NOTICE TO SHAREHOLDERS

BENTON
RESOURCES INC.

(A Development Stage Enterprise)

Condensed Interim Financial Statements
For the nine months ended March 31, 2016

(Stated in Canadian Dollars)

Responsibility for Financial Statements

The accompanying financial statements for Benton Resources Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended March 31, 2016.

BENTON RESOURCES INC.
(A Development Stage Enterprise)

March 31, 2016

BENTON RESOURCES INC.
(A Development Stage Enterprise)

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

As at	**March 31, 2016 $**	June 30, 2015 $
ASSETS		
Current		
Cash	**63,205**	50,550
Temporary investments (note 3)	**3,783,180**	5,355,192
Accounts and other receivables	**131,755**	52,713
Prepaid expenses	**13,084**	12,018
Refundable deposits (note 12)	**87,005**	24,331
	4,078,229	5,494,804
Long-term investments (note 4)	**303,061**	431,559
Property and equipment, net (note 5)	**89,868**	89,702
Exploration and evaluation assets (note 6)	**3,560,043**	2,928,322
	8,031,201	8,944,387
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	**33,820**	53,591
Shareholders' Equity		
Capital Stock (note 7)		
Share capital	**27,230,424**	27,226,924
Reserves	**1,655,927**	1,597,552
Deficit	**(20,888,970)**	(19,933,680)
	7,997,381	8,890,796
	8,031,201	8,944,387

See Nature of Operations and Going Concern – Note 1
Commitments – Notes 6 and 13
Subsequent Events – Note 14

These financial statements are authorized for issue by the Board of Directors on May 26, 2016. They are signed on the Corporation's behalf by:

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

BENTON RESOURCES INC.
(A Development Stage Enterprise)

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

	Three Months Ended March 31, 2016 $	Three Months Ended March 31, 2015 $	Nine Months Ended March 31, 2016 $	Nine Months Ended March 31, 2015 $
EXPENSES				
Advertising and promotion	26,988	21,141	97,588	52,568
Share-based payments (note 10)	11,709	9,887	58,375	52,441
General and administrative	223,259	244,712	603,060	644,850
Professional fees	13,300	15,645	33,597	41,016
Stock exchange and filing fees	2,900	-	8,067	3,843
Depreciation expense	8,128	9,157	21,141	26,249
Pre-acquisition exploration and evaluation	14,640	17,315	36,236	27,450
Write-down of exploration and evaluation assets (note 6)	-	-	6,334	-
Foreign currency translation adjustment	30,297	(37,634)	(17,554)	(70,488)
	(331,221)	(280,223)	(846,844)	(777,929)
Other income (expense):				
Interest and investment income	24,292	45,319	78,546	113,932
Other income	3,481	-	3,481	-
Adjustment to fair value for fair value through profit and loss investments	78,439	138,236	(192,596)	(154,695)
Loss on disposal of property and equipment	-	-	(4,546)	-
Gain (loss) on sale of long-term investments (note 4)	6,669	(59,949)	6,669	(95,169)
	112,881	123,606	(108,446)	(136,202)
Loss and comprehensive loss for the period	(218,340)	(156,617)	(955,290)	(914,131)
Loss and comprehensive loss per common share – basic and diluted (note 9)	$(0.00)	$(0.00)	$(0.01)	$(0.01)
Weighted average shares outstanding – basic and diluted	76,956,031	77,809,031	76,897,486	77,242,608

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Prepared by Management – Unaudited)
For the nine months ended March 31, 2016 and 2015

