

## FORM 5 - QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: Renforth Resources Inc. (the "Issuer").

Trading Symbol: RFR

### SCHEDULE A: FINANCIAL STATEMENTS

See attached

### SCHEDULE B: SUPPLEMENTARY INFORMATION

#### 1. Related party transactions

##### (a) Compensation of key management personnel

Key management includes members of the board of directors, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the six months ended June 30, 2019 and June 30, 2018:

	2019	2018
Salary or other short-term benefits	\$ 90,000	\$ 90,000
Share based payments issued	51,750	-
	<b>\$ 141,750</b>	<b>\$ 90,000</b>

##### (b) Other related party balances and transactions

The Company engaged Billiken Management Services Inc. and Minroc Management Limited ("Billiken"), geological consulting companies, to manage the Company's exploration programs. The Company's CEO, Nicole Brewster, is a controlling shareholder of Billiken. For the six months ended June 30, 2019, the Company was charged \$488,872 (six months ended June 30, 2018 - \$508,018) in exploration related expenditures, and \$60,000 (six months ended June 30, 2018 - \$60,000) in management fees for the CEO, of which \$45,000 (six months ended June 30, 2018 - \$45,000) was capitalized and recorded in exploration and evaluation assets and \$15,000 (six months ended June 30, 2018 - \$15,000) was charged to general and corporate expense on the statement of loss. On June 10, 2019, the Company settled debt with Billiken in the amount of \$90,400 by the issuance of 1,808,000 common shares. The shares had a market value of \$81,360, and therefore resulted in a gain on settlement of \$9,040. On March 23, 2018, the Company settled debt with Billiken in the amount of \$67,800 by the issuance of 1,356,000 common shares. The shares had a market value of \$54,240, and therefore resulted in a gain on settlement of \$13,560. On October 10, 2018, the Company settled debt with Billiken in the amount of \$130,600 by the issuance of 2,612,000 common shares. The shares had a market value of \$65,300, and therefore resulted in a gain on settlement of \$65,300. These gains were recognized in contributed surplus. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

During the six months ended June 30, 2019, the Company was charged \$30,000 (six months ended June 30, 2018 - \$30,000) in management fees by a corporation owned by the CFO of the Company, for CFO services. As at June 30, 2019, \$5,650 (December 31, 2018 - \$16,950) is owing to this corporation and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On June 10, 2019, the Company settled debt with CFO in the amount

of \$45,200 by the issuance of 904,000 common shares. The shares had a market value of \$40,680, and therefore resulted in a gain on settlement of \$4,520. On March 23, 2018, the Company settled debt with the CFO in the amount of \$33,900 by the issuance of 678,000 common shares. The shares had a market value of \$27,120, and therefore resulted in a gain on settlement of \$6,780. On October 10, 2018, the Company settled debt with the CFO in the amount of \$50,850 by the issuance of 1,017,000 common shares. The shares had a market value of \$25,425, and therefore resulted in a gain on settlement of \$25,425. These gains were recognized in contributed surplus.

## 2. Summary of securities issued and options granted during the quarter.

(a) summary of securities issued during the period.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
04/11/2019	Units	Private placement	3,740,000	\$0.05	\$187,000	Cash	Not related	n/a
05/16/2019	Units	Private placement	1,160,000	\$0.05	\$58,000	Cash	Not related	n/a
06/10/2019	Common shares	Debt settlement	2,712,000	\$0.05	\$135,600	Services	CEO & CFO	n/a

(b) summary of options granted during the period. – None during the quarter ended June 30, 2019

## 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,  
 Unlimited number of common shares

(b) number and recorded value for shares issued and outstanding,

Shares Authorized	Issued and Outstanding
Common Shares, unlimited number of shares	176,238,163 common shares issued and outstanding; the recorded value for shares issued and outstanding is \$15,935,871

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Number of Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Life	Grant Date Fair Value
#	\$		years	\$
2,000,000	0.07	27-Nov-19	0.41	38,000
520,000	0.10	19-Sep-19	0.21	8,320
80,000	0.10	30-Nov-19	0.41	1,280
2,030,000	0.10	26-Dec-19	0.49	35,486
930,000	0.10	07-Jan-20	0.52	18,079
4,240,000	0.10	31-Dec-19	0.50	76,712
3,840,000	0.10	31-Jan-20	0.58	146,000
6,350,000	0.10	30-May-20	0.91	132,907
150,000	0.12	21-May-20	0.88	1,881
1,420,000	0.10	21-Nov-20	1.39	19,551
6,486,000	0.12	30-June-20	1.00	143,939
2,240,000	0.10	11-Apr-21	1.78	45,333
750,000	0.12	11-Oct-20	1.28	16,406
760,000	0.10	6-May-21	1.85	15,381
200,000	0.12	6-Nov-20	1.35	4,375
31,996,000	0.11		0.87	703,650

Number of Options Outstanding	Exercise Price (\$'s)	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life (years)
600,000	0.05	26-Feb-20	600,000	0.66
700,000	0.09	7-Aug-20	700,000	1.10
1,500,000	0.07	28-Apr-21	1,500,000	1.83
1,200,000	0.05	19-Sept-21	1,200,000	2.22
2,700,000	0.05	05-Oct-22	2,700,000	3.27
2,350,000	0.05	05-Feb-23	2,350,000	3.57
3,550,000	0.05	30-May-23	3,550,000	3.83
1,450,000	0.07	30-Jan-24	1,450,000	4.56
14,050,000			14,050,000	3.16

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer. N/A

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Nicole Brewster - CEO, President, Director  
 Kyle Appleby - CFO  
 Judy Wood – Director  
 Wally Rudensky – Director  
 David Wahl – Director  
 John Webster – Director  
 Kurt Breede - Director

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

See attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 25, 2019

Kyle Appleby, Chief Financial Officer \_\_\_\_\_  
Name of Director or Senior Officer

"Kyle Appleby" \_\_\_\_\_  
Signature

C.F.O \_\_\_\_\_  
Official Capacity

<b>Issuer Details</b> Renforth Resources Inc.	For Quarter Ended June 30, 2019	Date of Report YY/MM/D 19//08/25
Issuer Address 1099 Kingston Road, Suite 269		
City/Province/Postal Code  Pickering, Ontario	Issuer Fax No.	Issuer Telephone No. 416-818-139
Contact Name Kyle Appleby	Contact Position CFO	Contact Telephone No. 416- 818-139
Contact Email Address <a href="mailto:kappleby@renforthresources.com">kappleby@renforthresources.com</a>	Web Site Address <a href="http://www.renforthresources.com">www.renforthresources.com</a>	

**RENFORTH RESOURCES INC.**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019**

**(Expressed in Canadian Dollars)**

## **NOTICE TO SHAREHOLDERS**

The accompanying condensed interim financial statements of Renforth Resources Inc. for the three and six months ended June 30, 2019 and June 30, 2018 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see notes 2 & 3 to the interim consolidated 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.

### **Auditors Involvement**

The external auditors of Renforth Resources Inc., have not audited or performed a review of the unaudited interim financial statements for the three and six months ended June 30, 2019 and June 30, 2018 nor have they conducted any procedures with respect to the supplementary financial schedules included herein.

**RENFORTH RESOURCES INC.****Condensed Interim Statements of Financial Position (unaudited)**

(Expressed in Canadian dollars)

	As at June 30, 2019	As at December 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash (note 5)	\$ 162,459	\$ 647,536
Sales tax and refundable tax credits receivable	181,015	273,020
Prepaid expenses and deposits	56,845	97,692
Total current assets	400,319	1,018,248
<b>Non-current assets</b>		
Exploration and evaluation assets (notes 6 and 7)	6,339,749	5,392,159
<b>TOTAL ASSETS</b>	<b>\$ 6,740,068</b>	<b>\$ 6,410,407</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	\$ 56,124	\$ 158,569
Deferred flow through share premium (note 8(b))	17,670	9,606
Total liabilities	73,794	168,175
<b>Equity</b>		
Share capital (note 8 (b))	15,935,871	15,394,246
Shares to be issued (notes 6 and 8(b))	-	50,000
Warrant reserve (note 8 (c))	703,648	755,641
Contributed surplus	2,777,352	2,566,614
Accumulated deficit	(12,750,597)	(12,524,269)
Total equity	6,666,274	6,242,232
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 6,740,068</b>	<b>\$ 6,410,407</b>

**Going concern** (note 1)**Commitments and contingencies** (notes 6 and 12)**Subsequent events** (note 14)*The accompanying notes are an integral part of these condensed interim financial statements.*

Approved by the Board

Signed:

“Nicole Brewster”, Director

Signed:

“Wally Rudensky”, Director



**RENFORTH RESOURCES INC.****Condensed Interim Statements of Loss and Comprehensive Loss (unaudited)**

For the three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

	<b>Three month ended June 30</b>		<b>Six month ended June 30</b>	
	<b>2019</b>	2019	<b>2019</b>	2018
<b>Expenses</b>				
General and corporate ( <i>notes 7 and 13</i> )	\$ 119,273	\$ 98,990	\$ 170,684	\$196,552
Share based payments ( <i>8(d)</i> )	-	271,500	65,250	271,500
<b>Loss before other items</b>	\$ (119,273)	\$ (370,490)	\$ (235,934)	\$(468,052)
<b>Other items</b>				
Flow through share premium	-	-	9,606	434,203
Gain on settlement of debt ( <i>notes 7 and 8</i> )	-	-	-	30,700
<b>Net loss and comprehensive loss for the period</b>	\$ (119,273)	\$ (370,490)	\$ (226,328)	\$ (3,149)
<b>Basic and diluted loss per share</b> ( <i>note 9</i> )	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

