BENTON RESOURCES INC.

(A Development Stage Enterprise)

Financial Statements
June 30, 2018 and 2017

(Stated in Canadian Dollars)

BENTON RESOURCES INC.
(A Development Stage Enterprise)

June 30, 2018

Wasserman
Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Benton Resources Inc.:

We have audited the accompanying financial statements of Benton Resources Inc., which comprise the statements of financial position as at June 30, 2018 and 2017 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Benton Resources Inc. as at June 30, 2018 and 2017 and the results of its operations, changes in equity and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

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

Wasserman Ramsay

Markham, Ontario
October 16, 2018

Chartered Accountants
Licensed Public Accountants

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF FINANCIAL POSITION

As at	**June 30, 2018 $**	June 30, 2017 $
ASSETS		
Current		
Cash	**180,264**	146,733
Temporary investments (note 4)	**1,035,572**	1,952,168
Accounts and other receivables (note 7(c))	**5,431,105**	32,131
Prepaid expenses	**22,511**	34,662
Refundable deposits (note 16)	**148,491**	118,015
	6,817,943	2,283,709
Long-term investments (note 5)	**433,974**	662,549
Property and equipment, net (note 6)	**76,794**	93,035
Exploration and evaluation assets (note 7)	**1,562,802**	3,485,624
	8,891,513	6,524,917
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	**44,954**	38,703
Shareholders' Equity		
Capital Stock (note 8)		
Share capital	**27,626,434**	27,424,174
Reserves	**1,753,063**	1,668,326
Deficit	**(20,532,938)**	(22,606,286)
	8,846,559	6,486,214
	8,891,513	6,524,917

See Nature of Operations and Going Concern – Note 1
Commitments – Notes 7 and 17
Subsequent Events – Note 18

These financial statements are authorized for issue by the Board of Directors on October 16, 2018. They are signed on the Corporation's behalf by:

"Stephen Stares" President, Chief Executive Officer and Director
"William Harper" 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

	2018 $	2017 $
EXPENSES		
Advertising and promotion	71,911	122,539
Share-based payments (note 12)	71,435	5,783
General and administrative	836,830	748,556
Professional fees	51,170	51,795
Consulting fees	16,667	83,333
Stock exchange and filing fees	9,910	12,439
Depreciation expense	28,114	30,390
Pre-acquisition exploration and evaluation	10,763	97,662
Write-down of exploration and evaluation assets	80,598	678,649
Foreign currency translation adjustment	(6,449)	(1,649)
	(1,170,949)	(1,829,497)
Other income (expense):		
Interest and investment income	13,911	38,402
Other income	3,460	1,656
Adjustment to fair value for fair value through profit and loss investments	(23,876)	(551,951)
Gain on sale or option of exploration and evaluation assets (note 7(c))	3,032,282	76,687
Gain (loss) on disposal of property and equipment	1,676	(97)
Gain on sale of long-term investments	106,281	3,842
	3,133,734	(431,461)
Income (loss) before deferred tax recovery	1,962,785	(2,260,958)
Deferred tax recovery – flow-through (note 8(e))	110,563	40,000
Income (loss) and comprehensive income (loss) for the year	2,073,348	(2,220,958)
Income (loss) and comprehensive income (loss) per common share – basic and diluted (note 10)	0.03	(0.03)
Weighted average shares outstanding – basic and diluted	82,301,613	78,720,552

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

STATEMENTS OF CHANGES IN EQUITY
For the years ended June 30, 2018 and 2017

	Share Capital		Reserves			
	Number	Amount $	Warrants $	Equity-Settled Benefits $	Deficit $	Total $
Balance at June 30, 2016	**76,956,031**	**27,230,424**	**-**	**1,662,543**	**(20,385,328)**	**8,507,639**
Loss and comprehensive loss for the year	-	-	-	-	(2,220,958)	(2,220,958)
Private placement	2,000,000	200,000	-	-	-	200,000
Flow-through share premium (note 8(e))	-	(40,000)	-	-	-	(40,000)
Issued in connection with property option agreements	450,000	33,750		-	-	33,750
Share-based payments	-	-	-	5,783	-	5,783
Balance at June 30, 2017	**79,406,031**	**27,424,174**	**-**	**1,668,326**	**(22,606,286)**	**6,486,214**
Income and comprehensive income for the year	-	-		-	2,073,348	2,073,348
Private placement	3,812,500	291,698	13,302	-	-	305,000
Share issue costs	-	(14,875)	-	-	-	(14,875)
Flow-through share premium (note 8(e))	-	(110,563)	-	-	-	(110,563)
Issued in connection with property option agreements	650,000	36,000	-	-	-	36,000
Share-based payments	-	-	-	71,435	-	71,435
Balance at June 30, 2018	**83,868,531**	**27,626,434**	**13,302**	**1,739,761**	**(20,532,938)**	**8,846,559**

