NOTICE TO SHAREHOLDERS

BENTON
RESOURCES INC.

(A Development Stage Enterprise)

Condensed Interim Financial Statements
For the six months ended December 31, 2018

(Stated in Canadian Dollars)

Responsibility for Financial Statements

The accompanying financial statements for Benton Resources Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") consistently applied. Only changes in accounting policies have been disclosed in these unaudited condensed interim financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended December 31, 2018.

BENTON RESOURCES INC.
(A Development Stage Enterprise)

December 31, 2018

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BENTON RESOURCES INC.
(A Development Stage Enterprise)

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

As at	**December 31, 2018 $**	June 30, 2018 $
ASSETS		
Current		
Cash	**68,939**	180,264
Temporary investments (note 3)	**3,954,395**	1,035,572
Accounts and other receivables	**15,371**	5,431,105
Prepaid expenses	**34,726**	22,511
Refundable deposits (note 12)	**150,191**	148,491
	4,223,622	6,817,943
Long-term investments (note 4)	**1,593,158**	433,974
Property and equipment, net (note 5)	**70,213**	76,794
Exploration and evaluation assets (note 6)	**1,702,012**	1,562,802
	7,589,005	8,891,513
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	**20,526**	44,954
Shareholders' Equity		
Capital Stock (note 7)		
Share capital	**27,639,934**	27,626,434
Reserves	**1,767,932**	1,753,063
Deficit	**(21,839,387)**	(20,532,938)
	7,568,479	8,846,559
	7,589,005	8,891,513

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

These financial statements are authorized for issue by the Board of Directors on February 13, 2019. They are signed on the Corporation's behalf by:

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

BENTON RESOURCES INC.
(A Development Stage Enterprise)

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

	Three Months Ended Dec. 31, 2018 $	Three Months Ended Dec. 31, 2017 $	Six Months Ended Dec. 31, 2018 $	Six Months Ended Dec. 31, 2017 $
EXPENSES				
Advertising and promotion	17,823	14,138	34,926	29,216
Share-based payments (note 10)	5,812	36,337	14,869	36,337
General and administrative	136,055	199,837	246,670	367,514
Professional fees	8,624	12,983	24,395	29,518
Consulting fees	-	-	-	16,667
Stock exchange and filing fees	3,499	2,890	4,499	2,890
Depreciation expense	5,640	6,330	10,781	12,661
Pre-acquisition exploration and evaluation	6,162	1,862	14,357	5,965
Write-down of exploration and evaluation assets	531	-	870	-
Foreign currency translation adjustment	(25,979)	2,755	(11,888)	15,198
	(158,167)	(277,132)	(339,479)	(515,966)
Other income (expense):				
Interest and investment income	16,183	3,553	26,114	8,108
Other income	-	-	-	3,460
Adjustment to fair value for fair value through profit and loss investments	(1,277,494)	268,618	(1,134,650)	211,723
Gain (loss) on sale or option of exploration and evaluation assets	50,766	(218,459)	50,766	(218,459)
Gain (loss) on disposal of property and equipment	-	(548)	-	975
Gain on sale of long-term investments	-	29,712	90,800	29,712
	(1,210,545)	82,876	(966,970)	35,519
Loss before deferred tax recovery	(1,368,712)	(194,256)	(1,306,449)	(480,447)
Deferred tax recovery – flow-through (note 8(e))	-	95,272	-	95,272
Loss and comprehensive loss for the period	(1,368,712)	(98,954)	(1,306,449)	(385,175)
Loss and comprehensive loss per common share – basic and diluted (note 9)	$0.02	$0.00	$0.02	$0.00
Weighted average shares outstanding – basic and diluted	84,002,227	79,784,292	83,935,379	79,595,161

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

CONDENSED INTEIRM STATEMENTS OF CHANGES IN EQUITY
(Prepared by Management – Unaudited)
For the six months ended December 31, 2018 and 2017

