

## **NOTICE TO SHAREHOLDERS**



(A Development Stage Enterprise)

### **Condensed Interim Financial Statements For the three months ended September 30, 2023**

(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 September 30, 2023.

---

**BENTON RESOURCES INC.**  
(A Development Stage Enterprise)

---

September 30, 2023

Condensed Interim Statements of Financial Position	1
Condensed Interim Statements of Loss and Comprehensive Loss	2
Condensed Interim Statements of Changes in Equity	3
Condensed Interim Statements of Cash Flows	4
Notes to the Condensed Interim Financial Statements	5

---

**BENTON RESOURCES INC.**  
(A Development Stage Enterprise)

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

As at	Sept. 30, 2023 \$	June 30, 2023 \$
<b>ASSETS</b>		
Current		
Cash	767,808	462,788
Temporary investments (note 4)	638,043	690,662
Temporary investments – restricted (notes 4 and 5)	1,086,628	1,606,227
Accounts and other receivables (note 8(a))	532,174	1,047,009
Prepaid expenses	13,422	26,320
Refundable deposits (note 15)	155,705	154,280
	<b>3,193,780</b>	3,987,286
Long-term investments (note 6)	1,369,782	1,662,687
Property and equipment, net (note 7)	185,462	202,606
Exploration and evaluation assets (note 8)	7,698,523	6,480,507
	<b>12,447,547</b>	12,333,086
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 11)	317,336	375,039
Current portion of lease liability (note 10)	50,599	49,408
Deferred premium on flow-through shares (note 9(e))	223,275	311,510
	<b>591,210</b>	735,957
Lease liability (note 10)	65,206	78,260
	<b>656,416</b>	814,217
<b>Shareholders' Equity</b>		
<b>Capital Stock (note 9)</b>		
Share capital	34,804,644	34,119,644
Reserves	5,921,637	5,918,898
Deficit	(28,935,150)	(28,519,673)
	<b>11,791,131</b>	11,518,869
	<b>12,447,547</b>	12,333,086

See Nature of Operations and Going Concern – Note 1  
Commitments and Contingencies – Note 8  
Subsequent Events – Note 16

*These financial statements are authorized for issue by the Board of Directors on November 17, 2023. They are signed on the Corporation's behalf by:*

“Stephen Stares” President, Chief Executive Officer and Director  
“Thomas Sarvas” Director

See accompanying notes to the condensed interim financial statements

**BENTON RESOURCES INC.**  
(A Development Stage Enterprise)

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

	<b>Three Months Ended Sept. 30, 2023 \$</b>	<b>Three Months Ended Sept. 30, 2022 \$</b>
<b>EXPENSES</b>		
Advertising and promotion	20,059	31,583
Share-based payments (note 13)	2,739	40,595
General and administrative	126,268	127,397
Professional fees	42,680	15,829
Consulting fees	-	2,738
Part XII.6 tax	-	11,266
Stock exchange and filing fees	11,623	3,053
Depreciation and amortization expense	17,144	18,661
Pre-acquisition exploration and evaluation	3,265	4,630
Write-down of exploration and evaluation assets	25,198	-
	<u>(248,976)</u>	<u>(255,752)</u>
Other income (expense):		
Interest and investment income	30,982	10,457
Other income	18,225	20,992
Adjustment to fair value for fair value through profit and loss investments	(303,943)	(278,075)
Gain on sale or option of exploration and evaluation assets	-	161,642
Gain on sale of long-term investments	-	-
	<u>(254,736)</u>	<u>(84,984)</u>
<b>Loss before deferred tax recovery</b>	<b>(503,712)</b>	<b>(340,736)</b>
Deferred tax recovery – flow-through (note 9(e))	88,235	147,453
<b>Loss and comprehensive loss for the period</b>	<b>(415,477)</b>	<b>(193,283)</b>
<b>Loss and comprehensive loss per common share</b>		
– basic and diluted (note 12)	\$(0.00)	\$(0.00)
<b>Weighted average shares outstanding – basic and diluted</b>	<b>150,986,678</b>	<b>139,745,289</b>

See accompanying notes to the condensed interim financial statements

**BENTON RESOURCES INC.**  
(A Development Stage Enterprise)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Prepared by Management – Unaudited)  
For the three months ended September 30, 2023 and 2022

	<u>Share Capital</u>		<u>Reserves</u>			<u>Total</u>
	<u>Number</u>	<u>Amount</u> \$	<u>Warrants</u> \$	<u>Equity-Settled</u> <u>Benefits</u> \$	<u>Deficit</u> \$	
<b>Balance at June 30, 2022</b>	<b>139,519,201</b>	<b>33,137,030</b>	<b>2,739,069</b>	<b>2,899,150</b>	<b>(25,628,846)</b>	<b>13,146,403</b>
Loss and comprehensive loss for the period	-	-	-	-	(193,283)	(193,283)
Issued in connection with property option agreements	271,134	26,836	-	-	-	26,836
Share-based payments	-	-	-	40,595	-	40,595
<b>Balance at September 30, 2022</b>	<b>139,790,335</b>	<b>33,163,866</b>	<b>2,739,069</b>	<b>2,939,745</b>	<b>(25,822,129)</b>	<b>13,020,551</b>
<b>Balance at June 30, 2023</b>	<b>150,069,287</b>	<b>34,119,644</b>	<b>2,459,692</b>	<b>3,459,206</b>	<b>(28,519,673)</b>	<b>11,518,869</b>
Loss and comprehensive loss for the period	-	-	-	-	(415,477)	(415,477)
Issued in connection with property option agreements	15,200,000	685,000	-	-	-	685,000
Share-based payments	-	-	-	2,739	-	2,739
<b>Balance at September 30, 2023</b>	<b>165,269,287</b>	<b>34,804,644</b>	<b>2,459,692</b>	<b>3,461,945</b>	<b>(28,935,150)</b>	<b>11,791,131</b>

See accompanying notes to the condensed interim financial statements

**BENTON RESOURCES INC.****CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**(Prepared by Management – Unaudited)**

