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

For the six months ended December 31, 2016

February 21, 2017

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 months ended December 31, 2016. The discussion should be read in conjunction with the condensed interim financial statements of Benton Resources Inc. for the period ended December 31, 2016, 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 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, can be difficult to obtain in such conditions. While conditions have improved as of late, obtaining financing in the junior exploration environment can still present challenges.

While the Company has no long-term debt and has significant working capital to fund current operations, the sustainability of the financial markets related to the mineral exploration sector cannot be determined. This continually poses a challenge for the Company to effectively manage its capital through these volatile conditions. 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, 2016 was $84,376 compared to $148,370 at June 30, 2016 along with $2,733,043 in temporary investments compared to $3,540,393 as at June 30, 2016. Cash and temporary investments decreased during the current year due to general and administrative expenditures incurred during the year and ongoing exploration at the Company's Iron Duke and Bedivere projects. Current assets of the Company as at December 31, 2016 were $3,078,703 compared to $3,891,919 as at June 30, 2016. 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, 2016 were $7,757,384 compared to $8,549,745 as at June 30, 2016, a decrease mainly related to funds spent on general and administrative expenditures incurred during the period. Current liabilities as at December 31, 2016 were $33,579 compared to $42,106 as at June 30, 2016, a decrease related to the timing of settlement of liabilities at or around the period end.

Results of Operations

The loss and comprehensive loss for the period ended December 31, 2016 was $983,367 (nil loss per common share) as compared to a loss and comprehensive loss of $736,950 (nil loss per common share) in the previous year's comparative period.

Expenses incurred during the period ended December 31, 2016 consist of:

- i) Advertising and promotion expenses of $66,513 (December 31, 2015 - $70,600) (decreased in the current period due a lower level of investor relations services engaged in the current period)
- ii) Share-based payments of $5,783 (December 31, 2015 - $46,666) (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 $376,270 (December 31, 2015 - $379,801) (includes salaries and benefits as well as office and related costs).
- iv) Professional fees of $27,001 (December 31, 2015 - $20,297) (minor change).
- v) Consulting fees of $33,333 (December 31, 2015 – nil) (increased due to the engagement of a consultant during the current period and ending in August 2017).
- vi) Stock exchange and filing fees of $6,839 (December 31, 2015 - $5,167) (dependent upon transactions requiring exchange approval and their timing).
- vii) Depreciation expense of $14,436 (December 31, 2015 - $13,013).
- viii) Pre-acquisition exploration and evaluation expenses of $65,665 (December 31, 2015 - $21,596) (increased project generative activity in the current period).
- ix) Write-down of exploration and evaluation assets of nil (December 31, 2015 - $6,334).
- x) Foreign currency translation adjustment of $(18,159) (December 31, 2015 – $(47,851) (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, which has now stabilized, 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 $752,052 for the period ended December 31, 2016 compared to cash used in operating activities of $457,458 in the same period in the prior year, the large increase related to the effect of the increase in accounts and other receivables on cash flows, a portion of which was settled by debtor shares instead of cash. Cash flows from financing activities were $200,000 for the period ended December 31, 2016 compared to nil in the same period in the previous year due to a flow-through share private placement that was completed during the current period. Cash used in investing activities was $319,292 for the period ended December 31, 2016 as compared to cash used in investing activities of $844,366 for the previous year's comparative period, the decrease due to a large decline in exploration and evaluation expenditures in the current period versus the previous comparative 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, 2016 and year ended June 30, 2016 are summarized in the tables below:

For the six months ended December 31, 2016

		Saganaga/Q9 (a)	Abernethy (b)	Cape Ray (c)	Bedivere (d)	Other (e)	Total
June 30, 2016 - Acquisition Costs	$	284,083	13,569	835,352	-	91,078	1,224,082
Additions		-	-	1,060	77,739	67,329	146,128
Write-downs/Recoveries/Disposals **(e)**		-	-	-		(4,727)	(4,727)
Subtotal	$	-	-	1,060	77,739	62,602	141,401
Dec. 31, 2016 - Acquisition Costs	$	**284,083**	**13,569**	**836,412**	**77,739**	**153,680**	**1,365,483**
June 30, 2016 - Exploration and Evaluation Expenditures	$	1,367	377,925	1,335,245	-	653,494	2,368,031
Assaying		-	-	-	5,538	7,001	12,539
Prospecting		-	-	-	21,161	26,542	47,703
Geological		-	-	13,132	2,800	6,594	22,526
Geophysical		-	-	-	13,940	-	13,940
Linecutting		-	-	-	2,837	-	2,837
Trenching		-	-	-	-	17,904	17,904
Diamond Drilling		-	-	28,765	-	879	29,644
Compilation		-	-	2,405	-	-	2,405
Miscellaneous		-	400	4,391	8,400	8,904	22,095
Write-downs/Recoveries/Disposals **(e)**		-	-	(27,079)	-	(9,067)	(36,146)
Subtotal	$	-	400	21,614	54,676	58,757	135,447
Dec. 31, 2016 - Exploration and Evaluation Expenditures	$	**1,367**	**378,325**	**1,356,859**	**54,676**	**712,251**	**2,503,478**
Dec. 31, 2016 - Total	$	**285,450**	**391,894**	**2,193,271**	**132,415**	**865,931**	**3,868,961**

