



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the six months ended December 31, 2015

February 16, 2016

GENERAL

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 under the symbol "BEX". 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") with Benton Capital Corp. (formerly Benton Resources Corp.).

The following discussion of the financial condition and results of operations of the Company constitutes management's review of the factors that affected the Company's financial and operating performance for the six month period ended December 31, 2015. The discussion should be read in conjunction with the condensed interim financial statements of Benton Resources Inc. for the period ended December 31, 2015, including the notes thereto.

Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars and all financial information (as derived from the Company's audited financial statements) has been prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD-LOOKING INFORMATION

Certain information regarding the Company within Management's Discussion and Analysis (MD&A) may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that may cause actual results in the future to differ materially from those anticipated in forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause 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. Accordingly, readers should not place undue reliance on forward-looking statements.

OVERVIEW OF BUSINESS

The focus of the Company is to seek out and explore mineral properties of potential economic significance and advance these projects through prospecting, sampling, geological mapping and geophysical surveying, trenching, and diamond drilling in order for management to determine if further work is justified. The Company's property portfolio consists of projects focusing on gold, base metals, uranium, and platinum group metals.

FINANCIAL & OPERATIONAL OVERVIEW

Overall Performance

Recent times have witnessed the drastic decline and continued volatility of the global financial markets. Share prices of junior exploration companies listed on the TSX Venture Exchange, including the Company, have experienced a significant impact as a result. Equity financing for the junior resource sector, its primary source of capital, is currently extremely difficult to obtain as the level of these financings that occurred in this sector in the most recent quarter declined sharply.

In response to this extreme volatility and uncertainty, the Company has taken several steps to ensure that it will endure the current economic environment and position itself favourably for the recovery by preserving capital. Company management has refocused the planned project expenditures by significantly reducing expenditures directed at new project evaluation and generation. As well, it has carefully budgeted to advance only key projects during this time and as a result, has reduced its field personnel to conserve capital. It has also reviewed its land positions and where favourable, will reduce its claim position to eliminate surplus claims and reduce costs. In addition, the Company has sought and is actively seeking interested partners on many of its projects in order to continue to advance them and conserve capital in the process by forming strategic joint ventures. Finally, the Company has reviewed its corporate overhead expenditures and reduced or eliminated the expenditures on all non-essential corporate costs.

While the Company has no long-term debt and has significant working capital to fund current operations, the timing of the recovery of the financial markets cannot be determined. This will pose a challenge in the interim for the Company to effectively manage its capital through these volatile conditions. The Company also feels that during this time, there will be immense opportunities to add undervalued assets to its portfolio of projects for when the recovery does occur. Management has and will continue to evaluate strategic opportunities to aggressively acquire favourable advanced assets at depressed prices.

Overall, the Company feels it can effectively balance its growth opportunities with its need to conserve capital at this time. Planned project expenditures are continually reviewed to ensure efficient and effective exploration is conducted and if needed, to reduce costs accordingly.

Financial Condition

The Company's cash balance as at December 31, 2015 was \$30,819 compared to \$50,550 at June 30, 2015 along with \$4,072,709 in temporary investments compared to \$5,355,192 as at June 30, 2015. Cash and temporary investments decreased during the current year due to general and administrative expenditures incurred during the year and ongoing exploration at the Cape Ray and Staghorn projects. Current assets of the Company as at December 31, 2015 are \$4,237,365 compared to \$5,494,804 as at June 30, 2015. The decrease in current assets was attributable to exploration and evaluation expenditures and general and administrative expenditures incurred during the current year. Total assets as at December 31, 2015 were \$8,239,886 compared to \$8,944,387 as at June 30, 2015, a decrease related to both exploration and evaluation expenditures and general and administrative expenditures incurred during the period. Current liabilities as at December 31, 2015 were \$35,874 compared to \$53,591 as at June 30, 2015, a decrease related to reduced activity levels around the year end cut off.

Results of Operations

The loss and comprehensive loss for the six month period ended December 31, 2015 was \$736,950 (\$0.01 loss per common share) as compared to a loss and comprehensive loss of \$757,514 (\$0.01 loss per common share) in the previous year's comparative period.

Expenses incurred during the period ended December 31, 2015 consist of:

- i) Advertising and promotion expenses of \$70,600 (December 31, 2014 - \$31,427) (increased in the current period due to investor relations services engaged in the current period)
- ii) Share-based payments of \$46,666 (December 31, 2014 - \$42,554) (recorded upon vesting of stock options to employees, directors and officers and is dependent upon vesting levels in a given year).
- iii) General and administrative expenses of \$379,801 (December 31, 2014 - \$400,138) (includes salaries and benefits as well as office and related costs).

- iv) Professional fees of \$20,297 (December 31, 2014 - \$25,371) (minor change).
- v) Stock exchange and filing fees of \$5,167 (December 31, 2014 - \$3,843) (dependent upon transactions requiring exchange approval and their timing).
- vi) Depreciation expense of \$13,013 (December 31, 2014 - \$17,092).
- vii) Pre-acquisition exploration and evaluation expenses of \$21,596 (December 31, 2014 - \$10,135).
- viii) Write-down of exploration and evaluation assets of \$6,334 (December 31, 2014 – nil) related to costs incurred and written down in relation to the Long Range JV included in Other Properties.
- ix) Foreign currency translation adjustment of \$(47,851) (December 31, 2014 – \$(32,854) (change based upon period end value of US dollar relative to Cdn dollar for purposes of translating US money market funds).

The Company has seen a continual decline in the implicit interest rates of its investments in short-term fixed income instruments throughout the economic downturn. This decline has impacted and will continue to impact the level of interest income that can be earned on these investments as these funds mature and are reinvested.

Cash Flows

The cash used in operating activities was \$457,848 for the period ended December 31, 2015 compared to cash used in operating activities of \$561,304 in the same period in the prior year. Cash used in investing activities was \$844,366 for the period ended December 31, 2015 as compared to cash used in investing activities of \$456,739 for the previous year's comparative period, an increase related to exploration work at the Staghorn property in the current period.

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. It should be noted that unless otherwise stated in the discussion below, any quoted assay widths or intervals are core lengths and do not necessarily represent true thicknesses. The deferred costs associated with each property for the period ended December 31, 2015 and June 30, 2015 are summarized in the tables below:

