



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

**For the six month period ended December 31, 2018**

**February 13, 2019**

### **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.

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, 2018. The discussion should be read in conjunction with the condensed interim financial statements of Benton Resources Inc. for the period ended December 31, 2018, 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 condensed interim 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 to enable 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

Within the last decade, the global financial markets have experienced a significant amount of volatility and uncertainty. 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 sufficient 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. 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, 2018 was \$68,939 compared to \$180,264 at June 30, 2018 along with \$3,954,395 in temporary investments compared to \$1,035,572 as at June 30, 2018. Cash and temporary investments increased during the current period due to the receipt of the cash proceeds on the disposition of the Cape Ray property to Matador Mining Ltd. that closed during fiscal 2018. Current assets of the Company as at December 31, 2018 were \$4,223,622 compared to \$6,817,943 as at June 30, 2018, a change related to the receipt of 8 million ordinary shares of Matador Capital Ltd. recorded in long-term investments in the current period but were accrued in receivables at June 30, 2018. Total assets as at December 31, 2018 were \$7,589,005 compared to \$8,891,513 as at June 30, 2018. Current liabilities as at December 31, 2018 were \$20,526 compared to \$44,954 as at June 30, 2018 an increase related to the timing of settlement of liabilities at or around the period end.

### Results of Operations

The loss and comprehensive loss for the six month period ended December 31, 2018 was \$1,306,449 (\$0.02 loss per common share) as compared to a loss and comprehensive loss of \$480,447 (nil loss per common share) in the previous year's comparative period, the change due mainly to a significant decline in the stock market value of the Company's long-term investments during the current period.

Expenses incurred during the period ended December 31, 2018 consist of:

- i) Advertising and promotion expenses of \$34,926 (December 31, 2017 - \$29,216) (marginal increase).
- ii) Share-based payments of \$14,869 (December 31, 2017 - \$36,337) (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 \$246,670 (December 31, 2017 - \$367,514) (includes salaries and benefits as well as office and related costs and decreased due to less personnel during the current period).
- iv) Professional fees of \$24,395 (December 31, 2017 - \$29,518) (varies upon timing of the provision of professional services).
- v) Consulting fees of \$nil (December 31, 2017 - \$16,667) (declined due to expired consulting contract in August 2017).
- vi) Stock exchange and filing fees of \$4,499 (December 31, 2017 - \$2,890) (dependent upon transactions requiring exchange approval and their timing).
- vii) Depreciation expense of \$10,781 (December 31, 2017 - \$12,661).
- viii) Pre-acquisition exploration and evaluation expenses of \$14,357 (December 31, 2017 - \$5,965) (increased due to an increase project generative activity in the current period).
- ix) Write-down of exploration and evaluation assets of \$870 (December 31, 2017 - nil) (marginal increase).
- x) Foreign currency translation adjustment of \$11,888 (gain) (December 31, 2017 - \$15,198 (loss)) (change based upon period end value of US dollar relative to Cdn dollar for purposes of translating US investment holdings).

## Cash Flows

The cash flows provided by operating activities was \$2,892,112 for the period ended December 31, 2018 compared to cash used in operating activities of \$702,770 in the prior year's comparative period due the receipt in the current period of the cash proceeds on the disposition of the Cape Ray properties. Cash from financing activities was nil for the period ended December 31, 2018 as compared to \$290,125 provided by financing activity in the previous year's period related to a flow-through private placement completed. Cash used in investing activities was \$87,814 for the period ended December 31, 2018 as compared to cash used in investing activities of \$426,702 in the previous year's comparative period, a decline due largely to significantly lower exploration and evaluation expenditures 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, generally because not enough technical information is available to estimate these. The deferred costs associated with each property for the six month period ended December 31, 2018 and year ended June 30, 2018 are summarized in the tables below:

**For the six month period ended December 31, 2018**

	<b>Saganaga/Q9</b>	<b>Cape Ray</b>	<b>Bedivere</b>	<b>Other</b>	<b>Total</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	
<b>June 30, 2018 Acquisition Costs</b>	\$ -	-	208,355	63,808	272,163
Additions	-	-	48,500	27,732	76,232
Write-downs/Recoveries/Disposals (f)	-	-	-	(36,272)	(36,272)
<i>Subtotal</i>	\$ -	-	48,500	(8,540)	39,960
<b>Dec. 31, 2018 - Acquisition Costs</b>	\$ -	-	<b>256,855</b>	<b>55,268</b>	<b>312,123</b>
<b>June 30, 2018 - Exploration and Evaluation Expenditures</b>	\$ 1,018	-	1,093,728	195,893	1,290,639
Assaying	1,036	-	72	7,695	8,803
Prospecting	5,430	-	117	28,222	33,769
Geological	-	-	-	152	152
Geophysical	-	-	3,983	7,658	11,641
Line Cutting	-	-	-	-	-
Trenching	-	-	89	42,580	42,669
Diamond Drilling	-	-	3,632	77,357	80,989
Miscellaneous	-	-	2,234	20,887	23,121
Write-downs/Recoveries/Disposals (e)	-	-	(100,000)	(1,894)	(101,894)
<i>Subtotal</i>	\$ 6,466	-	(89,873)	182,657	99,250
<b>Dec. 31, 2018 - Exploration and Evaluation Expenditures</b>	\$ <b>7,484</b>	-	<b>1,003,855</b>	<b>378,550</b>	<b>1,389,889</b>
<b>Dec. 31, 2018 - Total</b>	\$ <b>7,484</b>	-	<b>1,260,710</b>	<b>433,818</b>	<b>1,702,012</b>