For the year ended June 30, 2016

		Saganaga/Q9 (a)	Abernethy (b)	Cape Ray (c)	Other (d)	Total
June 30, 2015 - Acquisition Costs	$	281,753	13,569	833,095	31,142	1,159,559
Additions		2,330	-	2,257	70,007	74,594
Write-downs/Recoveries/Disposals **(e)**		-	-	-	(10,071)	(10,071)
Subtotal	$	2,330	13,569	2,257	59,936	64,523
June 30, 2016 - Acquisition Costs	$	**284,083**	**13,569**	**835,352**	**91,078**	**1,224,082**
June 30, 2015 - Exploration and Evaluation Expenditures	$	-	365,163	1,272,974	130,626	1,768,763
Assaying		-	179	-	88,251	88,430
Prospecting		167	-	4,966	135,554	140,687
Geological		-	2,512	37,976	53,794	94,282
Geophysical		-	-	2,405	59,375	61,780
Linecutting		-	-	-	24,613	24,613
Trenching		-	-	27,448	35,949	63,397
Diamond Drilling		-	-	3,736	209,872	213,608
Metallurgy		-	-	480	-	480
Resource Modeling		-	-	2,880	-	2,880
NI 43-101 Reporting		-	1,600	6,721	-	8,321
Permitting		-	-	-	-	-
Environmental		-	-	-	-	-
Compilation		-	-	5,848	-	5,848
Miscellaneous		1,200	8,471	8,649	21,809	40,129
Write-downs/Recoveries/Disposals **(e)**		-	-	(38,838)	(106,349)	(145,187)
Subtotal	$	1,367	12,762	62,271	522,868	599,268
June 30, 2016 - Exploration and Evaluation Expenditures	$	**1,367**	**377,925**	**1,335,245**	**653,494**	**2,368,031**
June 30, 2016 - Total	$	**285,450**	**391,494**	**2,170,597**	**744,572**	**3,592,113**

(a) Saganaga Lake/Q9 Property

Highlights:

- 100% owned by the Company subject to two underlying NSR agreements
- Properties consist of 55 claims totaling 369 claim units that cover a number of high grade gold occurrences within a 20 km segment of the south-western section of the Shebandowan Greenstone belt.
- The property is located approximately 120 km west of Thunder Bay and accessed by a well maintained logging road. New access has recently been provided to the centre of property due to the creation of logging roads for the forestry industry.
- Contains four historical showing areas; the Powell Zone, Beaver Pond Zone, Minnow Pond Zone and the Starr Zone. With the exception of the Powell Zone, most gold showings occur along the western contact of the gabbro plug.
- In 2006, Teck Cominco completed a 2003 metre (11 hole) drill program on the Saganaga property (focused on the Starr zone) and found that highly anomalous gold values (up to 5.36 gpt over 20m) were returned from areas where the host rock is strongly albitized with high percentages of clotted pyrite. The results of this program indicated a strong correlation between anomalous gold values and areas of weak to strong albite alteration.
- The Q9 property contains the historical Lake Shore showing, and now a new showing called the Megan zone which was recently trenched with channel samples assaying up to 8.16 gpt Au and 124.85 gpt Ag. Trenching in the vicinity of the Megan zone also uncovered an altered quartz vein that assayed 61.2 gpt Au over 0.25 metres. The quartz vein was encountered again approximately 50 metres to the south-west and channel samples here assayed up to 4.4 gpt over 2.5 metres.
- Early in 2012, Benton Completed a 2654m drill program at Saganaga and the results of this campaign are as follows:

SAGANAGA 2012 DRILL HOLES

Drill Hole	From (m)	To (m)	Interval (m)	Au (gpt)
SAG12-21	18.7	19.7	1	3.19
	55.1	62.9	7.8	0.81
incl	60.4	62.9	2.5	1.98
SAG12-22	85.55	101.6	16.05	0.385
incl	85.55	94.2	8.65	0.546
incl	87.7	94.2	6.5	0.618
and	166.3	167.3	1	0.558
SAG12-23				nsa
SAG12-24	7.5	14.05	6.55	0.213
SAG12-25	48.1	52.4	4.3	0.299
SAG12-26	6.9	13.5	6.6	0.189
and	25.5	31.5	6	0.92
and	110.2	124.5	14.3	0.158
and	150	151.4	1.4	0.543
SAG12-27	135.5	203.2	67.7	0.153
incl	151.2	186.5	35.3	0.18
incl	175	185.5	11.5	0.254
incl	199.9	203.2	3.3	0.624
SAG12-28	144.5	172.75	28.25	1.004
incl	144.5	154.5	10	2.012
and	164	170	6	0.883
SAG12-29				nsa
SAG12-30	16.25	17.1	0.85	1.313
and	43.55	44.35	0.8	1.094
SAG12-31	6	6.55	0.55	1.264
SAG12-32	14.3	15.5	1.2	0.816
SAG12-33	50.7	52.25	1.55	1.991
and	95.6	96.95	1.35	0.515
SAG12-34	1.2	9.4	8.2	5.513
incl	1.2	5	3.8	11.344
and	56	65	9	0.279
and	86	89	3	0.84
SAG12-35	38	39	1	0.671
and	129.5	164.8	35.3	0.35
incl	129.5	139	9.5	0.516
incl	146.5	153	6.5	0.815
incl	159	163.8	5.8	0.261
SAG12-36	46.8	47.5	0.7	3.03
and	166	171.3	5.3	0.308
and	178	184.2	6.2	0.286

