

## Blackrock Silver Corp. – SPECULATIVE BUY

### Treasury Replenished, Maiden Resource Next in Line

#### ACTION: Maintain SPEC. BUY and \$1.50/share TP

On March 3rd, Blackrock Silver successfully closed a non-brokered private placement to raise \$5M in gross proceeds for its Tonopah West silver-gold project in Nevada. We have updated our model for the event and reiterate our \$1.50/share target price, based on an assumed mineral inventory of 75Moz Ag-eq. (SEO), valued at US\$3/SEO and adjusted for options, warrants and future equity assumptions, priced in the context of the current market.

#### DETAILS: Core DPB Area Maintains High Grades; Recent Stepouts Point to Upside

**Summary:** Since drilling began in June 2020, Blackrock has completed more than 112,000m at the historic silver producing property, confirming ten mineralized veins along the way, including six in a core area known as DPB. Overall, we generated 138 pierce points from the reported results showing an average vein width of 2.3m and a weighted average grade of 512 gpt Ag-eq. (3.16 gpt Au and 281 gpt Ag, converted at 72.5 Au-Ag price ratio)

**Maiden Resource:** Blackrock still expects to complete a maiden resource in Q1/22, having hired Mine Development Associates back in October. The focus remains on the DPB area, where more than 57,000m have delineated six principal veins along strike lengths varying from 425m to 1.5km, generally on 50m centers. Our own analysis of 90 pierce points from that area shows an average vein width of 1.83m and a weighted average grade of ~500 gpt Ag-eq. (3.15 gpt Au and 270 gpt Ag). Higher grades are clearly evident, with 12 pierce points denoted for the Paymaster Vein averaging 621 gpt Ag-eq. (over 2.3m) and 14 for the Merten Vein averaging 606 gpt Ag-eq. (over 2.3m).

**Victor Vein:** Given its possible exclusion from the pending resource, we think it worthwhile to highlight the vein's potential for future upside in the immediate area. Based on 34 reported high-grade pierce points, the vein averages 534 gpt Ag-eq over 3.83m, making it the widest and among the richest tested to date. Adjusted for a noted strike length of 480m and an assumed depth of 300m, we see potential for upwards of 25M SEO in this area alone.

**Core Extensions:** Nearly 26,600m has been spent on stepout drilling, albeit to limited success. Still, two recent core holes appear to have extended the Bermuda vein system to the west, past the 76 Fault, intersecting between 0.3 and 0.6m varying from 0.92-4.97 gpt Au and 10 and 128 gpt Ag, or 187-370 gpt Ag-eq. Another hole collared 100m to the east of the Bermuda Vein proper also hit, returning 1.5m grading 2.15 gpt Au and 67 gpt Ag, or 223 gpt Ag-eq, while another intersected the projected up-dip extension of the Merten Vein some 350m to southwest of the core area, returning 1.5m grading 2.28 gpt Au and 4 gpt Ag, or 170 gpt Ag-eq, followed by 3m grading 1.16 gpt Au and 127 gpt Ag, or 211 gpt Ag-eq.

**Northern Rim:** Blackrock has also budgeted 9,000m for an inaugural district-scale assessment of the recently added Tonopah North project. Three holes are complete, with another in progress and eight more planned. The program is testing two geophysical targets associated with the mapped margin of the Tonopah Caldera and projections of major northwest-trending structures. Furthermore, core from the overlying and younger Siebert formation will be assayed for lithium, given known deposits to the northwest of Tonopah.

#### Impact: Market Now Discounting 32M SEO at Tonopah West

Based on the mean of our comps, the market is factoring in ~32M SEO, giving us reason to see future price appreciation as the project is de-risked. That said, the maiden estimate may come up short of our ounce and grade expectations because of its emphasis on the core area and differing assumptions applied to the reported drill results, among other factors.

