

BLACKROCK GOLD CORP.
(Formerly Almo Capital Corp.)

Financial Statements

For The Three Months Ended January 31, 2017

(Expressed in Canadian Dollars)

BLACKROCK GOLD CORP.
(Formerly Almo Capital Corp.)

Statements of Financial Position
(Expressed in Canadian Dollars)

	January 31, 2017	October 31, 2016
Assets		
Current assets		
Cash	\$ 40,854	\$ 47,880
Amounts receivable	14,731	11,495
Prepaid expenses (Note 7)	209,036	267,171
	264,621	326,546
Non-current assets		
Exploration and evaluation assets (Note 3)	992,041	992,041
	\$ 1,256,662	\$ 1,318,587
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 170,117	\$ 53,173
Due to related parties (Note 5)	42,852	13,709
Loans payable (Note 7)	881,672	881,672
	1,094,641	948,554
Shareholders' Equity		
Share capital (Note 4)	2,198,008	2,198,008
Reserve – Equity-settled employee benefits (Note 4)	259,719	230,989
Subscriptions received	48,627	-
Deficit	(2,344,333)	(2,058,964)
	162,021	370,033
	\$ 1,256,662	\$ 1,318,587

Nature of Operations and Going Concern (Note 1)
Events Subsequent to the Period End (Note 8)

Approved by the Directors:

“Alan Carter”

Alan Carter, Director

“Deepak Malhotra”

Deepak Malhotra, Director

The accompanying notes are an integral part of these financial statements

BLACKROCK GOLD CORP.
(Formerly Almo Capital Corp.)

Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended January 31,	
	2017	2016
Operating expenses		
Accounting and audit	\$ -	\$ 1,100
Bank charges and interest	506	80
Consulting fees (Note 5)	25,160	-
Depreciation	-	60
Foreign exchange gain	7,982	-
Management fees (Note 5)	17,500	-
Interest expense	363	-
Marketing and communications	111,662	-
Legal fees	16,656	3,632
Office expense	5,384	453
Regulatory and filing fees	18,087	508
Rent	2,700	-
Share-based compensation	28,730	-
Travel	30	-
Wages	16,018	-
Loss from operations	250,778	5,833
Other items		
Write-off of exploration and evaluation assets (Note 3)	34,591	-
Net and Comprehensive Loss for the year	\$ 285,369	\$ 5,833
Basic and Diluted Loss per share	\$ 0.02	\$ 0.00
Weighted average number of shares outstanding		
Basic and Diluted	16,468,408	5,356,410

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BLACKROCK GOLD CORP.
(Formerly Almo Capital Corp.)

Statements of Cash Flows
(Expressed in Canadian dollars)

	Three Months Ended January 31,	
	2017	2016
Cash provided by (used for):		
Operating activities		
Net loss for the year	\$ (285,369)	\$ (5,833)
Adjustment for items not involving cash:		
Depreciation	-	60
Share-based compensation	28,730	-
Write-off of exploration and evaluation assets	34,591	-
	(222,048)	(5,773)
Changes in non-cash operating capital:		
Amounts receivable	(3,236)	(274)
Prepaid expenses	58,135	-
Accounts payable and accrued liabilities	116,944	1,155
Due to related parties	29,143	(447)
	(21,062)	434
Investing activity		
Exploration and evaluation assets	(34,591)	-
	(34,591)	-
Financing activities		
Loan from related party	24,114	-
Subscriptions received	48,627	-
Increase in loans payable	-	5,000
	72,741	5,000
Increase (decrease) in cash	(7,026)	(339)
Cash, beginning of the year	47,880	3,341
Cash, end of the year	\$ 40,854	\$ 3,002