	<b>Three Months Ended Sept. 30, 2023</b>	<b>Three Months Ended Sept. 30, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Loss and comprehensive loss for the period	(415,477)	(193,283)
Items not requiring an outlay of cash:		
Deferred tax recovery – flow-through	(88,235)	(147,453)
Adjustment to fair value for fair value through profit and loss investments	303,943	278,075
Gain on sale or option of exploration and evaluation assets	-	(161,642)
Depreciation and amortization expense	17,144	18,661
Share-based payments	2,739	40,595
Imputed interest on lease liability	3,264	4,409
Write-down of exploration and evaluation assets	19,998	-
Net change in non-cash working capital balances related to operating activities (note 14)	468,605	(601,327)
Cash flows from (used in) operating activities	311,981	(761,965)
<b>FINANCING ACTIVITIES</b>		
Payments on lease liability	(15,127)	(14,763)
Cash flows used in financing activities	(15,127)	(14,763)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(944,711)	(2,106,226)
Expenditure recoveries on exploration and evaluation assets	380,659	899,579
Proceeds on sale or option of exploration and evaluation assets	-	100,000
Cash flows used in investing activities	(564,052)	(1,106,647)
Increase (decrease) in cash and temporary investments	(267,198)	(1,883,375)
Cash and cash equivalents - beginning of period	2,759,677	4,909,130
Cash and cash equivalents - end of period	2,492,479	3,025,755
Cash and cash equivalents consist of the following:		
Cash	767,808	177,886
Cash - restricted	-	1,693,570
Temporary investments	638,043	1,154,299
Temporary investments – restricted	1,086,628	-
	2,492,479	3,025,755

Supplemental cash flow information (note 14)

See accompanying notes to the condensed interim financial statements

---

**BENTON RESOURCES INC.**  
(A Development Stage Enterprise)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

---

September 30, 2023

**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.

	September 30, 2023	June 30, 2023
Working capital	\$2,602,570	\$3,251,329
Deficit	\$(28,935,150)	\$(28,519,673)

**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, 2023 (“Fiscal 2023”).

The policies applied in these interim condensed financial statements are based on IFRS issued and outstanding as of November 17, 2023 (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, 2024.

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, 2023.

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. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS:

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors*. Earlier application is permitted. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

The amendments are not expected to have an impact on the Company’s consolidated financial statements.

### 4. TEMPORARY INVESTMENTS:

	September 30, 2023	June 30, 2023
	\$	\$
Money Market Mutual funds	1,709,671	2,281,889
GIC	15,000	15,000
	<u>1,724,671</u>	<u>2,296,889</u>
Less: Restricted for flow-through purposes and visa collateral (note 5)	<u>(1,086,628)</u>	<u>(1,606,227)</u>
	<u>638,043</u>	<u>690,662</u>

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

The mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.

The Company also holds a \$15,000 redeemable GIC on deposit with the Royal Bank of Canada maturing on September 24, 2024 and paying interest to the Company at a rate of 4.05% per annum. The GIC is being held as collateral against the Company’s visa card balance.

### 5. RESTRICTION ON THE USE OF CASH AND TEMPORARY INVESTMENTS

During the year ended June 30, 2023, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross proceeds for the exclusive purpose of paying for qualified Canadian exploration expenditures associated with its exploration and evaluation assets. These funds must be expended on eligible flow-through activity by December 31, 2023.

	September 30, 2023	June 30, 2023
Restricted cash and temporary investments, beginning of year	\$ 1,606,227	\$ 2,873,195
Gross proceeds received upon issuance of flow-through shares	-	1,170,123
Exploration assistance received – Government of Newfoundland	-	45,450
Qualified exploration expenditures paid from these funds	<u>(519,599)</u>	<u>(2,482,541)</u>
Restricted cash and temporary investments, end of year	<u>\$ 1,086,628</u>	<u>\$ 1,606,227</u>



## 6. LONG-TERM INVESTMENTS:

	September 30, 2023		June 30, 2023	
	Market \$	Cost \$	Market \$	Cost \$
<b>Canadian Equities</b>				
Clean Air Metals Inc. (i)	984,635	3,200,065	1,230,794	3,200,065
Quadro Resources Ltd. (ii)	32,833	419,329	39,400	419,329
Sokoman Minerals Corp. (iii)	89,696	209,616	108,556	198,577
Metallica Metals Corp. (iv)	212,393	587,500	201,215	587,500
Other	49,178	961,387	81,488	961,387
<i>Subtotal</i>	<u>1,368,735</u>	<u>5,377,897</u>	<u>1,661,453</u>	<u>5,366,858</u>
<b>Australian Equities</b>				
Other	1,047	2,979	1,234	2,979
<b>Total (CAD)</b>	<u>1,369,782</u>	<u>5,380,876</u>	<u>1,662,687</u>	<u>5,369,837</u>

- (i) The 24,615,884 common shares of Clean Air Metals Inc. (“Clean Air”) are listed on the TSX Venture Exchange under the symbol “AIR” and are valued at the September 30, 2023 closing price of \$0.04 per share (June 30, 2023 - \$0.05). The Clean Air shares were received pursuant to the completion on May 14, 2020 of the option to acquire the Company’s option to acquire a 100% right, title and interest in and to the Escape Lake property.
- (ii) The 1,313,333 common shares of Quadro Resources Ltd. (“Quadro”) (after 3 for 1 share consolidation that was completed during the year ended June 30, 2023) are listed on the TSX Venture Exchange under the symbol “QRO” and are valued at the September 30, 2023 closing price of \$0.025 per share (June 30, 2023 - \$0.03). The Quadro shares were received pursuant to the Company’s disposition of its 50% interest in the Staghorn gold project in Newfoundland.
- (iii) The 1,195,945 million shares of Sokoman Iron Corp. (“Sokoman”) are listed on the TSX Venture Exchange under the symbol “SIC” and are valued at the September 30, 2023 closing price of \$0.075 per share (June 30, 2023 - \$0.10). The Sokoman shares were received pursuant to the option agreement signed between Sokoman and the Company during the 2017 fiscal period (see note 8(e)(v)). In addition, the Company received 110,389 shares during the period ended September 30, 2023 and 42,107 shares during the year ended June 30, 2023 pursuant to a 50% reimbursement of share payments made by Benton to underlying optionors on certain projects that fall within the Newfoundland joint venture property strategic alliance more fully described in note 8(a).
- (iv) The 1,117,859 million shares (post 1 for 5 share consolidation) of Metallica Metals Corp. (“Metallica”) are listed on the Canadian Securities Exchange under the symbol “MM” and are valued at the September 30, 2023 closing price of \$0.19 per share (June 30, 2022 - \$0.035 (pre-share consolidation)).