For the six months ended December 31, 2015

	Saganaga/Q9	Abernethy	Cape Ray	Other	Total
	(a)	(b)	(c)	(d)	
June 30, 2015 - Acquisition Costs	\$ 281,753	13,569	833,095	31,142	1,159,559
Additions	765	-	-	44,051	44,816
Write-downs/Recoveries/Disposals (e)	-	-	-	(1,385)	(1,385)
<i>Subtotal</i>	\$ 765	13,569	-	42,666	43,431
Dec. 31, 2015 - Acquisition Costs	\$ 282,518	13,569	833,095	73,808	1,202,990
June 30, 2015 - Exploration and Evaluation Expenditures	\$ -	365,163	1,272,974	130,626	1,768,763
Assaying	-	179	-	87,583	87,762
Prospecting	167	-	4,966	123,929	129,062
Geological	-	2,512	13,617	41,519	57,648
Geophysical	-	-	2,405	59,375	61,780
Linecutting	-	-	-	24,613	24,613
Trenching	-	-	27,448	35,949	63,397
Diamond Drilling	-	-	3,255	209,325	212,580
Metallurgy	-	-	-	-	-
Resource Modeling	-	-	-	-	-
NI 43-101 Reporting	-	1,600	481	-	2,081
Permitting	-	-	-	-	-
Environmental	-	-	-	-	-
Compilation	-	-	1,048	-	1,048
Miscellaneous	800	8,471	1,779	10,492	21,542
Write-downs/Recoveries/Disposals (e)	-	-	(34,693)	(4,949)	(39,642)
<i>Subtotal</i>	\$ 967	12,762	20,306	587,836	621,871
Dec. 31, 2015 - Exploration and Evaluation Expenditures	\$ 967	377,925	1,293,280	718,462	2,390,634
Dec. 31, 2015 - Total	\$ 283,485	391,494	2,126,375	792,270	3,593,624

For the year ended June 30, 2015

	Saganaga/Q9 (a)	Abernethy (b)	Cape Ray (c)	Other (d)	Total
June 30, 2014 - Acquisition Costs	\$ 280,953	13,569	756,820	685,790	1,737,132
Additions	800	-	76,275	36,617	113,692
Write-downs/Recoveries/Disposals (e)	-	-	-	(691,265)	(691,265)
<i>Subtotal</i>	\$ 800	-	76,275	(654,648)	(577,573)
June 30, 2015 - Acquisition Costs	\$ 281,753	13,569	833,095	31,142	1,159,559
June 30, 2014 - Exploration and Evaluation Expenditures	\$ 2,021,555	353,248	959,510	706,807	4,041,120
Assaying	55	-	40,513	9,703	50,271
Prospecting	526	-	13,120	81,045	94,691
Geological	14,591	5,000	41,686	37,812	99,089
Geophysical	-	-	2,524	-	2,524
Linecutting	-	-	18,300	475	18,775
Trenching	-	-	24,078	12,155	36,233
Diamond Drilling	-	-	445,526	-	445,526
Metallurgy	-	-	962	-	962
Resource Modeling	-	-	8,554	-	8,554
NI 43-101 Reporting	-	-	5,831	-	5,831
Permitting	-	-	1,050	-	1,050
Environmental	-	-	962	-	962
Compilation	-	-	27,442	-	27,442
Miscellaneous	5,800	6,915	32,916	23,470	69,101
Write-downs/Recoveries/Disposals (e)	(2,042,527)	-	(350,000)	(740,841)	(3,133,368)
<i>Subtotal</i>	\$ (2,021,555)	11,915	313,464	(576,181)	(2,272,357)
June 30, 2015 - Exploration and Evaluation Expenditures	\$ -	365,163	1,272,974	130,626	1,768,763
June 30, 2015 - Total	\$ 281,753	378,732	2,106,069	161,768	2,928,322

(a) Saganaga Lake/Q9 Property

The Saganaga Lake Property consists of mining rights for 100% of 20 claims totalling 51 units and the Company also has earned 100% in one claim totalling 2 units and 99% of 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 has 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 (completed). 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 Q9 property is located approximately 160km west of Thunder Bay, Ontario and adjoins the Saganaga Gold property. The project is 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 earned a 100% interest subject to a 2% NSR in the project by making payments of \$75,000 cash (paid) and issuing 200,000 shares (issued) over four years.

During the year ended June 30, 2009 the Company completed line cutting on the 100%-owned Saganaga property along with extensive ground geophysics and grid mapping and diamond drilling commenced.

During fiscal 2010, the Company announced drilling results from its drill program that consisted of approximately 2,700m in 20 drill holes. Drill holes SAG09-01 to SAG09-12 tested the historical Powell vein of which 8 holes intersected significant gold values. Drill holes SAG09-13 and 14 tested the Starr zone mineralization below where Teck Cominco Ltd intersected 20.0m grading 5.36 grams per tonne (g/t) gold (Au) in 2006. Both holes intersected significant gold mineralization. Hole SAG09-13 cut 20.5m grading 3.0g/t Au including 4.0m grading 7.3g/t Au and a second lower zone grading 8.26g/t Au over 1.0m. Holes SAG09-15 and 16 were drilled in the North Starr area where significant gold assays were also encountered such as 3.6g/t Au over 4.3m including 2.0m grading 7.2g/t Au in SAG09-16. Not only did the drill program intersect numerous shallow gold zones but it also provided valuable information on the nature and controls of the gold mineralization.

During the year ended June 30, 2012, the Company completed further line cutting, soil sampling, trenching and ground geophysics on the Saganaga property. In addition the Company completed a 16-hole, 2,654m diamond drill program on the property to test recently discovered surface gold mineralization in addition to follow up drilling on the Starr Zone. Drilling on the Starr Zone was designed to outline a potential resource in the Starr Zone area. During the year ended June 30, 2012 the Company announced the results of the drill program on the property. Fourteen of the sixteen drill holes intersected multiple zones of anomalous gold values. Significant results include drill hole SAG12-34 centered near the Starr mineralization and designed to test below a flat lying fault. This hole intersected 5.5g/t gold over 8.2m (core length, from 1.2 to 9.4m) including 11.34g/t gold over 3.8m. Of particular interest was the discovery of a new gold zone contained in a quartz – iron carbonate – fuchsite – pyrite altered ultramafic unit. Drill hole SAG12-28, located approximately 250m to the north-northeast of hole 34 intersected 28.25m (core length) grading 1.00g/t gold including 10m of 2.01g/t gold. This new mineralized zone is relatively shallow at 100m vertically below surface, appears to be shallowly dipping eastward, approximately 20-25m thick, and remains open in all directions. A table of all the drill holes can be viewed on the Benton website.

Due to no current work planned for the project, the Company wrote off \$2,042,527 of deferred exploration and evaluation expenditures during the 2015 year. The project remains in good standing and the Company will continue to seek a joint venture on the project or consider future work programs should market conditions improve and budgets permit.

(b) 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.

It covers a historically defined 640m long and up to 210m wide electromagnetic conductor outlined by Hudson Bay Exploration and Development Co. Ltd. in 1974. The anomaly was tested by Hudson Bay with a single drill hole that intersected anomalous gold throughout, including one section that returned 17.8g/t Au over 1.52m. Subsequently in 1987 the project was acquired by Mingold Resources Inc. who further tested the same zone with two diamond drill holes spaced 61m apart. This drilling also intersected significant anomalous Au throughout both drill holes including 6.30g/t Au over 6.1m in drill hole ABE-1 and 1.62g/t Au over 6.7m (including 10.0g/t Au over 0.61m) in drill hole

ABE-3. Research of historical assessment work filed with the provincial government indicates there are only three historical drill holes in the electromagnetic conductor suggesting the zone is open at depth and along strike in both directions. Recent forestry logging operations have opened access to several areas within the claim group providing good infrastructure. Benton completed a 1,400m drill program in 2011.

