0	0	-90	551.1
TW21-097C	Victor	Core	479184.5	4214178.7	1811.5	0	-90	609.5
TW21-098	DPB	RC	478462	4213815	1794	180	-50	548.6
TW21-099	DPB	RC	478150.0	4213325.0	1768.0	180	-80	434.3
TW21-100	DPB	RC	478150.0	4213325.0	1768.0	180	-70	458.7
TW21-101	DPB	RC	478150.0	4213325.0	1768.0	180	-50	428.2
TW21-102	DPB	RC	477550	4214250	1775	180	-80	685.8
TW21-103	DPB	RC	477550	4214250	1775	180	-70	659.9
TXC21-001	DPB	Core	477959.9	4214235.3	1768.8	0	-90	761.2
TXC21-002	DPB	Core	477960.0	4214234.7	1768.5	180	-70	611.4
TXC21-003	DPB	Core	477960.0	4214233.2	1768.8	180	-50	730.6
TXC21-004	DPB	Core	478054.4	4213847.5	1777.1	0	-90	675.7
TXC21-005	DPB	Core	478054.5	4213846.4	1777.1	180	-70	628.5
TXC21-006	DPB	Core	478054.6	4213844.3	1777.0	180	-50	602.6
TXC21-007	DPB	Core	477998.6	4213997.3	1776.0	180	-70	688.8
TXC21-008	DPB	Core	477998.8	4213995.5	1775.9	180	-50	645.3
TXC21-009	DPB	Core	477819.0	4214219.0	1775.0	0	-90	674.1
TXC21-010	DPB	Core	477819.0	4214219.0	1775.0	180	-70	671.2
TXC21-011	DPB	Core	477819.0	4214219.0	1775.0	180	-50	689.5
TXC21-012	DPB	Core	477700.0	4213650.0	1775.0	180	-50	536.8
TXC21-013	DPB	Core	478144.3	4214305.6	1776.4	0	-90	640.7
TXC21-014	DPB	Core	478144.4	4214304.5	1776.3	180	-70	607.5
TXC21-015	DPB	Core	478144.4	4214303.7	1776.5	180	-50	711.9
TXC21-016	DPB	Core	478030.0	4214345.0	1775.0	180	-80	692.5
TXC21-017	DPB	Core	478030.0	4214345.0	1775.0	180	-70	401.1
TXC21-018	DPB	Core	478030.0	4214345.0	1775.0	180	-50	715.4
TXC21-019	DPB	Core	477700.0	4214225.0	1775.0	0	-90	694.0
TXC21-020	DPB	Core	477700.0	4214225.0	1775.0	180	-70	691.0
TXC21-021	DPB	Core	477700.0	4214225.0	1775.0	180	-50	631.5

Drillhole ID	Target	Type	NAD27 East	NAD27 North	Elevation metres	Azimuth	Dip	Total Depth metres
TXC21-022	DPB	Core	478150.0	4213900.0	1775.0	180	-70	668.1
TXC21-023	DPB	Core	478150.0	4213900.0	1775.0	180	-60	461.2
TXC21-024	DPB	Core	478150.0	4213900.0	1775.0	180	50	639.5
TXC21-025	DPB	Core	477960.0	4213735.0	1775.0	0	-90	630.3
TXC21-026	DPB	Core	477960.0	4213735.0	1775.0	180	-80	556.7
TXC21-027	DPB	Core	477960.0	4213735.0	1775.0	180	-60	645.6
TXC21-028	DPB	Core	477700.0	4214050.0	1775.0	0	-90	540.2
TXC21-029	DPB	Core	477700.0	4214050.0	1775.0	180	-70	628.5
TXC21-030	DPB	Core	477700.0	4214050.0	1775.0	180	-50	585.8
TXC21-031	DPB	Core	477915.0	4213910.0	1775.0	180	-70	616.3
TXC21-032	DPB	Core	477915.0	4213910.0	1775.0	180	-60	421.8
TXC21-033	DPB	Core	477915.0	4213910.0	1775.0	180	-50	628.8
TXC21-034	DPB	Core	477800.0	4214050.0	1775.0	180	-80	672.6
TXC21-035	DPB	Core	477800.0	4214050.0	1775.0	180	-70	609.1
TXC21-036	DPB	Core	477800.0	4214050.0	1775.0	180	-50	In Process
TXC21-037	DPB	Core	477700.0	4214350.0	1775.0	180	-80	692.5
TXC21-038	DPB	Core	477700.0	4214350.0	1775.0	180	-70	In Process

