

BENZ SUCCESSFULLY COMPLETES C\$12 MILLION BROKERED PRIVATE PLACEMENT

HIGHLIGHTS

- C\$11.9 million raised to accelerate critical mineral and gold exploration on emerging greenstone belt
- Offer conducted at an average price of ~C\$0.73 representing a 65% premium to Benz's last traded share price as of Thursday, 1 September (C\$0.44)
- Exploration to commence immediately initially targeting critical metal mineralization
- New Mineral Resource for Eastmain Gold Project to be delivered in Q4 2022 following successful 2021 drill campaign

Benz Mining Corp. (TSXV:BZ, ASX:BNZ) (the **Company** or **Benz**) is pleased to advise that it has received firm commitments to raise approximately C\$11.9 million (before costs) via a strongly supported offer of fully paid ordinary Chess Depositary Interest (**CDIs**) to institutional, professional and sophisticated investors (the **Offer**) via a:

1. placement of 11,875,130 CDIs at an average price of approximately C\$0.84¹ per CDI (the **Flow-Through CDIs**), which will qualify as "flow-through shares" as defined in the *Income Tax Act* (Canada) (the **Act**) (**Flow Through Share Placement**), representing an approximately 90% premium to the last closing price of Benz shares on the TSXV on Thursday, 1 September 2022 of C\$0.44; and
2. hard dollar placement of 4,558,870 CDIs at an issue price of ~C\$0.42 per CDI (A\$0.48 per CDI) (**Hard Placement**), representing a 4.0% discount to the last closing price of Benz shares on TSX-V on Thursday, 1 September 2022

The total 16,434,000 CDIs issued under the Offer were issued at an average price of ~C\$0.73 representing a 65% premium to Benz's last traded share price as of Thursday, 1 September (C\$0.44).

The Company was able to issue the Offer CDIs at an average premium as those CDIs issued under the Flow Through Share Placement portion of the Offer provide certain tax incentives to eligible investors under the Act for expenditures of the Company that qualify as flow-through mining expenditures under the Act.

Commenting on the Offer, Benz Chairman, Evan Cranston, said:

"The strong support shown for this capital raising on such compelling terms is very pleasing. The next 6 months have the potential to be transformational for Benz as we release our new mineral resource for the Eastmain Project in Q4 2022 and embark on one of the largest drilling campaigns we have undertaken since acquiring the Project.

"We believe the Upper Eastmain Greenstone Belt has the potential to host significant gold, lithium and base metal deposits and this funding goes a long way to proving this. C\$7m of this funding will be spent on critical mineral exploration targeting the battery metal thematic, with the remaining C\$3m to be spent on gold only exploration, expanding on the extensive gold mineralisation defined in 2021.

¹ The numbers in this announcement have been presented using an exchange rate of A\$1.00 = CAD\$0.88.

"I would like to thank our existing shareholders who supported the raising as well as welcome a number of new shareholders to our register.

"Finally, I would like to thank the Quebec Government and Federal Government of Canada. The charitable flow through structures is one of the main reasons I love investing and working with explorers with projects in Canada. Not only are there fantastic opportunities such as the Eastmain Greenstone Project, but the financial incentives to explore there makes it very beneficial for investors. The incentives allow us to limit dilution for shareholders as well as ensures that all of the flow through investment is spent in the ground rather than on corporate overheads. It will make for very active news flow for Benz given that all of the proceeds from this capital raising will be put to work by 31 December 2023."

Use of Proceeds

The gross proceeds received by the Company pursuant to the Offer will be used to fund exploration on the Company's Upper Eastmain Projects in Quebec by 31 December 2023 and renounce such expenditures to the investors effective 31 December 2022. Specifically, funds will be applied towards:

- a new Mineral Resource Estimate for the Eastmain Project expected to be delivered in Q4 2022;
- conducting a 20,000m of core drilling in the upper Eastmain Greenstone Belt, including 18,000m of winter drilling with a land rig (combination of extensional and regional exploration) and 2,000m of helicopter supported lithium exploration at Ruby Hill West
- re-assaying historical samples at the Eastmain Gold Project using PhotonAssay;
- payment of C\$200,000 to the project vendors pursuant to the Eastmain project option agreement;
- and
- general working capital purposes.

Exploration activities will be split 30% towards growing further gold inventory of the Eastmain Project and 70% exploring for minerals deemed Critical Minerals by the Canadian Government, including lithium, copper, nickel and cobalt.

