**BLACKROCK GOLD CORP. (Formerly Almo Capital Corp.)**
**Hereinafter called "Blackrock" or the "Company"**
**Management Discussion and Analysis**
**For the Nine Months Ended July 31, 2019**

Reported on September 30, 2019

## General

The following management's discussion and analysis ("MD&A") on performance, financial condition, and prospects should be read in conjunction with the unaudited condensed consolidated financial statements of the Company for the period ended July 31, 2019, and audited consolidated financial statements and notes thereto for the year ended October 31, 2018. The Company's financial statements are prepared in accordance with International Financial Reporting Standards. 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, and all references to a quarter refer to the quarter ended on April 30 of that year. The date of this MD&A is September 30, 2019.

This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

Additional information on the Company is available on SEDAR at www.sedar.com and on the Corporation'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, statements regarding planned exploration activities, trends in the markets for precious metals and other commodities, technological advancement, competition, other statements that are not historical facts, and the risk factors identified herein. These 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 Corporation 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.

**Management's Responsibility for Financial Statements**

The Company's management is responsible for the presentation and preparation of interim consolidated financial statements and the MD&A. The 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.

**Description of Business**

Blackrock Gold Corp. (Formerly Almo Capital Corp.) (herein "the Company") was incorporated under the Companies Act of the Province of British Columbia on April 16, 1999. Pursuant to CDNX (TSX Venture Exchange) Policy Number 2.4 the Company was established as a Capital Pool Company and the shares started trading on the CDNX under the symbol APT on July 20, 2000. For its qualifying transaction, the Company acquired Property #1, D.D. Mineral Property containing nickel, cobalt, copper, platinum, palladium and gold in the Cariboo Mining Division on December 16, 2003, but the Company allowed these claims to lapse in 2018.

The Company is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company owns 100% the Moore Property Located in the Kamloops Mining Division of British Columbia, but it intends to allow these claims to lapse.

On October 27, 2017, the Company entered into a Lease Agreement on a gold & silver project situated in Elko County, 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 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 it successors and assigns unless earlier terminated in accordance with the terms of the Lease.

Effective July 27, 2016, the Company changed its name from Almo Capital Corp. to Blackrock Gold Corp. The Company's shares began trading on the TSX Venture Exchange ("TSX-V") under the symbol "BRC.V" on July 27, 2016 and trade on the OTCPK under the symbol "BKRRF".

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

**Summary of Quarterly Results**

| | Jul 2019 | Apr 2019 | Jan 2019 | Oct 2018 | Jul 2018 | Apr 2018 | Jan 2018 | Oct 2017 |
|---|---|---|---|---|---|---|---|---|
| General and administrative expenses | 309,486 | 147,164 | 232,077 | 369,814 | 536,072 | 213,099 | 82,350 | 179,692 |
| Other expenses (income) | - | - | - | - | - | - | - | 993,041 |
| Net income (loss) | (309,486) | (147,164) | (232,077) | (369,814) | (536,072) | (213,099) | (82,350) | (1,172,733) |
| Net Profit (loss) / share | (0.00) | (0.00) | (0.01) | (0.01) | (0.01) | (0.01) | (0.00) | (0.06) |
| Total Assets | 1,263,390 | 850,036 | 953,539 | 1,127,371 | 903,819 | 1,255,942 | 203,317 | 187,120 |

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

**Results of Operations for the Quarter ended July 31, 2019**

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 significant difference for the three months ended July 31, 2019, as compared to the three months ended July 31, 2018 were as follows:

- Consulting fees – The Company incurred consulting fees of $15,400 as compared to $100,369 for the same period in 2018. The decrease was due to radical changes in management and consultants aimed at re-invigorating the company.
- Marketing and communications - The Company incurred marketing and communications expense of $23,878 as compared to $44,254 for the same period in 2018. The decrease was as a result of the company's decision to reduce marketing expenses.
- Share-based compensation – The Company incurred share-based compensation expense of $139,839 as compared with $216,220 for the same period in 2018. The decrease was the result of less share options issued.

The remaining expenses were comparable to the previous periods.

