(A Development Stage Enterprise)

Financial Statements
June 30, 2014 and 2013

(Stated in Canadian Dollars)

BENTON RESOURCES INC.
(A Development Stage Enterprise)

June 30, 2014

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Wasserman Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Benton Resources Inc.:

We have audited the accompanying financial statements of Benton Resources Inc., which comprise the statements of financial position as at June 30, 2014 and 2013 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Benton Resources Inc. and its subsidiary as at June 30, 2014 and 2013 and the results of its operations, changes in equity and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Wasserman Ramsay

Markham, Ontario
October 22, 2014

Chartered Accountants
Licensed Public Accountants

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF FINANCIAL POSITION

As at	**June 30, 2014 $**	June 30, 2013 $
ASSETS		
Current		
Cash	**110,408**	44,740
Temporary investments (note 6)	**6,486,202**	8,648,220
Accounts and other receivables	**81,872**	58,292
Prepaid expenses	**11,886**	13,498
Refundable security deposits (note 18)	**153,734**	106,309
	6,844,102	8,871,059
Long-term investments (note 7)	**882,784**	1,108,313
Property and equipment, net (note 8)	**112,007**	79,801
Exploration and evaluation assets (note 9)	**5,778,252**	7,995,319
	13,617,145	18,054,492
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 11)	**141,821**	81,294
Deferred income tax liability (note 13)	**-**	293,456
	141,821	374,750
Shareholders' Equity		
Capital Stock (note 10)		
Share capital	**27,485,786**	27,451,536
Reserves	**1,200,387**	934,008
Deficit	**(15,210,849)**	(10,705,802)
	13,475,324	17,679,742
	13,617,145	18,054,492

See Nature of Operations and Going Concern – Note 1
Subsequent Event – Note 21

These financial statements are authorized for issue by the Board of Directors on October 22, 2014. They are signed on the Corporation's behalf by:

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

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED JUNE 30

	2014 $	2013 $
EXPENSES		
Advertising and promotion	98,295	138,104
Share-based payments (note 14)	189,879	475,137
General and administrative	907,011	891,584
Professional fees	48,858	88,243
Stock exchange and filing fees	12,375	38,498
Depreciation expense	32,390	38,526
Write-down of exploration and evaluation assets	3,861,912	1,147,766
Pre-acquisition exploration and evaluation	14,046	36,971
Foreign currency translation adjustment	(5,330)	(110,503)
	(5,159,436)	(2,744,326)
Other income (expense):		
Interest and investment income	159,949	93,374
Management fees (note 11)	46,000	28,000
Adjustment to fair value for fair value through profit and loss investments	(193,668)	511,232
Gain on sale of exploration and evaluation assets (notes 7(vi), 9)	590,686	305,578
Loss on sale of long-term investments (note 7)	(242,034)	(66,508)
	360,933	871,676
Loss before income taxes	(4,798,503)	(1,872,650)
Deferred income tax recovery (expense) (note 13)	293,456	(235,157)
Loss and comprehensive loss for the year	(4,505,047)	(2,107,807)
Loss and comprehensive loss per common share – basic and diluted	(0.06)	(0.03)
Weighted average shares outstanding – basic and diluted	75,798,894	75,716,090

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF CHANGES IN EQUITY
For the years ended June 30, 2014 and 2013

	Share Capital			Retained earnings	Total shareholders'
	Number	Amount $	Reserves $	(deficit) $	equity $
Balance at June 30, 2012	1	1	22,092,665	(8,597,995)	13,494,671
Funding by Benton Capital Corp.	-	-	362,730	-	362,730
Transfer of assets by Benton Capital Corp. pursuant to plan of Arrangement (note 2)	76,273,531	28,070,522	(22,455,395)	-	5,615,127
Cancellation of seed share	(1)	(1)	-	-	(1)
Loss and comprehensive loss for the year	-	-	-	(2,107,807)	(2,107,807)
Issued in connection with property option agreements	25,000	2,750	-	-	2,750
Shares purchased and held for cancellation under normal course issuer bid	(1,689,500)	(621,736)	458,871	-	(162,865)
Share-based payments	-	-	475,137	-	475,137
Balance at June 30, 2013	**74,609,031**	**27,451,536**	**934,008**	**(10,705,802)**	**17,679,742**
Loss and comprehensive loss for the year	-	-	-	(4,505,047)	(4,505,047)
Issued in connection with property purchase agreements	1,850,000	126,000	-	-	126,000
Shares purchased and cancelled under normal course issuer bid	(250,000)	(91,750)	76,500	-	(15,250)
Share-based payments	-	-	189,879	-	189,879
Balance at June 30, 2014	**76,209,031**	**27,485,786**	**1,200,387**	**(15,210,849)**	**13,475,324**

