BENTON RESOURCES INC.

(A Development Stage Enterprise)

Financial Statements
June 30, 2020 and 2019

(Stated in Canadian Dollars)

BENTON RESOURCES INC.
(A Development Stage Enterprise)

June 30, 2020

Wasserman
Ramsay

Chartered Professional Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Benton Resources Inc.:

Opinion

We have audited the financial statements of Benton Resources Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2020 and 2019, and the statements of income (loss) and comprehensive income (loss), cash flows and changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that for the year ended June 30, 2020 the Company had an accumulated deficit of $18,427,852 at year end. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Florence Chee.

Wasserman Ramsay

Markham, Ontario
September 9, 2020

Chartered Professional Accountants
Licensed Public Accountants

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF FINANCIAL POSITION

As at	**June 30, 2020 $**	June 30, 2019 $
ASSETS		
Current		
Cash	**131,324**	65,665
Cash - restricted (note 5)	**764,245**	-
Temporary investments (note 4)	**1,218,078**	3,118,396
Accounts and other receivables (note 11)	**48,931**	73,361
Prepaid expenses	**10,130**	17,795
Refundable deposits (note 18)	**23,350**	111,996
	2,196,058	3,387,213
Long-term investments (note 6)	**9,866,897**	2,293,793
Property and equipment, net (note 7)	**272,278**	70,785
Exploration and evaluation assets (note 8)	**420,797**	1,923,643
	12,756,030	7,675,434
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 11)	**146,642**	71,622
Current portion of lease liability (note 10)	**33,862**	-
Deferred premium on flow-through shares (note 9(e))	**160,664**	-
	341,168	71,622
Lease liability (note 10)	**189,356**	-
	530,524	71,622
Shareholders' Equity		
Capital Stock (note 9)		
Share capital	**28,541,111**	27,639,934
Reserves	**2,112,247**	1,826,949
Deficit	**(18,427,852)**	(21,863,071)
	12,225,506	7,603,812
	12,756,030	7,675,434

See Nature of Operations and Going Concern – Note 1
Commitments and Contingencies – Notes 8 and 19
Subsequent Events – Note 20

These financial statements are authorized for issue by the Board of Directors on September 9, 2020. They are signed on the Corporation's behalf by:

"Stephen Stares" President, Chief Executive Officer and Director
"Thomas Sarvas" Director

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEARS ENDED JUNE 30

	2020 $	2019 $
EXPENSES		
Advertising and promotion	98,530	85,700
Share-based payments (note 14)	121,214	73,886
General and administrative	584,197	554,767
Professional fees	146,034	54,551
Consulting fees	40,000	-
Stock exchange and filing fees	13,030	10,199
Depreciation and amortization expense	62,022	23,477
Pre-acquisition exploration and evaluation	84,268	35,190
Write-down of exploration and evaluation assets	1,781,909	321,354
Foreign currency translation adjustment	(18,452)	8,296
	(2,912,752)	(1,167,420)
Other income (expense):		
Interest and investment income	41,373	58,502
Other income	12,000	9,785
Adjustment to fair value for fair value through profit and loss investments	6,316,543	(466,598)
Gain on sale or option of exploration and evaluation assets	226,840	135,766
Gain on disposal of property and equipment	1,000	2,567
Gain (loss) on sale of long-term investments	(276,305)	97,265
	6,321,451	(162,713)
Income (loss) before deferred tax recovery	3,408,699	(1,330,133)
Deferred tax recovery – flow-through (note 9(e))	26,520	-
Income (loss) and comprehensive income (loss) for the year	3,435,219	(1,330,133)
Income (loss) and comprehensive income (loss) per common share – basic and diluted (note 12)	$0.04	(0.02)
Weighted average shares outstanding – basic and diluted	85,965,804	84,050,997

See accompanying notes to the financial statements

BENTON RESOURCES INC.
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STATEMENTS OF CHANGES IN EQUITY
For the years ended June 30, 2020 and 2019

	Share Capital		Reserves			
	Number	Amount $	Warrants $	Equity-Settled Benefits $	Deficit $	Total $
Balance at June 30, 2018	**83,868,531**	**27,626,434**	**13,302**	**1,739,761**	**(20,532,938)**	**8,846,559**
Income and comprehensive income for the year	-	-		-	(1,330,133)	(1,330,133)
Issued in connection with property option agreements	300,000	13,500	-	-	-	13,500
Expiration of warrants	-	-	(13,302)	13,302	-	-
Share-based payments	-	-	-	73,886	-	73,886
Balance at June 30, 2019	**84,168,531**	**27,639,934**	**-**	**1,826,949**	**(21,863,071)**	**7,603,812**
Income and comprehensive income for the year	-	-		-	3,435,219	3,435,219
Private placement (note 9(e))	10,470,205	1,137,582	164,084	-	-	1,301,666
Share issue costs (note 9(e))	-	(82,221)	-	-	-	(82,221)
Flow-through share premium (note 9(e))	-	(187,184)	-	-	-	(187,184)
Issued in connection with property option agreements	300,000	33,000	-	-	-	33,000
Share-based payments	-	-	-	121,214	-	121,214
Balance at June 30, 2020	**94,938,736**	**28,541,111**	**164,084**	**1,948,163**	**(18,427,852)**	**12,225,506**

See accompanying notes to the financial statements

BENTON RESOURCES INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30

	2020 $	2019 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Income (loss) and comprehensive income (loss) for the year	3,435,219	(1,330,133)
Items not requiring an outlay of cash:		
Deferred tax recovery – flow-through	(26,520)	-
Adjustment to fair value for fair value through profit and loss investments	(6,316,543)	466,598
Gain on disposal of property and equipment	(1,000)	(2,567)
Depreciation and amortization expense	62,022	23,477
Share-based payments	121,214	73,866
Imputed interest on lease liability	22,852	-
Write-down of exploration and evaluation assets	1,782,063	321,354
Net change in non-cash working capital balances related to operating activities (note 17)	188,963	3,085,623
Cash flows from (used in) operating activities	(731,730)	2,638,218
FINANCING ACTIVITIES		
Issuance of capital stock for cash	1,301,666	-
Share issue costs – cash commission	(82,221)	-
Payments on lease liability	(55,624)	-
Cash flows from financing activities	1,163,821	-
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(3,428,901)	(805,992)
Expenditure recoveries on exploration and evaluation assets	12,685	13,296
Grants received on exploration and evaluation assets	-	100,000
Purchase of property and equipment	(727)	(19,700)
Gain on sale or option of exploration and evaluation assets	(226,840)	(135,766)
Proceeds on sale or option of exploration and evaluation assets	26,775	43,766
Gain (loss) on sale of long-term investments	276,305	(97,265)
Net proceeds on sale of long-term investments	1,955,695	203,790
Purchase of long-term investments	(160,000)	-
Proceeds on disposal of property and equipment	1,000	4,800
Unrealized change in fair market value of temporary investments included in cash	41,503	23,078
Cash flows used in investing activities	(1,502,505)	(669,993)
Increase (decrease) in cash and temporary investments	(1,070,414)	1,968,225
Cash and cash equivalents - beginning of year	3,184,061	1,215,836
Cash and cash equivalents – end of year	2,113,647	3,184,061
Cash and cash equivalents consists of the following:		
Cash	131,324	65,665
Cash - restricted	764,245	-
Temporary investments	1,218,078	3,118,396
	2,113,647	3,184,061

Supplemental cash flow information (note 17)

See accompanying notes to the financial statements

June 30, 2020

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.