**Results of Operations for the Nine -Months ended July 31, 2019**

The significant difference for the nine months ended July 31, 2019 as compared to the nine months ended July 31, 2018, were as follows:

- Consulting fees – The Company incurred consulting fees of $116,683 as compared to $136,077 for the same period in 2018. The decrease was as a result of the company's decision to reduce the services of part-time consultants in order to preserve cash
- Marketing and communications - The Company incurred marketing and communications expense of $67,792 as compared to $136,736 for the same period in 2018. The decrease was a result of the company's decision to reduce marketing to preserve cash.
- Share-based compensation – The Company incurred share-based compensation expense of $139,839 as compared with $230,640 for the same period in 2018. The decrease was the result of less share options issued.

**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 April 30, 2019, the Company owed $82,213 (October 31, 2018 - $41,732) to related parties as follows (excluding loans payable – see Note 5):

i. $10,179 (2018 - $nil) to the former CEO of a subsidiary of the Company for salary;
ii. $45,303 (2018 - $nil) to the President and CEO of the Company for management fees;
iii. $nil (2018 - $20,866) to a former consultant of the Company for management fees;
iv. $nil (2018 - $20,866) to a company controlled by a former CFO of the Company;
v. $3,000 (2018 - $nil) to a company that controls more than 10% of the shares of the Company for the services of the CFO;
vi. $1,837 (2018 - $nil) to a company controlled by a director of the Company for expense reimbursement.
vii. $38,087 (2018 - $nil) to a company controlled by a director for management fees; and
viii. $25,000 (2018 - $nil) to a company controlled by the CEO for management fees.

During the nine months ended April 30, 2019, the Company incurred interest expense of $4,213 (July 31, 2018 – $5,848) on loans payable to directors of the Company. The Company issued 1,162,273 bonus warrants in respect of these loans during the year ended October 31, 2018 (see Note 5).

Key Management Compensation

During the nine months ended July 31, 2019, the Company paid or accrued compensation to key management, or companies controlled by them, totaling $124,318 (Nine months ended July 31, 2018 - $120,395). Of this amount $45,303 (Nine months ended July 31, 2018 - $61,301) was for consulting fees to the former CEO of the Company, $25,000 (Nine months ended July 31, 2018 - $Nil) was for management fees to the CEO of the Company, $38,087 (Nine months ended July 31, 2018 - $Nil) to a company controlled by a director for management fees, $10,719 (Nine months ended July 31, 2018 - $Nil) to a former President of the Company's subsidiary, $3,000 (Nine months ended July 31, 2018 - $nil) was for paid for the services of the CFO and $2,750 (Nine months ended July 31, 2018 - $Nil) to the current CFO.

During the nine months ended July 31, 2019, $25,023 (Nine months ended July 31, 2018 - $nil) was paid for project-related exploration (a soil sampling program) to a company controlled by the CEO of the Company.

During the nine months ended July 31, 2019, $139,839 (Nine months ended July 31, 2018 - $230,640) in share-based compensation was issued in respect of officers and directors of the Company

**Loans Payable**

Loans payable at July 31, 2019 and October 31, 2018 is comprised of the following:

| | | July 31, 2019 | | October 31, 2018 |
|---|---|---|---|---|
| Related parties: | | | | |
| Principal (i, iii, iv, v) | $ | 114,219 | $ | 105,478 |
| Interest | | 10,513 | | 10,628 |
| Foreign exchange loss | | 697 | | |
| Repayment (vi) | | - | | (26,888) |
| | | 125,429 | | 89,218 |
| Arms-length: | | | | |
| Principal (ii, iv, v) | | 19,983 | | 19,983 |
| Interest | | 2,689 | | 1,480 |
| Repayment | | (22,672) | | - |
| | | - | | 21,463 |
| Total | $ | 125,429 | $ | 110,681 |

(i) On November 10 and 14, 2017, the Company entered into loan agreements with two current 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 (see Note 7). 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 (none of those bonus warrants were exercised and these warrants have since expired). These loans were extended for an additional six-month term expiring on May 10 and 14, 2019.

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 for a period of one year. 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. None of these bonus warrants were exercised and these warrants have since expired. The loan, including the principal and accrued interest, was repaid in full on June 18, 2019.

(iii) On January 31, 2019, the Company entered into a loan agreement with a current director of the Company to borrow USD$25,000 for a period of one year. The number of bonus warrants to be issued with respect to this loan agreement has 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 the year.

**Liquidity and Capital Resources**

Working capital on July 31, 2019 was negative $175,742 (October 31, 2018 – $230,603), which is the current assets minus the current liabilities of the Company. The sources of cash in the period included 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.

