

# Investor Q&A

July 2020

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## with Jim Greig

### Question:

#### What are you most excited about in the next few months?

The drill results. We are very excited to have the drills turning, we will have five turning at our sites soon. We anticipate seeing very similar results to last year: some very high-grade 2 - 7m intercepts, but more importantly, we anticipate seeing bulk tonnage type results that go anywhere from 25 to likely well over 150m from surface. We believe these results will be the catalyst to moving the market cap of the company. It is all about results, and we are going to deliver: we have a big program planned.

### Question:

#### What are your current bottlenecks?

We have done an exceedingly good job of providing planning for COVID measures. It does provide a few obstacles, but we have done a good job mitigating them. We are following provincial and federal government guidelines on how to operate, so we have rotations with crews going in and out. There is a two-week period where crews remain isolated before entering camp, so it is a 4-week



**Jim Greig – Director and President**

rotation at-site then 2-weeks of break time after. These are all bookmarked on either end with isolation periods.

That is our biggest obstacle for now, in a more difficult period where you cannot have people going in and out of camp as they please. But, we have prepared for this.





**Question:**

**Do you anticipate having enough labour to run a 5-rig program?**

At this point in time, we are equipped. Through the course of spring and even late winter, because of COVID, we spent significant money planning well ahead of time. We did some early purchases of equipment and supplies to not be distracted by supply issues. We also have our teams in plan for the geotechnical and geological work, and they have just begun mobilizing to site. We are in good shape in terms of people, equipment and supplies.

**Question:**

**Is Cliff Creek connected with Dukes Ridge or AGB?**

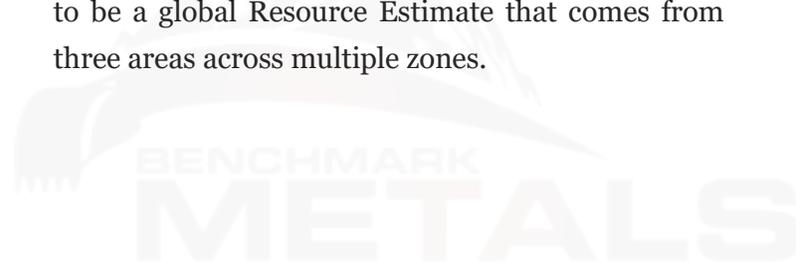
I suspect they probably are connected. If you look at the slide in our latest corporate presentation titled “Multiple Resource Zones for Expansion & Definition”, you can see the Duke’s Ridge zone trends to the northwest and is situated in a magnetic low. You can see it extends to the north to Cliff Creek, and if you look at the one particular section in Cliff Creek (viewable on our latest

corporate presentation, slide titled “Cliff Creek Zone Exploration Target”) where we intersected 36 grams in that new zone, we suspect it is a parallel structure to the main zone or the Duke’s Ridge zone connects to the Cliff Creek zone and this is the northern extension of that system. Certainly, the geophysics are indicating that, the drill intercepts are indicating that, so there is a certainly a possibility of a merging of those zones into one big pit.

**Question:**

**How many zones is that 1.9 million ounces in? Could it be closer to 3 - 4 million?**

So that 1.9 million ounce target is in one single zone at Cliff Creek. There are three other areas that contain multiple zones in the heart of the property, and those will also contribute significant ounces. But the Cliff Creek target is only the Cliff Creek zone, that is 1.9 million ounces at 1.7 grams. We expect that the Duke’s Ridge to Phoenix zone, and then the AGB zone, to also contribute significant ounces. It is going to be a global Resource Estimate that comes from three areas across multiple zones.



**Question:**

**Is the Silver Pond porphyry target suspect gold/silver or copper?**

Silver Pond is one of the exciting, advanced exploration targets. It is only 850m northwest of the main Cliff Creek Zone, 4 sq. km area of advanced Argillic and clay alterations. It has never been systematically sampled, mapped or drilled. This type of advanced clay alteration is more commonly associated with high-sulphidation and porphyry-type environments, and those are well-documented throughout the Toodoggone. So, we suspect that is the type of system at work here and we have a very detailed program planned for Silver Pond this year.

But to answer the question: I suspect it will be gold with a base metal component to it as well, because that is typically what you get in high-sulphidation systems - low-sulphidation being just gold and silver.

**Question:**

**What are the expectations for resource expansion after this year's program?**

We will complete a PEA for Q2 of next year. However, the next stage after that is increased geotechnical, increased engineering and of course more resource expansion work. So, there will be larger, bigger campaigns that involve a lot more drilling, but also working towards more detailed economic studies.

There are a couple of advanced exploration targets that look very promising, and there are some other new discovery targets throughout the project as well that have significant discovery potential. With discovery, there is the possibility of adding more ounces to that core area where we will be focused for the Resource.