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30

	2014 $	2013 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Income (loss) and comprehensive income (loss) for the year	(4,505,047)	(2,107,807)
Deferred income tax expense (recovery)	(293,456)	235,157
Write-down of exploration and evaluation assets	3,861,912	1,147,766
Unrealized change in fair value for fair value through profit and loss investments	193,668	(511,232)
Gain on sale of exploration and evaluation assets	(590,686)	(305,578)
Loss on sale of long-term investments	242,034	66,508
Depreciation expense	32,390	38,526
Share-based payments	189,879	475,137
Net change in non-cash working capital balances related to operating activities	(8,867)	59,518
Cash flows used in operating activities	(878,173)	(902,005)
FINANCING ACTIVITIES		
Funding by Benton Capital Corp.	-	255,136
Shares purchased and cancelled under normal course issuer bid	(15,250)	(162,865)
Cash and temporary investments transferred from Benton Capital Corp.	-	5,615,127
Redemption of seed capital	-	(1)
Cash flows provided by (used in) financing activities	(15,250)	5,707,397
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(1,547,158)	(2,330,852)
Proceeds on sale of exploration and evaluation assets	139,000	20,000
Purchase of property and equipment	(64,596)	(1,405)
Unrealized change in fair market value of temporary investments included in cash	(31,500)	-
Purchase of long-term investments	-	(217,385)
Net proceeds on sale of long-term investments	301,327	6,417,209
Cash flows provided by (used in) investing activities	(1,202,927)	3,887,567
Decrease in cash and temporary investments	(2,096,350)	8,692,959
Cash and temporary investments - beginning of year	8,692,960	1
Cash and temporary investments – end of year	6,596,610	8,692,960

Supplemental cash flow information (note 17)

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014 and 2013

1. NATURE OF OPERATIONS AND GOING CONCERN:

Benton Resources Inc. ("Benton" or the "Company") was incorporated on November 8, 2011 as 0924698 B.C. Ltd. (renamed Benton Resources Inc. on July 25, 2012) under the laws of British Columbia and is a development stage public company whose shares began trading on the TSX Venture Exchange on August 1, 2012. Its principal business activities are the acquisition, exploration and development of mineral properties. On July 27, 2012, the Company received certain assets by way of a court-approved plan of arrangement (the "Arrangement") (note 2) from Benton Capital Corp. (formerly Benton Resources Corp.).

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

	June 30, 2014	June 30, 2013
Working capital	$ 6,702,281	$ 8,789,765
Deficit	$(15,210,849)	$(10,705,802)

2. PLAN OF ARRANGEMENT:

Under the Arrangement, each Benton Capital Corp. share was exchanged for one new Benton Capital Corp. common share and one common share of Benton Resources Inc.

All of Benton Capital Corp.'s assets were transferred to Benton Resources Inc. with the exception of the Goodchild property, the 57,866,754 shares of Coro Mining Corp., and approximately $730,000 in working capital.

The formation of Benton Resources Inc. was the result of the transfer of assets between entities under common control: accordingly, the transaction is excluded from the scope of IFRS 3, Business Combinations. These financial statements have been presented using predecessor accounting with balance sheet amounts based on the amounts recorded by Benton Capital Corp. up to July 27, 2012.

Carrying value of the net assets transferred and acquired pursuant to the Arrangement on July 27, 2012 consisted of the following:

Cash and temporary investments	$	5,615,127
Other deposits and prepaids		153,043
Property and Equipment, net		113,620
Long-term investments		6,557,064
Exploration and evaluation assets		6,939,032
Deferred income tax liability		(55,019)
	$	**19,322,867**

3. FINANCIAL PRESENTATION:

Benton was incorporated on November 8, 2011 and began operations on July 27, 2012. Financial information prior to this date reflects the financial position, statements of income (loss) and comprehensive income (loss) and deficit and cash flows of the related Benton Resources Inc. business of Benton Capital Corp. This information has previously been reported as the Benton Resources Inc. business. The Company's statements of Loss and Comprehensive Loss for the years ended June 30, 2014 and 2013 include an allocation of Benton Capital Corp.'s general and administrative expenses incurred from July 1, 2012 to July 27, 2012 and the expenses incurred directly by Benton Resources Inc. thereafter to June 30, 2014.

The allocation of general and administrative expense was calculated on the basis of the ratio of costs deferred on the Benton Resources Inc. business properties in each period presented as compared to the costs incurred on all mineral properties in each period. The financial statements have been presented under the continuity of interests basis of accounting with statement of financial position amounts based on the amounts recorded by Benton Capital Corp. Management cautions readers of these financial statements that the allocation of expenses was done for comparative purposes only and does not necessarily reflect future general and administrative expenses.

The opening deficit of Benton Resources Inc. at July 1, 2011 has been calculated by applying the same allocation principles outlined above to the cumulative transactions relating to the mineral properties and includes an allocation of Benton Capital Corp.'s general and administrative expenses. The allocation of these general and administrative expenses was calculated in the same manner as described above.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance to International Financial Reporting Standards ("IFRS")

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

Basis of Presentation

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements including comparatives have been prepared on the basis of IFRS standards that were in effect on June 30, 2014.

The standards that are effective in the annual financial statements for the year ending June 30, 2014 are subject to change and may be affected by additional interpretation(s).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in Canadian dollars , which is also the functional currency of the Company.

Business combinations

Business combinations that occurred prior to January 1, 2010 were not accounted for in accordance with IFRS 3, Business Combinations ("IFRS 3") or IAS 27, Consolidated and Separate Financial Statements ("IAS 27"), as the Company in the transition year chose to apply the IFRS 1 exemption.

For business combinations occurring after July 1, 2010, the requirements of IFRS 3 have been applied. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Company recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognized amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognized in profit or loss immediately.

