

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

To the shareholders of Benchmark Metals Inc:

The condensed interim financial statements of Benchmark Metals Inc. (the "Company") for the three months ended May 31, 2018 and 2017 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Condensed Interim Statements of Financial Position

Expressed in Canadian Dollars

(unaudited)

	May 31, 2018	February 28, 2018
ASSETS		
Current		
Cash	\$ 1,062,266	\$ 50,178
Amounts receivable	13,408	24,055
Prepaid expenses and deposits	11,135	40,119
	<u>1,086,809</u>	114,352
Exploration and evaluation assets (note 3)	<u>1,753,419</u>	1,702,881
	<u>\$ 2,840,228</u>	<u>\$ 1,817,233</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 448,804	\$ 186,061
EQUITY		
Share capital (note 4)	3,692,612	3,740,504
Advanced share subscriptions received (note 4)	1,046,920	-
Option and warrant reserve (note 4)	555,698	497,048
Deficit	<u>(2,903,806)</u>	<u>(2,606,380)</u>
	<u>2,391,424</u>	1,631,172
	<u>\$ 2,840,228</u>	<u>\$ 1,817,233</u>

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENTS (note 9)

Authorized for issuance on behalf of the Board

Director (signed by) "Jim Greig"Director (signed by) "Sean Maqer"*The accompanying notes form an integral part of these financial statements.*

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Statements of Comprehensive Loss

Expressed in Canadian Dollars

(unaudited)

For the three months ended	May 31, 2018	May 31, 2017
Expenses		
Investor relations expenses	\$ 66,331	\$ 18,461
Management and consulting fees	121,875	72,750
Office and administration	11,001	698
Professional fees	22,637	9,124
Regulatory and filing fees	16,932	16,499
Share based compensation (note 4)	58,650	-
	<u>(297,426)</u>	<u>(117,712)</u>
Other items		
Settlement of flow-through liability	<u>-</u>	<u>5,157</u>
Net loss and comprehensive loss for the period	<u>\$ (297,426)</u>	<u>\$ (112,555)</u>
Basic and diluted loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>15,473,198</u>	<u>10,255,752</u>

The accompanying notes form an integral part of these financial statements.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Condensed Interim Statements of Changes in Equity

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

(unaudited)

	Number of shares	Share capital	Advanced share subscriptions received	Option and Warrant reserve	Deficit	Total equity
Balance at February 28, 2017	10,152,485	\$ 2,515,843	-	\$ 455,430	\$ (2,063,196)	\$ 908,077
Shares issued for exploration and evaluation assets (note 3)	166,667	60,000	-	-	-	60,000
Advanced share subscriptions received	-	-	20,000	-	-	20,000
Comprehensive loss	-	-	-	-	(112,555)	(112,555)
Balance at May 31, 2017	10,319,152	\$ 2,575,843	20,000	\$ 455,430	\$ (2,175,751)	\$ 875,522
Shares issued for cash	4,987,380	1,275,940	(20,000)	-	-	1,255,940
Flow-through premium liability	-	(39,740)	-	-	-	(39,740)
Shares issued for exploration and evaluation assets (note 3)	166,666	42,500	-	-	-	42,500
Share issuance costs	-	(95,597)	-	-	-	(95,597)
Finders warrants issued	-	(18,442)	-	18,442	-	-
Share based payments	-	-	-	23,176	-	23,176
Comprehensive loss	-	-	-	-	(430,629)	(430,629)
Balance at February 28, 2018	15,473,198	\$ 3,740,504	-	\$ 497,048	\$ (2,606,380)	\$ 1,631,172
Advanced share subscriptions received	-	-	1,046,920	-	-	1,046,920
Share issuance costs	-	(47,892)	-	-	-	(47,892)
Share based payments	-	-	-	58,650	-	58,650
Comprehensive loss	-	-	-	-	(297,426)	(297,426)
Balance at May 31, 2018	15,473,198	\$ 3,692,612	\$ 1,046,920	\$ 555,698	\$ (2,903,806)	\$ 2,391,424