The program identified a large gold system of multiple gold-rich horizons that measures more than 500m in strike length and up to 77m core length in width. The system is open in all directions. Benton's drill campaign was successful in confirming and expanding the mineralization in strike length and at shallow depths. The gold mineralization warrants further drilling to test the full extent, grade and potential of this new discovery. Based on the limited shallow diamond drilling completed to date the mineralization appears to be a large gold system with multiple parallel zones.

Hole ID	From	To	Core length (m)	Grade (g/t Au)
ABE11-01	102.4	103	0.6	4.48
and	121.15	127	5.85	2.63
includes	125.5	127	1.5	7.78
and	151.7	153.2	1.5	1.69
ABE11-03	46.5	49.5	3	0.98
ABE11-04	94.4	96.1	1.7	1.85
and	110.8	115.2	4.4	2.56
includes	110.8	112.3	1.5	6.96
and	133.5	134.05	.55	1.22
ABE11-05	70.9	73.4	2.5	0.34
ABE11-06	117.75	130.7	12.95	0.45
includes	117.75	119.7	1.95	1.46
and	128.1	130.7	2.6	0.78
ABE11-07 *	123.5	216	92.5	0.46
includes	156.5	164	7.5	2.24
ABE11-08	4.9	10.45	5.55	0.48
and	66.25	67.75	1.5	1.22
ABE11-09	39.25	41.7	2.45	0.82
and	75.5	76.4	1.32	0.9
and	127.75	131.5	3.75	0.48

During the year ended June 30, 2015, the Company executed a letter of intent ("LOI") with Element 79 Capital Inc. ("Element 79") pursuant to which Element 79 can earn up a 100% interest (the "Transaction") in the Abernethy property (the "Property"). Pursuant to the LOI and subject to TSX Venture Exchange (the "Exchange") approval and completion of due diligence investigations to the satisfaction of each of the Company and Element 79, closing of the Transaction is conditional upon the following:

- the parties will prepare a filing statement in accordance with the rules of the Exchange, outlining the terms of the Transaction;
- Benton and Element 79 will enter into an Option Agreement in respect of the Transaction on or before April 24, 2015 (completed);
- all requisite regulatory approvals relating to the Transaction, including, without limitation, Exchange approval, will have been obtained; and
- Element 79 will complete a concurrent financing for minimum gross proceeds of \$1,000,000 (pending).

Element 79 may acquire an initial fifty-one percent (51%) interest in the Property by:

- (i) issuing 400,000 Element 79 Shares, a deemed value of a minimum of \$0.17 per Element 79 Share, to Benton upon closing of the Transaction (the "Closing"); and
- (ii) incurring a minimum of \$500,000 in exploration expenditures on the Property within twelve (12) months of Closing.

In addition, the Option Agreement shall stipulate that Element 79 will have the right to acquire an additional:

- (i) nineteen percent (19%) interest in the Property by (A) issuing an additional 600,000 Element 79 Shares to Benton at the market price of the Element 79 shares on the Exchange at the time that the right is exercised and (B) incurring a minimum of \$500,000 in additional exploration expenditures on the Property within eighteen (18) months of Closing; and
- (ii) thirty percent (30%) interest in the Property by paying Benton \$750,000, which payment may be made in cash or, subject to applicable regulatory approvals, in Element 79 Shares, at the sole discretion of Element 79 (together, the Element 79 shares that may be issued as consideration to Benton in addition to the initial 400,000 Element 79 shares, collectively referred to as the “Additional Shares”), within 180 days following the date upon which Element 79 acquires an aggregate seventy percent (70%) interest in the Property, failing which Element 79 and Benton will remain 70%/30% joint venture partners in respect of the Property.

Should Element 79 acquire a one hundred percent (100%) interest in the Property, Benton shall be granted a three percent (3%) net smelter return royalty (NSR), half of which may be repurchased by Element 79 by paying Benton \$1,000,000.

Trading in the common shares of Element 79 is halted at present. It is unlikely that the common shares of Element 79 will resume trading until the Transaction is completed and approved by the Exchange. The Company and Element 79 are currently working with the First Nation community surrounding the project to develop a framework for future exploration and any potential future development prior to finalizing the Transaction.

During the period ended December 31, 2015, the Company subscribed for 200,000 units of Element 79 Capital Inc. at a price of \$0.15 per unit for a total subscription of \$30,000. The subscription has not yet been converted into units of Element 79 and the funds are being held in trust pending completion of the minimum proposed financing. Should Element 79 not be successful in closing the financing, the funds will be returned to the Company. The amount has been included in Refundable Deposits at December 31, 2015.

(c) Cape Ray

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), issue 155,000 common shares of the Company (25,000 shares paid on signing) and incur expenditures 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 announced that it had amended its fiscal 2013 option agreement with Cornerstone Capital Resources Inc. (“Cornerstone”), which allowed the Company to acquire a 100% interest in the Cape Ray Gold project by making, in addition to the on signing payments made above, a one-time payment of \$200,000 (paid) and by issuing 350,000 common shares (issued) of the Company. Cornerstone will retain a 0.25% NSR, which will result in there being a total of 2% NSR on the project of which the Company has the right to purchase back 1% for \$1 million. The Property, located approximately 25km northeast of the town of Port aux Basques in southwestern Newfoundland, consists of a single 183-claim mineral license, which covers an area of 4,575 ha.

The Property covers a 22km-long strike length of the Cape Ray Fault Zone, a significant gold-bearing structure, which in addition to the WGH and 51 Zones, is associated with Tenacity Holdings Inc.’s 04 and 41 deposits and Marathon Gold’s Valentine Gold Camp. Marathon recently announced an NI 43-101 compliant mineral resource estimate including of 1.06 million ounces Au (M&I) and 200,000 ounces Au (Inferred).

During the year ended June 30, 2013, the Company announced that it received assay results from the newly-identified PW Zone where re-sampling of two holes drilled in 1979 has confirmed the presence of bulk tonnage type gold grades and thicknesses. The two holes were drilled approximately 150m apart and show good continuity of gold associated with a granitic intrusive unit interpreted to be the possible extension of the Windowglass Hill (WGH) deposit located 1.2km to the southwest. Drill hole PB79-128 intersected 2 separate mineralized zones grading 1.64g/t Au over 28.96m (including 4.68g/t Au over 6.25m) and 1.18g/t Au over 21.34m. Drill hole PB79-

133, located approximately 150m along strike to the NE returned 1.38g/t Au over 20.73m including 7.86g/t gold over 2.44m.

A table comparing the composited assay results for historic and current re-sampling is provided below:

Hole	From (m)	To (m)	Interval (m)	1979 Au g/t	Re-sampled Au g/t
PB79-128	24.38	107.29	82.91	0.91	0.86
incl	24.38	53.34	28.96	1.64	1.59
incl	24.38	30.63	6.25	4.68	5.30
incl	27.43	28.96	1.53	16.46	19.50
and	80.77	102.11	21.34	1.18	1.13
PB79-133	73.15	93.88	20.73	1.38	1.53*
incl.	91.44	93.88	2.44	7.86	10.36*
incl.	92.87	93.33	0.46	39.43	39.43*

* Includes interval from 1979 sampling (92.87 to 93.33m – 0.34% of core) which is now missing from core storage

The two holes, which are stored at the Newfoundland and Labrador government core storage facility located in Pasadena, were quarter cut and submitted to Eastern Analytical Laboratories located in Springdale, Newfoundland. The Company plans to re-log and re-sample the remaining two holes associated with the PW Zone as soon as possible. In addition, the company has commenced the rehabilitation of the access road to the property, which will provide easy and cost effective access for upcoming IP survey work and grid re-establishment, as well as future diamond drilling.