**Question:**

**What is the target for the entire project, what could that be worth?**

We are looking at drilling as many ounces as we can, but within pit shell confined constraints. I think a good base to utilize is the Cliff Creek exploration target of near 2 million ounces, but there is potential to expand that much higher with good results. I think a very good comparable is to look at Kaminak's Coffee project in the Yukon. It sold for just over \$500 million about four years ago, I think that would be a very good comparable of what we are heading to.

Remember that Resource target was just for the Cliff Creek area - we also have drill-defined mineralized domains and we have done some internal work on those as well through Duke's Ridge and the Phoenix extension and AGB. We have significant exploration targets that we will be doing some drilling on this year to test them for the first time. Globally within the project itself, there is certainly potential to significantly increase the ounces.

**Question:**

**How is the relationship with the First Nations community?**

We have four First Nations groups in this territory, we have had some good relationships with all four. They have been very co-operative - in fact the Tsay Keh Dene and Kwadacha First Nations provided some capital to go towards infrastructure improvements and bridge repairs. Over the course of two years, we have hired all First Nations to work on our project that includes drillers' helpers, core cutters, staff working across the property. We are

engaging First Nations as much as we can, simply because they are talented and we are on their cultural ground. They see the benefits of moving this project towards a mining scenario.

**Question:**

**Do you have the help of governments?**

The help of the government comes from providing all the necessary permitting steps. Provided that we work forward in a sustainable fashion and work with all stakeholder groups, there should be no issue with permitting and moving forward. The steps involved are very clear and transparent within British Columbia, but there is also some federal government in the permitting process so there are many steps needed to be completed before production. But we are completing these steps as needed and establishing this project so that in Q2 next year we will have economics and a mine go-forward decision.

Furthermore, this month we signed a communications and engagement agreement with the central government of the local Tahltan Nation. This agreement provides a framework for a collaborative working environment between the parties, based on open dialogue, transparent communications and mutual cooperation with regards to our exploration activities at the Lawyers Project. It is also a major milestone towards mine permitting.

**Question:**

**What other mining companies are near your location?**

The largest near us is located at the Kemess Au-Cu



mine, a porphyry deposit owned by Centerra Gold located 45 km away. Centerra is a major, worldwide producer located in different parts of the world. Centerra is embarking on a \$600 million underground development program at the Kemess mine.

**Question:**

**Who are your major shareholders?**

We have some institutional ownership in Canada and the US, and management plus close insiders hold near 20% of the company. The original, private vendors who did some very good work on this property from the 90s up to 2013 hold 12% of this company.

Truly, 50% of the shareholdings of this company is in management, close associates, institutional investors and Eric Sprott who owns 19%+. The other 50% is with retail shareholders. We show good liquidity too, we trade close to 250,000 shares a day.

**Question:**

**You said you are fully-funded - is this based on your current working capital, and if so, how would plans change if you used fully-diluted working capital?**

There is near \$10 million in the treasury. The program we are budgeting for is \$8.5 million. So, we do have the necessary funds to complete a major drill program and a mineral estimate. If additional capital came in through warrants or other means, we would consider more drilling and other work. It would also provide funding towards scoping and the PEA.

**Question:**

**Is there already interest from majors?**

We have an exceedingly good data room that has



been established. We have third parties and confidentiality agreements signed - we cannot name them, but there are companies reviewing our data and watching us very closely. This is also an opportunity to share knowledge with companies in production, they can learn from us and we can learn from them. At this point, it is good data sharing, and we will see what happens.

**Question:**

**Does Benchmark prefer takeover or to own production?**

The part of the message we are trying to tell is that we are completing as much work as we can to move this from a geological to an engineering scenario where it is a mine go-ahead decision. So, with that being said, we will complete all the steps necessary to get there. However, if a significant offer comes along that rewards shareholders with a good premium, we would certainly entertain this. This is a decision we are working towards, but along the way, we have to complete all the steps necessary to get this into production.

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**Contact Us**

10545 - 45 Avenue NW  
250 Southridge, Suite 300  
Edmonton, AB, Canada  
T6H 4M9

[info@bnchmetals.com](mailto:info@bnchmetals.com)

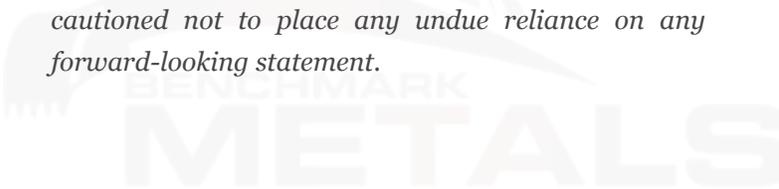
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