NOTICE TO SHAREHOLDERS

BENTON
RESOURCES INC.

(A Development Stage Enterprise)

Condensed Interim Financial Statements
For the six months ended December 31, 2014

(Stated in Canadian Dollars)

Responsibility for Financial Statements

The accompanying financial statements for Benton Resources Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended December 31, 2014.

BENTON RESOURCES INC.
(A Development Stage Enterprise)

December 31, 2014

BENTON RESOURCES INC.
(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Prepared by Management – Unaudited)

As at	**December 31, 2014 $**	June 30, 2014 $
ASSETS		
Current		
Cash	**77,079**	110,408
Temporary investments (note 3)	**5,501,488**	6,486,202
Accounts and other receivables	**206,279**	81,872
Prepaid expenses	**18,636**	11,886
Refundable security deposits (note 12)	**81,831**	153,734
	5,885,313	6,844,102
Long-term investments (note 4)	**492,584**	882,784
Property and equipment, net (note 5)	**114,655**	112,007
Exploration and evaluation assets (note 6)	**6,390,750**	5,778,252
	12,883,302	13,617,145
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	**44,438**	141,821
Shareholders' Equity		
Capital Stock (note 7)		
Share capital	**27,564,286**	27,485,786
Reserves	**1,242,941**	1,200,387
Deficit	**(15,968,363)**	(15,210,849)
	12,838,864	13,475,324
	12,883,302	13,617,145

See Nature of Operations and Going Concern – Note 1

These condensed interim financial statements are authorized for issue by the Board of Directors on February 19, 2015. They are signed on the Corporation's behalf by:

"Stephen Stares" President, Chief Executive Officer and Director
"Clint Barr" Director

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Prepared by Management – Unaudited)

	Three Months Ended Dec. 31, 2014 $	Three Months Ended Dec. 31, 2013 $	Six Months Ended Dec. 31, 2014 $	Six Months Ended Dec. 31, 2013 $
EXPENSES				
Advertising and promotion	22,284	32,875	31,427	64,986
Share-based payments (note 10)	18,698	22,710	42,554	62,355
General and administrative	218,842	237,186	400,138	452,908
Professional fees	15,043	19,607	25,371	31,107
Stock exchange and filing fees	3,843	7,175	3,843	7,175
Depreciation expense	9,141	9,217	17,092	15,091
Write-down of exploration and evaluation assets	-	10,250	-	11,623
Pre-acquisition exploration and evaluation	10,111	1,200	10,135	12,786
Foreign currency translation adjustment	(14,161)	(13,000)	(32,854)	(3,442)
	(283,801)	(327,220)	(497,706)	(654,589)
Other income (expense):				
Interest and investment income	32,423	4,306	68,613	64,461
Adjustment to fair value for fair value through profit and loss investments	(186,012)	(242,017)	(293,201)	(381,870)
Gain on sale of exploration and evaluation assets (note 4)	-	-	-	510,686
Loss on sale of long-term investments (note 4)	-	(177,907)	(35,220)	(177,907)
	(153,589)	(415,618)	(259,808)	15,370
Loss before income taxes	(153,589)	(742,838)	(757,514)	(639,219)
Deferred income tax recovery	-	293,456	-	293,456
Loss and comprehensive loss for the period	(437,390)	(449,382)	(757,514)	(345,763)
Loss and comprehensive loss per common share – basic and diluted	-	-	(0.01)	-
Weighted average shares outstanding – basic and diluted	76.965,553	75,928,811	76,965,553	75,395,444

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Prepared by Management – Unaudited)
For the six months ended December 31, 2014 and 2013

	Share Capital			Retained earnings	Total shareholders'
	Number	Amount	Reserves	(deficit)	equity
		$	$	$	$
Balance at June 30, 2013	74,609,031	27,451,536	934,008	(10,705,802)	17,679,742
Loss and comprehensive loss for the period	-	-	-	(345,763)	(345,763)
Issued in connection with property purchase agreements	1,850,000	126,000	-	-	126,000
Shares purchased and cancelled under normal course issuer bid	(250,000)	(91,750)	76,500	-	(15,250)
Share-based payments	-	-	62,355	-	62,355
Balance at December 31, 2013	**76,209,031**	**27,485,786**	**1,072,863**	**(11,051,565)**	**17,507,084**
Balance at June 30, 2014	**76,209,031**	**27,485,786**	**1,200,387**	**(15,210,849)**	**13,475,324**
Loss and comprehensive loss for the year	-	-	-	(757,514)	(757,514)
Issued in connection with property purchase agreements	1,600,000	78,500	-		78,500
Share-based payments	-	-	42,554	-	42,554
Balance at December 31, 2014	**77,809,031**	**27,564,286**	**1,242,941**	**(15,968,363)**	**12,838,864**

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Prepared by Management – Unaudited)