Plans:

- The Company has no current plans or budgets to explore the Saganaga/Q9 properties at this time and as such, the project is available for option, sale or may be explored again in the future.

(b) Abernethy Property

Highlights:

- 100% owned by the Company with no underlying NSR.
- Property consists of 9 claims totaling 67 units located 10km southwest of Kenora, Ontario.
- 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 17.8gptgpt 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 6.30gpt Au over 6.1m in drill hole ABE-1 and 1.62gpt Au over 6.7m (including 10.0gpt Au over 0.61m) in drill hole ABE-3.
- Benton completed a 1,400m drill program in 2011 which was successful in confirming and expanding the mineralization in strike length and at shallow depths. Drill results were as follows:

Hole ID	From	To	Core length (m)	Grade (gpt 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

Plans:

- The Company has no current plans or budgets dedicated to exploring this claim package. The Company will continue to seek out a partner to advance this exciting gold project.

(c) Cape Ray

The Cape Ray gold project encompasses three claim packages that was consolidated by the Company through staking and acquisition, collectively considered to be the Cape Ray Project. These various claim groups are as follows:

Windowglass Hill and 51 Zone Deposits

- Acquired from Cornerstone Capital Resources Inc. ("Cornerstone") in fiscal 2013 initially as an option to earn a 75% interest but later under a revised agreement, the Company purchased 100% of the property. In total, Benton issued 375,000 shares and paid $200,000 in cash for the project.
- 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.
- Cornerstone retains a 0.25% NSR in addition to the pre-existing 1.75% NSR for a total of 2% of which Benton can buy back 1% for $1 million.
- Covers a 22km-long strike length of the Cape Ray Fault Zone, a significant gold-bearing structure.
- 3,051.6m of drilling in 17 exploratory holes was completed during fiscal 2015. 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 drill campaign is as follows:

Hole ID	From	To	Interval	Gold (gpt)	Silver (gpt)
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)

04, 41, Isle Aux Mort and Big Pond Deposits

- Acquired 100% from Tenacity Gold Mining Company Ltd. in 2013 by issuing 3 million common shares and $400,000 over a one year period. Claims are subject to a sliding scale 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.
- Claims are contiguous to the 51 and Window Glass Hill deposits.
- Contains four mining claims that encompass the 04 , 41 , Isle Aux Mort and the Big Pond gold deposits located in southwest Newfoundland.

Cape Ray East

- 100% owned and was acquired by staking.
- Comprised of 510 contiguous claims.
- Located approximately 30km 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 and Joint Venture (04/41/51/WGH Deposits)

- Executed a letter of intent (“LOI”) with Nordmin Engineering Ltd. (“Nordmin”) in fiscal 2015 with revisions made in 2016 on the 04, 41, 51 and Windowglass Hill deposits (the “Project”).
- Nordmin has the right to earn up to a 50% interest in the Project through a series of expenditures and services to be provided, the terms of which (amended where indicated) are as follows:
    - Benton will lead the exploration effort for the Project, which will be funded by Nordmin up to the completion of a 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 earned a 5% interest in the Project by making a $250,000 cash payment in two tranches to SubCo B in connection with an exploration program. The first tranche of $125,000 was paid upon signing of the agreement and the second tranche of $125,000 was received during Fiscal 2015; Nordmin earned a further 15% interest by funding and providing the services required to complete NI 43-101 resource estimates for the 04, 41, 51, and Windowglass Hill deposits, and completing a resource model, a preliminary economic assessment (PEA), a detailed assessment of the Geology, Mining, Metallurgy, Environmental, Engineering, Construction, Economics and a Schedule for the Project (completed);
    - Nordmin, under an amendment to the agreement, agreed to drill not less than 10,000 meters by August 30, 2017. The first 5,000m portion of this program is to be completed by November 15, 2016 (subsequently completed) and is designed to assist with the preparation of a pre-feasibility study by January 31, 2017 (postponed until after 2017 drill program). The second 5,000m phase of drilling will commence no later than June 15, 2017 and is designed to assist with the preparation of a feasibility study on the main deposits of the project by October 31, 2018. Should Nordmin fail to complete the second phase of drilling, the pre-feasibility study or the feasibility study in the timelines described, the option will revert to a joint venture under the applicable earned interest.
    - Nordmin was initially required by August 31, 2016, in order to earn a further 10% interest, to 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. Under an amendment to the agreement during the current period, the Company and Nordmin have agreed to remove this term from the agreement and replace it with the requirement to complete an Environmental Assessment and Environmental Impact Study and the requirement to secure the necessary permits for a mine, mill and related plant by a date that is to be agreed upon by both parties within 30 days after the Newfoundland government responds to the Project Description.