Financial Instruments

Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category are as follows:

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of earnings in the period of determination.

Fair value through profit or loss - This category includes derivatives, and investments acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of comprehensive income (loss).

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive earnings. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from other comprehensive earnings and recognized in the statement of comprehensive income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of earnings.

Other financial liabilities - This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

Fair value hierarchy:

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company has valued all of its financial instruments using Level 1 measurements.

Impairment of financial assets:

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period.

Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at

the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term investments, highly liquid investments that are readily convertible into known amounts or cash and which are subject to an insignificant risk of changes in value.

Investments

Investments in associates over which the Company exercises significant influence are accounted for using the equity method. Investments under which the Company cannot exert significant influence are recorded initially at cost and adjusted to reflect changes in the fair value in subsequent periods. For mining and other investments classified as available for sale, any subsequent changes in the fair value are recorded in other comprehensive earnings. If in the opinion of management there has been a decline in value of the investment below the carrying value that is considered to be other than temporary, the valuation adjustment is recorded in net earnings in the period of determination. The fair value of the investments is based on the quoted market price on the closing date of the period.

Investments in Joint Ventures

Entities whose economic activities are controlled jointly by the Company and other ventures independent of the Company (joint ventures) are accounted for using the proportionate consolidation method, whereby the Company's share of the assets, liabilities, income and expenses is included line by line in the consolidated financial statements.

Unrealized gains and losses on transactions between the Company and its joint ventures are eliminated to the extent of the Company’s interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

Amounts reported in the financial statements of jointly controlled entities have been adjusted where necessary to ensure consistency with the accounting policies of the Company.

Exploration and Evaluation Assets

Exploration and evaluation assets include the costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. The Company follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and crediting all revenue received against the cost of related claims. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the income statement.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The aggregate costs related to abandoned mineral claims are charged to operations at the time or any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either an unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Property and Equipment

Purchased property and equipment are carried at acquisition cost less subsequent depreciation and impairment losses.

Depreciation is recognized on a declining balance basis to write down the cost or valuation less estimated residual value of property and equipment. The periods generally applicable are:

Computer Equipment	30-55%
Computer Software	100%
Furniture and Equipment	20%
Exploration Camps	30%
Automotive	30%

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within “other income” or “other expenses.”

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair values less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value to their present value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less that its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue Recognition

Operator fees on mineral properties are earned based on an agreed upon percentage of development expenses incurred on specific properties. Recognition of all revenue is subject to the provision that ultimate collection is reasonably assured at the time of recognition.

Interest

Interest income and expenses are reported on an accrual basis using the effective interest method.

Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in joint ventures is not provided if the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Foreign Currency Translation

Accounts of foreign operations, consisting of the Company's exploration and evaluation expenditures on the Elizabeth Anne project are translated as follows:

(i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
(ii) Long-term investments carried at fair market value are translated at the rate of exchange in effect at the balance sheet date;
(iii) Non-monetary assets and liabilities, and equity are translated at historical rates; and
(iv) Revenue and expense items are translated at the rate of exchange prevailing at the time of the transaction or at average exchange rates during the period as appropriate.

Gains and losses on re-measurement to the functional currency are included in the results of operations for the period.

Share-based payment transactions

The Company operates equity-settled share-based remuneration plans for its employees, directors and consultants. None of the Company's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to 'reserves'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Flow-Through Financing

The Company raises equity through the issuance of flow-through shares. Under this arrangement, shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in the statement of loss and comprehensive loss. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum period.

Segment reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Company has one reportable operating segment being the acquisition, exploration and development of mineral properties. The Company operates in two geographical segments (Canada and the United States) as disclosed in Note 20.

Operating Expenses

Operating expenses are recognized in profit and loss upon utilization of the services or at the date of their origin.

Significant accounting judgments and estimates

The preparation of these consolidated 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 consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 date of the statement of financial position 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 consolidated statement 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 consolidated statement of financial position and the related depreciation included in the consolidated statement of comprehensive income (loss) for the period ended June 30, 2014;

iv. the inputs used in accounting for share-based payment expense in the consolidated statement of comprehensive loss; and

v. the provision for income taxes which is included in the consolidated statements of comprehensive income (loss) and composition of deferred income tax assets and liabilities included in the consolidated statements of financial position at June 30, 2014.

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.

Earnings (loss) Per Share

Earnings (loss) per share is calculated on the basis of weighted average number of shares outstanding during the year. Diluted earnings per share are computed using the treasury stock method whereby the weighted average shares outstanding are increased to include additional shares from the exercise of warrants and stock options, if dilutive. For warrants and stock options, the number of additional common shares is calculated by assuming that outstanding warrants and stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance expense ("notional interest").

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

5. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

The following standards are effective for annual periods beginning on or after January 1, 2014, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the consolidated 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. The implementation of this standard has been postponed indefinitely.

6. TEMPORARY INVESTMENTS:

	June 30, 2014 $	June 30, 2013 $
Debenture	-	165,798
Money Market Mutual funds	4,853,702	6,618,422
Guaranteed Investment Certificates	700,000	900,000
Investment Trust	932,500	964,000
	6,486,202	8,648,220

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

The mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.
The guaranteed investment certificates mature on October 20, 2014 with interest rates ranging from 1.7% to 2%.
The investment trust is a fully liquid senior loan fund with interest rates ranging from 6% to 6.75%.