During the year ended June 30, 2014, the Company contracted Met-Solve Laboratories in Langley, B.C. to complete metallurgical testing on the 51 Zone to determine the recoverability and value of the concentrate through the dense media separation (“DMS”) process. As a check, nine samples totaling 20kg of this same material were sent to Eastern Analytical labs in Springdale, NF for assaying. The average grade of the nine samples returned 8.62g/t Au, 33.34g/t Au, 1.73% Pb, 0.72% Zn and 0.22% Cu.

Highlights of the initial metallurgical testwork results are shown in tables below:

Table I: Overall Recoveries (combined from DMS and Gravity Concentration)

Flowsheet	Specific Gravity Cut Point	Gold Rec. (%)	Silver Rec. (%)	Lead Rec. (%)
1	2.93	68	64.1	77.9
2	2.83	76.9	71.4	81.1

The Company is very encouraged by these results and additional work to optimize concentrate recoveries is ongoing. These tests include testing finer crush sizes for the DMS feed (the above results were achieved using a maximum crush size of 1.9cm) and testing a finer grind of feed for the Falcon concentrator. Flow sheets of the process can be viewed on the Company’s web site.

In addition during the 2014 fiscal year, the Company announced that it has received the first batch of soil geochemical and prospecting results from ongoing exploration on the Cape Ray Project. To date the exploration surveys have been quite effective in delineating anomalous zones of mineralization and have identified a distinct 600m long by 150m wide Au-Pb-Zn-Ag geochemical anomaly (trace to 801ppb Au, 2 to 561ppm Pb, 3 to 326ppm Zn, trace to 4.1g/t Ag) associated with a distinct magnetic low signature similar to that associated with the 51 deposit situated 600m along strike to the northeast. Very little historical drilling has been completed in this new geochemically anomalous area, which remains open along strike to the southwest. Efforts are currently underway to expand the grid and soil survey to determine the limits of the anomalous mineralized area. Additionally, prospecting has returned gold assays near, and along strike from, the PW zone, which ranged from trace to 69.8g/t Au, 9.4g/t Au, 5.0g/t Au and 8.9g/t Au in select grab samples in the area where an Induced Polarization geophysical survey was recently completed.

During the year ended June 30, 2014, the Company commenced drilling on the property. The drill program was designed to test various targets including the west extension of the 51 Deposit, new geophysical, gold-in-soil, and bedrock showings west of the 51 Deposit area and the east and west strike extension of the PW Zone.

During the year ended June 30, 2015, the Company completed the abovementioned drill program with a total of 3,051.6m of drilling in 17 exploratory holes. While most holes were designed to test for new gold mineralization outside the known resources, two holes PB14-393 and 394 were successful in confirming the continuity of gold mineralization between the 04 and 41 deposits indicating that there is potential to merge the two deposits into one and thus increasing the overall resource. In addition, two holes totaling 212m were drilled into the 04 deposit for metallurgical purposes. A table of assays and intervals related to the 2014 drill campaign is as follows:

Hole ID	From	To	Interval	Gold (g/t)	Silver (g/t)
PB14-378	No significant assays				
PB14-379	80	83	3	0.414	trace
PB14-380	42.5	43.1	0.6	0.727	1.5
PB14-381	No significant assays				
PB14-382	Lost Hole				
PB14-383	186.8	190.9	4.1m	0.323	
	187.4	188	0.6m	1.49	
PB14-384	Lost Hole				
PB14-385	1.5	153.8	152.3	0.27	1.1
	84	107.55	22.25	0.80	2.75
	85.3	91.9	6.6	1.0	4.0
	106	107.55	1.55	5.0	14.8
	127	128.5	1.5	4.9	5.4
PB14-386	134	135.5	1.5	0.54	0.7
PB14-387	78.2	121	42.8	0.84	4.4
	109	121	12	2.45	10.5
	117.5	121	3.5	7.02	16.7
PB14-388	No significant assays				
PB14-389	No significant assays				
PB14-390	No significant assays				
PB14-391	111.9	112.9	1	0.86	0.8
PB14-392	No significant assays				
PB14-393	131.2	132.2	1	2.18	5.2
	172.5	173.6	1.1	6.89	60.5
Incl	172.5	173.1	0.6	12.4	108
	254.6	257.2	2.6	0.57	13.0
Incl	256.2	257.2	1	1.24	10
PB14-394	172.2	174	1.8	2.07	2.45
	182	182.5	0.5	2.2	5.2
M14-01*	53	66	13	13.37	22.0
M14-02*	21	39	18	15.16	13.25

All "PB" hole thicknesses are core length

*M14-01/02 drilled for metallurgical purposes in known mineralization (true thickness is approx. 80% of core length)

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.

04, 41, Isle Aux Mort and Big Pond Deposits

On October 8, 2013, the Company announced that it has entered into an option agreement with Tenacity Gold Mining Company Ltd. 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 received regulatory

approval and has paid \$400,000 and issued 1.5 million common shares and will issue a further 1.5 million common shares in 12 months (for a total of 3 million common shares). The claims being acquired are subject to a sliding scale net smelter returns royalty (NSR) on the production of metals: a 3% NSR on production when gold is below \$2,000 per ounce; a 4% NSR when gold is from \$2,000 per ounce or more but 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 gold is \$3,000 or above subject to the right of the Company to buy back 1% for \$500,000.

These claims are contiguous to the 51 and Window Glass Hill deposits. The 04 and 41 deposits are situated only 500m northeast of the 51 deposit and collectively have been historically referred to as the Cape Ray deposit.

During the 2015 year, the Company announced that it had made its final payment of 1.5 million common shares to Tenacity Gold Mining Company Ltd., which completes the terms of the agreement to acquire a 100% interest in the abovementioned four mining claims.

Nordmin Engineering

During the year ended June 30, 2015, the Company announced that it has 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 (pending completion), (“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 resources hosted by the deposits to be brought up to National Instrument 43-101 compliant 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 (received) and the second tranche of \$125,000 within six months of signing (received);
- Nordmin will, by August 31, 2015 to earn a further 15% interest, fund and provide the services required to complete NI 43-101 compliant 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 (under extension);
- 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.

During the year ended June 30, 2015, the Company and Nordmin executed a formal agreement in accordance with the above terms and Nordmin advanced \$250,000 in two separate tranches to the Company as its payment for Nordmin's initial 5% interest in accordance with the agreement.