The consolidated financial statements for the period ended July 31, 2019 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.

| | | July 31, 2019 | | October 31, 2018 |
|---|---|---|---|---|
| Working capital (deficiency) | $ | 77,576 | $ | 230,603 |
| Deficit | $ | 4,714,131 | $ | 4,025,403 |

## Accounting Principles

The audited consolidated annual 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, 2018 for additional detail on accounting principles.

## 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, loans, 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.

## Recent Accounting Pronouncements

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

| Standard | Title | Applicable for financial years beginning on/after | Effective |
|---|---|---|---|
| IFRS 9 | Financial instruments | January 1, 2018 | Yes |
| IFRS 16 | Leases | January 1. 2019 | No |

Under IFRS 9, financial assets are required to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 provides a three-stage expected credit loss model for calculating impairment for financial assets. Expected credit losses are required to be recognized when financial instruments are initially recognized, and the amount of expected credit losses recognized are required to be updated at each reporting date to reflect changes in the credit risk of the financial instruments. On initial recognition, IFRS 9 requires financial liabilities to be classified as subsequently measured at amortized cost except for when one of the specified exceptions applies. There has been no change in the carrying value of the Company's financial instruments or to previously reported figures as a result of the adoption of IFRS 9.

Under IFRS 16, virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, leased assets ("right-of-use" assets) and the related lease liability will be required to be recognized on the statement of financial position.

## Mineral Exploration and Evaluation Properties

**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 new lease provides for lower up-front payments, a reduction of the NSR through a buyout, and a purchase option for the Silver Cloud Project.

According 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") fee;
(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$92,544 in 2018. The next BLM payment in the amount of US$92,544 is due on or before July 15, 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. The next lease payment in the amount of US$100,000 is due on or before October 27, 2019.

In the Original Lease, the Company would pay a royalty of 3.5% of the gross value of production (the "Gross Royalty") on the sale of minerals from the Property. All annual payments made by the Company and described above will be credited cumulatively against the Company's commitments pursuant to the Gross Royalty. Furthermore, the Company has an option to buy down the Gross Royalty by 1.5% to 2.0% by payment to the Lessor of US$3,000,000 at its sole discretion and at any time on or before October 28, 2022.

| **NEVADA – Silver Cloud** | October 31, 2018 | Net Additions | July 31, 2019 |
|---|---|---|---|
| Acquisition | $ 661,898 | $ 150,981 | $ 812,879 |
| Geology and Consulting | 49,573 | 76,177 | 125,750 |
| **TOTAL** | $ 711,471 | $ 227,158 | $ 938,629 |

On June 3, 2019, the Company announced that it negotiated an Amended Lease Agreement with Pescio with respect to the Silver Cloud project. The amendments are as follows:

(i) Blackrock has negotiated a Buyout Option to purchase 100% ownership in the Silver Cloud project subject to a 3.5% production royalty in favor of Pescio. Pescio has granted to Blackrock the sole and exclusive option to purchase and own 100% of the Silver Cloud property for a total purchase price of three million five hundred thousand ($3,500,000.USD) on or before Oct 27, 2023. If Blackrock elects to exercise their option to purchase the Silver Cloud project after October 27, 2023, and while the lease remains in good standing and effect, they can do so at any point thereafter for five million ($5,000,000USD). If the option is exercised, the only future payment obligation to the Owner will be the future royalty payments as per the Agreement, though exploration drilling commitment, or "drilling escape payment" remains in effect for duration of lease term.

(ii) The payment schedule table contained in the original agreement was amended as follows:
   i. 2nd Anniversary of the Effective Date October 27, 2019, decreased from $100,000 to $75,000;
   ii. 3rd Anniversary of the Effective Date October 27, 2020, decreased from $150,000 to $100,000;
   iii. 4th Anniversary of the Effective Date October 27, 2021, decreased from $200,000 to $150,000;
   iv. 5th Anniversary of the Effective Date October 27, 2022, decreased from $250,000 to $200,000;

(iii) The time period to conduct the "Minimum Drilling Commitment" has been modified, where the Company now must perform a total of a minimum 25,000 feet of drilling on the property by October 27, 2022. Minimum drilling threshold must be achieved, otherwise Blackrock is subject to a non-drilling penalty of $50 per foot of undrilled footage.