	Share Capital		Reserves			
	Number	Amount $	Warrants $	Equity-Settled Benefits $	Deficit $	Total $
Balance at June 30, 2017	**79,406,031**	**27,424,174**	**-**	**1,668,326**	**(22,606,286)**	**6,486,214**
Loss and comprehensive loss for the period	-	-		-	(385,175)	(385,175)
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	600,000	33,000	-	-	-	33,000
Share-based payments	-	-	-	36,337	-	36,337
Balance at December 31, 2017	**83,818,531**	**27,623,434**	**13,302**	**1,704,663**	**(22,991,461)**	**6,349,938**
Balance at June 30, 2018	**83,868,531**	**27,626,434**	**13,302**	**1,739,761**	**(20,532,938)**	**8,846,559**
Loss and comprehensive loss for the period	-	-		-	(1,306,449)	(1,306,449)
Issued in connection with property option agreements	300,000	13,500	-	-	-	13,500
Expiration of warrants	-	-	(13,302)	13,302	-	-
Share-based payments	-	-	-	14,869	-	14,869
Balance at December 31, 2018	**84,168,531**	**27,639,934**	**-**	**1,767,932**	**(21,839,387)**	**7,568,479**

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.

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

	Six Months Ended Dec. 31, 2018 $	Six Months Ended Dec. 31, 2017 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	(1,306,449)	(385,175)
Deferred tax recovery – flow-through	-	(95,272)
Adjustment to fair value for fair value through profit and loss investments	1,134,650	(211,723)
Gain on disposal of property and equipment	-	(975)
Depreciation expense	10,781	12,661
Share-based payments	14,869	36,337
Write-down of exploration and evaluation assets	870	-
Net change in non-cash working capital balances related to operating activities (note 11)	3,037,391	(58,623)
Cash flows provided by (used in) operating activities	2,892,112	(702,770)
FINANCING ACTIVITIES		
Issuance of capital stock for cash	-	305,000
Share issue costs – cash commission	-	(14,875)
Cash flows from financing activities	-	290,125
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(263,876)	(786,534)
Expenditure recoveries on exploration and evaluation assets	13,296	4,595
Grants received on exploration and evaluation assets	100,000	5,524
Gain (loss) on sale or option of exploration and evaluation assets	(50,766)	238,459
Proceeds on sale or option of exploration and evaluation assets	43,766	-
Purchase of property and equipment	(4,200)	(1,624)
Gain on sale of long-term investments	(90,800)	(29,712)
Net proceeds on sale of long-term investments	165,325	138,590
Proceeds on disposal of property and equipment	-	4,000
Unrealized change in fair market value of temporary investments included in cash	2,541	-
Cash flows used in investing activities	(84,714)	(426,702)
Increase (decrease) in cash and temporary investments	2,807,398	(839,347)
Cash and cash equivalents - beginning of period	1,215,936	2,098,901
Cash and cash equivalents – end of period	4,023,334	1,259,554
Cash and cash equivalents consists of the following:		
Cash	68,939	107,855
Temporary investments	3,954,395	1,109,518
Temporary investments - restricted	-	42,181
	4,023,334	1,259,554

Supplemental cash flow information (note 11)

See accompanying notes to the condensed interim financial statements

BENTON RESOURCES INC.
(A Development Stage Enterprise)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

December 31, 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.

	December 31, 2018	June 30, 2018
Working capital	$4,203,096	$6,772,989
Deficit	$(21,839,387)	$(20,532,938)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34- Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the audited annual financial statements of the Company for the year ended June 30, 2018 ("Fiscal 2018").

The policies applied in these interim condensed financial statements are based on IFRS issued and outstanding as of February 13, 2019 (the "Report Date"), the date the Audit Committee approved the statements. Any subsequent changes to IFRS after this date could result in changes to the financial statements for the year ended June 30, 2019.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual financial statements and the notes thereto for Benton Resources Inc. for the year ended June 30, 2018.

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

3. TEMPORARY INVESTMENTS:

	December 31, 2018 $	June 30, 2018 $
Money Market Mutual funds	3,832,035	918,701
US Treasury note	122,360	116,871
	3,954,395	1,035,572

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 $273,196 USD (June 30, 2018 - $270,426 USD) translated at the USD/CDN conversion rate at December 31, 2018 of $1.3289 (June 30, 2018 - $1.2956).

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 December 31, 2018 is $92,076 USD (June 30, 2018 – 90,206 USD) translated at the USD/CDN conversion rate at December 31, 2018 of $1.3289.

