

BLACKROCK SILVER CORP.

Consolidated Financial Statements

For the Years Ended October 31, 2024 and 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Blackrock Silver Corp.

Opinion

We have audited the consolidated financial statements of Blackrock Silver Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2024 and October 31, 2023, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2024 and October 31, 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicate that the Company has not generated revenue, reported a net loss of \$11,757,077 for the year ended October 31, 2024 and an accumulated deficit of \$81,409,733 as at that date. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Assessment of impairment indicators on the Silver Cloud Project

Description of the key audit matter

At each reporting date, management assesses the Company's exploration and evaluation assets for indicators of impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). This assessment involves judgement, including whether the rights to tenure for the areas of interest are current, and the Company's ability and intention to continue to evaluate and develop the area of interest. We have therefore considered this a Key Audit Matter due to the judgement involved in the assessment of indicators of impairment as they relate to the Silver Cloud Project.

Please refer to Note 2, Note 3 and Note 6 to the financial statements for the judgments applied by management in assessing impairment indicators, the Company's accounting policy as it relates to exploration and evaluation assets and information on the area of interest.

How the key audit matter was addressed in the audit

Our audit procedures included but were not limited to:

- Obtaining and reviewing management's assessment of impairment indicators under IFRS 6;
- Obtaining an understanding of the current exploration program and any associated risks through discussions with management and review of technical reports;
- Assessing that the Company's right to tenure for the areas of interest, which included obtaining supporting documentation and performing title search for the mining licenses; and
- Considering the Company's ability and intention to continue to evaluate the areas of interest, which included performing an assessment of the Company's cash flow forecast models, discussions with management as to the intentions and strategy of the Company, and comparison of these to other audited information.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis (the "MD&A"). Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rob Scupham.

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
February 27, 2025

BLACKROCK SILVER CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	October 31, 2024	October 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 9,399,493	\$ 656,181
Amounts receivable	107,192	72,756
Prepaid expenses and deposits (Note 4)	222,010	409,890
	9,728,695	1,138,827
Non-current assets		
Guaranteed investment certificate (Note 12)	33,000	33,000
Equipment and right of use asset (Note 5)	316,693	248,645
Exploration and evaluation assets (Note 6)	7,174,804	5,180,346
	\$ 17,253,192	\$ 6,600,818
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,111,022	\$ 171,813
Due to related parties (Note 8)	68,595	52,967
Lease liability (Note 14)	27,599	-
Share compensation liability (Note 7)	157,148	115,089
	1,364,364	339,869
Long-term liabilities		
Lease liability (Note 14)	42,354	-
Share compensation liability (Note 7)	75,679	44,134
	1,482,397	384,003
Shareholders' Equity		
Share capital (Note 7)	86,350,108	65,144,084
Reserves (Note 7)	10,242,291	10,233,351
Accumulated other comprehensive income	588,129	492,036
Deficit	(81,409,733)	(69,652,656)
	15,770,795	6,216,815
	\$ 17,253,192	\$ 6,600,818

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 12)

Subsequent Events (Note 15)

Approved by the Directors:

"David Laing"

David Laing, Director

"Tony Wood"

Tony Wood, Director

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

BLACKROCK SILVER CORP.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended October 31,	
	2024	2023
Exploration expenditures (Note 6)		
Drilling (Note 5)	\$ 7,203,060	\$ 1,912,480
Geology and consulting (Note 5)	1,120,847	797,723
Geophysics	26,274	4,345
Legal fees	81,682	22,755
Property investigation	27,287	54,928
	(8,459,150)	(2,792,231)
Operating expenses		
Accounting and audit	199,734	168,224
Bank charges and interest	11,840	12,353
Consulting fees (Note 8)	204,463	177,532
Depreciation	16,424	-
Directors' fees (Note 8)	48,000	40,000
Insurance	123,353	110,912
Legal fees	147,068	168,720
Management fees (Note 8)	1,313,811	1,044,940
Marketing and communications	366,364	703,458
Office (Note 8)	183,380	154,383
Regulatory and filing fees	243,529	150,820
Rent	7,003	16,448
Share-based payments (Notes 7 and 8)	323,739	344,430
Travel	176,857	94,040
Wages	208,656	163,687
	(3,574,221)	(3,349,947)
Other income (expenses)		
Foreign exchange gain (loss)	124,395	(26,791)
Interest income	183,802	-
Change in fair value of share compensation liability (Note 7)	(31,903)	170,123
	276,294	143,332
Net Loss for the Year	(11,757,077)	(5,998,846)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation adjustment	96,093	59,160
Total Comprehensive Loss for the Year	\$ (11,660,984)	\$ (5,939,686)
Basic and Diluted Loss per Share	\$ (0.05)	\$ (0.03)
Weighted average number of shares outstanding		
Basic and Diluted	231,878,593	187,191,473

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

BLACKROCK SILVER CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended October 31,	
	2024	2023
Cash provided by (used for):		
Operating activities		
Net loss for the year	\$ (11,757,077)	\$ (5,998,846)
Interest income	(183,802)	-
Adjustment for items not involving cash:		
Depreciation included in exploration expenditures	47,926	46,987
Depreciation	16,424	-
Foreign exchange	176,837	(21,055)
Share-based payments	323,739	344,430
Change in fair value of share compensation liability	31,903	(170,123)
	(11,344,050)	(5,798,607)
Changes in non-cash operating capital:		
Amounts receivable	(34,436)	94,375
Prepaid expenses and deposits	191,831	(172,158)
Accounts payable and accrued liabilities	959,649	(580,218)
Due to related parties	16,136	4,120
	(10,210,870)	(6,452,488)
Investing activities		
Exploration and evaluation assets	(1,928,902)	(1,158,804)
Equipment purchase	(47,307)	-
Interest income	183,802	-
Option payments received	-	68,435
Reimbursement of holding costs	-	43,905
	(1,792,407)	(1,046,464)
Financing activities		
Issuance of common shares	22,737,114	5,119,420
Repayment of lease liability	(14,511)	-
Share issuance costs	(1,646,690)	(417,958)
Settlement of restricted share units	(157,499)	(210,762)
	20,918,414	4,490,700
Increase in cash	8,915,137	(3,008,253)
Effect of exchange rate changes on cash	(171,825)	15,258
Cash, beginning of the year	656,181	3,649,175
Cash, end of the year	\$ 9,399,493	\$ 656,181
Supplementary disclosure:		
Non-cash share issue costs	\$ 427,693	\$ 133,831
Change in fair value of share compensation liability during settlement of RSUs	\$ (5,283)	\$ 15,830

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

BLACKROCK SILVER CORP.

Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated other comprehensive income	Deficit	Total equity
Balance at October 31, 2022	178,709,229	\$ 61,124,072	\$ 9,514,437	\$ 432,876	\$ (63,653,810)	\$ 7,417,575
Private placements	11,851,800	3,792,576	592,590	-	-	4,385,166
Share issue costs	-	(551,789)	133,831	-	-	(417,958)
Shares issued in settlement of RSUs, net of share issuance costs	462,938	212,156	-	-	-	212,156
Warrants and finder's warrants exercised	1,555,328	466,598	-	-	-	466,598
Share options exercised	440,000	100,471	(44,971)	-	-	55,500
Share-based payments	-	-	37,464	-	-	37,464
Foreign currency translation adjustment	-	-	-	59,160	-	59,160
Net loss for the year	-	-	-	-	(5,998,846)	(5,998,846)
Balance at October 31, 2023	193,019,295	65,144,084	10,233,351	492,036	(69,652,656)	6,216,815
Private placements	76,718,750	21,100,000	-	-	-	21,100,000
Share issue costs	-	(2,074,383)	427,693	-	-	(1,646,690)
Shares issued in settlement of RSUs, net of share issuance costs	536,349	157,499	-	-	-	157,499
Warrants and finder's warrants exercised	3,451,575	1,159,917	(154,002)	-	-	1,005,915
Share options exercised	2,345,000	862,991	(389,291)	-	-	473,700
Share-based payments	-	-	124,540	-	-	124,540
Foreign currency translation adjustment	-	-	-	96,093	-	96,093
Net loss for the year	-	-	-	-	(11,757,077)	(11,757,077)
Balance at October 31, 2024	276,070,969	\$ 86,350,108	\$ 10,242,291	\$ 588,129	\$ (81,409,733)	\$ 15,770,795

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

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
Year Ended October 31, 2024

1. NATURE OF OPERATIONS AND GOING CONCERN

Blackrock Silver Corp. (“our”, “Blackrock” or the “Company”) was incorporated on April 16, 1999 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition, exploration and development of mineral properties located in Canada and the United States (“US”). The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “BRC.V” and also trade on the OTCQB under the symbol “BKRRF”.

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

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

The Company has incurred losses since inception and has an accumulated operating deficit of \$81,409,733 at October 31, 2024 (2023 - \$69,652,656). For the year ended October 31, 2024, the Company had a net loss of \$11,757,077 (2023 - \$5,998,846), cash flows used in operating activities of \$10,041,579 (2023 - \$6,452,488) and current assets less current liabilities of \$8,364,331 (2023 - \$798,958). The Company expects to incur future losses in the exploration of its mineral properties.

To fund the Company’s exploration activity for at least the next twelve-month period, the Company will be drawing down its current cash, maintaining cost control measures and raising additional proceeds either by way of private placements or exercise of share purchase options, warrants and finders’ warrants. To support the Company’s financing requirements, the Company filed a base shelf prospectus (the “Prospectus”) on August 4th, 2023. The Prospectus allows the Company to raise up to \$50,000,000, for a period of 25 months, at a price at, or above, the market price at the time of the financing.

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

2. BASIS OF PRESENTATION

These financial statements were authorized for issue on February 27 2024 by the directors of the Company.

Statement of compliance to IFRS Accounting Standards (“IFRS”)

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards, as issued by the International Accounting Standards Board (“IASB”), and Interpretations (collectively IFRS Accounting Standards). These financial statements comply with International Accounting Standard (“IAS”) 1 *Presentation of Financial Statements*.

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
Year Ended October 31, 2024

2. BASIS OF PRESENTATION – Continued

Basis of preparation

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

These financial statements, including comparatives, have been prepared on the basis of IFRS Accounting Standards that are published at the time of preparation and that are effective or available for adoption on November 1, 2023.

Basis of consolidation

The financial statements of the Company include the following subsidiary:

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

Blackrock Gold Corp. (“Blackrock US”) was incorporated on May 9, 2018. The Company consolidates the subsidiary for the year ended October 31, 2024, on the basis that it controls the subsidiary. Control exists when the Company is exposed to or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Blackrock US has a December 31 year-end, differing from the Company’s year-end of October 31 for tax purposes.

All intercompany transactions and balances are eliminated on consolidation.

Accounting estimates and judgments

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

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

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

Accounting estimates and judgments include recoverability of exploration and evaluation costs and impairment of exploration and evaluation assets.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management’s judgment regarding the following factors, among others: the year for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
Year Ended October 31, 2024

2. BASIS OF PRESENTATION – Continued

Foreign currencies

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

The functional currency of the parent company, and the presentation currency applicable to these financial statements, is the Canadian dollar. The functional currency of the Company's wholly owned subsidiary is the US dollar for the year ended October 31, 2024.

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

Future accounting standards and interpretations

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are assessed below if applicable or are expected to have a significant impact on the Company's financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect the adoption of this new amendment to have a significant impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements.

IFRS 18 introduces:

- (i) New requirements on presentation within the statement of profit or loss;
- (ii) Disclosure standards regarding management defined performance measures; and
- (iii) Principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 is to be applied retrospectively. The Company is currently assessing the impact that IFRS 18 will have on its consolidated financial statements.