	Share Capital			Retained earnings	Total shareholders'
	Number	Amount	Reserves	(deficit)	equity
		$	$	$	$
Balance at June 30, 2014	**76,209,031**	**27,485,786**	**1,200,387**	**(15,210,849)**	**13,475,324**
Loss and comprehensive loss for the period	-	-	-	(914,131)	(914,131)
Shares purchased and held for cancellation under normal course issuer bid	(217,000)	(76,818)	69,223	-	(7,595)
Issued in connection with property purchase agreements	1,600,000	78,500	-	-	78,500
Share-based payments	-	-	52,441	-	52,441
Balance at March 31, 2015	**77,592,031**	**27,487,468**	**1,322,051**	**(16,124,980)**	**12,684,539**
Balance at June 30, 2015	**76,856,031**	**27,226,924**	**1,597,552**	**(19,933,680)**	**8,890,796**
Loss and comprehensive loss for the period	-	-	-	(955,290)	(955,290)
Issued in connection with property option agreements	100,000	3,500	-	-	3,500
Share-based payments	-	-	58,375	-	58,375
Balance at March 31, 2016	**76,956,031**	**27,230,424**	**1,655,927**	**(20,888,970)**	**7,997,381**

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

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

	Nine Months Ended March 31, 2016 $	Nine Months Ended March 31, 2015 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	(955,290)	(914,131)
Unrealized change in fair value for fair value through profit and loss investments	192,596	154,645
Loss on disposal of property and equipment	4,546	-
Depreciation expense	21,141	26,292
Share-based payments	58,375	52,441
Write-down of exploration and evaluation assets	6,334	-
Net change in non-cash working capital balances related to operating activities (note 11)	(162,553)	99,578
Cash flows used in operating activities	(834,851)	(580,855)
FINANCING ACTIVITIES		
Shares purchased and cancelled under normal course issuer bid	-	(7,595)
Cash flows used in financing activities	-	(7,595)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(770,869)	(626,737)
Expenditure recoveries on exploration and evaluation assets	34,693	-
Grants received for exploration and evaluation expenditures	100,000	-
Purchase of property and equipment	(25,232)	(25,698)
Loss (gain) on sale of long-term investments	(6,669)	95,169
Proceeds on disposal of property and equipment	1,000	-
Unrealized change in fair market value of temporary investments included in cash	(117,000)	(17,984)
Net proceeds on sale of long-term investments	59,571	157,310
Cash flows used in investing activities	(724,506)	(417,940)
Decrease in cash and temporary investments	(1,559,357)	(1,006,390)
Cash and temporary investments - beginning of period	5,405,742	6,596,610
Cash and temporary investments – end of period	3,846,385	5,590,220

Supplemental cash flow information (note 11)

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

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

March 31, 2016

1. NATURE OF OPERATIONS AND GOING CONCERN:

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

Benton's head office is located at 3250 Highway 130, Rosslyn, Ontario, P7K 0B1.

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.

	March 31, 2016	June 30, 2015
Working capital	$4,044,409	$5,441,213
Deficit	$20,888,970	$19,933,680

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34- Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the audited annual financial statements of the Company for the year ended June 30, 2015 ("Fiscal 2015").

The policies applied in these interim condensed financial statements are based on IFRS issued and outstanding as of May 26, 2016 (the "Report Date"), the date the Audit Committee approved the statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the period ended March 31, 2016.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual financial statements and the notes thereto for Benton Resources Inc. for the year ended June 30, 2015.

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

3. TEMPORARY INVESTMENTS:

	March 31, 2016 $	June 30, 2015 $
Money Market Mutual funds	2,995,180	4,450,192
Investment Trust	788,000	905,000
	3,783,180	5,355,192

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. Included in the money market funds are USD denominated money market funds amounting to $355,213 USD (June 30, 2015 - $354,016 USD) translated at the USD/CDN conversion rate at March 31, 2016 of $1.2987 (June 30, 2015 - $1.249).

The investment trust is a fully liquid senior loan fund bearing interest at 6.75%.

4. LONG-TERM INVESTMENTS:

	March 31, 2016		June 30, 2015	
	Market $	Cost $	Market $	Cost $
Canadian Equities				
Mineral Mountain Resources (i)	226,589	3,107,500	258,958	3,107,500
Sokoman Iron Corp. (ii)	775	201,500	1,550	201,500
Parkside Resources Corporation (iii)	-	547,708	-	547,708
Sandstorm Gold Ltd. (iv)	-	-	54,225	264,518
Alabama Graphite Corp. (v)	57,500	120,000	100,000	120,000
Other	18,197	401,348	16,826	401,348
	303,061	4,378,056	431,559	4,642,574

(i) The 6,473,958 Mineral Mountain Resources ("Mineral Mountain") common shares are valued at the March 31, 2016 closing price of $0.035 per share (June 30, 2015 - $0.04). Mineral Mountain is listed on the TSX Venture Exchange under the symbol "MMV". Subsequent to March 31, 2016, Mineral Mountain completed a common share consolidation on the basis of one post-consolidation share for every five pre-consolidation shares and accordingly the Company's ownership was reduced to 1,294,791 shares.