The Offer was facilitated by Canadian flow-through share dealer, Peartree Securities Inc, Euroz Hartleys Limited and Canaccord Genuity (Australia) Ltd.

Offer Details

The Flow-Through CDIs will be initially issued under the Flow Through Share Placement to Peartree Securities Inc. (**PearTree**) as agent for certain qualifying investors in Canada, to raise approximately CAD\$10 million through the issue of ~7.93 million CDIs at an issue price of ~CAD\$0.883 per CDI and ~3.95 million CDIs at an issue price of ~CAD\$0.760, pursuant to a subscription agreement between the Company and PearTree. The Flow-Through CDIs to be placed in Canada under the Flow Through Share Placement will qualify as "flow-through shares", as defined in the *Income Tax Act* (Canada) (the **Act**). Pursuant to a block trade agreement between PearTree and Euroz Hartleys, Euroz Hartleys will facilitate the secondary sale of the Flow-Through CDIs acquired by PearTree under the Flow Through Share Placement to sophisticated and professional investors in Australia and certain other countries (**End-Buyers**) by way of a block trade (**Block Trade**). The CDIs will cease to be flow-through shares on completion of the Flow Through Share Placement and End-Buyers taking CDIs in the Block Trade will not take the CDIs as flow-through shares.

As mentioned, the Company was able to issue the Flow-Through CDIs at a premium as the shares underlying such CDIs were issued as Canadian charity flow-through shares, which provides tax incentives to those investors for expenditures that qualify as flow-through mining expenditures under the Act. The Canadian



Government recently increased the tax incentive threshold to promote exploration for Minerals deemed Critical to the Canadian Economy.

The term “flow-through share” is a defined term in the Act and is not a special type of share under corporate law. In this case, flow-through share refers to an ordinary share that will be issued by the Company to the investor under a written agreement with the investor whereby the Company agrees to incur flow-through mining expenditure, and to renounce tax losses associated with that expenditure to the investor. If the Company and the investor comply with the rules of the Act, the investor will be entitled to deduct the amount renounced in computing the investor’s income for Canadian income tax purposes and, as a result, the flow-through shares are issued at a higher price.

CDIs under the Offer are expected to be issued on 21 September 2022.

The allotment of the 11,875,130 CDIs under the Flow Through Placement and the 4,558,870 CDIs under the Hard Placement will fall within the Company’s 15% placement capacity under ASX Listing Rule 7.1.

A cleansing prospectus under section 713 of the *Corporations Act 2001* (Cth) will be issued in connection with the Canadian Placement and Hard Placement to facilitate secondary trading of the CDIs subject of the Offer.

About Benz Mining Corp.

Benz Mining Corp. (TSXV:BZ, ASX:BNZ) brings together an experienced team of geoscientists and finance professionals with a focused strategy to unlock the immense mineral potential of the Upper Eastmain Greenstone Belt in Northern Quebec, which is prospective for gold, lithium, nickel, copper and other high-value minerals critical to the challenges of global decarbonisation. Benz is earning a 100% interest in the former producing high grade Eastmain gold mine, Ruby Hill West and Ruby Hill East Projects in Quebec and owns 100% of the Windy Mountain Project.

At the Eastmain Gold Project, Benz has identified a combination of over 380 modelled in-hole and off-hole DHEM conductors over a strike length of 6km which is open in all directions (final interpretation of some of the conductors still pending).

In 2021, Benz confirmed the presence of visible spodumene in a pegmatite at the Ruby Hill West Project, indicating lithium mineralisation which Benz intends to further explore in 2022.

This announcement has been approved for release by the Board of Directors of Benz Mining Corp.

On behalf of the Board of Directors of Benz Mining Corp.

Xavier Braud, CEO

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Forward-Looking Information: Certain statements contained in this news release may constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including, that the Company's financial condition and development plans do not change as a result of unforeseen events and that the Company obtains regulatory approval. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company's financial condition and development plans change, and delays in regulatory approval, as well as the other risks and uncertainties applicable to the Company as set forth in the Company's continuous disclosure filings filed under the Company's profile at www.sedar.com. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.

Competent Person's Statement: The information in this report that relates to Exploration Results is based on and fairly represents information and supporting information compiled by Mr Xavier Braud, who is a member of the Australian Institute of Geoscientists (AIG membership ID:6963). Mr Braud is a consultant to the Company and has sufficient experience in the style of mineralization and type of deposits under consideration and qualifies as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Braud holds securities in Benz Mining Corp and consents to the inclusion of all technical statements based on his information in the form and context in which they appear.