**For the year ended June 30, 2018**

	<b>Saganaga/Q9</b>	<b>Cape Ray</b>	<b>Bedivere</b>	<b>Other</b>	<b>Total</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	
<b>June 30, 2017 - Acquisition Costs</b>	\$ -	836,412	89,914	148,780	1,075,106
Additions	-	21,435	118,441	79,043	218,919
Write-downs/Recoveries/Disposals (f)	-	(857,847)	-	(164,015)	(1,021,862)
<i>Subtotal</i>	\$ -	(836,412)	118,441	(84,972)	802,943
<b>June 30, 2018 - Acquisition Costs</b>	\$ -	-	<b>208,355</b>	<b>63,808</b>	<b>272,163</b>
<b>June 30, 2017 - Exploration and Evaluation Expenditures</b>	\$ -	1,406,990	272,345	731,183	2,410,518
Assaying	-	6,567	21,673	4,579	32,819
Prospecting	-	53,090	14,829	43,811	111,730
Geological	-	15,177	4,067	-	19,244
Geophysical	-	5,506	57,108	57,315	119,929
Line Cutting	-	-	28,469	-	28,469
Trenching	-	-	8,055	-	8,055
Diamond Drilling	-	30,680	677,489	15,554	723,723
Metallurgy	-	4,597	-	-	4,597
Resource Modeling	-	1,924	-	-	1,924
NI 43-101 Reporting	-	481	-	20	501
Environmental	-	481	-	-	481
Miscellaneous	1,018	5,463	9,693	6,458	22,632
Write-downs/Recoveries/Disposals (e)	-	(1,530,956)	-	(663,027)	(2,193,983)
<i>Subtotal</i>	\$ 1,018	(1,406,990)	821,383	(535,290)	(1,119,879)
<b>June 30, 2018 - Exploration and Evaluation Expenditures</b>	\$ <b>1,018</b>	<b>-</b>	<b>1,093,728</b>	<b>195,893</b>	<b>1,290,639</b>
<b>June 30, 2018 - Total</b>	\$ <b>1,018</b>	<b>-</b>	<b>1,302,083</b>	<b>259,701</b>	<b>1,562,802</b>

### **(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 20km segment of the southwestern section of the Shebandowan Greenstone belt.
- The property is located approximately 120km west of Thunder Bay and accessed by a well-maintained logging road.
- 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 a gabbro plug.
- In 2006, Teck Cominco completed a 2,003m (11 hole) drill program on the Saganaga property (focused on the Starr Zone) and found that highly anomalous gold values (up to 5.36gpt 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 8.16gpt gold and 124.85gpt silver. Trenching in the vicinity of the Megan zone also uncovered an altered quartz vein that assayed 61.2gpt gold over 0.25m. The quartz vein was encountered again approximately 50m to the southwest and channel samples here assayed up to 4.4gpt gold over 2.5m.
- Early in 2012, Benton Completed a 2,654m drill program at Saganaga and the results of this campaign were as follows (intervals shown are core lengths and not true lengths):

## 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 and as such, the project is available for option, sale or may be explored again in the future.

**(b) Cape Ray**

The Cape Ray gold project encompasses three claim packages that were 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 common 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 4,575ha.
- 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% NSR for \$1 million.
- Covers a 22km-long strike length of the Cape Ray Fault Zone, a significant gold-bearing structure.

*04, 41, Isle aux Morts and Big Pond Deposits*

- Acquired 100% from Tenacity Gold Mining Company Ltd. in 2013 by issuing 3 million common shares and paying \$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 the gold price 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% NSR 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% NSR for \$500,000.
- Consists of four mining claims that encompass the 04, 41, Isle aux Morts and the Big Pond gold deposits located in southwest Newfoundland.
- Claims are contiguous to the 51 and Windowglass Hill deposits.

*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 40km.

*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 had the right to earn up to a 50% interest in the Project through a series of expenditures and services to be provided.
- During the year ended June 30, 2017, Nordmin notified Benton that they have elected not to complete the necessary milestones required in the agreement to earn a 30% interest in the project and as a result the partners formed an 80% Benton and 20% Nordmin joint venture.