	Six Months Ended December 31, 2014 $	Six Months Ended December 31, 2013 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Income (loss) and comprehensive income (loss) for the period	(757,514)	(345,763)
Deferred income tax recovery	-	(293,456)
Write-down of exploration and evaluation assets	-	11,623
Unrealized change in fair value for fair value through profit and loss investments	293,201	381,870
Gain on sale of exploration and evaluation assets	-	(510,686)
Depreciation expense	17,092	15,091
Share-based payments	42,554	62,355
Net change in non-cash working capital balances related to operating activities (note 11)	(156,637)	(93,028)
Cash flows used in operating activities	(561,304)	(771,994)
FINANCING ACTIVITIES		
Shares purchased and cancelled under normal course issuer bid	-	(15,250)
Cash flows provided by (used in) financing activities	-	(15,250)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(534,041)	(1,178,759)
Proceeds on sale of exploration and evaluation assets	-	59,000
Purchase of property and equipment	(19,698)	(54,940)
Loss on sale of long-term investments	35,220	177,907
Unrealized change in fair market value of temporary investments included in cash	(23,000)	-
Net proceeds on sale of long-term investments	84,780	245,454
Cash flows provided by (used in) investing activities	(456,739)	(751,338)
Decrease in cash and temporary investments	(1,018,043)	(1,538,582)
Cash and temporary investments - beginning of period	6,596,610	8,692,960
Cash and temporary investments – end of period	5,578,567	7,154,378

Supplemental cash flow information (note 11)

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Prepared by Management – Unaudited)

December 31, 2014

1. NATURE OF OPERATIONS AND GOING CONCERN:

Benton Resources Inc. (“Benton” or the “Company”) was incorporated on November 8, 2011 as 0924698 B.C. Ltd. (renamed Benton Resources Inc. on July 25, 2012) under the laws of British Columbia and is a development stage public company whose shares began trading on the TSX Venture Exchange on August 1, 2012. Its principal business activities are the acquisition, exploration and development of mineral properties. On July 27, 2012, the Company received certain assets by way of a court-approved plan of arrangement (the “Arrangement”) from Benton Capital Corp. (formerly Benton Resources Corp.).

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company’s ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

	December 31, 2014	June 30, 2014
Working capital	$5,840,875	$ 6,702,281
Deficit	$(15,968,363)	$(15,210,849)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB (“International Accounting Standards Board”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34- Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the audited annual financial statements of the Company for the year ended June 30, 2014.

The policies applied in these interim condensed financial statements are based on IFRS issued and outstanding as of February 19, 2015, the date the Audit Committee approved the statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the period ended December 31, 2014.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual financial statements and the notes thereto for Benton Resources Inc. for the year ended June 30, 2014.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

3. TEMPORARY INVESTMENTS:

	December 31, 2014 $	June 30, 2014 $
Money Market Mutual funds	4,591,988	4,853,702
Guaranteed Investment Certificates	-	700,000
Investment Trust	909,500	932,500
	5,501,488	6,486,202

These funds are available for exploration and other purposes upon the request of the Company.

The mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.
The investment trust is a fully liquid senior loan fund with interest rates ranging from 6% to 6.75%.

4. LONG-TERM INVESTMENTS:

	December 31, 2014		June 30, 2014	
	Market $	Cost $	Market $	Cost $
Canadian Equities				
Mineral Mountain Resources (i)	226,589	3,107,500	388,437	3,107,500
Sokoman Iron Corp. (ii)	1,550	201,500	4,650	201,500
Parkside Resources Corporation (iii)	50,000	547,708	50,000	547,708
Gold Royalties Corporation (iv)	31,731	285,578	130,449	285,578
Alabama Graphite Corp. (v)	170,000	240,000	285,000	360,000
Other	12,714	401,348	24,248	401,348
	492,584	4,783,634	882,784	4,903,634

(i) The 6,473,958 Mineral Mountain Resources ("Mineral Mountain") common shares are valued at the December 31, 2014 closing price of $0.035 per share (June 30, 2014 - $0.06). Mineral Mountain is listed on the TSX Venture Exchange under the symbol "MMV".

(ii) The 155,000 Sokoman Iron Corp. ("Sokoman") common shares (formerly Golden Dory Resources Corp.) are valued at the December 31, 2014 trading price of $0.01 per share (June 30, 2014 - $0.03). Sokoman is listed on the TSX Venture Exchange under the symbol "SIC".

(iii) The 5,000,000 Parkside Resources Corporation ("Parkside") common shares are listed on the TSX Venture Exchange under the symbol "PKS" and are valued at the December 31, 2014 trading price of $0.01 per share (June 30, 2014 - $0.01). The Company's share position in Parkside is subject to certain escrow conditions and as a result only 3.5 million of the shares are free trading at December 31, 2014. In addition, the Company held 2 million common share purchase warrants exercisable at $0.20 each that expired on February 17, 2015.

(iv) The 352,565 Gold Royalties Corporation ("Gold Royalties") common shares are valued at the December 31, 2014 trading price of $0.09 per share (June 30, 2014 - $0.37). Gold Royalties is listed on the TSX Venture Exchange under the symbol "GRO".

