BENCHMARK

METALS INC.

(formerly Crystal Exploration Inc.)

Management's Discussion and Analysis

For the years ended February 28, 2018

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the audited annual financial statements of Benchmark Metals Inc. ("Benchmark" or the "Company") and the notes thereto for the years ended February 28, 2018 and February 28, 2017 (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 June 26, 2018.

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 province of British Columbia. Its principal business is the identification, evaluation, acquisition and exploration of mineral properties.

As at June 26, 2018, Benchmark has:

- no long term debt;
- 34,400,960 common shares issued and outstanding;
- entered into an option and joint venture agreement ("OJVA") to acquire up to 75% interest in the Lawyers Property, BC, Canada.
- 100% ownership in the Muskox, Hood River and Contwoyto diamond projects located in Nunavut, Canada;
- completed selected drill sampling and identified new drill targets across all projects areas;
- completed three drill holes intersecting significant gold grades at the Contwoyto Gold Project;
- on June 14, 2018 completed financing for gross proceeds of $3,210,000.

<u>Lawyers Property Gold Project in British Columbia, Canada</u>

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 37 contiguous mineral claims. The claims cover 9,860 hectares of land that encompass the Lawyers group of prospects, including the former Lawyers underground gold-silver mine and the Silver Pond group of prospects that cover six gold-silver mineral occurrences with an exploration history that parallels that of the Lawyers group. 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 Lawyers gold-silver mine that operated from 1989-1992 and produced 171,200 oz gold and 3.6 million oz silver over the 4 year period.Five underground developments remain in-place, in addition to historical resources and new targets. Selected high-grade historical results include: 8.63m @ 9.64g/t gold and 307g/t silver (DDH CC15-06); 2.4m @ 87g/t gold & 2,407g/t silver (P2 vein); and 4.86m @ 9.75g/t gold & 447g/t silver (DDH CC15-12).

Lawyers Property - OJVA

In June 2018, the Company received final acceptance from the TSX Venture Exchange of its 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. This project will be the primary focus of the Company for the foreseeable future.

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.

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.

Maiden Inferred Resource Estimate – Lawyers Project

On June 14, 2018, Benchmark announced the release of a maiden inferred mineral resource estimate for two spatially associated zones of epithermal gold-silver (Au-Ag) mineralization at the Lawyers Project in the Toodoggone region of northern British Columbia, Canada.

Giroux Consultants Ltd. ("Giroux") of North Vancouver, B.C., has estimated an inferred mineral resource of 550,000 tonnes grading 4.51 g/t Au and 209.15 g/t Ag at a4.0 g/tgold equivalent ("AuEQ") lower cut-off at the Cliff Creek North zone, which equates to a contained metal resource of 80,000 troy oz. Au and 3,700,000 oz. of Ag, along with an inferred mineral resource of 58,000 tonnes grading 4.30 g/t Au and 139.13 g/t Ag (at a 4.0 g/t AuEQ lower cut-off) at the Duke's Ridge zone, which equates to a contained metal resource of 8,000 oz. of Au and 260,000 oz. of Ag (see Tables 1 and 2 below). Benchmark will file a technical report on Sedar supporting the mineral resource estimate within 45 days of the announcement.

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

AuEQ Cut-off	Tonnes > Cut-off	Grade>Cut-off			Contained Metal	
(g/t)	(tonnes)	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	Tonnes > Cut-off	Grade>Cut-off			Contained Metal	
(g/t)	(tonnes)	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

Share consolidation

Pursuant to a resolution passed by shareholders on May 22, 2018, Benchmark completed a consolidation of its outstanding common shares ("Common Shares") on the basis of 3 pre-consolidation Common Shares for 1 post-consolidation Common Share (the "Consolidation"). Any resulting fractional Common Share that was held by a holder of Common Shares was cancelled, and the aggregate number of Common Shares held by such holder was rounded down to the nearest whole number of Common Shares.

Financings completed

On June 8, 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. Proceeds from the private placement will be used to advance the recently acquired Lawyers Property Gold Project in Canada. The remaining proceeds will be used towards general working capital.