(iv) The work/drilling commitment is now revised as follows: Sixth year: 10,000'; Seventh: 20,000'; Eighth: 20,000'; and Ninth and each subsequent Lease Year: 20,000'.

(v) Royalty Percentage Subject to Buy-Down. The Royalty Percentage of 3.5% as a whole, is made subject to a buy-down option (the "Royalty Buy-Down") representing one percent (1%) of the gross value in favor of Lessee or any assignee thereof, for a total sum of three million dollars ($3,000,000) cash exercisable by Lessee, in its sole discretion, at any time within 5 years of the Effective Date.

(vi) The cash minimum payments will not be credited cumulatively against Lessee's royalty payment obligations.

## 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 drillholes 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 1.5m grading 157.7 g/t Au respectively) align at the same elevation along an east-west zone with approximately 1500 metres of strike potential. A re-evalution of the surface geochemistry, geology and geophysics revealed the high-grade veins may have an east-west orientation. A drill campaign utilizing all the available data was permitted and bonded and is anticipated to start in late September to early October.

In addition to the Silver Cloud mine target, an exploration program commenced in June 2019 which was focused on the northern portion of the property. This program included 837 soil samples processed across a spectrum of 41 elements, detailed mapping, and a geophysical review to delineate targets on this never-before drilled section of the project.

Following up on the east-west vein interpretation, the Company through its US subsidiary Blackrock Gold Corp. entered into a purchase agreement for 20 mining claims located immediately adjacent to the western boundary of the Silver Cloud property. These unpatented lode mining claims, collectively known as the West Silver Cloud property, extend the property westward from the Northwest Canyon target, where Placer Dome encountered 1.5m of 12.5g/t Au. Closing of this transaction was subject to customary approvals. The Company agreed to pay the vendor:

(i) USD$5,000 upon closing of the transaction;
(ii) One hundred fifty thousand (150,000) shares of the common stock of the Company (the "Payment Shares");
(iii) Warrants for the purchase of fifty thousand shares of the common stock of the Company, good for a three year term with an exercise price of twenty cents (CAD$0.20); and
(iv) a production royalty equal to one-half a percent (0.5%), with the Company having the option to purchase all of the vendor's right, title and interest in and to the royalty (the "Royalty Option") at any time after entering into the agreement for a purchase price of five hundred thousand dollars (USD$500,000) in United States currency.

**Silver Cloud Project Soil and Gravity Anomalies**

On July 29, 2019, the Company announced that it has received assay and geochemical determination from 829 soil samples collected over the northern portion of the Silver Cloud project. The soil survey returned several anomalies including:

Anomaly (1), which is a large geochemical anomaly located in the northeastern portion of the property approximately 5km north of the Silver Cloud mine. This Mercury, Arsenic, and Zinc anomaly is within an area mapped with moderate to intense argillic alteration that measures 800 by 1200 metres and is centered on the previously announced E-W banded vein system (see press release dated June 27, 2019). This anomaly is open to the north and east. A follow-up soil sample program was implemented in August to collect 342 soil samples with the aim of defining the northern and eastern extents of this geochemical anomaly. The new soil samples will extend the grid to the northeast toward the Surprise mercury prospect.

Anomaly (1) includes arsenic values up to 100 ppm which define a 1000 by 600 metres area that is open to the north and east. Mercury appears to follow east-northeast structural zones as well as defines windows through the post-mineral volcanics located west and south of the newly defined anomaly. Zinc blankets the argilically altered area and gravity low.

The mapped alteration area and corresponding soil anomaly are coincident with a gravity low with sharp east-west boundaries on the north and south. This is significant because gravity lows exist over the Silver Cloud mine area and Northwest Canyon target zones where Teck and Placer Dome drilled 157.7 g/t Au and 12.5 g/t Au over 1.5 metres respectively. The gravity lows at Silver Cloud and Northwest Canyon are thought to be connected along an east-west vein system. A number of other gravity lows exist on the property, and they are theorized to be hydrothermal vent centers. To date, all drill holes with gold and silver mineralization lie within a gravity low.

Anomaly (2), in middle of the property, contains mercury in soil that has identified a window through post-mineral volcanics approximately 1.3km north of the Silver Cloud mine. The mercury anomaly is also associated with a gravity low. Additional fieldwork is required to understand the geology and significance of the anomaly.