## 7. PROPERTY AND EQUIPMENT:

	September 30, 2023			June 30, 2023		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	\$ 76,140	\$ 74,248	\$ 1,892	\$ 76,140	\$ 73,949	\$ 2,191
Furniture and Equipment	163,841	125,063	38,778	163,841	123,022	40,819
Computer Software	115,971	115,971	-	115,971	115,971	-
Exploration Camps	265,117	238,648	26,469	265,117	236,502	28,615
Automotive	26,223	11,791	14,432	26,223	10,620	15,603
Leaseholds	36,640	36,640	-	36,640	36,640	-
Right-of-Use Assets (i)	302,519	198,628	103,891	302,519	187,141	115,378
<b>Total</b>	<u>\$ 986,451</u>	<u>\$ 800,989</u>	<u>\$ 185,462</u>	<u>\$ 986,451</u>	<u>\$ 783,845</u>	<u>\$ 202,606</u>

- (i) The Company's Right-of-Use leased assets include its office premises and field vehicle. Depreciation expense on these leased assets for the periods ending September 30, 2023 and 2022, which is included in depreciation expense in profit and loss, is as follows:

	September 30, 2023 \$	September 30, 2022 \$
Depreciation expense – right-of-use assets	11,487	11,487

## **8. EXPLORATION AND EVALUATION ASSETS:**

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the three month period ended September 30, 2023 and year ended June 30, 2023 are summarized in the tables below:

**For the three months ended September 30, 2023**

	<b>Newfoundland JV Properties</b>	<b>Great Burnt Copper-Gold</b>	<b>Far Lake</b>	<b>Other</b>	<b>Total</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(e)</b>	
<b>June 30, 2023 - Acquisition Costs</b>	\$ 152,215	-	214,080	129,273	495,568
Additions	21,740	716,560	-	-	738,300
Writedowns/Recoveries/Disposals	(36,551)	-	-	-	(36,551)
<i>Subtotal</i>	<u>\$ (14,811)</u>	<u>716,560</u>	<u>-</u>	<u>-</u>	<u>701,749</u>
<b>Sept. 30, 2023 - Acquisition Costs</b>	<u>\$ 137,404</u>	<u>716,560</u>	<u>214,080</u>	<u>129,273</u>	<u>1,197,317</u>
<b>June 30, 2023 - Exploration and Evaluation Expenditures</b>	\$ 3,831,915	-	1,728,064	424,960	5,984,939
Assaying	130,442	-	-	-	130,442
Prospecting	58,941	3,560	-	-	62,501
Geological	139,463	6,404	-	3,174	149,041
Soil Sampling	262,061	-	10,771	-	272,832
Trenching	58,877	-	-	-	58,877
Diamond Drilling	131,898	84,971	-	-	216,869
Miscellaneous	510	-	-	-	510
Writedowns/Recoveries/Disposals	(375,145)	-	-	-	(375,145)
<i>Subtotal</i>	<u>\$ 407,387</u>	<u>94,935</u>	<u>10,771</u>	<u>3,174</u>	<u>516,267</u>
<b>Sept. 30, 2023 - Exploration and Evaluation Expenditures</b>	<u>\$ 4,239,302</u>	<u>94,935</u>	<u>1,738,835</u>	<u>428,134</u>	<u>6,501,206</u>
<b>Sept. 30, 2023 - Total</b>	<u>\$ 4,376,706</u>	<u>811,495</u>	<u>1,952,915</u>	<u>557,407</u>	<u>7,698,523</u>

**For the year ended June 30, 2023**

	<b>Newfoundland</b>			
	<b>JV Properties</b>	<b>Far Lake</b>	<b>Other</b>	<b>Total</b>
	<b>(a)</b>	<b>(c)</b>	<b>(e)</b>	
<b>June 30, 2022 - Acquisition Costs</b>	\$ 150,180	170,080	78,036	398,296
Additions	13,920	44,000	51,237	109,157
Writedowns/Recoveries/Disposals	(11,885)	-	-	(11,885)
<i>Subtotal</i>	<u>\$ 2,035</u>	<u>44,000</u>	<u>51,237</u>	<u>97,272</u>
<b>June 30, 2023 - Acquisition Costs</b>	<b>\$ 152,215</b>	<b>214,080</b>	<b>129,273</b>	<b>495,568</b>
<b>June 30, 2022 - Exploration and Evaluation Expenditures</b>	\$ 1,509,772	1,725,102	312,443	3,547,317
Assaying	254,765	-	410	255,175
Prospecting	207,839	1,100	16,519	225,458
Geological	159,502	-	23,144	182,646
Geophysical	66,670	-	116,057	182,727
Soil Sampling	240,734	-	-	240,734
Trenching	92,591	-	-	92,591
Diamond Drilling	3,371,539	1,862	1,837	3,375,238
Miscellaneous	1,558	-	-	1,558
Writedowns/Recoveries/Disposals	(2,073,055)	-	(45,450)	(2,118,505)
<i>Subtotal</i>	<u>\$ 2,322,143</u>	<u>2,962</u>	<u>112,517</u>	<u>2,437,622</u>
<b>March 31, 2023 - Exploration and Evaluation Expenditures</b>	<b>\$ 3,831,915</b>	<b>1,728,064</b>	<b>424,960</b>	<b>5,984,939</b>
<b>June 30, 2023 - Total</b>	<b>\$ 3,984,130</b>	<b>1,942,144</b>	<b>554,233</b>	<b>6,480,507</b>

### a) **Newfoundland Joint Venture Properties – Sokoman Minerals Corp.**

During the year ended June 30, 2021, the Company and Sokoman Minerals Corp. (“Sokoman”) formed a formal strategic alliance (together “the Companies”) to conduct gold exploration in Newfoundland. The acquisition (cash and share payments) and exploration and evaluation expenditures will be shared equally between the Companies and dictated by a Joint Venture Agreement. Benton will assume operatorship of the joint venture. At September 30, 2023, the Company accrued a receivable from Sokoman in the amount \$448,214 including HST for Sokoman’s portion of cash expenditures made by Benton on behalf of the strategic alliance during the three month period ended September 30, 2023. In addition, the Company accrued an accounts payable in the amount of \$37,897 including HST for the Company’s share of expenditures incurred by Sokoman during the three month period ended September 30, 2023. The pre-tax amounts were reflected in exploration and evaluation expenditures at September 30, 2023 and both were settled in the subsequent period. To date, the strategic alliance has acquired three distinct land packages (Kepenkeck, Golden Hope and Grey River) more fully described below.