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
Year Ended October 31, 2024

3. MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash consists of balances on deposit and investments in highly liquid short-term deposits that are readily convertible into known amounts of cash, and which are subject to insignificant risks of changes in fair value.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

At initial recognition, financial assets are measured at fair value and are classified as, and subsequently measured at, amortized cost, fair value through other comprehensive income or FVTPL. At initial recognition, financial liabilities are measured at fair value and are classified as, and subsequently measured at, amortized cost and FVTPL. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the consolidated statement of loss and comprehensive loss.

The Company's financial instruments are classified and subsequently measured as follows:

Account	Classification
Cash and cash equivalents	Amortized cost
Amounts receivable (excluding Goods and Services Tax/sales tax)	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost
Due to related parties	Amortized cost
Share compensation liability	FVTPL

Expected credit losses

The Company recognizes an allowance using the expected credit loss ("ECL") model on financial assets classified and subsequently measured at amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts receivable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified and subsequently measured at amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the consolidated statement of loss and comprehensive loss.

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
Year Ended October 31, 2024

3. MATERIAL ACCOUNTING POLICIES – Continued

Exploration and evaluation assets

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition and holding of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in the statement of loss as incurred, net of recoveries. Costs incurred before the Company has obtained the legal rights to explore an area are charged to the statement of loss. Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Equipment

Equipment is recorded at cost less accumulated depreciation and any impairment losses. Equipment includes its purchase price, any costs directly attributable to bringing equipment to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset. Upon sale or abandonment of any equipment, the cost and related accumulated depreciation and impairment losses, are written off and any gains or losses thereon are included in the consolidated statement of loss and comprehensive loss.

The carrying amounts of equipment are depreciated on a straight-line basis over the estimated useful life. When parts of an item of equipment have different useful lives, they are accounted for as separate items (or components).

Equipment: 2 to 23-year basis

Depreciation methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate. Depreciation is expensed through the consolidated statement of loss and comprehensive loss.

Impairment of non-current assets

The Company's exploration and evaluation assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of loss and comprehensive income (loss). Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
Year Ended October 31, 2024

3. MATERIAL ACCOUNTING POLICIES – Continued

Reclamation provision

The Company provides for the costs of future reclamation activities at the time it conducts exploration and evaluation activities and records the present value of the estimated reclamation expenditures required to restore the exploration sites in the year in which the obligation is incurred. When the obligation is recognized, the estimated expenditures are recorded in operations. Changes in estimated reclamation expenditures will be recognized as changes to the corresponding assets and reclamation liability in the year in which they occur. As of October 31, 2024, there has been no reclamation provision recognized.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the agreement to issue shares was concluded.

The Company uses the residual method in determining the fair value of warrants issued to subscribers, which method provides for the allocation of the consideration received to the fair value of the common shares issued and allocating any residual amount to the warrants issued.

Share-based payments

Share options

The Company grants share purchase options to directors, officers, employees and consultants to purchase common shares. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

BLACKROCK SILVER CORP.

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3. MATERIAL ACCOUNTING POLICIES – Continued

Deferred share units

A Deferred Share Unit (“DSU” or “DSUs”) Plan was established for employees, officers and directors of the Company. The DSUs vest, at a minimum, for a period one year or a period exceeding one year as determined by the Company. Each DSU entitles the DSU holder to settle vested DSUs in common shares of the Company on the settlement date. The settlement date of the DSUs is considered the date at which the DSU holders services are terminated with the Company upon death or termination of employment. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The cost of the DSUs is measured at fair value on the date of grant based on the market price of the Company’s common shares and recognized as a share-based payment expense, over the period which the DSUs vest, with a corresponding increase in reserves. The cost of DSUs is recognized as an equity instrument, in accordance with IFRS 2 *Share-based Payments*, in the Company’s consolidated statement of financial position.

Share compensation liability

As part of the Company’s Omnibus Equity Incentive Plan, the Company has granted Restricted Share Units (“RSU” or “RSUs”) and Performance Share Units (“PSU” or “PSUs”) for employees, officers and directors of the Company.

RSUs vest equally over a three-year period and entitle the RSU holder to settle vested RSUs in cash or common shares of the Company, at the holder’s option, at the market price of the Company’s publicly traded common shares on the settlement date, less applicable tax withholdings.

PSUs vest equally over a three-year period, subject to the achievement of certain corporate and individual performance criteria, and entitle the PSU holder to settle vested PSUs in cash or common shares, or a combination of cash and shares of the Company, as determined at the sole discretion of the Compensation Committee of the Board of Directors of the Company, at the market price of the Company’s publicly traded common shares on the settlement date, less applicable tax withholdings.

The cost of the RSUs and PSUs are measured, initially, at fair value on the date of grant based on the market price of the Company’s common shares. The cost of RSUs and PSUs are recognized as a liability, in accordance with IFRS 2 *Share-based Payments*, in the Company’s consolidated statement of financial position. The liability is remeasured at each reporting period, with changes in the fair value of the liability being recognized in the Company’s consolidated statement of loss and comprehensive income (loss). Until such time as the holder elects to settle the RSUs and PSUs as either cash settlement or equity settlement, in accordance with the Omnibus Equity Incentive Plan (Note 7), the RSUs and PSUs continue to be recognized as a liability.

Earnings or loss per share

The Company presents the basic and diluted earnings or loss per share data for its common shares, calculated by dividing the earnings or loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the year. Diluted earnings or loss per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The calculation of diluted loss per share excludes the effects of various conversions and exercises of options and warrants that would be anti-dilutive.

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3. MATERIAL ACCOUNTING POLICIES – Continued

Income taxes

The Company accounts for income taxes using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the consolidated statement of financial position and their corresponding tax values, using enacted or substantially enacted income tax rates at each consolidated statement of financial position date. Deferred assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable profit will be available to allow all or a part of the deferred income tax asset to be utilized by use of a valuation allowance to reflect the estimated realizable amount.