*The accompanying notes are an integral part of these condensed interim financial statements.*

**RENFORTH RESOURCES INC.****Condensed Interim Statements of Cash Flows (unaudited)**

For the six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

	2019	2018
<b>Cash flow from operating activities</b>		
Net loss for the year	\$ (226,328)	\$ (3,149)
Items not affecting cash:		
Share based payments	65,250	271,500
Gain on settlement of debt	-	(30,700)
Other income	(9,606)	(434,203)
Shares issued for services	-	192,000
	<b>(170,684)</b>	<b>(4,552)</b>
Changes in non-cash working capital:		
Sales tax and refundable tax credits receivable	92,005	(11,807)
Accounts payable and accrued liabilities	76,595	(159,557)
Prepaid expenses and deposits	40,847	(187,469)
Total cash flows (used in) from operating activities	<b>38,763</b>	<b>(363,385)</b>
<b>Cash flow from investing activities</b>		
Additions to exploration and evaluation assets	(768,840)	(679,105)
Total cash flows (used in) investing activities	<b>(768,840)</b>	<b>(679,105)</b>
<b>Cash flow from financing activities</b>		
Issue of common shares and warrants	245,000	317,500
Total cash flows from financing activities	<b>245,000</b>	<b>317,500</b>
Decrease in cash and cash equivalents	(485,077)	(724,990)
Cash, beginning of period	647,536	1,026,984
Cash, end of period (note 5)	\$ 162,459	\$ 301,994

*Supplemental information (note 12)**The accompanying notes are an integral part of these financial statements.*

**RENFORTH RESOURCES INC.**

**Condensed Interim Statements of Changes in Equity (unaudited)**

For the six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

	Share capital	Share capital	Shares to be Issued	Contributed surplus	Warrant reserve	Deficit	Total
	#	\$	\$	\$	\$	\$	\$
<b>Balance, December 31, 2017</b>	124,503,163	14,181,424	13,980	2,051,630	439,834	(12,297,206)	4,389,662
Share based payments							
Shares issued for services agreement	4,876,000	233,440	-	-	-	-	233,440
Shares and warrants issued on property purchase	540,000	27,000	-	-	-	-	27,000
Shares issued under private placement	6,613,000	331,480	(13,980)	-	-	-	317,500
Shares issued to settle debt	2,034,000	81,360	-	-	-	-	81,360
Expiry of warrants	-	-	-	16,814	(16,814)	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	(3,149)	(3,149)
<b>Balance, June 30, 2018</b>	138,566,163	14,721,797	-	2,339,944	555,927	(12,300,355)	5,317,313
<b>Balance, December 31, 2018</b>	160,876,163	15,394,246	50,000	2,566,614	755,641	(12,524,269)	6,242,232
Share based payments	-	-	-	65,250	-	-	65,250
Shares issued on property purchase agreement	7,750,000	273,750	(50,000)	-	-	-	223,750
Shares issued under private placement	4,900,000	245,000	-	-	-	-	245,000
Valuation of warrants issued	-	(81,495)	-	-	81,495	-	-
Flow through share premium	-	(17,670)	-	-	-	-	(17,670)
Expiry of warrants	-	-	-	133,488	(133,488)	-	-
Shares issued to settle debt	2,712,000	122,040	-	-	-	-	122,040
Gain on settlement of debt	-	-	-	12,000	-	-	12,000
Net loss and comprehensive loss for the period	-	-	-	-	-	(226,328)	(226,328)
<b>Balance, June 30, 2019</b>	176,238,163	15,935,871	-	2,777,352	703,648	(12,750,597)	6,666,274

*The accompanying notes are an integral part of these condensed interim financial statements.*

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

## **1. NATURE OF BUSINESS AND GOING CONCERN**

---

### **Nature of business**

Renforth Resources Inc. (the “Company” or “Renforth”), was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company’s registered and head office is located at 1099 Kingston Road, unit 269, Pickering, Ontario.

These financial statements were approved by the board on August 13, 2019.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The amounts shown as exploration and evaluation assets do not necessarily represent present or future values. Changes in future conditions could require material write-downs to the carrying values of the Company’s assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, First Nations claims, unregistered prior agreements, social licensing requirements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainties.

### **Going concern assumption**

These financial statements are prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write-downs to the carrying value of the exploration and evaluation assets. Such adjustments could be material. Management is aware, in making its assessment of material uncertainties related to events or conditions that cast significant doubt upon the entity’s ability to continue as a going concern. The Company has incurred a net loss of \$226,328 for the six months ended March 31, 2019 (six months ended June 30, 2018 – \$3,149) and has an accumulated deficit of \$12,750,597 (December 31, 2018 - \$12,524,269) and a working capital surplus of \$326,679 (December 31, 2018 – \$850,073).

The recoverability of the costs incurred to date on exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

## **2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

---

### **Basis of presentation**

These condensed interim financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2018.

### **Functional currency**

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

### **Critical judgments and estimation uncertainties**

The preparation of financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- **Assets’ carrying values and impairment charges**

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- **Capitalization of exploration and evaluation costs**

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation costs.

- **Impairment of exploration and evaluation assets**

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company’s properties, costs to sell the properties and the appropriate discount rate.

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

#### **2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)**

---

Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- **Income, value added, withholding and other taxes**

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- **Share-based payments**

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- **Contingences (note 12)**

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

### **3. SIGNIFICANT ACCOUNTING POLICIES**

---

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's December 31, 2018 annual financial statements, except for the adoption of new standards and interpretations as of January 1, 2019.

#### **Recently-Adopted Accounting Pronouncements and Recent accounting pronouncements**

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 had no impact on the financial statements of the Company.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRS 16 had no impact on the financial statements of the Company.

### **4. CAPITAL MANAGEMENT**

---

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants, contributed surplus and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2019.

The Company is not subject to any externally imposed capital requirements.

**RENFORTH RESOURCES INC.****Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

**5. CASH**

	As at June 30, 2019	As at December 31, 2018
Cash in bank	<b>\$ 162,459</b>	<b>\$ 647,536</b>

Cash earns interest based on market rates applicable to each form of interest bearing instrument. Cash is deposited at a reputable financial institution in Canada. The fair value of cash approximates the values disclosed in this note.

**6. EXPLORATION AND EVALUATION ASSETS**

	New Alger	Nixon Bartelman	Parbec	Malartic West	Denain	Total
<b>Acquisition costs</b>						
December 31, 2017	\$ 894,285	\$ 130,000	\$ 265,000	\$ 114,206	\$300,000	\$1,703,491
Option payments	-	-	-	-	(50,000)	(50,000)
Sale of NSR	(190,000)	-	-	-	-	(190,000)
Purchase of NSR	100,000	-	-	-	-	100,000
Additions	-	-	250,000	5,200	11,000	266,200
December 31, 2018	804,285	130,000	515,000	119,406	261,000	1,829,691
Option payment received	-	-	-	-	(50,000)	(50,000)
Option and acquisition payment	-	-	423,750	-	-	423,750
<b>June 30, 2019</b>	<b>\$ 804,285</b>	<b>\$ 130,000</b>	<b>\$ 938,750</b>	<b>\$ 119,406</b>	<b>\$211,000</b>	<b>\$2,203,441</b>
<b>Exploration</b>						
December 31, 2017	\$ 1,502,893	\$ 25,999	\$ 512,113	\$ 29,145	\$228,480	\$2,298,630
Exploration and other geological	106,456	-	1,157,382	-	-	1,263,838
December 31, 2018	1,609,349	25,999	1,669,495	29,145	228,480	3,562,468
Exploration and other geological	32,735	295	540,810	-	-	573,840
<b>June 30, 2019</b>	<b>\$ 1,642,084</b>	<b>\$ 26,294</b>	<b>\$2,210,305</b>	<b>\$ 29,145</b>	<b>\$228,480</b>	<b>\$4,136,308</b>
<b>Carrying amounts</b>						
December 31, 2018	2,413,634	155,999	2,184,495	148,551	489,480	5,392,159
<b>June 30, 2019</b>	<b>\$ 2,446,369</b>	<b>\$ 156,294</b>	<b>\$3,149,055</b>	<b>\$ 148,551</b>	<b>\$439,480</b>	<b>\$6,339,749</b>

Exploration and other geological expenditures in 2018 are net of Quebec tax credits of \$55,234.



## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

#### **6. EXPLORATION AND EVALUATION ASSETS (continued)**

---

##### **New Alger Gold Project**

On January 28, 2013, Renforth entered into an agreement (the "Purchase Agreement") with Cadillac Ventures Inc. ("Cadillac") to acquire a 100% interest in Cadillac's New Alger Property, located in Cadillac Township, Québec, subject to an existing 1% net smelter return royalty ("NSR") and Cadillac would retain an additional 1% NSR. The Purchase Agreement supersedes previous agreements.