See accompanying notes to the financial statements

BENTON RESOURCES INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30

	2018 $	2017 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Income (loss) and comprehensive income (loss) for the year	2,073,348	(2,220,958)
Deferred tax recovery – flow-through	(110,563)	(40,000)
Adjustment to fair value for fair value through profit and loss investments	23,876	551,951
Loss (gain) on disposal of property and equipment	(1,676)	97
Depreciation expense	28,114	30,390
Share-based payments	71,435	5,783
Write-down of exploration and evaluation assets	80,598	678,649
Net change in non-cash working capital balances related to operating activities (note 15)	(3,071,048)	(138,284)
Cash flows used in operating activities	(905,916)	(1,132,372)
FINANCING ACTIVITIES		
Issuance of capital stock for cash	305,000	200,000
Share issue costs – cash commission	(14,875)	-
Cash flows from financing activities	290,125	200,000
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(1,086,883)	(595,232)
Expenditure recoveries on exploration and evaluation assets	82,608	27,079
Grants received on exploration and evaluation assets	5,524	-
Purchase of property and equipment	(14,899)	(15,749)
Gain on sale or option of exploration and evaluation assets	(3,032,282)	(76,687)
Proceeds on sale or option of exploration and evaluation assets	3,106,280	43,430
Gain on sale of long-term investments	(106,281)	(3,842)
Net proceeds on sale of long-term investments	771,460	38,755
Acquisition of long term investments in private placement	-	(100,000)
Proceeds on disposal of property and equipment	4,700	1,500
Unrealized change in fair market value of temporary investments included in cash	2,499	23,256
Cash flows used in investing activities	(267,274)	(657,490)
Decrease in cash and temporary investments	(883,065)	(1,589,862)
Cash and cash equivalents - beginning of year	2,098,901	3,688,763
Cash and cash equivalents – end of year	1,215,836	2,098,901
Cash and cash equivalents consists of the following:		
Cash	180,264	146,733
Temporary investments	1,035,572	1,952,168
	1,215,836	2,098,901

Supplemental cash flow information (note 15)

See accompanying notes to the financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, 2018	June 30, 2017
Working capital	$6,772,989	$2,245,006
Deficit	$(20,532,938)	$(22,606,286)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

<u>Statement of Compliance to International Financial Reporting Standards (“IFRS”)</u>

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, 2018.

<u>Basis of Presentation</u>

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, 2018 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.

Financial Instruments

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

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

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

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

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

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

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

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

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

Fair value hierarchy:

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

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

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

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

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

Impairment of financial assets:

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

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

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

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

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

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

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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

Cash and cash equivalents

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

Investments

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

Investments in Joint Ventures

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

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

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

Exploration and Evaluation Assets

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

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

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

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

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

Restoration, Rehabilitation and Environmental Obligations

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

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

Property and Equipment

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

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

Computer Equipment	30-55%
Computer Software	100%
Furniture and Equipment	20%
Exploration Camps	30%
Automotive	30%
Leaseholds	5 years

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, 2018;

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, 2018.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash-generating units; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

Earnings (loss) Per Share

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

Provisions

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

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

3. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS:

The following standards are effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the financial statements.

IFRS 9, Financial Instruments: The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS (is effective for fiscal year ends beginning on or after January 1, 2018 with early adoption permitted. The Company has not early adopted this standard and is currently evaluating the effect, if any, this new standard will have on the Company's financial statements.

4. TEMPORARY INVESTMENTS:

	June 30, 2018 $	June 30, 2017 $
Money Market Mutual funds	918,701	1,952,168
US Treasury note	116,871	-
	1,035,572	1,952,168

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 $270,426 USD (June 30, 2017 - $357,405USD) translated at the USD/CDN conversion rate at June 30, 2018 of $1.2956 (June 30, 2017 - $1.2965).