New Accounting Policy - Leases

IFRS 16 *Leases* provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the aggregate lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

4. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses at October 31, 2024 and 2023 is comprised of the following:

		2024		2023
Exploration expenditures	\$	38,014	\$	103,936
Insurance		47,371		48,530
Marketing and lead generation		80,950		241,280
Other prepaid expenses and deposits		55,675		16,144
	\$	222,010	\$	409,890

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5. EQUIPMENT

		Equipment		Right-of-Use Asset		Total
<i>Cost</i>						
Balance, October 31, 2022	\$	356,119	\$	-	\$	356,119
Foreign currency translation		5,792		-		5,792
Balance, October 31, 2023		361,911		-		361,911
Additions		47,307		84,464		131,771
Foreign currency translation		2,059		-		2,059
Balance, October 31, 2024	\$	411,277	\$	84,464	\$	495,741
<i>Depreciation</i>						
Balance, October 31, 2022	\$	63,909	\$	-	\$	63,909
Additions		46,987		-		46,987
Foreign currency translation		2,370		-		2,370
Balance, October 31, 2023		113,266		-		113,266
Additions		47,926		16,424		64,350
Foreign currency translation		1,432		-		1,432
Balance, October 31, 2024	\$	162,624	\$	16,424	\$	179,048
<i>Net Book Value</i>						
October 31, 2023	\$	248,645	\$	-	\$	248,645
October 31, 2024	\$	248,653	\$	68,040	\$	316,693

Depreciation related to the assets specific to exploration activity was recorded as a part of exploration expenditures (Note 6) on the consolidated statement of loss and comprehensive income (loss). The total depreciation related exploration assets were \$47,926. Of this total, \$47,744 (2023 - \$46,548) was recorded as part of drilling costs and \$182 (2023 - \$439) was recorded in geology and consulting.

6. EXPLORATION AND EVALUATION ASSETS

Title disclaimer

As at October 31, 2024, all of the Company's exploration and evaluation assets are located in Nevada, United States. Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics 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.

BLACKROCK SILVER CORP.

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6. EXPLORATION AND EVALUATION ASSETS – Continued

United States

Acquisition and Holding Costs	Silver Cloud		Tonopah		Total
Balance, October 31, 2022	\$	1,960,610	\$	2,100,949	\$ 4,061,559
Additions		130,897		1,027,907	1,158,804
Option payments received		-		(68,435)	(68,435)
Reimbursement of expenditures		-		(43,905)	(43,905)
Foreign currency translation		24,183		48,140	72,323
Balance, October 31, 2023		2,115,690		3,064,656	5,180,346
Additions		405,704		1,523,198	1,928,902
Foreign currency translation		10,941		54,615	65,556
Balance, October 31, 2024	\$	2,532,335	\$	4,642,469	\$ 7,174,804

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

The exploration expenditures for the year ended October 31, 2024 were as follows:

Exploration Expenditures	Silver Cloud		Tonopah		Generative	Total
Drilling	\$	61,090	\$	7,141,970	\$ -	\$ 7,203,060
Geology and consulting		8,163		1,110,821	1,863	1,120,847
Geophysics		-		26,274	-	26,274
Legal		-		81,489	193	81,682
Property investigation		-		-	27,287	27,287
Total	\$	69,253	\$	8,360,554	\$ 29,343	\$ 8,459,150

The exploration expenditures for the year ended October 31, 2023 were as follows:

Exploration Expenditures	Silver Cloud		Tonopah		Generative	Total
Drilling	\$	890,269	\$	1,022,211	\$ -	\$ 1,912,480
Geology and consulting		155,719		635,771	6,233	797,723
Geophysics		4,345		-	-	4,345
Legal		774		19,208	2,773	22,755
Property investigation		-		-	54,928	54,928
Total	\$	1,051,107	\$	1,677,190	\$ 63,934	\$ 2,792,231

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6. EXPLORATION AND EVALUATION ASSETS – Continued

Silver Cloud Project

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

In June 2019, the Company completed negotiations to amend the Lease terms and conditions with the underlying owner. The amended Lease provides for lower upfront payments, a reduction of the net smelter return royalty through a buyout, and a purchase option for the Property. The agreement was further amended on October 27, 2023.

Pursuant to the original, and first amendment, 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 lease payments to the Lessor as follows:
 - i. 1st anniversary of the Effective Date, October 27, 2018, US\$100,000 (\$131,810) (paid);
 - ii. 2nd anniversary of the Effective Date, October 27, 2019, US\$75,000 (\$98,731) (paid);
 - iii. 3rd anniversary of the Effective Date, October 27, 2020, US\$100,000 (\$131,640) (paid);
 - iv. 4th anniversary of the Effective Date, October 27, 2021, US\$150,000 (\$188,565) (paid);
 - v. 5th anniversary of the Effective Date, October 27, 2022, US\$200,000 (\$266,020) (paid);
- d) Must perform a minimum total of 25,000 feet (completed) of drilling on the Property during the first five years of the term of the Lease;
- e) Must pay all BLM permit costs. The Company paid BLM fees of US\$91,080 (\$121,546) in 2023 and US\$91,080 (\$111,910) in 2022; and
- f) Must make additional payments to the Lessor of 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. January 27, 2024, payment of US\$75,000 (\$100,868) (paid);
 - ii. 7th anniversary of the Effective Date, October 27, 2024, US\$100,000 (\$138,720) (paid);
 - iii. 8th anniversary of the Effective Date, October 27, 2025, US\$125,000;
 - iv. 9th anniversary of the Effective Date, October 27, 2026, US\$125,000;
 - v. 10th anniversary of the Effective Date, October 27, 2027 to 15th anniversary of the Effective Date, October 27, 2031, US\$150,000 per year; and
 - vi. 16th anniversary of the Effective Date and all subsequent anniversaries the Lease is in effect, US\$175,000 per year (subject to annual adjustment for inflation).
- (ii) the Company shall have the right, exercisable any time within 10 years of the date of the Amendment, to buy down the 3.5% royalty payable to the Owner to 2% by way of cash payment to the Owner of US\$4.5 million;

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6. EXPLORATION AND EVALUATION ASSETS – Continued

- (iii) in substitution of the previous drilling commitment on Silver Cloud provided for in the Lease, the Company is now required to incur work expenditures on Silver Cloud in a minimum amount of: (A) US\$500,000 on or before October 27, 2030; and (B) a further US\$500,000 on or before October 27, 2033, representing a cumulative total work commitment of \$1,000,000;
- (iv) the Company's option to purchase 100% of Silver Cloud (the "Purchase Option") has been amended to provide for a purchase price of: (A) US\$5,000,000 if the Purchase Option is exercised on or before October 27, 2029; and (B) US\$7,000,000 (subject to annual inflationary increases) if the Purchase Option is exercised after October 27, 2029; and
- (v) the Company has agreed to pay to the Owner a one-time cash payment of US\$75,000 (\$100,868) in the event that the Company sells all or the majority of its interest in the mining claims comprising Silver Cloud or enters into or forms a joint venture on Silver Cloud wherein another party may earn an interest in at least fifty-percent (50%) of Silver Cloud.

