BENCHMARK METALS INC.

Consolidated Condensed Interim Financial Statements

For the three months ended May 31, 2021 and 2020

Expressed in Canadian Dollars

To the shareholders of Benchmark Metals Inc:

The consolidated condensed interim financial statements of Benchmark Metals Inc. (the "Company") for the three months ended May 31, 2021 and 2020 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, 2021	February 28, 2021
ASSETS		
Current		
Cash	**$ 30,458,083**	$34,121,748
Short-term investment	**10,000**	10,000
Goods and services tax credit receivable	**81,342**	159,981
Mineral exploration tax credit receivable	**1,767,737**	1,767,737
Other receivable	**12,034**	12,034
Prepaid expenses and deposits	**327,919**	119,170
	32,657,115	36,190,670
Equipment (note 6)	**208,422**	212,534
Reclamation bonds (note 9)	**836,121**	272,082
Exploration and evaluation assets (note 3)	**38,176,345**	35,581,267
	$ 71,878,003	$72,256,553
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	**$ 891,150**	$ 1,213,766
Deferred flow-through liability	**1,754,763**	2,144,711
	2,645,913	3,358,477
Asset retirement obligation (note 9)	**836,039**	272,000
Deferred taxes	**3,291,685**	3,291,685
	6,773,637	6,922,162
EQUITY		
Share capital (note 4)	**73,524,419**	73,099,561
Option and warrant reserve (note 4)	**5,629,188**	5,556,637
Deficit	**(14,049,241)**	(13,321,807)
	65,104,366	65,334,391
	$ 71,878,003	$72,256,553

SUBSEQUENT EVENT (note 4)

Authorized for issuance on behalf of the Board on July 29, 2021

Director (signed by) *"Jim Greig"*

Director (signed by) *"Sean Mager"*

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

Expressed in Canadian Dollars (unaudited)

For the three months ended	May 31, 2021	May 31, 2020
Expenses		
Investor relations expenses	**$ 805,781**	$ 131,809
Management and consulting fees	**78,972**	88,399
Office and administration	**50,038**	23,621
Professional fees	**29,685**	20,111
Regulatory and filing fees	**25,551**	2,692
Share-based payments (note 4,7)	**173,151**	1,657,829
Exploration expenses	**-**	23,482
	(1,163,178)	(1,947,943)
Other income		
Settlement of flow-through liability (note 8)	**389,947**	83,731
Interest income	**45,797**	37,512
Net loss and comprehensive loss for the period	**(727,434)**	(1,826,700)
Basic and diluted loss per common share	**$ (0.00)**	$ (0.02)
Weighted average number of common shares outstanding	**158,845,685**	113,161,502

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

Expressed in Canadian Dollars (unaudited)

	Number of shares		Share capital		Option and Warrant reserve		Deficit		Total equity
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**
Shares issued for cash	44,036,087		53,576,461		(657,715)		-		52,918,746
Flow-through premium liability	-		(4,874,343)		-		-		(4,874,343)
Share issuance costs	-		(3,237,400)		-		-		(3,237,400)
Finders warrants issued	-		(1,452,392)		1,452,392		-		-
Share based payments	-		-		1,467,429		-		1,467,429
Comprehensive loss	-		-		-		(2,935,698)		(2,935,698)
Balance at February 28, 2021	**158,185,061**	**$**	**73,099,561**	**$**	**5,556,637**	**$**	**(13,321,807)**	**$**	**65,334,391**
Shares issued for cash	1,147,603		426,676		(100,600)		-		326,076
Share issuance costs	-		(1,818)		-		-		(1,818)
Share based payments	-		-		173,151		-		173,151
Comprehensive loss	-		-		-		(727,434)		(727,434)
Balance at May 31, 2021	**159,332,664**	**$**	**73,524,419**	**$**	**5,629,188**	**$**	**(14,049,241)**	**$**	**65,104,366**

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

Expressed in Canadian Dollars (unaudited)