The United States Treasury Note is fully liquid and 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, 2018 is $90,206 USD (June 30, 2017 – nil) translated at the USD/CDN conversion rate at June 30, 2018 of $1.2956.

5. LONG-TERM INVESTMENTS:

	June 30, 2018		June 30, 2017	
	Market $	Cost $	Market $	Cost $
Canadian Equities				
Mineral Mountain Resources (i)	-	-	258,958	3,107,500
Organimax Nutrient Corp. (ii)	93,980	183,737	317,868	383,229
Quadro Resources Ltd. (iii)	200,000	440,000	-	-
Other	139,994	1,230,365	85,723	1,207,386
	433,974	1,854,102	662,549	4,698,115

(i) Mineral Mountain is listed on the TSX Venture Exchange under the symbol “MMV”. During the year ended June 30, 2018, the Company disposed of all 1,294,791 shares of Mineral Mountain for net proceeds of $609,734. The resulting gain of $74,276 was recorded in income during the current year.

(ii) The 508,000 Alset Minerals Corp. (“Alset”) common shares (post 1 for 3 share consolidation completed during the current year) are listed on the TSX Venture Exchange under the symbol “ION” and are valued at the June 30, 2018 closing price of $0.185 per share (June 30, 2017 - $0.30 adjusted for the abovementioned share consolidation). The Company also holds 333,333 common share purchase warrants in Alset exercisable at $0.60 (post share consolidation) until October 17, 2018. During the year ended June 30, 2018, the Company disposed of 1,654,680 shares of Alset pre-share consolidation for net proceeds of $161,726. The resulting gain of $32,005 was recorded in income during the current year. Subsequent to June 30, 2018, Alset changed its name to Organimax Nurtient Corp. and trades under the symbol “KMAX” on the TSX Venture Exchange.

(iii) The 4 million shares of Quadro Resources Ltd. (“Quadro”) are listed on the TSX Venture Exchange under the symbol “QRO” and are valued at the June 30, 2018 closing price of $0.05 per share. The shares were received pursuant to the Company’s disposition of its 50% interest in the Staghorn gold project in Newfoundland (see note 7(e)(ii)).

6. PROPERTY AND EQUIPMENT:

	June 30, 2018			June 30, 2017		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	$ 62,958	$ 61,103	$ 1,855	$ 61,140	$ 60,075	$ 1,065
Furniture and Equipment	129,008	91,458	37,550	135,583	88,539	47,044
Computer Software	115,971	115,971	-	115,971	113,116	2,855
Exploration Camps	220,532	208,117	12,415	220,532	202,797	17,735
Automotive	26,575	23,358	3,217	47,671	40,964	6,707
Leaseholds	36,640	14,883	21,757	25,184	7,555	17,629
Total	$ 591,684	$ 514,890	$ 76,794	$ 606,081	$ 513,046	$ 93,035

7. 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, 2018 and 2017 is summarized in the tables below:

For the year ended June 30, 2018

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

For the year ended June 30, 2017

		Saganaga/Q9 (a)	Abernethy (b)	Cape Ray (c)	Bedivere (d)	Other (e)	Total
June 30, 2016 - Acquisition Costs	$	284,083	13,569	835,352	-	91,078	1,224,082
Additions		-	-	1,060	89,914	72,176	163,150
Write-downs/Recoveries/Disposals **(f)**		(284,083)	(13,569)	-		(14,474)	(312,126)
Subtotal	$	(284,083)	(13,569)	1,060	89,914	57,702	(148,976)
June 30, 2017 - Acquisition Costs	$	**-**	**-**	**836,412**	**89,914**	**148,780**	**1,075,106**
June 30, 2016 - Exploration and Evaluation Expenditures	$	1,367	377,925	1,335,245	-	653,494	2,368,031
Assaying		-	-	-	22,961	7,644	30,605
Prospecting		-	-	678	77,279	37,300	115,257
Geological		-	-	24,195	3,907	6,594	34,696
Geophysical		-	-	15,628	72,887	-	88,515
Line Cutting		-	-	-	14,231	-	14,231
Trenching		-	-	-	54,321	18,304	72,625
Diamond Drilling		-	-	35,326	3,160	1,329	39,815
Resource Modeling		-	-	3,336	-	-	3,336
NI 43-101 Reporting		-	-	1,443	-	3,045	4,488
Compilation		-	-	2,886	-	-	2,886
Aboriginal Consultation		-	-	-	2,116		2,116
Miscellaneous		-	400	15,332	21,483	20,042	57,257
Write-downs/Recoveries/Disposals **(f)**		(1,367)	(378,325)	(27,079)	-	(16,569)	(423,340)
Subtotal	$	(1,367)	(377,925)	71,745	272,345	77,689	42,487
June 30, 2017 - Exploration and Evaluation Expenditures	$	**-**	**-**	**1,406,990**	**272,345**	**731,183**	**2,410,518**
June 30, 2017 - Total	$	**-**	**-**	**2,243,402**	**362,259**	**879,963**	**3,485,624**