The Property is subject to a production royalty equal to 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"), 2 unpatented mining claims and 74 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 April 1, 2020 (the "Initial Closing Date"). Until all option payments have been made and the option is exercised and closed, Blackrock US must pay all claim maintenance and rental fees for the Nevada Select Claims.

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

- (i) On the Initial Closing Date, US\$325,000 (\$464,815) (paid);
- (ii) 1st anniversary of the Initial Closing Date, US\$325,000 (\$409,695) (paid);
- (iii) 2nd anniversary of the Initial Closing Date, US\$650,000 (\$812,630) (paid);
- (iv) 3rd anniversary of the Initial Closing Date, US\$700,000 (\$957,740) (paid); and
- (v) 4th anniversary of the Initial Closing Date, US\$1,000,000 (\$1,349,900) (paid).

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6. EXPLORATION AND EVALUATION ASSETS – Continued

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

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

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

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

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

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

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

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6. EXPLORATION AND EVALUATION ASSETS – Continued

Tonopah Project – Continued

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

On May 15, 2024, the Company announced it had terminated the option agreement entered into with Tearlach on January 9, 2023. Tearlach failed to make its US\$100,000 option payment on April 30, 2024 and was unable to make the payment during the 10-day cure period.

7. SHARE CAPITAL

a) Authorized

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

b) Issued

During the year ended October 31, 2024, the Company issued the following common shares:

- (i) On September 20, 2024, the Company closed a non-brokered private placement of 15,625,000 common of the Company at a price of \$0.32 per share for gross proceeds of \$5,000,000.

The common shares to be issued under the private placement will have a hold period of four months and one day from the closing date. The net proceeds of the financing will be used by the Company to fund expansion drilling on the Company's Tonopah West property, and for general working capital.

The Company paid a finder's fee of 3% of the proceeds, \$150,000, of the financing in cash.

- (ii) On May 29, 2024, the Company closed a brokered private placement offering for gross proceeds of \$10,350,000 consisting of 32,343,750 units of the Company at a price of \$0.32 per unit. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share at a price of \$0.48 until May 29, 2026. Based on the residual value method, no value was attributed to the warrants.

In connection with the financing, the Company paid a cash commission of \$618,177 and granted finders' warrants totalling 1,931,805 to purchase common shares of the Company at an exercise price of \$0.32 per common share, expiring May 29, 2026. The warrants were fair valued at \$261,373.

Each warrant entitles the recipient to purchase one common share of the Company at an exercise price of \$0.275 and will vest as to one-third on each of the first, second and third anniversaries of the date of grant and will expire on March 25, 2029.

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7. SHARE CAPITAL – Continued

b) Issued - continued

(iii) On January 26, 2024, the Company closed a brokered private placement offering for gross proceeds of \$5,750,000 consisting of 28,750,000 units of the Company at a price of \$0.20 per unit. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share at a price of \$0.30 until January 26, 2027. Based on the residual value method, no value was attributed to the warrants.

In connection with the financing, the Company paid a cash commission of \$336,000 and granted finders' warrants totalling 1,680,000 to purchase common shares of the Company at an exercise price of \$0.30 per common share, expiring January 26, 2027. The warrants were fair valued at \$166,320.

(iv) A total of 2,345,000 common shares were issued upon exercise of share purchase options for gross proceeds of \$473,700. A total of \$389,291 was transferred to share capital, from reserves, upon exercise representing the fair value of the share purchase options on date of grant.

(v) During the period, a total of 536,349 RSUs vested, with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 536,349 common shares for net proceeds of \$132,642. The net proceeds were used to settle the vested RSUs.

(vi) The Company received gross proceeds of \$311,115 from the exercise of 1,555,575 finders' warrants. A total of \$154,002 was transferred to share capital, from reserves, upon exercise representing the fair value of the finders' warrants on date of grant.

(vii) A total of 1,896,000 common shares were issued upon exercise of share purchase warrants for gross proceeds of \$694,800.

During the year ended October 31, 2023, the Company issued the following common shares:

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

(ii) On March 17, 2023, the Company closed a brokered private placement offering for gross proceeds of \$4,385,166 consisting of 11,851,800 units of the Company at a price of \$0.37 per unit. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder thereof to acquire one common share at a price of \$0.50 until March 17, 2026. A total of \$592,590 from the gross proceeds was allocated to the warrants based on the residual value method.

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

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

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7. SHARE CAPITAL – Continued

b) Issued – Continued

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

(v) A total of 440,000 share purchase options were exercised for proceeds of \$55,500.

Share issuance costs

During the year ended October 31, 2024, total share issuance costs of \$2,074,383 (2023 - \$551,789) comprised of cash outflows of \$1,646,690 (2023 - \$417,958) relating to commissions and legal fees, and non-cash outflows of \$427,963 (2023 - \$133,831) relating to finders' warrants.

c) Omnibus Equity Incentive Plan

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

The Plan is a "rolling up to 10% and fixed up to 10%" security-based compensation plan, as defined in Policy 4.4 *Security Based Compensation* of the TSX-V. The Plan is a: (a) "rolling" plan pursuant to which the number of shares that are issuable pursuant to the exercise of share purchase options granted hereunder shall not exceed 10% of the issued shares of the Company as at the date of any share option grant, and (b) "fixed" plan under which the number of shares of the Company that are issuable pursuant to all awards other than share options granted hereunder and under any other security based compensation plan of the Company, in aggregate is a maximum of 18,297,864 shares. Any RSUs, DSUs, PSUs or other share-based awards granted under the Plan will reduce the corresponding number of share options available for grant under the Plan.

d) Share purchase options

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-V.

