BENCHMARK METALS INC.

Consolidated Condensed Interim Financial Statements

For the three months ended May 31, 2020 and 2019

Expressed in Canadian Dollars

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, 2020 and 2019 have been compiled by management.

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

Expressed in Canadian Dollars (unaudited)

	May 31, 2020	February 29, 2020
ASSETS		
Current		
Cash	**$ 9,426,790**	$10,171,024
Short-term investment	**10,000**	10,000
Goods and services tax credit receivable	**50,042**	128,423
Other receivable	**4,617**	4,617
Prepaid expenses and deposits	**418,379**	103,082
	9,909,828	10,417,146
Equipment (note 7)	**112,008**	104,226
Reclamation bond	**202,082**	202,082
Exploration and evaluation assets (note3,4)	**13,177,824**	12,465,247
	$ 23,401,742	$23,188,701
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	**$ 186,789**	$ 77,311
Deferred flow-through liability	**1,017,296**	1,101,027
	1,204,085	1,178,338
Asset retirement obligation (note 10)	**202,000**	202,000
	1,406,085	1,380,338
EQUITY		
Share capital (note 5)	**29,087,235**	28,716,846
Option and warrant reserve (note 5)	**3,294,531**	1,650,926
Deficit	**(10,386,109)**	(8,559,409)
	21,995,657	21,808,363
	$ 23,401,742	$23,188,701

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENTS (note 5)

Authorized for issuance on behalf of the Board on July 30, 2020

Director (signed by) *"Jim Greig"*

Director (signed by) *"Sean Mager"*

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

Expressed in Canadian Dollars (unaudited)

For the three months ended	May 31, 2020	May 31, 2019
Expenses		
Exploration expenses	$ 23,482	$ -
Investor relations expenses	131,809	183,055
Management and consulting fees	88,399	60,941
Office and administration	23,621	29,478
Professional fees	20,111	37,756
Regulatory and filing fees	2,692	1,622
Share based compensation (note 5)	1,657,829	8,141
	(1,947,943)	(320,993)
Other items		
Settlement of flow-through liability (note 9)	83,731	11,652
Interest income	37,512	3,049
Net loss and comprehensive loss for the period	$ (1,826,700)	$ (306,292)
Basic and diluted loss per common share	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding	113,161,502	38,248,463

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

BENCHMARK METALS INC.
Consolidated Condensed Interim Statements of Changes in Equity
For the three months ended May 31, 2020 and 2019
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, 2019	**42,198,020**	**$**	**8,561,669**		**(21,250)**	**$**	**1,161,489**	**$**	**(4,711,733)**	**$**	**4,990,175**
Shares issued for cash	8,650,709		1,903,295		21,250		-		-		1,924,545
Flow-through premium liability	-		(172,458)		-		-		-		(172,458)
Share issuance costs	-		(157,513)		-		-		-		(157,153)
Finders warrants issued	-		(44,816)		-		44,816		-		-
Share based payments	-		-		-		8,142		-		8,142
Comprehensive loss	-		-		-		-		(306,292)		(306,292)
Balance at May 31, 2019	**50,848,729**	**$**	**10,090,177**	**$**	**-**	**$**	**1,214,447**	**$**	**(5,018,025)**	**$**	**6,286,599**
Shares issued for cash	49,713,337		16,623,225		-		(128,866)		-		16,496,359
Shares issued for exploration and evaluation assets (note 4)	12,000,000		4,740,000		-		-		-		4,740,000
Flow-through premium liability	-		(1,143,130)		-		-		-		(1,143,130)
Share issuance costs	-		(1,127,884)		-		-		-		(1,127,884)
Finders warrants issued	-		(465,542)		-		465,542		-		-
Share based payments	-		-		-		97,803		-		97,803
Comprehensive loss	-		-		-		-		(3,541,384)		(3,541,384)
Balance at February 29, 2020	**112,562,066**		**28,716,846**		**-**		**1,650,926**		**(8,559,409)**		**21,808,363**
Shares issued for cash	1,586,908		370,389		-		(14,224)		-		356,165
Share based payments	-		-		-		1,657,829		-		1,657,829
Comprehensive loss	-		-		-		-		(1,826,700)		(1,826,700)
Balance at May 31, 2020	**114,148,974**		**29,087,235**		**-**		**3,294,531**		**(10,386,109)**		**21,995,657**