(ii) The 155,000 Sokoman Iron Corp. ("Sokoman" common shares) are valued at the March 31, 2016 trading price of $0.005 per share (June 30, 2015 - $0.01). Sokoman is listed on the TSX Venture Exchange under the symbol "SIC".

(iii) The 5,000,000 Parkside Resources Corporation ("Parkside") common shares are listed on the TSX Venture Exchange under the symbol "PKS" and are valued at nil at March 31, 2016 as Parkside is currently suspended from trading on the TSX Venture Exchange (June 30, 2015- nil). The Company's share position in Parkside is subject to certain escrow conditions and as a result only 4.25 million of the shares are free of trading restrictions at December 31, 2015. During the period ended March 31, 2016, the shares of Parkside have been transferred by the TSX Venture Exchange to the NEX Exchange as Parkside did not maintain the requirements for a TSX Venture Tier 2 company.

(iv) The 14,695 Sandstorm Gold Ltd. common shares were disposed of during the period ended March 31, 2016 for gross proceeds of $59,571.

(v) The 500,000 Alabama Graphite Corp. ("Alabama Graphite") common shares are listed on the TSX Venture Exchange under the symbol "ALP" and are valued at the March 31, 2016 closing price of $0.115 per share (June 30, 2015 - $0.20 (1.5 million shares)). The shares were received by the Company as part of the consideration received pursuant to the sale on August 19, 2013 of 16 claim units that were acquired by staking by the Company near Hearst, Ontario ("Hearst Graphite Property"). Alabama Graphite purchased a 100% interest in the Hearst Graphite Property by paying the Company $8,000 and issuing to the Company 2 million common shares of Alabama Graphite which the Company recorded at $480,000 ($0.24 per share). During Fiscal 2015, the Company sold 1 million of the shares for net proceeds of $154,080 and recorded a loss on the disposition of $85,920. Subsequent to March 31, 2016, the Company disposed of 308,500 shares of Alabama Graphite for gross proceeds of $55,565.

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

5. PROPERTY AND EQUIPMENT:

	March 31, 2016			June 30, 2015		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	$ 59,518	$ 58,268	$ 1,250	$ 59,518	$ 57,541	$ 1,977
Furniture and Equipment	126,343	76,384	49,959	109,256	71,414	37,842
Computer Software	110,262	110,262	-	110,262	110,262	-
Exploration Camps	220,532	192,481	28,051	220,532	184,337	36,195
Automotive	47,671	37,063	10,608	47,671	33,983	13,688
Total	$ 564,326	$ 474,458	$ 89,868	$ 547,239	$ 457,537	$ 89,702

6. EXPLORATION AND EVALUATION ASSETS:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the period ended March 31, 2016 and year ended June 30, 2015 is summarized in the tables below:

