

# **BENCHMARK**

## **METALS INC.**

**Management's Discussion and Analysis**  
**For the three and nine months ended November 30, 2019**

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This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the consolidated condensed interim financial statements of Benchmark Metals Inc. ("Benchmark" or the "Company") and the notes thereto for the three and nine months ended November 30, 2019 and 2018 (the "Financial Statements"). Consequently, the following discussion and analysis of the results of operations and financial condition for Benchmark Metals Inc., should be read in conjunction with the Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management as of January 29, 2020.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. The Company assumes no obligation to update or revise forward looking statements to reflect new events or circumstances except as required by law.

**GENERAL**

Benchmark Metals Inc. (BNCH: TSXV) is a TSX Venture listed junior resource company and reporting issuer in the provinces of British Columbia and Alberta. Its principal business is the identification, evaluation, acquisition and exploration of mineral properties.

As at January 29, 2020, Benchmark has:

- been granted a five-year work permit for exploration and drilling at all key target areas of the Lawyers Gold-Silver Project;
- Completed a share exchange agreement to acquire a 100% interest in the Lawyers Property, BC, Canada;
- completed 10,767 metres of drilling and identified new drill targets at the Lawyers Property;
- completed multiple financings for \$19,885,500 in gross proceeds since June 2018;
- received TSXV approval in October 2018 to amend the warrant price of three warrant series to \$0.225 per share;
- received warrant exercises for gross proceeds of \$3,052,412 on 13,566,274 warrants at \$0.225 per share;
- no long-term debt; and
- 111,356,691 common shares issued and outstanding.

**Financings completed**

On December 30, 2019, the Company completed a brokered private placement of 13,673,334 flow-through common shares units at \$0.45 per share for gross proceeds of \$6,153,000. Each unit consisted of one flow-through common share and one-half of a non flow-through common share purchase warrant of the Company. Each whole warrant is exercisable to acquire one additional common share at \$0.40 per share until December 30, 2021. The proceeds from the flow-through common shares will be used to incur Qualifying Expenses on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers. Each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finders' fees of \$369,180 and issued 820,400 warrants to certain arm's length finders.

On October 7, 2019, the Company completed a brokered private placement with a combination of 18,333,334 units at \$0.30 per unit for gross proceeds of \$5,500,000 and 5,000,000 flow-through common shares at \$0.40 per share for gross proceeds of \$2,000,000. Each unit consisted of one common share and one-half non-transferable share purchase warrant of the Company. Each whole warrant is exercisable to acquire one additional common share at \$0.40 per share until September 27, 2021. The proceeds from the flow-through common shares will be used to incur Qualifying Expenses on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers. Each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finders' fees of \$421,950 and issued 1,306,500 warrants to certain arm's length finders.

On June 10, 2019, the Company completed a non-brokered private placement of 9,090,909 flow-through common shares at \$0.22 per share to raise \$2,000,000 in gross proceeds. The proceeds will be used to incur qualifying Canadian exploration expenses (the "Qualifying Expenses") on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers, and each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finder's fees to arm's length finders of \$123,244 and issued 560,204 warrants to certain arm's length finders.

On October 10, 2018, the Company completed a non-brokered private placement of 4,090,000 flow-through common shares at \$0.25 per share to raise \$1,022,500 in gross proceeds. The proceeds will be used to incur qualifying Canadian exploration expenses (the "Qualifying Expenses") on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers, and each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finder's fees to arm's length finders of \$56,550 and issued 226,200 warrants to certain arm's length finders.

On June 14, 2018, the Company completed a non-brokered private placement (the "Placement") of 17,833,318 units at \$0.18 per unit to raise \$3,210,000 in gross proceeds. Each unit consisted of one common share and one non-transferable share purchase warrant of the Company. Each warrant is exercisable to acquire one additional common share at \$0.36 per share for a period of two years from the date of closing the Placement. The Company also paid finders' fees of \$182,267 and issued 552,595 warrants to certain arm's length finders. Proceeds from the private placement were used to advance the recently acquired Lawyers Property Gold/Silver Project in Canada. The remaining proceeds were used towards general working capital.

#### **Lawyers Property Gold Project in British Columbia, Canada**

On August 14, 2019, the Company and PPM Phoenix Precious Metals Corp. ("PPM") executed a share exchange agreement (the "Agreement"). The Agreement provides for the transfer all of PPM's issued and outstanding shares to Benchmark, in exchange for payments of \$250,000 in cash, 12,000,000 common shares of Benchmark and 0.5% net smelter returns royalty from any production of the Lawyers Property. As a result of this transaction, Benchmark acquired a 100% interest in the Lawyers' Property on September 19, 2019.

The Lawyers Property is situated 45 km northwest of the former Kemess South open pit copper-gold mine, in the Toodoggone region of the Omineca Mining Division of British Columbia, and consists of 45 contiguous mineral claims. The claims cover approximately 14,028 hectares of land that encompass the Lawyers group of prospects, including the former Cheni underground gold-silver mine, Cliff Creek, Dukes Ridge, and Phoenix, and the Silver Pond group of prospects that cover six gold-silver mineral occurrences. Eight of these mineral claims, covering approximately 4,375 hectares, are 100%-owned by Benchmark and are not subject to the OJVA. Exploration in the area began in the late 1960s and peaked in the 1980s, identifying numerous showings, prospects and deposits culminating in the development of the Cheni gold-silver mine which operated from 1989-1992 and produced 171,200 oz gold and 3.6 million oz silver over the 4 year period.