On November 8, 2017, the Company closed the financing previously reported on October 20, 2017, for gross proceeds totalling $646,440. The Company issued 662,333 (1,987,000 pre-consolidation) flow-through common shares ("FT Units") at a price of $0.27 ($0.09 pre-consolidation) per common share. In addition, the Company issued 2,226,714 (6,680,143 pre-consolidation) non-flow-through common share units ("NFT Units") at a price of $0.21 ($0.07 pre-consolidation) per unit. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.33 ($0.11 pre-consolidation) per share, expiring on November 8, 2018.

On June 28, 2017, the Company issued 2,098,333 (6,295,000 pre-consolidation) units at a price of $0.30 ($0.10 pre-consolidation) per unit. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.54 ($0.18 pre-consolidation) per share, expiring on June 28, 2019.

Other projects in Nunavut, Canada

In addition to its primary Lawyers Property Gold Project, the Company has other gold and diamond projects in Nunavut, Canada which it will maintain with the intention of spinning them into another listed company, as follows:

Muskox and Hood River Diamond Project in Nunavut, Canada

Benchmark owned 100% interest in eight Prospecting Permits totaling 1,150 km2 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 on 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 125 to 225 meters 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 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.

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. Highlights from historical exploration include:

- 63.09 grams per tonne gold ("g/t Au") over 4.86 meters ("m") (Butterfly/Dune gold occurrence; Drill hole 87-13 drilled by Cominco Ltd. 1987);
- 20.11 g/t Au over 4.55 m (Butterfly/Dune gold occurrence; Drill hole 93-01 drilled by Echo Bay Mines 1993);
- 38.35 g/t Au over 2.47 m (A3 Gold occurrence; Drill hole A-93-03 drilled by Echo Bay Mines 1993);
- 11.58 g/t Au over 3.05 m (FIN Gold occurrence; Drill hole F-93-12 drilled by Echo Bay Mines 1993); and
- 35.19 g/t Au over 3.6 m (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 incudes 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 metres of core drilling and included ground magnetic and HLEM (horizontal loop electromagnetic) geophysical surveys. Three drill holes totalling 198.42 metres (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 metres of surface, which was intensely altered, silicified and sulphidized. More specifically, the drill holes intersected 8.2 metres, 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. Following the receipt of pending drill results, Benchmark will develop a 2018 exploration program with the goal of developing a maiden resource.

Selected drill results include:

- 14.43 grams per tonne gold over four metres in hole 17CEI002, including 18.23 g/t Au over three m, 24.65 g/t Au over two m and 38.8 g/t Au over one m;
- 6.83 g/t Au over five m in hole 17CEI003, including 8.79 g/t Au over 3.82 m, 11.5 g/t Au over 2.82 m and 20.6 g/t Au over one m;
- 2.19 g/t Au over nine m in hole 17CEI001, including 5.12 g/t Au over three m.

FINANCIAL MD&A AND OTHER DISCLOSURE

Selected Annual Financial Information

Years ended	February 28, 2018 $	February 28, 2017 $	February 28, 2016 $
Total assets ($)	1,817,233	1,061,250	427,3148
Mineral properties ($)	1,702,881	937,792	364,729
Current liabilities ($)	186,061	153,173	70,085
Net loss ($)	(543,184)	(641,394)	(239,212)
Weighted average shares	12,598,605	8,274,475	5,562,223
Basic and diluted net loss per common share ($)	(0.04)	(0.08)	(0.04)

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)	Feb 2018 (Q4)	Nov 2017 (Q3)	Aug 2017 (Q2)	May 2017 (Q1)	Feb 2017 (Q4)	Nov 2016 (Q3)	Aug 2016 (Q2)	May 2016 (Q1)
Net loss	(72,391)	(273,880)	(84,358)	(112,555)	(313,138)	(238,970)	(41,274)	(48,012)
Basic and Diluted net loss per share	(0.01)	(0.02)	(0.00)	(0.01)	(0.04)	(0.04)	(0.00)	(0.00)

Results for the Quarter Ended February 28, 2018

During the three months ended February 28, 2018 the Company reported a net loss of $72,391 (2017 - $313,138). Included in the determination of operating loss was $13,356 (2017 - $4,165) spent on office and administration, $20,124 (2017 - $29,900) on professional fees, $7,501 (2017 - $15,719) on transfer agent and filing fees, $48,250 (2017 - $150,500) on management and consulting fees and $19,195 (2017 - $69,385) on investor relations expenses. A $4,540 (2017 - $nil) recovery on exploration and evaluation write-down and a non-cash recovery of $16,281 (2017 - $38,895) was recorded for settlement of a flow-through liability. Also included in the three months ended February 28, 2018, a non-cash expense of $23,176 (2017 - $81,293) was recorded for share-based compensation and $nil (2017 - $1,071) was recorded for foreign exchange loss.