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BLACKROCK GOLD CORP.
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Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Subscriptions Received	Reserve – Equity-settled employee benefits	Deficit	Total Equity
Balance at October 31, 2015	5,356,410	\$ 1,389,307	\$ -	\$ 171,133	\$ (1,458,106)	\$ 102,334
Net loss for the period	-	-	-	-	(5,833)	(5,833)
Balance at October 31, 2015	5,356,410	\$ 1,389,307	\$ -	\$ 171,133	\$ (1,463,939)	\$ 96,501
Balance at October 31, 2016	16,468,408	\$ 2,198,008	\$ -	\$ 230,989	\$ (2,058,964)	\$ 370,033
Subscriptions received	-	-	48,627	-	-	48,627
Share-based compensation	-	-	-	28,730	-	28,730
Net loss for the year	-	-	-	-	(285,369)	(285,369)
Balance at October 31, 2016	16,468,408	\$ 2,198,008	\$ 48,627	\$ 259,719	\$ (2,344,333)	\$ 162,021

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BLACKROCK GOLD CORP.

(Formerly Almo Capital Corp.)

Notes to the Financial Statements

(Expressed in Canadian dollars)

Three Months Ended January 31, 2017

1) NATURE OF OPERATIONS AND GOING CONCERN

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

The head office, registered address, principal address and records office of the Company are located at 1500-409 Granville Street, Vancouver, BC, V6C 1T2.

These financial statements have been prepared assuming the Company will continue on a going-concern basis, or that it will continue to realize its assets and meet its obligations in the normal course of business. The Company has incurred losses since inception and has an accumulated operating deficit of \$2,344,333 at January 31, 2017 (October 31, 2016 - \$2,058,964). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate equity and/or debt financing to fund its exploration and administrative expenses.

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

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

2) SIGNIFICANT ACCOUNTING POLICIES

These financial statements were authorized for issue on April 3, 2017 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

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

Basis of presentation

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended October 31, 2016.

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Notes to the Financial Statements
(Expressed in Canadian dollars)
Three Months Ended January 31, 2017

2) SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of presentation - Continued

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

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

These condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended October 31, 2016.

Recent Accounting Pronouncements

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

IFRS 9 Financial Instruments

IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

IFRS 16 Leases

IFRS 16 The new standard will replace IAS 17 Leases and eliminates the classification of leases as either operating or finance leases by the lessee. The treatment of leases by the lessee will require capitalization of all leases resulting in an accounting treatment similar to finance leases under IAS 17 Leases. Exemptions for leases of very low value or short-term leases will be applicable. The new standard will result in an increase in lease assets and liabilities for the lessee.

Under the new standard, the treatment of all lease expense is aligned in the statement of earnings with depreciation, and an interest component recognized for each lease, in line with finance lease accounting under IAS 17 Leases. IFRS 16 will be applied prospectively for annual periods beginning on January 1, 2019.

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Notes to the Financial Statements
(Expressed in Canadian dollars)
Three Months Ended January 31, 2017

3) EXPLORATION AND EVALUATION ASSETS

Title Disclaimer

As at October 31, 2017, 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 all of its minerals properties and, to the best of its knowledge; both of its properties are in good standing.

	October 31, 2015	Net Additions	October 31, 2016	Net Additions	January 31, 2017
	\$	\$	\$	\$	\$
NEVADA					
Medicine Springs					
Property					
Acquisition	-	117,269	117,269	-	117,269
Geological	-	25,604	25,604	-	25,604
Legal costs	-	5,948	5,948	-	5,948
Advance for exploration work	-	30,180	30,180	-	30,180
Property costs written off	-	(179,001)	(179,001)	-	(179,001)
	-	-	-	-	-
BRITISH COLUMBIA					
DD Property					
Acquisition	8,870	1,000	9,870	-	9,870
Assays and IP survey	41,683	-	41,683	-	41,683
Consulting	64,135	-	64,135	-	64,135
Geologist	193,479	-	193,479	-	193,479
Field expenses	57,504	-	57,504	-	57,504
Property costs written off	(251,801)	-	(251,801)	-	(251,801)
	114,870	1,000	114,870	-	114,870
Moore Property					
Acquisition	5,985	-	5,985	-	5,985
Assays and IP survey	34,680	-	34,680	-	34,680
Consulting	21,505	-	21,505	-	21,505
Geologist	200,099	-	200,099	-	200,099
Field expenses	2,062	-	2,062	-	2,062
Drilling	612,840	-	612,840	-	612,840
	877,171	-	877,171	-	877,171
Total exploration and evaluation assets	991,041	1,000	992,041	-	992,041

