



eNewsletter

CHF Spotlight

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BENTON
RESOURCES INC.



A Project Generator: Creating Tremendous Value with High-Quality Projects

Benton Resources Inc. is a well-regarded and successful junior exploration company known for employing a project generator strategy to create shareholder value. The company is led by industry veteran Stephen Stares. Along with members of the Stares and Keats families, he has a strong reputation in the industry, and as such, they were awarded the 2007 PDAC Prospector of the Year award in recognition of their contributions over four decades. Stephen and his team continue the family tradition of persistence and hard work. This success includes two high-profile transactions that are part of the Benton Resources story: the sale of their Bermuda PGM project to Sibanye-Stillwater (now being advanced by Generation Mining); and their investment in Coro Mining and the subsequent spinout of Alset Energy Corp. (now KMAX).

As a project generator, Benton looks for promising ground or assets and then uses its prospecting work to advance the project to attract option investors, joint ventures, or sales. Their model works. The company's current account sits at over \$1.8 million despite a generally poor junior market. The company is also striving towards what could be its largest value creation deal yet—the option and subsequent sale of two platinum-group metals and copper-nickel projects just outside their hometown of Thunder Bay, Ontario.

Their well-regarded prospecting work attracted a business relationship with Rio Tinto on two other projects in northwest Ontario, Bark and Baril Lakes. Subsequently, Rio Tinto offered Benton their Escape Lake property, one that hosts significant platinum, palladium, nickel, and copper mineralization. Benton and Rio

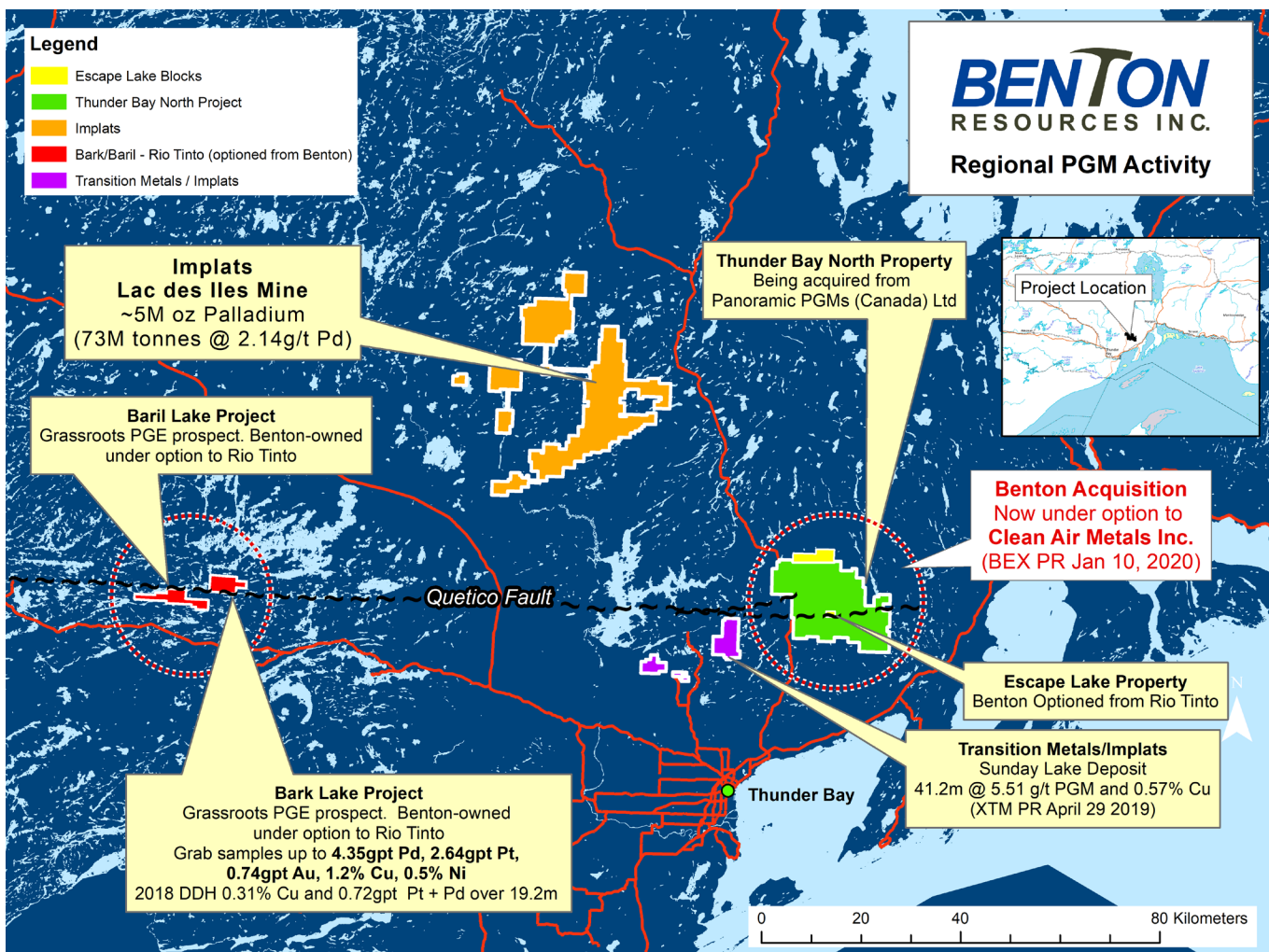
agreed to an Option Agreement that sees Benton paying \$6M over 3 years (including \$3M which was paid on signing) to earn 100% of the Escape Lake claims.

