

## FORM 5 - QUARTERLY LISTING STATEMENT

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

Trading Symbol: RFR

### SCHEDULE A: FINANCIAL STATEMENTS

See the attached financial statements for the interim period ending June 30, 2013.

### SCHEDULE B: SUPPLEMENTARY INFORMATION

#### 1. Related party transactions

See note 8 to the attached financial statements for the three and six months ended June 30, 2013.

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

(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
January 28, 2013	Common shares	Purchase agreement	2,000,000	\$0.05	\$100,000	Mineral exploration property	Not related	n/a

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
June 19, 2013	500,000	Nicole Brewster, CEO		\$0.10	June 19, 2018	\$0.04
June 19, 2013	200,000	Kyle Appleby, CFO		\$0.10	June 19, 2018	\$0.04
June 19, 2013	300,000	David Wahl, Director		\$0.10	June 19, 2018	\$0.04
June 19, 2013	200,000	Denis Simmard,		\$0.10	June 19, 2018	\$0.04

		Director				
June 19, 2013	300,000	Wally Rudensky, Director		\$0.10	June 19, 2018	\$0.04
June 19, 2013	200,000	Judi Wood, Director		\$0.10	June 19, 2018	\$0.04
June 19, 2013	75,000		Consultant	\$0.10	June 19, 2018	\$0.04
June 19, 2013	100,000		Consultant	\$0.10	June 19, 2018	\$0.04
June 19, 2013	200,000		Consultant	\$0.10	June 19, 2018	\$0.04

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

Shares Authorized	Issued and Outstanding
Common Shares, unlimited number of shares	30,465,672 common shares issued and outstanding; the recorded value for shares issued and outstanding is \$10,950,345

- (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 Stock Options Outstanding	Exercise Price	Expiry Date
100,000	1.40	10-Nov-13
250,000	0.50	26-Oct-15
90,000	0.25	22-Sep-16
80,000	0.25	21-Nov-16
50,000	0.25	20-Apr-17
2,075,000	0.10	19-June-18
2,645,000		

Number of Warrants Outstanding	Exercise Price	Expiry Date
1,125,000	\$ 0.05	17-Dec-13
1,802,500	\$ 0.07	17-Dec-13
2,927,500		

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

**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

Denis Simard - Director

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

See attached MD&A for the period ending June 30, 2013

**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 1, 2013\_\_\_\_\_.

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, 2013	Date of Report YY/MM/D 13/08/01
Issuer Address 65 Front Street East, Suite 304		
City/Province/Postal Code  Toronto, Ontario/M5E 1B5	Issuer Fax No. (416) 368- 3151	Issuer Telephone No. (416) 368 - 5069
Contact Name Kyle Appleby	Contact Position CFO	Contact Telephone No. 416- 368-5049
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.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

## **NOTICE TO SHAREHOLDERS**

The accompanying condensed interim financial statements of Renforth Resources Inc. for the three and six months ended June 30, 2013 and 2012 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, 2013 and 2012 nor have they conducted any procedures with respect to the supplementary financial schedules included herein.

**RENFORTH RESOURCES INC.****Condensed Interim Statements of Financial Position**

(Expressed in Canadian dollars)  
(unaudited)

	As at June 30, 2013	As at December 31, 2012
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents ( <i>note 5</i> )	\$ 81,973	\$ 540,172
Sales tax receivable	19,175	21,638
Prepaid expenses and deposits	8,531	3,013
Total current assets	109,679	564,823
<b>Non-current assets</b>		
Equipment ( <i>note 6</i> )	1,815	2,105
Exploration and evaluation assets ( <i>notes 7 and 8</i> )	1,402,229	1,014,059
Total non-current assets	1,404,044	1,016,164
<b>TOTAL ASSETS</b>	<b>\$ 1,513,723</b>	<b>\$ 1,580,987</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities ( <i>note 8</i> )	\$ 98,276	\$ 161,100
Deferred flow through share premium	-	5,250
Total liabilities	98,276	166,350
<b>Equity</b>		
Share capital ( <i>note 9 (b)</i> )	10,950,345	10,850,345
Warrant reserve ( <i>note 9 (c)</i> )	33,895	33,895
Contributed surplus	1,573,986	1,505,483
Accumulated deficit	(11,142,779)	(10,975,086)
Total equity	1,415,447	1,414,637
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,513,723</b>	<b>\$ 1,580,987</b>

**Going concern** (*note 1*)

**Commitments and options** (*notes 7 and 12*)

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

Approved by the Board

Signed:

“Nicole Brewster”, Director

Signed:

“Wally Rudensky”, Director

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

For the three and six months ended June 30, 2013 and June 30, 2012

(Expressed in Canadian dollars)