#### *Kepenkeck Gold Project*

During the year ended June 30, 2021, Benton acquired, on behalf of the Companies, the Kepenkeck Gold Project (the “Option”) from Kevin and Alan Keats (the “Vendors”). The project, which consists of 595 claim units encompassing 15,625 ha, is located in Central Newfoundland. Terms of the Option, subject to TSX Venture Exchange (“Exchange”) approval, are as follows:

- \$10,000 (paid) and 200,000 Benton common shares (issued) on signing and Exchange approval;
- \$20,000 (paid) and 200,000 Benton common shares (issued) on or before April 10, 2022;
- \$20,000 and 200,000 Benton common shares on or before April 10, 2023 (revised – see below); and
- \$40,000 and 400,000 Benton common shares on or before April 10, 2024 (cancelled – see below)

During the year ended June 30, 2023, the Company entered into an amending agreement with the Vendors whereby in lieu of the second anniversary payment above, the Company would make a final payment to the Vendors of \$10,000 and issue 200,000 common shares (paid and issued) for a 100% interest in the project. The third anniversary payment above was cancelled.

The Vendors will retain a 2% NSR and Benton, at its election, will have the right to buy back 1% NSR for \$1 million. In the current period ended September 30, 2023, Benton received 110,389 shares of Sokoman (June 30, 2023 – 33,386 shares) as a 50% reimbursement for the above Benton share issuances on behalf of the Companies for the initial and first anniversary, as well as the final revised share payments.

#### *Golden Hope*

During the year ended June 30, 2022, the Companies jointly staked the Golden Hope JV gold project which consists of 3,802 claim units covering 95,050 ha in South Central Newfoundland. See Subsequent Events note 16.

#### *Grey River*

During the year ended June 30, 2021, the Companies jointly acquired via claim staking and letter agreements with underlying vendors, a land package known as the Grey River gold property located on the south coast of Newfoundland. Grey River consists of 783 claim units covering 19,575 ha.

During the year ended June 30, 2022, Sokoman finalized the execution of two property option agreements related to the Grey River project, the Lewis Option and G2B Gold Option, on behalf of the Companies.

Pursuant to the Lewis Option, Sokoman has the option to acquire a 100% interest in a land package consisting of 7 claim units subject to a 1.5% NSR in favour of the Lewis Option vendors, of which 1% NSR may be purchased by Sokoman for \$1 million at any time. Terms of the Lewis Option are as follows:

- Payment by Sokoman of \$10,000 cash (paid);
- Issuance of 50,000 Sokoman common shares upon TSX Venture Exchange approval (issued);
- Payment of \$10,000 and issuance of 50,000 Sokoman common shares on or before the first anniversary (completed);

- Payment of \$10,000 and issuance of 50,000 Sokoman common shares on or before the second anniversary (pending);
- Payment of \$10,000 and issuance of 50,000 Sokoman common shares on or before the third anniversary.

Pursuant to the G2B Gold Option, Sokoman has been granted the option to acquire a 100% interest in a land package consisting of 3 licenses comprised of 4 claim units subject to a 1.5% NSR in favour of the G2B Gold Option vendors, of which 1% NSR may be purchased by Sokoman for \$1 million at any time. Terms of the G2B Gold Option are as follows:

- Payment by Sokoman of \$10,000 cash (paid);
- Issuance of 50,000 Sokoman common shares upon TSX Venture Exchange approval (issued);
- Payment of \$10,000 and issuance of 50,000 Sokoman common shares on or before the first anniversary (agreement terminated);
- Payment of \$10,000 and issuance of 50,000 Sokoman common shares on or before the second anniversary (agreement terminated).

Sokoman terminated the G2B Gold option during the year ended June 30, 2023.

In the year ended June 30, 2023, Benton issued 71,234 common shares to Sokoman for a 50% reimbursement of the above share issuances made with respect to the Lewis Option by Sokoman on behalf of the Companies.

#### *Larry's Pond*

The Company terminated the Larry's Pond Option during the year ended June 30, 2023 and returned the project to the vendors. Exploration and evaluation expenditures totalling \$18,082 were written off in the current period ended September 30, 2023.

### **b) Great Burnt Copper-Gold Property**

During the period ended September 30, 2023, the Company executed a letter of intent ("LOI") with Spruce Ridge Resources Ltd. ("Spruce Ridge") to enter into an option agreement whereby Benton can earn a 70% undivided interest in Spruce Ridge's Newfoundland properties including the Great Burnt Copper deposit and South Pond Gold and Copper zones (the "Property"). The option agreement is subject to approval by the TSX Venture Exchange (the "Exchange") (received). Terms of the agreement are as follows:

- Making a \$40,000 cash payment to Spruce upon receipt of Exchange approval (paid);
- Issuing to Spruce 15 million common shares in the capital of Benton ("Benton Shares") as follows:
  - 5,000,000 Benton Shares subject to a four-month regulatory trading restriction (issued);
  - 5,000,000 Benton Shares subject to a four-month regulatory trading restriction plus an additional eight-month trading restriction (issued); and
  - 5,000,000 Benton Shares subject to a four-month regulatory trading restriction plus an additional twenty-month trading restriction (issued);
- Completing \$2.5 million in exploration expenditures on the Property within 36 months of the date of the LOI, of which \$1.0 million must be expended by the first anniversary of the LOI (ongoing), subject to the right of Benton to accelerate the completion of such expenditures and share issuances; and
- Once a 70% interest in the Property is earned by Benton, the Property will be operated as a participating joint venture. In the event a joint venture is formed, if either party has its interest in the Property diluted to less than 10%, such interest will be converted to an NSR of 2% less any existing royalties that the Property is subject to.