In addition during the year ended June 30, 2015, the Company announced its initial National Instrument 43-101 compliant resource estimates for the 04, 41, 51 and Windowglass Hill deposits. The resource estimates were completed by Sibley Basin Group Geological Consulting Services Ltd. of Thunder Bay, Ontario. The NI 43-101 technical report supporting the estimates has been filed on SEDAR. Highlights of the report are listed in the table below. All deposits remain open for further drilling and expansion.

Table 1: Summary of Mineral Resources for the 51, 41, 04 and Windowglass Hill deposits on the Cape Ray Project

Deposit Name	Tonnes	g Au/t	oz. Au	oz. Ag	Category	NI43-101
51 Deposit	600000	7.12	132,000	267,000	Inferred	Compliant
Windowglass Hill	1,100,000	1.83	66,000	344,000	Inferred	Compliant
Big Pond	91,300	4.5	11,900			Historical
Isle aux Morts	407,200	2.75	36,100			Historical
04 Deposit	700,000	6.68	152,000	389,000	Indicated	Compliant
	300,000	4.47	40,000	64,000	Inferred	Compliant
41 Deposit	200,000	5.07	35,000	130,000	Indicated	Compliant
	100,000	5.01	10,000	27,000	Inferred	Compliant

- 1) CIM definition standards were followed for classification of mineral resources
- 2) The qualified person responsible for the resource estimations is Alan Aubut, P.Geo.

During the period ended December 31, 2015, the Company announced that Nordmin had completed an extensive trenching program on the 51 and 41 zones of the project. On Sept 9, 2015 the Company announced all results for the 51 zone which was exposed and sampled for a strike length of approximately 200m and returned encouraging assays including 8.7g/t Au and 27.12g/t Ag over 5.4m for section F, 11.27g/t Au and 26.89g/t Ag over 6.8m (section G) and 13.57g/t Au with 39.33g/t Ag over 5.2m (section R). A complete table of results for the trenching program along with maps and pictures of the trenches is available on the Company's website (www.bentonresources.ca).

The trenching efforts over the 41 zone consisted of two separate trenches over a strike length of approximately 125m, although flooding restricted exposure to about 85m. Highlights of the channel assay results include 3.5g/t Au with 14.14g/t Ag over 8.4m (section A) and 25.34g/t Au with 37.93g/t Ag over 1.6m. Individual gold and silver assays were cut to 40g/t and 80g/t respectively, prior to calculating weighted composites.

The information collected in the trenching program will now be incorporated into the deposits models in preparation for an upcoming Preliminary Economic Assessment (PEA) to be completed by Nordmin.

(d) Other Property

Other Property consists of several early stage projects and projects that the Company is evaluating for exploration potential at December 31, 2015. Included in Other Property 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 in late October 2006. The Property is located approximately 60km north of Voisey's Bay, Labrador and consists of 488 claim units.

In 2007 the Company entered into a Participation 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 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 Agreement, Teck completed a private placement financing with the Company during a previous 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. Teck then had 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 year ended June 30, 2009, the Company was advised that Teck Resources mobilized a ground geological and geophysical crew to evaluate strong conductive zones identified from the recently flown AeroTEM II airborne survey on the remaining ground not covered by the 2007 survey on the property. The ground crew conducted mapping, sampling and ground geophysics with hope of discovering new nickel and copper mineralization in addition to mineralization discovered as part of the previous airborne follow-up program.

During the 2009 fiscal year, Teck notified the Company that it has 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 assumed operatorship and would dilute Teck's interest accordingly.

To date a total of 324 grab samples have been collected from numerous conductive target areas identified by the 2007 survey. The selected samples from many of the targets returned encouraging nickel, copper, and cobalt values. Ground geophysical (UTEM) surveying over one of the targets, target "P", detected a strong conductive response that may form part of a future drill program.

During the year ended June 30, 2010, the Company announced that it would commence drilling on the property. The drill program was comprised of 12 holes totaling approximately 3,000m to test the various targets outlined by Teck's work programs.

During the year ended June 30, 2011 the Company received assay results from the drill program. Several of the drill targets tested intersected magmatic sulphide mineralization that returned significant amounts of nickel, copper, and cobalt values that suggests further work is warranted to evaluate the size of these mineralized zones. Of particular interest were the results from the A Zone area that was tested with a single drill hole (KL10-11). This hole intersected multiple intervals of semi-massive sulphide with several sections grading better than 1% nickel and 1% copper.

The Company in conjunction with Teck significantly reduced the land position during the year ended June 30, 2012 in order to maintain the ground in good standing and eliminate portions of the property that did not yield favourable results or warrant any further work. The Company does not currently have any planned exploration on the property and has not been notified by Teck that they have any proposed work for the project. The Company will work

closely with Teck on any future decisions regarding the property. During the year ended June 30, 2015, the Company determined that as a result of no planned project expenditures, it wrote off \$1,297,298 of deferred exploration and evaluation expenditures.

(ii) Forester Lake

The Forester Lake property was acquired by staking, is owned 100% by the Company 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”) granting Parkside the right to earn a 60% interest in the property. Under the terms of the agreement, Parkside must pay the Company \$50,000 in cash (\$30,000 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. Parkside 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 in 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). During the year ended June 30, 2013, Parkside commenced trading on the TSX Venture Exchange under the symbol “PKS”. Due to difficult market conditions, Parkside was unable to meet its minimum listing requirements and trading of its shares has halted as a result. Parkside is currently working to raise capital in order to restore its listing and move the project forward.

The ground was acquired due to its location and geophysical similarities to the Musselwhite Gold mine located 25km north-west of the property. Historic drilling intersected mineralization grading up to 16.2g/t Au over 0.5m, 12.3g/t Au over 1.5m and 13g/t Au over 0.9m. During 2009, Benton completed an 897 line-km airborne magnetic survey to help define exploration targets.

(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 grants 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 can earn an additional 30% (taking interest to 60%) by expending an additional \$1.8 million on the property over an additional two year period (currently earning). Glory may earn an additional 10% (taking 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 would return the project to the Company 100% and as such, Glory would forfeit its 30% earned interest and pay 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 required assessment work.

The Company will seek a new partner for the project. During the year ended June 30, 2015, the Company determined that no work was planned for the project and as a result wrote off \$119,301 in deferred exploration and evaluation expenditures.

(iv) Mealy Property

During the year ended June 30, 2014, 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 16, 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 by incurring an aggregate of \$2.4 million in exploration expenditures on the Mealy Project as follows:

- \$300,000 on or before the date, which is 12 months from the Effective Date (incurred);
- a further \$300,000 on or before the date, which is 24 months from the Effective Date;
- a further \$400,000 on or before the date, which is 36 months from the Effective Date;
- a further \$1.4 million on or before the date, which is 48 months from the Effective Date.

The Company will retain a 1% NSR on the Mealy Project and PTM will be the operator while it holds a majority interest.