(unaudited)

	Three Months Ended June 30		Six months ended June 30	
	2013	2012	2013	2012
<b>Expenses</b>				
General and corporate ( <i>note 14</i> )	\$ 60,749	\$ 126,321	\$ 104,440	\$ 226,693
Share based payments ( <i>note 9(d)</i> )	68,475	1,900	68,503	6,600
<b>Loss before other items</b>	\$ (129,224)	\$ (128,221)	\$ (172,943)	\$ (233,293)
<b>Other items</b>				
Gain on settlement of debt	-	580,855	-	580,855
Loss on sale of mineral claims	-	(63,000)	-	(63,000)
Other income – flow through premium	-	-	5,250	-
Interest income	-	569	-	569
<b>Net (loss) income and comprehensive (loss) income for the period</b>	\$ (129,224)	\$ 390,203	\$ (167,693)	\$ 285,131
<b>Basic and fully diluted (loss) income per share (<i>note 10</i>)</b>	\$ (0.00)	\$ 0.02	\$ (0.01)	\$ 0.01

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

**RENFORTH RESOURCES INC.****Condensed Interim Statements of Cash Flows**

For the six months ended June 30, 2013 and June 30, 2012

(Expressed in Canadian dollars)

(Unaudited)

	2013	2012
<b>Cash flow from operating activities</b>		
Net loss for the period	\$ (167,693)	\$ 285,131
Items not affecting cash		
Share based payments	68,503	6,600
Gain on settlement of debt	-	(580,855)
Loss on sale of mineral claims	-	63,000
Other income	(5,250)	-
Depreciation	290	507
	(104,150)	(225,617)
Changes in non-cash working capital		
Sales tax receivable	2,463	(33,117)
Accounts payable and accrued liabilities	(122,824)	59,108
Prepaid expenses and deposits	(5,518)	(980)
Total cash flows from operating activities	(230,029)	(200,606)
<b>Cash flow from investing activities</b>		
Additions to exploration and evaluation assets	(228,170)	(58,539)
Proceeds on sale of mining claims	-	387,000
Total cash flows from investing activities	(228,170)	328,461
<b>Decrease in cash and cash equivalents</b>	(458,199)	127,855
<b>Cash and cash equivalents beginning of period</b> (note 5)	<b>540,172</b>	<b>254,691</b>
<b>Cash and cash equivalents, end of period</b> (note 5)	<b>\$ 81,973</b>	<b>\$ 382,546</b>

*Supplemental information (note 13)**The accompanying notes are an integral part of these financial statements.*

# RENFORTH RESOURCES INC.

## Condensed Interim Statements of Changes in Equity

For the six months ended June 30, 2013 and June 30, 2012

(Expressed in Canadian dollars)

(Unaudited)

	Share capital	Share capital	Contributed surplus	Warrant reserve	Deficit	Total
	#	\$	\$	\$	\$	\$
<b>Balance, December 31, 2011</b>	19,999,934	10,548,903	1,242,857	294,073	(6,244,342)	5,841,491
Shares issued on settlement of debt	2,615,744	65,393	-	-	-	65,393
Share based payments	-	-	6,600	-	-	6,600
Net income and comprehensive income for the period	-	-	-	-	285,131	(285,131)
<b>Balance, June 30, 2012</b>	22,615,678	10,614,296	1,249,457	294,073	(5,959,211)	6,198,615
<b>Balance, December 31, 2012</b>	28,465,672	10,850,345	1,505,483	33,895	(10,975,086)	1,414,637
Shares issued under property purchase agreement	2,000,000	100,000	-	-	-	100,000
Share based payments	-	-	68,503	-	-	68,503
Net loss and comprehensive loss for the period	-	-	-	-	(167,693)	(167,693)
<b>Balance, June 30, 2013</b>	30,465,672	10,950,345	1,573,986	33,895	(11,142,779)	1,415,447

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

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(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 65 Front Street East, Suite 304, Toronto, Ontario M5E 1B5.

These financial statements were approved by the board on August 1, 2013.

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 mineral properties and deferred exploration expenditures 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, 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.

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.

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.

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

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

---

### **a) Statement of compliance**

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, 2012.

### **b) Basis of presentation**

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective or available for the Company's reporting date.

## **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, 2012 annual consolidated financial statements, except for the adoption of new standards and interpretations as of January 1, 2013.

The following IFRS standards became effective for the Company on January 1, 2013.

### **IFRS 7 — Financial Instruments**

IFRS 7 — Financial Instruments Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of the amendment to IFRS 7 had no impact on the financial statements.

