

VANCOUVER, BC / ACCESSWIRE / October 24, 2016 / [Blackrock Gold Corp.](#) (TSXV: BRC) ("Blackrock", or the "Company") is pleased to announce the signing of a Letter of Intent to earn up to an 80% interest in the Portrero Au-Ag project, located 235km NW of the city of Durango, Mexico, and 33km NW of Fresnillo's 4000t/d La Cienega, Ag-Au-Zn-Pb underground mine.

Highlights regarding the project are as follows:

- Epithermal veins and fault structures which have been mapped on surface over a strike extent of at least 1.5km
- The principal Dos de Mayo structure averages 10m in width and has been developed over a strike extent of 470m. Three vertically dipping high-grade shoots have been encountered. Historic non-43-101 compliant resource estimates of these shoots reported average grades of 7.43g/t Au and 248.7g/t Ag
- A small 50t/d processing plant is located on site, and could potentially be expanded and brought back into production within 18-24months
- The property is immediately adjacent to Fresnillo's Manzanillas Au-Ag deposit. Fresnillo has reported Measured Resources of 75,000t @ 6.76g/t Au and 130g/t Ag (for 16,000oz of Au and 316,000oz of Ag), Indicated Resources of 897,000t @ 3.59g/t Au and 70g/t Ag (for 103,000oz Au and 2.014Moz Ag) and 297,000t of Inferred Resources @ 2.08g/t Au and 48g/t Ag (for 20,000oz of Au and 455,000oz of Ag) for Mazanillas
- The agreement provides for 4 months of due diligence after which Blackrock shall have an option to earn an initial 55% interest in the project by spending US\$2M over 2 years and making payments totaling US\$850,000. Blackrock has an option to increase its interest in the project to 80% by sole funding an additional US\$3M in expenditures and making payments of US\$1.5M

The Portrero project is located within the western Sierra Madre of Durango state in a geological belt that includes a number of well-known gold-silver mines, the largest of which is the San Dimas (Tayoltita) mine with historic production of 11Moz of gold and 582Moz of silver. The Cienega mine of [Fresnillo Plc](#) is located 33km SE of El Portrero which reported 2015 production of 85,662oz Au, 4.8Moz Ag, 5,425t Pb and 5,970t Zn.

Gold-silver mineralization at El Portrero is characterized by a series of low sulphidation epithermal veins and mineralized fault structures cutting shallowly dipping Tertiary andesitic flows and flow breccias, which are in turn overlain by a series of rhyolite flows. Two sets of steeply dipping mineralized structures have been recognised and trend NW and NNE. The NW trending set of structures are dominant and include the Dos de Mayo, El Capulin I, II, El Pochote, Maria Fernanda, La Cruz and El Puerto structures. Of these, the Dos de Mayo structure appears best developed and is 10m in width and extends over a strike length of at least 1.5km.

The NNE group of structures includes La Estrella I and II, El Aguajito, San Jose and El Alto. The mineralized structures range from 0.5 to 10m in width and comprise finely banded epithermal veins and silica cemented breccias associated with fault zones.

Three vertically plunging ore shoots have been identified thus far along the Dos de Mayo structure and include La Dura, Dos de Mayo and Pinos Cuates. A historic non-43-101 compliant resource estimate of these three shoots completed in 1989 reported 26,959 tonnes at an average grade of 7.43g/t Au and 248.7g/t Ag. The lateral extent of each of these shoots ranges from 60-120m.

The terms of the earn-in agreement involve Blackrock paying the owner of the Portrero project, Grupo Jomargo ("Jomargo"), a total of US\$875,000 and investing a minimum of US\$2M over 2 years to earn an initial 55% interest. The payment schedule is as follows; US\$25,000 (paid) upon signing of the Letter of Intent, US\$100,000 upon completion of the due diligence and signing of a definitive agreement, \$US100,000 after 12 months, and US\$650,000 after 24 months; 50% of the future payments may be paid in shares of Blackrock, at the option of the Company.

Blackrock has an additional option to increase its interest in the project from 55% to 80% by sole funding an additional US\$3M in expenditures, and paying Jomargo an additional US\$1.5M, 50% of which may be paid in shares of Blackrock, at the option of the Company.

David Robinson, Blackrock's President and CEO commented, "Whilst the Portrero project is relatively early stage, it has been in production in the past, and we are attracted by the width and strike extent of the known mineralized structures, and its proximity to a known high grade Au-Ag deposit, as well as the presence of an existing mill. This raises the possibility of near-term gold and silver production for Blackrock. Our partner in Mexico, Grupo Jomargo, also operates the nearby San Geronimo underground mine and brings extensive underground mining experience to the project."

As part of the due diligence exercise, Blackrock intends to conduct a detailed mapping and sampling exercise as well as a review of the processing plant and a detailed analysis of the cost of rehabilitating the existing plant. This work is expected to take 3 months.

The technical information related to the property presented in this news release has been reviewed and approved by Mr. Paul D. Noland, a qualified person.

For further information, please contact:

David R. Robinson, President & CEO

[Blackrock Gold Corp.](#)

Phone: 1.403.399.9047

Email: drobenson@blackrockgoldcorp.com

Website: www.blackrockgoldcorp.com

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