The Mealy Project covers 261 square-kilometres of the Mealy Lake mafic intrusion and is contiguous to Altius Minerals Corp.'s ("Altius") 256 square-kilometre Natashquan property, both located approximately 140km southwest of Churchill Falls in Labrador. The Mealy Project covers the same mafic intrusive rock that hosts Altius' recently announced new Ni-Cu-Co-PGE discovery. Altius has entered into a joint venture agreement with Anglo American ("Anglo") whereby Anglo has the option to earn a 66-per-cent interest in the project through expenditures of \$20 million over a five-year period. Exploration highlights from Altius' Natashquan discovery include "2.68g/t combined Pt, Pd and Au (grab) - 6.14% Cu and 388ppb Pt - 1.04g/t combined Pt, Pd, Au and 1.06% Cu over 1.30m (channel) - 1.04 g/t combined Pt, Pd, Au and 3.92% Cu over 1.00m (channel) - 2.49g/t combined Pt, Pd and Au and 1.07% Ni (grab) – several grab samples >7% Cu - soil samples up to 26,000ppm Cu." (<http://altiusminerals.com/projects/natashquan>).

The Mealy Lake mafic intrusion was identified from historic work completed by the Newfoundland and Labrador Geological Survey. The main intrusive is approximately 45km long and 25km wide and is Late Paleoproterozoic in age with local fresh crosscutting mafic to ultra-mafic rock. The disseminated to massive sulphide mineralization found to date displays cumulate textures indicative of primary magmatic type Cu-Ni-PGE deposition within the mafic to ultra-mafic intrusive.

During the year ended June 30, 2015, the Company announced that PTM had completed a 2,950km VTEMplus electromagnetics (EM) and magnetic (Mag) airborne survey on the Mealy property. Preliminary data suggests multiple strong and moderate EM conductors have been identified in numerous areas of the project. Subsequent field follow up to assess the preliminary conductive areas has identified pyrrhotite and chalcopyrite sulphide mineralization in limited gossanous exposures that appear to have cumulate textures. To date, preliminary grab samples in two areas within the Benton option ground have returned values from copper mineralization with one area assaying from trace to 1% Cu. Soils were also completed in areas showing anomalous EM responses but limited outcrop exposure to aid in identification of possible base and precious metal mineralization. During the year ended June 30, 2015, the Company received notice from PTM that they were terminating the option agreement and they returned the project to the Company 100%. The Company will continue to seek a new partner for the project.

(v) Hearst Graphite

During the year ended June 30, 2014, the Company announced that it had staked 16 claim units approximately 25km east of Zenyatta Ventures Ltd.'s new hydrothermal graphite discovery. Zenyatta describes the mineralization as the "largest and only high-purity hydrothermal graphite deposit being developed in the world." The Company staked the ground based on a search and evaluation of historical data in the region, which showed that conductive horizons exist on the property.

In addition, during the year ended June 30, 2014, the Company announced that it executed an agreement (the "Agreement") with Alabama Graphite Corp. (CNSX: ALP) ("Alabama Graphite") pursuant to which Alabama Graphite purchased a 100% interest in the 16 claim units.

Under the Agreement, Alabama Graphite paid the Company \$8,000 (received) and issued to the Company, 2 million Alabama Graphite common shares (received) with the following restrictions;

- i. 500,000 common shares with the standard 4 month trading restriction until December 23, 2013;
- ii. 500,000 common shares with a 10 month trading restriction until June 22, 2014;
- iii. 500,000 common shares with a 16 month trading restriction until December 22, 2014; and
- iv. 500,000 common shares with a 22 month trading restriction until June 22, 2015.

The Company will also retain a 2% NSR with Alabama Graphite having the right to buy back 50% of the NSR (i.e., 1%) for \$1 million.

The Company recorded a portion of the sale as a recovery of capitalized exploration and evaluation expenditures incurred and the remaining amount was recorded in income in gain on sale of exploration and evaluation assets in the 2014 fiscal year totaling \$480,204 (\$480,000 of which was the value of the common shares received).

During the year ended June 30, 2015, the Company sold 1 million of the shares for net proceeds of \$154,080 and recorded a loss on the disposition of \$85,920. 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 \$64,128.

The remaining 500,000 common shares of Alabama Graphite became free trading on June 22, 2015 and are currently held by the Company.

(vi) Staghorn Gold Property

During the year ended June 30, 2015, the Company signed a letter of intent with Metals Creek Resources Corp. ("MEK"), a company related by common directorships, to option MEK's Staghorn Gold project in Newfoundland. To earn an initial 60% interest, Benton must make cash payments of \$50,000, issue a total of 500,000 Benton shares and incur work expenditures of \$500,000, all over a three year period. Benton 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 Benton shares within 60 days of the 3rd anniversary date and incurring an additional \$500,000 in exploration expenditures by the 5th anniversary date. The Company commenced grid work and geophysics in the spring of 2015.

During the summer / fall of 2014, MEK discovered a high grade gold bearing, granitic boulder train along the Cape Ray / Victoria Lake Fault Zone on the Staghorn property. The regional fault zone hosts a number of gold deposits including Marathon Gold's Valentine Lake deposit, located 30 km to the northeast and Benton's Cape Ray gold deposits approximately 100km to the southwest. The Staghorn Gold Property covers a 29km strike length of the mineralized trend. Previous work had outlined a number of gold showings in the central and southwestern part of the property. This latest discovery is located in the northeast part of the property, in an area of little previous work and opens up a new prospective area for further exploration.

The boulders are described as angular to sub-angular, and consist of altered and foliated granite containing variable amounts of pyrite and arsenopyrite. A total of 30 samples was collected from the numerous boulders, which varied in size from 0.10 to 0.75m and have been traced over a 175m length. Assay results ranged from 11 parts per billion gold (ppb Au) to 32,152 ppb Au (see previous MEK press release dated August 18, 2014). The abovementioned samples are boulder samples, selective by nature and are unlikely to represent average grades on the property. The Company is planning further prospecting, line cutting, soil sampling and geophysics in order to delineate future diamond drilling targets.

During the year ended June 30, 2015, the Company announced the results of bottle roll leaching on the recently discovered gold-bearing granitic boulder train termed Ryan's Hammer on the Staghorn Gold Property. The sample was a composite of reject material totaling 1.182 kg from 3 grab samples collected during late fall of 2014 and represented arsenopyrite-rich mineralization. The sample had a calculated head grade of 2.24 ppm gold and results of the cyanide bottle roll test include recoveries of 82.6%, 89.3% and 92.3% gold after 24, 48, and 72 hours respectively.

The sample was submitted to Activation Laboratories Ltd. of Thunder Bay, Ontario. Approximately 1000g was representatively split and ball milled to 80% passing 75µm and leached for a total of 72 hours with solution samples collected and assayed at 2, 4, 8, 24, 48, and 72 hours. Assays were completed using fire assay with atomic absorption finish.

During the year ended June 30, 2015, the Company announced that two new gold-bearing occurrences have been uncovered between 300-1400m north east of the drilling at the Woods Lake gold zone. Selective grab samples at these new occurrences returned gold grades up to 4.2g/t and 4.3g/t. A historical gold occurrence between the two new ones was resampled which returned up to 7.66g/t gold in selective grabs. All three occurrences are situated in foliated granite cut by northwest oriented intense fracturing. In addition, the new Grand View gold occurrence consists of intensely silicified chlorite schist that returned assays of trace to 0.9g/t Au in selective grab samples. The occurrence is identical to the historic GP showing (1.35g/t Au in grab samples) located 700m to the south west but more work is necessary to determine if they represent the same mineralized horizon.