## Lawyers Property – Option and Joint Venture Agreement (“OJVA”)

On June 18, 2018, the Company received final acceptance from the TSX Venture Exchange of its OJVA with PPM for the Company’s option to acquire from PPM up to a 75% interest in the Lawyers Property, B.C. (the “Lawyers Property”) over three years. The OJVA was superseded by the Agreement executed on August 14, 2019.

In accordance with the OJVA, the Company paid an initial sum of \$200,000 to PPM, issued 1.0 million common shares to PPM and incurred more than the required minimum \$2 million of exploration expenditures on the Lawyers Property during the period. In accordance with an arms-length finder’s agreement, the Company also issued an initial payment of 94,444 common shares and a final payment of 359,138 common shares (with a fair value of approximately \$0.22 per share), which was conditional upon completion of the required minimum expenditures. The Company also posted a reclamation bond in the amount of \$56,000 in connection with the Lawyers Property.

Pursuant to the OJVA, the Company was to incur a total of \$5.0 million in exploration or development expenditures by June 6, 2021 to acquire a 51% interest in the project. The Company would have acquired an additional 9% interest (for a total interest of 60%) by issuing to PPM an additional two million common shares, and incurring a further \$2.5 million in expenditures by June 6, 2021, and the Company would have further acquired an additional 15% (for a total interest of 75%) in the Lawyers Property by issuing to PPM an additional 1.0 million common shares, and incurring \$1.5 million in further expenditures by June 6, 2021. As of February 28, 2019, the Company had incurred \$2,417,044, including the initial payment of \$200,000, of the required \$5.0 million in expenditures.

Upon the Company earning its largest interest in the Property, the parties would either have entered into a joint venture agreement for the further exploration and development of the Property, or, if the Company had acquired a 75% interest, then PPM could have elected to sell its 25% interest in the Property to the Company, based on either an independent valuation, or a formula set out in the OJVA based on the Company’s market capitalization. The Company was the operator of the Lawyers Property. The terms of the joint venture agreement were to include provisions for the dilution of a party’s interest, in the event the party did not contribute its proportionate cost share to the further exploration and development of the Lawyers Property. The interest of any party diluted to 5% or less would have been automatically converted into a 2% net smelter returns royalty (the “NSR”), with the other party having the right to buy-down one-half of the NSR for \$1 million.