In November, 2018, Renforth purchased Cadillac's 1% NSR on New Alger for consideration of \$50,000 and 2 million shares of Renforth. The shares had a fair value of \$50,000, based on the quoted market price of the Company on their date of issuance.

On November 18, 2018, Renforth sold a 1% NSR on New Alger to a third party for \$190,000.

On February 18, 2014, the Company acquired the option to acquire certain properties on the western boundary of Renforth's New Alger project.

The acquisition was subject to several terms and conditions, including the following;

- 1- Renforth shall issue to the vendor 200,000 common shares of Renforth (issued February 14, 2014);
- 2- Upon or before the date which is 12 months from the signing of the agreement Renforth shall carry out \$20,000 in exploratory work on the property, issue to the vendor 100,000 (issued February 18, 2015) Renforth common shares and pay the vendor \$10,000 (paid February 24, 2015), to acquire a 25% interest in the property;
- 3- Upon or before the date which is 24 months from the signing of the agreement Renforth shall carry out \$30,000 in work on the Property, issue to the vendor 250,000 (issued May 25, 2016) Renforth common shares and pay the vendor \$15,000, to earn an additional 30% interest in the property;
- 4- Upon or before the date which is 36 months from the signing of the agreement Renforth shall carry out \$50,000 in work on the property, issue to the vendor 250,000 common shares of Renforth and pay the vendor \$25,000 in cash, to earn Renforth the final 45% interest in the property.

On September 14, 2016 the Company entered into an agreement to acquire 100% of the properties for the following terms:

- issue 450,000 shares (issued September 21, 2016)
- pay \$10,000 prior to January 2017 (paid)
- pay nominal expenses associated with renewal fees
- issue a 1% NSR to the option holder (purchasable for \$1,000,000)

On August 4, 2015, the Company acquired 50 claims adjacent to the New Alger project (the "Bonchamp Claims"). In consideration for these claims, the Company issued 4,000,000 common shares valued at \$0.05 per share based on the quoted market price on the date of issuance.

##### **Nixon Bartleman Property**

On August 4, 2014, Renforth entered into an option agreement to earn a 55% interest in the Nixon-Bartleman Property located in the West Timmins Mining Area, in the western part of the Porcupine Mining Camp.

On April 28, 2016, Renforth negotiated a 100% purchase of the Nixon Bartleman property, subject to a pre-existing 2% NSR, for total consideration of 3 million shares of Renforth and the issuance of an additional 0.5% NSR to the vendor. This purchase replaces the prior option held on the property.

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

## **6. EXPLORATION AND EVALUATION ASSETS (continued)**

---

### **Parbec Gold Project**

On January 29, 2015, the Company entered into a letter of intent to acquire 100% of the Parbec Gold Property ("Parbec") from Globex Mining Enterprises Inc. ("Globex") under the following terms.

- 1) over 4 years make cash payments totaling \$550,000 (\$25,000 within 6 months of signing (paid), \$50,000 within 12 months (paid), \$25,000 within 18 months (paid), \$125,000 within 24 months (paid), \$125,000 within 36 months (paid), and \$200,000 (paid));
- 2) over 4 years incur \$4,000,000 in work costs on the property (\$350,000 in year one, \$500,000 by the end of year two, \$1,150,000 by the end of year three, and \$2,000,000 by the end of year four);
- 3) over 4 years issue a total of 2,000,000 shares to Globex (250,000 on signing (issued), 500,000 before the end of year one (issued), 500,000 before the end of year two (issued), 500,000 before the end of year three (issued), 250,000 before the end of year four (issued)). The fair value of the shares issued was estimated based on the quoted market price of the shares on the date of issuance.
- 4) Globex retains a gross metal royalty on the property of between 1% and 2% (percentage calculated in relationship to the prevailing price of gold at the time of delivery).

On November 13, 2018, the Company signed an amendment to the Parbec agreement whereby the \$4,000,000 in exploration work requirement on the property be extended from January 29, 2019 to January 29, 2020 for the following consideration:

- 1) Renforth shall issue Globex 2,500,000 (issued) common shares on signing the agreement; The fair value of the shares issued was estimated based on the quoted market price of the shares on the date of issuance;
- 2) Renforth shall issue Globex an additional 2,500,000 common shares by January 29, 2020 (issued January 2019). These were presented as shares to be issued on the statement of financial position at December 31, 2018. The fair value of the shares to be issued was estimated at \$50,000 based on the quoted market-price of the shares on the date of the amendment to the agreement;
- 3) Renforth shall register a 1% NSR in Globex's favour against the Company's New Alger project.

In March 2019, Renforth acquired 100% ownership interest in the Parbec Gold Project for the following consideration:

- An additional 1% Gross Metal Royalty on the Parbec Project,
- 5,000,000 shares from Treasury (issued March 27, 2019 along with the 2,500,000 for the original extension agreement (above)). Should Renforth consolidate its shares in the next 4 years Globex will receive an additional 1,500,000 shares post-consolidation,
- Upon the commencement of commercial mining at Parbec a one-time payment shall be made to Globex of \$1,000,000, adjusted for inflation and subject to the deduction of any advance royalty payments made. In consideration of these payments Globex shall grant to Renforth a one-time right of first refusal on the sale of all or any part of Globex's GMR.

### **Malartic West**

On November 6, 2015, the Company acquired 100% of the Malartic West Property. The Malartic West Property, acquired from Knick Exploration for total consideration of 4,000,000 shares of Renforth, is located west of Renforth's Parbec Property, contiguous to the Canadian Malartic Mine property. The property is subject to a 2% NSR and a 2% gross overriding receipts royalty on all diamonds extracted. There is a right to buy back 1% of the royalty for \$1,000,000.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

#### 6. EXPLORATION AND EVALUATION ASSETS (continued)

---

On November 27, 2015, the Company acquired additional claims adjacent to, and also named, the Malartic West Property for total consideration of 2,000,000 shares of Renforth and 2,000,000 common share purchase warrants exercisable for a period of 2 years at a price of \$0.05. The fair value of the shares issued was estimated based on the quoted market price of the shares on the date of issuance

On July 12, 2017, the Company entered into an earn-in and joint ventures agreement on the West Malartic Property with SOQUEM (a subsidiary of Investissement Québec) whereby SOQUEM can earn a 50% interest in the property with an expenditure of \$1.3 million over 3 years.

##### Denain Gold Project

In March 2017, the Company acquired the Denain Gold Project, located on the Cadillac Break. The project is comprised of 145 claims. The claims were acquired for 3,750,000 shares of Renforth to be issued from treasury (note 8) for a 100% interest in 101 claims and an 80% interest in 44 of the claims where the arm's-length vendor only holds an 80% interest in such claims. The vendor will retain a 2% NSR on the claims, half of which (1% of the 2%) can be purchased by Renforth for \$500,000.

On July 7, 2017, Renforth acquired the Pershing claim block from two vendors, the total consideration paid is \$27,000 cash and the issuance of 1,250,000 shares (note 8). The shares issued are restricted for four months from the date of issue. One vendor retains a 2% NSR on 36 of the purchased claims, with Renforth able to buyback half of the NSR (1% NSR) for \$1,000,000 for a period of 10 years. The other vendor retains a 2% Gross Metal Royalty on 3 of the claims.

In May 2018, Renforth granted Chalice Gold Mines Limited ("Chalice") an earn-in option. In order to earn an 80% interest in the Denain-Pershing Property, over a 3-year period, Chalice will make payments to Renforth totaling \$200,000 (\$50,000 of which was paid on entering in to the agreement) and spend \$1,250,000 in work on the property. Once Chalice has earned their interest, a 80/20 joint venture will be formed between Chalice and Renforth.

#### 7. RELATED PARTY TRANSACTIONS AND BALANCES

---

(a) Compensation of key management personnel

Key management includes members of the board of directors, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the six months ended June 30, 2019 and June 30, 2018:

	2019	2018
Salary or other short-term benefits	\$ 90,000	\$ 90,000
Share based payments issued	51,750	-
	<b>\$ 141,750</b>	<b>\$ 90,000</b>

---

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

#### **7. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

---

(b) Other related party balances and transactions

The Company engaged Billiken Management Services Inc. and Minroc Management Limited (“Billiken”), geological consulting companies, to manage the Company’s exploration programs. The Company’s CEO, Nicole Brewster, is a controlling shareholder of Billiken. For the six months ended June 30, 2019, the Company was charged \$488,872 (six months ended June 30, 2018 - \$508,018) in exploration related expenditures, and \$60,000 (six months ended June 30, 2018 - \$60,000) in management fees for the CEO, of which \$45,000 (six months ended June 30, 2018 - \$45,000) was capitalized and recorded in exploration and evaluation assets and \$15,000 (six months ended June 30, 2018 - \$15,000) was charged to general and corporate expense on the statement of loss. On June 10, 2019, the Company settled debt with Billiken in the amount of \$90,400 by the issuance of 1,808,000 common shares. The shares had a market value of \$81,360, and therefore resulted in a gain on settlement of \$9,040. On March 23, 2018, the Company settled debt with Billiken in the amount of \$67,800 by the issuance of 1,356,000 common shares. The shares had a market value of \$54,240, and therefore resulted in a gain on settlement of \$13,560. On October 10, 2018, the Company settled debt with Billiken in the amount of \$130,600 by the issuance of 2,612,000 common shares. The shares had a market value of \$65,300, and therefore resulted in a gain on settlement of \$65,300. These gains were recognized in contributed surplus. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

During the six months ended June 30, 2019, the Company was charged \$30,000 (six months ended June 30, 2018 - \$30,000) in management fees by a corporation owned by the CFO of the Company, for CFO services. As at June 30, 2019, \$5,650 (December 31, 2018 - \$16,950) is owing to this corporation and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On June 10, 2019, the Company settled debt with CFO in the amount of \$45,200 by the issuance of 904,000 common shares. The shares had a market value of \$40,680, and therefore resulted in a gain on settlement of \$4,520. On March 23, 2018, the Company settled debt with the CFO in the amount of \$33,900 by the issuance of 678,000 common shares. The shares had a market value of \$27,120, and therefore resulted in a gain on settlement of \$6,780. On October 10, 2018, the Company settled debt with the CFO in the amount of \$50,850 by the issuance of 1,017,000 common shares. The shares had a market value of \$25,425, and therefore resulted in a gain on settlement of \$25,425. These gains were recognized in contributed surplus.