To expand the project even more, Benton then obtained a purchase agreement for the surrounding Thunder Bay North property for \$9 million from Panoramic Resources. This project contains the extension of the Escape Lake project geology and a historic resource of 741,000 oz at 2.3 grams per tonne (g/t) platinum equivalent indicated and 49,000 oz inferred at 2.9 g/t platinum equivalent. Over \$100 million of exploration work invested in the project since its 2005 discovery resulted in some of the highest metal grades and thicknesses for these types of deposits in the world.

Both projects are now subject to a definitive agreement with Regency Gold Corp. (which will change its name to Clean Air Metals upon closing) for a transfer of Benton's rights to purchase

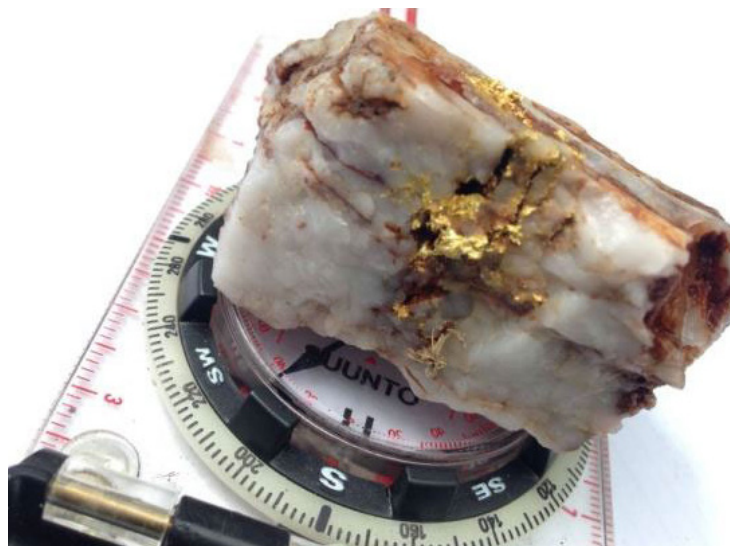
100% of the PGE projects. It's a deal that would see Regency Gold take over all of Benton's obligations to these two purchase agreements and repay Benton's \$3 million down payment on the Escape Lake project with 24,615,384 of its shares. This is approximately just under 20% of the estimated capital structure of Regency following its financing for these transactions, working capital, and listing on the TSX Venture Exchange. Benton will also retain a 0.5% NSR on the Escape Lake property and a 0.5% NSR on all claims that currently do not incur an NSR to others on the Thunder Bay North property.

