

BENZ MINING CORP.

Condensed Interim Financial Statements

For the three and nine months ended January 31, 2017 and 2016

(Expressed in Canadian dollars - Unaudited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim financial statements of Benz Mining Corp. (the "Company") are the responsibility of the Company's management. The condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed, and is maintaining, a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the audit and the condensed interim financial statements prior to their submission to the Board of Directors for approval.

The condensed interim financial statements as at January 31, 2017 and 2016 and for the periods then ended have not been audited or reviewed.

"Miloje Vicentijevic"

Miloje Vicentijevic
President, CEO, and Director
March 21, 2017

"Carlos Escribano"

Carlos Escribano
CFO and Director
March 21, 2017

Benz Mining Corp.

Statements of operations and comprehensive loss

Three and nine months ended January 31, 2017 and 2016 (unaudited)

	Note	Three months ended January 31,		Nine months ended January 31,	
		2017	2016	2017	2016
Operating Costs					
Exploration and evaluation costs	4	\$ 19,710	\$ -	\$ 19,710	\$ 4,678
Interest expense	5	898	1,008	2,724	3,332
Listing and filing fees		3,660	867	9,865	4,470
Management fees	7	172,901	-	175,701	25,960
Office and miscellaneous		1,891	7,754	5,614	29,230
Professional fees		1,000	2,500	3,600	7,964
Share-based payments	6	16,135	-	48,405	69,067
Shareholder information		274	1,471	1,348	3,652
Loss from operations		(216,469)	(13,600)	(266,967)	(148,353)
Other income (expenses)					
Gain on foreign exchange		-	-	-	3,642
Interest Income		4	-	17	46
Write-down on mineral property	4	-	(2,717,673)	-	(2,717,673)
Net loss and comprehensive loss		(216,465)	(2,731,273)	(266,950)	(2,862,338)
Loss per share - basic and diluted					
		\$ (0.01)	\$ (0.15)	\$ (0.01)	\$ (0.16)
Weighted average number of shares outstanding - basic and diluted					
		23,081,059	18,018,726	23,081,059	18,018,726

See accompanying notes to the financial statements

Benz Mining Corp.

Statements of financial position

As at January 31, 2017 and 2016 (unaudited)

	Note	January 31, 2017	April 30, 2016
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 44,597	\$ 53,969
Sales taxes recoverable		10,955	3,042
Prepaid expenses and deposits		3,125	2,190
		58,677	59,201
Exploration and evaluation assets	4	-	-
		\$ 58,677	\$ 59,201
LIABILITIES			
Current Liabilities			
Trade and other payables	7	\$ 215,826	\$ 15,176
Promissory note payable	5	45,000	50,000
		260,826	65,176
EQUITY			
Common shares	6	3,856,917	3,783,611
Subscriptions received	6	-	50,935
Equity reserves		361,820	313,415
Deficit		(4,420,886)	(4,153,936)
		(202,149)	(5,975)
		\$ 58,677	\$ 59,201

Nature and Continuation of Operations (Note 1)

Subsequent Event (Note 11)

Approved on behalf of the board on March 21, 2017

(Signed) Miloje Vicentijevic
Miloje Vicentijevic, President, CEO and Director

(Signed) Carlos Escribano
Carlos Escribano, CFO and Director

See accompanying notes to the financial statements

Benz Mining Corp.

Statements of cash flows

Nine months ended January 31, 2017 and 2016 (unaudited)

	Note	2017	2016
Cash Flow from Operating Activities			
Net loss for the period		\$ (266,950)	\$ (2,862,338)
Adjustments for non-cash items:			
Share based payments	6	48,405	69,067
Write-down of mineral property	4	-	2,717,673
Changes in non-cash working capital:			
Decrease in sales taxes recoverable		(7,913)	2,498
Decrease (increase) in prepaid expenses		(935)	2,300
(Decrease) increase in trade and other payables		200,650	(39,667)
Net cash flows used in operating activities		(26,743)	(110,467)
Cash Flow from Financing Activities			
Issuance of common shares for cash, net costs	6	73,306	-
Proceeds from subscriptions received		(50,935)	-
Payment on loan from Avaron Mining Corp.	5	(5,000)	-
Net cash flows provided by financing activities		17,371	-
Net change in cash and cash equivalents		(9,372)	(110,467)
Cash and Cash Equivalents, Beginning of Year		53,969	121,314
Cash and Cash Equivalents, End of Year		\$ 44,597	\$ 10,847
Supplemental Disclosures:			
Interest paid		\$ -	\$ -
Income tax paid		\$ -	\$ -
Non-cash Investing and Financing Activities:			
Issuance of common shares for mineral property		\$ -	\$ -

See accompanying notes to the financial statements

Benz Mining Corp.