See note 8

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

## 8. SHARE CAPITAL

### a) Shares authorized

The Company is authorized to issue an unlimited number of preferred and common shares without nominal or par value. No preferred shares have been issued.

### b) Common shares issued and outstanding

Details of shares issued and outstanding are as follows:

	Shares	Amount
Balance, December 31, 2017	124,503,163	\$ 14,181,424
Shares issued under private placement (i)	263,000	13,980
Shares issued in accordance with Parbec option agreement (note 6)	500,000	25,000
Shares issued for services (ii)	4,876,000	233,440
Shares issued on settlement of debt (iii)	2,034,000	81,360
Shares issued under private placement (iv)	6,350,000	317,500
Valuation of warrants (iv)	-	(132,907)
Shares issued for property acquisition	40,000	2,000
Shares issued for debt settlement (v)	3,789,000	94,725
Shares issued under private placement (vi)	1,720,000	89,000
Valuation of warrants (vi)	-	(21,432)
Shares issued for buyback of NSR (note 6)	2,000,000	50,000
Shares issued in accordance with Parbec option agreement (note 6)	2,500,000	50,000
Shares issued under private placement (vii)	12,300,000	615,000
Valuation of warrants (vii)	-	(134,531)
Share issue costs (vii)	-	(60,708)
Flow through share premium	-	(9,606)
<b>Balance December 31, 2018</b>	<b>160,876,163</b>	<b>15,394,246</b>
Shares issued for option payment (note 6)	250,000	11,250
Shares issued for amendment of option agreement (note 6)	2,500,000	87,500
Shares issued for property acquisition (note 6)	5,000,000	175,000
Shares issued under private placement (viii)	4,900,000	245,000
Valuation of warrants (viii)	-	(81,495)
Flow through share premium(viii)	-	(17,670)
Shares issued for debt settlement (ix)	2,712,000	122,040
<b>Balance June 30, 2019</b>	<b>176,238,163</b>	<b>\$ 15,935,871</b>

- (i) On December 31, 2017, the Company completed a private placement financing raising total gross proceeds of \$1,064,980 through the issuance of 4,240,000 common units, and 14,216,333 flow through units. The flow-through units were issued at \$0.06 per unit, comprised of one flow through share and one half of one warrant. A full warrant can be exercised for a period of 18 months into one common share at a price of \$0.12. The common share units were issued at \$0.05 per unit, each unit consists of one common share and one common share purchase warrant, the warrant can be exercised for a period of 24 months to purchase an additional common share at a price of \$0.10. The common warrants on this tranche were assigned a value of \$84,289, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.68%; expected volatility of 164%; expected dividend yield of 0% and an expected life of 2 years. The flow through warrants were assigned a value of \$184,139, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.68%; expected volatility of 149%; expected dividend yield of 0% and an expected life of 1.5 years. Expected volatility was based on historical volatility of the Company. In connection with the offering, the Company incurred cash issue costs of \$61,620 and 568,000 flow through warrants for broker compensation (with a value of \$17,640). \$21,296 of the total issue costs have been allocated to warrants. As at December 31, 2017, 263,000 shares were yet been issued and were classified as shares to be issued. These shares were issued in January 2018.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

#### 8. SHARE CAPITAL (Continued)

---

- (ii) On January 31, 2018, the Company issued 3,840,000 units to consultants as part of their service arrangement. Each unit was comprised of one common share and one warrant with each warrant being exercisable at \$0.10 for two years. The fair value of these warrants was estimated at \$146,000 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 1.79%; expected volatility of 192%, expected dividend yield of 0% and an expected life of 2 years. On March 23, 2018, the Company issued 1,036,000 common shares as partial payment to a service provider to conduct an airborne survey over the Company's New Alger project. The shares were issued at a fair market value of \$0.04 per share based on the quoted market price on the date of issuance.
- (iii) On March 23, 2018 the Company settled debt in the amount of \$101,700 associated with services rendered to Renforth by the President and CEO and the CFO over a period covering 6 months and including HST. A total of 2,034,000 shares were issued to discharge this debt in full. The shares had a fair market value on the date of issuance of \$81,360. See note 7. The difference was accounted for as a gain on settlement and recognized in contributed surplus.
- (iv) On May 30, 2018 the Company closed a private placement with proceeds of \$317,500 raised through the issuance of the issuance of 6,350,000 units at \$0.05 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for 24 months for one common share at \$0.10. The common warrants on this tranche were assigned a value of \$132,907, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.92%; expected volatility of 182%; expected dividend yield of 0% and an expected life of 2 years. Expected volatility was based on historical volatility of the Company.
- (v) On October 10, 2018, the Company issued 3,789,000 common shares, at a fair market value of \$0.025 per share (based on the quoted market price on the date of issuance), to settle \$189,450. \$181,450 of this debt was with related parties (see note 7). The difference was accounted for as a gain on settlement and recognized in contributed surplus.
- (vi) On November 21, 2018 the Company closed a private placement with proceeds of \$89,000 raised through the issuance of the issuance of 1,420,000 common units at \$0.05 per unit and 300,000 flow through units at \$0.06 per FT Unit. Each Unit consists of one common share of the Company and one half of one common share purchase warrant. Each warrant is exercisable for 24 months for one common share at \$0.10. The common warrants on this tranche were assigned a value of \$19,551, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 2.23%; expected volatility of 177%; expected dividend yield of 0% and an expected life of 2 years. Each FT unit consists of one flow through common share of the Company and one-half common share purchase warrant ("FT Warrant"). Each FT warrant is exercisable for 18 months for one common share at \$0.12. The FT warrants on this tranche were assigned a value of \$1,881, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 2.23%; expected volatility of 166%; expected dividend yield of 0% and an expected life of 1.5 years. Expected volatility was based on historical volatility of the Company.
- (vii) On December 31 2018, the Company closed a private placement with proceeds of \$615,000 raised through the issuance of the issuance of 12,300,000 flow through units at \$0.05 per FT Unit. Each FT unit consists of one common share of the Company and one-half common share purchase warrant. Each FT warrant is exercisable for 18 months for one common share at \$0.12. The FT warrants were assigned a value of \$134,531, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 2.23%; expected volatility of 166%; expected dividend yield of 0% and an expected life of 1.5 years. In connection with the offering, the Company incurred cash issue costs of \$51,300 and 336,000 FT warrants for broker compensation (with a value of \$9,408).

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

#### 8. SHARE CAPITAL (Continued)

---

(viii) On April 11, 2019 the Company closed a private placement with proceeds of \$187,000 raised through the issuance of the issuance of 2,240,000 common units at \$0.05 per unit and 1,500,000 flow through units. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for 24 months for one common share at \$0.10. Each flow through unit consisted of one flow through common share and one-half of a common share purchase warrant. Each warrant issued with the flow through units is exercisable for 18 months at \$0.12 per common share. The warrants were assigned a value of \$61,739, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 2.23%; expected volatility of 166%; expected dividend yield of 0% and an expected life of 1.5 - 2 years.

On May 6, 2019 the Company closed a private placement with proceeds of \$58,000 raised through the issuance of the issuance of 760,000 common units at \$0.05 per unit and 400,000 flow through units. The warrants were assigned a value of \$19,756, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 2.23%; expected volatility of 166%; expected dividend yield of 0% and an expected life of 1.5 - 2 years.

(ix) On June 10, 2019 the Company settled debt in the amount of \$135,600 associated with services rendered to Renforth by the President and CEO and the CFO. A total of 2,712,000 shares were issued to discharge this debt in full. The shares had a fair market value on the date of issuance of \$122,040. See note 7. The difference was accounted for as a gain on settlement and recognized in contributed surplus.