Benton's head office is located at 684 Squier Street, Thunder Bay, Ontario, P7B 4A8.

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, 2020	June 30, 2019
Working capital	$1,854,890	$3,315,591
Deficit	$(18,427,852)	$(21,863,071)

2. 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") in effect as of June 30, 2020.

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.

The standards that are effective in the annual financial statements for the year ending June 30, 2020 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.

The Company adopted IFRS 16 as of July 1, 2019

The Company applied IFRS 16 with a date of initial application of July 1, 2019 using the modified retrospective approach under which the cumulative effect of initial application is recognized in the opening balance sheet on July 1, 2019. Comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17, Leases, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, as permitted under the specific transitional provisions in the standard.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease as explained below.

On transition to IFRS 16, the Company elected not to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 lease definition assessment to all contracts including those that were previously not identified as leases.

Classification of a lease

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for most leases on the balance sheet.

For leases of other assets, which were classified as operating leases under IAS 17, the Company recognized right-of-use assets and lease liabilities.

At transition, lease liabilities that were classified as operating leases under IAS 17 were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at July 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Impact on financial statements

On transition to IFRS 16, the Company recognized an additional $243,250 of right-of-use assets and $236,452 of lease liabilities, recognizing no difference in retained earnings as the Company opted for measuring the right-of-use at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments relating to that lease, recognized in the statement of financial position immediately before the date of initial application, in accordance with IFRS 16.C8(b).

When measuring lease liabilities, the Company discounted lease payments using its estimated incremental borrowing rate at July 1, 2019 of 12% related to the lease of its office premises and 7.53% relate to the lease of its truck.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset will be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability when applicable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company presents right-of-use assets that do not meet the definition of investment property in “Property and equipment” and lease liabilities in “Lease liabilities”.

Financial Instruments

The Company adopted IFRS 9 as of July 1, 2018

Financial assets
Financial assets are classified as either financial assets at fair value through profit or loss (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss–
Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains and losses from assets held at FVTPL are included in losses in the period in which they arise.

Financial assets at Fair-value through other comprehensive income–
Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument basis) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost –
Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. The Company‘s accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities
Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company’s financial liabilities include trade and other payables which are classified at amortized cost.

The Company has completed a detailed assessment of its financial instruments as of June 30, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	IAS	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Temporary investments	FVTPL	FVTPL
Long term investments	FVTPL	FVTPL
HST/QST receivable	Loans and receivable	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost

The adoption of this standard did not have a material impact on the Company’s financial statements but resulted in certain additional disclosures. The carrying value and measurement of all financial instruments remains unchanged as of June 30, 2018 as a result of the adoption of the new standard.

Impairment
IFRS 9 requires an ‘expected credit loss’ model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Carrying value and fair value of financial assets and liabilities are summarized as follows:

Classification	Carrying value	Fair Value
Fair value through profit and loss	$ 11,862,344	$ 11,862,344
Amortized cost (receivable)	48,931	48,931
Amortized cost (liabilities)	530,524	530,524

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.

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. Any recovery or proceeds related to a particular mineral property in excess of the capitalized costs in exploration and evaluation assets attributed to that mineral property is recognized in income or loss in that period.

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 a 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 accrued $100,000 to cover costs to clean-up one of its exploration properties. The clean-up is expected to be completed in the upcoming fiscal year end. Management believes the accrual is adequate to cover the anticipated costs. The Company does not have any other 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%
Leaseholds	5 years
Right of use assets	S.L. over term of lease

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 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.

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the 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 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 statement of financial position and the related depreciation included in the statement of comprehensive income (loss) for the year ended June 30, 2020;

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

v. the provision for income taxes which is included in the statements of comprehensive income (loss) and composition of deferred income tax assets and liabilities included in the statements of financial position at June 30, 2020.

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.
- The interest rate used in the calculation of the present value of right of use assets

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.

3. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS:

There are no standards effective for annual periods beginning on or after January 1, 2020 that are expected to have a significant impact on the Company at the present time.,

4. TEMPORARY INVESTMENTS:

	June 30, 2020 $	June 30, 2019 $
Money Market Mutual funds	649.897	2,624,717
US Treasury note	403,931	356,149
Province of Ontario US denominated bonds	149,250	137,530
GIC	15,000	-
Total	1,218,078	3,118,396

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 $13,841 USD (June 30, 2019 - $6,339 USD) translated at the USD/CDN conversion rate at June 30, 2020 of $1.3587 (June 30, 2019 - $1,3084).

The United States Treasury Note is fully liquid, is due August 15, 2026 and pays interest at a rate of 1.5% per annum in semi-annual coupons. The market value of the note at June 30, 2020 is $297,292 USD (June 30, 2019 – $272,202 USD) translated at the USD/CDN conversion rate at June 30, 2020 of $1.3587 (June 30, 2019 - $1.3084).

The Province of Ontario US denominated bonds are fully liquid and due May 16, 2024 and pay interest at 3.2% per annum in semi-annual coupons. The market value of the bonds at June 30, 2020 is $109,848 USD (June 30, 2019 – $105,115 USD) translated at the USD/CDN conversion rate at June 30, 2020 of $1.3587 (June 30, 2019 - $1.3084).
The Company also holds a $15,000 redeemable GIC on deposit with the Royal Bank of Canada maturing on September 24, 2020 and paying interest to the Company at a rate of 1.2% per annum. The GIC is being held as collateral against the Company’s visa card balance.

5. RESTRICTION ON THE USE OF CASH

During the year ended June 30, 2020, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross proceeds for the exclusive purpose of paying for qualified Canadian exploration expenditures associated with its exploration and evaluation assets.