(a) Saganaga Lake/Q9 Property

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

The Q-9 property is located approximately 160km west of Thunder Bay, Ontario and adjoins the Saganaga Gold property. The project was subject to an asset purchase, sale and royalty agreement dated May 8, 2006 between the Company and Stares Contracting Corp., a company controlled by Stephen Stares, Director and Officer and Michael Stares, Director of the Company, whereby the Company has a 100% interest subject to a 2% NSR in the project as a result of the Company having paid $75,000 and issued 200,000 shares. During Fiscal 2015, the Company wrote off $2,042,527 in deferred exploration and evaluation expenditures. As a result of limited exploration work on the property and no current plans to explore the project as well as unsuccessful efforts to secure a partner on the project, the Company wrote off the remaining $285,450 in deferred exploration and evaluation costs during fiscal 2017. The Company will continue to work to find a partner for the project.

(b) Abernethy Property

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

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.

(c) Cape Ray

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

Windowglass Hill and 51 Zone Deposits

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

During Fiscal 2014, the Company amended its agreement with Cornerstone. Pursuant to the terms of the amended agreement, the Company has acquired a 100% interest in the Cape Ray Gold project by paying, in addition to the on signing payments made above, $200,000 and issuing 350,000 common shares of the Company. Under the amended agreement, Cornerstone received an additional 0.25% NSR thereby increasing the total NSR on the project to 2%, of which the Company has the right to purchase back 1% for $1 million.

During Fiscal 2015, the Company executed a Letter of Intent with Nordmin Engineering Ltd. on certain of the deposits at Cape Ray as further described below.

04/41/Isle Aux Mort/Big Pond Deposits

During Fiscal 2014, the Company entered into an option agreement with Tenacity Gold Mining Company Ltd. (“Tenacity”) to purchase a 100% interest in four mining claims which encompasses the 04 , 41 , Isle Aux Mort and the Big Pond gold deposits located in southwest Newfoundland. The Company paid $400,000 and issued 1.5 million common shares valued at $105,000 to Tenacity in connection with the agreement. During Fiscal 2015 the Company exercised its option to acquire a 100% interest by issuing a further 1.5 million common shares valued at $75,000 (accordingly a total of 3 million shares were issued by the Company for the property). The acquired claims are subject to a sliding scale net smelter returns royalty (NSR) on the production of metals: a 3% NSR on production when the price of gold is below $2,000 per ounce; a 4% NSR when the price of gold is from $2,000 to less than $3,000 per ounce subject to the right of the Company to buy back 1% for $500,000; and a 5% NSR when the price of gold is $3,000 or above subject to the right of the Company to buy back 1% for $500,000.

Cape Ray East

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

Nordmin Engineering Option/Joint Venture

During Fiscal 2015, the Company entered into a definitive agreement (the "Agreement") with Nordmin Engineering Ltd. ("Nordmin") to advance towards production four of the six gold deposits at the Company's Cape Ray project located in southwest Newfoundland, should the economic viability of the project be established. The Agreement was also amended during the year ended June 30, 2017. The 04, 41, 51 and Windowglass Hill deposits (the "Project") are included in the Agreement while the Isle Aux Morts and Big Pond deposits will be retained 100% by Benton. Pursuant to the Agreement, Benton and Nordmin will form a joint venture pursuant to which Nordmin will have the right to earn up to a 50% interest in the Project in return for incurring expenditures and providing services at its expense in connection with the Project as further described herein.