(v) The 1 million Alabama Graphite Corp. ("Alabama Graphite") common shares are listed on the TSX Venture Exchange under the symbol "ALP" and the shares are valued at the December 31, 2014 closing price of $0.17 per share (June 30, 2014 - $0.19 (1.5 million shares)). The shares were received by the Company as part of the consideration received pursuant to the sale on August 19, 2013 of 16 claim units that were acquired by staking by the Company near Hearst, Ontario ("Hearst Graphite Property"). Alabama Graphite purchased a 100% interest in the Hearst Graphite Property by paying the Company $8,000 (received) and issuing to the Company 2 million common shares of Alabama Graphite. During the six month period ended December 31, 2014, the Company sold 500,000 of the shares for net proceeds of $84,780 and recorded a loss on the disposition of $35,220. During the year ended June 30, 2014, the Company sold 500,000 of the shares for net proceeds of $55,873 and recorded a loss on the disposition of $64,127.

Of the remaining 1 million common shares of Alabama Graphite, 500,000 are restricted from trading until June 22, 2015.

The Company retains a 2% NSR on the property with Alabama Graphite having the right to buy back 50% of the NSR (i.e. 1%) for $1 million.

5. PROPERTY AND EQUIPMENT:

	December 31, 2014			June 30, 2014		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	$ 59,518	$ 56,519	$ 2,999	$ 59,518	$ 55,498	$ 4,020
Furniture and Equipment	109,256	66,959	42,297	104,858	62,504	42,354
Computer Software	110,262	109,433	829	110,262	108,605	1,657
Exploration Camps	220,532	176,582	43,950	220,532	168,826	51,706
Automotive	56,970	32,390	24,580	41,671	29,402	12,269
Total	$ 556,538	$ 441,883	$ 114,655	$ 536,841	$ 424,835	$ 112,006

6. EXPLORATION AND EVALUATION ASSETS:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the six month period ended December 31, 2014 and year ended June 30, 2014 is summarized in the tables below:

For the six months ended December 31, 2014

		Saganaga/Q9 (a)	Long Range (b)	Elizabeth Anne (c)	Abernethy (d)	Cape Ray (e)	Other (f)	Total
June 30, 2014 - Acquisition Costs	$	280,953	-	-	13,569	756,820	685,790	1,737,132
Additions		800	-	-	-	76,275	15,210	92,285
Write-downs/Recoveries/Disposals **(h)**		-	-	-	-	-	-	-
Subtotal	$	800	-	-	-	76,275	15,210	92,285
Dec. 31, 2014 - Acquisition Costs	$	**281,753**	**-**	**-**	**13,569**	**833,095**	**701,000**	**1,829,417**
June 30, 2014 - Exploration and Evaluation Expenditures	$	2,021,555	-	-	353,248	959,510	706,807	4,041,120
Assaying		-	-	-	-	40,513	3,422	43,935
Prospecting		432	-	-	-	13,120	13,858	27,410
Geological		351	-	-	-	21,350	82	21,783
Geophysical		-	-	-	-	2,524	-	2,524
Linecutting		-	-	-	-	18,300	425	18,725
Trenching		-	-	-	-	24,018	12,155	36,173
Diamond Drilling		-	-	-	-	441,122	-	441,122
Metallurgy		-	-	-	-	962	-	962
Resource Modeling		-	-	-	-	4,706	-	4,706
NI 43-101 Reporting		-	-	-	-	1,720	-	1,720
Permitting		-	-	-	-	-	-	-
Environmental		-	-	-	-	962	-	962
Compilation		-	-	-	-	21,166	-	21,166
Miscellaneous		1,400	-	-	-	12,400	10,225	24,025
Write-downs/Recoveries/Disposals **(h)**		-	-	-	-	(125,000)	-	(125,000)
Subtotal	$	2,183	-	-	-	477,863	40,167	520,213
Dec. 31, 2014 - Exploration and Evaluation Expenditures	$	**2,023,738**	**-**	**-**	**353,248**	**1,437,373**	**746,974**	**4,561,333**
Dec. 31, 2014 - Total	$	**2,305,491**	**-**	**-**	**366,817**	**2,270,468**	**1,447,974**	**6,390,750**