For the three months ended	**May 31, 2021**	**May 31, 2020**
Cash provided by (used in):		
Operating activities		
Net loss for the period	**$ (727,434)**	$ (1,826,700)
Items not effecting cash:		
Share-based payments (note 4)	**173,151**	1,657,829
Settlement of flow-through liability	**(389,947)**	(83,731)
	(944,230)	(252,602)
Changes in non-cash working capital:		
Goods and services tax receivable	**78,638**	78,381
Prepaid expenses and deposits	**(82,054)**	(180,885)
Accounts payable and accrued liabilities	**(439,312)**	(24,932)
Mineral exploration tax credit receivable	**-**	-
Cash used in operating activities	**(1,386,958)**	(380,038)
Investing activities		
Purchase of a reclamation deposit	**(564,039)**	-
Purchase of equipment	**(7,595)**	(13,995)
Exploration and evaluation asset expenditures	**(2,029,331)**	(706,365)
Cash used in investing activities	**(2,600,965)**	(720,360)
Financing activities		
Proceeds from exercise of options	**118,250**	-
Proceeds from exercise of warrants	**207,826**	356,165
Share issuance costs	**(1,818)**	-
Cash provided by financing activities	**324,258**	356,165
Net increase in cash	**(3,663,665)**	(744,233)
Cash – beginning of period	**34,121,748**	10,171,023
Cash – end of period	**$ 30,458,083**	$ 9,426,790

Non-cash transactions and supplemental disclosures

The accompanying notes form an integral part of these consolidated condensed interim 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.

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 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 29, 2021.

These consolidated condensed interim financial statements include the accounts of the Company, and its wholly owned subsidiary PPM Phoenix Precious Metals Corp. All intercompany transactions and balances have been eliminated from the date of acquisition of control.

Name of Subsidiary	Proportion of Ownership Interest	Principal Activity
PPM Phoenix Precious Metals Corp.	100%	Holds mineral interest in BC

On September 18, 2019, the Company acquired a 100% ownership interest of PPM Phoenix Precious Metals Corp.

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

Expressed in Canadian Dollars (unaudited)

3. Exploration and evaluation assets

On September 18, 2019, the Company acquired 100% ownership of the Lawyers Property through the acquisition of PPM.

Lawyers Property in British Columbia, Canada

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

	Acquisition	Exploration	Total
Balance, February 29, 2020	**5,552,828**	**6,912,417**	**12,465,245**
Fieldwork	-	5,015,722	5,015,722
Geology	-	404,698	404,698
Drilling	-	13,559,220	13,559,220
Engineering	-	519,357	519,357
Environmental	-	98,082	98,082
Assay	-	3,028,016	3,028,016
Amortization	-	39,978	39,978
Permits	-	11,962	11,962
Travel and support	-	639,890	639,890
Community relations	-	377,402	377,402
Road maintenance	-	968,682	968,682
Reclamation	-	70,000	70,000
Management fees	-	150,750	150,750
Mineral exploration tax credit	-	(1,767,737)	(1,767,737)
Balance, February 28, 2021	**$ 5,552,828**	**$ 30,028,439**	**$ 35,581,267**
Fieldwork	-	311,166	311,166
Geology	-	109,264	109,264
Drilling	-	182,254	182,254
Engineering	-	312,793	312,793
Environmental	-	92,053	92,053
Assay	-	362,665	362,665
Amortization	-	11,708	11,708
Travel and support	-	175,787	175,787
Community relations	-	377,877	377,877
Road maintenance	-	54,970	54,970
Reclamation	-	564,039	564,039
Management fees	-	40,500	40,500
Balance, May 31, 2021	**$ 5,552,828**	**$ 32,623,515**	**$ 38,176,343**

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.

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

	Number of shares		Amount
Balance, February 28, 2021	**158,185,061**	**$**	**73,099,561**
Shares issued upon exercise of warrants	520,103		210,151
Shares issued upon the exercise of options	627,500		216,525
Share issuance costs	-		(1,818)
Balance, May 31, 2021	**159,332,66**	**$**	**73,524,419**

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, 2021	**35,276,419**	**$**	**1.14**
Exercised	(520,102)		0.40
Balance, May 31, 2021	**34,756,317**	**$**	**1.15**

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

May 31, 2021				February 28, 2021			
	Exercise Price	Number of warrants	Remaining contractual life (years)		Exercise Price	Number of warrants	Remaining contractual life (years)
$	0.40	7,717,503	0.3	$	0.40	8,101,835	0.6
	0.30	667,177	0.3		0.30	672,204	0.6
	0.40	6,230,000	0.5		0.40	6,355,000	0.8
	0.45	768,435	0.5		0.45	774,178	0.8
	1.30	2,024,638	1.3		1.30	2,024,638	1.6
	1.80	17,348,564	1.3		1.80	17,348,564	1.6
$	**1.15**	**34,756,317**	**0.9**	**$**	**1.14**	**35,276,419**	**1.2**

Subsequent to the three months ended May 31, 2021, the Company received gross proceeds of $16,355 from the exercise of 40,288 warrants.

