BUTTE ENERGY INC.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MARCH 31, 2019

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis (MD&A) of Butte Energy Inc.'s (Butte or the Company) operating and financial results for the period ended March 31, 2019, compared to the period ended March 31, 2018, as well as information and expectations concerning the Company's outlook based on currently available information. The MD&A should be read in conjunction with the unaudited interim financial statements for the three months ended March 31, 2019. The financial statements have been prepared in accordance with International Accounting Standards. The reporting and measurement currency is the Canadian dollar.

This report is prepared as of May 30, 2019.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including estimates of reserves and resources and future revenue associated therewith, expectations of future production, funds flow from operations and the Company's planned work programs and changes thereto in the prospect areas of Central Alberta. The Company currently has no active operations and is evaluating opportunities, including those outside of the oil and gas industry. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward-looking information, including but not limited to statements as to production targets, timing of the Company's planned work program and management's belief as to the potential of certain properties, involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operation, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), plans for and results of drilling activity, environmental matters, business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration and development projects or capital expenditures; the uncertainty of reserve and resource estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with continued development of the prospects in Central Alberta. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause costs of the Company's program or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Principal Business Risks section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

## OVERVIEW OF BUSINESS AND SELECTED FINANCIAL INFORMATION

| **Results at a Glance** | **Three Months March 31, 2019** | **Three Months March 31, 2018** |
|---|---|---|
| **Financial (Canadian $ except as noted)** | | |
| General and administrative expenses | **(57,457)** | (26,397) |
| Finance expense | **(15,171)** | (9,491) |
| Loss for the period | **(72,162)** | (32,822) |
| Basic and fully diluted loss per share | **($0.00)** | ($0.00) |
| Funds used in operations | **(2,987)** | (108,856) |
| Funds (used in) provided by investing activities | **(465)** | (93,055) |
| Funds provided by financing activities | **-** | 300,000 |

| | **March 31, 2019** | **December 31, 2018** |
|---|---|---|
| Cash and cash equivalents | **28,219** | 31,671 |
| Working capital deficiency | **(58,222)** | (1,231) |
| Total assets | **128,282** | 127,046 |
| Current and long-term liabilities | **467,721** | 394,323 |
| Shareholders’ deficit | **(21,433,591)** | (21,361,429) |

As of March 31, 2019, the Company has no active operations. Previously, the Company had been engaged in the acquisition, exploration and development of petroleum and natural gas reserves in Western Canada. The board of directors and management appointed in January 2018 are evaluating potential opportunities, including those outside of the oil and gas industry. In November 2018, the Company announced a proposed transaction which, if approved, will enter the Company into the cannabis industry (see “Proposed Transactions”).

***Proposed Transaction - Butte enters cannabis industry with the Pura Cali group, announces RTO, change of business and financing***

On November 20, 2018, the Company announced it had entered into an agreement to acquire all of the issued and outstanding equity of Pura Valley, LLC and Pura Extractions LLC. The acquisition of the Purchased Companies is being done in conjunction with a 10:1 consolidation of Butte's share capital, a change of Butte's name, a financing, and changes to Butte's management (collectively, the "Proposed Transaction"). On completion of the Proposed Transaction, Butte will carry on the business currently carried on by the Purchased Companies. Among other closing conditions, the Proposed Transaction is subject to the approval of Butte's shareholders. The original agreement has subsequently been amended to extend the deadline of certain conditions. The date of Butte's shares will remain halted until the closing of the Proposed Transaction. See “Proposed Transactions” for further details.
As previously announced, the maturity date of the $300,000 convertible debenture, which bears interest at 10% per annum, was extended from January 3, 2019 to January 4, 2021.

### *Organizational changes*

In March 2019, Ron Tremblay, CEO and director of the Company, passed away after a brief illness. On April 24, 2019, the Company appointed Jason Rickert to act as Interim CEO. The Company will also need to appoint a new board member in due course to fulfill the vacancy on the Company's board created by Mr. Tremblay's passing. The Company continues to evaluate its potential opportunities and to actively work toward the achievement of the closing conditions for the Proposed Transaction as previously noted (see "Proposed Transaction - Butte enters cannabis industry with the Pura Cali group, announces RTO, change of business and financing").