	June 30, 2020	June 30, 2019
Restricted cash, beginning of year	$ -	$ -
RBC GIC posted as visa card collateral	15,000	
Gross proceeds received upon issuance of flow-through shares	968,626	-
Qualified exploration expenditures paid from these funds	(219,381)	-
Restricted cash, end of year	$ 764,245	$ -

6. LONG-TERM INVESTMENTS:

	June 30, 2020		June 30, 2019	
	Market $	Cost $	Market $	Cost $
Canadian Equities				
Clean Air Metals Inc. (i)	8,492,480	3,200,065	-	-
Quadro Resources Ltd. (ii)	1,029,000	447,000	105,000	447,000
Maxtech Ventures Inc. (iii)	150,000	170,000	-	-
Other	193,541	1,291,942	132,193	1,291,942
Subtotal	9,865,021	5,109,007	237,193	1,738,942
Australian Equities				
Matador Mining Ltd. (iv)	-	-	2,056,000	2,340,000
Other	1,876	2,979	600	2,979
Subtotal (CAD)	1,876	2,979	2,056,600	2,342,979
Total (CAD)	9,866,897	5,111,986	2,293,793	4,081,921

(i) The 24,615,884 common shares of Clean Air Metals Inc. ("Clean Air") are listed on the TSX Venture Exchange under the symbol "AIR" and are valued at the June 30, 2020 closing price of $0.345 per share. The Clean Air shares were received pursuant to the completion on May 14, 2020 of the option to acquire the Company's option to acquire a 100% right, title and interest in and to the Escape Lake property. See note (8(d)).

(ii) The 4.2 million common shares of Quadro Resources Ltd. ("Quadro") are listed on the TSX Venture Exchange under the symbol "QRO" and are valued at the June 30, 2020 closing price of $0.2445 per share (June 30, 2019 - $0.025). The Quadro shares were received pursuant to the Company's disposition of its 50% interest in the Staghorn gold project in Newfoundland. During the year ended June 30, 2020, the Company disposed of 3.2 million shares of Quadro at $0.05 per share and reacquired them in a private placement at $0.05 per share along with 3.2 million warrants. The warrants were transferred to a third-party financier as part of Quadro's capital raising initiative. The Company retained 4.2 million shares of Quadro.

(iii) The 2 million common shares of Maxtech Ventures Inc. ("Maxtech") are listed on the Canadian Securities Exchange under the symbol "MVT" and are valued at the June 30, 2020 closing price of $0.075 per share. The Maxtech shares were received pursuant to the option agreement signed between Maxtech and the Company during the year ended June 20, 2020 (see note 8(c)).

(iv) The 8 million ordinary shares of Matador Mining Ltd. ("Matador") were received during the year ended June 30, 2019 pursuant to the disposition in fiscal 2018 of the Cape Ray properties. During the year ended June 30, 2020, the 8 million Matador shares were sold for net proceeds of $1,795,695. The Company recorded a loss on disposition in the amount of $260,305 during the current year.

7. PROPERTY AND EQUIPMENT:

	June 30, 2020			June 30, 2019		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	$ 68,557	$ 66,308	$ 2,249	$ 68,557	$ 63,622	$ 4,935
Furniture and Equipment	143,836	108,997	34,839	143,109	100,378	42,731
Computer Software	115,971	115,971	-	115,971	115,971	-
Exploration Camps	220,532	214,449	6,083	220,532	211,842	8,690
Automotive	-	-	-	20,576	20,576	-
Leaseholds	36,640	29,539	7,101	36,640	22,211	14,429
Right-of-Use Assets (i)	262,788	40,782	222,006	-	-	-
Total	$ 848,324	$ 576,046	$ 272,278	$ 605,385	$ 534,600	$ 70,785

(i) The Company's Right-of-Use leased assets include its office premises and a field vehicle. Depreciation expense on these leased assets for the years ending June 30, 2020 and 2019, which is included in depreciation expense in profit and loss, is as follows:

	June 30, 2020 $	June 30, 2019 $
Depreciation expense – right-of-use assets	40,782	-

8. 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 years ended June 30, 2020 and 2019 are summarized in the tables below:

For the year ended June 30, 2020

		Saganaga/Q9 (a)	Bedivere (b)	Panama (c)	Escape Lake (d)	Far Lake (e)	Other (f)	Total
June 30, 2019 - Acquisition Costs	$	-	256,855	21,991		-	4,845	283,691
Additions		-	3,717	6,000	3,000,000	77,550	16,870	3,104,137
Writedowns/Recoveries/Disposals		-	(260,572)	(27,991)	(3,000,000)		(729)	(3,289,292)
Subtotal	$	-	(256,855)	(21,991)	-	77,550	16,141	(185,155)
June 30, 2020 - Acquisition Costs	$	**-**	**-**	**-**	**-**	**77,550**	**20,986**	**98,536**
June 30, 2019 - Exploration and Evaluation Expenditures	$	10,115	1,010,206	541,781		-	77,850	1,639,952
Assaying		-	-	1,075	-	262	-	1,337
Prospecting		-	-	9,825	-	12,515	1,111	23,451
Geological		-	-	2,563	-	6,728	900	10,191
Geophysical		-	-	-	-	155,101	-	155,101
Soil Sampling		-	-	-	-	19,542	-	19,542
Aboriginal Consultation		1,962	-	-	-	-	-	1,962
Miscellaneous		19,368	4,076	2,631	-	7,434	112,673	146,182
Writedowns/Recoveries/Disposals		-	(1,014,282)	(557,875)	-	-	(103,300)	(1,675,457)
Subtotal	$	21,330	(1,010,206)	(541,781)	-	201,582	11,384	(1,317,691)
June 30, 2020 - Exploration and Evaluation Expenditures	$	**31,445**	**-**	**-**	**-**	**201,582**	**89,234**	**322,261**
June 30, 2020 - Total	$	**31,445**	**-**	**-**	**-**	**279,132**	**110,220**	**420,797**

For the year ended June 30, 2019

		Saganaga (a)	Bedivere (b)	Panama Lake (c)	Other (f)	Total
June 30, 2018 Acquisition Costs	$	-	208,355	4,610	59,198	272,163
Additions		-	48,500	17,381	18,683	84,564
Write-downs/Recoveries/Disposals **(g)**		-	-	-	(73,036)	(73,036)
Subtotal	$	-	48,500	17,381	(54,353)	11,528
June 30, 2019 - Acquisition Costs	$	**-**	**256,855**	**21,991**	**4,845**	**283,691**
June 30, 2018 - Exploration and Evaluation Expenditures	$	1,018	1,093,728	5,736	190,157	1,290,639
Assaying		1,036	72	19,786	10,800	31,694
Prospecting		5,430	117	34,814	11,409	51,770
Geological		-	-	3,869	-	3,869
Geophysical		-	3,983	103,988	7,658	115,629
Line Cutting		-	-	-	-	-
Trenching		-	3,275	-	44,704	47,979
Diamond Drilling		-	5,204	356,827	80,809	442,840
Miscellaneous		2,631	3,827	16,761	17,928	41,147
Write-downs/Recoveries/Disposals **(g)**		-	(100,000)	-	(285,615)	(385,615)
Subtotal	$	9,097	(83,522)	536,045	(112,307)	349,313
June 30, 2019 - Exploration and Evaluation Expenditures	$	**10,115**	**1,010,206**	**541,781**	**77,850**	**1,639,952**
June 30, 2019 - Total	$	**10,115**	**1,267,061**	**563,772**	**82,695**	**1,923,643**

(a) **Saganaga Property**

The Saganaga Property consists of mining rights for 100% in 27 multi-cell mining claims 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 Saganaga Lake 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 portion of the property is located approximately 160km west of Thunder Bay, Ontario and adjoins the Saganaga 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 common shares. The Company will continue to work to find a partner for the project. See Subsequent Events note 20.