## Silver Cloud Core Drilling Program

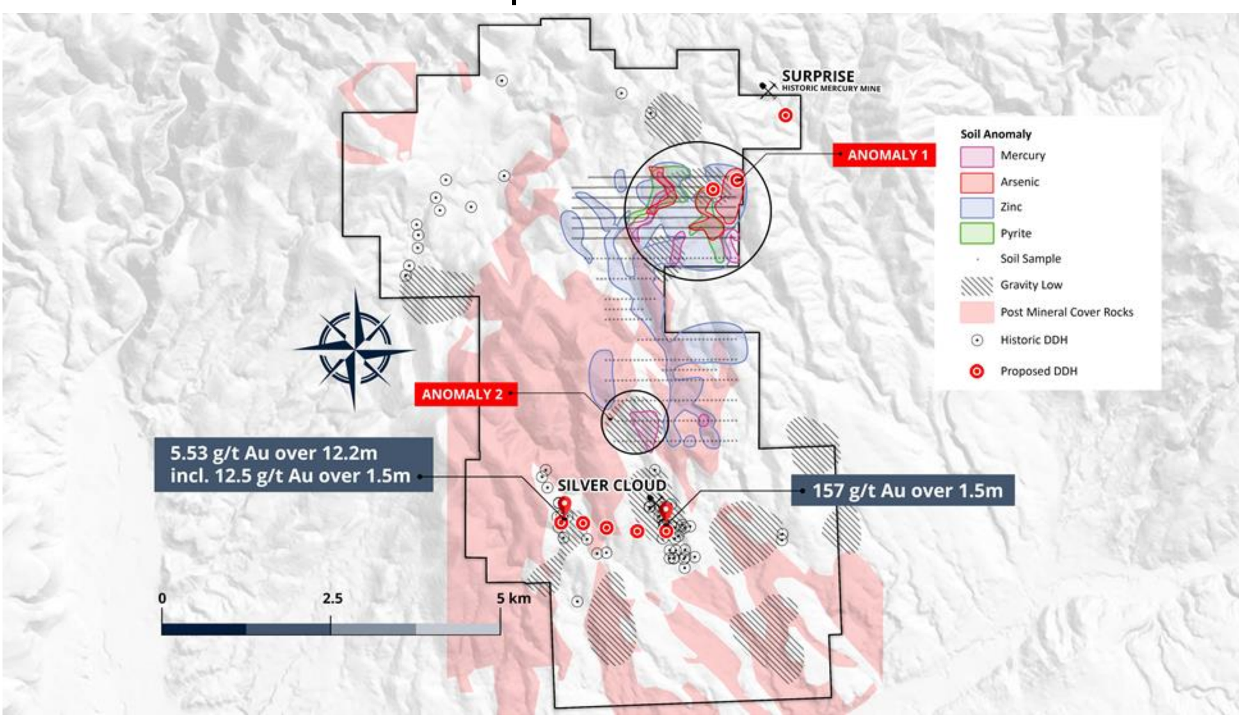
On August 7, 2019, the Company announced that it has received approval from the Bureau of Land Management (the "BLM") for its proposed core drill program at Silver Cloud. With the help of EM Strategies, the Company submitted its proposed drill program to the BLM on July 12, 2019, and received final clearance including an archeology site review on August 1, 2019.

The Silver Cloud drill program includes two permitted areas: (1) the Silver Cloud mercury mine and Northwest Canyon area and (2) the newly discovered NE Veins target.

In area (1), geologic modeling developed by Blackrock's geologic team suggests that the historic high-grade precious metal intercepts drilled by Placer Dome and Teck may be associated with an east-west vein system rather than the north-south system that guided previous interpretations. This core drill program is designed to test the east-west interpretation with a total of five sites spread along a 2-kilometre strike with each site containing up to 4 drillholes. The drillholes will be deployed in a fan-like array from each site to achieve maximum penetration and spacing along the proposed east-west system. The initial program will drill 2,000 metres in four core holes; follow up drilling can expand to 10,000 metres without additional permit requirements.

In area (2), the NE Veins target, elevated arsenic, and mercury are centered on an exposed east-west outcropping vein. Two drill sites are permitted to test the vein and one site will explore the area near the Surprise mercury mine. These sites are permitted to allow for multiple drillholes per site. Initially, 1,500 metres will be drilled to test the vein, with followup drilling to 4500 metres if warranted.