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3) EXPLORATION AND EVALUATION ASSETS – Continued

Portrero Gold-Silver Project

On October 24, 2016, the Company signed a letter of intent to earn up to 80% interest in the Portrero Gold-Silver Project 235 kilometres north-west of Durango, Mexico. The terms of the earn-in agreement involved Blackrock paying the owner of the Portrero project, Grupo Jomargo (“Jomargo”), a total of US\$875,000 and investing a minimum of US\$2M over 2 years to earn an initial 55% interest. The payment schedule is as follows; US\$25,000 (paid) upon signing of the Letter of Intent, US\$100,000 upon completion of the due diligence and signing of a definitive agreement, \$US100,000 after 12 months, and US\$650,000 after 24 months; 50% of the future payments may be paid in shares of Blackrock, at the option of the Company.

During the three months ended January 31, 2017, the Company decided to withdraw from the agreement due to lower than expected gold and silver values in the rock samples. During the three months ended January 31, 2017, the Company wrote off \$34,591. During the year ended December 31, 2016, the Company wrote off \$54,283.

Medicine Springs Property

On June 16, 2016, the Company entered into an option and joint venture agreement (the "Agreement") with privately-held Golden Tiger Minerals Inc. ("Golden Tiger"). The Company has been granted an option to acquire up to an 80% undivided interest in Golden Tiger's leasehold rights to the Medicine Springs property in Elko County, Nevada.

The Company has the option to acquire a minimum 50% undivided interest and a maximum 80% undivided interest in the Leasehold Rights subject to a 3% net smelter royalty in favour of Messrs. Duerr and Sutherland and a 0.5% net smelter royalty in favour of Nevada Eagle Resources, LLC, a subsidiary of Newmont Mining Corporation

To acquire the minimum interest the Company has to (a) pay US\$150,000 to Golden Tiger, US\$50,000 of which was paid upon execution of the Agreement and US\$50,000 which is due on or before the first and second anniversaries of the Agreement; (b) issue 600,000 shares to Golden Tiger, 200,000 shares to be issued within 5 days of the date of Exchange approval (Refer to Note 4 (v)) and a further 200,000 shares on or before the first and second anniversary of the Agreement; and (c) make expenditures of US\$600,000 on the Medicine Springs Property, US\$100,000 of which is to be incurred on or before the first anniversary of the Agreement and US\$500,000 on or before the second anniversary of the Agreement.

To acquire the maximum interest, the Company has to have earned the minimum interest and the Company has to (a) pay an additional US\$150,000 to Golden Tiger, US\$50,000 of which is due on or before the third, fourth and fifth anniversaries of the Agreement; (b) issue an additional 400,000 shares to Golden Tiger, 200,000 shares to be issued on or before the third and fourth anniversary of the Agreement; and (c) make expenditures of an additional US\$1,650,000 on the Medicine Springs Property, US\$500,000 of which is to be incurred on or before the third and fourth anniversary of the Agreement and US\$650,000 on or before the fifth anniversary of the Agreement.

The cash payments, issuance of shares and payment of expenditures is at the Company's sole discretion.

Pursuant to the Agreement, the Company is also required to pay US\$25,000 to the Bureau of Land Management on or before August 16th of each commencing August 16, 2016 to August 16, 2020. As operator of all work programs on the property, the Company is entitled to charge a management fee equal to 15% of expenditures administered by it.

A joint venture will be deemed to be formed between Golden Tiger and the Company upon the earliest of receipt by Golden Tiger of the minimum interest notice, the date the Company acquires the maximum interest and the fifth anniversary of the Agreement.