For the nine months ended March 31, 2016

		Saganaga/Q9 (a)	Abernethy (b)	Cape Ray (c)	Other (d)	Total
June 30, 2015 - Acquisition Costs	$	281,753	13,569	833,095	31,142	1,159,559
Additions		2,330	-	1,275	60,440	64,085
Write-downs/Recoveries/Disposals **(e)**		-	-	-	(1,385)	(1,385)
Subtotal	$	2,330	13,569	1,275	59,055	62,660
March 31, 2016 - Acquisition Costs	$	**284,083**	**13,569**	**834,370**	**90,197**	**1,222,219**
June 30, 2015 - Exploration and Evaluation Expenditures	$	-	365,163	1,272,974	130,626	1,768,763
Assaying		-	179	-	88,051	88,230
Prospecting		167	-	4,966	123,929	129,062
Geological		-	2,512	25,997	52,519	81,028
Geophysical		-	-	2,405	59,375	61,780
Linecutting		-	-	-	24,613	24,613
Trenching		-	-	27,448	35,949	63,397
Diamond Drilling		-	-	3,255	209,347	212,602
Metallurgy		-	-	480	-	480
Resource Modeling		-	-	2,880	-	2,880
NI 43-101 Reporting		-	1,600	6,721	-	8,321
Permitting		-	-	-	-	-
Environmental		-	-	-	-	-
Compilation		-	-	5,848	-	5,848
Miscellaneous		1,200	8,471	2,639	18,152	30,462
Write-downs/Recoveries/Disposals **(e)**		-	-	(34,693)	(104,949)	(139,642)
Subtotal	$	1,367	12,762	47,946	506,986	569,061
March 31, 2016 - Exploration and Evaluation Expenditures	$	**1,367**	**377,925**	**1,320,920**	**637,612**	**2,337,824**
March 31, 2016 - Total	$	**285,450**	**391,494**	**2,155,290**	**727,809**	**3,560,043**

For the year ended June 30, 2015

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

(a) Saganaga Lake/Q9 Property

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

The Q-9 property is located approximately 160km west of Thunder Bay, Ontario and adjoins the Saganaga Gold property. The project was subject to an asset purchase, sale and royalty agreement dated May 8, 2006 between the Company and Stares Contracting Corp., a company controlled by Stephen Stares, Director and Officer and Michael Stares, Director of the Company, whereby the Company has a 100% interest subject to a 2% NSR in the project as a result of the Company having paid $75,000 and issued 200,000 shares. During Fiscal 2015, the Company wrote off $2,042,527 in deferred exploration and evaluation expenditures due to there being no current or future work programs planned for the project. The Company is seeking a partner to help advance the project.

(b) Abernethy Property

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

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

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

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

(i) issuing 400,000 Element 79 Shares with a deemed minimum value of $0.17 per Element 79 Share, to Benton upon closing of the Transaction (the “Closing”); and

(ii) incurring a minimum of $500,000 in exploration expenditures on the Abernethy Property within twelve (12) months of Closing.

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

(i) nineteen percent (19%) interest in the Abernethy Property by (A) issuing an additional 600,000 Element 79 Shares to Benton at the market price of the Element 79 shares on the Exchange at the time the right is exercised and (B) incurring a minimum of $500,000 in additional exploration expenditures on the Abernethy Property within eighteen (18) months of Closing; and

(ii) thirty percent (30%) interest in the Abernethy Property by paying Benton $750,000, which payment may be made in cash or, subject to applicable regulatory approvals, in additional Element 79 Shares, at the sole discretion of Element 79, within 180 days following the date upon which Element 79 acquires an aggregate seventy percent (70%) interest in the Abernethy Property, failing which Element 79 and Benton will remain 70%/30% joint venture partners in respect of the Abernethy Property.

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

Trading in the common shares of Element 79 is halted at present. It is unlikely that the common shares of Element 79 will resume trading until the Transaction is completed and approved by the Exchange.

(c) **Cape Ray**

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

Windowglass Hill and 51 Zone Deposits

During Fiscal 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%.

During Fiscal 2014, 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, in addition to the on signing payments made above, $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 Fiscal 2015, the Company received a grant from the Government of Newfoundland and Labrador in the amount of $100,000 (2014 - $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 ended June 30, 2015. During Fiscal 2015, the Company executed a Letter of Intent with Nordmin Engineering Ltd. on certain of the deposits at Cape Ray as further described below.

04/41/Isle Aux Mort/Big Pond Deposits

During Fiscal 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 valued at $105,000 to Tenacity in connection with the agreement. During Fiscal 2015 the Company exercised its option to acquire a 100% interest by issuing a further 1.5 million common shares valued at $75,000 (accordingly a total of 3 million shares were issued by the Company for the property). The acquired claims are subject to a sliding scale net smelter returns royalty (NSR) on the production of metals: a 3% NSR on production when the price of gold is below $2,000 per ounce; a 4% NSR when the price of gold is from $2,000 to less than $3,000 per ounce subject to the right of the Company to buy back 1% for $500,000; and a 5% NSR when the price of gold is $3,000 or above subject to the right of the Company to buy back 1% for $500,000.