For the year ended June 30, 2014

		Saganaga/Q9 (a)	Long Range (b)	Elizabeth Anne (c)	Abernethy (d)	Cape Ray (e)	Other (f)	Total
June 30, 2013 - Acquisition Costs	$	280,953	203,130	172,161	13,569	28,490	682,793	1,381,096
Additions		-	-	39,278	-	728,330	36,241	803,849
Write-downs/Recoveries/Disposals **(h)**		-	(203,130)	(211,439)	-	-	(33,244)	(447,813)
Subtotal	$	-	(203,130)	(172,161)	-	728,330	2,997	356,036
June 30, 2014 - Acquisition Costs	$	**280,953**	**-**	**-**	**13,569**	**756,820**	**685,790**	**1,737,132**
June 30, 2013 - Exploration and Evaluation Expenditures	$	2,013,434	1,232,797	2,104,205	353,248	253,565	656,974	6,614,223
Assaying		-	-	17,685	-	36,576	-	54,261
Prospecting		-	-	-	-	121,641	626	122,267
Geological		-	-	33,637	-	126,854	46,406	206,897
Geophysical		-	-	-	-	67,201	2,812	70,013
Linecutting		-	-	-	-	22,288	-	22,288
Trenching		-	-	-	-	23,823	1,200	25,023
Diamond Drilling		1,248	-	40,007	-	230,308	-	271,563
Metallurgy		-	-	-	-	51,849	-	51,849
Resource Modeling		-	-	-	-	26,681	-	26,681
NI 43-101 Reporting		-	-	-	-	23,269	-	23,269
Permitting		-	-	-	-	1,662	-	1,662
Environmental		-	-	-	-	3,783	-	3,783
Compilation		-	-	-	-	15,741	-	15,741
Miscellaneous		6,873	-	7,286	-	10,661	5,585	30,405
Write-downs/Recoveries/Disposals **(h)**		-	(1,232,797)	(2,202,820)	-	(56,392)	(6,796)	(3,498,805)
Subtotal	$	8,121	(1,232,797)	(2,104,205)	-	705,945	49,833	(2,573,103)
June 30, 2014 - Exploration and Evaluation Expenditures	$	**2,021,555**	**-**	**-**	**353,248**	**959,510**	**706,807**	**4,041,120**
June 30, 2014 - Total	$	**2,302,508**	**-**	**-**	**366,817**	**1,716,330**	**1,392,597**	**5,778,252**

(a) Saganaga Lake/Q9 Property

The Saganaga Lake Property consists of mining rights for 100% in 20 claims totalling 51 units, 100% in one claim totalling 2 units and 99% in 10 claims under option from Wing Resources in the Saganaga Lake area of Thunder Bay. Pursuant to an option agreement dated September 27, 2005, the Company acquired a 100% interest in the mining claims by paying the vendor a total of $100,000 in cash and issuing 100,000 shares over a four year period. The vendor retains a 3% NSR of which the Company has the right to buy back up to 50% for $500,000 per 0.5% NSR.

The Q-9 property is located approximately 160km west of Thunder Bay, Ontario and adjoins the Saganaga Gold property. The project was subject to an asset purchase, sale and royalty agreement dated May 8, 2006 between the Company and Stares Contracting Corp., a company controlled by Stephen Stares, Director and Officer and Michael Stares, Director of the Company, whereby the Company has a 100% interest subject to a 2% NSR in the project as a result of the Company having paid $75,000 and issued 200,000 shares.

(b) Long Range Property

The Long Range property is located in central Newfoundland and is the result of a 50%/50% joint venture agreement formed between the Company and Buchans Minerals Corporation ("Buchans") now owned by Minco PLC and is comprised of claims totaling 222km^2. Buchans is currently operating the project and the Company has informed Buchans that it will not be contributing to any future work programs on the project and will be diluted accordingly. As a result of no further work planned for the project, $1,435,927 in deferred exploration and evaluation expenditures were written off during the year ended June 30, 2014.

(c) Elizabeth Anne Property

The Company acquired the property under option dated March 30, 2012.

During the year ended June 30, 2014, the Company terminated the option on the Elizabeth Anne property and returned the property to the vendor. Consequently, the deferred exploration and evaluation expenditures totaling $2,414,259 were written off during the year.

(d) Abernethy Property

The Abernethy property is located 10km southwest of Kenora, Ontario. The Company acquired through staking, a 100% interest in the property which consists of 9 claims totaling 67 units.

(e) Cape Ray

The Cape Ray project is comprised of the following groups of claims:

Windowglass Hill and 51 Zone Deposits

During the year ended June 30, 2013, the Company signed a binding letter of intent with Cornerstone Capital Resources Inc. ("Cornerstone") to acquire up to a 75% interest in Cornerstone's Windowglass Hill and 51 Zone deposits (collectively the "Property"), located approximately 25km northeast of the town of Port aux Basques in southwestern Newfoundland. The Property consists of a single 183-claim mineral license which covers an area of 4,575 ha. To earn the initial 70%, the Company must make cash payments totaling $125,000 ($20,000 paid on signing) and 155,000 common shares of the Company (25,000 shares paid on signing) as well as work commitments totaling $2 million, all over a period of four years. The Company can earn the additional 5% (taking its interest to 75%) by incurring an additional $1 million in exploration expenditures at its sole election but such election must be made within a period that is 18 months from the date that the Company's interest vests at 70%.

On July 4, 2013, the Company amended its agreement with Cornerstone. Pursuant to the terms of the amended agreement, the Company has acquired a 100% interest in the Cape Ray Gold project by paying $200,000 and issuing 350,000 common shares of the Company. Under the amended agreement, Cornerstone received an additional 0.25% NSR thereby increasing the total NSR on the project to 2%, of which the Company has the right to purchase back 1% for $1 million.