## Lawyers Gold & Silver Exploration Program

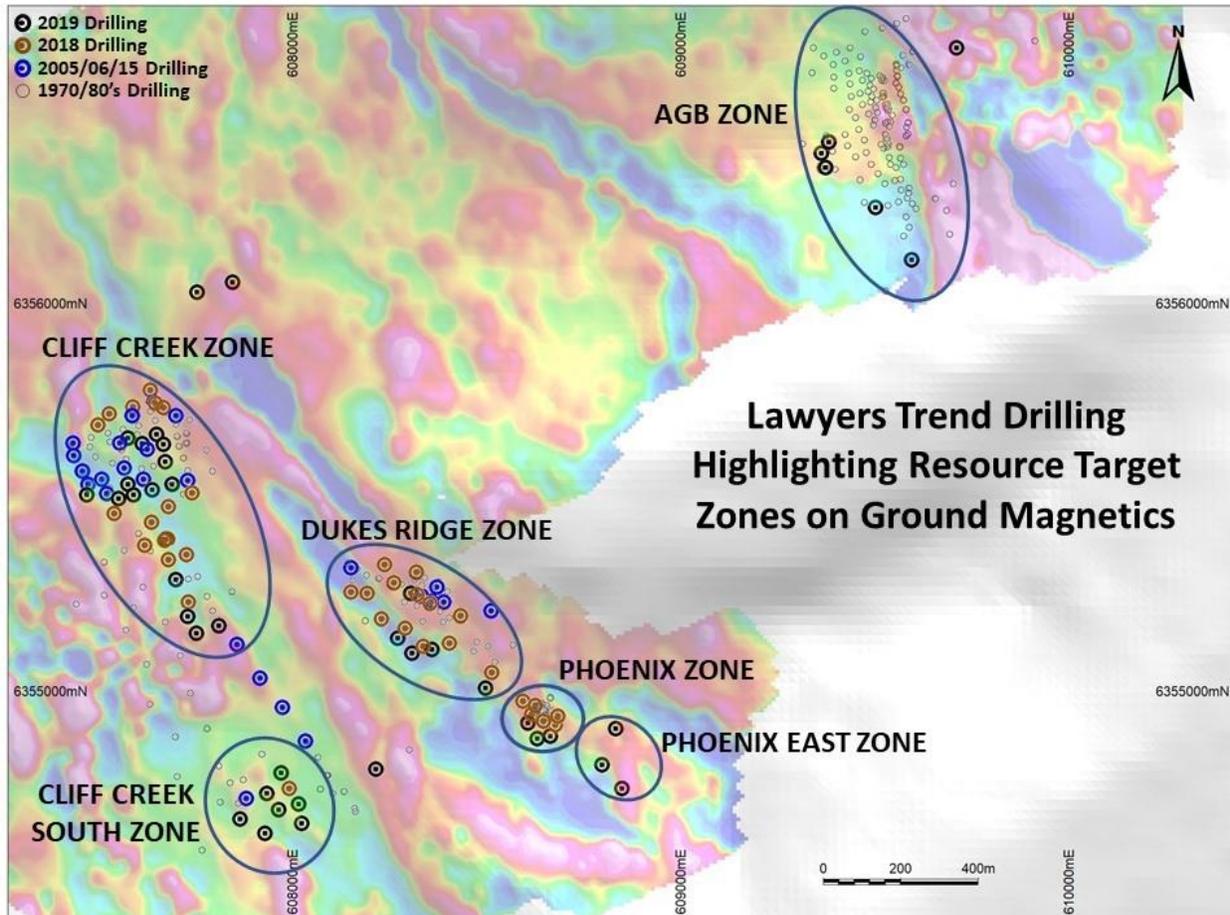
### *2019 Field Exploration*

A field-based exploration program commenced in July running until October 21, 2019. This program was designed to expand the known mineralization and delineate new targets for drilling during 2019 and subsequent years, including the following work:

- Historical compilation and interpretation;
- Geological mapping;
- Geochemistry – 1,406 soil, 299 rock, 215 trench, and 42 channel samples;
- Re-logging and new sampling of previously unsampled drill core intervals;
- Ground magnetic and very low frequency geophysical surveys; and,
- 10,766.79 metres of resource expansion and new target diamond drilling in 47 drill holes across six targets.

The soil, rock, trench, and channel samples coupled with detailed geological mapping and ground geophysics were completed over multiple targets within the historically underexplored 127 km<sup>2</sup> property. Initial results from this data have defined new zones of mineralization, elevated two zones to drill-ready status, and furthered our understanding of six other zones, which will receive expanded work programs during the 2020 field season.

**Figure #1:** Map of six discrete zones within the Lawyers Trend that will be the focus of resource definition and expansion in 2020.



Select analytical results of drilling released in the last quarter include:

- 11.83 g/t gold and 513.21 g/t silver over 3.23 metres core length within a wider zone grading 2.09 g/t gold and 87.83 g/t silver over 36.3 metres core length in drill hole 19CCDD025
- 1.10 g/t gold and 41.62 g/t silver over 42.15 metres core length and a lower zone of 30.2 g/t gold and 1,361 g/t silver over 2.95 metres core length in 19AGBDD07
- 1.16 g/t gold and 30.56 g/t silver over 67 metres core length in 19AGBDD002
- 7.85 g/t gold and 830 g/t silver over 3.34 metres core length within a wider zone grading 2.30 g/t gold and 191.88 g/t silver over 14.46 metres core length in drill hole 19DRDD004
- 47.4 g/t gold and 1,110 g/t silver over 0.99 metres core length within a wider zone grading 1.26 g/t gold and 37.82 g/t silver over 70.0 metres core length in drill hole 19DRDD003

### *2018 Field Exploration*

A field-based exploration program commenced in July 2018 and operated through to October 2018 including the following work:

- Historical compilation and interpretation;
- Drone flying and interpretation;
- Geochemistry – 1,041 soils and 312 rock samples;
- Relogging and new sampling of previously unsampled drill core intervals from 16 historical drill holes yielding 809 (over 1,000 meters) of new samples;
- Airborne VTEM geophysics to identify new targets and trends;
- 4,116m of resource expansion and new target reverse circulation (“RC”) and core drilling; and,
- Full results analysis interpretation prior to planning for a 2019 large scale resource expansion drill program.

Field crews completed a comprehensive exploration program with an opportunity for the development of high-grade precious metal and broader bulk tonnage deposits. Hydrothermal alteration was observed over multiple 0.5km to >3km trends and indicates characteristics of a low-sulfidation precious metal deposits. The presence of a magmatic-hydrothermal system that includes low and high-sulfidation precious-base metal could be linked to a deeper porphyry-type mineralization adding to the prospectivity of the Lawyers Property.

### *2018 Results*

Key results and observations to date include:

- New occurrence discoveries including the Marmot and Phoenix East zones;
- Soil sampling expanding the footprints of known occurrences;
- Widespread gold-silver mineralization and alteration in soils and rocks;
- Potential for gold-silver zones to coalesce along strike and down-dip;
- New drilling returning narrow high-grade and broad bulk tonnage gold-silver mineralization;
- 1,000m mineralized core intersections sampled from historical holes and returning high grade gold-silver mineralization;
- Maiden resource estimations for Cliff Creek and Dukes Ridge;
- VTEM airborne geophysics yielding radiometric and magnetic anomalies;
- Additional historical drill holes available for resampling with over-looked mineralization (approx. 1,600m); and,
- 90% of the 127km<sup>2</sup> land package is under-explored.

### *Lawyers Soil Sample Results*

Soil samples collected in 2018 helped expand and refine already established deposits and occurrences while also generating new targets for further sampling and drilling with anomalous levels of gold, silver, base metals and various vector elements.

The Cliff Creek Zone was expanded to the north and northeast up to 500 metres into areas which have not been previously drilled representing an excellent opportunity for exploration and resource expansion. Similarly, soil results southeast of Dukes Ridge were anomalous leading to the potential connection of the Dukes Ridge and Phoenix zones and likely further to Phoenix East. This growth of Dukes Ridge also represents the addition of approximately 500 metres of strike length to be further sampled and drill tested.

Sampling at Marmot defined parallel soil trends which exceed 500 metres in length and are coincident with 2018 high-grade rock samples. In all cases, anomalous soils are strongly coincident with potassium radiometric anomalies further the suggesting the radiometric anomalies represent alteration in mineralized rocks.