Cape Ray East

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

Nordmin Engineering Option/Joint Venture

During Fiscal 2015, the Company entered into a definitive agreement (the "Agreement") 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 established. The 04, 41, 51 and Windowglass Hill deposits (the "Project") are included in the Agreement while the Isle Aux Morts and Big Pond deposits will be retained 100% by Benton. Pursuant to the Agreement, 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 in return for incurring expenditures and providing services at its expense in connection with the Project as further described herein.

Upon signing the Agreement, Benton will form a wholly-owned subsidiary, ("SubCo B" for illustrative purposes) (pending completion) 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, certain of which have been completed, to 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 earned a 5% interest in the Project by making a $250,000 cash payment in two tranches to SubCo B in connection with an exploration program. The first tranche of $125,000 was paid upon signing of the Agreement and the second tranche of $125,000 was received during Fiscal 2015; Nordmin earned a further 15% interest by funding and providing the services required to complete NI 43-101 resource estimates for the 04, 41, 51, and Windowglass Hill deposits, and completing a resource model, a preliminary economic assessment (PEA), a detailed assessment of the Geology, Mining, Metallurgy, Environmental, Engineering, Construction, Economics and a Schedule for the Project (certain of which were completed subsequent to period end);
- Nordmin, by August 31, 2016 in order to earn a further 10% interest, must 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, by August 31, 2017 in order to earn a further 10% interest, must complete a feasibility study for the Project (detailing and advancing all of the same issues within the PEA);
- Nordmin, by August 31, 2018 in order to earn a further 10% interest, must complete the detailed design of the mine, mill and related plant and work to arrange a minimum of 50% of the Project financing;
- Nordmin will assume operatorship of the Project upon signing of the Agreement;
- Nordmin will provide the procurement, project and construction management for the Project, including commissioning and start-up. The costs and fees associated with this effort will be part of the Project financing;
- Nordmin must spend a minimum of $4.5 million of expenditures and equivalent services, with any excess going towards Project development;
- Should Nordmin fail to earn a 50% interest, operatorship will revert back to Benton;
- Should Nordmin not participate in the Project development on a pro-rata basis after the earn-in period, Nordmin will suffer a standard dilution to their pro-rata interest – such clause also applies to Benton; and
- The intent is that the work proposed within the LOI will be completed in a minimum of three (3) years and a maximum of five (5) years, dependent upon market conditions or other outside factors that are beyond the control of the parties.

As at March 31, 2016, Nordmin has a 5% interest in the Project and has the right to acquire up to an additional 45% as described above, of which an additional 15% has been acquired by Nordmin as described above such that its interest is 20% as at the Report Date. If Nordmin only earns a 20% interest and then gets diluted to less than 10% its interest will be converted to a 0.5% NSR, one-half of which can be purchased by Benton for $400,000. If Nordmin only earns between 20% and 49% interest and then gets diluted to less than 10% its interest will be converted to a 0.5% NSR, which can be purchased by Benton for $600,000. If Nordmin earns a 50% interest and then gets diluted to less than 10% its interest will be converted to a 1% NSR, one-half of which can be purchased by Benton for $1,000,000.

(d) **Other Properties**

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

(i) Kingurutik Lake Property

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

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

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

During Fiscal 2009, 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. During Fiscal 2015, the Company wrote off $1,297,298 in deferred exploration and evaluation expenditures due to no current or future work programs currently planned on the property.

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

(iii) Onion Lake Property

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

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

The Company will seek a new partner for the project. During Fiscal 2015, the Company wrote off $119,301 in deferred exploration and evaluation expenditures due to there being no current or future work programs planned on the property.

(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 had the right to 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 in stages over a four-year period, of which $300,000 was incurred by PTM. Under the option agreement the Company retained a 1% NSR on the Mealy Project. The Company recorded a gain in the amount of $30,686 in the 2014 fiscal year related to the option agreement. During Fiscal 2015, the Company received a termination notice from PTM on the option agreement covering the Mealy Project. As a result, the Company wrote off all remaining deferred exploration and evaluation expenditures on the property. The property has reverted back to the Company and remains in good standing.