## OVERVIEW OF PRIOR OIL AND GAS OPERATIONS

The Company operated one well at Chigwell 04-35-042-26 W4M, which had been shut-in since February 1, 2015. The well was shut-in due to AER guidelines relating to overproduction of non-native gas ($CO_2$). In 2015, the Company actively started to sell the Chigwell property.

The Company placed the well at Chigwell 04-35-042-26 W4M in production in February 2017 before shutting it down again at the end of March 2017.

On August 15, 2017, the Company announced the completion of the sale of the Chigwell properties. which constituted the final disposition of the Company's remaining asset. Proceeds of the sale were used for the payments of the liabilities and the Company, and the then board of directors actively sought a transaction(s) whereby the Company could continue as a going concern.

In January 2018, there was a change of control of the Company with a new board and management team appointed. The board of directors have been evaluating potential opportunities, including those outside of the oil and gas industry.

The Company still has obligations regarding the finalization of the reclamation of previously abandoned well sites. A provision of $66,596 for the expected reclamation costs is included in the Company's statement of financial position as of March 31, 2019. The reclamation process is expected to be completed within one to three years.

## OPERATING AND FINANCIAL RESULTS

| | Three months ended March 31 | |
|---|---|---|
| | **2019** | **2018** |
| | **"Q1 2019"** | **"Q1 2018"** |
| General and administrative expenses | $ (57,457) | $ (26,397) |
| Exploration and evaluation expenditures | - | - |
| | (57,457) | (26,397) |
| Finance income | 466 | 180 |
| Finance expense | (15,171) | (9,491) |
| Foreign exchange gain | - | 2,886 |
| **Net loss and comprehensive loss for the period** | $ (72,162) | $ (32,822) |
| **Loss per share – basic and diluted** | $ - | $ - |

### General and Administrative Expenses

General and administrative expenses (G&A) were $57,457 for Q1 2019, an increase of $31,060 compared to Q1 2018. The increase is primarily due to legal fees incurred on the proposed transaction partially offset by savings in consulting fees and insurance.

| | Three months ended March 31 | |
|---|---|---|
| | **2019** | **2018** |
| Consulting and management fees | **$ -** | $ 7,500 |
| Listing and filing fees | **1,250** | 2,500 |
| Office, insurance and miscellaneous | **357** | 10,563 |
| Professional fees | **54,351** | - |
| Shareholder relations | **1,499** | 5,834 |
| Total | **$ 57,457** | $ 26,397 |

### Exploration and evaluation expenditures

There was no activity in Q1 2019 or Q1 2018 relating to reclamation activities on previously abandoned well sites. The Company did not incur any expenditures on evaluating new oil and gas prospects.

### Finance Expense

The finance expense relates to interest expense on the convertible debt borrowed by the Company from a related party on January 3, 2018. The maturity date was subsequently extended to January 4, 2021. The amortized cost of the loan balance as of December 31, 2018 was updated to incorporate the effect of the extended maturity date.

## SELECTED ANNUAL INFORMATION

Information for the three years ended December 31, 2018, as extracted from the Company's audited financial statements, is presented below:

| (CAD $, except as noted) | 2018 | 2017 | 2016 (restated) |
|---|---|---|---|
| **Total revenue** | - | 1,000 | - |
| **Loss from continuing operations** | (189,993) | (322,667) | (634,137) |
| **Loss per share from continuing operations – basic and diluted** | (0.00) | (0.01) | (0.02) |
| **Net loss and comprehensive loss for the year** | (189,993) | (1,350,489) | (672,742) |
| **Loss per share – basic and diluted** | (0.00) | (0.03) | (0.02) |
| **Total assets** | 127,046 | 1,258 | 1,064,428 |
| **Total non-current financial liabilities** | 266,046 | - | 11,785,260 |
| **Dividends** | - | - | - |

The Company's financial results presented above have been derived from the Company's financial statements prepared under IFRS. The Company's functional and presentation currency is the Canadian dollar.