*Matador Mining Limited*

During the year ended June 30, 2018, the Company signed a binding term sheet with Matador Mining Limited (“Matador”) of Western Australia for the sale of Benton’s 80% interest in the four main Cape Ray Deposits (held in an 80%-Benton 20%-Nordmin Engineering Limited joint venture as described above) as well as a 100% interest in its remaining land positions held in the Cape Ray mining belt, which includes the Isle aux Morts and Big Pond deposits, for a cash payment of AUD \$3.25 million (AUD = Australian dollars with an exchange rate at June 30,

2018 of AUD \$1 = \$0.9733 CAD) and 8,000,000 ordinary shares of Matador based on an underlying value of AUD \$0.25/share (the “Consideration Shares”) for a total consideration of AUD \$5.25 million. The Company will also receive 833,333 options exercisable at a price of AUD \$0.30 a share for a period of 2 years following the date of issuance.

Benton was operating under an exclusivity agreement with Matador Capital Pty Ltd (“Matador Capital”) pursuant to which it has received AUD \$120,000 in cash from Matador Capital and was to continue to receive AUD \$50,000 per month from Matador until all conditions in the binding term sheet were satisfied. The payments made by Matador during the exclusivity period were deducted from the AUD \$3.25 million cash payment. The exclusivity payments were recorded as a reduction to the deferred exploration and evaluation expenditures associated with the Cape Ray project.

In order to complete the terms contained within the binding term sheet, Matador was required to:

- obtain shareholder approval for the issuance of the 8 million Consideration Shares;
- obtain shareholder approval to issue shares in order to complete a capital raise in the amount of not less than AUD \$5 million at AUD \$0.25 per share;
- obtain regulatory approval from the Australian Securities Exchange for the terms of the binding term sheet; and
- pay to Benton the AUD \$3.25 million in cash and issue 8 million Consideration Shares of Matador as well as the 833,333 options.

Matador completed the above conditions during the year ended June 30, 2018 and the Cape Ray mineral licenses were transferred accordingly. Cash and share proceeds for the disposition were accrued at June 30, 2018 and the cash and Consideration Shares were received in the current period ended December 31, 2018. The gain on disposition was recorded in the fiscal 2018.

Benton retains a 1% NSR on its 100% owned Cape Ray mineral licenses, more specifically those licenses that contain no other underlying NSRs within the binding term sheet. Matador has the right to buy back 50% of this NSR by paying to Benton AUD \$1 million. Matador assumed all other underlying NSRs associated with the 04/41/51/Windowglass Hill/Big Pond/Isle aux Morts deposit claim packages. Benton also agreed to enter into a voluntary escrow agreement for 75% (6 million) of the Consideration Shares whereby Benton would not trade these shares for the first 6 months following their issuance (released from restriction in January 2019). Benton also agrees not to trade the remaining 25% of the Consideration Shares unless such trading is conducted through a controlled sale arranged by Matador’s appointed broker or as otherwise agreed by Benton and Matador.

### **(c) 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, 18km north of Highway 11 and is accessible by new logging roads in the area.
- Subject to 3% NSR in favour of Traxxin of which 1% NSR 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 - completed) and paying \$450,000 cash and issuing 3 million shares to Traxxin over four years initially but was formally amended in the current period to seven years as follows with the amendments reflected below:
  - \$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 (paid and issued);
  - \$35,000 and 300,000 Company common shares on October 31, 2018; (as amended, paid and issued)
  - \$50,000 and 300,000 Company common shares on October 31, 2019;
  - \$65,000 and 400,000 Company common shares on October 31, 2020;
  - \$80,000 and 500,000 Company common shares on October 31, 2021, and
  - \$90,000 and 600,000 Company common shares on October 31, 2022.
- Traxxin prospecting resulted in a new high-grade gold discovery where surface grab samples returned assays ranging from trace up to 1,281gpt gold, 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 had been completely untested by diamond drilling and had seen little historical exploration, despite there being over 4km of gold mineralized strike length.
- Benton completed aeromagnetic and electromagnetic surveys that appear to delineate the northeast-oriented gold-bearing structure that hosts the original gold discovery (Traxxin Zone),
- Initial soil sampling results returned grades ranging from trace to as high as 2,160ppb gold along the quartz-related system for approximately 200m before the system was lost under a swamp.
- The Company also completed approximately 17km of grid and conducted an Induced Polarization (“IP”) geophysical survey.
- During the year ended June 30, 2018, the Company completed a total of 27 diamond drill holes in three drill programs. Highlights from hole BED-17-013 include 0.8gpt gold over 23.0m including 3.09gpt gold over 4.0m and 11.2gpt gold over 1.0m as well as a lower zone of 4.04gpt gold over 1.0m. Assay results from drilling by the Company are summarized in the table below:

<b>Drill Hole</b>	<b>From</b>	<b>To</b>	<b>Interval (m)</b>	<b>Grade (Au gpt)</b>
BED-17-001	2.7	5	2.3	1.82
	17.9	31.9	14.0	1.5
	17.9	21.9	4.0	3.63
incl	17.9	19.9	2.0	6.43
incl	25.9	28.9	3.0	1.41
BED-17-002	20.3	24.3	4.0	0.77
incl	22.3	23.3	1.0	1.98
	51	52	1.0	4.85
BED-17-003	22.7	23.7	1.0	37.3
BED-17-004	39.8	40.8	1.0	1.1
	49.4	52.2	2.8	0.96
incl	51.2	52.2	1.0	1.86
BED-17-005	34	56.2	22.2	1.07
incl	37.8	56.2	18.4	1.26
	43.8	56.2	12.4	1.71
	50.5	56.2	5.7	3.37
	52.5	55.2	2.7	6.59
	53.3	55.2	1.9	8.9
BED-17-006	51	53	2.0	2.66
BED-17-007	38	51	13.0	0.63
incl	50	51	1.0	5.46
BED-17-008	50	51	1.0	2.65
BED-17-009	NSA			
BED-17-010	32.3	34.3	2.0	0.44
BED-17-011	31.4	45	13.6	0.34
Incl	31.4	35.7	4.3	0.51
BED-17-012	23.9	25	1.1	0.74
BED-17-013	12.5	35.5	23.0	0.80
incl	12.5	16.5	4.0	3.09
	14.5	15.5	1.0	11.2

Drill Hole	From	To	Interval	Grade (Au gpt)
	34.5	35.5	1.0	4.04
BED-17-014	13	49	36.0	0.63
incl	13	25	12.0	1.16
	13	18	5.0	2.06
	23	25	2.0	1.4
	44	49	5.0	1.55
	44	45	1.0	5.83
BED-17-015A	NSA			
BED-17-016	84.7	92.7	8.0	2.4
incl	88.9	92.7	3.8	4.76
	88.9	91	2.1	7.87
BED-17-017	NSA			
BED-17-018	42.7	62.2	19.5	0.13
BED-17-019	74.2	80	5.8	2.03
incl	74.2	78.2	4.0	2.73
BED-17-020	67.9	71.6	3.7	0.35
BED-17-021	58.1	100	42.3	0.21
BED-17-022	117.2	137.2	20	1.61
	117.9	130	12.1	2.35
	122.6	130	7.4	3.43
	124.6	125.6	1	7.65
	129	130	1	9.11
BED-17-023	37.4	38.4	1	5.47
BED-18-024	NSA*			
BED-18-025	NSA*			
BED-18-026	NSA*			
BED-18-027	NSA*			

Note: intervals are reported as drill core lengths  
NSA = No Significant Assays

#### (d) Other Property

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

##### (i) Abernethy

##### 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 17.8gpt gold 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 gold

throughout both drill holes including 6.30gpt gold over 6.1m in drill hole ABE-1 and 1.62gpt gold over 6.7m (including 10.0gpt gold 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 gold)
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

*(ii) Providence Ni-Cu-PGM*

*Highlights:*

- Acquired 100% interest from Platinum Group Metals Ltd. (“Platinum Group”) in fiscal 2016.
- Comprised of 11 mining leases and 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 modelling, which have totaled more than \$5.5 million in historical expenditures.
- Historic drilling consists of approximately 6,000m 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	

During the year ended June 30, 2018, the Company executed a binding letter of intent (“LOI”) with Matador Capital whereby Matador Capital has acquired the right to acquire a 100% interest in Benton’s Providence Copper-Nickel-PGM project (the “Providence Option”). Under the terms of the LOI, Benton has granted to Matador Capital the exclusive right (the “Exclusivity Period”) to negotiate the terms of the transaction, enter into a definitive agreement and/or exercise the Option during the 30-day period following execution of the LOI in consideration for the payment of AUD \$10,000 within 10 days of signing the LOI. The Exclusivity Period will be automatically extended for the following periods at Matador Capital’s election provided they pay the following amounts to Benton:

- For a further five (5) months by paying Benton AUD \$90,000 within 30 days of executing the LOI (received);
- For a further two (2) months by paying an additional AUD \$100,000 within six (6) months of executing the LOI.

During the Exclusivity Period, Matador Capital may at any time exercise the option to acquire a 100% interest, by paying to Benton an additional AUD \$200,000 (the “Option Exercise Amount”) in cash or equivalent tradable shares (of Matador Capital or a nominee) based on a 10-day weighted average price. At a minimum, Matador Capital must pay to Benton no less than AUD \$300,000 in aggregate of cash and equivalent tradable shares between the Exclusivity Period payments and the Option Exercise Amount regardless of the point in time during the Exclusivity Period the election to exercise the Providence Option is made. In addition, to earn the 100% interest in the Providence Option Matador Capital (or its nominee) must complete either of the following prior to 36 months of executing the LOI;

- Completing a minimum of AUD \$1 million in exploration expenditures on the project; or
- Paying to Benton a further AUD \$1 million; or
- Issuing to Benton tradable shares of Matador Capital (or a nominee) having a value of AUD \$1 million based on the previous 10-day weighted average price of its shares prior to issuance.

