BENEV CAPITAL INC.
(formerly Bennett Environmental Inc.)

Management's Discussion and Analysis

November 13, 2012

The following is management's discussion in respect of the results of operations of BENEV Capital Inc. ("BENEV" or the "Company") for the quarter ended September 30, 2012 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the quarters ended September 30, 2012 and 2011 and the Company's audited consolidated financial statements and management's discussion and analysis ("MD&A") for the years ended December 31, 2011 and 2010. The financial statements of the Company are presented in Canadian dollars and are in accordance with International Financial Reporting Standards ("IFRS"). The following MD&A is dated November 13, 2012. Additional information related to the Company, including its Annual Information Form, Management Information Circular and Proxy form is available on SEDAR at www.sedar.com.

OVERVIEW

The Company generates its revenues by treating contaminated soils pursuant to contracts obtained in competitive bidding processes. The Company's customer base is composed mainly of government agencies, utilities, environmental services companies and private industry. The number and size of the contracts obtained each year will vary depending on the funding of the projects and the timing of the processing of contaminated materials from customers.

The Company's soil treatment facility located in Saint Ambroise, Quebec is an ISO 14001(2004) certified facility. It treats soils contaminated with organics and its Certificate of Authorization was expanded in 2005 to include dioxins and furans. The facility has an annual processing capacity of up to 100,000 metric tonnes depending on the nature of material being processed.

The facility can only be run efficiently when operating continuously for extended periods. The sporadic level of demand for the Company's services is such that this facility is rarely operated continuously for extended periods. In order to maximize operating efficiency the Company has adopted a campaign approach which involves periods of shutdown during which inventories are stockpiled followed by periods of operation where the Company processes the accumulated inventories and the entire process is then repeated.

CURRENT OPERATING CAMPAIGN

Previous to the current campaign, the facility had not processed soil since it was shut down at the conclusion of its last campaign, which ended on September 23, 2010. Processing of soil held in inventory for the Company's current campaign commenced on May 2, 2012 and during the third quarter the Company treated approximately 23,000 tonnes. As at September 30, 2012 the Company had approximately 13,300 tonnes of untreated soil remaining at the facility. From the end of the third quarter 2012 to October 31, 2012, the Company received approximately 300 additional tonnes of soil with approximately 2,500 tonnes currently anticipated to be received from various jobs which have been awarded but not shipped or not fully shipped. For each of these contracts awarded but not yet shipped, the tonnage amounts are approximate, and in each case there is no commitment on the part of the client with respect to the amount of material or remaining material that will be shipped under the contract, or the timing of these shipments. Actual amounts shipped may be more or less than the anticipated amounts. Revenue from processed soil will be a function of the type of soil treated, pricing of the various contracts, and other factors. Revenue may vary from past revenues due to these and other variables, and the variances may be significant.

DISCONTINUANCE OF JOHN BENNETT'S $50 MILLION LAWSUIT

During the third quarter of 2012 the Company received a Notice of Discontinuance from John Bennett regarding the lawsuit that Mr. Bennett, the Company's former CEO, commenced against the Company in January, 2012. This lawsuit, which made allegations of conspiracy and oppression against the Company and which also named a number of former directors and officers of the Company as defendants, sought damages in an amount in excess of $50 million from the Company and such other defendants. Mr. Bennett has also discontinued this action against these other named defendants. The Company intends to seek recovery from Mr. Bennett of the costs it has incurred in defending against this action and has taken steps in this regard.

The Company had not recorded any provision in respect of this matter and has not recorded any recovery of costs which it intends to pursue with Mr. Bennett.

SETTLEMENT WITH ENVIRONMENTAL PROTECTION AGENCY

On October 3, 2012 the Company entered into an Administrative Agreement (the "Agreement") with the Environmental Protection Agency of the United States of America ("EPA"), under which it has agreed to extend the term of its Corporate Responsibility Program (the "CRP"), which it had previously agreed to implement in a prior compliance agreement entered into with the EPA in February, 2009 (the "Compliance Agreement"), for an additional period of two years, commencing on October 3, 2012. Under the Agreement, BENEV also agreed to certain additional reporting, certification and monitoring requirements regarding its CRP.

In March of this year, BENEV announced that it had been notified by the EPA that as a result of certain documentary and procedural compliance deficiencies that occurred during the period prior to June 2011, the EPA intended to bring proceedings against it to bar it from accepting new U.S. federal government or related contracts for a period of five years. The issues raised in the

EPA notice were of an administrative compliance nature, and did not relate to environmental concerns or any current breaches.