During the year ended June 30, 2014, the Company received a grant from the Government of Newfoundland and Labrador in the amount of $56,392 for exploration work completed at the Cape Ray property. The grant was recorded as a reduction of deferred exploration and evaluation assets during the year. During the period ended December 31, 2014 the Company executed a Letter of Intent with Nordmin Engineering Ltd. on certain of the deposits at Cape Ray as further described below. -

04/41/Isle Aux Mort/Big Pond Deposits

During the year ended June 30, 2014, the Company entered into an option agreement with Tenacity Gold Mining Company Ltd. ("Tenacity") to purchase a 100% interest in four mining claims which encompasses the 04 , 41 , Isle Aux Mort and the Big Pond gold deposits located in southwest Newfoundland. The Company paid $400,000 and issued 1.5 million common shares to Tenacity in connection with the agreement. To exercise the option the Company will be required to issue a further 1.5 million common shares (for a total of 3 million shares of the Company) in 12 months (subsequently issued). The acquired claims are subject to a sliding scale net smelter returns royalty (NSR) on the production of metals: a 3% NSR on production when the price of gold is below $2,000 per ounce; a 4% NSR when the price of gold is from $2,000 to less than $3,000 per ounce subject to the right of the Company to buy back 1% for $500,000; and a 5% NSR when the price of gold is $3,000 or above subject to the right of the Company to buy back 1% for $500,000.

Cape Ray East

The 100% owned Cape Ray East Property was acquired by staking and is comprised of 510 contiguous claims. The property is located approximately 30 km northeast of Port aux Basques, southwestern Newfoundland, at the southernmost point and continues in a northeast and easterly direction for approximately 40 km.

Nordmin Engineering Option/Joint Venture

During the period ended December 31, 2014, the Company entered into a letter of intent ("LOI") with Nordmin Engineering Ltd. ("Nordmin") to advance towards production four of the six gold deposits at the Company's Cape Ray project located in southwest Newfoundland, should the economic viability of the project be determined. The 04, 41, 51 and Windowglass Hill deposits (the "Project") are included in the LOI while the Isle Aux Morts and Big Pond deposits will be retained 100% by Benton. Pursuant to the LOI, Benton and Nordmin will form a joint venture pursuant to which Nordmin will have the right to earn up to a 50% interest in the Project through a series of expenditures and services to be provided.

Upon signing the LOI, Benton will form a wholly-owned subsidiary, ("SubCo B" for illustrative purposes) and transfer 100% of Benton's property rights in the Project to SubCo B. Nordmin may then earn up to 50% of the Project held by SubCo B by completing a series of work commitments and project milestones which advance the Project towards production as follows:

- Benton will lead the exploration effort for the Project which will be funded by Nordmin up to the completion of the Feasibility Study. This includes any infill drilling to allow the deposits to be brought up to National Instrument 43-101 status ("NI 43-101"). The necessity for further exploration will be determined and approved by the management committee;
- Nordmin will, to earn a 5% interest, make a $250,000 cash payment in two tranches to SubCo B which will go towards the current exploration program. The first tranche of $125,000 will be advanced upon signing of the LOI (accrued for as a cost recovery at December 31, 2014 and subsequently received) and the second tranche of $125,000 within six months of signing;
- Nordmin will, by August 31, 2015 to earn a further 15% interest, fund and provide the services required to complete NI 43-101 resource estimates for the 04, 41, 51, and Windowglass Hill deposits, produce a resource model, a preliminary economic assessment (PEA), complete a detailed assessment of the Geology, Mining, Metallurgy, Environmental, Engineering, Construction, Economics and Schedule for the Project;
- Nordmin will, by August 31, 2016 to earn a further 10% interest, complete the Environmental Assessment and Impact reviews, and secure the necessary permits for a mine, mill and related plant in order for the Project to move forward;
- Nordmin will, by August 31, 2017 to earn a further 10%, complete a feasibility study for the Project (detailing and advancing all of the same issues within the PEA);
- Nordmin will, by August 31, 2018 to earn a further 10% interest, complete detailed design of the mine, mill and related plant and work to arrange a minimum of 50% of the Project financing;

- Nordmin will assume operatorship of the Project upon signing;
- Nordmin will provide the procurement, project and construction management for the Project, including commissioning and start-up. The costs and fees associated with this effort will be part of the Project financing;
- Nordmin must spend a minimum of $4.5 million of expenditures and equivalent services, with any excess going towards Project development;
- Should Nordmin fail to earn a 50% interest, operatorship will revert back to Benton;
- Should Nordmin not participate in the Project development on a pro-rata basis after the earn-in period, Nordmin will suffer a standard dilution to their pro-rata interest – such clause also applies to Benton; and
- The intent is that the work proposed within the LOI will be completed in a minimum of three (3) years and a maximum of five (5) years, dependent upon market conditions or other outside and uncontrollable situations.