In addition, Matador Capital will assume the underlying NSRs on the project (0.75% in favour of Platinum Group Metals and 0.50% in favour of Arctic Star Exploration) and will grant an additional 1% NSR in favour of Benton (making 2.25% NSR in aggregate) of which 0.5% NSR can be purchased from Benton by Matador Capital for AUD \$1 million.

During the period ended December 31, 2018, The Company amended its LOI with Matador Capital and completed the sale of the Providence project for a one-time final cash payment of AUD \$30,000 (in addition to the AUD \$100,000 previously paid to the Company) which was received in the subsequent period. Matador Capital will assign the LOI to AGR Resources Pty Ltd. (“AGR”), an affiliate of Matador Capital. AGR will assume responsibility for the underlying NSR’s and will grant an additional 1% NSR in favour of Benton of which 0.5% can be purchased by AGR for AUD \$500,000.

*(iii) Bark Lake*

During the year ended June 30, 2017, 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”) (\$30,000 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.

*(iv) Alder East*

During the year ended June 30, 2017, 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 (received) and issuing 1 million common shares (received) of Sokoman upon signing, acceptance and approval by the TSX Venture Exchange (accepted and approved);
- Issuing 500,000 common shares to Benton on the first anniversary of the option agreement (received);
- Issuing 500,000 common shares to Benton on second anniversary of the option agreement; (subsequently received)
- Benton will retain a 2% NSR on the Alder East project with Sokoman having the option to buy-back 1% NSR for \$1 million;
- Sokoman agrees to keep ground in good standing throughout the option period and if returned to Benton it is to be returned with at least 6 months of assessment credit;
- Paying Benton \$100,000 in cash, common shares of Sokoman or a combination of cash and shares upon completion of an NI 43-101 compliant Mineral Resource estimate;
- Paying Benton \$200,000 in cash, common shares of Sokoman 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 study.

(v) *Shebandowan*

During the year ended June 30, 2017, 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 (received) and issuing 200,000 common shares (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% NSR 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 be in good standing for a minimum of six months at the time of election; and
- Paying Benton \$500,000 in cash, common shares of White Metal or a combination of cash and shares at White Metal’s election upon completion of an NI 43-101 compliant Mineral Resource estimate on any claims contained within the option agreement.

(vi) *Bold Project*

During the year ended June 30, 2017, the Company acquired by staking a 100% interest in the Bold cobalt-copper-nickel project located 50km northeast of Mine Centre, Ontario. Subsequent to staking the four separate claim blocks that compose the Bold project, the Company entered into an option agreement with ASX-listed Ardiden Limited (ASX: ADV) whereby Ardiden can acquire 100% interest by paying Benton \$10,000 cash (received) and 200,000 ordinary shares (received). Benton will retain a 2% NSR of which 1% NSR can be purchased by Ardiden for \$500,000. During the current period ended December 31, 2018, Ardiden had surrendered the Bold project claims upon which the Company reacquired the claims via staking.

(vii) *GNP Project*

During the year ended June 30, 2018 the Company acquired a 100% interest by staking in two claim blocks totalling 233 units in northern Newfoundland near St. Anthony (the “GNP Project”). The Company believes this property could host a very important new discovery in a unique geological environment similar to other large gold deposits hosted in black shale environments around the world. During the current year the Company applied for and received a permit from the Government of Newfoundland and completed an airborne survey (magnetic (Mag) and electromagnetic (EM)).

(viii) *Cape Eagle*

During the year ended June 30, 2018, the Company acquired the Cape Eagle project on the Great Northern Peninsula of Newfoundland by staking four licenses containing 228 claim units, which cover similar geology to that of the Company’s GNP project and that of White Metal Resources Corp’s new black shale discovery of anomalous

gold values over approximately a 15 square kilometre area. Benton's management believes this gold-enriched black shale model exhibits many similarities to that of the large Sukhoi Log deposit located in Russia. The Company completed an airborne Mag/EM survey concurrently with the GNP project survey located 26 km to the north. The new property may also have base metal potential as it surrounds Altius Minerals Corporation's Sail Pond project, which is host to high grade silver, copper, lead and zinc mineralization.

