

BENZ MINING CORP.

Condensed Interim Financial Statements

For the three months ended July 31, 2017
(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.

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

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

"Miloje Vicentijevic"

Miloje Vicentijevic
President, CEO, and Director
September 29, 2017

"Carlos Escribano"

Carlos Escribano
CFO and Director
September 29, 2017

Benz Mining Corp.

Condensed Interim Statements of Operations and Comprehensive Loss (unaudited)

| | | Three months ended July 31, | |
|--|------|-----------------------------|-----------------|
| | Note | 2017 | 2016 |
| Operating Costs | | | |
| Interest expense | | - | 928 |
| Listing and filing fees | | 15,039 | 2,448 |
| Management & consulting fees | 5 | 75,550 | - |
| Office and miscellaneous | | 27,198 | 1,171 |
| Professional fees | | 10,809 | 800 |
| Share-based payments | 6 | 29,648 | 16,135 |
| Shareholder information | | 9,679 | 265 |
| Loss from operations | | (167,923) | (21,747) |
| Other income (expenses) | | | |
| Interest Income | | 120 | 7 |
| Write-down on mineral property | 4 | - | - |
| Net loss and comprehensive loss | | (167,803) | (21,740) |
| Loss per share - basic and diluted | | | |
| | | \$ (0.02) | \$ (0.01) |
| Weighted average number of shares outstanding - basic and diluted | | | |
| | | 7,827,401 | 2,308,105 |

See accompanying notes to the condensed interim financial statements

Benz Mining Corp.

Condensed Interim Statements of Financial Position (unaudited)

| | Note | July 31, 2017 | April 30, 2017 |
|-----------------------------------|------|---------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | \$ 362,937 | \$ 434,965 |
| Sales taxes recoverable | | 10,677 | 17,475 |
| Prepaid expenses and deposits | | 8,741 | 4,612 |
| | | 382,355 | 457,052 |
| Exploration and evaluation assets | 4 | 110,000 | 22,000 |
| | | \$ 492,355 | \$ 479,052 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 5 | \$ 91,534 | \$ 81,436 |
| EQUITY | | | |
| Common shares | 6 | 4,416,599 | 4,416,599 |
| Subscriptions received | | 141,360 | - |
| Equity reserves | | 601,686 | 572,038 |
| Deficit | | (4,758,824) | (4,591,021) |
| | | 400,821 | 397,616 |
| | | \$ 492,355 | \$ 479,052 |

Nature and Continuance of Operations (Note 1)

Subsequent Events (Note 9)

Approved on behalf of the board on September 29, 2017

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

(Signed) Carlos Escribano
Carlos Escribano, CFO and Director

See accompanying notes to the condensed interim financial statements

Benz Mining Corp.

Condensed Interim Statements of Cash Flows (unaudited)

| | Note | Three months ended July 31, | |
|---|------|-----------------------------|-------------|
| | | 2017 | 2016 |
| Cash Flow from Operating Activities | | | |
| Net loss for the period | | \$ (167,803) | \$ (21,740) |
| Adjustments for non-cash items: | | | |
| Share based payments | 6 | 29,648 | 16,135 |
| Changes in non-cash working capital: | | | |
| Decrease in sales taxes recoverable | | 6,798 | (350) |
| Decrease (increase) in prepaid expenses | | (4,129) | (722) |
| (Decrease) increase in trade and other payables | | 2,098 | (1,886) |
| Net cash flows used in operating activities | | (133,388) | (8,563) |
| Cash Flow from Investing Activities | | | |
| Additions to exploration and evaluation assets | | (80,000) | - |
| Net cash flows used in investing activities | | (80,000) | - |
| Cash Flow from Financing Activities | | | |
| Issuance of common shares for cash, net costs | 6 | - | 73,306 |
| Proceeds from subscriptions received | | 141,360 | (50,935) |
| Payment on loan from Avaron Mining Corp. | | - | (5,000) |
| Net cash flows provided by financing activities | | 141,360 | 17,371 |
| Net change in cash and cash equivalents | | (72,028) | 8,808 |
| Cash and Cash Equivalents, Beginning of Period | | 434,965 | 53,969 |
| Cash and Cash Equivalents, End of Period | | \$ 362,937 | \$ 62,777 |
| Supplemental Disclosures: | | | |
| Interest paid | | \$ - | \$ - |
| Income tax paid | | \$ - | \$ - |

See accompanying notes to the condensed interim financial statements

Benz Mining Corp.