### *Lawyers Rock Sample Results*

Prospecting and mapping along the mineralized trends helped field crews understand the mineralization styles at Lawyers as the first program undertaken by Benchmark and their technical team. High-grade rock sample results were typically coincident with soil samples and radiometric anomalies from the 2018 VTEM survey.

Selected rock grab sample results from outcrop and subcrop include:

#### Marmot occurrence

- 31.8 g/t gold and 1,590 g/t silver
- 5.86 g/t gold and 716 g/t silver
- 6.26 g/t gold and 472 g/t silver
- 4.97 g/t gold and 872 g/t silver

#### Phoenix occurrence

- 220 g/t gold and +10,000 g/t silver
- 160 g/t gold and 1,440 g/t silver

#### Amethyst Gold Breccia (“AGB”) occurrence

- 23.1 g/t gold and 5,370 g/t silver
- 22.2 g/t gold and 80.9 g/t silver
- 17.7 g/t gold and 61.6 g/t silver
- 16.2 g/t gold and 107 g/t silver

#### Phoenix East occurrence

- 3.61 g/t gold and 32 g/t silver
- 3.4 g/t gold and 131 g/t silver
- 3.3 g/t gold and 138 g/t silver
- 3.13 g/t gold and 96.5 g/t silver
- 2.67 g/t gold and 127 g/t silver

### *Lawyers Drilling Results*

Drilling during 2018 extended and validated historical data, which will have a positive impact on the existing Cliff Creek and Dukes Ridge mineral resource estimates. The 2018 mineralized intercepts and surface work have delineated a number of areas for growth with future drilling.

#### Cliff Creek Zone

The Cliff Creek Zone saw limited underground development and mining in the late-1980’s during production of the Cheni Gold Mine including seven levels of access and approximately 50,000 tonnes of mined material.

Drilling within the northwest portion of the Lawyers Trend at the Cliffs Creek zone extended the gold and silver mineralization southeast to over 550 metres in total strike length. The maiden resource estimate has a 200m strike length with 2018 drilling extending the mineralized zone by 350m to the southeast. Selected step-out drill holes of high-grade and bulk tonnage gold and silver mineralization intercepts include 18CCRC009 with 1.79 g/t gold and 103.31 g/t silver over 28.95 metres core length including 5.62 g/t Au and 292.31 g/t Ag over 3.05 metres and 18CCRC010 yielding 1.10 g/t gold and 16.69 g/t silver over 38.09 metres core length including 10.45 g/t/ gold and 78.10 g/t silver over 1.52 metres. Drill hole 18CCRC011, 1 kilometre southeast along strike intersected 0.59 g/t gold and 8.10 g/t silver across 33.52 metres core length indicating the mineralized system extends considerably further along strike to the southeast.

## Dukes Ridge Zone

The Dukes Ridge Zone was discovered in the 1980s during the extensive exploration programs which led to the development of Cliff Creek and Cheni (AGB) – no mining has occurred at Dukes Ridge. Dukes Ridge lies immediately east of Cliff Creek whilst the two share very similar mineralization styles and the possibility that they join at depth. Similar to Cliff Creek, the Dukes Ridge Zone is delineated by drilling, surface soil and rock sample results, potassic alteration and radiometric geophysics. All geological indicators provide potential to extend and connect Dukes Ridge up to 600 metres northwest with the Cliff Creek Zone. In addition, Dukes Ridge has potential for a 100 metre southeastern extension connecting it with the Phoenix Zone and extending beyond to Phoenix East, as well as potential for 600 metres of eastern extension defined by soils and radiometric anomalies. The combined zones represent the +3 kilometre Lawyers Trend. It currently measures at least 530 metres in strike and at least 80 metres deep remaining open in all directions.

The 2018 drilling comprised 1,304.24 metres in 13 drill holes with highlights including 18DRRC010 yielding 5.76 g/t gold and 128.65 g/t silver across 33.52 metres core length and 18DRRC006 which returned 2.22 g/t gold and 82.82 g/t silver over 12.19 metres core length.

## Phoenix Zone

The Phoenix Zone saw limited mining in the early 1990's by Cheni Gold Mines while extracting ore from the AGB and Cliff Creek zones. Limited historical records for Phoenix production indicate that 4,934 tonnes were milled, yielding 6,713 ounces of gold and 296,084 ounces of silver for a realized grade of 38.56 g/t gold (1.36 oz/t) and 1,700 g/t silver (60 oz/t). This small amount of mining took place within underground workings measuring 25 metres wide and 35 metres deep.

The Phoenix mineralization, although part of the Lawyers trend, appears unique to the styles typically noted at Dukes Ridge and Cliffs Creek in that Phoenix is hosted within a single, wide quartz vein measuring approximately 1.5 metres thick in true-width rather than a series of breccias, smaller veins and veinlets. The Phoenix vein style could represent another mineralization style to be explored within the Lawyers Project.

Drilling in 2018 at Phoenix included 5 RC and 2 diamond core holes for a total of 730 metres. All drill holes intersected significant mineralization including 18PXDD001 which provided a high-grade intercept of 21.80 g/t gold and 340.00 g/t silver over 1.14 metres core length that was contained within a broader intercept of 6.15 g/t gold and 124.37 g/t silver over 4.36 metres, and 18PXDD002 which returned an intercept of 10.99 g/t gold and 819.43 g/t silver across 3.95 metres core length. The zone remains open down-dip and along strike and is not included within the overall resource estimate whilst having the potential to coalesce and connect with the adjacent Dukes Ridge and Cliff Creek zones to the northwest.