### **c) Far Lake Property**

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

During the year ended June 30, 2023, the Company amended its agreement (the “Amending Agreement”) with Thunder Gold regarding the Far Lake project. Pursuant to the Amending Agreement, the Company may exercise the Initial Option, earning a 60% interest in the Property by paying \$25,000 and issuing 200,000 shares to Thunder Gold (originally \$30,000 and 400,000 shares) by July 15, 2022 (completed). The Second Option in the original agreement has been eliminated such that the Company is limited to earning a 60% interest in the Property.

Having exercised the Initial Option, the Company will now spend the first \$150,000 in exploration expenditures within 24 months (ongoing), thereafter the Company and Thunder Gold will form a joint venture with terms consistent with usual industry practice for further development of the Property, with the Company having an initial 60% interest and Thunder Gold having an initial 40% interest in the joint venture. The agreement governing the joint venture will contain provisions which provide for dilution for non-participation in programs including a provision for participant’s interest to be converted to a 2% NSR if its interest is diluted to less than 10% interest, half of which can be purchased by the non-diluted party for \$1 million at any time.

#### **d) Panama Lake**

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

During the year ended June 30, 2020, the Company signed a binding letter of intent (“BLOI”) with St. Anthony Gold Corp. (“STAG”) (formerly Maxtech Ventures Inc.) in which STAG will have the option to earn a 100% interest in Panama.

Pursuant to the terms of the BLOI, STAG will have a 30-day due diligence period and, subject to regulatory approval (approved), will commit to the following: Issue 2,000,000 STAG common shares to the Company upon completion of due diligence review at an underlying price of \$0.05 per share (completed and issued); Pay the Company \$100,000 in cash or share equivalent on the first anniversary (issued 1,666,666 STAG shares), based upon a 10-day VWAP at the time of the payment and complete \$200,000 in exploration expenditures on the property; Pay the Company \$100,000 in cash or share equivalent on the second anniversary (issued 808,375 STAG shares post 4 for 1 share consolidation that was completed during the current year), based upon a 10-day VWAP at the time of the payment and complete an additional \$250,000 in exploration expenditures on the property at which point a 50% ownership interest will vest to STAG; Pay the Company \$100,000 in cash or share equivalent on the third anniversary, based upon a 10-day VWAP at the time of the payment and complete an additional \$250,000 in exploration expenditures on the property at which point a 70% ownership interest will vest to STAG (completed below by Renegade Gold Inc.); and Pay the Company \$300,000 in cash or share equivalent on the fourth anniversary, based upon a 10-day VWAP at the time of the payment and complete an additional \$300,000 in exploration expenditures on the property at which point a 100% ownership interest will vest to STAG (obligation assumed by Renegade Gold Inc. and is pending).

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

During the year ended June 30, 2022, STAG sold its rights and title to Panama to Renegade Gold Inc. (“Renegade”) (formerly Trillium Gold Mines Inc.). Renegade will assume all rights and obligations under the original agreement with the Company. During the year ended June 30, 2023, Renegade issued 473,934 shares to the Company in lieu of the requisite \$100,000 cash payment to satisfy the terms of the second option based upon the 10-day volume weighted average price of \$0.211.

#### **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) Abernethy Property*

The Abernethy property is located 10km southwest of Kenora, Ontario. The Company acquired through staking, a 100% interest in the property which consists of 4 multi-cell claims totaling 1,461 hectares.

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

*(ii) Kingurutik Lake Property*

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

The Company entered into a Participation Agreement (the “Teck Agreement”) with Teck Resources Ltd. (“Teck”) whereby the Company and Teck formed the Kingurutik Lake project by amalgamating and jointly exploring certain of their land positions in Labrador. The project is located approximately 60km north of the Voisey’s Bay copper-nickel deposit and consists of the 56 claim units held by Teck.

*(iii) Bark Lake*

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

During the year ended June 30, 2022, RTEC notified the Company that they were terminating the Bark Lake option agreement and have returned the project to the Company. The Company will seek a partner to continue to advance the project.

*(iv) Baril Lake*

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

*(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 license, containing 20 units, located in central Newfoundland. Under the terms of the option, Sokoman has the option to earn a 100% interest in the Alder East property under the following terms:

- Paying Benton \$1,500 cash (received) and issuing 1 million common shares (received) of Sokoman upon signing, acceptance and approval by the TSX Venture Exchange (accepted and approved);
- Issuing 500,000 common shares to Benton on the first anniversary of the option agreement (received);
- Issuing 500,000 common shares to Benton on second anniversary of the option agreement; (received)
- Benton will retain a 2% NSR on the Alder East project with Sokoman having the option to buy-back 1% NSR for \$1 million;
- Sokoman agrees to keep the license in good standing throughout the option period and if the property is returned to Benton, it is to be returned in good standing with at least 6 months;
- Paying Benton \$100,000 in cash, common shares or a combination of cash and shares upon completion of an NI 43-101 compliant Mineral Resource estimate;
- 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 study.

*(vi) Shebandowan*

During the year ended June 30, 2017, the company executed an option agreement with Thunder Gold 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. Thunder Gold has the option to earn a 100% interest in the Shebandowan property under the following terms:

- Paying Benton \$15,000 cash (received) and issuing 200,000 shares (received) of Thunder Gold on signing, acceptance and approval by the TSX Venture Exchange (accepted and approved);
- Benton will retain a 2% NSR on the Shebandowan property with Thunder Gold having the option to buy-back 1% NSR for \$1 million;
- Thunder Gold agrees to keep all claims in good standing and should Thunder Gold 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 Thunder Gold a combination of cash and shares at Thunder Gold's election upon completion of an NI 43-101-compliant Mineral Resource estimate on any claims contained within the option agreement.

*(vii) Goodchild*

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

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

*(viii) Iron Duke*

The Company acquired a 100% interest through staking in 2016 in the Iron Duke gold project located 20km east of the past-producing Mattabi/Sturgeon Lake base metal deposits and 30km south of the past-producing St. Anthony gold mine. The project is comprised of 47 units in 3 claims.

*(ix) Km 67 Project*

During the year ended June 30, 2022, the Company optioned the KM 67 Volcanic Massive Sulphide base metal and gold project (the "Project") located in central Newfoundland from Kevin Keats, Alan Keats, and David MacDonald (the "Optionors").

In order to earn a 100% interest in the Project, the Company must complete the following obligations:

- \$10,000 and 200,000 common shares on signing the option agreement and Exchange approval (completed);
- \$20,000 and 200,000 common shares on or before November 28, 2022 (completed);
- \$20,000 and 200,000 common shares on or before November 28, 2023; and
- \$40,000 and 400,000 common shares on or before November 28, 2024.