The continuity of share purchase options for the years ended October 31, 2024 and 2023 is as follows:

	2024		2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	9,595,000	0.79	10,785,000	0.78
Granted	954,797	0.28	-	-
Exercised	(2,345,000)	0.20	(440,000)	0.18
Expired/Cancelled	(200,000)	0.31	(750,000)	0.96
Outstanding, end of the year	8,004,797	0.92	9,595,000	0.79
Exercisable, end of the year	7,050,000	1.00	9,595,000	0.79

BLACKROCK SILVER CORP.

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(Expressed in Canadian dollars)

Year Ended October 31, 2024

7. SHARE CAPITAL – Continued

d) Share purchase options – Continued

The options have a weighted average life of 1.56 (2023 - 1.87) years.

Expiry Date	Number of Options (Outstanding)	Number of Options (Exercisable)	Exercise Price
			\$
April 3, 2025	600,000	600,000	0.15
August 5, 2025	2,310,000	2,310,000	1.43
August 6, 2025	250,000	250,000	1.33
February 24, 2026	2,260,000	2,260,000	0.91
October 4, 2026	1,630,000	1,630,000	0.79
March 25, 2029	954,797	-	0.275
	8,004,797	7,050,000	

e) Warrants

The continuity of warrants for the years ended October 31, 2024 and 2023 is as follows:

	2024		2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	23,771,400	0.88	30,171,051	0.94
Issued	30,546,875	0.40	5,925,900	0.50
Exercised	(1,896,000)	0.37	(1,555,328)	0.30
Expired	(11,562,500)	1.14	(10,770,223)	0.93
Outstanding, end of the year	40,859,775	0.47	23,771,400	0.88

BLACKROCK SILVER CORP.

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7. SHARE CAPITAL – Continued

e) Warrants – Continued

The warrants have a weighted average life of 1.65 (2023 - 1.17) years.

Expiry Date	Number of Warrants	Exercise Price
		\$
August 30, 2025	6,283,000	0.75
March 17, 2026	5,925,900	0.50
May 29, 2026	15,471,875	0.48
January 26, 2027	13,179,000	0.30
	40,859,775	

f) Restricted share units

On July 20, 2020, the Company adopted its RSU plan for the purpose of securing for the Company and its shareholders the benefits of incentive inherent in share ownership by the employees, officers and directors of the Company and its affiliates who, in the judgment of the Board of Directors (the “Board”) and the Compensation Committee, will be largely responsible for the Company’s future growth and success. Subject to the specific provisions of the RSU plan, eligibility, vesting period, terms of the RSUs and the number of RSUs granted are to be determined by the Board or the Compensation Committee at the time of the grant. Each award granted entitles the participant to receive one RSU. Within two business days of the award grant, the participant must send a written settlement election to the Company choosing whether it wishes the awards to be subject to cash or share settlement procedures. The RSUs vest over a three-year period with one-third vesting on the first anniversary date, one-third on the second anniversary date and the final one-third on the third anniversary date.

The continuity of restricted share units for the years ended October 31, 2024 and 2023 is as follows:

	2024	2023
	Number of RSUs	Number of RSUs
Balance, beginning of the year	1,022,850	943,538
Granted	-	542,250
Settled	(536,349)	(462,938)
Outstanding, end of the year	486,501	1,022,850

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

BLACKROCK SILVER CORP.

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(Expressed in Canadian dollars)
Year Ended October 31, 2024

7. SHARE CAPITAL – Continued

f) Restricted share units – Continued

The following table summarizes the status of the Company's outstanding RSUs as at October 31, 2024:

Grant date	Vesting Date	RSUs Outstanding	Grant Date Fair Value
			\$
December 20, 2021	December 20, 2024	125,001	0.85
April 20, 2023	April 20, 2025	180,750	0.36
April 20, 2023	April 20, 2026	180,750	0.36
		486,501	

g) Performance share units

Pursuant to the Company's Plan, the Company granted its officers and employees PSUs during the period. Each PSU entitles the recipient to receive one common share, or a cash payment equal to the fair market value (as defined in the Plan) of the common shares on the vesting date, or a combination of common shares and cash, as determined at the sole discretion of the Compensation Committee of the Board of Directors of the Company. The PSUs awarded will vest as to one-third on each of the first, second and third anniversaries of the date of grant, subject to the achievement of certain corporate and individual performance criteria.

The cost of the PSUs is measured at fair value on the date of grant based on the market price of the Company's common shares and recognized as a share-based payment expense, over the period which the PSUs vest, with a corresponding increase in reserves. The cost of PSUs is recognized as an equity instrument, in accordance with IFRS 2 *Share-based Payments*, in the Company's consolidated statement of financial position.

The continuity of PSUs for the period ended October 31, 2024 and year ended October 31, 2023 as follows:

	2024	2023
	Number of PSUs	Number of PSUs
Balance, beginning of the period	-	-
Granted	469,811	-
Outstanding, end of the period	469,811	-

The following table summarizes the status of the Company's outstanding PSUs as at October 31, 2024:

Grant date	Vesting Date	PSUs Outstanding	Grant Date Fair Value
			\$
March 25, 2024	March 25, 2025	156,603	0.27
March 25, 2024	March 25, 2026	156,604	0.27
March 25, 2024	March 25, 2027	156,604	0.27
		469,811	

BLACKROCK SILVER CORP.