## *Lawyers Historical Drilling Results*

The relogging and new sampling of historical drill core undertaken in 2018 helped Benchmark realize the potential for bulk-tonnage targets in addition to the traditional narrow, high-grade targets within the Lawyers Property. These historical holes, from Cliff Creek and Dukes Ridge, were relogged and sampled through intervals not previously assayed which helped connect isolated sections from the historical sampling.

Drill hole CC15-13 assayed 1.58 g/t gold and 40.20 g/t silver across 58.24 metres core length with sampling ending in mineralization, while drill hole CC15-14 assayed 0.77 g/t gold and 32.93g/t silver across 87.60 metres core length (including historical and new assays), further expanding the resource potential and leaving it open at depth.

Historical and new assays from Dukes Ridge combined for encouraging results in DR15-05 grading 1.16 g/t gold and 36.18 g/t silver over 63.75 metres core length and in DR15-01 of 0.58 g/t gold and 16.03 g/t silver over 56.0 metres core length.

*Maiden Inferred Resource Estimate – Lawyers Project*

On June 14, 2018, as part of the initial compilation work prior to the 2018 exploration program, Benchmark announced the release of a nominal maiden inferred mineral resource estimate for two spatially associated zones of epithermal gold-silver mineralization at the Lawyers Project. The success of the 2018 and 2019 exploration programs including new drilling and new sampling of historical drill core will add significantly to the next resource estimate at both Cliff Creek and Dukes Ridge.

Giroux Consultants Ltd. (“Giroux”) of North Vancouver, B.C., estimated an inferred mineral resource of 550,000 tonnes grading 4.51 g/t gold and 209.15 g/t silver at a 4.0 g/t gold equivalent (“AuEQ”) lower cut-off at the Cliff Creek North zone, which equates to a contained metal resource of 80,000 oz gold and 3,700,000 oz silver, along with an inferred mineral resource of 58,000 tonnes grading 4.30 g/t gold and 139.13 g/t silver at a 4.0 g/t AuEQ lower cut-off at the Duke’s Ridge zone, which equates to an additional contained metal resource of 8,000 oz of gold and 260,000 oz of silver (see Tables 1 and 2 below). These resource estimates were supported by a technical report filed on Sedar June 29, 2018.

Table 1. Cliff Creek North Inferred Mineral Resource at a variety of lower cut-offs

AuEQ Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off			Contained Metal	
		Au (g/t)	Ag (g/t)	AuEQ (g/t)	Au (ozs)	Ag (ozs)
1.00	1,460,000	2.89	121.70	4.16	136,000	5,710,000
2.00	1,260,000	3.16	134.94	4.57	128,000	5,470,000
3.00	840,000	3.79	171.54	5.58	102,000	4,630,000
3.50	690,000	4.12	190.08	6.10	91,000	4,220,000
4.00	550,000	4.51	209.15	6.69	80,000	3,700,000
4.50	440,000	4.90	230.48	7.30	69,000	3,260,000
5.00	350,000	5.30	253.88	7.94	60,000	2,860,000
6.00	260,000	5.88	290.09	8.91	49,000	2,420,000

Table 2. Dukes Ridge Inferred Mineral Resource at a variety of lower cut-offs

AuEQ Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off			Contained Metal	
		Au (g/t)	Ag (g/t)	AuEQ (g/t)	Au (ozs)	Ag (ozs)
1.00	403,000	2.07	76.88	2.87	27,000	1,000,000
2.00	282,000	2.45	89.00	3.38	22,000	810,000
3.00	133,000	3.25	113.38	4.43	14,000	480,000
3.50	85,000	3.78	125.53	5.08	10,000	340,000
4.00	58,000	4.30	139.13	5.75	8,000	260,000
4.50	43,000	4.65	155.00	6.26	6,000	210,000
5.00	33,000	4.96	171.20	6.74	5,000	180,000
6.00	18,000	5.59	208.99	7.77	3,200	121,000

\*Inferred mineral resources are not mineral reserves. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. There has been insufficient exploration to allow for the classification of the inferred resources tabulated above as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future.

\*\*The following prices of metals and conversions are used to calculate AuEq; \$US1,200/oz for Au and \$US14.50/oz for Ag; AuEQ = [(Au g/t \* 1200 \* 0.95 / 31.1035 g/oz) + ( Ag g/t \* 14.50 \* 0.82 /31.1035 g/oz)]/ (1200 \* 0.95 / 31.1035).

\*\*\*Contained ounces may not add due to rounding.

## *Lawyers VTEM Results*

Geotech flew a 115 km<sup>2</sup> geophysical survey over the Lawyers Property with a combination of magnetics, electromagnetics and radiometrics in 2018. The magnetics helped define the distribution of various rock units and elucidated the structures in the region which are critical for identifying gold mineralization. The radiometrics have proven to be particularly useful as they define the areas of potassic alteration within Lawyers. Potassic alteration is common for epithermal mineralization styles and is thus far coincident with anomalous soil and rock samples throughout Lawyers.