#### ANALYST INFORMATION

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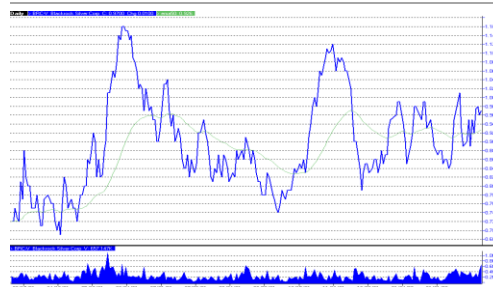
#### MARKET DATA

<b>BRC - TSXV</b>	<b>\$0.97</b>
<b>TARGET:</b>	<b>\$1.50</b>
<b>PROJ. RETURN:</b>	<b>55%</b>
<b>VALUATION:</b>	<b>in situ</b>

#### Share Data

Basic Shares O/S (M)	162
Fully Diluted (M)	209
Market Cap. (M)	\$157
Est. Cash (M; 3/03/22)	\$8
Debt (M; 10/31/21)	\$0
Enterprise Value (M)	\$149
M&I Resources (000s oz)	na
Tot. Resources (000s oz)	na
EV/oz M&I (US\$/oz)	nm
EV/oz Resource (US\$/oz)	nm
<b>Next Reporting Date</b>	<b>MAR '22</b>

#### THOMSON CHART - ONE YEAR



#### COMPANY PROFILE

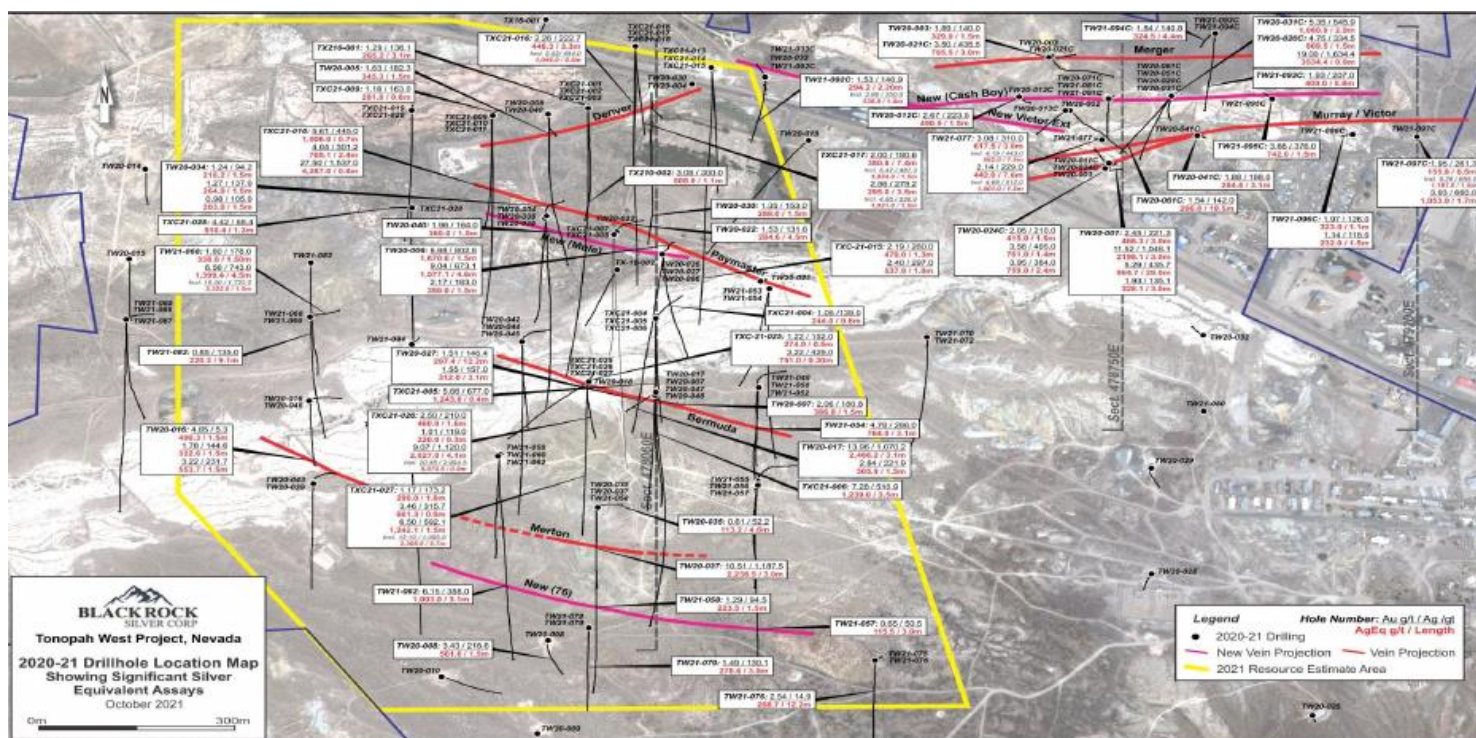
**Blackrock Silver Corp.** is a junior exploration company focused on western half of the historic Tonopah Silver District in the Walker Lane Trend of Nevada. A second project, known as Silver Cloud and located in north-central Nevada, is at an earlier stage of exploration and is being considered as a possible spinout to shareholders.