BENEV has worked cooperatively with EPA staff during the past several months to resolve these issues, and as a result, has entered into the Agreement. Additionally, BENEV has, during this period, rectified the deficiencies which had occurred under the Compliance Agreement on its own initiative.

Under the Agreement, BENEV will continue its CRP, which includes: periodic training for its employees regarding environmental, health and safety, ethics, and integrity issues; periodic updating and review of its codes of ethics and conduct; and periodic audits of its compliance with applicable laws and regulations regarding the conduct of its business. In addition, BENEV will be required to periodically certify its compliance with these requirements, and must retain an independent monitor to provide oversight of its compliance with the Agreement.

Provided that the terms and conditions of the Agreement are faithfully fulfilled, the Agreement provides that the EPA will not suspend, debar or statutorily disqualify BENEV for the documentary and procedural compliance deficiencies which occurred during the period prior to June, 2011, as was contemplated in the EPA's above-referenced proposed debarment notice to the Company.

BENEV has already taken steps and put processes in place to seek to ensure its compliance with the requirements of the Agreement.

STRATEGY

The Board of Directors has actively continued the process of positioning the Company for the future, with a view to enhance the value of the Company for the benefit of the Company's shareholders and other stakeholders. The Company is continuing to pursue strategic merger and acquisition opportunities. The Board and CEO will seek to source, structure and complete one or more transformative transactions, designed to create meaningful value to shareholders. This may or may not be in the environmental space, and may involve one or more of a sale of the Company as a whole, a sale of all or substantially all of the Company's assets, an acquisition, a merger or a strategic investment. However, there can be no assurance that any transactions may occur or when.

With respect to its core soil remediation business, BENEV will continue to focus on building sustainable growth and shareholder value by securing orders for soil treatment, and building new relationships with key market players and decision makers in treatment projects.

SUMMARY OF QUARTERLY RESULTS

The following table discloses certain unaudited financial data for the eight most recently completed quarters, expressed in millions of Canadian dollars (except per share data – basic and diluted which is in dollars).

	2012			2011				2010
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	12.23	8.23	-	-	-	-	-	-
Net income (loss)	6.55	3.37	(1.22)	(1.57)	(1.67)	(4.29)	(1.77)	(2.91)
Earnings (loss) per common share*								
Basic	0.17	0.09	(0.03)	(0.04)	(0.04)	(0.11)	(0.05)	(0.08)
Diluted	0.17	0.09	(0.03)	(0.04)	(0.04)	(0.11)	(0.05)	(0.08)

*The sum of the quarterly earnings per share values in 2012 does not equal the total on the financial statements for the nine months ended September 30, 2012 due to rounding.

Variations in revenue over the last eight quarters are due to the volumes of material processed in each quarter. The net income in the third quarter of 2012 is significantly higher than the second quarter of 2012. This is due to differences in: volumes processed; the amount of transportation included in revenue; and income taxes. While there is no revenue in six of the last eight quarters, the last quarter of 2010 and second quarter of 2011 have significantly higher losses. The losses in the last quarter of 2010 were due to higher income taxes, operating costs and finance costs. Costs incurred in connection with the proxy contest are responsible for the higher losses in the second quarter of 2011.

OPERATING RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012

Sales

Sales for the third quarter of 2012 were $12.2 million compared to nil in the same period a year earlier. Approximately 23,000 metric tonnes of soil were processed during the third quarter of this year, while there was no soil processed in the comparable quarter of 2011.

Operating Costs

Operating costs consist mainly of transportation costs, fuel, processing supplies, maintenance costs, and labour. Some of these costs fluctuate based on the number of tonnes processed; however, there are some costs which are fixed in nature.

Operating costs for the third quarter of 2012 were $5.1 million compared to $0.4 million in 2011. Operating costs increased because no soil was processed in the comparable quarter of 2011.

OTHER INCOME STATEMENT ITEMS

Administration and Business Development Costs

Administration and business development costs were $1.1 million in the third quarter of 2012, compared with $1.2 million in the same quarter of 2011. The decrease is primarily due to a reduction in directors' fees and employee bonus accruals partially offset by increases in non-cash share-based compensation.

Amortization

Amortization expense has remained relatively flat at $0.2 million during the third quarter of both years.