Should Benton and Nordmin not reach an agreed upon completion date, one will be determined by arbitration. Completion of this amended term will take Nordmin's interest to 30%;

- Nordmin was initially required by August 31, 2017, in order to earn a further 10% interest, to complete a feasibility study for the Project (detailing and advancing all of the same issues within the PEA). During the current period, this term was amended to allow Nordmin until October 31, 2018 to complete the bankable feasibility study;
- Nordmin, by August 31, 2018 in order to earn a further 10% interest, must complete the 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 of the agreement;
- 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 factors that are beyond the control of the parties.

- Nordmin currently holds a 20% vested interest in the Project and has the right to acquire up to an additional 30% as described above. If Nordmin only earns a 20% interest and then gets diluted to less than 10% its 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 then gets diluted to less than 10% its interest will be converted to a 0.5% NSR, which can be purchased by Benton for $600,000. If Nordmin earns a 50% interest and then gets diluted to less than 10% its interest will be converted to a 1% NSR, one-half of which can be purchased by Benton for $1,000,000.

- Extensive trenching was completed on the 51/41 zones during fiscal 2016 by Nordmin.
  - The 51 zone which was exposed and sampled for a strike length of approximately 200m and returned encouraging assays including 8.7gpt Au and 27.12gpt Ag over 5.4m for section F, 11.27gpt Au and 26.89gpt Ag over 6.8m (section G) and 13.57gpt Au with 39.33gpt Ag over 5.2m (section R).
  - 41 zone trenching 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 3.5gpt Au with 14.14gpt Ag over 8.4m (section A) and 25.34gpt Au with 37.93gpt Ag over 1.6m. Individual gold and silver assays were cut to 40gpt and 80gpt respectively, prior to calculating weighted composites.
- Nordmin completed required 5,000m drill program in 2016. Highlights include 2.8m grading 16.68gpt Au in DDH 21, 2.2m grading 22.5gpt Au in DDH 32 and 4.1m grading 5.01gpt Au in DDH 34. The 2016 drilling program provided the team with numerous insights into the nature of this project. It allowed for the revision of geologic and resource models to better represent the intrinsic nature of the mineral resource, and make a re-assessment to the overall approach and layout of the proposed mine design.
- Subsequent to December 31, 2016, Nordmin released results of updated PEA that included the 2016 drilling. Highlights of the revised PEA, with the base-case gold price of $1,306 (U.S.) per ounce and an exchange rate of $1.26 CAD/USD, are as follows (all figures in Canadian dollars unless otherwise stated):

  - Pre-production Capital is $54.5 million with a contingency of 10% included within the initial capital. Pre-production is for a 2 year period.
  - Sustaining Capital $27 million for the Life of Mine.
  - Pre-tax NPV (7%) of $82.2 million and internal rate of return of 40%.
  - Post-tax NPV (7%) of $56.9 million and internal rate of return of 34%.
  - Pre-tax Net Revenue of $146.8 million over 9 year LOM.
  - Post-tax Net Revenue of $104.3 million over 9 year LOM.
  - Positive Cash-flow is realized in year 2.
  - 2.8 million tonnes of mill feed averaging a combined 3.3 gpt gold and 9.7 gpt silver.
  - Mill operates at average tonnage of 1,000 tonnes per day.

- Total production of 291,000 ounces of gold and 553,000 ounces of silver.
- Gold recovery of 98% and Silver recovery 63%.

All of the economics are completed on Indicated and Inferred categories of the resource model.

The table below compares the change in IRR and NPV from the 2016 PEA and the 2017 update.

	Pre-Tax	
Year	2017	2016
IRR	40%	29%
Discount rate	NPV ($ million)	
0%	146.85	88.43
7%	82.19	48.43
10%	64.36	36.74
15%	42.66	22.07
	After Tax	
IRR	34%	24%
Discount rate	NPV ($ million)	
0%	104.26	63.43
7%	56.86	32.64
10%	43.72	23.64
15%	27.66	12.35

Mineral Resources – Effective date of February 1, 2017

51 ZONE + 04 ZONE + 41 ZONE+WGH – INDICATED MINERAL RESOURCES 1,2,3					
Au Cut-Off (gpt)	Tonnage (,000)	Average Au (gpt)	Total Au oz. (,000)	Average Ag (gpt)	Total Ag oz. (,000)
1.0	4,148	2.75	367	9.76	1,302
1.5	2,783	3.5	313	11.67	1,045
2.0	1,990	4.21	269	13.13	840
2.5	1,486	4.87	233	14.71	703
3.0	1,155	5.49	204	16.14	599
3.5	928	6.03	180	17.26	515
4.0	754	6.57	159	18.15	440
4.5	621	7.06	141	19.12	382
5.0	512	7.56	124	20.1	331