At the Cliff Creek, Dukes Ridge, Phoenix and ABG zones, a large 5km by 4km radiometric anomaly is coincident with potassic alteration, anomalous soil and rock geochemistry and high-grade gold-silver drill results. The strong response is due to the addition of potassium to the rock when they are altered by the mineralizing fluids, making radiometrics a very powerful targeting tool. The magnetic response also highlights the areas of alteration and potential structural trends, and is useful when used in conjunction with the radiometrics and field mapping.

The newly discovered Marmot area is also underlain by a strong radiometric anomaly.

## **Other Projects - Nunavut, Canada**

In addition to its primary Lawyers Property Gold Project, the Company owns the following gold and diamond projects in Nunavut, Canada which it maintains with the intention of spinning them into another listed company, but no exploration work was undertaken in Nunavut during 2019.

### Muskox and Hood River Properties in Nunavut, Canada

Benchmark owned 100% interest in eight Prospecting Permits totaling 1,150 km<sup>2</sup> located in Nunavut, Canada. During the year ended February 28, 2018, the Company allowed the Muskox and Hood River Prospecting Permits to expire, however, the Company staked ten mineral claims within the same geographic area. The newly staked claims, therefore, act as a continuance of exploration and evaluation activity on the Company's Muskox and Hood River property. The diamond projects have over \$50 million in spending with valuable data collected during the 1990's and 2000's. The Projects are situated in a proven, producing diamond bearing region of Nunavut and the Northwest Territories of Canada. Current diamond producing mines in the region include the new Gahcho Kue Diamond Mine, Diavik Diamond Mine and the Ekati Diamond Mine.

The most advanced project holds the Muskox Kimberlite Pipe which was previously discovered and worked by De Beers Canada and Tahera Corp. The Muskox Kimberlite has two phases and is known to yield diamond grades in the magmatic phase of 0.53 carats per tonne (c/t) and diamond grades in the pyroclastic phase of 0.35 carats per tonne from mini-bulk samples weighing 865 and 63 dry tonnes, respectively (2006). The Muskox kimberlite has yielded encouraging diamond results from both caustic fusion analysis and Dense Media Separation ("DMS") processed bulk samples from a number of sampling campaigns. This includes 2.7 carat (ct) and 1.6ct diamonds recovered during exploration in the 1990's. Benchmark recovered 0.49ct, 0.40ct, 0.36ct and 0.25ct clear and colourless diamonds during 2016 and 2017 exploration programs.

Collectively the diamond projects host 6, drill ready, high-priority new discovery targets that remain untested. The targets lie near the Jericho Diamond Mine. The diamond targets are indicated by large geophysical anomalies, kimberlite indicator minerals and diamond indicator minerals. Diamond chemistry work is in progress to support the new target opportunity and to generate additional targets to the drill-ready stage.

### *New Diamond Discovery Drill Targets*

Of the 6 newly developed high priority kimberlite 'bullseye' targets, 4 are magnetic highs and 2 are a magnetic low. The targets range from 125m to 225m in size. Other kimberlites in the area were both magnetic lows (including the Contwoyto 1, Muskox and Jericho, Jericho South and Rush kimberlites) and magnetic highs (including the Unicorn, Voyageur and Peregrine kimberlites).

### Contwoyto Property in Nunavut, Canada

During the year ended February 28, 2018, the Company signed a property purchase agreement to acquire an undivided interest in the Contwoyto Property that contains the potential for diamond-bearing kimberlites along with historical gold occurrences from North Arrow Minerals Inc., in exchange for \$100,000 total Cash Payments and the issuance of 333,333 (1,000,000 pre-consolidation) shares of the Company on the following schedule:

- On Closing: \$50,000 cash (paid); and  
166,667 (500,000 pre-consolidation) common shares (issued)
- On or before December 15, 2018: \$50,000 cash (paid); and  
166,667 (500,000 pre-consolidation) common shares (issued)

In further consideration of the Contwoyto Property, the Company agreed to:

- grant North Arrow a 1% GOR/NSR (gross overriding royalty/net smelter return) and purchase half the royalty (0.5%) for \$1-million at any time. Butterfly Interests included in the property carry a 5% royalty subject to terms of specific royalty agreements;
- issue 166,667 (500,000 pre-consolidation) common shares to North Arrow upon reporting an inferred resource greater than 250,000 gold ounces within an already established mineralized zone; and
- issue 166,667 (500,000 pre-consolidation) common shares to North Arrow upon reporting an inferred resource greater than 250,000 gold ounces outside of the established mineralized zone, but within the area of interest.

The 100% project acquisition contains the potential for diamond bearing kimberlites along with historical high-grade gold occurrences. The two mining leases and two mineral claims lie adjacent to the existing Contwoyto Diamond Project and south of the Lupin Gold Mine. The diamond targets require interpretation and ground geophysical surveying to isolate new priority kimberlite targets.

The Project holds 5 gold occurrences named Pan, A3, FIN, Shallow Bay and Butterfly/Dune Gold. Each of the gold occurrences contains significant results from historical exploration. Selected highlights from historical exploration include:

- 63.09 g/t gold ("g/t Au") over 4.86 metres core length (Butterfly/Dune gold occurrence; Drill hole 87-13 drilled by Cominco Ltd. 1987);
- 20.11 g/t Au over 4.55 m core length (Butterfly/Dune gold occurrence; Drill hole 93-01 drilled by Echo Bay Mines 1993);
- 38.35 g/t Au over 2.47 m core length (A3 Gold occurrence; Drill hole A-93-03 drilled by Echo Bay Mines 1993);
- 11.58 g/t Au over 3.05 m core length (FIN Gold occurrence; Drill hole F-93-12 drilled by Echo Bay Mines 1993); and
- 35.19 g/t Au over 3.6 m core length (Shallow Bay Gold occurrence; Drill hole S-3-84 drilled by Bow Valley Industries Limited 1984).