**Silver Cloud Permitted Drill Sites Map**




On September 3, 2019, the Company announced the selection of its drill contractor for the upcoming Silver Cloud core drilling program in Nevada. Timberline Drilling Inc. has been selected to complete the 2,000-metre core program. The drill is slated to arrive on-site in September to early October, and all necessary activities to accommodate the drill are in progress. Hecla's nearby Hollister mine has agreed to allow Blackrock access water from the mine for drilling.

In addition, the Company secured bonding through Arch Insurance company with no collateral down and a 2 percent per annum finance charge for the bond. The total bond was estimated at USD$25,000. The cost of the surety bond to the Company is approximately USD$500 per annum until the disturbed areas are reclaimed or the bond is increased as a result of a successful drill program. The current permit and associated bond allow for 10,000 metres of drilling in the Silver Cloud mine vein zone, and up to 5,000 meters within the NE Veins target area.

Drill pads are complete, and the drill program is anticipated to start by the end of September to early October. The drill is currently working at the Hollister mine and will be moved to Silver Cloud as soon as that job is finished.

**Silver Cloud Mapping and Additional Soils**

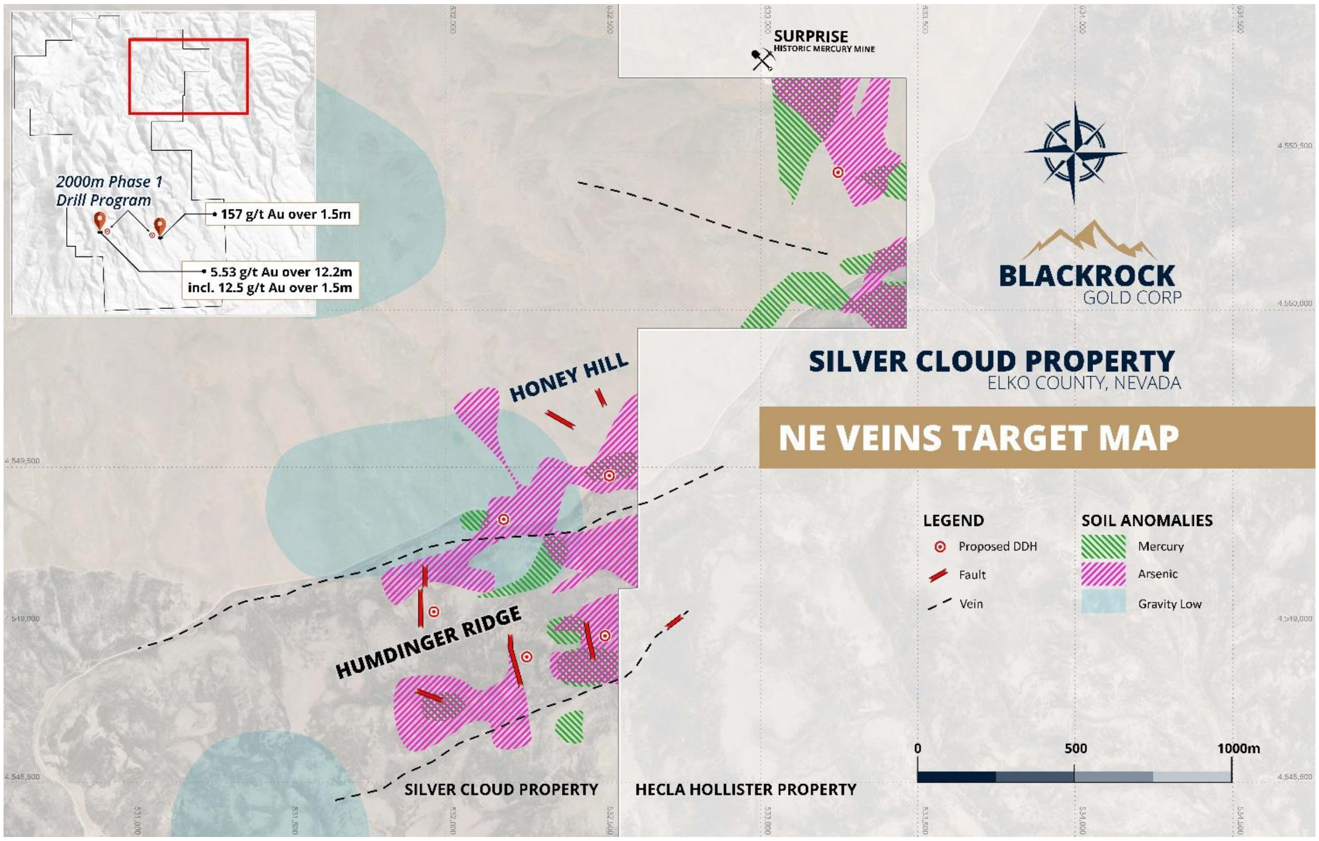
On September 23, 2019, the Company announced that it has completed detailed mapping and received assay and geochemical determination from an additional 342 soil samples collected on the northeastern portion of the Silver Cloud project on the NE Veins target. The soil survey confirms and expands the previously announced soil anomaly (See July 29, 2019, news release). The 30mX100m, north-south oriented grid lines were designed to accentuate the east-west oriented alteration zones identified in the NE Veins target.