Nordmin had the option to earn up to 50% of the Project by completing a series of work commitments and project milestones. During the year ended June 30, 2017, Nordmin notified Benton that they have elected not to complete the necessary milestones required in the agreement to earn a 30% interest in the project and as a result the partners have formed a 80% Benton and 20% Nordmin joint venture and operatorship of the project has returned to Benton. If Nordmin gets diluted to less than 10% its interest will be converted to a 0.5% NSR, one-half of which can be purchased by Benton for $400,000.

Matador Mining Limited

During the year ended June 30, 2018, the Company announced that it signed a binding term sheet with Matador Mining Limited ("Matador") of Western Australia for the sale of Benton's 80% interest in the four main Cape Ray Deposits (held in an 80%-Benton 20%-Nordmin Engineering Limited joint venture as described above) as well as a 100% interest in its remaining land positions held in the Cape Ray mining belt, which includes the Isle aux Morts and Big Pond deposits, for a cash payment of AUD $3.25 million (AUD = Australian dollars) and 8,000,000 common shares of Matador based on an underlying value of AUD $0.25/share (the "Consideration Shares") for a total consideration of AUD $5.25 million. The Company will also receive 833,333 options exercisable at a price of AUD $0.30 a share for a period of 2 years following the date of issuance.

Under the terms contained within the binding term sheet, Matador must:

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

Matador completed the above conditions during the year ended June 30, 2018 and the Cape Ray mineral licenses were transferred accordingly. An other account receivable for the cash and share proceeds due on the disposition was accrued at June 30, 2018 and received in the subsequent period. The gain on disposition was recorded in the current year. Upon closing, the shares were recorded at the June 30, 2018 closing price of AUD $0.30.

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

(d) **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 and subject to regulatory approval, Benton can earn a 100% interest in the Property which consists of 109 units in 12 claims by paying to Traxxin $450,000 and issuing 3,000,000 shares over a four year period on the following schedule:

- $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);
- $95,000 and 600,000 Company common shares on October 31, 2018;
- $100,000 and 600,000 Company common shares on October 31, 2019, and;
- $125,000 and 900,000 Company common shares on October 31, 2020.

The Property will be subject to a 3% NSR royalty in favour of Traxxin of which 1% can be purchased by Benton at the Company's election for $1 million. In addition, the Company must spend a total of $1 million in exploration expenditures over the four year period with a minimum of $250,000 expended within the first year from the date of the LOI (first year commitment completed). 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.

(e) **Other Properties**

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

(i) Kingurutik Lake Property

The Kingurutik Lake property was acquired 100% by staking 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 116 claim units held by the Company, (previously known as the NBK property), and 56 claim units held by Teck.

(ii) Staghorn Option

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

During the year ended June 30, 2017, the Company and Metals Creek entered into an agreement (the "Quadro Option") with Quadro Resources Ltd. (NEX: QRO) ("Quadro") wherby Quadro will have an option to acquire a 100% interest in the Staghorn property and all rights to the newly optioned Rose Gold property which is contiguous with the northern border of the Staghorn property. Under the terms of the option Quadro must complete a 2:1 share consolidation (subsequently completed), settle outstanding debts and payables, complete no less than a $1 million financing and issue 4,000,000 shares of Quadro (post-consolidation) to each of Benton and Metals Creek (received). Quadro must also assume all obligations of the Rose Gold property option, while the optionor has agreed to accept Quadro shares in place of the 225,000 Benton shares and 225,000 Metals Creek shares (450,000 shares combined) originally negotiated. The Quadro Option will be subject to the certain royalties held by Benton and Metals Creek (the "Benton/Metals Creek Royalty") as well as a royalty held by Ed Northcott and Gilbert Lushman (the "Northcott/Lushman Royalty") and a royalty held by Shawn Rose (the "Rose Royalty") all of which are described below:

- The Benton/Metals Creek Royalty represents a 3km area of interest that is subject to a 3% NSR in favour of Benton/Metals Creek, 2% of which can be purchased at any time for $2 million;
- The Northcott/Lushman Royalty represents a 3km area of interest that is subject to: (i) a 2% NSR in favour of Ed Northcott and Gilbert Lushman, 1% of which can be purchased at any time for $1 million; and (ii) a 1% NSR in favour of Benton/Metals Creek; and
- The Rose Royalty the together with a 1km area of interest is subject to: (i) a 2% NSR in favour of Shawn Rose, 1% of which can be purchased at any time for $1 million; and (ii) a 1% NSR in favour of Benton/Metals Creek.