(v) Staghorn Option

During Fiscal 2015, the Company executed an option agreement (the "Agreement") with Metals Creek Resources Corp. ("MEK") whereby the Company can earn up to a 70% interest in MEK's 100% owned Staghorn Gold project in Newfoundland.

To earn an initial 60% interest, the Company must make cash payments totaling $50,000 ($20,000 paid), issue a total of 500,000 (200,000 issued valued at $7,000) common shares of the Company and incur work expenditures of $500,000 (expended), all over a three year period from the date of the Agreement. The Company will be the operator during the earn-in period. Once a 60% interest is earned by Benton, either a 60/40 joint venture will be formed, or Benton may elect to earn an additional 10% interest to bring its total property interest to 70% by paying $50,000 cash and issuing an additional 500,000 common shares within 60 days of the 3rd anniversary date of the Agreement and incurring an additional $500,000 in exploration expenditures (incurred) by the 5th anniversary date. Cumulative exploration and evaluation expenditures on Staghorn included in other properties at March 31, 2016 amounted to $642,520 (year ended June 30, 2015 - $141,801). Subsequent to March 31, 2016, the Company received a grant from the Government of Newfoundland and Labrador totaling $100,000 under the Junior Company Exploration Assistance Program. The grant was accrued in the current period as a reduction to the carrying amount of the Staghorn project in exploration and evaluation assets.

(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 period ended March 31, 2016 and the year ended June 30, 2015 were as follows:

	March 31, 2016 $	June 30, 2015 $
Write-downs:		
Long Range Property	-	-
Elizabeth Anne Property	-	-
Saganaga/Q9	-	2,042,527
Other Properties	6,334	1,429,510
Subtotal	6,334	3,472,037
Recoveries:		
Cape Ray	34,693	350,000
Other – Mealy	-	2,596
Other – Staghorn	100,000	-
Subtotal	134,693	352,596
Total	**141,027**	**3,824,633**

7. CAPITAL STOCK:

(a) Share Capital

Authorized:

Unlimited common shares without par value
One voting preference share

Issued and outstanding:

76,956,031 common shares
Nil preference shares

(i) During the year ended June 30, 2015, 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, 2015, the Company acquired 953,000 shares under the Bid at a total cost of $42,585. No purchases were made during the current period. All shares purchased under the Bid have been cancelled.

(b) Stock Options

Details of stock option transactions for the year ended June 30, 2015 and nine month period ended March 31, 2016 are as follows:

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2014	10,720,000	$0.14
Granted during the year	3,020,000	$0.10
Expired during the year	(200,000)	$0.15
Balance, June 30, 2015/Dec. 31, 2015	13,540,000	$0.13
Expired during the period	(700,000)	$0.13
Balance, March 31, 2016	12,840,000	$0.13

As at March 31, 2016 the following stock options were outstanding:

Expiry Date	Exercise Price	March 31, 2016 # of Options	Options exercisable
August 15, 2017	$0.15	7,350,000	7,350,000
January 21, 2019	$0.10	2,620,000	2,620,000
May 13, 2020	$0.10	2,870,000	1,435,000
		12,840,000	11,405,000

(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 12,840,000 are outstanding at March 31, 2016. The Plan provides that:

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

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

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

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

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

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

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

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

8. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the nine months ended March 31, 2016 and 2015:

Payee	Description of Relationship	Nature of Transaction	March 31, 2016 Amount ($)	March 31, 2015 Amount ($)
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Payments for office rental and maintenance costs included in general and administrative expenses and for staking costs included in exploration and evaluation assets	43,738	55,084
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the period	9,773	23,145
Michael Stares	Director	Field consulting services included in exploration and evaluation assets	8,000	1,150
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Brother of Stephen and Michael Stares	Prospecting services, equipment rentals and expenses included in exploration and evaluation assets	53,136	1,356

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 March 31, 2016, the Company paid director fees to one of its directors totaling $7,500 for services rendered on the Company's Audit Committee (March 31, 2015 - $7,500). The director is to receive $2,500 per quarter. During the year ended June 30, 2015, the Company executed a letter of intent to option the Staghorn Gold property from Metals Creek Resources Corp., a company related by common directorships (see 6(d(v)).