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Three Months Ended January 31, 2017

3) EXPLORATION AND EVALUATION ASSETS – Continued

During the three months ended January 31, 2017, the owners of the Medicine Springs property terminated the lease agreement with Golden Tiger. As such, the Company has written off all costs (\$179,001) related to this project as of October 31, 2016.

DD Property

By an agreement dated July 29, 2015, the Company acquired the remaining 49.99% interest in the DD property claims. Pursuant to this agreement, the pre-existing 3% NSR royalty has been terminated.

By an agreement dated April 30, 2003 (amended August 25, 2003 and September 5, 2003) the Company acquired a 50.01% interest (subject to a 3% Net Smelter Returns (“NSR”) royalty) in 17 mineral claims located in the Cariboo Mining Division, for consideration of:

- \$1.01 cash on approval of the agreement by the TSX Venture Exchange (paid); and
- Incurring exploration expenditures totaling \$200,000 on or before April 30, 2006 (incurred)

For the year ended October 31, 2013, four claims were allowed to lapse, resulting in the write-off of \$121,000 in exploration and evaluation expenditure costs. During 2015, two claims were allowed to lapse and subsequent to October 31, 2015, five claims were allowed to lapse resulting in the write-off of \$130,800 in exploration and evaluation expenditure costs at October 31, 2015.

Moore Property

By an agreement dated September 10, 2004, the Company had an option to acquire a 100% interest in 34 mineral claims located in the Kamloops Mining Division. In order to earn its 100% interest in this property, the Company was required to pay \$5,000 and incur \$50,000 in exploration expenditures over four years from the agreement date (incurred). In 2007, the Company satisfied all conditions of the option agreement and currently has a 100% interest in this property.

Nickel Cobalt Property

By an agreement dated July 29, 2015, the Company acquired the remaining 48% interest in the Nickel Cobalt Property. Pursuant to this agreement, the pre-existing 3% NSR royalty has been terminated.

During 2015, management made a decision to focus on the Company’s core properties resulting in the write-off of \$170,771 in exploration and evaluation expenditure costs.

4) SHARE CAPITAL

a) Authorized:

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

b) Issued:

During the three months ended January 31, 2017, there were no common shares issued.

BLACKROCK GOLD CORP.

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(Expressed in Canadian dollars)
Three Months Ended January 31, 2017

4) SHARE CAPITAL – Continued

During the year ended December 31, 2016, the Company issued the following common shares:

- (i) On May 4, 2016, the Company closed a non-brokered private placement for 1,000,000 units at a price of \$0.075 per unit for gross proceeds of \$75,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable for a period of two years at a price of \$0.15. The transaction is considered a related party transaction as the units were issued to 1062954 B.C. Ltd., an insider of the Company. The Company incurred legal fees totaling \$9,500.
- (ii) On May 13, 2016, the Company closed a non-brokered private placement for 200,000 units at a price of \$0.075 per unit for gross proceeds of \$15,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable for a period of two years at a price of \$0.15.
- (iii) On June 10, 2016, the Company closed a brokered private placement for 1,976,000 units at a price of \$0.075 per unit for gross proceeds of \$148,200. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable for a period of two years at a price of \$0.15. The Company paid finders fees totaling \$6,830.
- (iv) On July 6, 2016, the Company closed a brokered private placement for 1,236,000 units at a price of \$0.075 per unit for gross proceeds of \$92,700. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable for a period of two years at a price of \$0.15. The Company paid finders' fees to Cannacord Genuity Corp. and PI Financial Corp. totaling \$5,040 and \$1,499 respectively.
- (v) On August 5, 2016, the Company issued 200,000 common shares as part of its option agreement for the Medicine Springs property. The common shares were valued at \$0.10 per common share for a total fair value of \$20,000.
- (vi) On September 16, 2016, the Company issued 3,133,332 units at a price of \$0.075 per unit for gross proceeds of approximately \$235,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$0.15 until September 16, 2018. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$0.30 per share for 15 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice. Finder's fees of 7% payable in cash were paid to Canaccord Genuity Corp. and Richardson GMP with respect to a portion of the private placement.
- (vii) On October 19, 2016, the Company issued 2,866,666 units at a price of \$0.075 per unit and 500,000 units at a price of \$0.09 per unit for gross proceeds of \$260,000. Each Unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$0.15 until October 19, 2018. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$0.30 per share for 15 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice. Finder's fees of 7% were paid to Canaccord Genuity Corp.