#### c) Share purchase warrants

The following summarizes the activity during the six months ended June 30, 2019 and the year ended December 31, 2018:

	Warrants outstanding	Value
		\$
Balance at December 31, 2017	24,785,767	439,834
Issued	18,246,000	448,226
Expired	(5,584,600)	(132,419)
Balance at December 31, 2018	37,447,167	755,641
Issued	3,950,000	81,495
Expired	(9,401,167)	(133,488)
Balance at June 30, 2019	31,996,000	703,648

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

#### 8. SHARE CAPITAL (Continued)

Summary of warrants outstanding as at June 30, 2019:

Number of Warrants Outstanding	Exercise Price	Expiry Date	Weighted Average Remaining Life	Grant Date Fair Value
#	\$		years	\$
(i) 2,000,000	0.07	27-Nov-19	0.41	38,000
(i) 520,000	0.10	19-Sep-19	0.21	8,320
(i) 80,000	0.10	30-Nov-19	0.41	1,280
(ii) 2,030,000	0.10	26-Dec-19	0.49	35,486
(ii) 930,000	0.10	07-Jan-20	0.52	18,079
4,240,000	0.10	31-Dec-19	0.50	76,712
3,840,000	0.10	31-Jan-20	0.58	146,000
6,350,000	0.10	30-May-20	0.91	132,907
150,000	0.12	21-May-20	0.88	1,881
1,420,000	0.10	21-Nov-20	1.39	19,551
6,486,000	0.12	30-June-20	1.00	143,939
2,240,000	0.10	11-Apr-21	1.78	45,333
750,000	0.12	11-Oct-20	1.28	16,406
760,000	0.10	6-May-21	1.85	15,381
200,000	0.12	6-Nov-20	1.35	4,375
31,996,000	0.11		0.87	703,650

- (i) During 2018, the expiry date of these warrants was extended by one year.
- (ii) During 2019, the expiry date of these warrants was extended by six months.

#### d) Stock option plan

The Company has a stock option plan which provides for the granting of options to purchase common shares to a maximum of 10% of the issued and outstanding common shares of the Company to officers, directors, and other service providers at the discretion of the directors. Each option granted under this plan shall be exercisable for a maximum period of five years from the date the option is granted to the optionee. Stock options vest over a period of 12 months.

On February 5, 2018, the Company issued 2,350,000 options to officers, directors and consultants of the Company exercisable for a period of five years at an exercise price of \$0.05 per option. The options vested immediately on the date of grant. The fair value of the options were estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 280%; expected dividend yield of 0%; risk-free interest rate of 1.75%; and expected life of 5 years. The options were valued at \$94,000.

On May 30, 2018, the Company issued 3,550,000 options to officers, directors and consultants of the Company exercisable for a period of five years at an exercise price of \$0.05 per option. The options vested immediately on the date of grant. The fair value of the options were estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 272%; expected dividend yield of 0%; risk-free interest rate of 1.75%; and expected life of 5 years. The options were valued at \$177,500.

On January 30, 2019, the Company issued 1,450,000 options to officers, directors and management of the Company exercisable for a period of five years at an exercise price of \$0.07 per option. 1,150,000 of the options were granted to officers and directors. The options vested immediately on the date of grant. The fair value of the options were estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 234%; expected dividend yield of 0%; risk-free interest rate of 1.75%; and expected life of 5 years. The options were valued at \$65,250.



## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

#### 8. SHARE CAPITAL (Continued)

For the six months ended June 30, 2019, stock option expense of \$65,250 (six months ended June 30, 2018 - \$271,500) was charged to operations with an equivalent offset credited to contributed surplus to reflect the vested portion of the fair value of stock options granted for directors' and officers' compensation.

As at June 30, 2019, the weighted average exercise price of options outstanding and options exercisable were as follows:

	June 30, 2019		December 31, 2018	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding – beginning of year	13,600,000	\$ 0.06	9,375,000	\$ 0.07
Granted	1,450,000	\$ 0.07	5,900,000	\$ 0.05
Expired	(1,000,000)	\$ 0.06	(1,675,000)	\$ 0.05
<b>Outstanding – end of period</b>	<b>14,050,000</b>	<b>\$ 0.06</b>	<b>13,600,000</b>	<b>\$ 0.06</b>
<b>Exercisable – end of period</b>	<b>14,050,000</b>	<b>\$ 0.06</b>	<b>13,600,000</b>	<b>\$ 0.06</b>

As at June 30, 2019 the Company had the following stock options outstanding:

Number of Options Outstanding	Exercise Price (\$'s)	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life (years)
600,000	0.05	26-Feb-20	600,000	0.66
700,000	0.09	7-Aug-20	700,000	1.10
1,500,000	0.07	28-Apr-21	1,500,000	1.83
1,200,000	0.05	19-Sept-21	1,200,000	2.22
2,700,000	0.05	05-Oct-22	2,700,000	3.27
2,350,000	0.05	05-Feb-23	2,350,000	3.57
3,550,000	0.05	30-May-23	3,550,000	3.83
1,450,000	0.07	30-Jan-24	1,450,000	4.56
<b>14,050,000</b>			<b>14,050,000</b>	<b>3.16</b>

The weighted average fair value per option issued during the six months ended June 30, 2019 was \$0.045 (six months ended June 30, 2018 – \$0.046).

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

## 9. LOSS PER COMMON SHARE

The following table sets forth the computation of basic and diluted loss per common share:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Numerator:				
Net loss attributable to common shareholders				
- basic and diluted	\$ (119,273)	\$ (370,490)	\$ (226,328)	\$ (3,149)
Denominator:				
Weighted average common shares outstanding				
- basic	173,211,218	134,366,283	167,380,274	131,133,316
- fully diluted	219,257,218	178,382,049	213,426,274	175,149,082
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

The warrants and options outstanding were excluded from the computation of diluted loss per share in 2019 and 2018 because their impact was anti-dilutive.

## 10. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures during the six months ended June 30, 2019.

### Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these items is remote.

### Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2019, the Company had a cash balance of \$162,459 (December 31, 2018 – \$647,536) to settle current liabilities of \$73,794 (December 31, 2018 - \$168,175).

### Market risk

#### (a) Interest rate risk

The Company has cash balances and no long term debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

#### (b) Foreign exchange risk

The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk.

The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

#### 10. FINANCIAL RISK FACTORS (continued)

##### (c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

##### Fair value of financial assets and liabilities

The Company measures its cash, amounts receivable and accounts payable and accrued liabilities, at amortized cost.

As at June 30, 2019 and December 31, 2018, the fair values of Company's financial instruments approximate their carrying values, given their short-term nature.

#### 11. COMMITMENTS AND CONTINGENCIES

- (a) See note 6 for additional commitments and contingencies on evaluation and exploration assets.
- (b) The Company renounced \$633,000 of qualifying exploration expenditures to the shareholders effective December 31, 2018. Under the "look back" provision governing flow-through shares, \$633,000 of the amount was unspent by the end of 2018 and has to be spent by December 31, 2019.
- (c) The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

#### 12. SUPPLEMENTAL INFORMATION – STATEMENT OF CASH FLOWS

Six months ended June 30,	2019	2018
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
<b>Non-Monetary Transactions:</b>		
Shares issued for debt settlement	\$ 122,040	\$ 81,360
Shares issued under option agreements	\$ 273,750	\$ 25,000
Shares issued for services	\$ -	\$ 233,440

#### 13. GENERAL AND CORPORATE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Management compensation	\$ 22,500	\$ 22,500	\$ 45,000	\$ 45,000
Legal and audit	11,595	10,000	11,595	10,000
Consulting services	75,300	53,288	87,690	116,638
Insurance	2,816	2,135	4,984	4,292
Transfer agent	1,551	1,308	2,176	2,244
Administrative and general	3,561	5,664	15,339	12,333
Listing fees	1,950	4,095	3,900	6,045
	\$ 119,273	\$ 98,990	\$ 170,684	\$ 196,552

**RENFORTH RESOURCES INC.**

**Notes to Condensed Interim Financial Statements (unaudited)**

Three and six months ended June 30, 2019 and June 30, 2018

(Expressed in Canadian dollars)

---

**14. SUBSEQUENT EVENTS**

---

In July 2019, the Company's wholly owned West Malartic Property, is no longer under option with Soquem, and the Company continues to own 100% of the property.

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019**

*The following is a discussion and analysis of the activities, results of operations and financial condition of Renforth Resources Inc. ("Renforth" or the "Company") for three and six months ended June 30, 2019 and the comparable period ended June 30, 2018. The discussion should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended June 30, 2019 and June 30, 2018 and related notes thereto, and the audited annual financial statements for the years ended December 31, 2018 and 2017. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at [www.sedar.com](http://www.sedar.com).*

The effective date for this report is August 13, 2019.

### **Overview of Operations**

Renforth Resources Inc. is a Toronto-based gold exploration company with interests in established exploration camps in both Quebec and Ontario. In the Cadillac-Malartic Gold Camp the Company holds the New Alger project, with an inferred resource of 237,000 ounces of gold above a depth of 200 metres contained in 3,505,000 tonnes with a grade of 2.1g/t Au using a cut-off of 0.75 g/t Au (see press release July 17, 2014) as calculated by Brian H. Newton P. Geo and Philip Burt P. Geo, which is located on the Cadillac Break outside of Cadillac, Quebec and 100% of the Parbec Gold Project where Renforth has established a resource of 368,105 t Indicated at a grade of 3.47 g/t Au containing 37,224 ounces and 9,659,636 t Inferred at a grade of 2.33 g/t Au representing 656,875 ounces. Renforth holds the West Malartic Project, contiguous to, and interpreted from geophysics to be the structural extension of, the Canadian Malartic Mine. The West Malartic Project has been optioned to SOQUEM, a subsidiary of Investissement Quebec, whereby SOQUEM can earn a 50% interest by expenditure of \$1.3 million dollar in approved exploration. East of Val d'Or Renforth has assembled the gold-bearing Denain-Pershing Project, covering both the eastern little explored termination of the Cadillac Break in to the Grenville front and a gold bearing banded-iron formation on the property. In Ontario, the Company owns 100% of the Nixon-Bartleman project, located on the Porcupine-Destor fault in the West Timmins Mining area, another historic gold occurrence with a couple of old shallow pits onsite and a history of past drilling which has not yet defined the gold occurrence.

