

BENZ CAPITAL CORP.

(A Capital Pool Company)

Management's Discussion and Analysis

October 31, 2012

(Expressed in Canadian dollars)

Benz Capital Corp.

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Quarterly Report – October 31, 2012

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The following management's discussion and analysis of financial conditions and results of operations (the "MD&A"), has been prepared by management and provides a review of the activities, results of operations and financial condition of Benz Capital Corp. (the "Company" or "Benz Capital"). This discussion dated December 18, 2012 complements and supplements the Company's unaudited condensed interim financial statements and associated notes for the six months ended October 31, 2012 and 2011, and should be read in conjunction with the audited annual financial statements for the year ended April 30, 2012. Please also refer to the cautionary statement of forward-looking information at the end of this document.

All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") and reported in Canadian dollars unless otherwise noted. Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.

1. COMPANY OVERVIEW

Benz Capital was incorporated under the laws of the Province of British Columbia on November 9, 2011. The Corporation completed an initial public offering and commenced trading on the TSX Venture Exchange (the "TSX-V" or "Exchange") on September 18, 2012 and was classified as a Capital Pool Company ("CPC") as defined in the TSX-V Listings Policy 2.4. As a CPC, the principal business of the Company is to complete a Qualifying Transaction ("QT") by identifying and evaluating opportunities for the acquisition of an interest in assets or a business, and subsequently negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange.

2. INITIAL PUBLIC OFFERING

On September 18, 2012 the Company completed its initial public offering (the "Offering") of 2,500,000 common shares at a price of \$0.10 per Common Share for gross proceeds of \$250,000. In connection with the Offering, the Company granted a non-transferrable option to its agent to acquire an aggregate of 250,000 Common Shares (the "Agent's Option") at an exercise price of \$0.10 per Common Share. The Agent's Option will expire 24 months from the date the Common Shares are listed on the TSX Venture Exchange (the "Exchange"). The agent also received a cash commission equal to 10% of the gross proceeds of the Offering.

The Company also granted options to acquire an aggregate of 550,000 Common Shares at an exercise price of \$0.10 per option to the directors and officers of the Company. Such options expire five years from the date of grant.

3. RESULTS OF OPERATIONS

Overall Performance

During the three months ended October 31, 2012 the Corporation operated as a Capital Pool Company.

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4. REVIEW OF FINANCIAL RESULTS

Summary of Quarterly Results

	October 31, 2012	July 31, 2012	April 30, 2012
Interest Income	210	32	33
Net loss	(99,191)	(4,410)	(9,480)
Basic and diluted loss per share	(0.08)	-	-

*Company was incorporated on November 9, 2011. First reported financial statements were on April 30, 2012

Three months ended October 31, 2012 compared with the three months ended October 31, 2011.

During the three months ended October 31, 2012, the Company had a net loss of \$99,191 compared to a net loss of \$9,480 for the period from November 9, 2011 to April 30, 2012. The loss resulted from listing and filing fees of \$1,281, professional fees of \$3,600, share-based payment expenses of \$82,500 and other general costs. The Corporation was inactive in the comparative period of the previous year and thus did not have any expenses.

Six months ended October 31, 2012 compared with the six months ended October 31, 2011.

During the six months ended October 31, 2012, the Company had a net loss of \$103,843 compared to a net loss of \$9,480 for the period from November 9, 2011 to April 30, 2012. The loss resulted from listing and filing fees of \$5,683, professional fees of \$3,600, share-based payment expenses of \$82,500 and other general costs. The Company was incorporated in November 2011 and therefore was inactive in the comparative period of the previous year and thus did not have any expenses.

5. LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern. The Company's future liquidity will depend upon its ability to develop and finance future profitable business opportunities. Until this is achieved the ability of the Company to meet its financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new or existing shareholders. There is no assurance that the Company will be able to obtain further funds required for its continued working capital requirements.

As at October 31, 2012 the Company had cash and cash equivalents of \$400,984, and working capital of \$404,184.

Investing Activities

During the quarter ended October 31, 2012, there were no investing activities, which is the same as in the comparative period of the previous year.

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Financing Activities

During the quarter ended October 31, 2012, the Company completed the Offering and closed a private placement for total gross proceeds of \$369,993. Cash costs for legal fees, commissions, and filing fees associated with completing the Offering and closing the private placement were \$ 94,528 resulting in net proceeds of \$275,465. During the quarter, 93,000 compensation warrants were exercised at \$0.10 per option for gross proceeds of \$9,300. No financing activities occurred in the comparative period of the previous year.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

During the quarter ended October 31, 2012 or as of the date of this report, the Company did not have any related party transactions.