Expressed in Canadian Dollars (unaudited)

b) 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, 2021	**10,560,166**	**$**	**0.44**
Issued	250,000		1.50
Exercised	(627,500)		0.19
Outstanding options, May 31, 2021	**10,132,666**	**$**	**0.48**
Exercisable options, May 31, 2021	**9,832,666**	**$**	**0.30**

On May 3, 2021, the Company granted incentive stock options, for the option to purchase up to 250,000 common shares. The options are exercisable at a price of $1.50 per common share, for a period of two years. The estimated fair value of these options of $160,000, or $0.64 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 $1.47; expected life, 2 years; expected volatility, 83%; risk-free rate 0.30%; expected dividends, 0%.

A summary of the options outstanding is as follows:

May 31, 2021				February 28, 2021			
	Exercise Price	Number of options	Remaining contractual life (years)		Exercise Price	Number of options	Remaining contractual life (years)
$	0.435	16,666	0.4	$	0.435	16,666	0.7
	0.30	703,000	1.7		0.30	703,000	2.0
	0.16	600,000	2.1		0.16	1,100,000	2.4
	0.20	538,000	2.5		0.20	538,000	2.8
	0.30	100,000	3.1		0.30	100,000	3.4
	0.30	6,225,000	3.8		0.30	6,315,000	4.1
	1.30	500,000	0.5		0.30	87,500	0.1
	1.30	1,200,000	4.6		1.30	500,000	0.8
	1.50	250,000	1.9		1.30	1,200,000	4.9
$	**0.48**	**10,132,666**	**3.4**	**$**	**0.44**	**10,560,166**	**3.6**

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.

<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. As at May 31, 2021, the Company's financial assets and liabilities are denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk as low.

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 Canadian financial institutions. The Company considers this risk to be minimal.

Expressed in Canadian Dollars (unaudited)

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. As at May 31, 2021, the Company's maximum exposure to credit risk is $30,458,083. Substantially all of the Company's cash is held with one financial institution 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, 2021, the Company's contractual undiscounted cash flow requirements for financial liabilities consisting of accounts payable and accrued liabilities of $891,150 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.

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

As at May 31, 2021:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 30,458,083	-	-	$ 30,458,083
Short-term investment	$ 10,000	-	-	$ 10,000

Expressed in Canadian Dollars (unaudited)

As at February 28, 2021:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 34,121,748	-	-	$ 34,121,748
Short-term investment	$ 10,000	-	-	$ 10,000

6. Equipment

	Camp equipment
Balance, February 28, 2021	**212,534**
Additions	7,595
Depreciation	(11,707)
Balance, May 31, 2021	**$ 208,422**

During the period ended May 31, 2021, the Company capitalized $11,707 (2020 - $6,626) in depreciation to mineral properties.

7. Related party transactions and balances

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, 2021	May 31, 2020
Management fees paid to companies controlled by directors, officers, and former officers	**$ 76,500**	$ 87,750
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	**40,500**	29,250
Share-based payments	**-**	884,000
	$ 117,000	$ 1,001,000

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, 2021	May 31, 2020
Short term benefits	**$ 117,000**	$ 117,000
Share-based payments	**-**	884,000
	$ 117,000	$ 1,001,000

At May 31, 2021, accounts payable and accrued liabilities include $350 (February 28, 2021 - $888) 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.

8. Flow-through premium liability

During the year ended February 28, 2021, the Company issued 13,051,668 flow-through shares for gross proceeds of $22,128,560 and recognized a deferred flow-through premium of $4,874,343, noncash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at May 31, 2021, the Company incurred $14,194,789 of required eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $389,947 in connection with the settlement of the flow-through liability was recognized in other income

9. Asset retirement obligation and reclamation bonds

As at May 31, 2021, the Company recognized an asset retirement obligation in the amount of $836,121 (February 28, 2021 - $272,000) in connection with its Lawyers Property (note 3). In order to obtain a mineral exploration permit, the Company was required to place a total of $836,121 in reclamation bonds with the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia.

10. 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, 2021, 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.