4. LONG-TERM INVESTMENTS:

	December 31, 2018		June 30, 2018	
	Market $	Cost $	Market $	Cost $
Canadian Equities				
Organimax Nutrient Corp. (i)	30,480	183,737	93,980	183,737
Quadro Resources Ltd. (ii)	126,000	447,000	200,000	440,000
Other	128,133	1,047,205	137,474	1,227,386
Subtotal	284,613	1,677,942	431,454	1,851,123
Australian Equities				
Matador Mining Ltd. (iii)	1,307,776	2,340,000	-	-
Other	769	2,979	2,520	2,979
Subtotal (CAD)	1,308,545	2,342,979	2,520	2,979
Total (CAD)	1,593,158	4,020,921	433,974	1,854,102

(i) The 508,000 common shares of Organimax Nutrient Corp. (“Organimax”) (formerly Alset Minerals Corp.) are listed on the TSX Venture Exchange under the symbol “KMAX” and are valued at the December 31, 2018 closing price of $0.06 per share (June 30, 2018 - $0.185). During the year ended June 30, 2018, the Company realized a gain of $32,500 in connection with the disposal of 1,654,680 shares of Organimax pre-share consolidation (1 for 3) for net proceeds of $161,726.

(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 December 31, 2018 closing price of $0.03 per share (June 30, 2018 - $0.05). The Quadro shares were received pursuant to the Company’s disposition of its 50% interest in the Staghorn gold project in Newfoundland (see note 6(d)(iii)).

(iii) The 8 million ordinary shares of Matador Mining Ltd. (“Matador”) were received during the period ended December 31, 2018 pursuant to the disposition in fiscal 2018 of the Cape Ray properties. Pursuant to a voluntary share escrow agreement entered into by the Company, 6 million of the 8 million Matador shares were held in trust as at December 31, 2018 for the Company and were subsequently released from the escrow restrictions in January 2019. The Matador shares are valued at the December 31, 2018 closing price of $0.17 AUD translated at the AUD to CAD exchange rate prevailing at the end of the period of $0.9616.

5. PROPERTY AND EQUIPMENT:

	December 31, 2018			June 30, 2018		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	$ 66,578	$ 62,090	$ 4,488	$ 62,958	$ 61,103	$ 1,855
Furniture and Equipment	129,588	95,242	34,346	129,008	91,458	37,550
Computer Software	115,971	115,971	-	115,971	115,971	-
Exploration Camps	220,532	209,980	10,552	220,532	208,117	12,415
Automotive	26,575	23,841	2,734	26,575	23,358	3,217
Leaseholds	36,640	18,547	18,093	36,640	14,883	21,757
Total	$ 595,884	$ 525,671	$ 70,213	$ 591,684	$ 514,890	$ 76,794

6. EXPLORATION AND EVALUATION ASSETS:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the period ended December 31, 2018 and year ended June 30, 2018 is summarized in the tables below:

For the six month period ended December 31, 2018

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

For the year ended June 30, 2018

		Saganaga/Q9 (a)	Cape Ray (b)	Bedivere (c)	Other (d)	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 **(e)**		-	(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**

(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 1.5% NSR 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 common 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 $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) **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% NSR 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% NSR 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 ordinary shares of Matador based on an underlying value of AUD $0.25/share (the "Consideration Shares") for a total consideration of AUD $5.25 million. The Company also received 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 was required to:

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

Matador completed the above conditions during the year ended June 30, 2018 and the Cape Ray mineral licenses were transferred accordingly. The gain on disposition was recorded in the June 30 2018 fiscal year.

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

(c) **Bedivere**

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 109 units in 12 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 will also be 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 agrees 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.

(d) **Other Properties**

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

(i) 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.

(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) 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") whereby 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 (completed), settle outstanding debts and payables, complete no less than a $1 million financing and issue 4,000,000 common 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 common shares and 225,000 Metals Creek common 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% NSR 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% NSR 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% NSR 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.

(iv) 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.

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

(vi) 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% 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.

(vii) Bold Project

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

(viii) 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.

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

- Completing a minimum of AUD $1 million in exploration expenditures on the project; or
- Paying to Benton a further AUD $1 million; or

- Issuing to Benton tradable shares of Matador Capital (or a nominee) having a value of AUD $1 million based on the previous 10-day weighted average price of its shares prior to issuance.

In addition, Matador Capital will assume the underlying 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 half of Benton's NSR can be purchased by Matador Capital for AUD $1 million.

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

(x) 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.

(xi) 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% NSR for $1 million and retains a right of first refusal to purchase the remaining 1% NSR. The Company received regulatory approval in the current period.

(xii) 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.

(xiii) Goodchild

The Company entered into an asset purchase/sale agreement with Canadian Orebodies Inc. ("Canadian Orebodies"), a company listed on the TSX Venture Exchange trading under the symbol "CORE", whereby the Company 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 will have the option to buy-down 50% of the NSR at any time for the sum of $750,000. The purchase agreement was approved by the TSX Venture Exchange and the 100,000 shares were received in the current period.