In the event that Nordmin only earns a 5% interest the parties will not form a Joint Venture and Nordmin's interest will be a 0.5% NSR which can be purchased by Benton for $200,000. If Nordmin only earns a 20% interest and gets diluted to less than 10% their interest will be converted to a 0.5% NSR one-half of which can be purchased by Benton for $400,000. If Nordmin only earns between 20% and 49% interest and gets diluted to less than 10% their interest will be converted to a 0.5% NSR can be purchased by Benton for $600,000. If Nordmin earns a 50% interest and gets diluted to less than 10% their interest will be converted to a 1% NSR, 0.5% NSR, one-half (0.5%) of which can be purchased by Benton for $1,000,000.

Subsequent to December 31, 2014, the Company and Nordmin executed a formal agreement in accordance with the above terms and Nordmin advanced $125,000 to the Company as its first tranche payment for Nordmin's initial 5% interest.

(f) **Other Properties**

Other Properties consists of several early stage projects that the Company is evaluating for exploration potential. Included in Other Properties are certain projects that are subject to agreements that are more fully described below.

(i) Kingurutik Lake Property

The Kingurutik Lake property was acquired 100% by staking 488 claim units in late October 2006.

The Company entered into a Participation Agreement (the "Teck Agreement") with Teck Resources Ltd. ("Teck") whereby the Company and Teck formed the Kingurutik Lake project by amalgamating and jointly exploring certain of their land positions in Labrador. The project is located approximately 60km north of the Voisey's Bay copper-nickel deposit and consists of the 488 claim units held by the Company, (previously known as the NBK property), and 266 claim units held by Teck.

Under the terms of the Teck Agreement, Teck completed a private placement financing with the Company during a prior fiscal year whereby the Company issued 1,000,000 common shares at $0.70 per share for total proceeds of $700,000 which resulted in the Company and Teck each holding a 50% interest in the combined properties. The Company then agreed to fund the initial $600,000 in exploration work to be carried out by Teck, which Teck then has the option to increase its interest in the property to 60% by incurring an additional $4 million in expenditures over the initial three years with an additional right to increase its interest to 70% by incurring an additional $7 million in expenditures (for a total of $11 million) over a further three years.

During the 2009 fiscal year, Teck notified the Company that it elected to exercise its option to increase its interest in the project to 60% by incurring the aforementioned expenditures. However, during fiscal 2010, Teck informed the Company that it did not fulfill its expenditure requirement under the 60% option and would not be participating in future exploration programs. The Company has assumed operatorship and will dilute Teck's interest accordingly should any further work be performed on the project.

(ii) Forester Lake

The Forester Lake property was acquired by staking and consists of 21 claims totaling 272 units and is located approximately 100km north of Pickle Lake, Ontario. During the 2011 fiscal year, the Company entered into an agreement with Parkside Resources Corp. ("Parkside) which granted Parkside the right to earn a 60% interest (earned) in the property. Under the terms of the agreement, Parkside was to pay the Company $50,000 in cash (received), issue to the Company 1 million Parkside common shares (received) and expend $300,000 on the property over a period of three years with a minimum of $100,000 to be spent in each 12 month period of the three year period (fulfilled). Parkside, at their election, can earn an additional 10% (70% total) by expending an additional $700,000 on the property over an additional three year period. In addition, the Company provided Parkside with $200,000 in equity financing in fiscal 2011 (including $150,000 in flow-through financing) and $200,000 during the year ended June 30, 2013 in exchange for an additional 4 million common shares of Parkside (taking the Company's share position to 5 million shares – see note 4 "Long-Term Investments").

(iii) Onion Lake Property

The Onion Lake property was acquired by staking and consists of 105 claims totaling 1,198 units and is located 30km north of Thunder Bay, Ontario. In fiscal 2010, the Company entered into an agreement with Glory Resources Limited ("Glory") which granted Glory the right to earn an initial 30% interest in the property (earned) by paying the Company $95,000 cash (received) and expending $500,000 on the property over a period of two years following the effective date (expended). Glory had the right to earn an additional 30% (which would have taken its interest to 60%) by expending an additional $1.8 million on the property over an additional two year period. Glory had the right to earn an additional 10% (which would have taken its interest to 70%) by expending an additional $1.5 million on the property over an additional 18 month period.

During the year ended June 30, 2014, the Company and Glory amended their agreement whereby Glory returned the project to the Company and as such, Glory forfeited its 30% earned interest in the property and the Company's interest in the property reverted to 100%. In addition, Glory paid the Company $80,000 in order to return the claims to the Company in a deficient state. The Company assumed the responsibility of bringing the claims into good standing and subsequently submitted the assessment work accordingly.

The Company will seek a new partner for the project.