The New Alger and Parbec Gold Projects represent gold resources offering road access exploration and development with deep labour pools and service providers to draw upon for Renforth, and along with the balance of the property portfolio, an opportunity to build shareholder value through basic exploration on prospective ground with historically identified gold occurrences.

### **Projects**

#### **Parbec Gold Property – 100% owned**

On January 29, 2015, the Company entered into a letter of intent to acquire the Parbec Gold Property ("Parbec") which straddles the Cadillac Break for a strike length of 1.3 km. and encompasses a historic gold occurrence identified in two zones on the property above a depth of 500 feet, and over a strike length of 2000 feet. In addition, historic drilling demonstrates gold intercepts below 500 feet and demonstrates continuity to the east with additional, on property, mineralized occurrences. Further work is required to define this historic gold occurrence, which is open along strike and at depth and meet current reporting guidelines. Parbec is located west of the Town of Malartic Quebec within the Malartic Mining Camp, contiguous to Parbec is the East Amphi deposit (inferred resource of 1.4Mt grading 1.47 g/t Au) which forms part of the Canadian Malartic Mine Property. East Amphi shares the same lithologies and deformation zone as Parbec.

In March 2019, Renforth acquired 100% ownership interest in the Parbec Gold Project for the following consideration:

- An additional 1% Gross Metal Royalty on the Parbec Project,
- 5,000,000 shares from Treasury. Should Renforth consolidate its shares in the next 4 years Globex will receive an additional 1,500,000 shares post-consolidation,
- Upon the commencement of commercial mining at Parbec a one-time payment shall be made to Globex of \$1,000,000, adjusted for inflation and subject to the deduction of any advance royalty payments made. In consideration of these payments Globex shall grant to Renforth a one-time right of first refusal on the sale of all or any part of Globex' GMR.

Parbec, on a never mined portion of the Cadillac Break, is contiguous to the Canadian Malartic super pit mine and its 10 million ounce resource (2014), and immediately adjacent to the East Amphi mine resource portion of Canadian Malartic. Mineralization at Parbec starts on surface and is contained within the 1.8km structural feature of the Break. A ramp in place may provide future access for underground bulk sampling and exploration. Additional exploration potential also exists to the south and the north of the known break on the property.

Renforth has identified five areas of interest on the Property:

1. Drilling from surface within the deposit as modeled, to depth and along strike – the process of detailed modeling that resulted in this initial resource calculation also highlighted “gaps” within the model. Within the outlined resource there are deeper gold intersections, gaps occur between these and the bulk of the resource (100% of the indicated and approximately 73% of the inferred resource is located within 200m of surface). The vertical gaps are priority drill targets. Lastly, the structure is open along strike and represents a prospective target along its length.
2. Dewatering the ramp – the 580 m ramp at Parbec ends at 100 m depth, about 30 m south of the Tuff horizon in the Camp Zone which it is targeting. This ramp, once dewatered, would provide access to sample the ramp, including the felsite zone it was collared in and provide underground drilling stations to investigate the main mineralized zones. Additionally, the ramp could be extended along strike to allow additional drilling at depth and along strike as well as access for bulk sampling of the mineralized zones.
3. Structural exploration – the resource modeling process has identified several areas of elevated gold values occurring in proximity to fault junctions. Some of the best deeper intersections at Parbec occur in this setting. Drilling above and below those intersections to increase known high grade areas is planned.
4. A large intrusive diorite stock, historically identified and verified in the field by Renforth is located in the SW portion of the property, on the south side of the Break. The marginal areas of this intrusive have been found to host elevated gold values in drill intercepts outside of the area of the current resource. An intrusive can be a heat engine for the emplacement of gold as well as provide a prospective environment for mineralization in the fracturing that occurs along the intrusive's margins.
5. Northern exploration targets –additional targets exist to the north of the Cadillac Break.

#### 2019 work programs

In December of 2018 Renforth drilled an additional 7 holes at Parbec, focused on the NW portion of the property, with each hole successfully intersecting gold and further extending the known mineralization on the property.

Parbec Observations:

- Extended Gold Mineralization: Renforth drilled 32 holes at Parbec since December 2017. Each of these holes returned gold values, resulting in an update to the maiden 43-101 resource at Parbec and then a further extension of the mineralization outside of the updated resource domain.
- The discovery of the “magnetic diorite” lithology at Parbec, which upon identification was determined to have been intersected in other of Renforth's and certain historic holes at Parbec.

Magnetic Diorite Significance - Magnetic Diorite identified at Parbec corresponds to iron rich diorite intrusions documented in gold deposits previously mined in the Malartic camp. The former Barnat and East Malartic mines, part of the current adjacent Canadian Malartic Mine property, totalled a production of 26.4 million tonnes for 4 Moz at an

average grade of 4.7 g/t gold (Source: SIGEOM), principally developed inside the Piché Group, in a setting like the Parbec mineralization.

In January-February 2019 Renforth planned a drill program to extend the strike at Parbec and, in this program, explore down-dip extensions of the 2018 43-101 resource estimate at Parbec, 80% of which sits above a depth of 200m (technical report filed on SEDAR Nov. 8/2018). This program consisted of 1767m of drilling in 5 drill holes, successfully extending the strike and the dip of the mineralized zones at Parbec and leading to the discovery, in early 2019, of diorite splays of the Cadillac Break to the south, in the Pontiac sediments, at Parbec.

The Company conducted a spring field program. The results of this May/June field program support the Company's revision of the geological model to include structures parallel to and cross-cutting the Cadillac Break, which are gold bearing, only seen in a handful of instances in property drilling to date. In addition to mineralization at Parbec being present within, and also outside of, the Resource Estimate area in the Cadillac Break, Renforth now sees evidence that there is mineralization outside of the previously assumed constraints of the Cadillac Break, most recently to the south in the sediments, however, mineralization is also known to occur in the volcanics to the north. Recent results in the south include 1.03 g/t Au over 0.2m from narrow quartz veins in the sediments and a grab sample of 4.93 g/t Au from a porphyry interpreted to be a dilation within a diorite splay, also south of the Cadillac Break.

In July 2019, the Company conducted a further prospecting program to complete the washing, mapping and a bit more sampling at Parbec as planned, both within the Cadillac Break and the diorite splay within the Pontiac.

Breakdown of expenses for the six months ended June 30, 2019:

	2018
Management fees	\$ 50,430
Consulting	34,358
Field program	108,922
Drill programs	282,441
Analysis	36,394
Reports	11,990
Data compilation and modelling	8,248
Other	8,027
	<u>\$ 540,810</u>

In addition, the Company paid the \$200,000 and issued 250,000 common shares, in accordance with the original option agreement, issued 2,500,000 common shares in accordance with the amendment to the option agreement and issued a further 5,000,000 common shares to complete the 100% acquisition of the Parbec project.

#### 2019 outlook on Parbec

Several areas exist to be targeted in future exploration at Parbec (subject to available financing), as follows;

- 1- Continued drilling from surface – while Renforth has now demonstrated that the entire 1.8km strike of the Cadillac break on the Parbec property is gold-bearing there are numerous areas within that strike, and below the existing resource, which present opportunities to drill and, with positive results, increase the resource at Parbec.
- 2- Diorite Splay Zone exploration – Renforth has discovered a splay of the Cadillac break in the NW portion of the property, presently understood to be gold-bearing in the sediments where the sediments and the diorites intersect. This area requires additional follow up in terms of both stripping and prospecting as well as eventual drill testing
- 3- Thin-section and metallurgical work will be undertaken at Parbec in order to learn more about the setting of the gold, the presence and the type of alteration indicators and minerals. Additional metallurgical work will be undertaken in order to test varied lithological types for recoverability.

- 4- Renforth will re-evaluate the deposit model for Parbec as a consequence of the current view that the deposit is structurally controlled, thought to be a secondary mineralizing event that has emplaced gold across numerous lithologies and may have created subvertical and/or cross cutting vein systems.

### **New Alger Gold Project – 100% owned**

Wholly owned by Renforth, New Alger hosts a maiden gold resource at surface, to a depth of 200m, with an exploration target of known mineralization between 200m and 350m depth requiring additional drilling to bring up to a resource category. In addition to this resource in the Thompson-Cadillac Mine area of the property, on the Cadillac Break, Renforth has discovered that in the Pontiac Sediments to the south of the mine area are several gold bearing quartz vein “horizons” running parallel to the Cadillac Break. The “Discovery Vein” horizon has seen the most exploration to date, traced over a distance of greater than 450m by Renforth, this veining was also explored from underground in the 1930’s.