### **IFRS 10 - Consolidated Financial Statements**

IFRS 10, "Consolidated Financial Statements" (IFRS 10) was issued by the IASB on May 12, 2011 and will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidated - Special Purpose Entities. IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and continuous reassessment as facts and circumstances change. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 10 had no impact on the financial statements.

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

#### **IFRS 11 – Joint Arrangements**

IFRS 11, Joint Arrangements (IFRS 11) was issued by the IASB on May 12, 2011 and will replace IAS31, Interest in Joint Ventures. The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidations will be removed and replaced with equity accounting. IFRS 11 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 11 had no impact on the financial statements.

#### **IFRS 12 – Disclosure of Interest in Other Entities**

IFRS 12, Disclosure of Interest in Other Entities was issued by the IASB on May 12, 2011. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 12 had no impact on the financial statements.

#### **IFRS 13 – Fair Value Measurement**

IFRS 13, Fair Value Measurement was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 13 had no impact on the financial statements.

#### **IAS 1 – Presentation of Financial Statements**

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended by the IASB in June 2011. As a result of the amendment, items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The adoption of IAS 1 had no impact on the financial statements.

#### **IAS 28 - Investments in Associates and Joint Ventures**

IAS 28 - Investments in Associates and Joint Ventures (“IAS 28”) was issued by the IASB in May 2011 and supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 defines significant influence as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. IAS 28 also provides guidance on how the equity method of accounting is to be applied and also prescribes how investments in associates and joint ventures should be tested for impairment. The adoption of IAS 28 had no impact on the financial statements.

### **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.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements

June 30, 2013

(Expressed in Canadian dollars)

#### 4. CAPITAL MANAGEMENT (continued)

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. There were no changes in the Company's approach to capital management during the six months ended June 30, 2013. The Company is not subject to externally imposed capital requirements.

#### 5. CASH AND CASH EQUIVALENTS

	As at June 30, 2013	As at December 31, 2012
Cash in bank	\$ 41,681	\$ 499,880
Short term bank deposits	40,292	40,292
	<b>\$ 81,973</b>	<b>\$ 540,172</b>

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

#### 6. EQUIPMENT

	Computer equipment	Furniture	Total
<b>Cost</b>			
January 1, 2012	\$ 4,231	\$ 3,964	\$ 8,195
Additions	-	-	-
December 31, 2012	4,231	3,964	8,195
Additions/Dispositions	-	-	-
<b>June 30, 2013</b>	<b>\$ 4,231</b>	<b>\$ 3,964</b>	<b>\$ 8,195</b>
<b>Accumulated Depreciation</b>			
January 1, 2012	\$ 3,064	\$ 2,137	\$ 5,201
Depreciation	524	365	889
December 31, 2012	3,588	2,502	6,090
Depreciation	144	146	290
<b>June 30, 2013</b>	<b>\$ 3,832</b>	<b>\$ 2,648</b>	<b>\$ 6,380</b>
<b>Carrying amounts</b>			
December 31, 2012	643	1,462	2,105
<b>June 30, 2013</b>	<b>\$ 499</b>	<b>\$ 1,316</b>	<b>\$ 1,815</b>

# RENFORTH RESOURCES INC.

## Notes to Condensed Interim Financial Statements

June 30, 2013

(Expressed in Canadian dollars)

### 7. EXPLORATION AND EVALUATION ASSETS

	New Alger	Red Lake/Mink Lake	Kyle Properties	Attawapiskat	Total
<b>Acquisition costs</b>					
January 1, 2012	\$ 137,500	\$ -	\$ 30,000	\$ 626,777	\$ 794,277
Additions	20,000	52,393	-	-	72,393
Write down	-	-	(30,000)	(395,777)	(425,777)
Dispositions	-	-	-	(231,000)	(231,000)
December 31, 2012	157,500	52,393	-	-	209,893
Additions	120,000	-	-	-	120,000
<b>June 30, 2013</b>	<b>\$ 277,500</b>	<b>\$ 52,393</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 329,893</b>
<b>Exploration</b>					
January 1, 2012	\$ 587,188	\$ -	\$ 3,570,458	\$ 1,212,694	\$ 5,370,340
Exploration and other geological	123,820	93,158	(1,900)	-	215,078
Write down	-	-	(3,568,558)	(993,694)	(4,562,252)
Disposition	-	-	-	(219,000)	(219,000)
December 31, 2012	711,008	93,158	-	-	804,166
Exploration and other geological	102,823	165,347	-	-	268,170
<b>June 30, 2013</b>	<b>\$ 813,831</b>	<b>\$ 258,505</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,072,336</b>
<b>Carrying amounts</b>					
December 31, 2012	\$ 868,508	\$ 145,551	\$ -	\$ -	\$ 1,014,059
<b>June 30, 2013</b>	<b>\$ 1,091,331</b>	<b>\$ 310,898</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,402,229</b>