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(Expressed in Canadian dollars)
Three Months Ended January 31, 2017

4) SHARE CAPITAL – Continued

c) Share purchase options

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

The continuity of share purchase options for the three months ended January 31, 2017 and year ended October 31, 2016 is as follows:

	Three Months Ended January 31, 2017		Year Ended October 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	1,070,000	0.10	-	-
Granted	400,000	0.08	1,170,000	0.10
Forfeited	-	-	(100,000)	0.10
Outstanding and Exercisable, end of the period	1,470,000	0.09	1,070,000	0.10

The options have a weighted average life of 4.68 years.

Expiry Date	Number of Options	Exercise Price
		\$
August 25, 2021	870,000	0.09
October 19, 2021	200,000	0.12
November 18, 2021	100,000	0.10
January 11, 2022	300,000	0.075

The fair value of the share-based payments expense was estimated using the following assumptions:

Risk-free interest rate	0.98% - 1.09%
Expected annual volatility	109.58% - 110.16%
Expected life (years)	5
Dividend yield	0%

The weighted average grant date fair value per option was \$0.0546.

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Three Months Ended January 31, 2017

4) SHARE CAPITAL – Continued

d) Warrants

The continuity of warrants for the three months ended January 31, 2016 and year ended October 31, 2016 is as follows:

	Three Months Ended January 31, 2017		Year Ended October 31, 2016	
	Number of Warrants	Exercise Price \$	Number of Warrants	Exercise Price \$
Balance, beginning of the period	10,911,998	0.15	-	-
Granted	-	-	10,911,998	0.15
Outstanding, end of the period	10,911,998	0.15	10,911,998	0.15

The warrants have a weighted average life of 1.54 years.

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

5) RELATED PARTY TRANSACTIONS

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

As at January 31, 2017, the Company owed \$42,852 (October 31, 2016 - \$13,709) to related parties. Of this amount, \$10,500 (October 31, 2016 - \$5,250) is payable to a Company controlled by the former President and CEO of the Company for management services; \$7,875 (October 31, 2016 - \$Nil) is payable to a Company controlled by the CFO; and \$1,750 (2015 - \$Nil) is payable to a director of the Company for administrative services. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

During the three months ended January 31, 2017, the Company incurred consulting fees totalling \$10,000 (Three months ended January 31, 2016 - \$Nil) to a company controlled by an insider and control person of the Company. This individual was an insider and control person from March 2, 2016 to September 30, 2016. Pursuant to a consulting agreement dated August 1, 2016, the Company will pay consulting fees of \$5,000 per month for a period of one year for services supporting the CEO of the Company in relation to business development, seeking new projects and financing. This agreement was cancelled by the Company during the three months ended January 31, 2017.

On November 30, 2016, a director of the Company agreed to loan the Company up to \$25,000 for a period of one year with an interest rate of 10%. The Company received total funds of \$24,114. Interest accrued during the three months ended January 31, 2017 was \$363, resulting in a total amount owing of \$24,477 as of January 31, 2017.

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Three Months Ended January 31, 2017

5) RELATED PARTY TRANSACTIONS – Continued

Key Management Compensation

During the three months ended January 31, 2017, the Company incurred management fees totalling \$17,500 (Three months ended January 31, 2016 - \$Nil). Of this amount, \$10,000 was charged by a company controlled by the President and CEO of the Company and \$7,500 was charged by a company controlled by the CFO of the Company. These amounts are incurred on a month-by-month basis.