7. LONG-TERM INVESTMENTS:

	June 30, 2014		June 30, 2013	
	Market $	Cost $	Market $	Cost $
Canadian Equities				
Mineral Mountain Resources (i)	388,437	3,107,500	453,177	3,107,500
Global Cobalt Corporation (ii)	-	-	131,759	423,361
Sokoman Iron Corp. (iii)	4,650	201,500	15,500	201,500
Parkside Resources Corporation (iv)	50,000	547,708	300,000	547,708
Gold Royalties Corporation (v)	130,449	285,578	176,283	285,578
Alabama Graphite Corp. (vi)	285,000	360,000	-	-
Other	24,248	401,348	31,595	401,348
	882,784	4,903,634	1,108,314	4,966,995

(i) The 6,473,958 Mineral Mountain Resources (“Mineral Mountain”) common shares are valued at the June 30, 2014 closing price of $0.06 per share (June 30, 2013 - $0.07). The shares were received during the fiscal 2011 period pursuant to the Company selling its option to earn into the Golden Harp Copper Hill Block ‘A’. Mineral Mountain is listed on the TSX Venture Exchange under the symbol “MMV”. During the year ended June 30, 2013, the Company sold 2 million Mineral Mountain shares for gross proceeds of $715,153 and recorded a loss on disposition in the amount of $250,924.

(ii) The 1,550,100 Global Cobalt Corporation (“GCO”) (formerly Puget Ventures Inc.) common shares were sold during the 2014 year for net proceeds of $245,454 and the Company recorded a loss on the sale in the amount of $177,907. The initial 103,100 shares were received pursuant to a joint venture agreement with GCO and the claims were subsequently sold to GCO on March 26, 2010 for an additional 1,550,000 shares of GCO (valued at $0.27 per share) for gross proceeds in the amount of $418,500. GCO is listed on the TSX Venture Exchange under the symbol “GCO”.

(iii) The 155,000 Sokoman Iron Corp. ("Sokoman") common shares (formerly Golden Dory Resources Corp.) are valued at the June 30, 2014 trading price of $0.03 per share (June 30, 2013 - $0.10 (adjusted for the Share Consolidation). Effective October 1, 2013, Golden Dory Resources Corp. completed a 1:10 share consolidation (the "Share Consolidation") and underwent a company name change to Sokoman Iron Corp. and commenced trading on the TSX Venture Exchange under the symbol "SIC". As a result, the Company's shareholdings were consolidated from 1,550,000 to 155,000 shares of Sokoman Iron Corp. during the 2014 fiscal year.

(iv) The 5,000,000 Parkside Resources Corporation ("Parkside") common shares trade on the TSX Venture Exchange under the symbol "PKS" and are valued at the June 30, 2014 trading price of $0.01 per share (June 30, 2013 - $0.06). The Company's share position in Parkside is subject to certain escrow conditions and as a result only 2.75 million of the shares are free trading at June 30, 2014. In addition, the Company holds 2 million common share purchase warrants exercisable at $0.20 each expiring on February 17, 2015. The warrants are also subject to certain escrow conditions and as a result only 600,000 warrants are exercisable at June 30, 2014.

(v) The 352,565 Gold Royalties Corporation common shares were received by the Company pursuant to the sale of the Company's 1% net smelter return royalty interest on the Bermuda Project located near Marathon, Ontario during the year ended June 30, 2013. The shares were valued at the June 30, 2014 trading price of $0.37 per share (June 30, 2013 - $0.50).

(vi) The Alabama Graphite Corp. common shares ("Alabama Graphite") were received by the Company pursuant to the sale on August 19, 2013 of 16 claim units that were acquired by staking by the Company near Hearst, Ontario ("Hearst Graphite Property"). Alabama Graphite purchased a 100% interest in the Hearst Graphite Property by paying the Company $8,000 (received) and issuing to the Company, 2 million common shares of Alabama Graphite (received) with the following trading restrictions:

i. 500,000 common shares restricted until December 23, 2013;
ii. 500,000 common shares restricted until June 22, 2014;
iii. 500,000 common shares restricted until December 22, 2014; and
iv. 500,000 common shares restricted until June 22, 2015.

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

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

At June 30, 2014, the Alabama Graphite shares traded on the TSX Venture Exchange under the symbol "ALP" and the shares are valued at their closing price on that date of $0.19 per share. During the year ended June 30, 2014, the Company sold 500,000 shares of Alabama Graphite for net proceeds of $55,873 and recorded a loss on the disposition of $64,127. Subsequent to June 30, 2014, the Company sold an additional 500,000 shares for net proceeds of $84,780.