Statements of changes in equity

Nine months ended January 31, 2017 and 2016 (unaudited)

	Note	Common Shares		Subscriptions Received	Equity Reserves	Deficit	Total Equity
		Number	Amount				
Balance, April 30, 2015		18,018,726	\$ 3,783,611	\$ -	\$ 232,679	\$ (1,269,973)	\$ 2,746,317
Share based payments	6e	-	-	-	69,067	-	69,067
Net loss for the year		-	-	-	-	(2,862,338)	(2,862,338)
Balance, January 31, 2016		18,018,726	\$ 3,783,611	\$ -	\$ 301,746	\$ (4,132,311)	\$ (46,954)
Balance, April 30, 2016		18,018,726	\$ 3,783,611	\$ 50,935	\$ 313,415	\$ (4,153,936)	\$ (5,975)
Common shares issued for cash:							
Proceeds from private placement	6	5,062,333	75,935	-	-	-	75,935
Share issuance costs	6	-	(2,629)	-	-	-	(2,629)
Proceeds from subscription agreements	6	-	-	(50,935)	-	-	(50,935)
Share based payments	6e	-	-	-	48,405	-	48,405
Net loss for the year		-	-	-	-	(266,950)	(266,950)
Balance, January 31, 2017		23,081,059	\$ 3,856,917	\$ -	\$ 361,820	\$ (4,420,886)	\$ (202,149)

See accompanying notes to the financial statements

Benz Mining Corp.

Notes to the financial statements

January 31, 2017 (unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Benz Mining Corp. (the “Company”), formerly Benz Capital Corp., was incorporated under the Business Corporations Act (British Columbia) on November 9, 2011. The Company is involved in the acquisition, exploration and exploitation of mineral properties located in the Americas.

Prior to April 10, 2013 the Company was a Capital Pool Company (“CPC”) as defined by the TSX Venture Exchange (the “TSX-V Exchange”) Policy 2.4. The activities of the Company were initially limited to the efforts to identify and evaluate the acquisition of assets and businesses, which would represent a “Qualifying Transaction” for regulatory purposes. On April 10, 2013 the Company successfully completed a “Qualifying Transaction” by acquiring an option to acquire up to an undivided 100% interest in and to certain mineral mining leases in the Yukon Territory known collectively as the Eagle Property.

The Company’s head office is located at 606 - 909 Burrard Street, Vancouver, British Columbia, V6Z 2N2; and the registered office is located at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8. The Company’s common shares are traded on the NEX Board of the TSX-V Exchange.

The business of mining and exploring for minerals involves a high degree of risk, and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2017, the Company has a working capital deficiency of \$202,149 and accumulated losses of \$4,420,886. The Company has not yet generated any revenues from its operations. The Company is required to raise new financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral property. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing, or that it will ever develop a self-supporting business. These factors together may raise significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. Subsequent to the quarter ended January 31, 2017, the Company completed a non-brokered private placement for \$500,000 (see Note 11).

In January, 2016, the Company relinquished the option agreement for the San Javier Project in Mexico and as at January 31, 2017 does not have any mineral properties in operation. Subsequent to the quarter ended January 31, 2017, the Company entered into a purchase agreement for a mineral property (see Note 11). The Company’s listing was transferred to the NEX board of the TSX-V Exchange as it was unable to maintain the requirements for a Tier 2 Company in accordance with TSX-V Exchange Policy 2.5.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

Basis of presentation

These condensed interim financial statements are expressed in Canadian dollars, the Company’s functional currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

Approval of the financial statements

These condensed interim financial statements were reviewed by the Audit Committee, and approved and authorized for issue by the Board of Directors on March 21, 2017.

Significant Accounting Judgements and Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, are discussed in Note 2 of the Company’s audited financial statements for the year ended April 30, 2016.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's April 30, 2016 audited annual financial statements. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2016.

Recent accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for the Company's accounting periods beginning on August 1, 2016, or later periods. Some updates that are not applicable or not consequential to the Company may have been excluded from the list below.