*(ix) Bolton Bay*

During the year ended June 30, 2018, the Company signed a Letter of Intent ("LOI") to acquire the Bolton Bay gold project located 120km west of Thunder Bay adjacent to the east boundary of Benton's Bark Lake project. Benton has the option to earn a 100% interest in Bolton Bay by making cash payments totaling \$174,000 (\$12,000 paid) and by issuing 425,000 common shares (50,000 issued) over a period of 5 years following the execution of the LOI. The vendor will retain a 2% NSR of which the Company can purchase 1% NSR for \$1 million and retains a right of first refusal to purchase the remaining 1% NSR. The Company received regulatory approval of the agreement in the current period.

The Bolton Bay project has the potential to host gold as well as copper-nickel-platinum-palladium mineralization of economic interest. Recent work completed by the vendor has identified mafic intrusive rock units similar to those hosting copper-nickel-platinum-palladium mineral-rich boulders found on the Bark Lake property. Historical work completed by Falconbridge Ltd. and Inco Ltd. identified numerous mineralized zones across the property. Diamond drilling by Falconbridge in 1974 returned intercepts of 0.13 oz/t gold over 23ft (4.46gpt over 7.01m) including 0.288 oz/t gold over 10 feet (9.87gpt over 3.05m).

During the period ended December 31, 2018, the Company completed a trenching program on the project that included a total of eight mechanically-stripped areas spread over a 3.5km strike length in locations of previously known gold mineralization and newly identified prospective zones. A total of 137 channel samples was cut and 72 grab samples collected and submitted for assay.

Results from the Company's sampling at the historical 'West Zone' range from trace to 20.2gpt Au in grab samples, as well as up to 0.90gpt over 17m in channel sampling. The stripping of overburden at the West Zone uncovered a vertical quartz breccia pipe hosting the gold mineralization. The vertical nature of this structure may have negatively affected the drilling strategy carried out by historical exploration. The sporadic nature of the higher-grade gold concentrations makes the West Zone a good candidate for bulk sampling and future diamond drilling.

Of particular interest to the Company is a new deformation/shear zone containing green mica (fuchsite or roscoelite), quartz and quartz carbonate within a silicified volcanic over 16m containing 0.42gpt Au over 7.5m including 1.2gpt over 1m. More channel sampling in this area will be completed to determine the full width of the zone. Each trench had channel samples containing anomalous gold assays associated with deformed rock related to shearing.

During the period ended December 31, 2018, the Company completed diamond drilling at the Bolton Bay project. The program was designed to test several areas on the project including two holes that targeted the projected down plunge mineralization envelope of the historical 'West Zone'. The third hole tested a newly discovered deformation/shear zone containing green mica (fuchsite or roscoelite), quartz and quartz carbonate within a silicified volcanic which graded 0.42g/t Au over 7.5m including 1.2gpt Au over 1m. The fourth hole tested a copper-nickel-platinum-palladium target where anomalous mineralization was discovered at surface.

Subsequent to December 31, 2018, the Company released results of three of the four drill holes. While the results prove that the Bolton Bay project has potential for widespread gold mineralization, the drilling failed to intersect a higher grade, sulphide-rich 'pocket' from which Benton surface samples returned up to 145gpt Au this past summer.

Results from the three drill holes appear below:

	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Grade (g/t Au)</b>
<b>BB-18-01</b>	7.6	43.6	36.0	0.30
<i>Incl.</i>	39.6	43.6	4.0	0.83
<i>Incl.</i>	40.6	41.6	1.0	2.55
<b>BB-18-02</b>	23.4	67.4	44.0	0.36
<i>Incl.</i>	23.4	41.4	18.0	0.54
<i>Incl.</i>	23.4	34.4	11.0	0.74
<i>Incl.</i>	23.4	24.4	1.0	3.37
<i>Incl.</i>	33.4	34.4	1.0	3.77
<b>BB-18-03</b>	53.0	56.0	3.0	0.42
<b>BB-18-04</b>	<b>Pending</b>			

Note: Reported intercepts are core lengths not true widths

*(x) Panama Lake*

The 100%-owned Panama Lake gold project is hosted in the Red Lake mining district, 55km northeast of the town of Ear Falls and is accessible by road. Historical work is minimal and the last diamond drill campaign on the property was completed by Noranda Exploration Company Ltd. in 1988 where eight widely-spaced diamond drill holes over a 1.4km strike-length yielded results of up to 2.8gpt Au over 4.5m within a 20-30m wide mineralized shear zone. In addition, a glacial till sampling survey (Geological Survey of Canada, 1999 - Open File 3038) collected a sample on the Panama Lake gold project, which contained 107 gold grains, the highest count in the survey.