All sampling was conducted under the supervision of the Company's project geologists, and a strict chain of custody from the project to the sample preparation facility was implemented and monitored. The RC and core samples are hauled from the project site to a secure and fenced facility, where they were loaded on to AAL's flat-bed truck and delivered to AAL's facility in Sparks, Nevada. A sample submittal sheet was delivered to AAL personnel who organized and processed the sample intervals pursuant to the Company's instructions. Blackrock personnel inserted standards and blanks into the sample sequence.

The RC and core samples and QA/QC samples were crushed and pulverized, then the pulverized material was digested and analyzed for gold using fire assay fusion and an ICP finish on a 30-gram assay split. Silver was determined using five-acid digestion and ICP analysis. Data verification of the assay and analytical results are completed to ensure accurate and verifiable results. A prep blank, lab blank or a certified standard was inserted approximately every 20<sup>th</sup> sample.

#### Disclosure of Outstanding Share Data:

- Share capital authorized: Unlimited common shares
- Share capital issued as of July 31, 2021 - 142,323,165 common shares
- Share capital issued as of September 29, 2021 - 142,793,829 common shares
- Share purchase options outstanding, July 31, 2021 - 9,905,000
- Share purchase options outstanding, September 29, 2021 - 9,405,000
- Share purchase warrants outstanding, July 31, 2021 - 32,348,351
- Share purchase warrants outstanding, September 29, 2021 - 31,498,351
- Finders' warrants outstanding, July 31, 2021 - 2,269,459
- Finders' warrants outstanding, September 29, 2021 - 2,269,459
- Restricted share units outstanding, July 31, 2021 - 1,163,800
- Restricted share units outstanding, September 29, 2021 - 1,043,136

## **Subsequent Events**

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

- (a) A total of 850,000 share purchase warrants were exercised, for total proceeds of \$248,000, and 500,000 share purchase warrants were exercised, for total proceeds of \$25,000.
- (b) A total of 120,664 RSUs vested and were settled for cash totaling \$102,098.

## **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, while the Company's share compensation liability is measured using Level 2. The Company does not have any financial instruments that are measured using Level 3 inputs. During the year, there were no transfers between Level 1, Level 2 and Level 3 classified assets and liabilities.

## **Risks 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 that the Company has described as assets on its condensed consolidated interim statements of financial position 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 July 31, 2021, the Company had cash of \$9,520,999 (October 31, 2020 - \$6,589,531) to settle current liabilities of \$992,234 (October 31, 2020 - \$1,494,822). The Company is not 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.

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 July 31, 2021, the Company had cash balances of US\$7,556,956 (October 31, 2020 - US\$2,267,749), loans payable of \$Nil (October 31, 2020 - \$Nil) and accounts payable and accrued liabilities of US\$573,860 (October 31, 2020 - US\$937,051). 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 CEO and the CFO, is responsible for the design and operations of DC&P. There have been no changes in the Company's DC&P during the nine months ended July 31, 2021.

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 condensed consolidated interim financial statements for external purposes in accordance with applicable IFRS. However, due to inherent limitations, ICFR 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 due to 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 ICFR during the nine months ended July 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

The Company's controls are based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework. COSO 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](http://www.sedar.com).

### **Critical Accounting Estimates**

Critical accounting estimates are used in the preparation of the condensed consolidated interim 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 indigenous peoples. The Company's condensed consolidated interim 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](http://www.sedar.com). Shareholders should go to Blackrock Silver 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.