### New Alger Gold Project – Quebec

On November 1, 2009, Renforth entered into an agreement (the “agreement”) with Cadillac Ventures Inc. (“Cadillac”) whereby Renforth shall have the right to acquire from Cadillac a 51% interest in the New Alger gold property in Québec (the “Property”). Renforth may acquire a 51% interest in the Property through (a) the payment of \$250,000 in cash over a period of 3 years to Cadillac, (b) the issuance of 2,500,000 (500,000 common shares post share consolidation) common shares over a period of 2 years to Cadillac and (c) upon spending a minimum of \$2,500,000 in exploration on the Property over a period of 3 years. Upon completion of its obligations, the parties shall be contributing as to the property – 51% Renforth and 49% Cadillac.

As per the original agreement, Renforth shall pay to Cadillac the following amounts on the following dates:

	Cash	Shares
Formation date	\$10,000 paid	-
Formation date plus 60 days	15,000 paid	500,000 (100,000 shares post share consolidation)– issued
Formation date plus 12 months	25,000 paid	1,000,000 (200,000 shares post share consolidation)– issued
Formation date plus 24 months	100,000	1,000,000 (200,000 shares post share consolidation) – issued
Formation date plus 36 months	100,000	-
	<u>\$250,000</u>	<u>2,500,000</u> (500,000 shares post share consolidation)

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

#### **7. EXPLORATION AND EVALUATION ASSETS - continued**

---

##### **New Alger Gold Project (continued)**

On January 28, 2013, Renforth entered into an agreement (the "**Purchase Agreement**") with Cadillac to acquire a 100% interest in Cadillac's New Alger Property, located in Cadillac Township, Québec. The Purchase Agreement supersedes previous agreements, as amended, and as described in Note 7.

The Purchase Agreement provides for the payment to Cadillac of the following: (i) \$20,000 cash and 2,000,000 common shares of Renforth at the time of signing the Agreement, (ii) \$210,000 cash by June 15, 2013 (currently finalizing terms on an extension of the payment), and (iii) \$250,000 cash by November 15, 2013. Upon satisfaction of the foregoing conditions, Renforth will acquire a 100% interest in the property, subject to an existing 1% net smelter return royalty and Cadillac will retain an additional 1% net smelter return royalty.

The Purchase Agreement terminates the previous agreement between the parties under which Renforth had an option to acquire a 51% joint venture interest in the New Alger Property.

##### **Red Lake Gold Project**

On July 26, 2012, the Company entered into an option agreement with Rubicon Minerals Corporation (the "optionor"), to acquire a 100% undivided interest in certain unpatented mining claims situated in the Townships of Shabumeni Lake, Little Shabumeni Lake, Casummit Lake and Satterly Lake in the District of Red Lake, Ontario.

To exercise the option, Renforth is required to: (i) issue 250,000 common shares of Renforth to the optionor over three years (of which 100,000 shares have been issued and valued at \$4,000), and (ii) pay \$98,000 to the optionor over four years (of which an initial payment of \$20,000 has been paid).

If Renforth acquires and begins commercial production on the Property, the optionor retains a production royalty equal to 1.5% of the net smelter returns, subject to Renforth's right to buy-back half of the royalty (0.75%) for \$750,000.

##### **Mink Lake Gold Project**

On February 28, 2012, the Company acquired an option to acquire the Mink Lake Gold Project, located approximately 110 kms east-northeast from the Town of Red Lake in the Birch-Uchi Greenstone Belt. The Project is comprised of 9 unpatented mining claims totaling 123 units (the "Property").

Renforth acquired the option on the Mink Lake Gold Project from Accolade Resources Corporation ("Accolade") through the assumption of Accolade's rights and obligations under a Purchase Option Agreement (the "Option Agreement") between Accolade and an arm's length exploration and development company (the "Optionor"). Renforth now has the right to earn 100% ownership in the Property, subject to a 2% Net Smelter Return Royalty in favour of the Optionor (half of which can be purchased back for a payment of one million dollars to the Optionor), by making the following payments to the Optionor:

- 1) \$15,000 by September 30, 2012 (paid);
- 2) \$20,000 by September 30, 2013; and
- 3) \$25,000 by September 30, 2014.

This is a total of \$60,000 in payments, which can be accelerated at the election of Renforth.

In addition to this Renforth has staked certain units in the area which join the Mink Lake Property to the optioned ground, forming one large land block.