Proposed Transactions

There are no proposed transactions.

Commitments

The Company did not have any commitments as at October 31, 2012 or as of the date of this report.

Changes in Accounting Policies

There are no changes in accounting policies

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Additional Disclosure for Venture Issuers without Significant Revenue

Detail regarding material items within general and administrative expenses has been provided throughout this document.

Outstanding Share Data

Common Shares:

Authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. A total of 6,392,952 common shares were outstanding at October 31, 2012. 3,250,000 of the common shares are subject to an escrow agreement in accordance with the Exchange Policy 2.4. The shares will be released as follows: 10% upon the issuance of notice of final acceptance of a Qualifying Transaction by the TSX Venture Exchange, and the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

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Stock Options:

During the quarter, the Company granted a non-transferrable option to its agent to acquire an aggregate of 250,000 Common Shares at an exercise price of \$0.10 per Common Share in connection with the Offering. The fair value of these options was \$32,500 which has been recorded in equity reserves.

The Company also granted options to acquire an aggregate of 550,000 Common Shares at an exercise price of \$0.10 per option to the directors and officers of the Company. Such options expire five years from the date of grant. The Company recorded a share-based payment expense of \$82,500.

6. RISKS AND UNCERTAINTIES

An investment in our Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this interim report in evaluating our Company and our business before making any investment decision in regards to the common shares of our Company. Our business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing our Company. Additional risks not presently known to us may also impair our business operations.

- (a) The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (c) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- (d) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (e) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;

Financing Risks

Our Company is limited in financial resources, and has no assurance that additional funding will be available to us. There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

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Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on our Company.

7. RECENT ACCOUNTING PRONOUNCEMENTS

The following IFRS standards have been recently issued by the International Accounting Standards Board (“IASB”). The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements.

(a) IFRS 9, Financial Instruments

The Standard is effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted. The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. The Company has not early-adopted the standard and is currently assessing the impact it will have on the financial statements.

(b) IFRS 10, Consolidated Financial Statements

In 2011, the IASB issued IFRS 10 which provides additional guidance to determine whether an investee should be consolidated. The guidance applies to all investees, including special purpose entities. The standard is required to be adopted for periods beginning January 1, 2013. Earlier application is permitted. The Company does not expect the standard to have a material impact on its financial statements.

(c) IFRS 11, Joint Arrangements

In 2011, the IASB issued IFRS 11 which presents a new model for determining whether an entity should account for joint arrangements using proportionate consolidation or the equity method. An entity will have to follow the substance rather than legal form of a joint arrangement and will no longer have a choice of accounting method. The standard is required to be adopted for periods beginning January 1, 2013. Earlier application is permitted. The Company does not expect the standard to have a material impact on its financial statements.

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(d) IFRS 12, Disclosure of Interests in Other Entities

In 2011, the IASB issued IFRS 12 which aggregates and amends disclosure requirements included within other standards. The standard requires a company to provide disclosures about subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is required to be adopted for periods beginning January 1, 2013. Earlier application is permitted. The Company does not expect the standard to have a material impact on its financial statements.

(e) IFRS 13, Fair value measurement

In 2011, the IASB issued IFRS 13 to provide comprehensive guidance for instances where IFRS requires fair value to be used. The standard provides guidance on determining fair value and requires disclosures about those measurements. The standard is required to be adopted for periods beginning January 1, 2013. Earlier application is permitted. The Company does not expect the standard to have a material impact on its financial statements.

(f) IAS 1, Presentation of Items of Other Comprehensive Income

In 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements to split items of other comprehensive income (OCI) between those that are reclassified to income and those that are not. The standard is required to be adopted for periods beginning on or after July 1, 2012. The amendments are to be applied effective July 1, 2012 and may be early adopted. The amendments are to be applied retroactively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The Company is currently evaluating the impact of the amendments on its financial statements.

(g) IAS 12, Income taxes

IAS 12 removes subjectivity in determining which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. Early adoption is permitted. The Company is currently evaluating the impact of the amendments on its financial statements.

(h) IAS 27, Separate Financial Statements

The IASB issued amendments to IAS 27 separate financial statements to coincide with the changes made in IFRS 10, but retains the current guidance for separate financial statements. The amendments to IAS 27 are effective for annual periods beginning on or after January 1, 2013. The standard does not impact the financial statements.