The Pan, A3, Fin and Butterfly/Dune gold occurrences are hosted in banded iron formation ("BIF") and the Shallow Bay gold occurrence is hosted in a quartz stockwork. All the gold occurrences have not been the subject of modern day exploration and have horizontal loop electromagnetic conductors ("HLEM") both adjacent and along strike which require follow-up exploration.

Historic exploration was focused on magnetic high signatures with associated HLEM responses. New exploration methods for iron formation-hosted gold that includes Spectral Induced Polarization ("IP") surveys has not been applied at the Project.

Diamond bearing potential at the new project is evidenced by a recent High Resolution Airborne Magnetic Survey by Fluxgeo (1993) that identified 5 high priority kimberlite targets which require follow-up prospecting, sampling and ground geophysical surveying. During 2003, regional till samples recovered kimberlite indicator minerals including pyrope garnets, eclogitic garnets, chrome diopside, olivine, chromite and Ilmenite which require follow-up.

During the year ended February 28, 2018, the work program consisted of up to 500 m of core drilling and included ground magnetic and HLEM (horizontal loop electromagnetic) geophysical surveys. Three drill holes totalling 198.42 m (17CEI001-003) of BTW drill core were completed at the Butterfly gold occurrence during the quarter. All three drill holes intersected sulphidic, amphibolitic iron formation (AIF) within about 50 m of surface, which was intensely altered, silicified and sulphidized. More specifically, the drill holes intersected 8.2 m, 5.14 m and 4.8 m of amphibolitic iron formation, which was silicified and sulphidized.

Ground geophysical surveying consisting of horizontal-loop electromagnetics (HLEM) and high-resolution magnetics/very-low-frequency electromagnetics (mag/VLF) was completed prior to drilling. Both the HLEM and mag/VLF show compelling images, which delineate the sulphidic amphibolitic iron formation. Although the planned 2017 program was not fully completed due to inclement weather, the drill intercepts and geophysics completed to date provide significant support for the continuity of the Butterfly gold occurrence.

Selected drill results include:

- 14.43 g/t Au over 4 m core length in hole 17CEI002, including 18.23 g/t Au over 3 m core length, 24.65 g/t Au over 2 m core length and 38.8 g/t Au over 1 m core length;
- 6.83 g/t Au over 5 m core length in hole 17CEI003, including 8.79 g/t Au over 3.82 m core length, 11.5 g/t Au over 2.82 m core length and 20.6 g/t Au over 1 m core length;
- 2.19 g/t Au over 9 m core length in hole 17CEI001, including 5.12 g/t Au over 3 m core length.

## FINANCIAL MD&A AND OTHER DISCLOSURE

### Selected Annual Financial Information

Years ended	February 28, 2019 \$	February 28, 2018 \$	February 28, 2017 \$
Total assets (\$)	5,291,824	1,817,233	1,061,250
Mineral properties (\$)	3,885,354	1,702,881	937,792
Current liabilities (\$)	301,649	186,061	153,173
Net loss (\$)	(2,105,353)	(543,184)	(641,394)
Weighted average shares	32,065,024	12,598,605	8,274,475
Basic and diluted net loss per common share (\$)	(0.07)	(0.04)	(0.08)

### Summary of Quarterly Results

Selected unaudited financial data published for operations of the Company during the last eight quarters are as follows:

3 months ended (in Dollars)	Nov 2019 (Q3)	Aug 2019 (Q2)	May 2019 (Q1)	Feb 2019 (Q4)	Nov 2018 (Q3)	Aug 2018 (Q2)	May 2018 (Q1)	Feb 2018 (Q4)
Net loss	(713,877)	(567,703)	(306,292)	(554,868)	(566,784)	(686,275)	(297,426)	(72,391)
Basic and Diluted net loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)

### **Results of Operations – Three Months Ended November 30, 2019**

During the three months ended November 30, 2019 the Company reported a net loss of \$713,877, compared to a net loss of \$566,784 during the three months ended August 31, 2018. Significant items making up the change for the current quarter as compared to the comparative quarter were as follows:

- Investor relations increased by \$145,051 due to the Company conducting marketing campaigns in the current period;
- Management and consulting fees increased by \$135,001 due to performance bonuses provided to management in the current quarter;
- Office and administration decreased \$69,051 as the Company incurred one-time costs related relocating the Company's office space in the comparative quarter;
- Professional fees increased by \$55,493 as result of increased corporate activity and transactions in the current quarter;
- Regulatory and filing fee decreased by \$34,681 as filing fees paid in the current quarter were included in transaction costs as part of the acquisition of PPM;

Also included in the three months ended November 30, 2019, a non-cash settlement of flow-through liability of \$69,428 (2018 – nil) was recorded. Partially offsetting expenses, the Company received interest income of \$17,077 (2018 – \$7).