The following accounting standards were issued but not yet effective as of January 31, 2017:

IFRS 9 – Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments* that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. The 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 commencing on or after January 1, 2018.

Annual improvements

In September 2014, the IASB issued the Annual Improvements 2012-2014 cycle, effective for annual periods beginning on or after July 1, 2016. These Annual Improvements made necessary but non-urgent amendments to existing IFRSs. These amendments are not expected to have a significant impact on the Company's consolidated financial statements.

Management has not yet completed its process of assessing the impact that these new standards will have on the Company's financial statements or whether to early adopt this requirement.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

4. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition and exploration expenditures:

	Eagle Property	San Javier	Total
Balance, April 30, 2015	\$ -	\$ 2,719,429	\$ 2,719,429
Write-down of mineral property		(2,719,429)	(2,719,429)
Balance, April 30, 2016 and January 31, 2017	\$ -	\$ -	\$ -

Eagle Property

During the year ended April 30, 2015, the Company relinquished its rights to the option purchase agreement of the Eagle Property and recognized a write-down of its full carrying value \$155,000.

San Javier Property

During the year ended April 30, 2016 the Company relinquished its rights to the option purchase agreement of the San Javier Property and recognized a write-down of \$2,719,429.

Mel Property

Subsequent to the quarter end the Company entered into a purchase agreement to acquire Mel zinc-lead-barite project in Yukon (see Note 11).

5. PROMISSORY NOTE PAYABLE

On August 29, 2014, the Company issued a promissory note to Avaron Mining Corp. in exchange for \$100,000 for a maximum term of 12 months at an interest rate of 8% per annum. On November 6, 2014, the Company repaid \$50,000 of the principal amount owing on the promissory note and previously accrued interest of \$756. On June 6, 2016, the Company repaid a further \$5,000 on the principal amount owing.

On August 29, 2015, the term of the promissory note was extended with identical terms until August 29, 2025. The promissory note payable to Avaron constitutes a related party transaction as the Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. As at January 31, 2017, the Company has accrued an interest expense of \$9,618 (2016 - \$6,453) in relation to this loan, which is reported as part of trade and other payables.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

6. SHARE CAPITAL

a) **Authorized:** Unlimited common shares, without par value
Unlimited preferred shares, without par value

b) **Issued:**

- (i) On May 3, 2016, the Company closed a private placement and issued a total of 5,062,333 common shares at a price of \$0.015 per common share for gross proceeds of \$75,935.
- (ii) On January 8, 2015, the Company issued 8,571,428 common shares with a fair value of \$2,571,429 in consideration of the first option in the relinquished Agreement with Tusk Exploration Ltd., as described in Note 4.
- (iii) On November 25, 2014, the Company closed a private placement for gross proceeds of \$150,000 (the "Private Placement"). The Private Placement was comprised of 300,000 units at \$0.50 per unit. Each Unit consists of one common share and one common share purchase warrant, which is exercisable to acquire one additional common share at a price of \$0.55 until November 25, 2019. Of this amount, \$60,448 was attributable to common share purchase warrants, which has been recorded in equity reserves. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.47%, dividend yield of nil, volatility of 95.83%, and an expected life of 60 months.
- (iv) On November 6, 2014, 494,000 stock options and 162,667 common share purchase warrants were exercised for a total of 656,667 common shares at exercise prices of \$0.10, \$0.25, and \$0.35 per share for gross proceeds of \$130,933.
- (v) On September 2, 2014, 157,000 compensation options were exercised for 157,000 common shares at an exercise price of \$0.10 per share for gross proceeds of \$15,700.
- (vi) On July 28, 2014, the Company closed a non-brokered private placement issuing 490,679 units at a price of \$0.47 per unit for gross proceeds of \$230,619. Each unit consists of one common share and one non-transferable common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share at a price of \$0.55 per common share until July 28, 2019. Of this amount, \$98,493 was attributable to common share purchase warrants, which has been recorded in equity reserves. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk free rate of 1.48%, dividend yield of nil, volatility of 101.33%, and an expected life of 60 months.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

6. SHARE CAPITAL (continued)

Subscriptions Received:

During the year ended April 30, 2016, the Company received \$50,935 in subscriptions related to the May 3, 2016 private placement. On closing of the private placement, this amount was transferred to share capital.