The Optionors will retain a 2% NSR whereby Benton, at its election, will have the right to buy back 1% NSR for \$1 million.

## 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 period ended September 30, 2023 and year ended June 30, 2023 were as follows:

	September 30, 2023 \$	June 30, 2023 \$
<i>Write-downs:</i>		
Newfoundland JV Properties	25,198	-
<i>Total</i>	<u>25,198</u>	<u>-</u>
<i>Recoveries:</i>		
Newfoundland JV Properties	391,697	2,084,940
Other Properties	-	45,450
<i>Total</i>	<u>391,697</u>	<u>2,130,390</u>

## 9. CAPITAL STOCK:

### (a) Share Capital

Authorized:

Unlimited common shares without par value  
One voting preference share

Issued and outstanding:

165,269,287 common shares  
Nil preference shares

### (b) Share Purchase Warrants

Details of share purchase warrant transactions for years ended June 30, 2023 and 2022 is as follows:

	# of Warrants	Amount \$	Wtd. Avg. Ex. Price
Balance, June 30, 2021	17,889,136	1,306,722	\$0.26
Issued pursuant to private placements	20,333,055	1,525,115	\$0.24
Issued to finders' pursuant to above	517,967	42,549	\$0.30
Expired during the year	(2,982,956)	(135,317)	0.25
Balance, June 30, 2022	<u>35,757,202</u>	<u>2,739,069</u>	<u>\$0.25</u>
Issued pursuant to private placements	5,899,841	175,122	\$0.20
Issued to finders' pursuant to above	554,731	21,332	\$0.20
Expired during the period	(8,099,930)	(475,831)	\$0.27
Balance, June 30, 2023/September 30, 2023	<u>34,111,844</u>	<u>2,459,692</u>	<u>\$0.23</u>

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

Date Issued	# of Warrants	Exercise Price	Risk-Free Interest Rate	Dividend Yield	Expected Volatility
May 28, 2021	6,018,750	\$0.25	0.32%	0%	120%
May 28, 2021	787,500	\$0.20	0.32%	0%	120%
November 5, 2021	7,833,055	\$0.30	0.92%	0%	114%
November 5, 2021	517,967	\$0.30	0.92%	0%	114%
March 21, 2022	12,500,000	\$0.20	1.867%	0%	98.4%
December 28, 2022	3,533,742	\$0.20	4.126%	0%	98.6%
December 29, 2022	1,720,830	\$0.20	4.126%	0%	98.6%
December 30, 2022	1,200,000	\$0.20	4.126%	0%	98.4%
	<u>34,111,844</u>				

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

The following table summarizes information about the warrants outstanding at the period ended September 30, 2023 and year ended June 30, 2023:

Expiry Date	Exercise Price	September 30, 2023 # of Warrants	June 30, 2023 # of Warrants
May 28, 2024	\$0.25	6,018,750	6,018,750
May 28, 2024	\$0.20	787,500	787,500
November 5, 2023	\$0.30	7,833,055	7,833,055
November 5, 2023	\$0.30	517,967	517,967
March 21, 2024	\$0.20	12,500,000	12,500,000
June 28, 2024	\$0.20	3,533,742	3,533,742
June 29, 2024	\$0.20	1,720,830	1,720,830
June 30, 2024	\$0.20	1,200,000	1,200,000
		<u>34,111,844</u>	<u>34,111,844</u>

### (c) Stock Options

Details of stock option transactions for the period ended September 30, 2023 and year ended June 30, 2023:

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2021	8,250,000	\$0.12
Granted during the year	3,200,000	\$0.20
Exercised during the year	(300,000)	\$0.10
Expired during the year	(175,000)	\$0.134
Balance, June 30, 2022	10,975,000	\$0.14
Expired during the period	(3,225,000)	\$0.12
Balance, June 30, 2023/September 30, 2023	<u>7,750,000</u>	<u>\$0.15</u>

The following table summarizes information about the options outstanding at the period ended September 30, 2023 and year ended June 30, 2023:

Expiry Date	Exercise Price	Sept. 30, 2023 # of Options Issued	Sept 30, 2023 # of Options Exercisable	June 30, 2023 # of Options Issued	June 30, 2023 # of Options Exercisable
November 7, 2022	\$0.10	-	-	-	-
January 15, 2024	\$0.07	1,475,000	1,475,000	1,475,000	1,475,000
March 28, 2024	\$0.10	100,000	100,000	100,000	100,000
February 19, 2025	\$0.10	1,575,000	1,575,000	1,575,000	1,575,000
August 18, 2025	\$0.20	1,800,000	1,800,000	1,800,000	1,800,000
July 28, 2026	\$0.20	2,000,000	2,000,000	2,000,000	2,000,000
February 9, 2027	\$0.20	500,000	500,000	500,000	375,000
March 7, 2027	\$0.20	300,000	300,000	300,000	225,000
		<u>7,750,000</u>	<u>7,750,000</u>	<u>7,750,000</u>	<u>7,550,000</u>

#### (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 25,293,840 common shares of which 7,750,000 are outstanding at September 30, 2023 (June 30, 2023 – 7,750,000). 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

The Company did not complete any private placements during the three-month period ended September 30, 2023.

During the year ended June 30, 2023, the Company completed the following private placement:

- i.) In December 2022, the Company completed a non-brokered private placement financing of flow-through (“FT Units”) and non-flow through units (“Units”) for aggregate gross proceeds of \$1,376,623.

The Company issued 8,358,022 FT Units at a price of \$0.14 per FT Unit, for gross proceeds of \$1,170,123. Each FT Unit consists of one (1) flow-through common share and one-half of one common share purchase

warrant, each warrant being exercisable for an additional common share of the Company at a price of \$0.20 for 18 months from the date of issuance. The flow-through shares will entitle the holder to receive the tax benefits applicable to flow-through shares, in accordance with provisions of the Income Tax Act (Canada).

The Company also issued 1,720,830 non-flow-through units (“Units”) at a price of \$0.12 per Unit for gross proceeds of \$206,500. Each Unit consists of one common share and one common share purchase warrant, each warrant being exercisable for an additional common share of the Company at a price of \$0.20 for 18 months from the date of issuance.