During the period ended December 31, 2015, the Company announced that it had completed soil geochemical sampling over 20km along the Cape Ray Fault. The samples were collected at 25m spacing along lines at 200m to 400m apart. Initial results from this program delineate several areas of anomalous gold values up to 300ppb.

Additionally 35.5km of line cutting have been completed along with mapping, prospecting and soils to cover the area of a historic soil anomaly that returned >1000ppb gold as well as cover the Ryan's Hammer showing.

Anomalous gold-in-soils also show the possible extension of the Woods Lake Zone (WLZ) in both directions. These anomalies are proximal to the newly discovered Crust and Redbull showings. These areas will be subject to trenching and drilling if warranted.

Also during the period ended December 31, 2015, the Company announced that it made a significant new visible gold discovery on the project. Recent follow-up work discovered visible gold associated with quartz veining within a large iron-carbonate shear zone. Assays from new follow-up selective grab samples graded up to 189.2g/t Au. The shear zone has been traced intermittently over more than 2km with other grab samples returning trace to 2.5g/t Au. Five small overburden / till samples were collected over 120m across strike at the visible gold showing of which three contained a few fine grains of native gold in the panned concentrate. The Company has initiated a soil sampling program and further prospecting in this area with follow-up trenching after new results are compiled.

In addition, continued follow-up exploration along the Ryan's Hammer prospect may potentially extend the gold mineralized horizon to approximately 2.2km in length. Selective grab samples of numerous large angular mineralized boulders interpreted to be subcrop located along the western strike extent of the Ryan's Hammer prospect returned grades ranging from trace to 27.8g/t Au. The Company believes the zone is situated within an east-west oriented splay off of the main Cape Ray fault. The soil geochemistry sampling program was expanded to cover the new visible gold area ("Rich House" showing) situated in the north-eastern portion of the project.

During the period ended December 31, 2015, the Company announced the results from the first four diamond drill holes at Staghorn.

Three of the drill holes have identified in bedrock, the lithological unit that hosts the Ryan's Hammer boulder terrain. The Company is encouraged with the initial results and by the size of the gold enriched system. Highlights from the first holes include 42.6m grading 0.219g/t Au (hole RH15-01) and 71.2m grading 0.184g/t Au (RH15-02). This first drill campaign tested targets associated with geochemical and geophysical anomalies, covering a 3.2km strike length. The 11 hole drill program has now been completed and future drilling is planned to test the remaining targets, including the "Rich House" Visible Gold showing. This target could not be tested during this recent program due to inclement weather conditions. All samples have been submitted for analysis and results will be released as they become available. All assays were completed by Eastern Analytical of Springdale, NL using pulp metallic and fire assay.

Results for the first 4 drill holes:

HOLE	FROM (m)	TO (m)	LENGTH (m)	Au (gpt)
RH15-01	3.5	46.1	42.6	0.219
incl.	6.3	12.6	6.3	0.483
incl.	6.3	8.3	2	0.832
incl.	6.3	7.3	1	1.186
incl.	31.6	35.6	4	0.526
incl.	32.6	34.6	2	0.706
incl.	40.6	46.1	5.5	0.425
incl.	40.6	41.6	1	0.659
and	43.6	44.6	1	0.859
RH15-02	2.7	73.9	71.2	0.184
incl.	16	27	11	0.61
incl.	17	18	1	1.062
and	23	24	1	1.172
and	26	27	1	1.11
RH15-03	19.1	25.1	6	0.416
	19.1	22.1	3	0.482
	49.9	50.9	1	1.36
RH15-04	no significant intersections			

Note: True thicknesses are unknown at this time

(vii) Providence Ni-Cu-PGM

During the period ended December 31, 2015, the Company acquired a 100% interest in the Providence Lake nickel-copper-cobalt-platinum group metals property from Platinum Group Metals Ltd. (“Platinum Group”). The project is comprised of 11 mining leases and is located in the Northwest Territories (“NWT”) within 70km of the Diavik Diamond Mine. The project covers approximately 20km of the Providence Lake Volcanic Belt, a suite of ultramafic to mafic rocks with the potential to host komatiitic Ni-Cu-Co-PGM deposits of economic importance. The property comes with an established camp, equipment and a well assembled data base of drilling, geology, geophysics, geochemistry and modeling, which have totaled more than \$5.5 million in historical expenditures. Diamond drilling to date consists of approximately 6000m in 31 drill holes and has produced exciting results, of which some of the intersections of the massive sulphide mineralization are listed below:

Core Length (m)	Ni (%)	Cu (%)	Co (%)	Pt (gpt)	Pd (gpt)	Rh (gpt)
5.1	1.73	1.75	0.17	0.25	1.23	0.79
2.3	1.67	0.75	0.17	8.79	1.23	0.28
5.7	1.13	0.85	0.11	3.7	1.1	0.26
4.25	1.79	1.41	0.15	0.13	1.9	
3.65	1.79	1.41	0.15	0.12	2.16	

The mineralized horizon consists of massive to disseminated sulphide and has been traced by drilling for over 450m in strike length and 300m deep and remains open for further drill testing.

Benton has acquired the project by making an approximate \$28,000 lease payment to the NWT government and granting Platinum Group a 0.75% NSR along with a 0.5% NSR to Arctic Star Exploration Corp. Benton will actively seek a partner to help advance this exciting project.

(e) Write-downs/Recoveries/Disposals

Reductions to the carrying costs of associated properties pertaining to write-downs or as a result of cost recoveries or earn-ins, or due to dispositions during the period ended December 31, 2015 and the year ended June 30, 2015 were as follows:

	<u>December 31,</u> <u>2015</u>	<u>June 30,</u> <u>2015</u>
	\$	\$
<i><u>Write-downs:</u></i>		
Saganaga/Q9	-	2,042,527
Other Properties	6,334	1,429,510
<i>Subtotal</i>	<u>6,334</u>	<u>3,472,037</u>
<i><u>Recoveries:</u></i>		
Cape Ray	34,693	350,000
<i>Subtotal</i>	<u>34,693</u>	<u>352,596</u>
Total	<u>41,027</u>	<u>3,824,633</u>

Management of the Company has reviewed all ongoing exploration projects and determined that no further write-downs of capitalized exploration and development expenditures are required at this time other than what has been written down already in the period. The Company will continue to assess the exploration potential of each project on a recurring basis and make adjustments when necessary.

SELECTED ANNUAL FINANCIAL INFORMATION

Description	Year ended June 30, 2015 \$	Year ended June 30, 2014 \$	Year ended June 30, 2013 \$
Operating expenses	4,569,115	5,159,436	2,774,326
Interest income	142,720	159,949	93,374
Adjustment to fair market value of held for trading investments	(245,510)	(193,668)	511,232
Write down of mineral properties	(3,472,037)	(3,861,912)	(1,147,766)
Net loss being comprehensive loss	(4,722,831)	(4,505,047)	(2,107,807)
Earnings (loss) per share – basic (1) (2)	(0.06)	(0.06)	(0.03)
Cumulative mineral properties and deferred development expenditures	2,928,322	5,778,252	7,995,319
Total assets	8,944,387	13,617,145	18,054,492

- (1) Basic per share calculations are made using the weighted-average number of shares outstanding during the year.
- (2) Earnings (loss) per share on a diluted basis is the same as the basic calculation per share as all factors are anti-dilutive.