The company owned one producing asset, which was sold in 2017. In the statement of operations for the year ended December 31, 2017, the activity from this well was reflected as discontinued operations in 2017 with the 2016 comparatives restated to conform to current year presentation in accordance with IFRS.

The decrease in the loss in 2018 from 2017 was primarily was primarily due to the downsizing of the Company's operations.

The increase in the loss in 2017 from 2016 was primarily due to the write-down on asset held for sale ($965,000) offset by a decrease in general and administrative expenses ($133,105) and interest expense ($177,060).

In 2017, amounts due to related parties were reclassed to current liabilities as the amount was subsequently settled in 2018.

## QUARTERLY SUMMARY

Below is a summary of the Company's performance over the last eight quarters:

| (CAD $, except as noted) | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|
| **Total revenue** | - | - | - | - |
| **Loss from continuing operations** | (72,162) | (125,637) | (14,470) | (17,064) |
| **Loss per share from continuing operations – basic and diluted** | - | - | - | - |
| **Net loss and comprehensive loss for the year** | (72,162) | (125,637) | (14,470) | (17,064) |
| **Loss per share – basic and diluted** | - | - | - | - |

| | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 |
|---|---|---|---|---|
| **Total revenue** | - | - | - | 1,000 |
| **Loss from continuing operations** | (32,822) | (35,506) | (31,197) | (116,565) |
| **Loss per share from continuing operations – basic and diluted** | - | - | - | - |
| **Net loss and comprehensive loss for the year** | (32,822) | (35,507) | (31,860) | (1,079,190) |
| **Loss per share – basic and diluted** | - | - | - | (0.02) |

The Company's financial results presented above have been derived from the Company's financial statements prepared under IFRS. The Company's functional and presentation currency is the Canadian dollar.

The company owned one producing asset, which was sold in 2017. In the statement of operations for the year ended December 31, 2017, the activity from this well was reflected as discontinued operations in 2017.

*Discontinued Operations:* The Company incurred a loss of $64,533 in Q1 2017 when it restarted production at the Chigwell in February before shutting it down again in March. The Company the recognized a further impairment on the Chigwell Property of $965,000 in Q2 2017 to bring the carrying value down to $35,000 proposed sale price to RKSmith Energy Corp.

*Continuing Operations:*

- 2018 and 2019 reflects a reduction in consulting and other general and administrative costs reflecting the downsizing of the Company's operations and management's effort to reduce costs.
- Q4 2018 reflects increase in the provision for the estimated reclamation of previously abandoned wells.
- Q1 2019 reflects an increase in professional fees incurred on the proposed transaction.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had a working capital deficiency of $58,222.

Funds used in operations were $2,987 for YTD 2019 compared to $108,856 in YTD 2018. Trade and other payables increased $58,227 in Q1 2019 reflecting the increase in accrued legal fees on the proposed transaction.

The maturity date of the convertible loan from extended from January 3, 2019 to January 4, 2021.

Presently, the Company does not generate sufficient cash flows from its operations and has no active operations as of March 31, 2019. Consequently, the new board of directors and management have been evaluating potential opportunities, including those outside of the oil and gas industry.

On November 20, 2018, the Company announced it had entered into an agreement to acquire all of the issued and outstanding equity of Pura Valley, LLC and Pura Extractions LLC. The acquisition of the Purchased Companies is being done in conjunction with a 10:1 consolidation of Butte's share capital, a change of Butte's name, a financing, and changes to Butte's management (collectively, the "Proposed Transaction"). On completion of the Proposed Transaction, Butte will carry on the business currently carried on by the Purchased Companies. Among other closing conditions, the Proposed Transaction is subject to the approval of Butte's shareholders. Butte's shares will remain halted until the closing of the Proposed Transaction. See “Proposed Transactions” for further details.