The Company paid cash finders’ fees totalling \$76,597 and issued 554,731 finders’ warrants with each warrant being exercisable for a common share of the Company at a price of \$0.20 for 18 months from the date of issuance.

The aggregate deferred premium on the issuance of the 8,358,022 flow-through common shares detailed above for the above period was \$167,160 along with a carry forward net premium of \$144,350 from fiscal 2022 flow through issuances. 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 \$88,235 for the period ended September 30, 2023 (September 30, 2022 - \$147,453) resulting in a deferred premium balance of \$223,275 at September 30, 2023 (June 30, 2023 – \$311,510).

## 10. LEASE LIABILITY:

During the year ended June 30, 2016, the Company entered into an office lease agreement for its head office premises. The initial term of the lease was for three years commencing on June 1, 2016 and terminating on May 31, 2019, subject to a right of extension as described herein. The lease is a triple net lease with the initial term paid in monthly installments of \$3,100 plus HST, which includes base rent and prescribed monthly additional rents based on estimated annual operating costs which is adjusted annually for actual costs. Pursuant to the terms of the lease, at the end of the initial term the Company exercised its right to extend the lease for two additional years to be paid in monthly installments of \$3,859 plus HST consisting of base rent and additional rent on the same basis as described above. At the end of this extension the Company has the right to extend the lease for a further five-year period (renegotiated to a 3 year renewal followed by a 2 year renewal) at amounts to be negotiated at that time. During the year ended June 30, 2021, the base rent and additional rent payment increased to \$4,184 plus HST for the initial three-year period of the extension.

During the year ended June 30, 2021, the Company leased a truck from Toyota Financial Services commencing on September 28, 2020 for a term of 48 months and terminating on September 28, 2024. The lease is paid in monthly installments of \$614.57 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 \$25,707 plus HST and any applicable fees.

The lease liability relates to the above leases for the Company’s office premises and field truck. The office lease expired on May 31, 2021 at an estimated interest rate of 12% (the Company’s estimated incremental borrowing rate). The Company elected to exercise its 3-year renewal option taking the lease expiry to May 31, 2024. The field truck lease bears interest at 4.19% per annum. The lease liability for the period ended September 30, 2023 and year ended June 30, 2023 is as follows:

	September 30, 2023 \$	June 30, 2023 \$
Lease liability	115,805	127,668
Less: Current portion	(50,599)	(49,408)
Long-term portion	<u>65,206</u>	<u>78,260</u>

Interest expense recognized on the lease liability for the three-month period ended September 30, 2023 was \$3,264 (September 30, 2022 - \$4,409) and is included under general and administrative expenses on the statement of profit and loss.

## 11. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the periods ended September 30, 2023 and 2022:

Payee	Description of Relationship	Nature of Transaction	September 30, 2023 Amount (\$)	September 30, 2022 Amount (\$)
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former director	Legal fees and disbursements charged/accrued during the year	43,360	7,770
Michael Stares	Director	Prospecting services included in exploration and evaluation expenditures	10,500	8,750
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Officer and Michael Stares, Director	Payments for camp and equipment rentals as well as expense reimbursements included in exploration and evaluation expenditures	20,086	-
Stares Prospecting Ltd.	Company controlled by Alexander Stares, brother of Stephen and Michael Stares	Prospecting services included in exploration and evaluation assets	-	14,000

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.

Included in accounts payable and accrued liabilities at September 30, 2023 and 2022 is:

- \$7,200 in accrued liabilities for Gordon J. Fretwell Law Corporation (September 30, 2022 – \$5,448)
- \$11,865 inclusive of HST in accounts payable to Michael Stares (September 30, 2022 – nil)
- \$15,000 in unpaid directors' fees in accrued liabilities (September 30, 2022 - \$15,000)
- \$22,818 inclusive of HST in accounts payable to Stares Contracting Corp. (September 30, 2022 - nil)

Key management personnel remuneration during current period included \$148,100 (September 30, 2022 - \$146,013) in salaries and benefits and \$1,362 (September 30, 2022 - \$18,284) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

## 12. LOSS PER SHARE:

Basic loss per common share has been calculated using the weighted average number of common shares outstanding in each respective period. Diluted income / (loss) per share assumes that stock options and warrants that have an exercise price less than the average market price of the Company's common shares during the year have been exercised on the later of the beginning of the year and the date granted.

## 13. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and consultants and accordingly \$2,739 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 18,431 options that vested during the period ended September 30, 2023. The fair value of the options vesting below during the year 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
February 9, 2022	9,141	\$0.20	February 9, 2027	\$0.149	0%	104%	1.67%	5 yrs
March 7, 2022	9,290	\$0.20	March 7, 2027	\$0.148	0%	104%	1.50%	5 yrs
	<u>18,431</u>							

#### 14. SUPPLEMENTAL CASH FLOW INFORMATION:

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

	September 30, 2023	September 30, 2022
	\$	\$
Accounts and other receivables	514,835	(533,972)
Prepaid expenses	12,898	7,307
Refundable deposits	(1,425)	12,270
Accounts payable and accrued liabilities	(57,703)	(86,932)
Total	<u>468,605</u>	<u>(601,327)</u>

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

	<u>September 30,</u> <u>2023</u>	<u>September 30,</u> <u>2022</u>
	\$	\$
<i>Non-cash financing activities</i>		
Common shares issued for mineral property option	685,000	26,836
<i>Non-cash investing activities</i>		
Mineral property option through common share issuance	(685,000)	(26,836)
Common shares received for mineral property option/disposal/recovery	(11,039)	(70,485)
Proceeds of mineral property option/disposal/recovery for common shares	11,039	70,485

#### 15. REFUNDABLE DEPOSITS:

Refundable security deposits of \$155,705 (June 30, 2022 - \$154,280) 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.

#### 16. SUBSEQUENT EVENTS:

The following events occurred subsequent to September 30, 2023:

- On October 11, 2023, the Company along with its joint venture alliance partner Sokoman, entered into a definitive agreement with Piedmont Lithium Inc. (“Piedmont”) whereby Piedmont has the right to earn up to a combined 70% direct/indirect ownership interest in the area and lands comprising the Killick Lithium Project (“Killick Project”) (known previously as the Golden Hope project) located in southwestern Newfoundland (the “Transaction”).