8. PROPERTY AND EQUIPMENT:

	June 30, 2014			June 30, 2013		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	$ 59,518	$ 55,498	$ 4,020	$ 56,883	$ 52,727	$ 4,156
Furniture and Equipment	104,858	62,504	42,354	85,511	54,334	31,177
Computer Software	110,262	108,605	1,657	106,947	106,151	796
Exploration Camps	220,532	168,826	51,706	181,232	155,087	26,145
Automotive	41,671	29,402	12,269	41,671	24,144	17,527
Total	$ 536,841	$ 424,835	$ 112,006	$ 472,244	$ 392,444	$ 79,801

9. EXPLORATION AND EVALUATION ASSETS:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the year ended June 30, 2014 and year ended June 30, 2013 is summarized in the tables below:

For the year ended June 30, 2014

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

For the year ended June 30, 2013

		Saganaga/Q9 (a)	Long Range (b)	Elizabeth Anne (c)	Shebandowan (d)	Abernethy (e)	Cape Ray (f)	Other (g)	Total
June 30, 2012 - Acquisition Costs	$	280,143	200,230	56,972	86,933	13,569	5,100	704,600	1,347,547
Additions		810	2,900	115,189	-	-	23,890	125,287	268,076
Write-downs/Recoveries/Disposals **(h)**		-	-	-	(86,933)	-	(500)	(147,094)	(234,527)
Subtotal	$	810	2,900	115,189	(86,933)	-	23,390	(21,807)	33,549
June 30, 2013 - Acquisition Costs	$	**280,953**	**203,130**	**172,161**	**-**	**13,569**	**28,490**	**682,793**	**1,381,096**
June 30, 2012 - Exploration and Evaluation Expenditures	$	1,939,538	1,232,797	363,080	708,157	352,848	72,576	792,939	5,461,935
					-				
Assaying		29,629	-	236,127	2,073	-	8,621	19,412	295,862
Prospecting		3,046	-	101,274	1,576	-	52,493	12,697	171,086
Geological		29,095	-	132,759	-	-	87,278	14,269	263,401
Geophysical		-	-	46,276	-	-	1,042	-	47,318
Line Cutting		-	-	-	-	-	19,699	-	19,699
Trenching		-	-	-	-	-	30,000	14,204	44,204
Diamond Drilling		6,377	-	1,208,701	2,359	-	7,264	-	1,224,701
Miscellaneous		5,749	-	15,988	99	400	31,792	2,429	56,457
Write-downs/Recoveries/Disposals **(h)**		-	-	-	(714,264)	-	(57,200)	(198,976)	(970,440)
Subtotal	$	73,896	-	1,741,125	(708,157)	400	180,989	(135,965)	1,152,288
June 30, 2013 - Exploration and Evaluation Expenditures	$	**2,013,434**	**1,232,797**	**2,104,205**	**-**	**353,248**	**253,565**	**656,974**	**6,614,223**
June 30, 2013 - Total	$	**2,294,387**	**1,435,927**	**2,276,366**	**-**	**366,817**	**282,055**	**1,339,767**	**7,995,319**

(a) Saganaga Lake/Q9 Property

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

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

(b) Long Range Property

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

(c) Elizabeth Anne Property

The Elizabeth Anne property is located in San Bernardino County, California, USA. The Company acquired the property under option dated March 30, 2012 and has the exclusive right to acquire a 100% interest in the property by paying to the vendor $1.2 million of which $90,000 has been paid and the balance of $1.11 million is due over eleven (11) years as follows:

- i) $60,000 on March 30, 2014;
- ii) $70,000 on March 30, 2015;
- iii) $80,000 on March 30, 2016;
- iv) $90,000 on March 30, 2017;
- v) seven annual payments of $100,000 each starting March 30, 2018 and ending on March 30, 2024; and
- vi) $110,000 on March 30, 2025.

The cash payments can be accelerated at the Company’s sole election. In addition, the Company had an obligation to drill, within nine months of the option agreement date, 2 HQ core drill holes to a depth of 1,200 feet on the property which has been fulfilled. The option can be terminated by the Company at any time and no further payments would be required nor would any interest in the project transfer to the Company until the payments are made in their entirety. In addition, the agreement is subject to a 3% NSR of which the Company has the exclusive right to buy back 1.5% for $1.5 million and will hold the exclusive right to match any offer on the remaining 1.5% of the NSR.

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

(d) Shebandowan Property

The Shebandowan property is located approximately 90km west of Thunder Bay, Ontario. The Company acquired by staking a 100% interest in 17 staked claims totaling 209 units. The Company had also entered into an agreement with Trillium North Minerals Ltd. (“Trillium North”) in December 2010 that granted the Company the exclusive right to earn up to a 70% interest in 5 adjoining mineral claims totaling 27 units by paying Trillium North $80,000 cash ($20,000 paid), issuing 100,000 shares of the Company (25,000 shares issued) and spending $1 million on the property over a period of seven years. During the year ended June 30, 2013, the Company terminated the option with Trillium North

and has no further work planned on its 100% owned claims and as a result, wrote off $801,197 in capitalized acquisition and exploration and evaluation expenditures. The Company still holds the staked claims in good standing and will seek out a joint venture partner or outright purchaser of the claims or let them lapse.

(e) **Abernethy Property**

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

(f) **Cape Ray**

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

Windowglass Hill and 51 Zone Deposits

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

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

During the year ended June 30, 2014, the Company received a grant from the Government of Newfoundland and Labrador in the amount of $56,392 for exploration work completed at the Cape Ray property. The grant was recorded as a reduction of deferred exploration and evaluation assets during the year.

04/41/Isle Aux Mort/Big Pond Deposits

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

Cape Ray East

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

Other Properties

Other property consists of several early stage projects and that the Company is evaluating for exploration potential at June 30, 2014. Included in Other property are certain projects that are subject to agreements that are more fully described below.