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7. SHARE CAPITAL – Continued

g) Share compensation liability – RSUs and PSUs

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

The continuity of share compensation liability for the years ended October 31, 2024 and 2023 is as follows:

	2024	2023
	Share Compensation Liability	Share Compensation Liability
Balance, beginning of the period	\$ 159,223	\$ 233,142
Share-based compensation	199,199	306,966
RSU settlement, net of share issuance costs	(152,215)	(194,932)
Change in fair value	26,620	(185,953)
Outstanding, end of the period	\$ 232,827	\$ 159,223

The current portion of the share compensation liability is \$157,148 (October 31, 2023 - \$115,089) and the long-term portion of the liability is \$75,679 (October 31, 2023 - \$44,134). Of the total liability, \$75,366 (October 31, 2023 - \$Nil) relates to the PSUs and \$157,461 (October 31, 2023 - \$159,223) relates to RSUs.

h) Deferred share units

On April 20, 2023, the Company granted 197,180 DSUs to the independent directors of the Company. The DSUs have a vesting period of 12 months. The Company further issued a total of 150,944 to its independent directors in March 2024. In accordance with the Plan, the DSUs are to be credited to the holder's DSU account upon vesting. Once vested, the DSUs would remain unsettled until such time as the holder ceases to be in their role with the Company.

The following table summarizes the status of the Company's outstanding DSUs as at October 31, 2024 and October 31, 2023:

	2024	2023
	Number of DSUs	Number of DSUs
Balance, beginning of the year	197,180	-
Granted	150,944	197,180
Outstanding, end of the year	348,124	197,180

The following table summarizes the status of the Company's outstanding DSUs as at October 31, 2024:

Grant date	Vesting Date	DSUs	
		Outstanding	Grant Date Fair Value
April 20, 2023	April 20, 2024	197,180	\$0.36
March 25, 2024	March 25, 2025	150,944	\$0.27

During the year, the Company recognized share-based compensation expense of \$53,437 (2023 - \$37,464) related to the DSUs.

BLACKROCK SILVER CORP.

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7. SHARE CAPITAL – Continued

i) Finders' warrants

The continuity of finders' warrants for the years ended October 31, 2024 and 2023 is as follows:

	2024		2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the year	2,050,661	0.56	2,505,554	0.57
Issued	3,611,805	0.26	711,108	0.37
Exercised	(1,555,575)	0.20	-	-
Expired	(585,593)	0.86	(1,166,001)	0.48
Outstanding, end of the year	3,521,298		2,050,661	0.56

Expiry Date	Number of Finders' Warrants	Exercise Price
		\$
August 30, 2025	753,960	0.50
March 17, 2026	711,108	0.37
January 26, 2027	124,425	0.20
May 29, 2026	1,931,805	0.32
	3,521,298	

The finders' warrants have a weighted average life of 1.40 (2023 - 1.56) years.

The fair value of the finders' warrants for the year ended October 31, 2024, as determined by the Black-Scholes option pricing model was estimated using the following assumptions:

	2024 (weighted average)	2023 (weighted average)
Risk-free interest rate	4.09%	3.32%
Expected annual volatility	72.61%	96.64%
Expected life (years)	2.456	3.00
Grant date fair value	0.118	0.188
Dividend yield	0%	0%

BLACKROCK SILVER CORP.

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8. RELATED PARTY TRANSACTIONS

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

As at October 31, 2024, the Company owed \$68,595 (2023 - \$52,967) to related parties. A total of \$26,032 (2023 - \$28,729) in management fees, \$7,021 (2023 - \$8,742) in office fees, \$19,308 (2023 - \$9,779) in exploration fees and a total of \$16,234 (2023 - \$4,015) is payable as expense reimbursements to Tanadog Management and Technical Services, Inc., a company controlled by the current chairman of the board.

In addition, the Company owed \$Nil (2023 - \$1,702) in expense reimbursements to a director of the Company.

Key management compensation

		For the Years Ended	
		October 31, 2024	October 31, 2023
Expenditure			
Tanadog Management and Technical Services Inc.	Management Fees	\$ 402,796	\$ 319,457
	Office Fees	98,355	65,753
	Exploration Fees	136,125	121,569
The Mining Recruitment Group Ltd.	Management Fees	375,480	300,353
Randy Minhas	Management Fees	261,305	198,667
Silver Green Resources	Management Fees	274,230	226,463
		\$ 1,548,291	\$ 1,232,262

During the year ended October 31, 2024, \$106,284 (2023 - \$127,248) in share-based compensation related to share options, RSUs and DSUs for the directors of the Company. In addition, the independent directors were paid directors' fees totaling \$11,000 to \$13,000 per director, totaling \$48,000 (2023 - \$10,000 per director, totaling \$40,000).

During the year ended October 31, 2024, \$186,518 (2023 - \$217,183) in share-based payments and \$59,017 (2023 - \$51,058) in health and dental benefit premiums were paid to or on behalf of and officers of the Company.

BLACKROCK SILVER CORP.

Notes to the Consolidated Financial Statements
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9. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery for the years ended October 31, 2024 and 2023 is as follows:

	2024	2023
Net loss for the year	\$ (11,757,077)	\$ (5,998,846)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery	(3,174,000)	(1,620,000)
Difference between Canadian and Foreign tax rates	183,000	59,000
Net effect of non-deductible amounts and other	110,000	50,000
Share issuance costs	(560,000)	(149,000)
Change in valuation allowance	3,441,000	1,660,000
	\$ -	\$ -

The significant components of the Company's deferred income tax assets at October 31, 2024 and 2023 are as follows:

	2024	2023
Deferred tax assets:		
Exploration and evaluation assets	\$ 10,183,000	\$ 9,338,000
Non-capital loss carry-forwards	10,447,000	7,957,000
Capital loss carry-forwards	111,000	111,000
Equipment	9,000	4,000
Share issuance costs	727,000	521,000
Total deferred tax assets	21,477,000	17,931,000
Unrecognized deferred tax assets	(21,477,000)	(17,931,000)
Net	\$ -	\$ -

The Company did not recognize the deferred tax asset for the year ended October 31, 2024, as it was unlikely to be realized.