Results for the Year Ended February 28, 2018

During the year ended February 28, 2018 the Company reported a net loss of $543,184 (2017 - $641,394). Included in the determination of operating loss was $26,728 (2017 - $27,075) spent on office and administration, $88,233 (2017 - $79,957) on professional fees, $37,085 (2017 - $44,136) on transfer agent and filing fees, $262,500 (2017 - $257,137) on management and consulting fees and $161,625 (2017 - $213,206) on investor relations expenses. A $4,540 (2017 - $nil) recovery on exploration and evaluation write-down and a non-cash recovery of $51,623 (2017 - $62,481) was recorded for settlement of a flow-through liability. Also included in year ended February 28, 2018, a non-cash expense of $23,176 (2017 - $81,293) was recorded for share-based compensation and $nil (2017 -$1,071) was recorded for foreign exchange loss.

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. At June 26, 2018, the Company's working capital is approximately $2.45 million.

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 the year ended February 28, 2018, the Company completed a non-brokered private placement of 17,833,318 units at a price of $0.18 per unit for gross proceeds of $3,210,000. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the company at an exercise price of $0.36 for a period of 24 months from the date of issue of the warrant.

Proceeds from the private placement will be used for working capital and to advance gold and diamond projects in Canada.

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.

<u>General objectives, policies and processes</u>

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.

<u>Market risk</u>

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.

<u>Credit risk</u>

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.

<u>Liquidity risk</u>

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 February 28, 2018, all of the Company's accounts payable and accrued liabilities of $186,061 are due within one year.

<u>Determination of fair value</u>

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 February 28, 2018:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 50,178	-	-	$ 50,178

As at February 29, 2017:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 76,734	-	-	$ 76,734

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.

Recent accounting pronouncements

Accounting pronouncements adopted by the Company

During the year ended February 28, 2018, the Company adopted Annual Improvements to IFRS 2014-2016, effective for annual periods beginning January 1, 2017. The amendments did not have an impact on the Company's consolidated financial statements.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after March 1, 2018, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the financial statements upon adoption of these new revised accounting pronouncements.

New accounting standards effective March 1, 2018

IFRS 9 - *Financial Instruments* replaces the current standard IAS 39 - *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. The amended standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 7 – Financial Instruments, disclosure: IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact this standard is expected to have on its consolidated financial statements.

New accounting standards effective March 1, 2019

IFRS 16 – Leases In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which replaces IAS 17 – Leases and its associated interpretative guidance, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its consolidated 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:

For the year ended	February 28 2018	February 28 2017
Management fees paid to companies controlled by directors, officers, and former officers	**$ 144,000**	$ 242,637
Professional fees paid to companies controlled by an officer, and a former officer	**30,650**	42,348
Geological consultation fees paid to companies controlled by an officer and director	**125,508**	157,506
Share-based payments	**1,850**	46,483
	$ 302,008	$ 488,974

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 year ended	February 28 2018	February 28 2017
Short term benefits	**$ 144,000**	$ 203,248
Share-based payments	**-**	46,483
	$ 144,000	$ 249,831

At February 28, 2018, accounts payable and accrued liabilities include $83,771 (February 28, 2017 - $100,421) 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 June 26, 2018, the following common shares and warrants were outstanding:

Common shares issued	**34,400,960**		
Options outstanding	633,334	@	$0.33 to January 15, 2021
	83,333	@	$0.44 to December 19, 2021
	765,000	@	$0.30 to March 6, 2023
Warrants outstanding	2,226,714	@	$0.33 to November 8, 2018
	157,613	@	$0.33 to November 8, 2018
	2,098,333	@	$0.54 to June 19, 2019
	68,700	@	$0.54 to June 19, 2019
	17,833,318	@	$0.36 to June 14, 2020
	552,595	@	$0.36 to June 14, 2020
Fully diluted	**59,169,900**		

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.Geol., a principal of APEX Geoscience Ltd. and a Qualified Person for the purposes of National Instrument 43-101.

Approval

The Board of Directors 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.