The accompanying notes form an integral part of these financial statements.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Condensed Interim Statements of Cash Flows

For the three months ended May 31, 2017 and 2016

Expressed in Canadian Dollars

(unaudited)

For the three months ended	May 31, 2018	May 31, 2017
Cash provided by (used in):		
Operating activities		
Net loss for the year	\$ (297,426)	\$ (112,555)
Items not effecting cash:		
Share-based payments (note 4)	58,650	-
Settlement of flow-through liability	-	(5,157)
	<u>(238,776)</u>	<u>(5,157)</u>
Changes in non-cash working capital:		
Amounts receivable	13,262	7,298
Prepaid expenses and deposits	28,984	23,323
Accounts payable and accrued liabilities	161,698	67,390
	<u>(34,832)</u>	<u>(19,701)</u>
Cash used in operating activities	<u>(34,832)</u>	<u>(19,701)</u>
Investing activities		
Exploration and evaluation assets exploration	-	(34,378)
Cash used in investing activities	<u>-</u>	<u>(34,378)</u>
Financing activities		
Advanced share subscriptions	1,046,920	20,000
Cash provided by financing activities	<u>1,046,920</u>	<u>20,000</u>
Net increase (decrease) in cash	1,012,088	(34,079)
Cash – beginning of period	50,178	76,734
Cash – end of period	\$ 1,062,266	\$ 42,655
Non-cash transactions and supplemental disclosures		
Shares issued for exploration and evaluation assets	\$ -	\$ 60,000

The accompanying notes form an integral part of these financial statements.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

(unaudited)

1. Nature of operations and going concern

Benchmark Metals Inc. (formerly Crystal Exploration Inc.) (“Benchmark” or the “Company”) was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol “BNCH”. The Company’s head office is located at suite 210, 8429-24 Street NW, Edmonton, Alberta T6P 1L3, Canada. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. Benchmark is an exploration stage company and is in the process of identifying and acquiring mineral properties.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At May 31, 2018, the Company had working capital deficit of \$638,005 (February 28, 2018 deficit of - \$71,709) and an accumulated deficit of \$2,903,806 (February 28, 2018 - \$2,606,380). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company’s ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Effective May 29, 2018, the Company consolidated its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares (the “Share Consolidation”). As a result of the Share Consolidation, the number of shares, warrants and options presented in these financial statements and the calculated weighted average number of common shares issued and outstanding for the purpose of earnings per share calculation are based on the post-consolidation shares for all years presented.

2. Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended February 28, 2018, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on July 30, 2017.

These condensed interim financial statements are presented in Canadian Dollars, and the use of the symbol “\$” herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended February 28, 2018, unless otherwise stated.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

(unaudited)

3. Exploration and evaluation assets

Diamond Permits in Nunavut, Canada

Total costs incurred on the Diamond Permits are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2017	\$ 275,881	\$ 661,911	\$ 937,792
Acquisition costs	50,000	-	50,000
Fieldwork	-	3,936	3,936
Geology	-	75,624	75,624
Community relations	-	150	150
Assay	-	5,732	5,732
Permits	-	690	690
Travel and Support	-	5,693	5,693
Balance, February 28, 2018	\$ 325,881	\$ 753,736	\$ 1,079,617
Geology	-	378	378
Assay	-	(803)	(803)
Balance, May 31, 2018	\$ 325,881	\$ 753,311	\$ 1,079,192

During the year ended February 29, 2016, the Company signed a property purchase agreement ("Agreement") to acquire a 100% interest in eight Prospecting Permits (the 'Property') totaling 1,150 km² located in Nunavut, Canada from private owners (the "Vendor"). As consideration, the Company paid a total of \$75,000 in cash and issued 333,333 (1,000,000 pre-consolidation) common shares of the Company with a fair value of \$125,000.

The Company has also agreed to pay the Vendor a 1% royalty interest on the Property. The Company also has the sole and exclusive option to purchase the NSR royalty interest at a purchase price of \$3,000,000 at any time.