In light of Great Bear Resources Ltd.'s ("Great Bear") new discovery in the Red Lake district (see Great Bear's press release dated August 22, 2018), Benton spent a number of days in the current period prospecting at Panama Lake which lies 60km east of Great Bear's Dixie Project. A total of 24 samples was collected across the project area, six of which show promising results in a previously underexplored area. Five samples collected from an altered and silicified sedimentary iron formation containing quartz veining, pyrite, pyrrhotite and arsenopyrite, graded between 0.17gpt Au and 6.17gpt Au. The sampling was completed in a poorly-exposed area over 20m long and located approximately 275m northwest of the abovementioned Geological Survey of Canada ("GSC") till sample. Another sample containing 0.68gpt Au was collected 100m southwest of the GSC till sample. The new showings are associated with a distinct magnetic high (Ontario Geological Survey, 2003, Uchi-Bruce Lakes Area Airborne Survey), which extends for over 120km. Benton has staked a number of cell claims enlarging the Panama project to 7,446 hectares.

Subsequent to December 31, 2018, the Company initiated an approximate 1,000m-diamond drill program at Panama Lake. The drilling will focus on the Company's new surface sampling discovery from prospecting completed in 2018. A second series of holes will test the Panama Zone where historical diamond drilling was completed by Noranda in 1988. The Company views the project as having many geophysical and lithological similarities to that of Great Bear's discovery.

*(xi) Conche*

The Company entered into an option agreement (the "Option") with Quadro Resources Inc. ("Quadro") pursuant to which Quadro has acquired the right to earn the Company's 33.33% interest in the Conche Property (acquired during fiscal 2018 via joint staking efforts with Quadro, Metals Creek Resources Corp. and the Company) on Newfoundland's Great Northern Peninsula. In order to exercise the Option, Quadro is required to issue 1 million Quadro shares to the Company over an eighteen month period with 200,000 shares owed upon receipt of regulatory approval (received September 27, 2018), a further 300,000 shares to be issued within six months of receipt of regulatory approval (March 27, 2019) and the final 500,000 shares within eighteen months of receiving regulatory approval (March 27, 2020). Upon completion of the share payments, the Company will retain a 1% NSR with Quadro having the right to purchase 50% of the NSR for \$500,000. The Option received approval from the TSX Venture Exchange during the current period.

*(xii) Goodchild*

The Company entered into an asset purchase/sale agreement with Canadian Orebodies Inc. (“Canadian Orebodies”), a company listed on the TSX Venture Exchange trading under the symbol “CORE”, whereby the Company will sell the southwest portion the Goodchild Lake mining property (the “Property”). The portion of the Property being sold consists of 31 claim cells totaling approximately 500 hectares. As consideration for the purchase, Canadian Orebodies issued Benton 100,000 common shares in the capital stock of the Canadian Orebodies and granted Benton a 1.5% NSR. Canadian Orebodies will have the option to buy-down 50% of the NSR at any time for the sum of \$750,000. The purchase agreement was approved by the TSX Venture Exchange and the 100,000 shares were received in the current period.

*(xiii) Baril Lake*

During the six month period ended December 31, 2018, the Company entered into an option to purchase agreement with Rio Tinto Exploration Canada Inc. (“RTEC”) whereby RTEC will have the right to earn a 100% interest in the Company’s Baril Lake claims located approximately 5km west of the Company’s Bark Lake project which is currently under option to RTEC. Pursuant to the terms of the agreement, RTEC can earn 100% of the Baril project by paying the Company \$200,000 (\$25,000 received) over 4 years and should RTEC achieve commercial production at the project, will pay the Company an additional \$1,000,000. The Company will also retain a 2% NSR, half of which (1% NSR) can be purchased by RTEC for \$1,000,000.

**(e) 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 periods ended December 31, 2018 and June 30, 2018 were as follows:

	December 31, 2018 \$	June 30, 2018 \$
<i>Write-downs:</i>		
Cape Ray	-	19,470
Other Properties	870	61,128
<i>Total</i>	<u>870</u>	<u>80,598</u>
<i>Recoveries/Dispositions:</i>		
Cape Ray	-	2,369,333
Other Properties - Staghorn	-	676,234
Bedivere	100,000	-
Other Properties	37,296	89,680
<i>Total</i>	<u>137,296</u>	<u>3,135,247</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. 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, 2018 \$	Year ended June 30, 2017 \$	Year ended June 30, 2016 \$
Operating expenses	1,170,949	1,829,497	1,110,927
Interest income	13,911	38,402	99,378
Adjustment to fair market value of held for trading investments	(23,876)	(551,951)	383,942
Write-down of mineral properties	(80,598)	(678,649)	(6,334)
Net income (loss) being comprehensive income (loss)	2,073,348	(2,220,958)	(451,648)
Income (loss) per share – basic (1) (2)	0.03	(0.03)	(0.01)
Cumulative mineral properties and deferred development expenditures	1,562,802	3,485,624	3,592,113
Total assets	8,891,513	6,524,917	8,549,745