(iv) Mealy Property

On July 31 and August 7, 2013, the Company acquired through staking a total of 1,017 claim units representing approximately 261 square kilometres within the Mealy Lake intrusion (the "Mealy Project") in Labrador. On August 9, 2013, the Company executed an option agreement with Platinum Group Metals Ltd. ("PTM") on the Mealy Project whereby PTM can earn a 71% interest in the Mealy Project by paying to the Company $51,000 (received) on the effective date (the "Effective Date") and incurring an aggregate of $2.4 million in exploration expenditures on the Mealy Project as follows:

- $300,000 on or before August 9, 2014 (incurred);
- a further $300,000 on or August 9, 2015;
- a further $400,000 on or before August 9, 2016;
- a further $1.4 million on or before August 9, 2017.

The Company will retain a 1% NSR on the Mealy Project and PTM will be the operator while it holds a majority interest. The Company recorded a gain in the amount of $30,686 in the 2014 fiscal year related to the option agreement.

(v) Staghorn Option

During the period ended December 31, 2014, the Company signed a letter of intent ("LOI") with Metals Creek Resources Corp. ("MEK") whereby the Company can earn up to a 70% interest in MEK's 100% owned Staghorn Gold project in Newfoundland.

To earn an initial 60% interest, the Company must make cash payments totaling $50,000 ($10,000 paid on signing), issue a total of 500,000 (100,000 issued on signing) common shares of the Company and incur work expenditures of $500,000, all over a three year period from the date of the LOI. The Company will be the operator during the earn-in period. Once a 60% interest is earned by Benton, either a 60/40 joint venture will be formed, or Benton may elect to earn an additional 10% interest to bring its total property interest to 70% by paying $50,000 cash and issuing an additional 500,000 common shares within 60 days of the 3rd anniversary date of the LOI and incurring an additional $500,000 in exploration expenditures by the 5th anniversary date.

(g) **Write-downs/Recoveries/Disposals**

Reductions to the carrying costs of mineral properties result from amounts recorded for write-downs and for cost recoveries or earn-ins or dispositions during the period ended December 31, 2014 and the year ended June 30, 2014 were as follows:

	December 31, 2014 $	June 30, 2014 $
Write-downs:		
Long Range Property	-	1,435,927
Elizabeth Anne Property	-	2,414,259
Other Properties	-	11,726
Subtotal	-	3,861,912
Recoveries:		
Cape Ray	(125,000)	56,392
Other – Mealy	-	20,518
Other – Hearst Graphite	-	7,796
Subtotal	(125,000)	84,706
Total	**(125,000)**	**3,946,618**

7. CAPITAL STOCK:

(a) Share Capital

Authorized:
Unlimited common shares without par value
One voting preference share

Issued and outstanding:
77,809,031 common shares
Nil preference shares

(i) During the year ended June 30, 2014 the Company applied for and received regulatory approval for a Normal Course Issuer Bid (the " Bid") to purchase, through the facilities of the TSX Venture Exchange, up to 5,000,000 shares of its issued and outstanding common shares. The actual number of shares that may be purchased and the timing of such purchases will be determined by the Company and purchases pursuant to the Bid will be conducted through BMO Nesbitt Burns. During the six month period ended December 31, 2014, the Company acquired nil shares (December 31, 2013 – 250,000 shares) at a total cost of nil (December 31, 2013 - $15,250). All shares purchased under the Bid were cancelled. The Bid expired during the period ended December 31, 2014 and was not renewed.

(b) Stock Options

Details of stock option transactions for the year ended June 30, 2014 and six month period ended December 31, 2014 are as follows:

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2013	8,050,000	$0.15
Granted during the year	2,770,000	$0.10
Expired during the year	(100,000)	$0.15
Balance, June 30, 2014	10,720,000	$0.14
Expired during the year	(200,000)	$0.15
Balance, December 31, 2014	10,520,000	$0.14

As at December 31, 2014 the following stock options were outstanding:

		December 31, 2014	
Expiry Date	Exercise Price	# of Options	Options exercisable
August 15, 2017	$0.15	7,750,000	7,750,000
January 21, 2019	$0.10	2,770,000	1,385,000
		10,520,000	9,335,000

(c) Stock Option Plan

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The Plan authorizes the granting of options to purchase up to a maximum of 15,524,706 common shares of which 10,520,000 are outstanding at December 31, 2014. The Plan provides that:

i) any options granted pursuant to the Plan shall expire no later than five years after the date of grant;

ii) any options granted pursuant to the Plan shall be non-assignable and non-transferable;

iii) the number of common shares issuable pursuant to the Plan to any one person in any 12 month period shall not exceed 5% of the outstanding common shares;

iv) the number of common shares issuable pursuant to the Plan to any one consultant in any 12 month period may not exceed 2% of the outstanding common shares;

v) the number of common shares issuable pursuant to the Plan to persons employed in investor relation activities may not exceed 2% of the outstanding common shares in any 12 month period.

vi) the Plan provides that options shall expire and terminate 30 days following the date the optionee ceases to be an employee, director or officer of, or consultant to, the Company, provided that if such termination is as a result of death of the optionee, the optionee's personal representative shall have one year to exercise such options.

vii) The number of common shares: (1) reserved for issuance to insiders of the Company may not exceed 20% of the issued and outstanding common shares; and (2) which may be issued to insiders within a one year period may not exceed 20% of the issued and outstanding common shares.

viii) the Plan provides that options granted under the plan shall vest in the optionee, and may be exercisable by the optionee as follows: (1) 25% on the date of granting; (2) 25% six months from the date of granting; (3) 25% twelve months from the date of granting; and (4) 25% eighteen months from the date of granting.

8. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the six months ended December 31, 2014 and 2013:

Payee	Description of Relationship	Nature of Transaction	December 31, 2014 Amount ($)	December 31, 2013 Amount ($)
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Payments for office rental and maintenance costs included in general and administrative expenses	26,637	39,528
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Director and Officer	Legal fees and disbursements charged/accrued during the year	14,593	34,194
Michael Stares	Director	Field consulting services and equipment included in exploration and evaluation assets	1,150	3,600
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Brother of Stephen and Michael Stares	Prospecting services and equipment rentals included in exploration and evaluation assets	1,200	7,059

The purchases from and fees charged by the related parties 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.

During the six months ended December 31, 2014, the Company paid director fees to one of its directors totaling $5,000 for services rendered on the Company's Audit Committee (December 31, 2013 - $5,000). The director is to receive $2,500 per quarter. During the period ended December 31, 2014, the Company executed a letter of intent to option the Staghorn Gold property from Metals Creek Resources Corp., a company related by common directorships (see 6(f)(v)).

Included in accounts payable and accrued liabilities is $1,409 (2013 - $13,036) to Stares Contracting Corp., $15,840 (2013 - $22,000) to Gordon J. Fretwell Law Corporation and $nil (2013 – $7,059) to Stares Prospecting Ltd. The repayment terms are similar to the repayment terms of non-related party trade payables.

During the 2014 fiscal year, the Company invoiced and accrued $46,000 (June 30, 2013 - $28,000) in management fees to Benton Capital Corp. to offset certain overhead covered by the Company on Benton Capital Corp.'s behalf. At December 31, 2014, this amount was included in accounts receivables and was received in the subsequent period.

Key management personnel remuneration during current period included $257,296 (December 31, 2013 - $263,665) in salaries and benefits and $29,957 (December 31, 2013 - $46,451) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

9. NET EARNINGS (LOSS) PER SHARE:

Basic loss per common share has been calculated using the weighted average number of common shares outstanding in each respective period. As the issue of shares upon the exercise of stock options would be anti-dilutive, diluted loss per common share is equivalent to basic loss per common share.

10. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and non-employees and accordingly $42,554 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 662,811 options vesting to directors, officers, and employees during the period. The fair value of the options vesting below during the period ended December 31, 2014 was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

Grant Date	# of Options Vested	Exercise Price	Expiry Date	Fair Value of Option	Dividend Yield	Volatility	Risk-free Interest Rate	Expected Life
January 21, 2014	662,811	$0.10	January 21, 2019	$0.064	0%	160%	1.70%	5 yrs
	662,811							

11. SUPPLEMENTAL CASH FLOW INFORMATION:

Net change in non-cash working capital balances related to operating activities consists of:

	December 31, 2014 $	December 31, 2013 $
Accounts and other receivables	(124,407)	(16,830)
Prepaid expenses	(6,750)	2,995
Refundable security deposits	71,903	(61,186)
Accounts payable and accrued liabilities	(97,383)	(18,007)
Total	(156,637)	(93,028)

The following transactions did not result in cash flows and have been excluded from operating, financing and investing activities:

	December 31, 2014 $	December 31, 2013 $
Non-cash operating activities		
Gain on sale of exploration and evaluation assets	-	(480,000)
Non-cash financing activities		
Common shares issued for mineral property option	78,500	126,000
Non-cash investing activities		
Mineral property acquisition costs financed through common share issuance	(78,500)	(126,000)
Shares received pursuant to sale of exploration property	-	480,000

12. REFUNDABLE SECURITY DEPOSITS:

Refundable security deposits of $81,831 (June 30, 2014 - $153,734) represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These refundable security deposits are refundable to the Company upon submission by the Company of a report covering the first year work requirements, which meets the requirements of the Government of Newfoundland and Labrador.

13. COMMITMENTS:

The Company has commitments as described in note 6 related to exploration and evaluation assets. The Company leases certain office equipment for $488 per month until August 2015.

14. GEOGRAPHIC SEGMENTED INFORMATION

Details are as follows:

	Canada $	United States $	Total $
December 31, 2014			
Loss and comprehensive loss for the period	757,514	-	757,514
Non-current assets	6,997,989	-	6,997,989
Total assets	12,883,302	-	12,883,302
Total liabilities	44,438	-	44,438
December 31, 2013			
Loss and comprehensive loss for the period	345,763	-	345,763
Non-current assets	7,764,785	2,398,088	10,162,873
Total assets	15,161,647	2,408,724	17,570,371
Total liabilities	63,287	-	63,287