Regency Gold will be a formidable counterparty for Benton. The company is headed by another Thunder Bay mining executive, Abraham Drost, P.Geo., with Jim Gallagher (former CEO of North American Palladium) as its executive chairman. We expect this financing deal to close shortly and this team to start work on the project right away. Their speed is possible because Benton, as the current project operator, secured drilling permits.



Benton's ~24.6 million shares should translate into significant value from this work and provide the company with another large, non-diluted financing to advance and acquire more projects and generate shareholder value. Benton's potential financial strength, relationships, and work ethic will bring them more opportunities of this kind. Regency Gold will provide investors with a potential alternative investment for those looking to transfer out of North American Palladium after its sale to Impala Platinum, creating a natural market demand.

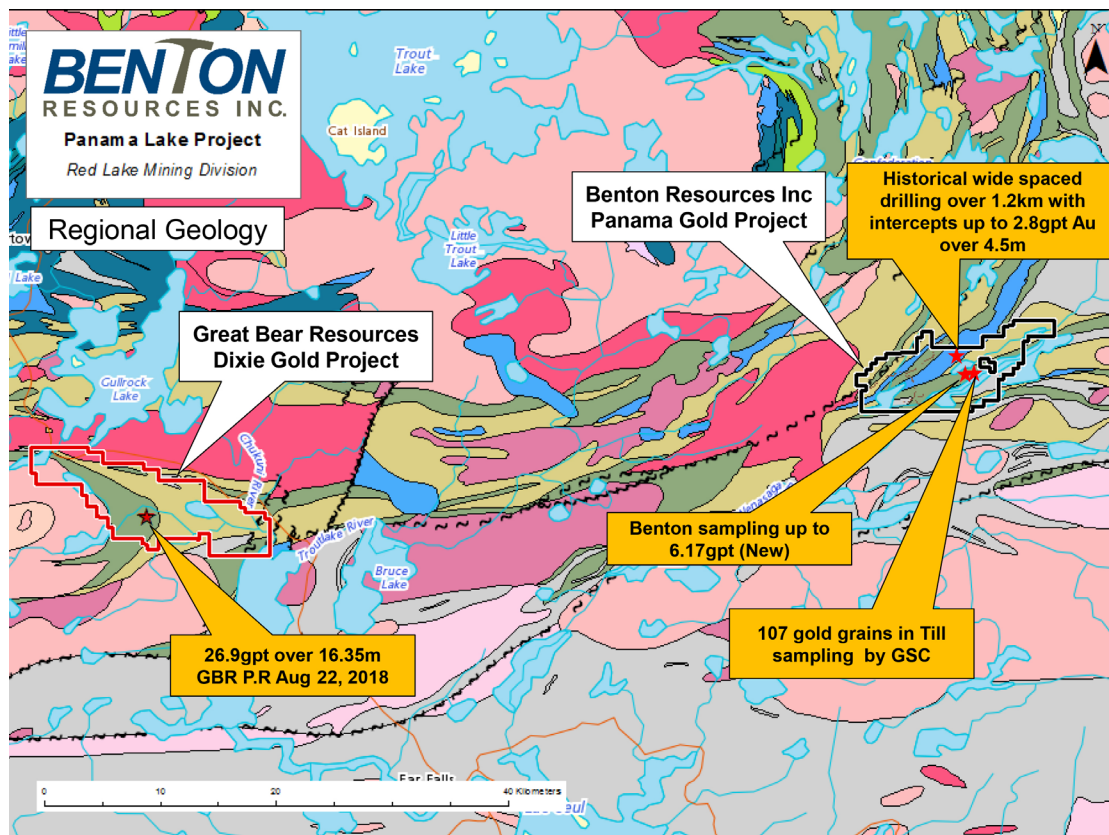
Alongside the Regency Gold project, Benton is still active with Rio Tinto on the Baril and Bark Lake platinum-group metals target projects. In 2017 Rio's work hit 19.2 m at 0.31% copper and 0.72g/t platinum plus palladium. Interestingly, Rio Tinto also holds land adjacent to these projects and completed diamond drilling. In addition, Rio Tinto recently forwarded a \$25,000 option payment signalling their continued interest in this play. This, coupled with their sale of the Escape Lake project, suggests that Rio Tinto sees this area as potentially more promising for a new platinum-group metals and nickel-copper deposit discovery. The Rio Tinto option agreement continues for a couple more years, and Benton retains a 2% net smelter royalty on Baril Lake and joint venture potential at Bark Lake.