The Company has capital and non-capital losses expiring for which deductions against future taxable income are uncertain as follows:

Expiry dates	Canadian Non-capital losses	Canadian capital losses	Canadian resource pool	US Non-capital losses
2026-2043	\$22,424,163	-	-	-
				\$12,649,742
No expiry	-	\$819,000	\$1,473,000	(\$17,603,381 CAD)

BLACKROCK SILVER CORP.

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10. CAPITAL MANAGEMENT

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

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

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

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Financial instruments

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

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

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

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

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

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

Financial risk factors

Credit risk

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at October 31, 2024, the Company had cash and cash equivalents of \$9,399,493 to settle current liabilities of \$1,364,364.

BLACKROCK SILVER CORP.

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11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS – Continued

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 October 31, 2024, the Company had cash and cash equivalents balances of US\$5,872,942 (2023 - US\$237,361), and accounts payable and accrued liabilities of US\$821,372 (2023 - US\$107,863). Should the Canadian exchange rate against the US dollar change by 1%, the potential impact on the Company's net loss would be approximately \$93,000. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

12. COMMITMENTS AND CONTINGENCIES

Commitments related to the Company's properties are disclosed in Note 6. The Company has no other commitments that extend more than 12 months into the future.

The Company has corporate credit cards with limits totalling \$33,000. The GIC is being held as security for the credit cards by the bank. The GIC matured on October 21, 2024 with an interest rate of 1%. The GIC was extended for an additional 12 months with the same terms.

13. SEGMENTED INFORMATION

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

	October 31, 2024		October 31, 2023	
<i>Total Assets</i>				
Canada	\$	9,624,279	\$	1,582,532
USA		7,628,913		5,018,286
	\$	17,253,192	\$	6,600,818
<i>Total Liabilities</i>				
Canada	\$	371,560	\$	264,644
USA		1,110,837		119,359
	\$	1,482,397	\$	384,003
<i>Exploration Expenditures</i>				
Canada	\$	-	\$	-
USA		8,459,150		2,792,231
	\$	8,459,150	\$	2,792,231
<i>Operating Expenditures</i>				
Canada	\$	3,446,637	\$	3,274,797
USA		127,584		75,150
	\$	3,574,221	\$	3,349,947

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14. LEASE LIABILITY

On April 1, 2024, the Company entered into an office lease agreement with a 36-month term and monthly payments of \$2,673. At the date of recognition, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an incremental borrowing rate of 9.20%.

Upon initial recognition, the Company recognized a lease liability, and a corresponding right of use asset, of \$84,464, with \$27,581 of the balance being the current portion of the lease liability and \$56,883 being the long-term portion of the lease liability.

	Year Ended 31, 2024	Year Ended October 31, 2023
	Lease Liability	Lease Liability
Balance, beginning of the period	\$ -	\$ -
Lease liability	84,464	-
Interest expense	4,203	-
Repayment	(18,714)	-
Outstanding, end of the period	\$ 69,953	\$ -

The short-term component of the lease liability is a \$27,599 and the long-term portion is \$42,354.

The expected timing of the undiscounted lease payments as at October 31, 2024 is as follows:

- | | |
|-------------------------|----------|
| (i) Less than one year | \$32,080 |
| (ii) One to three years | \$45,446 |

15. SUBSEQUENT EVENTS

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

- i. On January 30, 2025, the Company closed a “bought deal” public offering of units of the Company (the “**January 2025 Offering**”) consisting of 38,334,100 units of the Company at a price of \$0.36 per unit for aggregate gross proceeds of \$13,800,276. Each unit issued pursuant to the January 2025 Offering consisted of one Common Share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at an exercise price of \$0.50 until January 30, 2027.

In connection with the January 2025 Offering, the Company paid a cash commission to the underwriters of \$799,184 and issued 2,219,955 brokers’ warrants, each brokers’ warrant exercisable for one Common Share at a price of \$0.36 per Common Share until January 30, 2027.

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15. SUBSEQUENT EVENTS - Continued

- ii. On January 17, 2025, the Company granted 640,286 performance share units (“**PSUs**”) to officers and an employee, 89,286 deferred share units (“**DSUs**”) to the independent directors of the Company and 1,320,307 stock options to directors, officers, an employee and consultants of the Company. The PSU’s vest over a three-year period with one-third vesting on each of the first, second, and third anniversaries of the date of grant.

Each share option entitled the recipient to receive once common share at an exercise price of \$0.43 and will vest as to one-third on each of the first, second and third anniversaries of the date of grant and will expire on January 17, 2030.

Each PSU entitles the recipient to receive one common share, or a cash payment equal to the Fair Market Value (as defined in the Company’s Omnibus Equity Incentive Compensation Plan (the “**Omnibus Plan**”)) of the common shares on the vesting date, or a combination of Common Shares and cash, as determined in the sole discretion of the Compensation Committee of the Board of Directors of the Company. The PSUs awarded will vest as to one-third on each of the first, second and third anniversaries of the date of grant, subject to the achievement of certain corporate and individual performance criteria.

Each DSU entitles the recipient to receive one common share upon settlement of the DSU. The DSUs awarded will fully vest on the first anniversary of the date of grant date, being January 17, 2026, and will settle on the DSU holder's termination of service with the Company.

- iii. On December 20, 2024, a total of 125,001 RSUs vested, with all RSU holders electing to have the RSUs settled in cash. The Company issued, and sold, 125,001 common shares for gross proceeds of \$47,785 and incurred share issuance costs of \$480. The net proceeds of \$47,305 were used to settle the vested RSUs.
- iv. On December 3, 2024, the Company granted its newly appointed director a total of 85,000 DSUs. The DSUs shall vest in full after one year from the date of grant and can only be redeemed for common shares if the holder ceases to be a director of the Company or in accordance with the provision of the Omnibus Plan.
- v. A total of 62,148 common purchase warrants were exercised for total aggregate proceeds of \$20,137.
- vi. A total of 129,576 common shares were issued to settle 129,576 DSUs upon departure of two independent directors. In relation to the departure, an additional 75,472 DSUs were forfeited by such directors.