Loss on Disposal of Assets Held for Sale

When the Company sold its Belledune facility, on April 8, 2011, the purchaser held back $0.3 million of cash consideration at closing to cover the costs of remediating creosote contamination of the building. During the third quarter of 2012, the Company agreed to allow the purchaser of the facility to retain the holdback in return for releasing the Company from all post-closing undertakings and its obligation to remediate the facility. As a result of this agreement the Company has recorded an additional loss on disposal in the amount of $0.05 million in the third quarter of 2012. No costs were incurred in the third quarter of 2011 in connection with this matter.

Finance Income/Costs

Finance income earned has remained relatively flat at $0.2 million during the third quarters of both years.

Finance costs have remained relatively flat, ranging between $0.01 and $0.02 million during the third quarter of 2012 and 2011, respectively.

Income Taxes

The Company recorded an income tax recovery of $0.6 million in the third quarter of 2012. No income tax recovery or expense was recorded in the third quarter of 2011. The recovery is the net result of the recognition of a $1.0 million deferred tax asset and a $0.4 million deferred tax liability. The deferred tax asset is due to the recognition of income tax loss carry forwards in advance of the date they can be realized. The Company is recognizing these amounts because the current inventory levels of unprocessed soil on hand make it probable that sufficient taxable income will be generated to utilize certain tax loss carry forwards currently available. The deferred tax liability is due to holdbacks receivable which create temporary differences between accounting and taxable income.

The net deferred tax assets will be drawn down and recorded as deferred tax expense in the fourth quarter as the Company earns taxable income.

Net Earnings (Loss)

The net earnings for the third quarter of 2012 was $6.6 million or a basic and diluted earnings per share of $0.17 compared to a net loss of $1.7 million or basic and diluted loss per share of $0.04 for the third quarter of 2011. Net earnings increased because no soil was processed in the comparable quarter of 2011.

OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012

Sales

Sales for the nine month period ended September 30, 2012 were $20.5 million compared to nil in the same period a year earlier. The Saint Ambroise facility commenced its most recent campaign to process soil held in inventory on May 2, 2012. No soil was processed during the first nine months of 2011.

Operating Costs

Operating costs consist mainly of transportation costs, fuel, processing supplies, maintenance costs, and labour. Some of these costs fluctuate based on the number of tonnes processed; however, there are some costs which are fixed in nature.

Operating costs for the nine months ended September 30, 2012 were $9.2 million compared to $1.1 million in the same period a year ago. Operating costs increased because no soil was processed in the comparable period of 2011.

OTHER INCOME STATEMENT ITEMS

Administration and Business Development Costs

Administration and business development costs were $3.6 million in the nine months ended September 30, 2012, compared with $4.3 million in the same period of 2011. The decrease is primarily due to a reduction in professional and consulting fees in connection with M&A activities partially offset by increases in non-cash share-based compensation.

Management/Board Restructuring Costs

The Company was engaged in a proxy contest with its largest shareholder during the latter part of the first quarter and most of the second quarter of 2011. For the first nine months of 2011, the costs of this contest and related restructuring costs amounted to $2.5 million. No costs were incurred in 2012 in respect of this matter.

Amortization

Amortization expense has remained relatively flat ranging between $0.6 million and $0.7 million during the first nine months of 2012 and 2011, respectively.

Loss on Disposal of Assets Held for Sale

When the Company sold its Belledune facility, on April 8, 2011, the purchaser held back $0.3 million of cash consideration at closing to cover the costs of remediating creosote contamination of the building. During the third quarter of 2012, the Company agreed to allow the purchaser of the facility to retain the holdback in return for releasing the Company from all post-closing undertakings and its obligation to remediate the facility. As a result of this agreement the Company has recorded an additional loss on disposal in the amount of $0.05 million. $0.02 million of costs were incurred during the nine months ended September 30, 2011.

Finance Income/Costs

Finance income earned in the first three quarters of 2012 increased by $0.2 million over the comparable period in 2011. The increase was due to a larger interest refund in connection with income tax reassessment of returns filed in a prior period compared to the same period in 2011.

Finance costs remained relatively flat, ranging between $0.07 and $0.08 million during the first nine months of 2011 and 2012, respectively.