Condensed Interim Statements of Changes in Equity (unaudited)

| | Note | Common Shares | | Subscriptions Received | Equity Reserves | Deficit | Total Equity |
|---------------------------------------|------|------------------|---------------------|---------------------------|--------------------|-----------------------|-------------------|
| | | Number | Amount | | | | |
| Balance, April 30, 2016 | | 1,801,872 | \$ 3,783,611 | \$ 50,935 | \$ 313,415 | \$ (4,153,936) | \$ (5,975) |
| Common shares issued for cash: | | | | | | | |
| Proceeds from private placement | 6 | 506,233 | 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 | - | - | - | 16,135 | - | 16,135 |
| Net loss for the year | | - | - | - | - | (21,740) | (21,740) |
| Balance, July 31, 2016 | | 2,308,105 | \$ 3,856,917 | \$ - | \$ 329,550 | \$ (4,175,676) | \$ 10,791 |
| Balance, April 30, 2017 | | 7,827,401 | \$ 4,416,599 | \$ - | \$ 572,038 | \$ (4,591,021) | \$ 397,616 |
| Proceeds from subscription agreements | 6 | - | - | 141,360 | - | - | 141,360 |
| Share based payments | 6e | - | - | - | 29,648 | - | 29,648 |
| Net loss for the year | | - | - | - | - | (167,803) | (167,803) |
| Balance, July 31, 2017 | | 7,827,401 | \$ 4,416,599 | \$ 141,360 | \$ 601,686 | \$ (4,758,824) | \$ 400,821 |

See accompanying notes to the condensed interim financial statements

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

1. NATURE AND CONTINUANCE OF OPERATIONS

Benz Mining Corp. (the “Company”) 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.

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 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 condensed interim financial statements (“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 July 31, 2017, the Company has working capital of \$290,821 and accumulated losses of \$4,758,824. 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.

2. BASIS OF PRESENTATION

Statement of compliance

These 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”).

These Financial Statements were approved and authorized for issue by the Company’s Board of Directors on September 29, 2017.

Basis of measurement

These 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.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

2. BASIS OF PRESENTATION (continued)

Significant Accounting Judgements and Estimates

Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In preparing the Financial Statements, the judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements as at and for the year ended April 30, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

These 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, 2017 audited annual financial statements. These Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2017.

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 May 1, 2017, 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 July 31, 2017:

1. IFRS 2 – *Share-based Payment (Amendments to IFRS 2)*
2. IFRS 9 – *Financial Instruments* (New in 2014; to replace IAS 39, IFRIC 9 and earlier versions of IFRS 9)
3. IFRS 15 – *Revenue from Contracts with Customers* (New in 2014; to replace IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31; incorporates Effective Date of IFRS 15 and Clarifications to IFRS 15 *Revenue from Contracts with Customers*)
4. IFRS 16 – *Leases* (New in 2016; to replace IAS 17 *Revenue from Contracts with Customers*)

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 any of the standards.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

4. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition and exploration expenditures:

| | Mel Property | Total |
|--|---------------------|--------------|
| Balance, April 30 and July 31, 2016 | \$ - | \$ - |
| Acquisition costs | 22,000 | 22,000 |
| Balance, April 30, 2017 | \$ 22,000 | \$ 22,000 |
| Acquisition costs | 88,000 | 88,000 |
| Balance, July 31, 2017 | \$ 110,000 | \$ 110,000 |

Mel Property

On March 14, 2017 (“Effective Date”), the Company entered into a Property 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 an aggregate purchase price of \$2,700,000. The Project consists of 257 claims, encompasses an area of 9,315 hectares and is located 80 kilometers east-northeast of the town of Watson Lake. The Project extends 47 km south from the main exploration targets to the Alaska Highway, following the route of a proposed haulage road.