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

BENCHMARK METALS INC.
Consolidated Condensed Interim Statements of Cash Flows
For the three months ended May 31, 2020 and 2019
Expressed in Canadian Dollars *(unaudited)*

For the three months ended	**May 31, 2020**	**May 31, 2019**
Cash provided by (used in):		
Operating activities		
Net loss for the year	**$ (1,826,700)**	$ (306,292)
Items not effecting cash:		
Share-based payments (note 5)	**1,657,829**	8,141
Settlement of flow-through liability	**(83,731)**	(11,652)
	(252,602)	(309,803)
Changes in non-cash working capital:		
Goods and services tax receivable	**78,381**	122,667
Prepaid expenses and deposits	**(180,885)**	(85,179)
Accounts payable and accrued liabilities	**(24,932)**	(149,085)
Cash used in operating activities	**(380,038)**	(421,400)
Investing activities		
Purchase of Equipment	**(13,995)**	-
Exploration and evaluation assets exploration	**(706,365)**	(166,474)
Cash used in investing activities	**(720,360)**	(166,474)
Financing activities		
Proceeds from exercise of warrants	**356,165**	6,255
Proceeds from private placement	**-**	1,897,040
Share issuance costs	-	(157,512)
Cash provided by financing activities	**356,165**	1,745,783
Net increase (decrease) in cash	**(744,233)**	1,157,909
Cash – beginning of period	**10,171,023**	408,748
Cash – end of period	**$ 9,426,790**	$ 1,566,657
Non-cash transactions and supplemental disclosures		
Finders warrants issued	**$ -**	$ 44,816

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

1. Nature of operations

Benchmark Metals 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 10545 – 45 Avenue NW, 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9. The principal business of the Company is the identification, acquisition, exploration and evaluation of mineral properties, as well as exploration of mineral properties once acquired.

The COVID-19 pandemic has caused significant and negative impact to the global financial markets. The Company's exploration activities in Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

2. Basis of presentation

These consolidated 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 29, 2020, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on July 30, 2020.

These consolidated 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 consolidated condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended February 29, 2020, unless otherwise stated.

Expressed in Canadian Dollars (unaudited)

3. Acquisition of PPM Phoenix Precious Metal Corp. ("PPM")

On August 14, 2019, the parties 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, issuance of 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, PPM became a wholly owned subsidiary and Benchmark acquired a 100% interest in the Lawyers' Property.

Due to the fact that the PPM is an exploration stage, with no significant operations, no processes or outputs, and no demonstrated technical feasibility or commercial viability of the project. Consequently, the Company has accounted for its acquisition of PPM as an asset acquisition, whereby acquired assets and liabilities assumed are measured at their fair values at the acquisition date unless they are not readily measurable, in which case the fair value of the share-based payments and other consideration is used. No goodwill is recognized; and acquisition-related costs are capitalized to the assets.

The amounts shown below represent relative fair value of net assets on the effective date of the Agreement, which was September 18, 2019.

Purchase consideration:	
Shares issued in exchange for PPM Shares (i)	$ 4,740,000
Cash	250,000
Other transaction costs (ii)	59,835
	$ 5,049,835
Assets acquired:	
Other current assets	$ 2,062
Reclamation bonds	36,082
Mineral interest - Lawyers project (note 4)	5,027,568
	5,065,712
Less: liabilities assumed:	
Accounts payable and accrued liabilities	(15,877)
Total Purchase consideration	**$ 5,049,835**

(i) For accounting purposes, the common shares issued were recorded at $0.395 per common share, representing the Company's share price on the date of issuance.