The Company has also agreed to make the following additional performance payments to the Vendor, upon the completion of the following milestones:

- annual payments of \$50,000 on each anniversary date, August 5th, for the first four years, payable by the Company in either cash or common shares of the Company ("Performance Shares"), or any combination thereof, in its sole discretion (paid in cash);
- payment of \$50,000 for each new discovery of a kimberlite pipe or dyke on the Property, payable by the Company in either cash or Performance Shares, or any combination thereof, in its sole discretion;
- issue 166,667 (500,000 pre-consolidation) Performance Shares on completion of an inferred mineral resource estimate by a qualified independent geologist or mining engineer of not less than 5,000,000 tonnes on each kimberlite pipe or dyke; and
- issue 166,667 (500,000 pre-consolidation) Performance Shares upon completion of a feasibility study.

During the year ended February 28, 2018, the Company allowed the Prospecting Permits in connection with the Agreement to expire, however, the Company staked mineral claims on the same geographic area. The newly staked claims, therefore, act as a continuance of exploration and evaluation activity on the Company's Nunavut property.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

*(unaudited)***3. Exploration and evaluation assets (continued)**Contwoyto Property in Nunavut, Canada

	Acquisition	Exploration	Total
Balance, February 28, 2017	\$ -	\$ -	\$ -
Acquisition costs	167,151	-	167,151
Fieldwork	-	262,539	262,539
Drilling	-	96,025	96,025
Geology	-	60,297	60,297
Community relations	-	150	150
Assay	-	8,419	8,419
Rental	-	21,281	21,281
Permits	-	1,243	1,243
Travel and support	-	6,159	6,159
Balance, February 28, 2018	\$ 167,151	\$ 456,113	\$ 623,264
Drilling	-	(3,800)	(3,800)
Geology	-	1,560	1,560
Permits	-	50	50
Balance, May 31, 2018	\$ 167,151	\$ 453,923	\$ 621,074

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. ("North Arrow"), in consideration 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; 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.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

(unaudited)

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value.

Effective May 29, 2018, the Company consolidated its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every three (3) pre-consolidation common shares then issued and outstanding (the "Share Consolidation"). As a result of the Share Consolidation, the number of shares, warrants and options presented in these financial statements and the calculated weighted average number of common shares issued and outstanding for the purpose of earnings per share calculation are based on the post-consolidation shares for all historic years presented.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance, February 28, 2018	15,473,198	\$ 3,740,504
Advanced share subscriptions received	-	1,046,920
Share issuance costs	-	(47,892)
Balance at May 31, 2018	15,473,198	\$ 4,739,532

b) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2018 and May 31, 2018	4,551,333	\$ 0.43

A summary of the warrants outstanding and exercisable is as follows:

May 31, 2018			February 28, 2018		
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
\$ 0.54	2,098,315	1.10	\$ 0.54	2,098,315	1.33
0.54	68,700	1.10	0.54	68,700	1.33
0.33	2,226,706	0.40	0.33	2,226,706	0.69
0.33	157,612	0.40	0.33	157,612	0.69
\$ 0.43	4,551,333	0.73	\$ 0.43	4,551,333	1.00

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

Expressed in Canadian Dollars

(unaudited)

4. Share capital (continued)

c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

A summary of stock option activity in the period is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2018	716,664	\$ 0.34
Issued	765,000	0.30
Outstanding options, May 31, 2018	1,481,664	0.32
Exercisable options, May 31, 2018	966,108	\$ 0.33

On March 6, 2018, the Company granted incentive stock options, for the option to purchase up to 765,000 (2,295,000 pre-consolidation) common shares, vesting 1/3 on March 6, 2018, 1/3 on March 6, 2019, and 1/3 on March 6, 2020. The options are exercisable at a price of \$0.30 (\$0.10 pre-consolidation) cents per common share, for a period of five years. The estimated fair value of these options of \$58,650, or \$0.23 per option, has been recorded as share-based compensation expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.27; expected life, 5 years; expected volatility, 132%; risk-free rate 2.15%; expected dividends, 0%.