During the three months ended January 31, 2017, \$28,730 (Three months ended January 31, 2016 - \$Nil) in share-based compensation was in respect of officers and directors of the Company.

6) LOANS PAYABLE

The loans are payable to two private companies controlled by the former President and CEO of the Company who resigned in April 2016. Pursuant to loan amendment agreements in 2013, the maturity dates were extended from August 31, 2013 to August 31, 2018 and interest on the loans was waived effective November 1, 2011. The amount payable consists of the following:

	January 31, 2017	October 31, 2016
Principal	\$ 784,878	\$ 784,878
Accrued interest	96,794	96,794
Total	\$ 881,672	\$ 881,672

In February 2017, the Company settled these loans for an aggregate payment of \$30,000. See Note 8(i)

7) COMMITMENTS

On September 9, 2016, the Company entered into the following agreements:

- (i) a digital marketing agreement for online marketing services for a period of 90 days commencing November 28, 2016. A digital marketing fee of US\$125,000 (CDN\$162,650) was paid to the advertiser as compensation for these services. This agreement has been placed on hold until such time the Company can find a marketable property.
- (ii) a digital marketing agreement for online marketing services for a period of 90 days commencing November 28, 2016. A digital marketing fee of \$37,500 was paid to the advertiser as compensation for these services.

On September 20, 2016, the Company entered into the following agreements:

- (iii) a consulting services agreement for advisory services for a period of six months at \$5,000 per month commencing October 1, 2016. In consideration for the consultant providing the services, the Company paid the consultant \$37,500.
- (iv) a consulting agreement for marketing, networking, financial, capital raising and corporate development services for a period of four months at \$5,000 per month commencing September 20, 2016. In consideration for the consultant providing the services, the Company paid the consultant \$20,020. The agreement was extended in January for a cost \$30,000. Subsequent to period end, the Company settled the outstanding balance of \$45,000 through a share for debt agreement and cancelled the agreement. See note 8(iv).

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Three Months Ended January 31, 2017

7) COMMITMENTS – Continued

Of these amounts, \$185,567 (October 31, 2016 - \$247,513) is included in prepaid expenses as of January 31, 2017.

8) EVENTS SUBSEQUENT TO THE PERIOD

The following transaction occurred subsequent to the period:

- (i) On February 2, 2017, the Company settled the outstanding debt of approximately \$882,000 owed to Silcum Resources Limited and Precious Metals Corporation. The creditors have forgiven the outstanding debt in consideration of an aggregate payment of \$30,000 from the Company. Silcum Resources Limited forgave outstanding debt in the amount of approximately \$285,000 upon receipt of \$10,000. Precious Metals Corporation forgave debt in the amount of approximately \$597,000 upon receipt of \$20,000.
- (ii) On February 5, 2017, the owners of the Medicine Springs property sent a termination notice to Golden Tiger terminating the lease agreement pursuant to which Golden Tiger held the leasehold rights to explore and operate on certain mineral property claims because certain default events had not been resolved. As a result of this termination, the Agreement between the Company and Golden Tiger is no longer valid.
- (iii) On February 17, 2017, the Company closed a financing totalling \$408,875 by issuing 5,451,666 units (the “Units”) at a price of \$0.075 per Unit. Each Unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional share in the capital of the Company at a price of \$0.15 until February 17, 2019. If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company’s shares trade at or above a weighted average trading price of \$0.30 per share for 15 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice. Finder’s fees of 7% (\$6,475) on certain of the proceeds were paid to Canaccord Genuity Corp.
- (iv) On February 20, 2017, the Company entered into a debt settlement agreement with certain creditors to issue up to 626,933 shares of the Company at a deemed price of \$0.075 to settle liabilities of approximately \$47,000. However, on March 23, 2017, Exchange approval was provided for 522,444 common shares at a settlement price of \$0.09 per common share.