The Thompson-Cadillac Mine area is drill ready, with gaps in the maiden resource to infill, as well as an exploration target immediately below the resource, over only part of the 1.4km strike of the Cadillac Break. In addition to these targets there is 105 feet of albitite mineralization intersected in the 1930’s underground, to the north of the mine workings. This is a more significant amount of albitite than appears at either neighbour, it is a target because the rock type is a good host of gold mineralization, associated with significant mineralization in the wider mining camp area.

#### Thompson-Cadillac Mine Area

Class	Tonnes	Au g/t	Total Oz
Inferred	3,505,000	2.1	237,000

- Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or Measured mineral resource category.
- The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

The New Alger Project is strategically located in the Cadillac Mining Camp which boasts over 45 million ounces of gold (produced, reserves and resources). Renforth is positioned in the heart of this camp, Agnico-Eagle and their deep flagship Laronde Mine is the northern neighbour, the former O’Brien Mine is the eastern neighbour, both are/were mines deeper than the Thompson-Cadillac’s historic 340m shaft with current surface mineralization.

### 2019 work programs

Breakdown of expenses for the six months ended June 30, 2019:

	2019
Reports	5,160
Geological consulting	6,000
Claim management	2,600
Other	18,975
	<b>\$ 32,735</b>



In August 2019, the Company concluded a field program at New Alger as follows:

- Sampling in the areas of the two access trails to the Discovery Veins stripped area was completed, outcropping on surface in several locations and on each trail was blue/grey quartz veining with sulphides present. In one instance several veins of varying thickness and with blowouts extends over a length (E/W) of approximately 20m and a width (N/S) of approximately 5m, this is thought to be the surface expression of a 1930's horizontal hole drilled during the advancement of a tunnel which ends under the main blast pit of the Discovery Veins.
- At the SW and NE end of the previously stripped gold bearing Discovery Vein system, and along the northern edge of the central portion, Renforth was able to complete additional sampling which was not completed during the initial program, visually this sampling continues the quartz veining structures, the presence of mineralization will be determined by assaying which is currently being done to samples obtained.
- Completed preliminary prospecting and some initial soil sampling in the southern claims at New Alger where government data offers some of the highest soil samples obtained in the area.

### **Nixon Bartleman Property – 100% owned**

Renforth holds 100% of the Nixon-Bartleman project, subject to a 2.5% NSR, consisting of four patents and 24 staked claims over an area of 313Ha, straddling the Porcupine Distor Deformation Zone, in the Porcupine Mining Camp of the West Timmins Mining area, approximately 45 km SW of Timmins, only 10 kms SW of Lakeshore's West Timmins Mine.

This property is known to host five gold bearing quartz veins in a structurally complex environment. An initial exploration program on the property obtained gold values at surface in cut channel samples and extended the strike of the surface mineralization.

The property has seen historic drilling, assay results include up to 40 g/t gold and intersected a gold-bearing porphyry. Renforth has the core from this program.

This property has seen exploration, including 43 drillholes, in fits and starts, making a comprehensive mapping and sampling program, along with a data compilation, Renforth's first area of focus.

There was no work on the property during the six months ended June 30, 2019. Future work is dependent on obtaining additional financing.

### **Denain Gold Project, Val d'Or, Quebec**

In March 2017, the Company acquired the Denain Gold Project, located on the Cadillac Break, approximately 10km east of the former Chimo Mine. The Project, comprised of 145 claims over ~7700 Ha, hosts the Americ Au Occurrence and the Matchi-Manitou and Sullivan Cu/Zn Occurrences.

#### **Denain Pershing Project**

In July 2017, the Company acquired the gold bearing 2244 Ha Pershing claim block, this block bridges the distance between Renforth's Denain Property and Monarque's Croinor deposit, contiguous to both. Gold mineralization is present in association with a series of iron formation units, shear zones and hydrothermally altered zones. Elevated gold assays are reported in DDH and trenches from exploration programs in the 1980s and 1990s, which targeted the iron formations and shear structures in several locations across the Pershing block. The most recent results are reported in Forest Gate Energy DDH FG11-05: a result of 145 g/t Au in a first screen analysis and 44.6 g/t Au in the second screen analysis of the same sample, taken from 190.35 to 190.65 m. The variability of the results based upon material size passing through a screen is indicative of coarse gold. In hole FG11-04 assay results reported were 18.3 g/t Au over .015m and 10.5 g/t Au over 0.20m. These results were reported by a prior operator, Forest Gate Energy, by press release August 11, 2011. Renforth encourages the reader to reference that press release for details of sampling and quality control undertaken at that time pursuant National Instrument 43-101.

This acquisition brings the Denain Pershing project size to a total of 10001.28 Ha.

In May 2018 an earn-in option was granted to Chalice Gold Mines Limited (“Chalice”) of Western Australia on the Denain-Pershing Property. In addition, Chalice participated in Renforth’s May 2018 financing transaction in the amount of \$250,000.

In order to earn an 80% interest in the Denain-Pershing Property, over a 3 year period, Chalice will make payments to Renforth totaling \$200,000 and spend \$1,250,000 in work on the property. Once Chalice has earned their interest an 80/20 joint venture will be formed between Chalice and Renforth.

### **Malartic West**

The Property is contiguous to the operating Canadian Malartic Mine and hosts the western extension of the geological units present at the Canadian Malartic Mine.

In July 2017, the Company entered in to an earn-in and joint ventures agreement (the “Agreement”) for Renforth’s 100% held West Malartic Property (the “Property”) with SOQUEM whereby SOQUEM can earn a 50% interest in the Property with an expenditure of \$1.3 million over 3 years.

Under the terms of the Agreement the program spending shall be divided over 3 years with the first-year spending requirement of \$300,000 being a firm commitment. SOQUEM, as operator during the earn-in period, has elected to undertake field prospecting and a detailed IP survey, with Renforth’s approval. This work will be done in order to better define the presence of the interpreted porphyry monzonite and tonalite dykes on the property which, on the adjacent Canadian Malartic property, host mineralization.

Upon SOQUEM completing the \$1.3 million expenditure over 3 years, or sooner, and earning the 50% interest a joint-venture will be formed with terms and conditions typical of a joint venture.

In July, 2019, the Agreement with Soquem was dropped. The option was entered into with a very specific exploration mandate focussed on the central part of the property, which was not met, however, the exploration work carried out on the property was filed for work declaration and will keep the claims in good standing for a period of time. Interesting results and important new information were generated in the option process and Renforth benefits from having work filed on the property without any dilution occurring.

Subsequent to the end of the option agreement, the Company conducted some initial prospecting and sampling on the property. The targets of this effort were reported copper and gold showings on the property, Renforth will report on this program and its results once they are received.

### **Results of Operations**

	<b>Three month ended June 30</b>		<b>Six month ended June 30</b>	
	<b>2019</b>	2019	<b>2019</b>	2018
<b>Expenses</b>				
General and corporate	\$ 119,273	\$ 98,990	\$ 170,684	\$196,552
Share based payments	-	271,500	65,250	271,500
<b>Loss before other items</b>	<b>\$ (119,273)</b>	\$ (370,490)	<b>\$ (235,934)</b>	\$(468,052)
<b>Other items</b>				
Flow through share premium	-	-	9,606	434,203
Gain on settlement of debt	-	-	-	30,700
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (119,273)</b>	\$ (370,490)	<b>\$ (226,328)</b>	\$ (3,149)

### *Revenues*

The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue. No revenues have been reported for three and six months ended June 30, 2019 and June 30, 2018.

*Other items*

Other income – flow through share premium

During 2018 the Company issued flow through shares. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation was made based on the difference between the price of a non-flow through share and the amount the investor paid for the flow-through share. A liability was recognized for this difference. The liability was reduced and the reduction of premium liability was recorded in other income on the date when the Company filed the appropriate renunciation forms with the Canadian taxation authorities.

*Gain on settlement of debt* – During 2018, the Company settled debt with the issuance of common shares. On the date of issuance, the shares had a value per share less than the settlement value resulting in a gain on settlement.

*General and Corporate* - breakdown for the three and six months ended June 30, 2019 and June 30, 2018:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Management compensation	\$ 22,500	\$ 22,500	\$ 45,000	\$ 45,000
Legal and audit	11,595	10,000	11,595	10,000
Consulting services	75,300	53,288	87,690	116,638
Insurance	2,816	2,135	4,984	4,292
Transfer agent	1,551	1,308	2,176	2,244
Administrative and general	3,561	5,664	15,339	12,333
Listing fees	1,950	4,095	3,900	6,045
	\$ 119,273	\$ 98,990	\$ 170,684	\$ 196,552

Management compensation for the three and six months ended June 30, 2019 is comprised of CEO fees of \$7,500 and \$15,000 (three and six months ended June 30, 2018 - \$7,500 and \$15,000) and CFO management fees of \$15,000 and \$30,000 (three and six months ended June 30, 2018 - \$15,000 and \$30,000). \$45,000 (2018 - \$45,000) of fees relating to the CEO was capitalized to the exploration and evaluation assets as they directly related to managing the Company's properties and exploration programs.

Consulting fees includes expenses related to financial communications companies for business development and public and investor relations services.