Escrow Shares:

As at January 31, 2017, an amount of 2,571,429 common shares are held in escrow. These shares are subject to an escrow agreement with Tusk Exploration Ltd. On January 13, 2015, 10% of the shares originally held in escrow were released. The remaining shares are released in six equal tranches of 15% every six months for a period of 36 months.

c) Share purchase warrants and compensation options

A summary of the share purchase warrants and compensation options issued, exercised and expired during the periods ended January 31, 2017 and April 30, 2016 are as follows:

	Underlying Shares	Weighted Average Exercise Price
Balance, April 30, 2015	790,679	\$ 0.55
Issued	Nil	-
Exercised	Nil	-
Forfeited and expired	Nil	-
Balance, April 30, 2016 and January 31, 2017	790,679	\$ 0.55

Details of share purchase warrants and compensation options outstanding as at January 31, 2017 and 2016, are:

Expiry Date	Exercise Price per Share	Outstanding and Exercisable	
		January 31, 2017	January 31, 2016
July 28, 2019	\$0.55	490,679	490,679
November 25, 2019	\$0.55	300,000	300,000
		790,679	790,679

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

6. SHARE CAPITAL (continued)

d) Stock option plan

The Company's stock option plan authorizes for the granting of options to directors, officers, employees, and consultants. Pursuant to the terms of the Stock Option Plan, the Board of Directors may from time to time, in its discretion, and in accordance with Exchange policies, grant incentive stock options ("Options") to purchase the Company's common shares to directors, officers, employees, and consultants. Under the Stock Option Plan, a maximum of 10% of the outstanding shares can be reserved for issuance. The number of shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding shares and the number of shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding shares.

Stock option activity for the periods ended January 31, 2017 and April 30, 2016, is summarized as follows:

	Underlying Shares	Weighted Average Exercise Price
Stock options outstanding, April 30, 2015	1,509,690	\$0.27
Expired	(376,939)	\$0.18
Stock options outstanding, April 30, 2016 and January 31, 2017	1,132,751	\$0.30
Stock options exercisable, April 30, 2016 and January 31, 2017	586,376	\$0.30

A summary of stock options outstanding as at January 31, 2017 is as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Weighted Average Remaining Contractual Life (in years)	Intrinsic Value	Expiry Date
40,000	40,000	\$0.25	1.23	\$0.00	April 26, 2018
1,092,751	546,376	\$0.30	7.97	\$0.00	January 18, 2025
1,132,751	586,376		7.73		

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

6. SHARE CAPITAL (continued)

e) Share-based payments

On January 19, 2015, the Company granted 1,219,690 stock options to consultants, directors, and officers, exercisable at \$0.30 per share for a period of 10 years from the grant date. The stock options vest over a four year period with 25% each year.

During the nine months ended January 31, 2017, the Company recorded total share-based payments of \$48,405 (2015 - \$69,066). The amounts expensed were allocated to directors, officers, and consultants as follows:

	January 31, 2017	January 31, 2016
Directors and officers	\$ 47,538	\$ 69,910
Consultants	867	(843)
	<u>\$ 48,405</u>	<u>\$ 69,067</u>

Option-pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the options granted to officers, directors, consultants, and employees was calculated using the Black-Scholes model with the following weighted average assumptions:

	January 31, 2017	January 31, 2016
Weighted average assumptions:		
Risk-free interest rate	1.45%	1.47%
Expected dividend yield	\$0.00	\$0.00
Expected option life (years)	8.0	9.9
Expected stock price volatility	106.33%	99.83%
Weighted average fair value at measurement date	\$0.18	\$0.23

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions are measured at the estimated fair values of the services provided or goods received. Related party transactions not disclosed elsewhere in these financial statements are as follows:

a) Key Management Compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing, and controlling the activities of the Company. The remuneration of directors and officers for the nine months ended January 31, 2017 and 2016 was as follows:

	January 31, 2017	January 31, 2016
Salaries, bonuses, fees and benefits		
Management fees to the Officers and Chairman of the Board of the Company	\$ 172,901	\$ 25,960
Share-based payments		
Officers and directors of the Company	47,538	69,066
	\$ 220,439	\$ 95,026

b) In the normal course of operations, the Company transacts with companies related to its directors or officers. As at January 31, 2017, the Company owes \$45,000 under a promissory note to Avaron Mining Corp. The Company and Avaron share common directors that collectively control more than 50% of Avaron's issued and outstanding shares. Refer to Note 5. The following amounts are payable to related parties, and are included in trade and other payables:

	January 31, 2017	January 31, 2016
Management fees	\$ 172,901	\$ -
Accrued interest to Avaron Mining Corp. (common directors)	\$ 9,618	\$ 6,453

8. 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 exploration and development of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

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 new shares or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the nine months ended January 31, 2017.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

9. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, trade and other payables, and promissory note payable. The fair value of the financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

The Company's credit risk is mainly attributable to its liquid financial assets: cash and cash equivalents. The Company deposits cash with high credit quality financial institutions and credit risk is considered to be minimal. The Company's maximum exposure to credit risk is \$44,597.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2017, the Company had a cash and cash equivalents balance of \$44,597 (April 30, 2016 - \$53,969) to settle current liabilities of \$215,826 (April 30, 2015 - \$15,176) and a promissory note payable of \$45,000 (April 30, 2015 - \$50,000).

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

d) Interest rate risk

The Company has cash balances and no interest bearing term deposits. As at January 31, 2017, the Company has a promissory note payable in the amount of \$45,000 with a fixed interest rate of 8% per annum outstanding. The Company considers the interest rate risk exposure from promissory note as insignificant, and has not entered any agreements to alleviate the exposure.

e) Foreign currency risk

For the nine months ended January 31, 2017 and 2016, the Company was not exposed to financial risk related to the fluctuation of the foreign exchange rate between the Canadian and US Dollars.

Benz Mining Corp.

Notes to the financial statements
January 31, 2017 (unaudited)

10. FINANCIAL INSTRUMENTS AND RISK (continued)

f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. SUBSEQUENT EVENTS

a) Share Consolidation

Subsequent to the quarter ended January 31, 2017, the Company received acceptance from the NEX Board of the TSX Venture Exchange (the "Exchange") for the consolidation of the issued and outstanding common shares of the Company on a 10:1 ratio (the "Consolidation"). The common shares traded on a consolidated basis at market open on February 17, 2017 under Exchange symbol "BZ.H".

Following the completion of the Consolidation there were approximately 2,308,106 common shares outstanding, not taking into account any adjustments for rounding. No fractional shares were issued as a result of the Consolidation. In addition, the exercise price and number of common shares of the Company issuable upon the exercise of outstanding stock options, warrants or other convertible securities were proportionately adjusted to reflect the Consolidation.

b) Private Placement

Subsequent to the quarter ended January 31, 2017, the Company closed a non-brokered private placement (the "Private Placement"). The Company issued 4,166,664 units (each, a "Unit") at a price of \$0.12 per Unit, for gross proceeds of up to \$499,999.68. Each Unit consists of one common share in the capital of the Company (each a "Share") and one whole common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one Share (a "Warrant Share") at a price of \$0.15 per Warrant Share for a period of 12 months following issuance.

c) Debt Conversion

Subsequent to the quarter ended January 31, 2017, the Company announced that, subject to the acceptance of the NEX board of the TSX Venture Exchange, it proposed to settle outstanding indebtedness in the amount of \$257,000.00 (the "Debt") by the issuance of 1,352,632 common shares having a deemed price of \$0.19 per share. The Debt includes amounts due to certain creditors, a promissory note payable to Avaron Mining Corp. and past management, accounting, geological, and engineering services rendered and accrued to senior officers of the Company.

Benz Mining Corp.

Notes to the financial statements

January 31, 2017 (unaudited)

11. SUBSEQUENT EVENTS (continued)

d) Granting of Stock Options

Subsequent to the quarter ended January 31, 2017, the Company granted an aggregate of 534,000 incentive stock options to certain directors, officers and consultants of the Company at an exercise price of \$0.19 per share for a period of ten years. Such options have been granted pursuant to the Company's 10% rolling stock option plan and are in accordance with policies within the NEX board of the TSX Venture Exchange.

e) Purchase Agreement

Subsequent to the quarter ended January 31, 2017, the Company entered into a purchase agreement with Silver Range Resources Ltd. ("Silver Range"), pursuant to which the Company has an option to purchase 100% of Silver Range's wholly-owned Mel zinc-lead-barite project (the "Project") located near Watson Lake in southeast Yukon for CAD \$2.7 million.