Income taxes

The Company recorded income tax recoveries of $0.8 million and $0.2 million in the first nine months of 2012 and 2011, respectively. The income tax recovery in the first nine months of 2012 is composed of the recognition of a net deferred tax asset of $0.6 million, as described on page 5 of this report, and a reduction in current income tax accruals in the amount of $0.2 million. The current income tax accrual was recorded in a prior period and is reduced now because it is no longer required. The income tax recovery in the same period of the prior year was due to the reassessment of a return filed in a previous period.

The net deferred tax assets will be reversed as deferred tax expense in the fourth quarter as the Company earns taxable income.

Net Earnings (Loss)

The net earnings for the nine months ended September 30, 2012 was $8.7 million or a basic and diluted earnings per share of $0.22 compared to net loss of $7.7 million or basic and diluted loss per share of $0.20 for the third quarter of 2011. The net earnings for the first nine months of 2012 was the result of the commencement of a new campaign on May 2, 2012 to process soil held in inventory. The net loss for the first nine months of 2011 was the result of: no production at the Saint Ambroise facility throughout the period; management/board restructuring costs; and expenditures made evaluating acquisitions which were not concluded.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

At September 30, 2012 the Company had cash and equivalents of $55.0 million and working capital (including cash) of $61.5 million compared to cash and equivalents of $58.7 million and working capital (including cash) of $52.3 million on December 31, 2011.

Cash from Operating Activities

For the first nine months of 2012, cash used by operations amounted to $3.5 million as compared to a use of cash by operations of $7.1 million during the comparable period of 2011. Earnings for the first nine months of 2012 were more than offset by the increase in amounts receivable and holdbacks receivable and the decrease in deferred revenue resulting in the net use of cash. The Company records deferred revenue when cash is collected from customers before soil has been processed. Deferred revenue is drawn down and recorded as revenue as the customer's soil is processed. The loss during the first nine months of 2011 was primarily responsible for the use of cash during that period.

Cash from Investing Activities and Capital Expenditures

Cash used in investing activities during the first nine months of 2012 was $0.1 million versus cash provided of $1.6 million in the same period of the prior year. The use of cash in 2012 is due to capital expenditures at the Saint Ambroise facility and the increase in cash during the prior year resulted from the sale of the Belledune facility, offset by capital expenditures at the Saint Ambroise facility.

Cash from Financing Activities

Cash used in financing activities was $0.1 million in the first nine months of 2012 versus cash provided by financing activities of $0.6 million during the first nine months of 2011. The exercise of stock options was primarily responsible for the generation of cash in the prior period.

Contractual Obligations

The following are the contractual maturities of financial liabilities, including estimated interest payments.

Millions of Canadian dollars	Carrying amount	Contractual cash flow	2012	2013	2014	2015	2016	Thereafter
Tenure agreement	$ 0.76	$ 0.81	$ 0.02	$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.47
Finance leases	0.05	0.05	0.02	0.03	-	-	-	-
Accounts payable and accrued liabilities	2.14	2.14	2.14	-	-	-	-	-
Total contractual obligations	$ 2.95	$ 3.00	$ 2.18	$ 0.11	$ 0.08	$ 0.08	$ 0.08	$ 0.47

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

FINANCIAL AND OTHER INSTRUMENTS

On occasion short-term foreign exchange forward contracts are used to reduce foreign exchange risk. The Company marks these contracts to market, and records the corresponding gain or loss in income.

As at September 30, 2012 the Company had no foreign exchange contracts outstanding. As at December 31, 2011, the Company held a foreign exchange contract to buy $1,300,000 U.S. The fair value of the contract was an unrealized loss of $14,000 which was recorded as an accrued liability on the Statement of Financial Position and a foreign exchange loss on the Statement of Operations and Comprehensive Income (Loss).

CONTINGENCIES AND PROVISIONS

There were no changes to the provisions and contingencies as described in notes 12 and 29 to the Company's 2011 financial statements except for:

(a) A foreign exchange adjustment to provisions as described in note 8 to the accompanying financial statements for the nine months ended September 30, 2012.

(b) As more fully described in note 12(b) to the Company's 2011 consolidated annual financial statements, the Company's founder and former CEO, John Bennett, has been indicted by the U.S. Department of Justice in connection with alleged illegal activities during the period he was CEO. Mr. Bennett requested, and the Company opposed, indemnification from the Company for legal costs in connection with these matters. In 2011, the Ontario Superior

Court required that the Company provide Mr. Bennett with interim relief for legal costs incurred after August 30, 2009. During the current period, the Company has made payments of $13,207 to Mr. Bennett in respect of previously awarded legal costs.