*Share based payments* – Includes a total of \$65,250 (2018 - \$271,500) expensed with respect to the portion of options vesting during the period. The share-based payments expense does not affect the cash resources of the Company. The timing of this expense is subject to the date of issue and vesting terms of the options and warrants. The values of the options and warrants are derived using the Black Scholes option pricing model in which subjective assumptions are used.

## Summary of Quarterly Results

	QTR	QTR	QTR	QTR	QTR	QTR	QTR	QTR
	2	1	4	3	2	1	4	3
	2019	2019	2018	2018	2018	2018	2017	2017
Revenue	--	--	--	--	--	--	--	--
Net Income (Loss) and Comprehensive Income (Loss) per common share basic and fully diluted	\$(119,273)	\$(107,055)	\$(155,446)	\$(68,468)	\$(370,490)	\$367,341	\$(201,842)	\$(52,934)
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects.

### Liquidity and Capital Resources

As at June 30, 2019 the Company's cash decreased to \$162,459 from \$647,536 at December 31, 2018. The Company's working capital was \$326,525 compared to \$850,073 at December 31, 2018. The decrease in cash was attributed to \$38,763 cash spent on operating activities, \$768,840 spent on the company's projects. These cash outflows were offset by net proceeds of \$245,000 received on the issuance of common shares.

The Company is in discussions with a number of parties regarding providing additional financings for the Company.

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity financing for growth. The ability of the Company to continue operations and carry out further desired exploration activities over the course of the next 12 months is dependent upon obtaining additional financing. The Company will seek to raise additional funding to finance future exploration programs. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource based junior companies, in addition to the results of the Company's exploration programs and the acquisition of additional projects. There can be no guarantee that the Company will be able to secure any required financing.

### Off-Balance Sheet arrangements

There are no off-balance sheet arrangements as at the date of this MD&A.

### Related Party Transactions

Key management includes members of the board of directors, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the six months ended June 30, 2019 and June 30, 2018:

	2019	2018
Salary or other short-term benefits	\$ 90,000	\$ 90,000
Share based payments issued	51,750	-
	<b>\$ 141,750</b>	<b>\$ 90,000</b>

### Other related party balances and transactions

The Company engaged Billiken Management Services Inc. and Minroc Management Limited (“Billiken”), geological consulting companies, to manage the Company’s exploration programs. The Company’s CEO, Nicole Brewster, is a controlling shareholder of Billiken. For the six months ended June 30, 2019, the Company was charged \$488,872 (six months ended June 30, 2018 - \$508,018) in exploration related expenditures, and \$60,000 (six months ended June 30, 2018 - \$60,000) in management fees for the CEO, of which \$45,000 (six months ended June 30, 2018 - \$45,000) was capitalized and recorded in exploration and evaluation assets and \$15,000 (six months ended June 30, 2018 - \$15,000) was charged to general and corporate expense on the statement of loss. On June 10, 2019, the Company settled debt with Billiken in the amount of \$90,400 by the issuance of 1,808,000 common shares. The shares had a market value of \$81,360, and therefore resulted in a gain on settlement of \$9,040. On March 23, 2018, the Company settled debt with Billiken in the amount of \$67,800 by the issuance of 1,356,000 common shares. The shares had a market value of \$54,240, and therefore resulted in a gain on settlement of \$13,560. On October 10, 2018, the Company settled debt with Billiken in the amount of \$130,600 by the issuance of 2,612,000 common shares. The shares had a market value of \$65,300, and therefore resulted in a gain on settlement of \$65,300. These gains were recognized in contributed surplus. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

During the six months ended June 30, 2019, the Company was charged \$30,000 (six months ended June 30, 2018 - \$30,000) in management fees by a corporation owned by the CFO of the Company, for CFO services. As at June 30, 2019, \$5,650 (December 31, 2018 - \$16,950) is owing to this corporation and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On June 10, 2019, the Company settled debt with CFO in the amount of \$45,200 by the issuance of 904,000 common shares. The shares had a market value of \$40,680, and therefore resulted in a gain on settlement of \$4,520. On March 23, 2018, the Company settled debt with the CFO in the amount of \$33,900 by the issuance of 678,000 common shares. The shares had a market value of \$27,120, and therefore resulted in a gain on settlement of \$6,780. On October 10, 2018, the Company settled debt with the CFO in the amount of \$50,850 by the issuance of 1,017,000 common shares. The shares had a market value of \$25,425, and therefore resulted in a gain on settlement of \$25,425. These gains were recognized in contributed surplus.

## **Proposed Transactions**

There is no imminent decision by the Board of Directors of the Company with respect to any transaction.

## **Critical Accounting Estimates**

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

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

### Estimates and assumptions

- the recoverability of amounts receivable and prepayments which are included in the statement of financial position;
- the estimated useful lives of equipment which are included in the statement of financial position and the related depreciation included in the statement of loss and comprehensive loss;
- the estimated value of the exploration and development costs which is recorded in the statement of financial position;
- the inputs used in accounting for share based payment expense in the statement of comprehensive loss;
- management’s position that there is no income tax considerations required within these financial statements;
- the assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of those properties where applicable.
- contingencies

## Recent accounting pronouncements

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's December 31, 2018 annual financial statements, except for the adoption of new standards and interpretations as of January 1, 2019.

### Recently-Adopted Accounting Pronouncements and Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have been adopted and have had no material impact on the Company.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 became effective for annual periods beginning on or after January 1, 2019.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 became effective for annual periods beginning on or after January 1, 2019.

## Commitments and Contingencies

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

- (a) See note 6 (to the condensed interim financial statements for the three and six months ended June 30, 2019) for additional commitments and contingencies on evaluation and exploration assets.
- (b) The Company renounced \$633,000 of qualifying exploration expenditures to the shareholders effective December 31, 2018. Under the “look back” provision governing flow-through shares, \$633,000 of the amount was unspent by the end of 2018 and has to be spent by December 31, 2019.
- (c) The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and

## **Risk Factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures during the six months ended June 30, 2019.

### **Credit risk**

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these items is remote.

### **Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2019, the Company had a cash balance of \$162,459 (December 31, 2018 – \$647,536) to settle current liabilities of \$73,794 (December 31, 2018 - \$168,175).

### **Market risk**

#### **(a) Interest rate risk**

The Company has cash balances and no long-term debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

#### **(b) Foreign exchange risk**

The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk.

The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

#### **(c) Price risk**

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

### **Fair value of financial assets and liabilities**

The Company measures its cash, amounts receivable, and accounts payable and accrued liabilities at amortized cost.

As at June 30, 2019, the fair values of Company's financial instruments approximate their carrying values, given their short-term nature.

## **Disclosure of Outstanding Share Data**

The following is for disclosure of information relating to the outstanding securities of the Company:

As at the date of this MD&A the Company had 176,238,163 common shares issued and outstanding.

As at the date of this MD&A the Company had 31,996,000 warrants outstanding.

As at the date of this MD&A the Company had 14,050,000 stock options outstanding.

## **Other Disclosure**

### **Risks**

The Corporation's business is subject to a variety of risks and uncertainties. The exploration and development of mineral properties entails significant financial risk. Significant expenditures are required to assess a property and its mineralization.

### **Price Volatility**

Any future earnings will be directly related to the price of precious and base metals. Such prices have fluctuated over time and are affected by numerous factors beyond the control of the Corporation.

### **Mining Risk**

Renforth's mining exploration operations are subject to conditions beyond its control, which can affect the cost of the work for varying lengths of time.

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the Corporation's level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish mineral reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

### **Environment**

Operations, development and exploration projects could potentially be affected by environmental laws and regulations of the country in which the activities are undertaken. The environmental standards continue to change and the global trend is to a longer, more complex process. Although the Corporation continuously reviews environmental matters and undertakes to comply with changes as expeditiously as possible, there is no assurance that existing or future environmental regulation will not materially adversely affect the Corporation's financial condition, liquidity and results of operation.

Certain environmental issues, such as storm events, tailings storage seepage, dust and noise emissions, while having been assessed and strategies based on best practices have been adopted, there can be no assurance an unforeseen event will not occur which could have a material adverse effect on the viability of the Corporation's business and affairs.

### **Government Regulation**

The Corporation's operations are subject to significant regulation and laws which control not only the exploration and mining of mineral properties but also the possible effects of such activities upon the environment. Changes in current legislation or future legislation could result in additional expenses, restrictions and delays.

### **Key Personnel**

The Corporation's future success is dependent in large part upon the continued services of certain key personnel. Failure to retain such personnel or failure to attract qualified management in the future, could adversely affect the Corporation's ability to manage its operations.

### **Financing**

Renforth is dependent upon raising financing from third parties in order to continue its operations. There is no guarantee that such financing will be available on commercially suitable terms or at all. Failure to obtain additional financing will materially adversely affect the operations and business of the Corporation.

### **Forward-Looking Statements**

*This Management's Discussion and Analysis of Financial Conditions and Results of Operations contains certain forward-looking statements. All statements other than statements of historical fact that address activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are based upon certain assumptions and analyses made by management in light of its*



*experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including the considerations discussed herein and in other documents filed from time to time by the Corporation with Canadian security regulatory authorities, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Corporation's control. These factors may cause the actual results of the Corporation to differ materially from those discussed in the forward-looking statements and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on Renforth Resources Inc. All of the forward-looking statements made herein are qualified by the foregoing cautionary statements.*