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

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

---

##### **Attawapiskat – James Bay Lowlands**

On August 26, 2003, the Company purchased from Greenstone Exploration Company Ltd. (“Greenstone”) and Michael Peplinski, their 10-30% beneficial interest in 12 claims comprising of certain claims in Northern Ontario (the “Renforth Claims”). The purchase closed in escrow on August 26, 2003. The purchase price of \$325,000 payable to Greenstone, consisted of \$50,000 in cash and the balance in common shares of the Company at market prices no later than one year subsequent to the anniversary of the signed agreement. On May 31, 2011, the Company and Greenstone settled the remaining \$275,000 (plus 3% interest accrued from the original due date) by the issuance of 6,915,530 common shares (1,383,106 common shares post consolidation) of the Company. Greenstone retained a 1.5% net smelter return royalty (“NSR”).

On May 7, 2007, the Company entered into an Option Interest Agreement (the “Agreement”) with 1231674 Ontario Limited (“123”) to purchase their 100% interest in four mining claims located in the Attawapiskat district of the James Bay Lowlands in Northern Ontario. Under the terms of the Agreement, the Company purchased a 100% interest in the property for \$250,000, consideration consisting of 500,000 common shares of the Company (100,000 common shares post consolidation) at a price of \$0.50 per share (\$2.50 per share post consolidation). 123 retained a NSR of 2% subject to the right of the Company to purchase one half of the NSR, at any time up to commercial production, for \$1,000,000. During the year ended December 31, 2011, these claims were written down by \$91,784 to their estimated net realizable value. In 2012, the Company sold the remaining three claims for net proceeds of \$387,000.

On January 22, 2009, the Company finalized the acquisition of 18 claims (consisting of 288 units) located in the James Bay Lowlands, Ontario. Under the terms of the agreement, the Company purchased a 100% interest in these claims in exchange for \$150,000 and 3,200,000 common shares (640,000 common shares post consolidation) of the Company valued at \$64,000. The 3,200,000 common shares (640,000 common shares post consolidation) were issued on February 16, 2010. These claims expired during 2011 and as such all acquisition and exploration expenditures on the property totalling \$252,246 were written off during 2011.

As at December 31, 2012, the remaining carrying value of the property was written off, as the Company has no current plans for exploration.

##### **Kyle Kimberlite Properties**

On July 20, 2006, the Company entered into an Option Agreement with Cliffs Chromite Far North Inc. (formerly Spider Resources Inc.) (“Cliffs”) and KWG Resources Inc. (“KWG”) to earn a 55% interest in five diamondiferous Kyle Kimberlite properties, consisting of eight claims which are comprised of 128 units (the “Kyle Properties”), located in the James Bay Lowlands area of Northern Ontario.

During 2010, Renforth analyzed the expenses incurred on the property and on October 18, 2010, together with Cliffs and KWG, concluded that Renforth had completed its 55% earn-in on the Kyle Series of diamondiferous kimberlites in the James Bay Lowlands region of Northern Ontario. As part of the option agreement, KWG and Cliffs collectively earned a 45% interest in certain massive sulphide targets held by Renforth in the same region. Renforth, Cliffs and KWG were working towards formalizing their relationship in the form of a joint venture agreement. On December 7, 2011, Renforth issued the 2,000,000 common shares (400,000 common shares post consolidation) that were issuable under the amended letter (note 9(b)(iii)).

As at December 31, 2012, the carrying value of the property was written off, as the Company has no current plans for exploration.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements

June 30, 2013

(Expressed in Canadian dollars)

#### 8. 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 and outstanding balances 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, 2013 and June 30, 2012.

	2013	2012
Salary or other short term benefits	\$ 90,000	\$ 92,833
Share based payments issued	56,100	500
Directors' fees	-	-
	<b>\$ 146,100</b>	<b>\$ 93,333</b>

(b) Other related party balances and transactions

The Company engages Billiken Management Services Inc. ("Billiken"), a geological consulting company, to manage the Company's exploration programs. The Company's CEO, Nicole Brewster, is a shareholder of Billiken. For the six months ended June 30, 2013, the Company was charged \$181,090 in property related expenditures, \$60,000 in management fees for the CEO (accrued at June 30, 2013), and \$2,940 in administration expenses. The Company also rents office space from Billiken at a rate of \$1,266 per month. During the period, the Company was charged \$7,600 for office rent.

During the six months ended June 30, 2013, the Company was charged \$nil (2012-\$13,053) in legal fees from a law firm in which a former director of the Company is a partner of the firm. This former director resigned April 10, 2012.

During the six months ended June 30, 2013, the Company was charged \$nil (2012-\$16,000) in geological consulting fees included in exploration and evaluation assets by a company owned by a former director of the Company.