The Company was earning an initial 60% interest in the Staghorn project pursuant to the abovementioned terms however the Company and Metals Creek have agreed to dissolve this agreement in favour of completing the Quadro Option on a 50%-50% basis. The agreement received final acceptance by the TSX Venture Exchange in the current period.

(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 5 years (the "First Option") ($30,000 received). After the First Option period, RTEC may either form a joint venture with Benton on a 70/30 basis or, at its election, increase its interest to 80% (the "Second Option") by spending an additional $5 million in exploration expenditures over 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 will have the option to earn a 100% interest in the Alder East property under the following terms:

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

(v) Shebandowan

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

- Paying Benton $15,000 cash (received) and issuing 200,000 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% 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 do so with at least six months of assessment credit; and
- Paying Benton $500,000 in cash, shares or a combination of cash and shares at White Metal's election upon completion of a NI 43-101 compliant resource on any claims contained within the option agreement.

(vi) Bold Project

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

(vii) GNP Project

During the year ended June 30, 2018, the Company acquired a 100% interest in the GNP project in two claim blocks totaling 233 units in northern Newfoundland near St. Anthony.

(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 automatically extended for the following periods at Matador Capital's election provided they pay the following amounts to Benton:

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

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

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

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

(ix) Cape Eagle

During the year ended June 30, 2018, the Company acquired the Cape Eagle project on the Great Northern Peninsula by staking 4 licenses containing 228 claim units.

(x) 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 will have the option to earn a 100% interest in Bolton Bay by making cash payments totaling $174,000 ($12,000 paid) and by issuing 425,000 common shares (50,000 issued) over a period of 5 years following the execution of the LOI. The vendor will retain a 2% NSR which the Company can purchase 1% for $1 million and retains a right of first refusal to purchase the remaining 1% NSR. The Company received regulatory approval in the subsequent period.

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

Reductions to the carrying costs of mineral properties result from amounts recorded for write-downs and for cost recoveries or earn-ins or dispositions during the years ended June 30, 2018 and 2017 were as follows:

	June 30, 2018 $	June 30, 2017 $
Write-downs:		
Saganaga/Q9	-	285,450
Abernethy	-	391,894
Cape Ray	19,470	
Other Properties	61,128	1,300
Total	80,598	678,644
Recoveries/Dispositions:		
Cape Ray	2,369,333	27,079
Other Properties - Staghorn	676,234	-
Other Properties	89,680	29,743
Total	3,135,247	56,822

8. CAPITAL STOCK:

(a) Share Capital

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

Issued and outstanding:
83,868,531 common shares
Nil preference shares

(b) Share Purchase Warrants

Details of share purchase warrant transactions for the years ended June 30, 2018 and 2017 is as follows:

	# of Warrants	Amount $	Wtd. Avg. Ex. Price
Balance, June 30, 2017	-	-	-
Pursuant to private placements	3,812,500	12,774	$0.25
Finders’ warrants pursuant to above	157,500	528	$0.25
Balance, June 30, 2018	3,970,000	13,302	$0.25

For purposes of valuing the warrants granted, the fair value of each warrant was estimated on the date of grant using an option pricing model, using the following assumptions; a risk free interest rate of 1.4%, dividend yield of 0%, and an expected volatility of 108%.