During the second quarter of this year, Mr. Bennett served the Company with a claim in connection with this matter. The claim seeks to recover Mr. Bennett's legal costs incurred prior to August 31, 2009, estimated to be $0.2 million, and any future payments he is required to make resulting from criminal or civil proceedings against him.

Management believes there is no basis for making the claim against the Company. Accordingly the Company has made no additional provision as a result of this action and intends to vigorously defend against this claim.

(c) As more fully explained on page 3 of this report, the Company received a Notice of Discontinuance of John Bennett's $50 million lawsuit against the Company during the third quarter of 2012.

(d) As more fully explained on page 2 and 3 of this report, the Company has negotiated a resolution to all outstanding issues with EPA.

TRANSACTIONS WITH RELATED PARTIES

The Company had retained the services of a corporation, owned by a former director, to support its corporate development activity commencing in September, 2010. The agreement was terminated effective June 22, 2011. During the period ended September 30, 2012, the Company incurred consulting fee expenses of nil (2011 – $119,506) under this arrangement.

As a result of a settlement agreement made as at June 22, 2011 with the Company's largest shareholder, Second City Capital Partners I, L.P. ("SCC"), the Company agreed to a proposal to replace the CEO and change the composition of the Board of Directors. The resolutions arising from this settlement agreement were voted on and passed at the Company's Annual and Special Meeting on June 29, 2011. The Company entered into transition agreements with the Company's CEO and CFO and has agreed to reimburse SCC for expenditures incurred in connection with its dispute with the Company. SCC expenditures, in the amount of $600,541, were expensed by the Company during the second quarter of 2011 and paid subsequently. The transition agreements with the CEO and CFO are described below.

On June 29, 2011 Mr. Jack Shaw's employment as the Company's President and CEO was terminated. During the second quarter of 2011 he received a termination payment of $275,000. Mr. Shaw agreed to provide the Company with consulting and transitioning services for a period of up to six months commencing June 29, 2011. Upon satisfactory completion of the consulting contract he received a further termination payment of $137,500. During the second quarter of 2011, and as part of these settlement arrangements, Mr. Fred Cranston agreed to continue as the Company's CFO on a full-time basis for a period not less than 12 months commencing on June 29, 2011. Mr. Cranston received a termination payment of $199,167 during the second quarter of 2011. During the second quarter of 2012, Mr. Cranston received a further termination payment of $160,000. The full amount of all termination payments to Messrs. Shaw and Cranston were expensed in the second quarter of 2011.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

There are no changes in the Company's critical accounting estimates as described in the Company's annual MD&A dated March 28, 2012 which can be found on SEDAR at www.sedar.com.

SHARE CAPITAL

The number of common shares outstanding at November 13, 2012 was 38,685,562. There were 1,631,460 stock options outstanding as at September 30, 2012 exercisable at prices from $0.24 to $2.12 per share. No warrants were exercised in 2012 and all of the warrants expired on May 7, 2012.

CHANGES IN ACCOUNTING POLICIES

During the third quarter of 2012 there were no changes in accounting policies and no new standards or interpretations were announced by the International Accounting Standards Board which are expected to have a material impact on the Company's financial statements.

RISK FACTORS

Information on "Risk Factors" can be found in the Company's Annual Information Form dated March 28, 2012 for the fiscal year ended December 31, 2011.

CONTROLS AND PROCEDURES

In compliance with the requirements of National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, our Certifying Officers have reviewed and certified the interim Condensed Consolidated Financial Statements for the period ended September 30, 2012, together with other financial information included in our quarterly securities filings. Our Certifying Officers have also certified that disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to our Company is made known within our Company. Further, our Certifying Officers have also certified that internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of interim Condensed Consolidated Financial Statements. There have not been any material changes in internal controls over financial reporting or disclosure controls and procedures since the last year end.

Forward Looking Statements

Certain statements contained in this MD&A, or incorporated herein by reference, may constitute "forward-looking statements" which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The use of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “confident”, “plan” and “intends” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect current expectations, estimates and projections regarding future events and operating performance and speak only as of the date of this MD&A. These forward-looking statements involve a number of risks and uncertainties. The following are some factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking statements: competition; changes in international, national and local business and economic conditions; legislation and governmental regulation; accounting policies and practices; and the results of operations and financial condition of the Company. The foregoing list of factors is not exhaustive. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as expressly required by law.