(b) **Bedivere**

During the year ended June 30, 2017, the Company signed a binding Letter of Intent ("LOI") to enter into an option agreement with Traxxin Resources ("Traxxin"), a privately-owned company, to acquire a 100% interest in their Bedivere Property located 130km west of Thunder Bay, Ontario and 18km north of Highway 11/17 accessible by new logging roads in the area. Under the terms of the option agreement, Benton can earn a 100% interest in the Property, which consists of 396 boundary and single cell claims, by paying to Traxxin $450,000 and issuing 3,000,000 common shares over a four-year period initially (amended to seven years) on the following schedule, which was amended during the current period and such amendments are reflected below:

- $45,000 and 300,000 Company common shares on October 31, 2016 (paid and issued);
- $85,000 and 600,000 Company common shares on October 31, 2017 (paid and issued);
- $35,000 and 300,000 Company common shares on October 31, 2018; (as amended, paid and issued)
- $50,000 and 300,000 Company common shares on October 31, 2019;
- $65,000 and 400,000 Company common shares on October 31, 2020;
- $80,000 and 500,000 Company common shares on October 31, 2021, and
- $90,000 and 600,000 Company common shares on October 31, 2022.

The Company was also required to expend $100,000 on exploration on or before October 31, 2018 (previously completed) and a total of $500,000 in exploration expenditures, inclusive of the $100,000 referred to above, on or before October 31, 2022. The Company also agreed to issue to Traxxin a further 500,000 common shares upon a NI 43-101-compliant resource report being produced for the property.

The Property will be subject to a 3% NSR royalty in favour of Traxxin of which 1% NSR can be purchased by Benton at the Company's election for $1 million. The Company will also grant to Traxxin a 1% NSR on surrounding ground staked by the Company as long as the Company or any of its affiliates holds an interest in the optioned claims.

During the year ended June 30, 2020, the Company elected to terminate the option agreement and returned the Bedivere Property to the vendor. As a result, the Company wrote-off $260,572 in deferred acquisition costs and $1,014,282 in deferred exploration and evaluation expenses during the year ended June 30, 2020.

(c) **Panama Lake**

The 100%-owned Panama Lake gold project ("Panama") is located in the Red Lake mining district, 55km northeast of the town of Ear Falls and is accessible by road. The project was acquired by staking and consists of 365 claim cells covering 7,446 hectares.

During the year ended June 30, 2020, the Company signed a binding letter of intent ("BLOI") with Maxtech Ventures Inc. ("MVT") in which MVT will have the option to earn a 100% interest in Panama.

Pursuant to the terms of the BLOI, MVT will have a 30-day due diligence period and, subject to regulatory approval (approved), will commit to the following: Issue 2,000,000 MVT common shares to the Company upon completion of due diligence review at an underlying price of $0.05 per share (completed and issued); Pay the Company $100,000 in cash or share equivalent on the first anniversary, based upon a 10-day VWAP at the time of the payment and complete $200,000 in exploration expenditures on the property; Pay the Company $100,000 in cash or share equivalent on the second anniversary, based upon a 10-day VWAP at the time of the payment and complete an additional $250,000 in exploration expenditures on the property at which point a 50% ownership interest will vest to MVT; Pay the Company $100,000 in cash or share equivalent on the third anniversary, based upon a 10-day VWAP at the time of the payment and complete an additional $250,000 in exploration expenditures on the property at which point a 70% ownership interest will vest to MVT; and Pay the Company $300,000 in cash or share equivalent on the fourth anniversary, based upon a 10-day VWAP at the time of the payment and complete an additional $300,000 in exploration expenditures on the property at which point a 100% ownership interest will vest to MVT.

The Company will retain a 2% NSR on the Project with MVT having the option to buy back a 1% NSR for $1 million in cash. In addition, MVT will issue to the Company an additional 1 million MVT common shares upon completion of its initial resource estimate as defined in the BLOI.

(d) **Escape Lake**

During the year ended June 30, 2020, the Company executed separate binding purchase agreements with Rio Tinto Exploration Canada Inc. (‘RTEC’) (the ‘RTEC Agreement’, as replaced by an option agreement as described below) and Panoramic Resources Limited (‘PAN’) (the ‘PAN Agreement’, as amended as described below) (together the “PGM Project”).

Pursuant to the RTEC Agreement, Benton had the right to purchase a 100% interest in RTEC’s Escape Lake property for C$6 million (the “Escape Lake Purchase Price”), subject to a 1% NSR on the property being retained by RTEC, the obtaining of financing and receipt of regulatory approval. The Company was required to obtain commitments for C$4 million of the Escape Lake Purchase Price within 90 days of execution of the RTEC Agreement and closing of the acquisition and payment off the C$6 million Escape Lake Purchase Price was to take place within 10 days of securing financing.

During the year ended June 30, 2020, the Company and RTEC terminated the RTEC Agreement and replaced it with an option agreement pursuant to which RTEC will grant Benton the option to acquire a 100% ownership interest in the Escape Lake property, subject to a 1% net smelter return royalty on the property to be retained by RTEC, in exchange for payment of $6 million by Benton to RTEC over a three year period as set out below:

- $3.0 million due on signing, immediately following receipt of regulatory approval (approved and paid);
- $1.0 million on or before October 9, 2020;
- $1.0 million on or before October 9, 2021 and;
- $1.0 million on or before October 9, 2022.

Under the PAN Agreement, the Company has the right to acquire PAN’s wholly-owned Canadian subsidiary, Panoramic PGMs Canada Ltd. (the “PAN Subsidiary”), which holds the Thunder Bay North Project (the ‘TBN Project’) for C$9 million. The Company had 60 days upon signing to complete a final purchase and sale agreement plus an additional 60 days to obtain financing and receive all requisite regulatory approvals for the transaction. Upon signing the final purchase and sale agreement, Benton is required to pay PAN a $250,000 deposit which would be offset against the purchase price (completed by Regency as disclosed below). The TBN Project has an existing 3% NSR on a number of claims located within the claims package.

During the year ended June 30, 2020, the Company and PAN renegotiated the payment terms of the PAN Agreement (“Amending Agreement”) as follows:

- $4.5 million on the completion of the definitive PAN Agreement;
- $1.5 million on the first anniversary of the completion of the PAN Agreement;
- $1.5 million on the second anniversary of the completion of the PAN Agreement; and
- $1.5 million on the third anniversary of the PAN Agreement.

The Company will pledge security for the three deferred payments by providing a first registered security over the TBN PGM Project and the shares of the PAN Subsidiary to PAN. Both parties will complete and sign a definitive agreement within 30 days of the date of the Amending Agreement. If the definitive agreement is not signed within 30 days of the date of the Amending Agreement, the Amending Agreement will terminate. Panoramic can extend the 30-day period at its discretion. All other terms of the PAN Agreement remain unchanged.