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 June 30, 2018 and 2017:

Expiry Dates	Exercise Price	June 30, 2018 # of Warrants	June 30, 2017 # of Warrants
November 3, 2018	$0.25	3,970,000	-

(c) Stock Options

Details of stock option transactions for the years ended June 30, 2018 and 2017 are as follows:

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2016	12,440,000	$0.13
Expired during the year	(700,000)	$0.13
Balance, June 30, 2017	11,740,000	$0.13
Granted during the year	2,525,000	$0.10
Expired during the year	(7,800,000)	$0.15
Balance, June 30, 2018	6,465,000	$0.10

The following table summarizes information about the options outstanding at June 30, 2018 and 2017:

Expiry Date	Exercise Price	June 30, 2018 # of Options	June 30, 2017 # of Options
August 15, 2017	$0.15	-	6,950,000
January 21, 2019	$0.10	2,020,000	2,470,000
May 13, 2020	$0.10	2,020,000	2,320,000
November 7, 2022	$0.10	2,425,000	-
		6,465,000	11,740,000

(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 15,524,706 common shares of which 6,465,000 are outstanding at June 30, 2018. 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

i) During the year ended June 30, 2018, the Company completed a non-brokered flow through private placement by issuing 3,812,500 units at a price of $0.08 per unit for aggregate proceeds of $305,000. Each unit consists of one flow-through common share and one common share purchase warrant, each warrant entitling the holder therein to purchase an additional common share of the Company for $0.25 until November 3, 2018.

In connection with the private placement, the Company paid cash finders' fees totalling $12,600 as well as 157,500 finders' warrants exercisable at $0.25 expiring November 3, 2018.

The deferred premium on the issuance of the 3,812,500 flow-through shares was $110,563. 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 $110,563 for the year ended June 30, 2018 (June 30, 2017 – nil) resulting in a deferred premium balance of nil at June 30, 2018 (June 30, 2017 – nil) as flow-through proceeds were fully expended by the end of the period.

ii) During the year ended June 30, 2017, the Company completed a non-brokered flow-through private placement by issuing 2,000,000 flow-through shares at a price of $0.10 per share for aggregate proceeds of $200,000.

The deferred premium on the issuance of the 2,000,000 flow-through shares was $40,000. 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 $40,000 for the year ended June 30, 2017 (June 30, 2016 –nil) resulting in a deferred premium balance of nil at June 30, 2017 (June 30, 2016 – nil) as flow-through proceeds were fully expended by the end of the period.

9. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the year ended June 30, 2018 and 2017:

Payee	Description of Relationship	Nature of Transaction	June 2018 Amount ($)	June, 2017 Amount ($)
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Equipment purchases included exploration and evaluation assets	1,600	-
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the period	22,362	27,655
Michael Stares	Director	Equipment rentals included in exploration and evaluation assets	1,000	-
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Brother of Stephen and Michael Stares	Prospecting services, equipment rentals and expenses included in exploration and evaluation assets	529	40,324
Newfie Shores	Partnership controlled by Stephen Stares, Director and Officer, and Michael Stares, Director	Payments for cabin rentals capitalized in deferred development expenditures	-	12,150

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, 2018, the Company paid director fees to one of its directors totaling $10,000 for services rendered on the Company's Audit Committee (June 30, 2017 - $10,000). The director is to receive $2,500 per quarter.

Included in accounts payable and accrued liabilities is $nil (June 30, 2017 - $407) to Newfie Shores (inclusive of HST) and nil to Stares Prospecting Ltd. (June 30, 2017 – $431). The repayment terms are similar to the repayment terms of non-related party trade payables.

During the year ended June 30, 2018, the Company invoiced White Metal Resources Corp. (related by common director Michael Stares) $57,905 for field, technical and accounting support as well office rental and reimbursement of expenses (June 30, 2017 - $80,069).

Key management personnel remuneration during current period included $525,799 (June 30, 2017 - $525,797) in salaries and benefits and $31,120 (June 30, 2017 - $3,733) in share-based payments. In addition, the Company paid a $72,000 retiring allowance during the year ended June 30, 2018 due under the terms of a severance agreement with a retiring key management member.

10. LOSS PER SHARE:

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

11. 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, 2017 – 26.5%).