Included in accounts payable and accrued liabilities is nil (March 31, 2015 - $7,006) to Stares Contracting Corp., nil (March 31, 2015 - $5,000) to Gordon J. Fretwell Law Corporation, $4,520 to Michael Stares (March 31, 2015 – nil) and nil (March 31, 2015 – nil) to Stares Prospecting Ltd. The repayment terms are similar to the repayment terms of non-related party trade payables.

Key management personnel remuneration during current period included $392,673 (March 31, 2015 - $393,123) in salaries and benefits and $37,792 (March 31, 2015 - $36,917) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the current period.

9. LOSS PER SHARE:

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

10. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and consultants and accordingly $58,375 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 1,523,008 options that vested during the current period. The fair value of the options vesting below during the period ended March 31, 2016 was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

Grant Date	# of Options Vested	Exercise Price	Expiry Date	Fair Value of Option	Dividend Yield	Volatility	Risk-free Interest Rate	Expected Life
January 21, 2014	26,635	$0.10	January 21, 2019	$0.064	0%	160%	1.70%	5 yrs
May 13, 2015	1,496,373	$0.10	May 13, 2020	$0.038	0%	120%	1.20%	5 yrs
	1,523,008							

11. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	March 31, 2016 $	March 31, 2015 $
Accounts and other receivables	(79,042)	64,913
Prepaid expenses	(1,066)	(1,859)
Refundable deposits	(62,674)	127,848
Accounts payable and accrued liabilities	(19,771)	(91,324)
Total	(162,553)	99,578

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

	March 31, 2016 $	March 31, 2015 $
Non-cash financing activities		
Common shares issued for mineral property option	3,500	78,500
Non-cash investing activities		
Mineral property option financed through common share issuance	(3,500)	(78,500)

12. REFUNDABLE DEPOSITS:

Refundable security deposits of $87,005 (June 30, 2015 - $24,331) 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.

In addition, during the current period the Company subscribed for 200,000 units of Element 79 Capital Inc. at a price of $0.15 per unit for a total subscription of $30,000. The subscription has not yet been converted into units of Element 79 and the funds are being held in trust with Element 79's legal counsel pending completion of the minimum proposed financing. Should Element 79 not be successful in closing the financing, the funds will be returned to the Company (see note 6(b)).

13. COMMITMENTS:

The Company has commitments as described in note 6 related to exploration and evaluation assets.

During the year ended June 30, 2015, the Company hired Paradox Public Relations ("Paradox") for investor relations. The agreement is for a minimum of three months and maximum of 24 months, at a monthly fee of $5,500. In addition, Paradox received 400,000 stock options to acquire the same number of common shares of the Company at $0.10 per share. These options are subject to the vesting previsions under the Company's stock option plan. During the period ended March 31, 2016, it was agreed that the monthly fee be reduced to $2,500 per month. Subsequent to March 31, 2016, the agreement was terminated.

14. SUBSEQUENT EVENTS:

(i) Subsequent to March 31, 2016, the Company agreed to sell a 100% interest in the Champion Graphite project to Benton Capital Corp. (TSXV: BTC) (a company related by common directorships) for a payment of 1 million shares to the Company and subject to a 2% NSR. Benton Capital will have the option to buy back 1% of the NSR for $500,000. The Champion Graphite project represents a non-core asset of the Company and the related party directors of each of the respective companies abstained from voting to approve the acquisition. The retained NSR provides Benton Resources Inc. with the opportunity to participate in any future success of the project. The transaction received regulatory approval in the subsequent period.

(ii) Subsequent to March 31, 2016, the Company along with its partner Nordmin announced that a technical report had been filed in accordance with National Instrument 43-101 regarding a Preliminary Economic Assessment on the Cape Ray Gold project.