(i) Kingurutik Lake Property

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

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

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

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

(ii) Forester Lake

The Forester Lake property was acquired by staking and consists of 21 claims totaling 272 units and is located approximately 100km north of Pickle Lake, Ontario. During the 2011 fiscal year, the Company entered into an agreement with Parkside Resources Corp. ("Parkside) which granted Parkside the right to earn a 60% interest (earned) in the property. Under the terms of the agreement, Parkside was to pay the Company $50,000 in cash (received), issue to the Company 1 million Parkside common shares (received) and expend $300,000 on the property over a period of three years with a minimum of $100,000 to be spent in each 12 month period of the three year period (fulfilled). Parkside, at their election, can earn an additional 10% (70% total) by expending an additional $700,000 on the property over an additional three year period. In addition, the Company provided Parkside with $200,000 in equity financing in fiscal 2011 (including $150,000 in flow-through financing) and $200,000 during the year ended June 30, 2013 in exchange for an additional 4 million common shares of Parkside (taking the Company's share position to 5 million shares – see note 7 "Long-Term Investments").

(iii) Onion Lake Property

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

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

The Company will seek a new partner for the project.

(iv) Mealy Property

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

effective date (the "Effective Date") and incurring an aggregate of $2.4 million in exploration expenditures on the Mealy Project as follows:

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

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

(v) Hearst Graphite Property

See note 7(vi).

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

Reductions to the carrying costs of associated properties pertaining to write-downs or as a result of cost recoveries or earn-ins, or due to dispositions during year ended June 30, 2014 and the year ended June 30, 2013 were as follows:

	June 30, 2014	June 30, 2013
	$	$
Write-downs:		
Shebandowan Property	-	801,197
Long Range Property	1,435,927	
Elizabeth Anne Property	2,414,259	
Other Properties	11,726	346,570
Subtotal	3,861,912	1,147,767
Recoveries:		
Cape Ray	56,392	57,200
Other – Mealy	20,518	-
Other – Hearst Graphite	7,796	-
Subtotal	84,706	57,200
Total	**3,946,618**	**1,204,967**

10. CAPITAL STOCK:

(a) Share Capital

Authorized:
Unlimited common shares
One voting preference share

Issued:
76,209,031 common shares without par value
Nil preference shares

(i) During the year ended June 30, 2013, the Company applied for and received regulatory approval for a Normal Course Issuer Bid (the "Bid") to purchase, through the facilities of the TSX Venture Exchange, up to 5,000,000 shares of its issued and outstanding common shares. The actual number of shares that may be purchased and the timing of such purchases will be determined by the Company and purchases pursuant to the Bid will be conducted through BMO Nesbitt Burns. During the year ended June 30, 2013, the Company acquired a total of 1,689,500 common shares at a total cost of $162,865 and cancelled the shares. During the year ended June 30, 2014, the Company acquired a total of 250,000 common shares at a total cost of $15,250 and cancelled the shares. During the year ended June 30, 2014 the Company applied for and received regulatory approval for a new Normal Course Issuer Bid (the "Renewed Bid") to purchase, through the facilities of the TSX Venture Exchange, up to 5,000,000

shares of its issued and outstanding common shares. The actual number of shares that may be purchased and the timing of such purchases will be determined by the Company and purchases pursuant to the Bid will be conducted through BMO Nesbitt Burns. No shares have been purchased under the Renewed Bid.

(b) Stock Options

Details of stock option transactions for the years ended June 30, 2014 and 2013 are as follows:

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2012	-	-
Granted during the year	8,250,000	$0.15
Expired during the year	(200,000)	$0.15
Balance, June 30, 2013	8,050,000	$0.15
Granted during the year	2,770,000	$0,10
Expired during the year	(100,000)	$0.15
Balance, June 30, 2014	10,720,000	$0.14

As at June 30, 2014 the following stock options were outstanding:

Expiry Date	Exercise Price	June 30, 2014 # of Options	Options exercisable
August 15, 2017	$0.15	7,750,000	7,750,000
September 5, 2017	$0.15	200,000	200,000
January 21, 2019	$0.10	2,770,000	1,385,000
		10,720,000	9,335,000

(c) Stock Option Plan

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The Plan authorizes the granting of options to purchase up to a maximum of 15,524,706 common shares of which 10,720,000 are outstanding at June 30, 2014. The Plan provides that:

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

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

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

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

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

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

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

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

11. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the year ended June 30, 2014 and 2013:

Payee	Description of Relationship	Nature of Transaction	June 30, 2014 Amount ($)	June 30, 2013 Amount ($)
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Payments for office rental costs included in general and administrative expenses and geo-referencing contracting services and expense reimbursements included in exploration and evaluation assets	120,319	69,160
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Director and Officer	Legal fees and disbursements charged/accrued during the year	43,104	43,083
Michael Stares	Director	Field consulting services included in exploration and evaluation assets	3,600	-
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Brother of Stephen and Michael Stares	Prospecting services and equipment rentals included in exploration and evaluation assets	7,511	384

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 year ended June 30, 2014, the Company paid director fees to one of its directors totaling $10,000 for services rendered on the Company's Audit Committee (2013 - $10,000). The director is to receive $2,500 per quarter.