In order to fund future operations or acquisitions, the Company will need to raise additional funds by way of equity or debt. However, there is no assurance that the Company will be able to raise such funds on terms acceptable to it. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

## OUTSTANDING SHARE DATA

There were 303,066,402 common shares outstanding as at May 30, 2019, and as at March 31, 2019.

In January 2018, the Company entered into a convertible loan agreement (the “Convertible Loan Agreement”) pursuant to which the Company has borrowed the principal amount of $300,000, which bears interest at 10% per annum and is repayable on the date that is 12 months from the date of issuance. In January 2019, the maturity date on this debt was extended by another two years to January 4, 2021. The principal amount and accrued interest will be convertible at the option of lender into units of the Company (“Units”) at a conversion price of $0.05 per Unit. Each Unit will consist of one Common Share and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.05 for a period of 12 months from the date they are issued. If the convertible loan plus accrued interest was fully converted on January 4, 2021, and all of the Warrants exercised, the lender would hold an additional 15,600,000 Common Shares

The Company had no stock options outstanding as at May 30, 2019, and as at March 31, 2019

See “Proposed Transactions” for a summary of expected changes to the Company’s share capital if the closing conditions are met for the purchase agreement as announced on November 20, 2018.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

## TRANSACTIONS WITH RELATED PARTIES

The Company has historically received financing from related parties. See the financial statements for further details.

No amounts have been paid to date in 2019 to the executive officers or directors.

## PROPOSED TRANSACTIONS

On November 20, 2018 the Company announced that it has entered into an agreement dated November 16, 2018 with Jonathan Lasser to acquire all of the issued and outstanding equity of Pura Valley, LLC ("Valley"), which holds the licenced Price Creek Ranch production facility in Humboldt County, CA, and Pura Extractions LLC, which holds a majority interest in a high-capacity extraction lab with locations and immediate plans for two additional high-capacity labs for extraction and distillation ("Extraction", and with Valley, the "Purchased Companies").

The acquisition of the Purchased Companies is being done in conjunction with a 10:1 consolidation of Butte's share capital, a change of Butte's name, a financing, and changes to Butte's management (collectively, the "Proposed Transaction"). The parties have agreed to cooperate reasonably and in good faith in finalizing the structure of the Proposed Transaction for optimal tax treatment of the parties and for operational purposes. On completion of the Proposed Transaction, Butte will carry on the business currently carried on by the Purchased Companies.

Among other closing conditions, the Proposed Transaction is subject to the approval of Butte's shareholders. Butte's shares will remain halted until the closing of the Proposed Transaction. Further information respecting the Proposed Transaction and the Purchased Companies and their business will be contained in the management information circular to be prepared by the Company and delivered to its shareholders prior to the Meeting, a copy of which will be filed under the Company's profile at www.sedar.com.

### *About the Purchased Companies*

Jon Lasser is the innovative Founder and CEO of Pura Valley and Pura Extraction. For over 15 years, Mr. Lasser has been a leader in the Humboldt Country Organic Cannabis category. Pura Extraction has established new, innovation methods to isolate botanical compounds and to do so more efficiently resulting in better, purer quality outputs. These two entities will be the core of the Pura vision of a complete, organic, seed to consumer sales company. The Pura Team consists of many industry veterans, experienced executives, and stellar operators.

### *Acquisition of the Purchased Companies*

The November 16, 2018 agreement between Butte and Mr. Lasser includes the following terms:

- In conjunction with a 10:1 consolidation of its share capital (the "Butte Consolidation"), Butte shall raise funds pursuant to a subscription receipt offering (the "Butte Financing"), which on closing will be contributed to a newly formed wholly owned US subsidiary corporation ("USCo"), which shall invest such funds in the Purchased Companies and become the sole manager of the Purchased Companies.

- The operating agreements of the Purchased Companies shall be amended and restated in their entirety to provide members of the Purchased Companies (other than USCo) with a redemption-exchange right which allows the members to exchange their LLC units for Butte shares or at the election of the LLC, a cash equivalent payment (the "Redemption-Exchange Right").