Pursuant to the term of the transaction, each of Benton and Sokoman assigned all of its rights and interest to the Killick I project to Vinland Lithium Inc. (“Vinland”), a newly-incorporated British Columbia corporation, in exchange for all of the issued and outstanding shares in the capital of Vinland, held by each of Benton and Sokoman in equal proportions. Vinland in turn assigned the Killick Project to its newly incorporated, wholly-owned subsidiary Killick Lithium Inc. (“Killick”) (the “Reorganization”). Vinland and Piedmont, entered into

(i) a subscription agreement (the “Subscription Agreement”) pursuant to which Piedmont subscribed for a 19.9% ownership interest in Vinland for an aggregate subscription amount of CAD\$2.0M (the “Subscription”); and (ii) a shareholders’ agreement (the “Vinland SHA”) with Benton and Sokoman setting forth the framework for the governance of Vinland and for the holding, disposal and subsequent issuances of interests in Vinland.

Upon the completion of the Subscription, Killick and Piedmont entered into (i) an earn-in agreement, pursuant to which Piedmont was granted the option to acquire up to a direct 62.5% ownership interest in the Killick Project (the “Earn-In Agreement”), (ii) a royalty agreement pursuant to which Benton and Sokoman were granted an aggregate 2% royalty on the net returns of precious metals and the value of lithium received from the Killick Project (the “Royalty Agreement”), and (iii) a marketing agreement pursuant to which Piedmont was granted the exclusive marketing rights for the promotion and sale of lithium products produced from the Killick Project, including the right to purchase any uncommitted project production on commercially reasonable arm’s length terms, the whole as further set forth below (collectively with the Subscription Agreement, the Vinland SHA, the Earn-In Agreement and the Royalty Agreement, the “Definitive Agreements”). Upon the acquisition of the Initial Interest (as defined below), Vinland, Killick, and Piedmont shall enter into a shareholders’ agreement (the “Killick SHA”) pursuant to which the parties thereto set forth the framework for the governance of Killick and for the holding, disposal, and subsequent issuances of interests in Killick.

Pursuant to the Earn-In Agreement, Piedmont was granted the option (the “Initial Earn-In Right”), exercisable by notice, to acquire a 16.35% voting and participating interest in Killick (the “Initial Interest”) in consideration of (i) the issuance by Piedmont to each of Benton and Sokoman of shares of its common stock having an aggregate subscription price of CAD\$2.0M based on Piedmont’s ten-day volume weighted average price (“VWAP”) up to the date of the Initial Interest exercise notice, and (ii) payment of work expenditures in the aggregate amount of at least CAD\$6.0M (the “Initial Earn-In Amount”) within the 30-month period following the Initial Earn-In Right exercise notice. Upon exercise of the Initial Earn-In Right by Piedmont, Piedmont’s combined direct and indirect (through Vinland) ownership interest in Killick will be equal to approximately 33%.

Within 60 days following the funding of the Initial Earn-In Amount, Piedmont shall have the option (the “First Additional Earn-In Right”), exercisable by notice, to acquire an additional 21.65% (totaling 38%) voting and participating interest in Killick (the “First Additional Interest”) in consideration of (i) the issuance by Piedmont to each of Sokoman and Benton of shares of its common stock having an aggregate subscription price of CAD\$2.0M based on Piedmont’s ten-day VWAP up to the date of the First Additional Earn-In Right exercise notice, and (ii) payment of work expenditures in the aggregate amount of at least CAD\$3.0M (the “First Additional Earn-In Amount”) within the 12-month period following the First Additional Earn-In Right exercise notice. Upon exercise of the First Additional Earn-In Right by Piedmont, Piedmont’s combined direct and indirect (through Vinland) ownership interest in Killick will be equal to approximately 50%.

Within 60 days following the funding of the First Additional Earn-In Amount, Piedmont shall have the option (the “Second Additional Earn-In Right”), exercisable by notice, to acquire an additional 24.5% (totaling 62.5%) voting and participating interest in Killick (the “Second Additional Interest”) in consideration of (i) the issuance by Piedmont to each of Benton and Sokoman of shares of its common stock having an aggregate subscription price of CAD\$6.0M based on Piedmont’s ten-day VWAP up to the date of the Second Additional Earn-In Right exercise notice, and (ii) payment of work expenditures in the aggregate amount of at least CAD\$3.0M (the “Second Additional Earn-In Amount”) within the 12-month period following the Second Additional Earn-In Right exercise notice. Upon exercise of the Second Additional Earn-In Right by Piedmont, Piedmont’s combined direct and indirect (through Vinland) ownership interest in Killick will be equal to approximately 70%.

- On October 17, 2023, the Company granted 2,250,000 incentive stock options to directors, officers, employees and consultants of the Company. The options are exercisable at \$0.07 per share and expire on October 17, 2028. The options remain subject to the vesting conditions contained within the Company’s stock option plan.
- On October 30, 2023, the Company entered into an option agreement to acquire a 100% interest in a strategic mineral license (the “SSAF Property”) encompassing 27 claim units that surrounds the Northern portion of Benton’s recently acquired Great Burnt Copper-Gold Project. The SSAF Property was optioned from Stephen Stockley Agriculture and Fabrication Inc. (“SSAF”) and surrounds the South Pond, South Pond A and South Pond B deposits. Terms of the agreement to acquire a 100% interest in the SSAF are as follows:



- Upon regulatory approval (received), pay SSAF \$10,000 (paid) and issue 100,000 common shares of the Company (issued);
- Pay SSAF \$10,000 and issue 100,000 common shares of the Company on the first anniversary of the effective date;
- Pay SSAF \$10,000 and issue 100,000 common shares of the Company on the second anniversary of the effective date;
- Pay SSAF \$30,000 and issue 300,000 common shares of the Company on the third anniversary of the effective date; and
- Expend \$100,000 on the Property on or before the third anniversary of the effective date.

SSAF will retain a 2% NSR with Benton having the right to buy back half of the royalty (1%) by paying SSAF \$1 million at any time prior to the SSAF Property being put into production.

- On November 5, 2023, 8,351,022 warrants with an exercise price of \$0.30 expired unexercised.
- On November 16, 2023, 150,000 stock options with an exercise price \$0.07 were exercised for gross proceeds of \$10,500.