- (1) Basic per share calculations are made using the weighted-average number of common 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 Income/(Loss) \$	Net Income/(Loss) per Share Basic and Diluted (1) (2) \$
December 31, 2018	(1,368,712)	(0.02)
September 30, 2018	62,483	0.00
June 30, 2018	2,717,986	0.03
March 31, 2018	(259,463)	-
December 31, 2017	(90,014)	-
September 30, 2017	(295,161)	-
June 30, 2017	(1,171,834)	(0.02)
March 31, 2017	(65,757)	-

- (1) Basic loss per share calculations are made using the weighted-average number of common shares outstanding during the period.
- (2) Income (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, 2018, the Company's cash on hand decreased by \$111,325 to \$68,939, a change related to the timing of the redemption of temporary investments to retain cash on hand. Accounts and other receivables of \$15,371 (June 30, 2018 - \$5,431,105) at December 31, 2018 consisted of HST and other receivables. Exploration and evaluation assets increased from \$1,562,802 at June 30, 2018 to \$1,702,012 at December 31, 2018 due mainly to exploration and evaluation activity at the Company's Panama Lake and Bolton Bay projects. Share capital increased by \$13,500 to \$27,639,934 at December 31, 2018 related to the value of the common shares issued to the Bedivere property optionors (June 30, 2018 - \$27,626,434).

## SHARE DATA

As at February 13, 2019, the Company has 84,168,531 common shares issued and outstanding as well as stock options to purchase an aggregate of 6,295,000 common shares expiring between May 13, 2020 and January 15, 2024 exercisable between \$0.07 and \$0.10 per share. For additional details of share data, please refer to note 7 of the December 31, 2018 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, 2018 of \$4,203,096 (\$6,772,989 as at June 30, 2018) and cash on hand of \$68,939 (\$180,264 as at June 30, 2018) and a deficit of \$21,839,387 (\$20,532,938 as at June 30, 2018).

The Company has not completed any private placements during the six-month period ended December 31, 2018.

During the year ended June 30, 2018, the Company completed the following flow-through private placement:

- The Company completed a non-brokered flow-through private placement for gross proceeds of \$305,000, consisting of 3,812,500 flow-through units ("FT Units") at a price of \$0.08 per FT Unit. Each FT Unit includes one (1) full Common Share Purchase Warrant exercisable at \$0.25 for 12 months from the date of issuance. All securities issued in the placement are subject to a four-month hold period. In connection with the private placement, the Company paid cash finders' fees totalling \$12,600 as well as 157,500 finders' warrants exercisable at \$0.25 for 12 months from the date of issuance.

The Company's audited 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 mineral 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 mineral 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 periods 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 income (loss) and comprehensive income (loss) for the period ended December 31, 2018;
- iii. the inputs used in accounting for share-based payment expense in the statement of comprehensive loss.

### 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 month periods ended December 31, 2018 and December 31, 2017:

Payee	Description of Relationship	Nature of Transaction	December 31, 2018 Amount (\$)	December 31, 2017 Amount (\$)
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Equipment purchases included exploration and evaluation assets	-	1,600
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the period	10,521	11,535
Michael Stares	Director	Equipment rentals included in exploration and evaluation assets	-	1,376
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	-	100
Newfie Shores	Partnership controlled by Stephen Stares, Director and Officer, and Michael Stares, Director	Payments for cabin rentals capitalized in deferred development expenditures	-	-

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, 2018, the Company paid director fees to one of its directors totaling \$5,000 for services rendered on the Company's Audit Committee (December 31, 2017 - \$5,000). The director is to receive \$2,500 per quarter.

During the period ended December 31, 2018, the Company invoiced White Metal Resources Corp. (related by common director Michael Stares) \$12,448 (inclusive of HST) for accounting support and office rental and reimbursement of expenses (December 31, 2017- \$49,991).

Key management personnel remuneration during current period included \$184,217 (December 31, 2017 - \$257,296) in salaries and benefits and \$6,478 (December 31, 2017 - \$15,830) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the current period.

## SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2018:

- The Company granted 1,950,000 common stock options to directors, officers, employees and consultants of the Company. The options have a five-year term expiring on January 14, 2024 at an exercise price of \$0.07 per share, will be governed by the terms and conditions of the Company's stock option plan and are subject to vesting provisions.
- 2,020,000 stock options of the Company with an exercise price of \$0.10 per share expired unexercised.
- The Company received its final payment of 500,000 common shares of Sokoman Iron Corp. ("Sokoman") pursuant to an option on the Alder East project in Central Newfoundland. In accordance with the agreement, the Company may receive further future payments should various defined project resource estimate milestones be achieved by Sokoman and the Company retains a 2% NSR on the Alder East project with Sokoman having the right to buy back 1% NSR for \$1 million.

## 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, 2018.

### New and Future Accounting Pronouncements

The following standards are effective for annual periods beginning on or after January 1, 2018, 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, palladium 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 13, 2019.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or by visiting the Company's website at [www.bentonresources.ca](http://www.bentonresources.ca).