	June 30, 2018 $	June 30, 2017 $
Net income (loss) before taxes	1,962,785	(2,260,958)
Income tax expense reconciliation		
Expected income tax expense (recovery) calculated using statutory rates	520,138	(599,154)
Tax effect of the following items:		
Non-deductible share-based payments	18,930	1,532
Tax effect of gain on sale of Exploration and evaluation assets	230,093	
Non-deductible expenses and other items	(17,599)	35,159
CEE claimed	(67,655)	
Non-deductible write-down of mineral properties	21,358	179,842
Adjustment to fair value for fair value through profit and loss investments	6,327	146,267
CCA deducted	(5,747)	(8,697)
Expected income tax expense (recovery) calculated for tax purposes	705,845	(245,051)
Non-capital loss carry forwards applied	(705,845)	-
Valuation allowance	(110,563)	205,051
Income tax expense (recovery)	(110,563)	(40,000)
Income tax expense (recovery) consists of:		
Current income taxes	-	-
Deferred income taxes (flow-through)	(110,563)	(40,000)
	(110,563)	(40,000)

(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, 2018	June 30, 2017
	$	$
Deferred tax assets (liabilities) – long term		
Non-capital losses	-	665,892
Capital losses	417,539	87,815
Property and equipment	(3,018)	2,114
Investments	188,167	1,008,892
Deferred development expenditures	1,414,795	1,106,569
Valuation Allowance	(2,017,483)	(2,871,282)
Net deferred income tax liability	-	-

(c) Additional Income Tax Information

The Company has non-capital losses of $Nil available to reduce taxable income in future years as well as capital losses in the amount of $3,151,237 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.
In addition to the above, the Company has available $6,343,706 in cumulative Canadian exploration expenses, $Nil in cumulative Canadian development expenses and $557,946 in foreign exploration and development expenses available for deduction against taxable income in future periods.

12. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and consultants and accordingly $71,435 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 1,928,017 options that vested during the year. The fair value of the options vesting below during the year ended June 30, 2018 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
November 7, 2017	1,928,017	$0.10	November 7, 2022	$0.037	0%	116%	1.59%	5 yrs

13. 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, 2018.

14. 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, 2018 a 1% change in yields on the Company's short term investments would result in an approximate $10,350 (June 30, 2017 - $19,500) change in interest income per annum.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash and temporary investments are always available to settle financial liabilities. At June 30, 2018, the Company had cash on hand of $180,264 (June 30, 2017- $146,733) and temporary investments available to the Company of $1,035,572 (June 30, 2017– $1,192,168) to settle current liabilities of $44,954 (June 30, 2017 - $38,703). 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.

15. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	June 30, 2018 $	June 30, 2017 $
Accounts and other receivables	(3,058,974)	(79,463)
Prepaid expenses	12,151	(19,008)
Refundable deposits	(30,476)	(36,410)
Accounts payable and accrued liabilities	6,251	(3,403)
Total	(3,071,048)	(138,284)

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

	June 30, 2018 $	June 30, 2017 $
Non-cash operating activities		
Settlement of accounts and other receivables in debtor shares	-	(153,229)
Gain on disposal of mineral property	(2,362,979)	(63,000)
Non-cash financing activities		
Common shares issued for mineral property option	36,000	33,750
Non-cash investing activities		
Mineral property option financed through common share issuance	(36,000)	(33,750)
Shares received/receivable on disposal of mineral property	2,362,979	63,000
Shares received on settlement of accounts and other receivables	-	153,229

16. REFUNDABLE DEPOSITS:

Refundable security deposits of $148,491 (June 30, 2017 - $118,015) 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.

17. COMMITMENTS:

The Company has commitments as described in note 7 related to its exploration and evaluation assets.

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 is for three years commencing on June 1, 2016 and will terminate on the last day of May, 2019. The lease is a triple net lease paid in monthly installments of $3,100 plus HST which includes base rent and prescribed additional rents as per the agreement with annual adjustments to additional rents based on actual costs. Pursuant to the lease, the Company is entitled to an extension at the end of the initial three year term for an additional two year term and, following that, an additional extension at the end of the fifth year of the term for an additional five year period at amounts negotiated at that time.

18. SUBSEQUENT EVENTS:

The following events occurred subsequent to June 30, 2018:

- 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 staking) on Newfoundland's Great Northern Peninsula. In order to exercise the Option, Quadro is required to issue 1 million Quadro shares to the Company over an eighteen month period with 200,000 shares owed upon receipt of regulatory approval (issued subsequent to June 30, 2018), a further 300,000 shares to be issued within six months of receipt of regulatory approval and the final 500,000 shares within eighteen months of receiving regulatory approval. Upon completion of the share payments, the Company will retain a 1% NSR with Quadro having the right to purchase 50% of the NSR for $500,000. The Option received approval from the TSX Venture Exchange in the subsequent period.

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