Benton is not focused solely on platinum-group metals in north-west Ontario but also holds gold projects. Most of the junior gold excitement in northwest Ontario centres on Red Lake and Great Bear Resources' Dixie Lake project. Situated further east along the same trend is Benton's Panama Lake gold project. This project is now optioned to Maxtech Ventures. Maxtech's new VP of Exploration, Jim Rogers—a veteran and expert in exploring Red Lake—identified the best targets for a drill program of 3,500 m

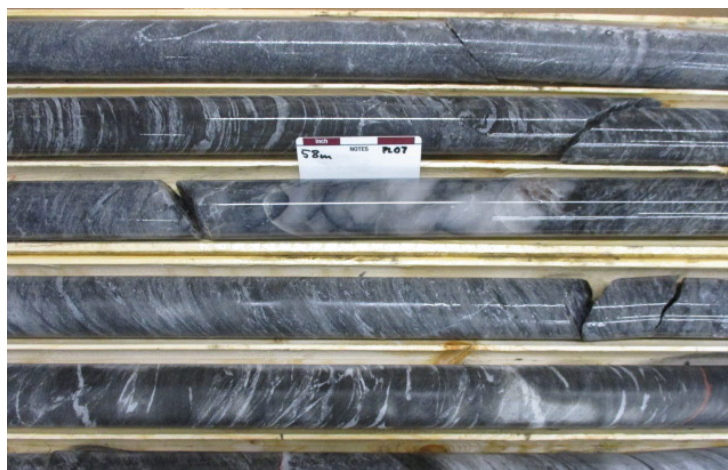
in 8 to 10 holes. Benton's initial payment of 2 million shares has already delivered over 100% in increased value, and this work and results should increase this again.

Benton also holds the Sagana Lake gold property. This is a very large land position hosting multiple gold zones. The company plans to drill-test several targets this spring, thus creating their own news flow and value-add.



More exposure to gold exploration continues for Benton in Newfoundland with an option to Quadro Resources and 4.2 million of their shares in-hand. Quadro recently acquired additional land to the northwest of Marathon Gold's Valentine Lake deposit. This interest follows up on work conducted the 1980s to identify the source of high-grade gold in soils and angular boulders. Exploration by Quadro could start this spring.

With these five ventures in play, Benton is continuing to use its project generator model to deliver value to its shareholders. The Regency Gold deal could be its biggest value driver yet, and there are additional projects underway to add on to this. Benton's strategy works and its success is expected to continue.



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Ron Wortel is a mining and finance industry professional with over 25 years of project evaluation and investment experience. Mr. Wortel worked on the sell side with several investment banks covering the junior mining sector before moving over the buy side. As EVP of Mining Investments for a well-known mining investment fund, he helped place over \$1 billion into Canadian mining exploration. This unique experience allows Ron to understand what makes for a great project and Company in the Canadian junior markets and share this knowledge with others.

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