51 ZONE + 04 ZONE + 41 ZONE + WGH ZONE – INFERRED MINERAL RESOURCES 1,2,3					
Au Cut-Off (gpt)	Tonnage (,000)	Average Au (gpt)	Total Au oz. (,000)	Average Ag (gpt)	Total Ag oz. (,000)
1.0	2,770	1.77	158	6.57	585
1.5	1,199	2.54	98	9.22	355
2.0	725	3.07	72	10.46	244
2.5	357	3.99	46	13.22	152
3.0	204	4.95	32	15.7	103
3.5	144	5.65	26	15.32	71
4.0	105	6.38	21	15.83	53
4.5	96	6.59	20	16.06	49
5.0	77	7.03	18	16.34	41

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
2. The CIM definitions were followed for the classification of Measured, Indicated, and Inferred mineral

resources.

3. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

- The Company has initiated work towards firming up costs and preparing a prefeasibility study. Apart from further metallurgical studies, the work will include drilling and tailings characterization as well as environmental baseline studies, hydrology monitoring, flora and fauna studies. An updated NI 43-101 technical report for Cape Ray PEA will be filed on SEDAR (www.sedar.com) within 45 days of February 9, 2017. The reader should be cautioned that the PEA is preliminary in nature. It contains inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the results of the PEA will be realized.

Cape Ray combined open-pit and underground mine
Key economic assumptions and results

Description	Units	Value
Total mineralized rock mined	Kt.	2,805
Gold grade	gpt	3.29
Silver grade	gpt	9.73
AuEq grade	gpt	3.43
Gold recovery	%	98
Silver recovery	%	63
Gold price	US$/oz.	1,306.15
Silver price	US$/oz.	18.97
Exchange Rate $USD/$CAD		1.262
Payable gold metal	oz.	291,341
Payable silver metal	oz.	553,162
Total net revenue	$ million	492.0
Total capital costs (Project and Sustaining)	$ million	85.4
Overall Operating costs (total)	$ million	259.7
Overall Operating cost (AuEq)	US$/oz AuEq	664.6
(AISC) Overall cost (AuEq)	US$/oz AuEq	883.0
Payback period	years	2
Mine Life	years	9
Pre-tax Cumulative net cash flow	$ million	146.9
Post-tax Cumulative net cash flow	$ million	104.3
Pre - tax NPV (7%)	$ million	82.2
Pre - tax IRR	%	40
Post - tax NPV (7%)	$ million	56.9
Post - tax IRR	%	34

Capital and Operating Costs

The Cape Ray Project has been envisioned as an open-pit mine with starter pits for all the zones and one underground mining operation for the 51 zone. Open-pit and underground mining are anticipated to be completed by contract mining companies. The equipment will be supplied by the contractor that is awarded the work.

Grid electrical power will provide the majority of the electrical power to the project over the life of the mine. The work force is expected to come from the Isle aux Morts area for the operation of the Mill. The rest of the workforce will be the responsibility of the contractor.

Total Capital Cost Estimate

Capital Expenditures	Contingency	$ million
Sustaining Capital Expenditures by Zone		
PIT 41	5%	-
PIT 51	5%	-
PIT 04	5%	-
Window Glass	5%	2.89
U.G. 51	5%	24.20
Permitting	10%	2.17
Road work (Quote from Adams Construction)	10%	3.53
Overburden Removal	10%	1.07
Surface Infrastructure - General	10%	2.84
Ore and Waste Pads (3) - Mine & Mill	10%	0.44
Surface Shop	10%	1.68
Land Costs	10%	0.91
Mill Capital	10%	33.34
Tailings	10%	3.82
Water Treatment Plants / Testing	10%	0.56
Power Distribution to Mill	10%	1.16
Working Capital	10%	0.84
Engineering for Capital	10%	1.17
OH & In-directs	10%	1.00
Mine Closure	0%	3.82
Total Capital Expenditures		85.44

Production and Processing

Operations for the Cape Ray project is planned to have both Open Pit and Underground Mining. Each zone will be campaigned separately with the use of contractors. The initial estimated mill feed will come from the 04 zone. Once the 04 pit is completed the 51 pit will commence to be mined followed by the 41 pit. The underground development for the 51 zone will start during the mining of the 41 pit. The start of the Window Glass pit will begin once the 41 pit is mined. The Window Glass pit and 51 underground zone will be mined simultaneously. All the zones will give a current mine life of 9 years combined at a milling through-put of 1,000 tonnes per day. The process plant includes conventional crushing, grinding, gravity, and whole ore cyanide leach. A gold and silver doré will be produced on site. Process reagents will be removed from the plant tailings prior to placement in a tailings management facility.