### **Results of Operations – Nine Months Ended November 30, 2019**

During the nine months ended November 30, 2019 the Company reported a net loss of \$1,587,242, compared to a net loss of \$1,550,485 during the nine months ended November 30, 2018. Significant items making up the change for the current period as compared to the comparative period were as follows:

- Investor relations increased by \$681,357 due to the Company conducting additional marketing campaigns in the current period;
- Management and consulting fees increased by \$118,020 due to performance bonuses provided to management in the current period;
- Office and administration decreased \$35,759 as the Company incurred one-time costs related relocating the Company's office space in the comparative period;
- Professional fees increased by \$71,067 as result of increased corporate activity and transactions in the current period;
- Regulatory and filing fee decreased by \$43,343 as filing fees paid in the current period were included in transaction costs as part of the acquisition of PPM;

Also included in the nine months ended November 30, 2019, a non-cash settlement of flow-through liability of \$249,190 (2018 – nil) was recorded. Partially offsetting expenses, the Company received interest income of \$26,732 (2018 – \$7).

### **Financial Condition, Liquidity, and Capital Resources**

Management closely monitors the liquidity and working capital position and expects to have adequate sources of funding to finance the Company's projects and operations.

Working capital at November 30, 2019 was \$4,570,926 compared to \$1,048,821 at February 28, 2019

The Company currently has no source of operating cash flows and its operations have primarily been financed through the issuance of share capital.

Subsequent to November 30, 2019, the Company complete a brokered private placement for gross proceeds of \$6,153,000 and received \$482,918 in gross proceeds resulting from the exercise of 2,103,918 warrants.

As of the date of this MD&A, the Company has working capital of approximately \$10.5 million.

## Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

### General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

#### *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk is low, but acknowledges this may change in the future.

#### *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

#### *Commodity price risk*

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

### Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash are held with financial institutions in Canada.

### Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at November 30, 2019, all of the Company's accounts payable and accrued liabilities of \$1,172,080 are due within one year.

### Determination of fair value

The statement of financial position carrying amounts for cash and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

As at November 30, 2019:

Asset:		Level 1	Level 2	Level 3	Total
Cash	\$	4,815,939	-	-	\$ 4,815,939

As at February 28, 2019:

Asset:		Level 1	Level 2	Level 3	Total
Cash	\$	377,498	-	-	\$ 377,498

### **Risk Factors**

The success of the Company's business is subject to a number of factors, including but not limited to those risks normally encountered in the mining industry, such as market or commodity price changes, economic downturn, exploration uncertainty, operating hazards, increasing environmental regulation, competition with companies having greater resources, and lack of operating cash flow.

The Company's prospectus dated August 10, 2012, available on SEDAR, includes extensive disclosure on material risks to the company's operations. Information concerning risks related to financial instruments is included in the Financial Statements.

### Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

<b>For the nine months ended</b>	<b>November 30, 2019</b>	<b>November 30, 2018</b>
Management fees paid to companies controlled by directors, officers	\$ 107,500	\$ 249,500
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	\$ 72,500	54,500
Share based payments	-	185,795
	<b>\$ 180,000</b>	<b>\$ 489,795</b>

### Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

<b>For the nine months ended</b>	<b>November 30, 2019</b>	<b>November 30, 2018</b>
Short term benefits	\$ 180,000	\$ 304,000
Share based payments	-	185,795
	<b>\$ 180,000</b>	<b>\$ 489,795</b>

At November 30, 2019, accounts payable and accrued liabilities include \$33,347 (2018 - \$7,717) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

## Outstanding Share Data

Benchmark is authorized to issue an unlimited Class number of common shares without par value. As at the close of trading on January 29, 2020, the following common shares and warrants were outstanding:

Common shares issued	<b>111,356,691</b>
	633,332 @ \$0.33 to January 15, 2021
	16,666 @ \$0.44 to December 19, 2021
	765,000 @ \$0.30 to March 6, 2023
	1,200,000 @ \$0.16 to July 20, 2023
	650,000 @ \$0.20 to December 10, 2023
	250,000 @ \$0.25 to July 9, 2024
Options outstanding	100,000 @ \$0.30 to July 22, 2024
	259,254 @ \$0.22 to May 21, 2020
	67,900 @ \$0.22 to May 27, 2020
	6,947,744 @ \$0.225 to June 14, 2020*
	487,053 @ \$0.36 to June 14, 2020*
	132,000 @ \$0.25 to October 2, 2020
	10,050 @ \$0.25 to October 10, 2020
	1,237,498 @ \$0.40 to September 23, 2021
	55,000 @ \$0.30 to September 23, 2021
	7,929,167 @ \$0.40 to September 27, 2021
	1,035,950 @ \$0.30 to September 27, 2021
	215,550 @ \$0.30 to October 7, 2021
	6,836,667 @ \$0.40 to December 30, 2021
Warrants outstanding	820,400 @ \$0.45 to December 30, 2021
Fully diluted	<b>141,005,922</b>

\* In the event that the common shares of the Company trade at a closing price greater than \$0.42 per share for a period of 10 consecutive days, then the Company may deliver a notice to the Warrant holders that they must exercise their Warrants within the next 30 days, or the Warrants will expire.

## Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

## Qualified Person

The disclosures contained in this MD&A regarding the Company's exploration and evaluation properties have been prepared by, or under the supervision of Mr. Mike Dufresne, M.Sc., P.Geo., a principal of APEX Geoscience Ltd. and a Qualified Person for the purposes of National Instrument 43-101.

## Approval

The Audit Committee of the Company approved the disclosures contained in this MD&A.

## Additional Information

Continuous disclosure relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).