(ii) In addition to the common shares issued in consideration for the acquisition of PPM, the Company incurred costs totaling $59,835. These costs were incurred in the process of the acquisition and include fees relating to accounting and legal fees.

Expressed in Canadian Dollars (unaudited)

4. Exploration and evaluation assets

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

Total costs incurred on the Lawyers Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2019	**$ 525,260**	**$ 1,584,194**	**$ 2,110,174**
Acquisition costs (note 3)	5,027,568	-	5,027,568
Fieldwork	-	727,492	727,492
Geology	-	1,153,105	1,153,105
Drilling	-	1,611,374	1,611,374
Assay	-	467,107	467,107
Amortization	-	6,626	6,626
Permits	-	18,035	18,035
Travel and support	-	962,264	962,264
Community relations	-	30,000	30,000
Reclamation	-	202,000	202,000
Management fees	-	140,500	140,500
Balance, February 29, 2020	**5,552,828**	**6,912,417**	**12,465,245**
Fieldwork	-	203,493	203,493
Geology	-	211,991	211,991
Drilling	-	45,220	45,220
Engineering	-	4,875	4,875
Environmental	-	1,188	1,188
Assay	-	55,295	55,295
Amortization	-	6,213	6,213
Permits	-	8,778	8,778
Travel and support	-	58,443	58,443
Road maintenance	-	87,831	87,831
Management fees	-	29,250	29,250
Balance, May 31, 2020	**$ 5,552,828**	**$ 7,624,994**	**$ 13,177,822**

On June 18, 2018, the Company received final acceptance from the TSX Venture Exchange of its option and joint venture letter agreement (the "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 (note 3).

On September18, 2019, the Company acquired 100% ownership of the Lawyers Property through the acquisition of PPM (note 3).

Expressed in Canadian Dollars (unaudited)

5. Share capital

a) Common shares

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

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

	Number of shares		Amount
Balance, February 29, 2020	**112,562,066**	**$**	**28,716,846**
Shares issued in upon exercise of warrants	1,586,908		370,389
Balance, May 31, 2020	**114,148,974**	**$**	**29,087,235**

b) Warrants

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

	Number of warrants		Weighted average exercise price
Balance, February 29, 2020	**24,878,860**	**$**	**0.35**
Exercised	(1,586,908)		0.22
Expired	(111,029)		0.22
Balance, May 31, 2020	**23,180,923**	**$**	**0.36**

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

May 31, 2020				February 29, 2020			
	Exercise Price	Number of warrants	Remaining contractual life (years)		Exercise Price	Number of warrants	Remaining contractual life (years)
$	-	-	-	$	0.22	288,829	0.2
	0.225	4,431,636	0.02		0.225	5,840,744	0.3
	0.36	487,053	0.02		0.36	487,053	0.3
	0.25	132,000	0.3		0.25	132,000	0.6
	0.40	9,166,667	1.3		0.40	9,166,667	1.6
	0.30	1,306,500	1.3		0.30	1,306,500	1.6
	0.40	6,836,667	1.3		0.40	6,836,667	1.8
	0.45	820,400	1.6		0.45	820,400	1.8
$	**0.36**	**23,180,923**	**1.1**	**$**	**0.35**	**24,878,860**	**1.3**

Subsequent to the three months ended May 31, 2020 the Company received gross proceeds of $1,171,511 from the exercise of 4,984,648 warrants.

Expressed in Canadian Dollars (unaudited)

5. 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 29, 2020	**3,564,998**	**$**	**0.24**
Issued	6,850,000		0.30
Outstanding options, May 31, 2020	**10,414,998**		**0.28**
Exercisable options, May 31, 2020	**9,764,998**	**$**	**0.28**

On April 14, 2020, the Company granted incentive stock options, for the option to purchase up to 6,650,000 common shares. The options are exercisable at a price of $0.30 cents per common share, for a period of five years. The estimated fair value of these options of $1,729,000, or $0.26 per option, has been recorded as share-based payment expense in the year 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 $0.32; expected life, 5 years; expected volatility, 114%; risk-free rate 0.55%; expected dividends, 0%.