During the six months ended June 30, 2013, the Company was charged \$16,000 (2012-\$4,000) in geological consulting fees included in exploration and evaluation assets to the technical director of the Company.

During the six months ended June 30, 2013, the Company was charged \$30,000 (2012-\$30,000) in management fees by a company owned by the Chief Financial Officer of the Company, for CFO services.

These transactions were in the normal course of operations and were measured at the exchange amount of consideration established and agreed to by the parties.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements

June 30, 2013

(Expressed in Canadian dollars)

#### 9. 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, 2011	99,999,669	\$ 10,548,903
Shares issued for settlement of debt (i)	13,078,720	65,393
Share consolidation (ii)	(90,462,717)	-
Shares issued in accordance with an option agreement (iii)	100,000	4,000
Shares issued under private placement (iv)	5,750,000	287,500
Flow through share premium	-	(5,250)
Valuation of warrants (iv)	-	(33,422)
Share issue costs	-	(16,779)
Balance, December 31, 2012	28,465,672	10,850,345
Shares issued in accordance with purchase agreement (v)	2,000,000	100,000
Balance, June 30, 2013	30,465,672	\$ 10,950,345

- (i) On June 28, 2012, the Company issued 13,078,720 common shares (2,615,744 common shares post consolidation) at \$0.005 per share (\$0.025 per share post consolidation) for settlement of debt with related parties (note 8).
- (ii) On July 20, 2012, the Company consolidated all of its issued and outstanding common shares on the basis of five (5) pre-consolidation shares for one (1) post-consolidation share. All reference to common shares, options and warrants in these financial statements have been noted to reflect the share consolidation.
- (iii) On September 12, 2012, the Company issued 100,000 common shares at \$0.04 per share, in accordance with an option agreement (note 7).
- (iv) On December 17, 2012 the Company closed a financing for aggregate gross proceeds of \$287,500 through the issuance of 2,250,000 units ("Units") at \$0.05 per Unit and 3,500,000 Flow-Through Units at \$0.05 per Flow-Through Unit. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.05 for a period of 12 months following closing. These warrants were assigned a value of \$15,726 using the black scholes option pricing model using the following assumptions: risk free interest rate 1.23%; expected volatility 100%; expected dividend yield and an expected life of one year. Each Flow-Through Unit consists of one common share in the capital of the Company issued on a 'flow-through' basis, and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.07 for a period of 12 months following closing. These warrants were assigned a value of \$17,697 using the black scholes option pricing model using the following assumptions: risk free interest rate 1.23%; expected volatility 100%; expected dividend yield and an expected life of one year.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements

June 30, 2013

(Expressed in Canadian dollars)

#### 9. SHARE CAPITAL - continued

In connection with the Offering, the Company issued 52,500 compensation warrants to an arm's length third party for services rendered to the Corporation in respect of the Offering. Each compensation warrant is exercisable, for 12 months, for one common share of Renforth at \$0.07 per share. These warrants were assigned a value of \$473 using the black scholes option pricing model using the following assumptions: risk free interest rate 1.23%; expected volatility 100%; expected dividend yield and an expected life of one year.

- (v) On January 28, 2013, Renforth entered into an agreement with Cadillac to acquire a 100% interest in Cadillac's New Alger Property, located in the Cadillac Township, Québec. In accordance with this agreement Renforth issued 2,000,000 common shares to Cadillac (see note 7).

#### c) Share purchase warrants

The following summarizes the activity during the six months ended June 30, 2013 and December 31, 2012:

	Warrants outstanding	Value
Balance at December 31, 2011	12,373,333	\$ 294,073
Share consolidation (note 9(b)(ii))	(9,898,666)	-
Expiry of warrants	(2,474,667)	(294,073)
Issue of warrants	2,927,500	33,895
<b>Balance at December 31, 2012 and June 30, 2013</b>	<b>2,927,500</b>	<b>\$ 33,895</b>

Summary of warrants outstanding as at June 30, 2013:

Number of Warrants Outstanding	Weighted Average Exercise Price	Expiry Date	Issue Date	Weighted Average Remaining Life	Grant Date Fair Value
1,125,000	\$ 0.05	17-Dec-13	17-Dec-12	0.47	\$ 15,726
1,802,500	0.07	17-Dec-13	17-Dec-12	0.47	18,169
<b>2,927,500</b>	<b>\$ 0.06</b>			<b>0.47</b>	<b>\$ 33,895</b>

#### 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 June 19, 2013, the Company granted 2,075,000 stock options to its directors, officers and consultants. Each option is exercisable for one common share at \$0.10. 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 100%; expected dividend yield of 0%; risk-free interest rate of 1.82%; and expected life of 5 year. The options were valued at \$68,475 and vested on the date of grant.