Subject to the underlying royalties, the Company has the option to purchase a 100% interest in the Project for an aggregate of \$2,700,000. The Company, at its election, has the option to satisfy specific option payments through the issuance of common shares. The deemed value of all common shares issued in partial or full satisfaction of specific option payments shall be calculated using the volume-weighted average price of the Company’s shares for the 10 trading days prior to the applicable option payment date. The option payment schedule, along with the portion that may be paid in either cash or shares at the Company’s discretion, is summarized below:

| | Option Payments Payable in Cash | Option Payments Payable in Cash or Shares |
|--|--|--|
| Upon TSX Venture Exchange Acceptance (paid) | \$20,000 | - |
| On or before 120 days following the Effective Date (paid) | \$80,000 | - |
| On or before the 1 st Anniversary of the Effective Date | \$75,000 | \$75,000 |
| On or before the 2 nd Anniversary of the Effective Date | \$150,000 | \$150,000 |
| On or before the 3 rd Anniversary of the Effective Date | \$150,000 | \$450,000 |
| On or before the 4 th Anniversary of the Effective Date | \$Nil | \$1,200,000 |
| On or before the 5 th Anniversary of the Effective Date | \$Nil | \$350,000 |
| Total Price | \$475,000* | \$2,225,000* |

*The aggregate purchase price in cash and shares is \$2,700,000.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

4. EXPLORATION AND EVALUATION ASSETS (continued)

The Company agreed to pay a finder's fee of \$167,500 to a third party in accordance with the policies of the TSX Venture Exchange. The Agreement is subject to a total of 2% net smelter return royalty following the commencement of commercial production from the Project. On May 19, 2017, the Company received TSX Venture Exchange acceptance of the Property Purchase Agreement.

5. 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 three months ended July 31, 2017 and 2016 was as follows:

| | July 31, 2017 | July 31, 2016 |
|--|---------------|---------------|
| Salaries, bonuses, fees and benefits | | |
| Management fees to the Officers and Chairman of the Board of the Company | \$ 49,500 | \$ - |
| Share-based payments | | |
| Officers and directors of the Company | 25,017 | - |
| | \$ 74,517 | \$ - |

b) In the normal course of operations, the Company transacts with companies related to its directors or officers. The following amounts are payable to related parties, and are included in trade and other payables:

| | July 31, 2017 | April 30, 2017 |
|-----------------|---------------|----------------|
| Management fees | \$ 21,840 | \$ - |

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

6. SHARE CAPITAL

On February 17, 2017, the Company completed a share consolidation of issued and outstanding common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. The share consolidation affects all issued and outstanding common shares, stock options, warrants, and other convertible securities. All information relating to issued and outstanding common shares, stock options, warrants, and other convertible securities have been adjusted retrospectively to reflect the share consolidation.

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

b) Issued:

- (i) On April 28, 2017, the Company settled outstanding indebtedness in the amount of \$257,000 (the "Debt") by the issuance of 1,352,632 common shares with a fair value 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.
- (ii) On March 8, 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 \$500,000. 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.
- (iii) On May 3, 2016, the Company closed a private placement and issued a total of 506,233 common shares at a price of \$0.15 per common share for gross proceeds of \$75,935.

Escrow Shares:

As at July 31, 2017, an amount of 318,000 common shares are held in escrow. These shares are subject to an escrow agreement with Tusk Exploration Ltd. ("Tusk"). 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. Of the shares remaining in escrow, 222,857 are held back due to unmet contractual obligations.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

6. SHARE CAPITAL (continued)

c) Share purchase warrants and compensation options

A summary of the share purchase warrants and compensation options issued, exercised and expired during the three months ended July 31, 2017 and 2016 are as follows:

| | Underlying Shares | Weighted Average Exercise Price |
|--|----------------------|------------------------------------|
| Balance, April 30 and July 31, 2016 | 79,068 | \$ 5.50 |
| Issued | 4,166,664 | 0.15 |
| Balance, April 30 and July 31, 2017 | 4,245,732 | \$ 0.25 |

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

| Expiry Date | Exercise Price per Share | Outstanding and Exercisable | |
|-------------------|-----------------------------|-----------------------------|---------------|
| | | July 31, 2017 | July 31, 2016 |
| July 28, 2019 | \$5.50 | 49,068 | 49,068 |
| November 25, 2019 | \$5.50 | 30,000 | 30,000 |
| March 7, 2018 | \$0.15 | 4,166,664 | - |
| | | 4,245,732 | 79,068 |

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.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)
July 31, 2017

6. SHARE CAPITAL (continued)

d) Stock option plan (continued)