Mineral Resources	Avg. Au gpt	Avg. Ag gpt	Tonnes (,000)
Pit 41	2.31	8.38	520
PIT 51	4.53	12.40	350
PIT 04	4.67	11.52	208
Window Glass	1.65	5.68	1,155
U.G. 51 and Stock Pile	6.27	16.87	573
Total			2,805*

* The mill feed tonnes in the mine plan include Inferred Resources. The reader is cautioned that Inferred Resources are considered too speculative geologically to have economic considerations applied to them that would enable categorization as Mineral Reserves. There is no certainty that Inferred Resources will ever be upgraded to Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Going forward, the team will be working on laying out the next 5000m drilling program that will commence this summer, which will also include some geotechnical drilling to support the pit designs and other work on site and continue to work towards environmental milestones to progress the project to the next phase.

(d) Bedivere

Highlights:

- Acquired under option to earn a 100% interest from Traxxin Resources ("Traxxin") in 2016.
- Consists of 109 units in 12 claims and is located 130km west of Thunder Bay, Ontario and 18km north of Highway 11/17 and accessible by new logging roads in the area.
- Subject to 3% NSR in favour of Traxxin of which 1% can be purchased by Benton at the Company's election for $1 million. The Company will also grant to Traxxin a 1% NSR on surrounding ground staked by the Company as long as the Company or any of its affiliates holds an interest in the optioned claims.
- Terms include expending $1 million in exploration over four years (minimum $250,000 in first year) and paying $450,000 cash and issuing 3 million shares to Traxxin over four years as follows:
    - $45,000 and 300,000 Company common shares on October 31, 2016 (paid and issued);
    - $85,000 and 600,000 Company common shares on October 31, 2017;
    - $95,000 and 600,000 Company common shares on October 31, 2018;
    - $100,000 and 600,000 Company common shares on October 31, 2019, and;
    - $125,000 and 900,000 Company common shares on October 31, 2020.

- Traxxin prospecting resulted in a new high grade gold discovery where surface grab samples have returned assays ranging from trace up to 1281gpt gold (37.4 ounces per ton), some of which contained impressive visible gold (see Company website for photos).
- Benton completed limited due diligence surface sampling along the 250m long partially exposed quartz system and confirmed the presence of highly anomalous gold from trace to 2.5gpt gold.
- The structure is completely untested by diamond drilling and has seen little historical exploration, despite there being over 4km of gold mineralized strike length.
- Benton completed an airborne magnetic survey totaling 458 line-kilometres that appears to delineate the northeast-oriented gold-bearing structure that hosts the original gold discovery (Traxxin Zone),
- Benton currently conducting a soil geochemistry sampling program for the entire 7-8 km long structure within the property. Initial soil sampling results have returned assay grades ranging from trace to as high as 2,160ppb Au along the quartz-related system for approximately 200m before losing the system under swamp.
- Trenching and drilling permits have been received by the Company.

Plans:

- Trail creation, prospecting and soil sampling will continue throughout the winter with plans to drill sometime in 2017.

(e) Other Property

Other Property consists of several early-stage projects and projects that the Company is evaluating for exploration potential at December 31, 2016. Included in Other Property are certain projects that are subject to agreements that are more fully described below.

(i) Kingurutik Lake Property

Highlights:

- Acquired 100% by staking in 2006.
- Located approximately 60km north of Voisey's Bay, Labrador
- 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 116 claim units held by the Company, (previously known as the NBK property), and 56 claim units held by Teck.

Plans:

- The Company and its partner have no current exploration plans for the project currently.

(ii) Staghorn Gold Property (Option)

Highlights:

- Acquired option to earn up to 70% interest from Metals Creek Resources Corp. (“MEK”) during fiscal 2015.
- Comprised of 10 mineral licenses with 327 claims totaling 8175 hectares.
- Located in south-western Newfoundland, approximately 60 kilometers southeast of the seaport of Stephenville. Road access to the property is via the Burgeo Highway (Route 480) and several gravel roads that branch west from the main highway.
- 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 operate during earn-in phase.
- Benton can elect to earn additional 10% interest (taking 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. Failure to elect results in a 60/40 joint venture.
- MEK discovered a high grade gold bearing, granitic boulder train along the Cape Ray / Victoria Lake Fault Zone on the Staghorn property. 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 were 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. These samples are boulder samples, selective by nature and are unlikely to represent average grades on the property.
- Benton completed bottle-roll leaching during fiscal 2015 on the granitic boulder train termed Ryan’s Hammer. 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.
- 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 2.24ppm 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.
- Benton discovered new visible gold during 2016 on the project. Assays from samples graded from trace up to 189.2gpt Au.
- Benton completed a 1,323m drill program in fiscal 2016 with notable results as follows:

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

- During fiscal 2016, the Company received a grant from the Government of Newfoundland and Labrador totaling $100,000 under the Junior Company Exploration Assistance Program.