For the six months ended June 30, 2013, stock option expense of \$68,503 (2012 - \$6,600) 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. Stock-based compensation expense of \$56,128 (2012 - \$4,550) was related to directors and officers and \$12,375 (2012 - \$150) to consultants compensation.

## RENFORTH RESOURCES INC.

### Notes to Condensed Interim Financial Statements

June 30, 2013

(Expressed in Canadian dollars)

#### 9. SHARE CAPITAL - continued

As at June 30, 2013, the weighted average exercise price of options outstanding and options exercisable were as follows:

	June 30, 2013		December 31, 2012	
	Number	Weighted Average Exercise price	Number	Weighted Average Exercise price
<b>Outstanding – beginning of year</b>	<b>640,000</b>	<b>\$ 0.653</b>	<b>5,880,000</b>	<b>\$ 0.157</b>
Expired	-	-	(2,250,000)	\$ (0.152)
Granted	2,075,000	0.100	250,000	\$ 0.050
Share consolidation (note 9(b))	-	-	(3,104,000)	-
Expired	(70,000)	\$(1.400)	(136,000)	\$ (0.500)
<b>Outstanding – end of period</b>	<b>2,645,000</b>	<b>\$ 0.199</b>	<b>640,000</b>	<b>\$ 0.653</b>
<b>Exercisable – end of period</b>	<b>2,645,000</b>	<b>\$ 0.199</b>	<b>627,500</b>	<b>\$ 0.661</b>

As at June 30, 2013, the Company had the following stock options outstanding:

Number of Options Outstanding	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
100,000	1.40	10-Nov-13	100,000	0.36
250,000	0.50	26-Oct-15	250,000	2.32
90,000	0.25	30-Sep-16	90,000	3.25
80,000	0.25	21-Nov-16	80,000	3.40
50,000	0.25	20-Apr-17	50,000	3.81
2,075,000	0.10	19-June-18	2,075,000	4.97
2,645,000			2,645,000	4.42

The weighted average fair value of options issued during the period was \$.033 (2012 - \$.011).

#### 10. 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	
	2013	2012	2013	2012
Numerator:				
Net loss attributable to common shareholders				
- basic and diluted	\$ (129,224)	\$ 390,203	\$ (167,693)	\$ 285,131
Denominator:				
Weighted average common shares outstanding				
- basic	30,465,672	20,058,061	30,154,561	20,028,837
- fully diluted	36,038,172	23,679,504	35,727,060	23,708,728
Basic (loss) income per common share	\$ (0.00)	\$ 0.02	\$ (0.01)	\$ 0.01
Diluted (loss) income per common share	\$ (0.00)	\$ 0.02	\$ (0.01)	\$ 0.01

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

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

#### **11. 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, 2013.

##### **Credit risk**

The Company's credit risk is primarily attributable to short-term investments included in cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of bankers acceptances, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Sales tax receivable consists of goods and services tax due from the Federal Government of Canada. 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, 2013, the Company had a cash and cash equivalent balance of \$81,973 (December 31, 2012 – \$540,172) to settle current financial liabilities of \$98,276 (December 31, 2012 - \$166,350). (See subsequent event note 15).

##### **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 currency 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.

###### **(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.

##### **Sensitivity analysis**

The Company has designated its cash and cash equivalents and sales tax receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, classified as other financial liabilities, are measured at amortized cost.

As at June 30, 2013 the carrying and fair value amounts of the Company's financial instruments are approximately the same.

The Company's financial instruments that are carried at fair value, consisting of cash equivalents have been classified as Level 1 within the fair value hierarchy.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

Cash and cash equivalents include liquid investments which are at variable rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by \$819 annualized based on the June 30, 2013 cash and cash equivalents balance.

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

June 30, 2013

(Expressed in Canadian dollars)

Price risk is remote since the Company is not a producing entity.

### 12. COMMITMENTS AND OPTIONS

#### Environmental 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 7 for additional commitments and options on evaluation and exploration assets.
- (b) The Company renounced \$175,000 of qualifying exploration expenditures to the shareholders in 2012. Under the "look back" provision governing flow-through shares this amount must be spent by the end of 2013. As at June 30, 2013, the full amount has been spent.