- Members of the Purchased Companies shall purchase special voting shares in Butte for a nominal price based on an appraisal, each of which shall entitle the holder to exercise the equivalent voting rights which would attach to the number of Butte shares such member would be entitled to acquire upon exercise of the Redemption-Exchange Right. The number of such votes to which the holders of special voting shares are entitled will be reduced from time to time as the Redemption-Exchange Right is exercised.

- Butte will reserve an aggregate of 70,000,000 common shares of Butte ("Consideration Shares") for issuance to the members of the Purchased Companies upon the exercise of the Redemption-Exchange Right and in exchange for all of the issued and outstanding securities of the Purchased Companies. The value of the Consideration Shares for the purpose of the Proposed Transaction is $0.75 per share.

The Consideration Shares may be required to be escrowed pursuant to applicable stock exchange requirements.

Following the completion of the purchase of the Purchased Companies, (but prior to the issuance of securities pursuant to the Butte Financing, Mr. Lasser will have the right to exercise approximately 70% of the total votes ascribed to all of the Company's outstanding shares. Mr. Lasser is an arm's length party to the Company. A finder's fee of 2,250,000 shares is payable in connection with the acquisition of the Purchased Companies.

The Proposed Transaction is expected to close later in 2019 and is subject to the conditions set out in the purchase agreement between the Company and Mr. Lasser, including the negotiation of a definitive agreement and related documentation respecting the Proposed Transaction on or before June 30, 2019 (as amended) and the completion of the Butte Financing (described below). It is a condition of Closing of the Proposed Transaction that Butte shall have received conditional approval for the delisting of its common shares from the NEX and for listing of its common shares on the CSE. It is a further condition of the transaction that Stone's Throw Capital Inc. ("STC") will vote all of its common shares (representing approximately 95.4% of the Company's issued and outstanding shares) in favour of the Proposed Transaction and the delisting of the Company's shares from the NEX, and a support agreement respecting this commitment is expected to be entered into prior to or concurrently with the execution of the definitive agreement. The NEX may require majority of the minority approval of the Company's shareholders for the delisting of the Company's shares from the NEX.

***The Butte Financing***

Prior to closing the acquisition of the Purchased Companies, Butte will complete a financing (the "Butte Financing") to raise proceeds to fund the operation of the purchased business and its further growth and development, including the capitalization of USCo and the Purchased Companies. The Butte Financing shall be in an amount and at a price to be determined by the parties, acting reasonably and having regard to market conditions and the anticipated capital requirements of Butte and its business after closing of the acquisition of the Purchased Companies ("Closing"). The Butte Financing will be effected by the issuance of subscription receipts which will convert into Butte common shares at Closing. Finder's fees may be payable in connection with the Butte Financing.

The common shares of Butte issued pursuant to the Butte Financing will be subject to resale hold periods under applicable Canadian and United States securities laws.

***New Management***

On Closing, the existing board and management of Butte shall resign, and subject to their consent and the acceptability of such persons to the CSE, the board of directors of Butte shall include Jonathan Lasser. Douglas Meyer, Patrick McEntee and other persons to be determined prior to Closing. Mr. Lasser shall also serve as the Company's President and Chief Executive Officer. Stone's Throw will be entitled to nominate one director to the board.

Mr. Lasser is the lead force behind the business development, strategic partnerships, team building, and organizational structure of Pura Valley, LLC and Pura Extractions LLC. He has carefully crafted the dynamic foundation of the company through a determined persistence that has manifested rapid growth for the business and its partners. He is a seasoned expert in organic land management and the commercial operation of sustainable outdoor and mixed light cultivation and retail dispensaries with a focus on original heritage strains alongside the newest, best-in-class genetics available and hemp cultivation. An experienced cultivator of twelve years, he has nurtured key industry relationships and assembled a powerful team capable of propelling it to be the most innovative, respected and competitive vertically integrated cannabis company in California.