(iii) Providence Ni-Cu-PGM

Highlights:

- Acquired 100% interest from Platinum Group Metals Ltd. ("Platinum Group") in fiscal 2016.
- Comprised of 11 mining leases and is located in the Northwest Territories ("NWT") within 70km of the Diavik Diamond Mine.
- Underlying NSR of 0.75% in favour of Platinum Group as well as a 0.5% NSR to Arctic Star Exploration Corp.
- 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.
- Equipped 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.

- Historic 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	

Plans:

- Benton has no exploration plans for the project currently and is actively seeking a partner to advance the project through an option or purchase.

(iv) Bark Lake

During the period ended December 31, 2016, the Company executed an option to joint venture agreement (the "Option") with Rio Tinto Exploration Canada Inc. ("RTEC") (a wholly-owned subsidiary of Rio Tinto) on the Company's 100%-owned Bark Lake copper, nickel and platinum group elements ("Cu-Ni-PGE") project, located in the Boot Bay area, Northwestern Ontario. Under the terms of the Option, RTEC can earn a 70% interest by incurring $3 million in exploration expenditures and by paying Benton $50,000 cash over 5 years (the "First Option") ($10,000 received). After the First Option period, RTEC may either form a joint venture with Benton on a 70/30 basis or, at its election, increase its interest to 80% (the "Second Option") by spending an additional $5 million in exploration expenditures over 4 years and by paying Benton $100,000 cash within 30 days after electing to exercise the Second Option. Upon exercising the Second Option, RTEC may elect to form a joint venture with Benton on an 80/20 basis.

(v) Alder East

During the period ended December 31, 2016, the Company executed an option agreement with Sokoman Iron Corp. ("Sokoman") on the Company's Alder East property consisting of a single license, containing 20 units, located in central Newfoundland. Under the terms of the option agreement, Sokoman will have the option to earn a 100% interest in the Alder East property under the following terms:

- Paying Benton $1,500 cash (subsequently received) and issuing 1 million shares (issued and pending receipt) of Sokoman upon signing, acceptance and approval by the TSX Venture Exchange (accepted and approved);
- Issuing 500,000 shares to Benton on the first anniversary of the option agreement;
- Issuing 500,000 shares to Benton on second anniversary of the option agreement;
- Benton will retain a 2% NSR on the Alder East project with Sokoman having the option to buy-back 1% for $1 million;
- Sokoman agrees to keep ground in good standing throughout the option period and if returned to Benton it is returned with at least 6 months of assessment credit;
- Paying Benton $100,000 in cash, shares or a combination of cash and shares upon completion of a NI 43-101 compliant mineral resource;
- Paying Benton $200,000 in cash, shares or a combination of cash and shares upon completion of a pre-feasibility study; and
- Paying Benton $300,000 in cash, shares or a combination of cash and shares upon completion of a final/full/bankable feasibility.

(vi) Shebandowan

During the period ended December 31, 2016, the company executed an option agreement with White Metal Resources Corp. ("White Metal") (a company related by common director Michael Stares) on the Company's Shebandowan project which consists of 135 units in 12 claims in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas in the Thunder Bay mining district. White Metal will have the option to earn a 100% interest in the Shebandowan property under the following terms:

- Paying Benton $15,000 cash (subsequently received) and issuing 200,000 shares (subsequently received) of White Metal on signing, acceptance and approval by the TSX Venture Exchange (accepted and approved);
- Benton will retain a 2% NSR on the Shebandowan property with White Metal having the option to buy-back 1% for $1 million;
- White Metal agrees to keep all claims in good standing and should White Metal elect to drop any claims contained within the option agreement, they must have at least 6 months of assessment credit at the time of election; and
- Paying Benton $500,000 in cash, shares or a combination of cash and shares at White Metal's election upon completion of a NI 43-101 compliant resource estimate on any claims contained within the option agreement.

(vii) Other

During the year ended June 30, 2016, the Company acquired by staking a 100% interest in the Panama gold project adjoining claims held by Goldcorp Inc. in the Red Lake mining district, Northwestern Ontario. The project is located approximately 55km northeast of the town of Ear Falls and road accessible. It is comprised of 55 units in 4 claims and hosts the Slate Lake gold zone, which has undergone limited work in recent years.

In addition, the Company acquired a 100% interest through staking in the Iron Duke gold project located 20km east of the past producing Mattabi/Sturgeon Lake base metal deposits and 30km south of the past-producing St. Anthony gold mine. The project is comprised of 47 units in 3 claims and covers the Quill Lake gold zone, which has undergone limited exploration efforts.