A summary of the options outstanding is as follows:

May 31, 2018			February 28, 2018		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ 0.33	633,332	2.60	\$ 0.33	633,332	2.88
0.435	83,332	3.40	0.435	83,332	3.66
0.30	765,000	4.80	-	-	-
\$ 0.32	1,481,664	3.78	\$ 0.34	716,667	2.97

5. 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 as 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.

5. Financial instruments and risk management (continued)

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 May 31, 2018, all of the Company's account payable and accrued liabilities of \$448,804 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;
- 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);
- Level 3: unobservable inputs for the asset or liability.

BENCHMARK METALS INC. (FORMERLY CRYSTAL EXPLORATION INC.)

Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

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5. Financial instruments and risk management (continued)

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 May 31, 2018:				
Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 1,062,266	-	-	\$ 1,062,266
As at February 28, 2018:				
Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 50,178	-	-	\$ 50,178

6. 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:

For the three months ended	May 31, 2018	May 31, 2017
Management fees paid to companies controlled by directors, officers, and former officers	\$ 111,000	\$ 36,000
Geological consultation fees to companies controlled by an officer and director – capitalized to exploration and evaluation assets	49,336	34,378
Professional fees paid to companies controlled by a former officer	-	7,500
	\$ 160,336	\$ 77,878

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:

For the three months ended	May 31, 2018	May 31, 2017
Short term benefits	\$ 111,000	\$ 36,000
	\$ 111,000	\$ 36,000

At May 31, 2018, accounts payable and accrued liabilities include \$271,480 (2017 - \$73,252) 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.

7. Flow-through premium liability

During the year ended February 28, 2017, the Company issued 2,792,000 flow-through units (Note 4 (a)) for gross proceeds of \$376,920 and recognized a deferred flow-through premium of \$69,800, noncash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units

As at May 31, 2017, the flow-through premium liability outstanding relating to these flow-through shares was \$6,724. The Company is still required to spend \$29,421 in eligible exploration expenditures as at May 31, 2017 relating to these flow-through shares.

8. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at May 31, 2018, the Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the 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 attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

9. Subsequent events

Lawyers Property

Subsequent to May 31, 2018, the Company received final acceptance from the TSX Venture Exchange of its option and joint venture letter agreement (the "OJVA") with PPM Phoenix Precious Metals Corp. ("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.

Pursuant to the OJVA, the Company will pay to PPM a sum of \$200,000 (paid - which is credited towards the Company's earn-in requirements below), and issue to PPM the first instalment of 1.0 million (post consolidation) common shares (issued). The Company will have a period of one year to incur an additional \$1.8 million in exploration expenditures on the Lawyers Property, and must incur a total of \$5.0 million by June 6, 2021 to acquire its first 51% interest in the project. The Company may acquire an additional 9% interest (for a total interest of 60%) by issuing to PPM an additional 2.0 million common shares, and incurring a further \$2.5 million in exploration or development expenditures by June 6, 2021, and the Company may further acquire 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 a further \$1.5 million in exploration or development expenditures by June 6, 2021.

Upon the Company earning its largest interest in the Property, the parties will either enter into a joint venture agreement for the further exploration and development of the Property, or, if the Company has acquired a 75% interest, then PPM may elect 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 will be the operator of the Lawyers Property. The terms of the joint venture agreement will include provisions for the dilution of a party's interest, in the event the party does 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 will be 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.

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Notes to the Condensed Interim Financial Statements

For the three months ended May 31, 2018 and 2017

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The Company also issued 94,444 common shares to an arm's length finder in connection with the acquisition of the Lawyers Property option, and may pay a further \$90,000 to the finder upon completion of the first year's minimum required exploration work of \$2 million. The finder may elect to be paid the finder's fee in cash or shares. If payable in shares, then the common shares will be issued as a deemed price per share equal to the five (5) trading day volume weighted average closing price immediately preceding the date of such election, provided that in any event the issue price for the common shares cannot be less than \$0.16875 per share.

Private Placement

Subsequent to May 31, 2018, the Company completed a non-brokered private placement (the "Placement") of 17,833,318 (post consolidation) 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. All securities issued will be subject to resale restrictions until becoming free-trading on October 7, 2018.