Stock option activity for the three months ended July 31, 2017 and 2016, is summarized as follows:

| | Underlying Shares | Weighted Average Exercise Price |
|--|----------------------|------------------------------------|
| Stock options outstanding, April 30 and July 31, 2016 | 113,276 | \$2.98 |
| Issued | 534,000 | \$0.19 |
| Stock options outstanding, April 30 and July 31, 2017 | 647,276 | \$0.68 |
| Stock options exercisable, April 30 and July 31, 2017 | 58,638 | \$2.97 |

A summary of stock options outstanding as at July 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 |
|---|---|-------------------|--|--------------------|------------------|
| 4,000 | 4,000 | \$2.50 | 0.74 | \$0.00 | April 26, 2018 |
| 109,276 | 54,638 | \$3.00 | 7.47 | \$0.00 | January 18, 2025 |
| 534,000 | - | \$0.19 | 9.61 | \$32,040 | March 9, 2027 |
| 647,276 | 58,638 | | 9.20 | | |

e) Share-based payments

On January 19, 2015, the Company granted 121,969 stock options to consultants, directors, and officers, exercisable at \$3.00 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.

On March 9, 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. The options vest one year from the grant date on March 9, 2018.

During the three months ended July 31, 2017, the Company recorded total share-based payments of \$29,648 (2016 - \$16,135). The amounts expensed were allocated to directors, officers, and consultants as follows:

| | July 31, 2017 | July 31, 2016 |
|------------------------|------------------|------------------|
| Directors and officers | \$ 25,017 | \$ 15,846 |
| Consultants | 4,631 | 289 |
| | \$ 29,648 | \$ 16,135 |

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)

July 31, 2017

6. SHARE CAPITAL (continued)

e) Share-based payments (continued)

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:

| | July 31, 2017 | July 31, 2016 |
|---|---------------|---------------|
| Weighted average assumptions: | | |
| Risk-free interest rate | 1.80% | 1.45% |
| Expected dividend yield | \$0.00 | \$0.00 |
| Expected option life (years) | 7.47 | 9.6 |
| Expected stock price volatility | 100% | 106% |
| Weighted average fair value at measurement date | \$0.27 | \$1.80 |

7. 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 year ended July 31, 2017.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)

July 31, 2017

8. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, trade and other payables. 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 \$362,937.

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 July 31, 2017, the Company had a cash and cash equivalents balance of \$362,937 (July 31, 2016 - \$434,965) to settle current liabilities of \$91,534 (July 31, 2016 - \$81,436).

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 July 31, 2017, the Company does not have any interest rate risk exposure from its now fully settled promissory note, and has not entered any agreements to alleviate the exposure.

e) Foreign currency risk

For the three months ended July 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.

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.

Benz Mining Corp.

Notes to the Condensed Interim Financial Statements (unaudited)

July 31, 2017

9. SUBSEQUENT EVENTS

a) Private Placement

On August 15, 2017, the Company closed a non-brokered private placement (the "Private Placement"). The Company issued 3,661,800 units (each, a "Unit") at a price of \$0.20 per Unit, for gross proceeds of \$732,360. 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 \$0.35 per Warrant Share for a period of 24 months following issuance.

Finder's fees in the aggregate of \$10,875 were paid and an aggregate of 54,376 Finder's warrants (the "Finder's Warrants") were issued in conjunction with the Private Placement. Each Finder's Warrant will be exercisable into one common share at a price of \$0.35 for a period of 24 months following issuance.

b) Warrant Exercise

Subsequent to the quarter ended July 31, 2017, the Company issued 1,339,998 common shares pursuant to the exercise of 1,339,998 warrants at a price of \$0.15 per share for total proceeds of \$201,000.

c) Private Placement

On September 1, 2017, the Company closed a non-brokered private placement of 12,502,500 units (each, a "Unit") at a price of \$0.20 per Unit, for gross proceeds of up to \$2,500,500 (the "Private Placement"). 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 \$0.35 per Warrant Share until September 1, 2019.

All of the Shares issued pursuant to the Private Placement (including Warrant Shares issuable upon exercise of Warrants) are subject to a four-month hold period expiring January 2, 2018.

Finder's fees in the aggregate of \$134,260 were paid and an aggregate of 671,300 Finder's warrants were issued in conjunction with the Private Placement.

d) Stock Options Grant

On September 1, 2017, the Company granted incentive options to directors, officers, employees and consultants to purchase up to 1,550,000 common shares of the Company at an exercise price of \$0.265 per share for a term of 10 years, expiring August 31, 2027.