(i) IAS 28, Investments in Associates and Joint Ventures

The IASB issued amendments to IAS 28 Investments in Associates and Joint Ventures to coincide with the changes made in IFRS 10 and IFRS 11.

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(j) IFRS 7, Financial Instruments: Disclosures

In 2011, IASB issued amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosure requirements for the offsetting of financial assets and liabilities when offsetting is permitted under IFRS. The disclosure amendments are required to be adopted retrospectively for periods beginning January 1, 2013.

(k) IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 is a new interpretation on the accounting for waste removal activities. The interpretation considers when and how to account separately for the benefits arising from a stripping activity, as well as how to measure such benefit. The interpretation generally requires that costs from a stripping activity which improve access to ore to be recognized as a non-current asset when certain criteria are met and should be accounted as an addition to the related asset. The Company does not expect the standard to impact its financial statements.

8. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

9. CRITICAL JUDGEMENTS AND ESTIMATES

The consolidated financial statements are prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The critical judgment that the Company's management has made in the process of applying the Company's accounting policies that has the most significant effect on the amounts recognized in the Company's financial statements is related to the assumption that the Company will continue as a going concern.

For a summary of significant accounting policies, please refer to Note 2 of the interim financial statements. Management believes it has made estimates that best reflect the facts and circumstances, however, actual results may differ from estimates.

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10. SUBSEQUENT EVENTS

- i. On December 4, 2012, the Company entered into an option purchase and assignment agreement dated November 30, 2012 (the "Purchase Agreement") with Avaron Mining Corp. ("Avaron") and Avino Silver & Gold Mines Ltd. ("Avino"). Pursuant to the Purchase agreement, Benz will acquire, subject to the approval of the Exchange, all of Avaron's interest in an Option Agreement between Avaron and Avino pursuant to which Avaron has the option (the "Option") to acquire from Avino up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property.

Pursuant to the terms of the Purchase Agreement, Benz will pay to Avaron a cash payment of \$25,000 and issue 400,000 of its common shares at the time of closing of the Option Purchase (the "Closing"). Additionally, Benz will also issue 50,000 common shares to Avino as consideration for Avino's consent to the Option Purchase, as required under the terms of the Option Agreement.

Upon completion of the Option Purchase, the terms of the Option Agreement will allow Benz to exercise the Option to acquire a 75% interest in the Eagle Property by making cash payments to Avino in an aggregate amount of \$350,000, issuing a total of 500,000 common shares and either completing drilling on a total of 35,000 metres in depth or incurring cumulative exploration expenditures of \$7,100,000 on the Eagle Property all over a five year period. Upon acquisition of a 75% interest, Benz will have the option to acquire an additional 25% interest in the Eagle Property or form a joint venture with Avino for the further exploration and development of the Eagle Property. Benz may exercise the additional option by either determining to put the Eagle Property into commercial production within three years of the exercise of the 75% interest and paying advance royalty payments to Avino in the amount of \$1,000,000 or, alternatively, by making further cash payments to Avino in the amount of \$200,000, issuing an additional 500,000 common shares and drilling an additional 10,000 metres or incurring exploration expenditures of \$2,000,000 over a two year period following the exercise of the 75% interest.

- ii. Concurrently with the closing of the Option Purchase, Benz will complete, on a brokered and/or non-brokered basis, a private placement comprised of units (each, a "Unit") at a price of \$0.25 per Unit for gross proceeds of up to \$250,000 (the "Concurrent Financing"). Each Unit shall consist of one common share in the capital of the Company (each a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder to purchase one common share in the capital of the Company (a "Warrant Share") at a price of \$0.35 per Warrant Share for a period of 24 months following the Closing. In connection with the Concurrent Financing, the Company may pay agent's commissions and/or finder's fees in cash or securities in accordance with the policies of the Exchange.

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11. APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

12. FORWARD LOOKING INFORMATION

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of December 15, 2012. Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the Company. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Examples of such statements include the Company's intention to complete a "**Qualifying Transaction**" (as defined by policy 2.4 (the "**CPC Policy**") of TSX Venture Exchange Inc. (the "**Exchange**")). Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. These factors include the ability of the Company to obtain necessary financing and complete a Qualifying Transaction. Forward-looking information contained in this MD&A is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, except as required by law.