(xiv) Panama Lake

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

(xv) Baril Lake

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

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

Reductions to the carrying costs of mineral properties result from amounts recorded for write-downs and for cost recoveries or earn-ins or dispositions during the period ended December 31, 2018 and June 30, 2018 were as follows:

	December 31, 2018 $	June 30, 2018 $
Write-downs:		
Cape Ray	-	19,470
Other Properties	870	61,128
Total	870	80,598
Recoveries/Dispositions:		
Cape Ray	-	2,369,333
Other Properties - Staghorn	-	676,234
Bedivere	100,000	-
Other Properties	37,296	89,680
Total	137,296	3,135,247

7. CAPITAL STOCK:

(a) Share Capital

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

Issued and outstanding:
84,168,531 common shares
Nil preference shares

(b) Share Purchase Warrants

Details of share purchase warrant transactions for the period ended December 31, 2018 and year ended June 30, 2018 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
Expired during the period	(3,970,000)	(13,302)	$0.25
Balance, December 31 ,2018	-	-	-

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.

(c) Stock Options

Details of stock option transactions for the period ended December 31, 2018 and year ended June 30, 2018 are as follows:

	# of Options	Weighted Average Exercise Price
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
Expired during the period	(100,000)	$0.10
Balance, December 31, 2018	6,365,000	$0.10

The following table summarizes information about the options outstanding at the period ended December 31, 2018 and year ended June 30, 2018:

Expiry Date	Exercise Price	December 31, 2018 # of Options	June 30, 2018 # of Options
January 21, 2019	$0.10	2,020,000	2,020,000
May 13, 2020	$0.10	2,020,000	2,020,000
November 7, 2022	$0.10	2,325,000	2,425,000
		6,365,000	6,465,000

(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 6,365,000 are outstanding at December 31, 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 common 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 nil for the period ended December 31, 2018 (December 31, 2017 - $95,272) resulting in a deferred premium balance of nil at December 31, 2018 (June 30, 2018 – nil) as flow-through proceeds were fully expended during the previous year.

8. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the six month periods ended December 31, 2018 and December 31, 2017:

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

The purchases from and fees charged by the related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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

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

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

9. LOSS PER SHARE:

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

10. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and consultants and accordingly $14,869 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 401,307 options that vested during the year. The fair value of the options vesting below during the period ended December 31, 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	401,307	$0.10	November 7, 2022	$0.037	0%	116%	1.59%	5 yrs

11. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	December 31, 2018 $	December 31, 2017 $
Accounts and other receivables	3,075,734	(72,565)
Prepaid expenses	(12,215)	4,170
Refundable deposits	(1,700)	(33,123)
Accounts payable and accrued liabilities	(24,428)	42,895
Total	3,037,391	(58,623)

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

	December 31, 2018 $	December 31, 2017 $
Non-cash operating activities		
Settlement of accounts and other receivables in debtor shares	2,340,000	-
Non-cash financing activities		
Common shares issued for mineral property option	13,500	-
Non-cash investing activities		
Common shares received for mineral property disposal	(24,000)	-
Mineral property option through common share issuance	(13,500)	-
Proceeds of mineral property disposal for common shares	24,000	-
Shares received on settlement of accounts and other receivables	(2,340,000)	-

12. REFUNDABLE DEPOSITS:

Refundable security deposits of $150,191 (June 30, 2018 - $148,491) 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.

13. COMMITMENTS:

The Company has commitments as described in note 6 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.

During the period ended December 31, 2018, 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.

14. SUBSEQUENT EVENTS:

The following events occurred subsequent to December 31, 2018:

- The Company granted 1,950,000 common stock options to directors, officers, employees and consultants of the Company. The options have a term of five years at an exercise price of $0.07 per share and will be governed by the terms and conditions of the Company's stock option plan and will be subject to vesting provisions.

- 2,020,000 stock options of the Company with an exercise price of $0.10 per share expired unexercised.

- The Company received its final payment of 500,000 common shares of Sokoman Iron Corp. ("Sokoman") pursuant to an option on the Alder East project in Central Newfoundland. In accordance with the agreement, the Company may also receive further future payments should various defined project resource estimate milestones be achieved by Sokoman and will also retain a 2% NSR on the Alder East project with Sokoman having the right to buy back 1% NSR for $1 million.