Closing of the purchase of the PGM Project is also contingent upon both RTEC and PAN releasing each other from all future obligations from the earn-in with option to joint venture agreement that is currently in place (completed).

During the year ended June 30, 2020, due to challenging market conditions with respect to financing the acquisitions, the Company signed a letter of intent with Clean Air Metals ("Clean Air") (formerlyRegency Gold Corp.), followed by a Definitive Option Agreement (the "Clean Option Agreement") which set out a transaction pursuant to which Clean Air acquired from Benton an option to acquire the Company's rights to acquire, under its pre-existing agreements as described above with RTEC and PAN, a 100% right, title and interest in the Escape Lake property and the Thunder Bay North property respectively.

During the year ended June 30, 2020, Clean Air exercised the Option by completing the following:

- Issued to Benton an aggregate of 24,615,884 Clean Air common shares;
- Fulfilled the remaining terms of the RTEC Agreement that Benton has with RTEC on the Escape Lake Property;
- Entered into and fulfilled the terms of a formal binding purchase and sale agreement with PAN for the acquisition of the PAN Subsidiary including the payment to PAN of a deposit of $250,000 as a down payment to PAN (completed by Clean Air); and
- Issuing to Benton a 0.5% net smelter return royalty from production on the Escape Lake Property and a 0.5% net smelter return royalty from production on any mineral claims comprising the TBN Project that a net smelter royalty has not previously been granted.

A portion of the Regency Consideration Shares, 20% or 4,923,177 shares, will be subject to a four-month and one day "hold period" from the date of issuance (expired in the subsequent period), with the remaining 80% or 19,692,707 shares subject to a voluntary lock-up period of six months following the closing date (expired in the subsequent period). Upon completion of the Clean Option Agreement, Clean Air will assume, be bound by and perform the obligations of Benton under the RTEC Agreement and PAN Agreement.

(e) **Far Lake Property**

During the year ended June 30, 2020, the Company entered into a binding Letter Of Intent ("LOI") with White Metal Resources Corp. ("White Metal") (a company related by common director Michael Stares) whereby Benton can earn up to a 70% interest in White Metal's Far Lake project (the "Property") located 80km west of Thunder Bay, Ontario. Pursuant to the LOI, the Company can acquire from White Metal an initial 60% interest in the Property (the "Initial Option") followed by a second option to acquire an additional 10% interest (the "Second Option") in the Property.

The Company may exercise the Initial Option by paying $205,000, issuing 1.6 million common shares and completing $1 million in exploration expenditures over four years as follows:

- Paying $25,000 and issuing 300,000 common shares to White Metal within three days of receipt of TSX Venture Exchange (the "Exchange") approval for the LOI (received and issued);
- Completing $200,000 of exploration expenditures on the Property on or before the first anniversary of execution of this LOI (completed);
- Paying $30,000 and issuing 400,000 common shares to White Metal on or before the first anniversary of execution of this LOI;
- Completing an additional $200,000 of exploration expenditures on the Property on or before the second anniversary of execution of this LOI;
- Paying $50,000 and issuing 400,000 common shares to White Metal on or before the second anniversary of execution of this LOI;
- Completing an additional $300,000 of exploration expenditures on the Property on or before the third anniversary of execution of this LOI;
- Paying $100,000 and issuing 500,000 common shares to White Metal on or before the third anniversary of execution of this LOI; and

- Completing an additional $300,000 of exploration expenditures on the Property on or before the fourth anniversary of execution of this LOI.

Within 90 days of completing the Initial Option, the Company may at its election exercise the Second Option by:

- Issuing 500,000 common shares to White Metal; and
- Completing an additional $1 million of exploration expenditures on the Property on or before the fifth anniversary of the agreement.

(f) **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) 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 4 multi-cell claims totaling 1,461 hectares.

Due to no current plans to explore the property and unsuccessful efforts to secure a partner for the project thus far, the Company wrote off $391,894 in deferred exploration and evaluation expenditures during fiscal 2017. The Company remains committed to finding a partner to advance the project.

(ii) Kingurutik Lake Property

The Kingurutik Lake property was acquired 100% by staking 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 56 claim units held by Teck.

(iii) Bark Lake

During the year ended June 30, 2017, the Company executed an option agreement with Rio Tinto Exploration Canada Inc. ("RTEC") (a wholly-owned subsidiary of Rio Tinto) on the Company's 100%-owned Bark Lake copper, nickel and platinum group elements ("Cu-Ni-PGE") project. Under the terms of the option, RTEC can earn a 70% interest by incurring $3 million in exploration expenditures and by paying Benton $50,000 cash over five years (the "First Option") ($30,000 received). After the First Option period, RTEC may either form a joint venture with Benton on a 70/30 basis or, at its election, increase its interest to 80% (the "Second Option") by spending an additional $5 million in exploration expenditures over the next 4 years and by paying Benton $100,000 cash within 30 days after electing to exercise the Second Option. Upon exercising the Second Option, RTEC may elect to form a joint venture with Benton on an 80/20 basis.

(iv) Alder East

During the year ended June 30, 2017, the Company executed an option agreement with Sokoman Iron Corp. ("Sokoman") on the Company's Alder East property consisting of a single licence, containing 20 units, located in central Newfoundland. Under the terms of the option, Sokoman has the option to earn a 100% interest in the Alder East property under the following terms:

- Paying Benton $1,500 cash (received) and issuing 1 million common shares (received) of Sokoman upon signing, acceptance and approval by the TSX Venture Exchange (accepted and approved);
- Issuing 500,000 common shares to Benton on the first anniversary of the option agreement (received);
- Issuing 500,000 common shares to Benton on second anniversary of the option agreement; (received)
- Benton will retain a 2% NSR on the Alder East project with Sokoman having the option to buy-back 1% for $1 million;

- Sokoman agrees to keep the license in good standing throughout the option period and if the property is returned to Benton, it is to be returned in good standing with at least 6 months;
- Paying Benton $100,000 in cash, common shares or a combination of cash and shares upon completion of a NI 43-101 compliant mineral resource;
- Paying Benton $200,000 in cash, common shares or a combination of cash and shares upon completion of a pre-feasibility study; and
- Paying Benton $300,000 in cash, common shares or a combination of cash and shares upon completion of a final/full/bankable feasibility.

(v) Shebandowan

During the year ended June 30, 2017, the company executed an option agreement with White Metal (a company related by common director Michael Stares) on the Company's Shebandowan project which consists of 135 units in 12 claims in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas in the Thunder Bay mining district. White Metal has the option to earn a 100% interest in the Shebandowan property under the following terms:

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

(vi) Bold Project

During the year ended June 30, 2017, the Company acquired by staking a 100% interest in the Bold cobalt-copper-nickel project located 50km northeast of Mine Centre, Ontario. Subsequent to staking the four separate claim blocks that compose the Bold project, the Company entered into an option agreement with ASX-listed Ardiden Limited (ASX: ADV) whereby Ardiden acquired 100% interest by paying Benton $10,000 cash (received) and 200,000 ordinary shares (received). Ardiden has since allowed the project to lapse and the Company has reacquired the claims via staking.