Douglas Meyer is a senior executive of various Consumer Packaged Goods and Over-the-Counter Medicine companies for almost 40 years. Mr. Meyer has worked at some of the leading United States and Global companies and private equity firms and is respected for his positive management style and successful financial and marketing achievements.

Patrick McEntee has been a leading CEO of technological science oriented companies for almost 20 years. Mr. McEntee has managed major divisions of Oracle, IBM and ABC/Disney. Currently, Mr. McEntee is CEO of Xeriplant, Inc. a company that delivers agricultural compliance, security, and resource systems and services that leverage botanical intelligence, mobility, and cloud computing. XERI is involved in the transformation of urban, rural, and remote agriculture.

***Name Change***

In conjunction with the Butte Consolidation, the Company will change its name from "Butte Energy Inc." to "Pura Cali Group Inc." or such other name as may be selected by the Butte board of directors.

***The Convertible Debenture***

Stone’s Throw holds a $300,000 convertible loan which bears interest at 10% per annum. STC agreed to extend the maturity date of the debenture from January 3, 2019 to January 4, 2021.

## SIGNIFICANT ACCOUNTING POLICIES

A summary of significant account policies is described in the Company’s audited financial statements for the year ended December 31, 2018.

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and the cumulative effect of initially applying IFRS 16 has been recorded on January 1, 2019 for any differences identified.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IFRS 17 and requiring the recognition of a right-of-use asset (“ROU asset”) and a lease liability at the lease commencement for all leases, except for short-term leases (lease terms of 12 months or less) and leases of low value assets. Leases to explore for or use oil or natural gas are specifically excluded from the scope of IFRS 16.

The Company has determined that the adoption of IFRS 16 resulted in no adjustments to the opening balance of accumulated deficit.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the financial statements.

In preparing the interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those in the Company's financial statements for the year ended December 31, 2018.

## PRINCIPAL BUSINESS RISKS

The Company's business and results of operations are subject to a number of risks and uncertainties, including but not limited to the following:

Exploration, development, production and marketing of oil and natural gas involves a wide variety of risks which include but are not limited to the uncertainty of finding oil and gas in commercial quantities, securing markets for existing reserves, commodity price fluctuations, exchange and interest rate exposure and changes to government regulations. Changes in government regulation further include risks relating to prices, taxes, royalties and environmental protection. The oil and gas industry is intensely competitive and the Company competes with a large number of companies with greater resources.

The Company currently has no revenues from operations and is evaluating potential opportunities, including those outside of the oil and gas industry. On November 20, 2018, the Company announced a proposed transaction, which, if approved, would result in the Company entering the cannabis industry (see "Proposed Transactions"). Should this proposed transaction proceed, it will expose the Company to different business risks than if it continued in the oil and gas industry.

The Company's ability to close the proposed transaction or acquire new prospects will require that sufficient capital from outside sources will be available to the Company in a timely manner. Several factors affect the availability of equity or debt financing, many that are beyond the control of the Company. The Company will continue to seek to obtain funding through similar or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to acquire a new prospect, obtain additional funding or obtain it on acceptable terms, or establish profitable operations.

## INTERNAL CONTROL OVER REPORTING

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## CORPORATE INFORMATION

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|---|---|
| **STOCK EXCHANGE LISTING** | NEX Board of the TSX Venture Exchange<br>Trading Symbol: BEN.H |
| **MAILING ADDRESS** | 500-666 Burrard Street<br>Vancouver, BC, Canada V6C 2X8 |
| **REGISTERED ADDRESS** | 1700-666 Burrard street<br>Vancouver, BC, Canada V6C 2X8 |
| **DIRECTORS** | Lee Bowles<br>Jason Rickert |
| **OFFICERS** | Jason Rickert – Interim CEO<br>JoAnne Odette – Chief Financial Officer<br>Christina Boddy – Corporate Secretary |
| **AUDITORS** | Davidson & Company LLP |
| **TRANSFER AGENT AND REGISTRAR** | Computershare |