On Humdinger Ridge and Honey Hill, several outcropping veins have been identified and mapped. The veins cut Miocene-age volcanic rocks which lie immediately above the Ordovician Upper Plate sediments. The geologic setting is significant since the Hollister mine lies just 3 kilometres east of the target area and has similar geology. Six opal/chalcedony veins have been identified on Humdinger Ridge. The veins are purple, a result of cinnabar and hematite minerals, and strike northerly, northwesterly to northeasterly, dip steeply and vary from less than 0.5 metres to greater than 5 metres in thickness. These veins occur over a one square kilometer area. Approximately 400 metres north of Humdinger Ridge, mapping at Honey Hill has identified two similar veins that are oriented in a west-northwest direction. All veins lie within an east-northeast oriented structural and alteration corridor that is 1200 metres long and 575 metres wide. The structural zone is open to the east and west

The soil survey returned low-level gold (up to 0.025 ppm) and sporadic detectable silver. These elements are not typically found in the upper levels of a low-sulphidation epithermal vein system. Based on the Hollister model, the bonanza gold and silver grades should be 250 to 300 metres below the surface within an east-west oriented vein swarm.

Arsenic and mercury show east-west and northeast trends on Humdinger Ridge, Honey Hill and immediately south of the Surprise mercury prospect The arsenic anomaly has expanded from 1000m by 600m to 1300m by 700m and is still open to the east and northeast toward Hecla's Hollister mine. Arsenic values between 23 ppm and 78 ppm form the anomaly. Mercury follows northeast, northwest and east-west structures over Humdinger Ridge and Honey Hill. There is a broad mercury anomaly, 200m by 350m, located south of the Surprise mercury prospect with values between 2 ppm and 15 ppm mercury. The anomaly is open to the north and northeast.

**SILVER CLOUD NORTH EAST ANOMALY MAP**




**Disclosure of Outstanding Share Data:**

| | |
|---|---|
| • Share capital authorized: | Unlimited common shares |
| • Share capital issued as of July 31,2019 | 49,242,518 common shares |
| • Share capital issued as of September 30, 2019 | 59,172,643 common shares |
| • Share purchase options outstanding, July 31, 2019 | 4,640,000 share purchase options |
| • Share purchase options outstanding, September 30, 2019 | 5,665,000 share purchase options |
| • Share purchase warrants outstanding, July 31, 2019 | 12,455,000 share purchase warrants |
| • Share purchase warrants outstanding, September 30, 2019 | 12,645,063 share purchase warrants |

**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 one major bank in Canada. As most of the Company's cash is held by one bank, 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 try to ensure that there is sufficient capital in order to meet short-term obligations. As at July 31, 2019 the Company had cash of $17,880 to settle current liabilities of $287,204. The Company does not have enough cash or working capital to satisfy its current liabilities and is subject to significant liquidity risk. Additional capital must be raised to fund the operations and overhead of the Company.

*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. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

*Interest rate risk*
The Company has cash balances subject to fluctuations in the prime rate. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates

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

The Company is dependent upon the services of key executives, including the Chief Executive Officer. Also, certain of the directors and officers of the Corporation 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 quarter.

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 quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Corporation'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 Corporation in its Management Information Circular which was mailed to shareholders and is accessible via the Internet for public viewing on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

**Critical Accounting Estimates**

Critical accounting estimates 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. Actual results could differ from those estimates.

**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.