(viii) Providence

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

- For a further five (5) months by paying Benton AUD $90,000 within 30 days of executing the LOI (received);
- For a further two (2) months by paying an additional AUD $100,000 within six (6) months of executing the LOI (not exercised).

During the year ended June 30, 2019, The Company amended its LOI with Matador Capital and completed the sale of the Providence project for a one-time final cash payment of AUD $30,000 (in addition to the AUD $100,000 previously paid to the Company) which was received in the current year. Matador Capital will assign the LOI to AGR Resources Pty Ltd. ("AGR"), an affiliate of Matador Capital. AGR assumed responsibility for the underlying NSRs and granted an additional 1% NSR in favour of Benton of which 0.5% NSR can be purchased by AGR for AUD $500,000.

(ix) Bolton Bay

During the year ended June 30, 2018, the Company signed a Letter of Intent ("LOI") to acquire the Bolton Bay gold project located 120 km west of Thunder Bay and is adjacent to the east boundary of Benton's Bark Lake project which is currently under option to Rio Tinto Exploration Canada Inc. Benton had the option to earn a 100% interest in Bolton Bay by making cash payments totaling $174,000 ($12,000 paid) and by issuing 425,000 common shares (50,000 issued) over a period of 5 years following the execution of the LOI. The vendor was to retain a 2% NSR which the Company can purchase 1% NSR for $1 million and retained a right of first refusal to purchase the remaining 1% NSR. The Company received regulatory approval in the current period. Due to no further plans for the project, the Company wrote-off a total of $167,543 in combined acquisition costs and deferred exploration and evaluation expenditures during the year ended June 30, 2019. The Company terminated the option on the project and returned it to the vendor during fiscal 2019.

(x) Conche

The Company entered into an option agreement (the "Option") with Quadro Resources Inc. ("Quadro") pursuant to which Quadro has acquired the right to earn the Company's 33.33% interest in the Conche Property (acquired during fiscal 2018 via joint staking efforts with Quadro, Metals Creek Resources Corp. and the Company) on Newfoundland's Great Northern Peninsula. In order to exercise the Option, Quadro is required to issue 1 million Quadro common shares to the Company over an eighteen month period with 200,000 shares owed upon receipt of regulatory approval (received on September 27, 2018), a further 300,000 shares to be issued within six months of receipt of regulatory approval (March 27, 2019) and the final 500,000 shares within eighteen months of receiving regulatory approval (March 27, 2020). Upon completion of the share payments, the Company will retain a 1% NSR with Quadro having the right to purchase 50% of the NSR for $500,000. During the year ended June 30, 2019 the Company was informed by Quadro that they were terminating the option agreement and the project will revert to a 33.33% interest to each company (Benton, Metals Creek Resources and Quadro) and a joint venture is to be formed. As a result, the March 27, 2019 share payment from Quadro was not made to the Company and Quadro is no longer obligated to make the March 27, 2020 share payment to the Company.

(xi) Goodchild

During the year ended June 30, 2019, the Company entered into an asset purchase/sale agreement with Canadian Orebodies Inc. ("Canadian Orebodies"), a company listed on the TSX Venture Exchange trading under the symbol "CORE", whereby the Company sold the southwest portion the Goodchild Lake mining property (the "Property"). The portion of the Property sold consists of 31 claim cells totaling approximately 500 hectares. As consideration for the purchase, Canadian Orebodies issued Benton 100,000 common shares in the capital stock of the Canadian Orebodies and granted Benton a 1.5% NSR. Canadian Orebodies has the option to buy-down 50% of the NSR at any time for the sum of $750,000. The purchase agreement was approved by the TSX Venture Exchange and the 100,000 shares were received during the year ended June 30, 2019.

The Company retained through re-staking 22 single-cell mining claims, totalling 467 hectares, to cover the majority of the important mineral occurrences on the property.

(xii) Baril Lake

During the year ended June 30, 2019, the Company entered into an option to purchase agreement with Rio Tinto Exploration Canada Inc. ("RTEC") whereby RTEC has the right to earn a 100% interest in the Company's Baril Lake claims located approximately 5km west of the Company's Bark Lake project which is also under option to RTEC. Pursuant to the terms of the agreement, RTEC can earn 100% of the Baril project by paying the Company $200,000 ($50,000 received) over 4 years and should RTEC achieve commercial production at the project, it will pay the Company an additional $1,000,000. The Company also retains a 2% Net Smelter Royalty (NSR), half of which (1% NSR) can be purchased by RTEC for $1,000,000.

(xiii) Iron Duke

The Company acquired a 100% interest through staking in the Iron Duke gold project located 20km east of the past producing Mattabi/Sturgeon Lake base metal deposits and 30km south of the past-producing St. Anthony gold mine. The project is comprised of 47 units in 3 claims.

(g) **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 year ended June 30, 2020 and year ended June 30, 2019 were as follows:

	June 30, 2020 $	June 30, 2019 $
Write-downs:		
Bedivere	1,274,854	-
Panama	403,180	-
Other Properties	104,029	321,355
Total	1,782,063	321,355
Recoveries/Dispositions:		
Bedivere	-	100,000
Panama	182,685	-
Escape Lake	3,000,000	
Other Properties	-	37,296
Total	3,182,685	137,296

9. CAPITAL STOCK:

(a) Share Capital

Authorized:
Unlimited common shares without par value
One voting preference share

Issued and outstanding:
94,938,736 common shares
Nil preference shares

(b) Share Purchase Warrants

Details of share purchase warrant transactions for the years ended June 30, 2020 and 2019 is as follows:

	# of Warrants	Amount $	Wtd. Avg. Ex. Price
Balance, June 30, 2018	3,970,000	13,302	$0.25
Expired during the period	(3,970,000)	(13,302)	$0.25
Balance, June 30, 2019	-	-	-
Issued pursuant to private placements	4,012,696	142,007	$0.19
Issued to finders' pursuant to above	607,779	22,077	4
Balance, June 30, 2020	4,620,475	164,084	$0.21

The fair value of the outstanding warrants was estimated on the grant date using an option pricing model with the following assumptions:

Date Issued	# of Warrants	Exercise Price	Risk-Free Interest Rate	Dividend Yield	Expected Volatility
December 27, 2019	186,669	$0.075	1.65%	0%	104%
December 27, 2019	1,450,850	$0.15	1.65%	0%	102%
June 15, 2020	2,982,956	$0.25	0.26%	0%	116%
	4,620,475				

Pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The following table summarizes information about the warrants outstanding at the years ended June 30, 2020 and 2019:

Expiry Date	Exercise Price	June 30, 2020 # of Warrants	June 30, 2019 # of Warrants
December 27, 2022	$0.15	1,450,850	-
June 27, 2021	$0.075	186,669	-
June 15, 2022	$0.25	2,982,956	
		4,620,475	-

(c) Stock Options

Details of stock option transactions for the years ended June 30, 2020 and 2019 are as follows:

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2018	6,465,000	$0.10
Granted during the year	2,250,000	$0.07
Expired during the year	(2,120,000)	$0.10
Balance, June 30, 2019	6,595,000	$0.09
Granted during the year	2,250,000	$0.10
Expired during the year	(2,045,000)	$0.10
Balance, June 30, 2020	6,800,000	$0.09

The following table summarizes information about the options outstanding at the years ended June 30, 2020 and 2019:

Expiry Date	Exercise Price	June 30, 2020 # of Options Issued	June 30, 2020 # of Options Exercisable	June 30, 2019 # of Options Issued	June 30, 2019 # of Options Exercisable
May 13, 2020	$0.10	-	-	2,020,000	2,020,000
November 7, 2022	$0.10	2,300,000	2,300,000	2,325,000	2,325,000
January 15, 2024	$0.07	1,950,000	1,950,000	1,950,000	487,500
March 28, 2024	$0.10	300,000	225,000	300,000	75,000
February 19, 2025	$0.10	2,250,000	562,500	-	-
		6,800,000	5,037,500	6,595,000	4,907,500

(d) 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 15,254,706 common shares of which 6,800,000 are outstanding at June 30, 2020. 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.

(e) Private Placements

During the year ended June 30, 2020, the Company completed the following private placements:

i.) In December 2019, the Company completed a non-brokered flow through private placement by issuing 2,901,700 units at a price of $0.075 per unit for aggregate proceeds of $217,628. Each unit consists of one flow-through common share and one-half of one common share purchase warrant, each whole warrant entitling the holder therein to purchase an additional common share of the Company for $0.15 until December 27, 2022.

In connection with the private placement, the Company paid cash finders' fees totalling $14,000 as well as 186,669 finders' warrants exercisable at $0.075 expiring June 27, 2021.

ii.) In June 2020, the Company completed a non-brokered private placement of flow-through shares and non flow-through units for gross proceeds of $1,084,039. The Company issued 5,006,659 flow-through shares at a price of $0.15 per flow-through share. The Company also issued and 2,561,846 non-flow-through units at a price of $0.13 per unit, each Unit consisting of one common share of the Company and one common share purchase warrant, each warrant being exercisable at $0.25 for 24 months following the date of issuance.

In connection with the private placement, the Company paid cash finders' fees totalling $60,212 as well as 421,110 finders' warrants exercisable at $0.25 expiring June 15, 2022.

The aggregate deferred premium on the issuance of the 7,908,359 flow-through common shares was $187,184. This difference between the proceeds of the placement and the net amount recorded in the Company's share capital account is treated as a liability in accordance with IFRS. This liability is reversed into earnings as the Company incurs flow-through eligible exploration and evaluation expenditures. This reversal amounted to $26,520 for the year ended June 30, 2020 (June 30, 2019 - nil) resulting in a deferred premium balance of $160,664 at June 30, 2020 (June 30, 2019 – nil).

10. LEASE LIABILITY:

During the year ended June 30, 2016, the Company entered into an office lease agreement for its head office premises. The initial term of the lease was for three years commencing on June 1, 2016 and terminating on May 31, 2019, subject to a right of extension as described herein. The lease is a triple net lease with the initial term paid in monthly installments of $3,100 plus HST, which includes base rent and prescribed monthly additional rents based on estimated annual operating costs which is adjusted annually for actual costs. Pursuant to the terms of the lease, at the end of the initial term the Company exercised its right to extend the lease for two additional years to be paid in monthly installments of $3,859 plus HST consisting of base rent and additional rent on the same basis as described above. At the end of this extension the Company has the right to extend the lease for a further five-year period at amounts to be negotiated at that time. During the year ended June 30, 2020, the base rent and additional rent payment increased to $4,217 plus HST. An additional $19,537 was recorded as lease liability and right-of-use assets during the current period.

During the year ended June 30, 2019, the Company leased a truck from Toyota Financial Services commencing on December 11, 2018 for a term of 40 months and terminating on April 11, 2022. The lease is paid in monthly installments of $510 plus HST. The lease contains a Lease End Purchase Option that will allow the Company to purchase the truck at the end of the lease for $25,766 plus HST and any applicable fees.

The lease liability relates to the above leases for the Company's office premises and a field truck. The office lease expires on May 31, 2021 at an estimated interest rate of 12% (the Company's estimated incremental borrowing rate). The Company then has a five-year renewal option taking the lease expiry to May 31, 2026. The field truck lease bears interest at 7.53%. At the beginning of the current period on adoption of IFRS 16 and at June 30, 2020, the lease liability for the Company is as follows:

	June 30, 2020 $	July 1, 2019 $
Lease liability	223,218	236,452
Less: Current portion	(33,862)	(30,219)
Long-term portion	189,356	206,233

Interest expense recognized on the lease liability for the year was $22,852 and is included under general and administrative expenses on the statement of profit and loss.

11. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the year ended June 30, 2020 and 2019:

Payee	Description of Relationship	Nature of Transaction	June 30, 2020 Amount ($)	June 30, 2019 Amount ($)
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the period	114,852	29,677
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Equipment purchases included exploration and evaluation assets	350	-
Michael Stares	Director	Field consulting fees and equipment rentals included in exploration and evaluation assets	-	1,840

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, 2020, the Company paid director fees to one of its directors totaling $7,500 for services rendered on the Company's Audit Committee (June 30, 2019 - $10,000). The director was to receive $2,500 per quarter.

Included in accounts payable and accrued liabilities at June 30, 2020 and June 30, 2019 is:

- $10,000 accrued payable to Gordon J. Fretwell Law Corporation (June 30, 2019 - $9,395)

During the year ended June 30, 2020, the Company invoiced White Metal (related by common director Michael Stares) $12,000 for office rental (June 30, 2019 - $20,538 inclusive of HST). At June 30, 2020, White Metal owed the Company $1,000 (June 30, 2019 – nil) and is recorded in accounts and other receivables. See also note 8(e) for a property option transaction that was completed with White Metal during the year.

Key management personnel remuneration during current period included $375,574 (June 30, 2019 - $375,505) in salaries and benefits and $46,722 (June 30, 2019 - $28,714) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

12. INCOME (LOSS) PER SHARE:

Basic income (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 income (loss) per common share is equivalent to basic income (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 the combined Canadian federal and provincial statutory tax rates of 26.5% (June 30, 2019 – 26.5%).