Included in accounts payable and accrued liabilities is nil (2013 - $8,706) to Stares Contracting Corp., nil (2013 - $17,000) to Gordon J. Fretwell Law Corporation and $452 (2013 – nil) to Stares Prospecting Ltd. The repayment terms are similar to the repayment terms of non-related party trade payables.

During the 2014 fiscal year, the Company invoiced and accrued $46,000 (June 30, 2013 - $28,000) in management fees to Benton Capital Corp. to offset certain overhead covered by the Company on Benton Capital Corp.'s behalf.

Key management personnel remuneration during current period included $538,125 (June 30, 2013 - $543,098) in salaries and benefits and $136,613 (June 30, 2013 - $355,704) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

12. NET EARNINGS (LOSS) PER SHARE:

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

13. INCOME TAXES:

(a) Provision for Current Income Taxes

The provision for (recovery of) income taxes differs from the amount that would have resulted by applying Canadian federal and provincial statutory tax rates of 26.5% (June 30, 2013 – 25.875%).

	June 30, 2014 $	June 30, 2013 $
Net income (loss) before taxes	(4,798,503)	(1,872,650)
Income tax expense reconciliation		
Expected income tax expense (recovery) calculated using statutory rates	(1,271,603)	(484,548)
Tax effect of the following items:		
Non-deductible expense allocations from plan of arrangement	-	38,725
Non-deductible share-based payments	50,318	122,942
Non-deductible expenses and other items	78,687	36,394
Non-deductible write-down of mineral properties	1,023,407	296,883
Adjustment to fair value for fair value through profit and loss investments	51,322	(127,246)
Capital gains	-	-
CCA deducted	(10,340)	(13,420)
Recognized impact of deferred tax liabilities (assets)	(311,063)	365,229
Change in effective tax rates	17,607	198
Expected income tax expense (recovery) calculated for tax purposes	(371,665)	235,157
Valuation allowance	78,209	-
Income tax expense (recovery)	(293,456)	235,157
Income tax expense (recovery) consists of:		
Current income taxes	-	-
Deferred income taxes	(293,456)	235,157
	(293,456)	235,157

(b) Deferred Tax Balances

The tax effect of temporary differences that give rise to deferred income tax assets and deferred income tax liabilities at the combined Canadian federal and provincial statutory tax rates are as follows:

	June 30, 2014 $	June 30, 2013 $
Deferred tax assets (liabilities) – long term		
Non-capital losses	73,782	125,857
Capital losses	27,712	-
Property and equipment	5,241	7,170
Investments	1,048,628	999,482
Deferred development expenditures	(62,856)	(1,425,965)
Valuation Allowance	(1,092,507)	-
Net deferred income tax liability	-	(293,456)

(c) Additional Income Tax Information

The Company has non-capital losses of $295,128 available to reduce taxable income in future years as well as net capital losses in the amount of $110,850 available for carryforward. In addition, the Company has available $4,391,013 in cumulative Canadian exploration expenses, $997,922 in cumulative Canadian development expenses and $557,946 in foreign exploration and development expenses available for deduction against taxable income in future periods.

14. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and non-employees and accordingly $189,879 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 2,903,411 options vesting to directors, officers, and employees during the period. The fair value of the options vesting below during the period ended June 30, 2014 was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

Grant Date	# of Options Vested	Exercise Price	Expiry Date	Fair Value of Option	Dividend Yield	Volatility	Risk-free Interest Rate	Expected Life
August 15, 2012	1,060,554	$0.15	August 15, 2017	$0.067	0%	104%	1.47%	5 yrs
September 5, 2012	31,710	$0.15	September 5, 2017	$0.079	0%	106%	1.26%	2 yrs
January 21, 2014	1,811,147	$0.10	January 21, 2019	$0.064	0%	160%	1.70%	5 yrs
	2,903,411							

15. CAPITAL DISCLOSURES:

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

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

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

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

There were no changes in the Company's approach to managing capital during the year.

In order to maintain or adjust the capital structure, the Company considers the following;

i) incremental investment and acquisition opportunities;
ii) equity and debt capital available from capital markets;
iii) equity and debt credit that may be obtainable from the marketplace as a result of growth in mineral reserves;
iv) availability of other sources of debt with different characteristics than the existing bank debt;
v) the sale of assets;
vi) limiting the size of the investment program; and
vii) new share issuances if available on favorable terms.

Except as otherwise disclosed, the Company is not subject to any external financial covenants at June 30, 2014.

16. FINANCIAL RISK MANAGEMENT:

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk, currency risk and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash, temporary investments, accounts and other receivables and refundable security deposits. The Company's cash is held through a large Canadian Financial Institution. The temporary investments are held through major Canadian Financial Institutions with only the highest credit quality as determined by rating agencies. The temporary investments are available for cash requirement purposes at the request of the Company. Refundable security deposits are held by the Government of Newfoundland. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. While management feels the risk of capital loss on its temporary investments is remote given its investment in only highly rated, investment grade fixed income securities with reputable Canadian financial institutions, the income derived from these securities can fluctuate as a result of changes in interest rates upon reinvestment of matured funds. The Company's temporary investments are purchased at fixed interest rates and are either fully liquid or bear short term staggered maturity dates to mitigate the risk of fluctuating interest rates. At June 30, 2014, a 1% change in yields on the Company's short term investments would result in an approximate $65,000 (June 30, 2013 - $86,500) change in interest income per annum.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash and temporary investments are always available to settle financial liabilities. At June 30, 2014, the Company had cash on hand of $110,408 (June 30, 2013- $44,740) and temporary investments available to the Company of $6,486,202 (June 30, 2013 – $8,648,220) to settle current liabilities of $141,821 (June 30, 2013 - $81,294). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The majority of the Company's operations are in Canada; therefore, management believes the foreign exchange risk derived from any currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and equity price risk. The fair value of the Company's long term investments are impacted by changes in the quoted market price of the underlying issuer's securities with the resulting change impacting net income.

17. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	June 30, 2014 $	June 30, 2013 $
Non-cash operating activities		
Non-cash working capital balances transferred from Benton Capital Corp.	-	(153,043)
Gain on sale of exploration and evaluation assets	(480,000)	(285,578)
Non-cash financing activities		
Non-cash transfers of assets from Benton Capital Corp. pursuant to plan of arrangement	-	153,043
Common shares issued for mineral property option	126,000	2,750
Non-cash investing activities		
Mineral property financed through common share issuance	(126,000)	(2,750)
Shares received pursuant to sale of exploration property	480,000	285,578

18. REFUNDABLE SECURITY DEPOSITS:

Refundable security deposits of $153,734 (June 30, 2013 - $106,309) represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These refundable security deposits are refundable to the Company upon submission by the Company of a report covering the first year work requirements, which meets the requirements of the Government of Newfoundland and Labrador.

19. COMMITMENTS:

The Company has commitments as described in note 9 related to mineral properties and deferred development expenditures. The Company leases certain office equipment for $488 per month until August 2015.

20. GEOGRAPHIC SEGMENTED INFORMATION

Details are as follows:

	Canada $	United States $	Total $
June 30, 2014			
Loss and comprehensive loss for the period	2,090,788	2,414,259	4,505,047
Non-current assets	6,773,043	-	6,773,043
Total assets	13,617,145	-	13,617,145
Total liabilities	141,821	-	141,821
June 30, 2013			
Loss and comprehensive loss for the year	2,107,807	-	2,107,807
Non-current assets	6,970,067	2,276,366	9,183,433
Total assets	15,778,126	2,276,366	18,054,492
Total liabilities	359,833	14,917	374,750

21. SUBSEQUENT EVENT

Subsequent to June 30, 2014, the Company announced that it has entered into a letter of intent ("LOI") with Nordmin Engineering Ltd. ("Nordmin") to advance towards production four of the six gold deposits at the Company's Cape Ray project located in southwest Newfoundland, should the economic viability of the project be determined. The 04, 41, 51 and Windowglass Hill deposits (the "Project") are included in the LOI while the Isle Aux Morts and Big Pond deposits will be retained 100% by Benton. Pursuant to the LOI, Benton and Nordmin will form a joint venture pursuant to which Nordmin will have the right to earn up to a 50% interest in the Project through a series of expenditures and services to be provided.

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

- Benton will lead the exploration effort for the Project which will be funded by Nordmin up to the completion of the Feasibility Study. This includes any infill drilling to allow the deposits to be brought up to National Instrument 43-101 status ("NI 43-101"). The necessity for further exploration will be determined and approved by the management committee;
- Nordmin will, to earn a 5% interest, make a $250,000 cash payment in two tranches to SubCo B which will go towards the current exploration program. The first tranche of $125,000 will be advanced upon signing of the LOI and the second tranche of $125,000 within six months of signing;
- Nordmin will, by August 31, 2015 to earn a further 15% interest, fund and provide the services required to complete NI 43-101 resource estimates for the 04, 41, 51, and Windowglass Hill deposits, produce a resource model, a preliminary economic assessment (PEA), complete a detailed assessment of the Geology, Mining, Metallurgy, Environmental, Engineering, Construction, Economics and Schedule for the Project;
- Nordmin will, by August 31, 2016 to earn a further 10% interest, complete the Environmental Assessment and Impact reviews, and secure the necessary permits for a mine, mill and related plant in order for the Project to move forward;
- Nordmin will, by August 31, 2017 to earn a further 10%, complete a feasibility study for the Project (detailing and advancing all of the same issues within the PEA);
- Nordmin will, by August 31, 2018 to earn a further 10% interest, complete detailed design of the mine, mill and related plant and work to arrange a minimum of 50% of the Project financing;
- Nordmin will assume operatorship of the Project upon signing;
- Nordmin will provide the procurement, project and construction management for the Project, including commissioning and start-up. The costs and fees associated with this effort will be part of the Project financing;
- Nordmin must spend a minimum of $4.5 million of expenditures and equivalent services, with any excess going towards Project development;
- Should Nordmin fail to earn a 50% interest, operatorship will revert back to Benton;
- Should Nordmin not participate in the Project development on a pro-rata basis after the earn-in period, Nordmin will suffer a standard dilution to their pro-rata interest – such clause also applies to Benton; and
- The intent is that the work proposed within the LOI will be completed in a minimum of three (3) years and a maximum of five (5) years, dependent upon market conditions or other outside and uncontrollable situations.

A formal agreement will be completed within 30 days of the signing of the LOI. If a formal agreement is not completed within the 30 day period, either party may terminate the LOI.