(f) 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, 2016 and the year ended June 30, 2016 were as follows:

		Dec. 31, 2016 $	June 30, 2016 $
Write-downs/Dispositions:			
Other Properties		9,067	16,420
	Subtotal	9,067	16,420
Recoveries:			
Cape Ray		27,079	38,838
Other – Staghorn		-	100,000
	Subtotal	27,079	138,838
Total		**36,146**	**155,258**

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, 2016 $**	**Year ended June 30, 2015 $**	**Year ended June 30, 2014 $**
Operating expenses	1,110,927	4,569,115	5,159,436
Interest income	99,378	142,720	159,949
Adjustment to fair market value of held for trading investments	383,942	(245,510)	(193,668)
Write-down of mineral properties	(6,334)	(3,472,037)	(3,861,912)
Net loss being comprehensive loss	(451,648)	(4,722,831)	(4,505,047)
Earnings (loss) per share – basic (1) (2)	(0.01)	(0.06)	(0.06)
Cumulative mineral properties and deferred development expenditures	3,592,113	2,928,322	5,778,252
Total assets	8,549,745	8,944,387	13,617,145

(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, 2016	(735,960)	(0.01)
September 30, 2016	(247,407)	-
June 30, 2016	503,642	0.006
March 31, 2016	(218,340)	(0.003)
December 31, 2015	(346,486)	(0.005)
September 30, 2015	(390,464)	(0.005)
June 30, 2015	(3,808,700)	(0.048)
March 31, 2015	(156,617)	(0.002)

(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 six month period ended December 31, 2016, the Company's cash on hand decreased by $63,994 to $84,376, a change related to the timing of the redemption of temporary investments to retain cash on hand. Accounts and other receivables of $85,165 (June 30, 2016 - $105,897) at December 31, 2016 consisted of H.S.T., grants and other receivables. Included in accounts and other receivables at December 31, 2016 $29,073 is owing to the Company by Alset Energy Corp. During the period ended December 31, 2016, Alset settled $153,229 of its balance owing to Benton Alset shares by issuing 1,178,680 common shares of Alset for this debt at an underlying price of $0.13 per share. Exploration and evaluation assets increased from $3,592,113 at June 30, 2016 to $3,868,961 at December 31, 2016 due mainly to exploration work carried out at the Company's Iron Duke and Bedivere gold projects. Share Capital increased from $27,230,424 at June 30, 2016 to $27,424,174 related to a $200,000 flow-through share private placement completed during the current period as well as share issuances on the Staghorn option and the Bedivere property acquisition.

SHARE DATA

As at February 21, 2017, the Company has 79,406,031 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 11,740,000 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 8 of the December 31, 2016 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, 2016 of $3,045,124 ($3,849,813 as at June 30, 2016) and cash on hand of $84,376 ($148,370 as at June 30, 2016) and a deficit of $21,368,695 ($20,385,328 as at June 30, 2016).

During the period ended December 31, 2016, the Company completed the following flow-through private placement:

- The Company completed a non-brokered flow-through private placement of shares by issuing 2,000,000 flow-through shares at a price of $0.10 per share for proceeds of $200,000. Funds raised in the private placement will be used to advance the Company's current and ongoing exploration stage projects such as Iron Duke and Panama gold projects located in Ontario.

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 specifically as it affects junior mineral exploration companies.

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 the Board of Directors 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 six month period ended December 31, 2016;

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, 2016.

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 period ended December 31, 2016 and 2015:

Payee	Description of Relationship	Nature of Transaction	Dec. 31, 2016 Amount ($)	Dec. 31, 2015 Amount ($)

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
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the period	13,161	4,998
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	20,594	53,136
Newfie Shores	Partnership controlled by Stephen Stares, Director and Officer, and Michael Stares, Director	Payments for cabin rentals capitalized in deferred development expenditures	3,750	-

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, 2016, the Company paid director fees to one of its directors totaling $5,000 for services rendered on the Company's Audit Committee (December 31, 2015 - $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 directors (see 7(e(ii)).

Included in accounts payable and accrued liabilities is $4,238 (December 31, 2015 - nil) to Newfie Shores (inclusive of HST). The repayment terms are similar to the repayment terms of non-related party trade payables.

During the period ended December 31, 2016, the Company invoiced $95,073 inclusive of HST to Alset Energy Corp. (Fiscal 2016: $89,729) for field support personnel, executive support, equipment rentals, expense reimbursements and general and administrative costs incurred on Alset's behalf. Included in accounts and other receivables at December 31, 2016 is $29,073 owing to the Company by Alset Energy Corp. During the period ended December 31, 2016, Alset settled $153,229 owing to Benton by issuing to it 1,178,680 common shares of Alset at a value of $0.13 per share. In addition, during the period ended December 31, 2016, Benton purchased from Alset 1,000,000 private placement units, each unit consisting of one common share and one common share purchase warrant of Alset, for $100,000 ($0.10 per unit, see Note 5(iii)).

During the year ended June 30, 2016, the Company sold a 100% interest in the Champion Graphite project to Alset Energy Corp. (a company related by common directorships) for 1 million common shares of Alset Energy Corp. and subject to a 2% NSR of which Alset will have the option to buy back 1% of the NSR for $500,000.

Key management personnel remuneration during current period included $257,296 (December 31, 2016 - $258,218) in salaries and benefits and $3,733 (December 31, 2015 - $29,651) 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

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") in effect as of December 31, 2016.

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 21, 2017.

ADDITIONAL INFORMATION

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