#### UPCOMING EVENTS/CATALYSTS

Maiden Resource – Q1/22

Exploration Updates – Ongoing

Figure 1: Blackrock Silver Corp. – Drill Plan Map of Tonopah West Project



Plan Map of vein projections highlighting DPB Resource Definition Area and Significant Intercepts. \*Surface vein projections are at the 1350 elevation. All veins dip to the north and many are known to go beyond resource estimate boundary; all remain open to east and west

Source: Company reports

Figure 2: Blackrock Silver Corp. – Comparison of High-Grade Explorers and Developers

Company	Share Price	52-wk. High	52-wk. Low	Shares (M)	Mkt. (M)	EV (US\$M)	P&P	SEO (000s oz)	Tot. (% Ag)	P&P	M&I	Tot.	
SilverCrest Metals	\$12.17	\$12.62	\$8.30	145	\$1,766	\$1,243	87,288	99,677	126,891	56%	\$14.24	\$12.47	\$9.79
Kuya Silver	\$1.15	\$2.80	\$0.76	45	\$52	\$37	na	4,563	10,555	94%	-	\$8.03	\$3.47
Vizsla Silver	\$2.45	\$3.45	\$1.26	148	\$363	\$244	na	54,522	96,333	57%	-	\$4.48	\$2.54
Alexco Resource	\$2.28	\$4.01	\$1.70	155	\$354	\$265	38,209	90,603	124,161	97%	\$6.93	\$2.92	\$2.13
Aurcana Silver	\$0.33	\$1.10	\$0.28	309	\$100	\$94	15,218	34,167	51,270	90%	\$6.18	\$2.75	\$1.83
Dolly Varden Silver	\$0.86	\$0.86	\$0.42	302	\$260	\$132	na	46,744	135,270	47%	-	\$2.83	\$0.98
<b>Mean</b>											<b>\$9.11</b>	<b>\$5.58</b>	<b>\$3.46</b>
<b>Median</b>											<b>\$6.93</b>	<b>\$3.70</b>	<b>\$2.33</b>

Note: Silver-eq. (SEO) and silver-gold ratio based on US\$1,850/oz and US\$25.50/oz. Base metals excluded from equivalencies.

Non-Resource Companies	Mkt. Expectations												
Blackrock Silver	\$0.97	\$1.22	\$0.63	156	\$151	\$112	12,240	19,993	32,267				
Summa Silver	\$1.29	\$1.71	\$0.80	77	\$99	\$74	8,165	13,337	21,525				
Silver Mountain	\$0.42	\$0.48	\$0.40	186	\$78	\$55	6,071	9,917	16,006				
Baroyeca Gold & Silver	\$0.45	\$0.50	\$0.16	56	\$25	\$19	2,097	3,426	5,529				

Source: Company reports, Capital IQ and RCC reports

## RISKS

Blackrock's projects are exposed to a variety of business risks, including, but not limited to: development or operating issues, including negative exploration results; changes in permitting, environmental or tax regulations; and fluctuations in commodity prices or currency rates. External financing requirements are also key risks, owing to the company's status as an early-stage explorer and hence, lack of operating cash flows. There is no guarantee that the Company can successfully raise sufficient funds or attract a suitor to help finance future exploration programs, assuming available results support such undertakings, let alone more advanced studies, such as a Preliminary Economic Assessment or Feasibility Study.

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