SUMMARY OF QUARTERLY RESULTS

Three Month Period Ending	Net Earnings/(Loss) \$	Net Earnings/(Loss) per Share Basic and Diluted (1) (2) \$
December 31, 2015	(346,486)	(0.00)
September 30, 2015	(390,464)	(0.01)
June 30, 2015	(3,808,700)	(0.048)
March 31, 2015	(156,617)	(0.002)
December 31, 2014	(437,390)	(0.006)
September 30, 2014	(320,124)	(0.004)
June 30, 2014	(385,607)	(0.005)
March 31, 2014	(3,773,677)	(0.05)

- (1) Basic loss per share calculations are made using the weighted-average number of shares outstanding during the period.
- (2) Earnings (loss) per share on a diluted basis is the same as the basic calculation per share as all factors are anti-dilutive.

During the period ended December 31, 2015, the Company's cash on hand decreased by \$19,731 to \$30,819 due to the timing of redemptions of temporary investments. Accounts and other receivables of \$42,228 (June 30, 2015 - \$52,713) at December 31, 2015 consisted of H.S.T. and other receivables. Exploration and evaluation assets increased from \$2,928,322 at June 30, 2015 to \$3,593,624 at December 31, 2015 due mainly to exploration work carried out at the Company's Staghorn gold property. Share Capital increased from \$27,226,924 at June 30, 2015 to \$27,230,424 related to shares issued pursuant to the first anniversary payment on the Staghorn property option agreement.

SHARE DATA

As at February 16, 2016, the Company has 76,956,031 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 13,540,000 common shares expiring between August 15, 2017 and May 13, 2020 exercisable between \$0.10 and \$0.15 per share. For additional details of share data, please refer to note 7 of the December 31, 2015 condensed interim financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, temporary investments, accounts and other receivables, long-term investments, refundable security deposits and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

LIQUIDITY AND CAPITAL RESOURCES

The Company has net working capital as at December 31, 2015 of \$4,201,491 (\$5,441,213 as at June 30, 2015) and cash on hand of \$30,819 (\$50,550 as at June 30, 2015) and a deficit of \$20,670,630 (\$19,933,680 as at June 30, 2015).

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.

During the year ended June 30, 2015, the Company applied for and received regulatory approval for a renewed Normal Course Issuer Bid (the "Renewed 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 Renewed Bid will be conducted through BMO Nesbitt Burns. During the year ended June 30, 2015, the Company acquired 953,000 shares under the Renewed Bid at a total cost of \$42,585. All shares purchased under the Renewed Bid have been cancelled. No shares were purchased during the period ended December 31, 2015.

The Company's condensed interim 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. The 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.

The recovery of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain adequate financing to complete development, and upon future profitable operations from the properties or proceeds from the dispositions thereof.

The Company currently has no operations that generate cash flow and its long-term financial success is contingent upon management's ability to locate economically recoverable resources. This process can take many years to complete, cannot be guaranteed of success, and is also subject to factors beyond the control of management. Factors such as commodity prices, the health of the equity markets and the track record and experience of management all impact the Company's ability to raise funds to complete exploration and development programs.

The Company has taken numerous steps to ensure that it will continue to have adequate working capital to fund operations. The Company has set a conservative exploration budget for the upcoming year that will focus on a few key project advancement initiatives. It has reduced its budget for new project evaluation and generation substantially to ensure exploration is focused on advancing primary projects. This has also reduced the need for additional field personnel which will reduce labour costs. As well, the Company has and will continue to actively

seek out strategic joint venture partners on certain of its projects to ensure that they will be advanced while at the same time preserving its capital. The Company has also reviewed corporate overhead costs to allow for only essential expenditures.

The Company anticipates that the continued sale of Flow Through shares/warrants should enable it to maintain exploration activities on its mineral properties. However, there can be no assurance that these activities will be sufficient to enable the Company to carry on its planned activities given the current economic climate.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are as follows:

- i) To safeguard the Company's ability to continue as a going concern;
- ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short-term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i. the recoverability of amounts receivable and prepayments, which are included in the statements of financial position;
- ii. the carrying amount and recoverability of exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available;
- iii. the estimated useful lives of property and equipment, which are included in the statement of financial position and the related depreciation included in the statements of loss and comprehensive loss for the period ended December 31, 2015;
- iii. the inputs used in accounting for share-based payment expense in the statement of comprehensive loss; and
- v. the provision for income taxes, which is included in the statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the financial statements of financial

position at December 31, 2015.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash-generating units; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not participated in any off-balance sheet or income statement arrangements.

RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the six months ended December 31, 2015 and 2014:

Payee	Description of Relationship	Nature of Transaction	December 31, 2015 Amount (\$)	December 31, 2014 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 and for staking costs included in exploration and evaluation assets	10,500	26,637
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the period	4,998	14,593
Michael Stares	Director	Field consulting services included in exploration and evaluation assets	-	1,150
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Brother of Stephen and Michael Stares	Prospecting services, equipment rentals and expenses included in exploration and evaluation assets	53,136	1,200

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 period ended December 31, 2015, the Company paid director fees to one of its directors totaling \$5,000 for services rendered on the Company's Audit Committee (December 31, 2014 - \$5,000). The director is to receive \$2,500 per quarter. During the year ended June 30, 2015, 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(d(v))).

Included in accounts payable and accrued liabilities is nil (December 31, 2014 - \$1,409) to Stares Contracting Corp., nil (December 31, 2014 - \$15,840) to Gordon J. Fretwell Law Corporation and nil (December 31, 2014 – nil) to Stares Prospecting Ltd. The repayment terms are similar to the repayment terms of non-related party trade payables.

Key management personnel remuneration during current period included \$258,218 (December 31, 2014 - \$257,296) in salaries and benefits and \$29,651 (December 31, 2014 - \$29,957) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the current period.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

Statement of Compliance and Conversion to International Financial Reporting Standards (“IFRS”)

These financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

New and Future Accounting Pronouncements

The following standards are effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the financial statements.

IFRS 9, Financial Instruments: The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS (is effective for fiscal year ends beginning on or after January 1, 2018 with early adoption permitted. The Company has not early adopted this standard and is currently evaluating the effect, if any, this new standard will have on the Company’s financial statements.

RISKS AND UNCERTAINTIES

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company’s viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties, which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally coincident with exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards, such as an unusual or unexpected rock formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing

and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, silver, platinum or any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Financing Risks

The Company has limited financial resources and no current revenues. There is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities, which it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such laws and regulations, however, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Environmental Regulations

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and mining operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. Any key person insurance which the Company may have on these individuals may not adequately compensate for the loss of the value of their services.

The MD&A was reviewed and approved by the Audit Committee and Board of Directors and is effective as of February 16, 2016.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.