	June 30, 2020 $	June 30, 2019 $
Net income (loss) before taxes	3,408,699	(1,330,133)
Income tax expense reconciliation		
Expected income tax expense (recovery) calculated using statutory rates	903,305	(352,485)
Tax effect of the following items:		
Non-deductible share-based payments	32,122	19,580
Non-deductible expenses and other items	107,755	(14,196)
Non-deductible write-down of mineral properties	472,247	85,159
Adjustment to fair value for fair value through profit and loss investments	(1,673,884)	123,648
CCA deducted	(4,317)	(5,283)
Expected income tax expense (recovery) calculated for tax purposes	(162,772)	(143,577)
Non-capital loss carry forwards applied	-	-
Valuation allowance	136,252	143,577
Income tax expense (recovery)	(26,520)	-
Income tax expense (recovery) consists of:		
Current income taxes	-	-
Deferred income taxes (flow-through)	(26,520)	-
	(26,520)	-

(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, 2020	June 30, 2019
	$	$
Deferred tax assets (liabilities) – long term		
Non-capital losses	305, 265	143,577
Capital losses	492,881	420,760
Property and equipment	989	719
Investments	(630,026)	236,927
Deferred development expenditures	1,932,630	1,495,726
Valuation Allowance	(2,101,739)	(2,297,709)
Net deferred income tax liability	-	-

(c) Additional Income Tax Information

The Company has non-capital losses of $1,151,944 available to reduce taxable income in future years as well as capital losses in the amount of $3,719,853 available for carryforward. The benefit of the losses has not been recognized in these financial statements. The capital losses can be used against future capital gains with no expiry. The non-capital losses as follows if unused:

Year of Expiry		Amount
2039		537,709
2040		614,235
Total	**$**	1,151,944

In addition to the above, the Company has available $5,818,191 in cumulative Canadian exploration expenses, $1,251,393 in cumulative Canadian development expenses and $544,157 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 consultants and accordingly $121,214 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 2,089,668 options that vested during the year ended June 30, 2020. The fair value of the options vesting below during the period 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 15, 2019	634,538	$0.07	January 15, 2024	$0.038	0%	109%	1.91%	5 yrs
March 28, 2019	142,644	$0.10	March 28, 2024	$0.035	0%	109%	1.46%	5 yrs
February 19, 2020	1,312,486	$0.10	February 19, 2024	$0.070	0%	111%	1.38%	5 yrs
	2,089,668							

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, 2020.

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, 2020 a 1% change in yields on the Company's short term investments would result in an approximate \$12,000 (June 30, 2019 - \$31,000) 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, 2020, the Company had cash on hand of $895,569 (June 30, 2019- $65,665) and temporary investments available to the Company of $1,218,078 (June 30, 2019– $3,118,396) to settle current liabilities of $241,168 (June 30, 2019 - $71,622). 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 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:

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

	June 30, 2020 $	June 30, 2019 $
Accounts and other receivables	24,430	3,017,744
Prepaid expenses	867	4,716
Refundable deposits	88,646	36,495
Accounts payable and accrued liabilities	75,020	26,668
Total	188,963	3,085,623

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

	June 30, 2020 $	June 30, 2019 $
Non-cash operating activities		
Settlement of accounts and other receivables in debtor shares	-	2,340,000
Prepaid expenses allocated to reduce lease liability – on adoption of IFRS 16	6,798	-
Non-cash financing activities		
Lease liability recognized on adoption of IFRS 16	262,788	-
Prepaid expenses allocated to reduce lease liability on adoption of IFRS 16	(6,798)	-
Common shares issued for mineral property option	33,000	13,500
Non-cash investing activities		
Right-of-use lease assets recognized on adoption of IFRS 16	(262,788)	-
Mineral property option through common share issuance	(33,000)	(13,500)
Common shares received for mineral property option/disposal	(3,370,065)	(116,000)
Proceeds of mineral property option/disposal for common shares	3,370,065	116,000
Shares received on settlement of accounts and other receivables	-	(2,340,000)

18. REFUNDABLE DEPOSITS:

Refundable security deposits of $23,350 (June 30, 2019 - $111,996) 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 AND CONTINGENCIES:

In addition to the commitments described in note 8 related to its exploration and evaluation assets and note 10 related to Leases, the Company has the following commitments\contingencies:

- During the year ended June 30, 2019, the Company engaged CHF Capital Markets ("CHF") for investment community outreach, corporate communications, branding and social & digital marketing is for a fixed term of twelve months ending February 28, 2020. Thereafter, the contract may be extended month to month with a two months cancellation notice. Under the terms of the agreement, CHF receives $6,250 per month in fees and reimbursement of approved expenses and CHF received options for 100,000 common shares exercisable at $0.10 per share expiring March 28, 2024. The Company renegotiated the contract during the year ended June 30, 2020 and effective June 1, 2020, will pay CHF $3,600 per month plus HST for a term of 12 months. The contract may be cancelled by either party by providing two months written notice.
- During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, which may negatively impact the Company's business and financial condition.

20. SUBSEQUENT EVENTS:

The following events occurred subsequent to the year ended June 30, 2020:

- The Company has entered into an Option Agreement (the "Agreement") with 2752300 Ontario Inc. (the "Optionee"), a private company, whereby the Optionee can earn up to a 100% interest in the Saganaga Gold project (the "Project"). The Saganaga project is a large land package located in the Shebandowan Greenstone belt, 120km west of Thunder Bay, Ontario, Canada.

  The Optionee can acquire an initial 70% interest in the Project by:

  - paying the Company $50,000 in cash and issuing the greater of 1,000,000 Optionee common shares or 3% of the issued and outstanding Optionee common shares to the Company upon execution of the Agreement;
  - paying the Company $50,000 in cash and issuing the greater of 1,000,000 Optionee common shares or 2% of the then issued and outstanding Optionee common shares to the Company and incurring a minimum of $200,000 in qualified exploration expenditures on or before the first anniversary of the effective date of the Agreement; and,
  - paying the Company $50,000 in cash and issuing the greater of 1,000,000 Optionee common shares or 1.5% of the then issued and outstanding Optionee common shares to the Company and have completed a further $200,000 in qualified exploration expenditures on or before the second anniversary of the effective date of the Agreement.
  - The Optionee, at its election, may then provide the Company notice that it intends to earn an additional 30% interest (taking interest to 100% subject to underlying NSR's) in the Project by:
  - paying the Company $50,000 cash and issuing 2,000,000 Optionee common shares to the Company and completing a further $400,000 in qualified exploration expenditures on the Project.

  In the event that the Optionee completes a NI 43-101 compliant resource calculation for the Project, the Optionee will issue to the Company 1,000,000 Optionee common shares. The Optionee has covenanted to use its commercial best efforts to complete a liquidity event which consists of a going public transaction by way of IPO, reverse takeover or similar transaction.

- The Company granted 2.1 million incentive stock options to directors, officers, employees and consultants of the Company at an exercise price of $0.20 per share for a period of five years following the date of grant subject to the vesting provisions contained within the Company's stock option plan.