On April 14, 2020, the Company granted incentive stock options, for the option to purchase up to 200,000 common shares. The options are exercisable at a price of $0.30 cents per common share, for a period of one year. The estimated fair value of these options of $0.13, or $0.13 per option, has been recorded as share-based payment expense in the year 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 $0.32; expected life, 1 year; expected volatility, 102%; risk-free rate 0.43%; expected dividends, 0%.

Expressed in Canadian Dollars (unaudited)

5. Share capital (continued)

A summary of the options outstanding is as follows:

May 31, 2020				February 29, 2020			
	Exercise Price	**Number of options**	**Remaining contractual life (years)**		**Exercise Price**	**Number of options**	**Remaining contractual life (years)**
$	0.33	633,332	1.60	$	0.33	633,332	0.9
	0.435	16,666	2.40		0.435	16,666	1.7
	0.30	765,000	3.80		0.30	765,000	3.0
	0.16	1,200,000	4.10		0.16	1,200,000	3.4
	0.20	600,000	0.20		0.20	600,000	3.8
	0.25	250,000	4.1		0.25	250,000	4.4
	0.30	100,000	4.1		0.30	100,000	4.4
	0.30	6,650,000	4.9		-	-	-
	0.30	200,000	0.9		-	-	-
$	**0.28**	**10,414,998**	**4.1**	**$**	**0.24**	**3,564,998**	**3.0**

6. 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.

6. Financial instruments and risk management (continued)

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.

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, 2020, all of the Company's account payable and accrued liabilities of $186,789 are due within one year.

Expressed in Canadian Dollars (unaudited)

6. Financial instruments and risk management (continued)

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.

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, 2020:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 9,426,790	-	-	$ 9,426,790

As at February 29, 2020:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 10,171,024	-	-	$ 10,171,024

7. Equipment

	Camp equipment
Balance, February 29, 2020	**$ 104,226**
Additions	13,995
Depreciation	(6,213)
Balance, May 31, 2020	**$ 112,008**

During the three months ended May 31, 2020, the Company capitalized $6,213 in depreciation to mineral properties.

Expressed in Canadian Dollars (unaudited)

8. 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, 2020**	**May 31, 2019**
Management fees paid to companies controlled by directors, officers, and former officers	**$ 87,750**	$ 55,000
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	**29,250**	35,000
Share-based payments	**884,000**	-
	$ 1,001,000	$ 90,000

<u>Key management compensation</u>

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, 2020**	**May 31, 2019**
Short term benefits	**$ 117,000**	$ 90,000
Share-based payments	**884,000**	
	$ 1,001,000	$ 90,000

At May 31, 2020, accounts payable and accrued liabilities include $nil (February 29, 2020 - $5,673) 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.

9. Flow-through premium liability

During the year ended February 29, 2020, the Company issued 27,764,243 flow-through shares for gross proceeds of $10,153,000 and recognized a deferred flow-through premium of $1,315,588, noncash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at May 31, 2020, the Company incurred $4,384,336 of required eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $83,731 in connection with the settlement of the flow-through liability was recognized in other income.

The Company is still required to spend $5,727,814 in eligible exploration expenditures as at May 31, 2020 relating to these flow-through shares.

10. Asset retirement obligation

During the year ended February 29, 2020, the Company recognized an asset retirement obligation in the amount of $202,000 (2019 - $Nil) in connection with its Lawyers Property (note 4). In order to obtain a mineral exploration permit, the Company was required to place a total of $201,500 in reclamation bonds with the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia.

The Company is not yet certain about the timing of reclamation activities. Thus, the amount of $202,000 has not been discounted.

11. 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, 2020, 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.