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

For the six months ended June 30	2013	2012
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
<b>Non-Monetary Transactions:</b>		
Shares issued in accordance with property purchase agreement	\$ 100,000	\$ -
Shares issued on settlement of debt	\$ -	\$ 65,393

### 14. GENERAL AND CORPORATE EXPENSES

	Three months ended June 30		Six months ended June 30	
	2013	2012	2013	2012
Management compensation	\$ 15,000	\$ 47,833	\$ 30,000	\$ 92,833
Legal and audit	20,961	41,469	31,070	58,810
Consulting services	799	10,000	2,062	17,500
Investor relations	7,500	10,000	12,500	25,000
Rent	3,801	3,800	7,601	7,601
Insurance	2,843	2,788	5,856	5,277
Transfer agent	1,034	455	1,034	1,369
Administrative and general	7,166	7,722	11,027	14,896
Stock exchange fees	1,500	2,000	3,000	2,900
Amortization	145	254	290	507
	\$ 60,749	\$ 126,321	\$ 104,440	\$ 226,693

## **RENFORTH RESOURCES INC.**

### **Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

#### **15. SUBSEQUENT EVENT**

On July 25, 2015, the Company closes a financing for gross proceeds of \$91,050 through the issuance of 1,100,000 units ("Units") at \$0.05 per Unit and 515,000 Flow-Through Units at \$0.07 per Flow-Through Unit. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 for a period of 12 months following closing. Each Flow-Through Unit consists of one common share in the capital of the Company issued on a 'flow-through' basis, and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 for a period of 12 months following closing.

**RENFORTH RESOURCES INC.**

**Notes to Condensed Interim Financial Statements**

June 30, 2013

(Expressed in Canadian dollars)

---

## RENFORTH RESOURCES INC.

### MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013

*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, 2013 and the comparable periods ended June 30, 2012. The discussion should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended June 30, 2013 and June 30, 2012 and related notes thereto, and the audited annual financial statements for the years ended December 31, 2012 and 2011. 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.*

The effective date for this report is August 1, 2013.

#### Overview of Operations

Renforth Resources Inc. is a Toronto-based exploration company with interests in two exploration assets, the previously productive New Alger property, located in the Cadillac Break Mining Camp, Quebec, and the Mink Lake Project, located outside of Red Lake Ontario, in a setting adjacent to the Springpole Mine Project. In addition to this the Company is evaluating additional exploration opportunities on an ongoing basis.

The New Alger Property operated sporadically during the 1920s and 1930s, producing a total of 21,000 ounces of gold from approximately 175,000 tonnes of processed ore (at an average grade of 0.25oz/tonne). Underground workings consist of a shaft that is 1000 feet deep, with development on several levels. The underground operation is concentrated on the eastern portion of the property, which is also where more recent drilling has taken place. Historic drill records over part of the western portion of the property have been located. These detail drill holes have also intersected gold in the west. On the western border of the property is the Bouscadillac mine shaft complex, to the north is AgnicoEagle and the LaRonde Mine, and to the east is the former O'Brien Mine.

The Mink Lake Project is located approximately 110 km NE of Red Lake. This property is tied on to the Springpole Mine deposit in excess of 4 million ounces of gold, the Horseshoe deposit in excess of 1 million ounces of gold, and the past producing Argosy (Jason) Mine. Renforth has announced an internal reinterpretation of the government airborne survey for the area, postulating that the Mink Lake property, with known gold showings and drill holes which intersected gold, is sitting in a broad shear zone, with cross cutting tension fault structures which bear gold, similar to the Springpole deposit setting. The difference being Renforth' position is a land based one, not a water covered setting.

The Mink Lake Gold Project represents accessible exploration for Renforth, and, along with Renforth's New Alger Gold Project, an opportunity to build shareholder value through basic exploration on prospective ground with historically identified gold occurrences.

#### 2013 Highlights

On July 25, 2015, the Company closed a financing for gross proceeds of \$91,050 through the issuance of 1,100,000 units ("Units") at \$0.05 per Unit and 515,000 Flow-Through Units at \$0.07 per Flow-Through Unit.

On June 27, 2013 Renforth completed a reconnaissance visit to its New Alger Property, located approximately 20 km west of Malartic, Quebec .

Renforth Resources Inc. announced that its Annual General Meeting of Shareholders was held on June 26, 2013 and the shareholders approved the following individuals to serve as directors of Renforth for the ensuing year: Nicole Brewster, David Wahl, Wally Rudensky, Denis Simard and Judi Wood.

On April 12, 2013, Renforth announced that the Company has formed an exploration target for the New Alger Property.

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.

## **Projects**

### **New Alger Gold Project**

On January 28, 2013, Renforth acquired a 100% interest in Cadillac's New Alger Property, located in Cadillac Township, Québec. The Purchase Agreement provides for the payment to Cadillac of the following: (i) \$20,000 cash and 2,000,000 common shares (at a value of 0.05 per share) of Renforth at the time of signing the Agreement, (ii) \$210,000 cash by June 15, 2013, and (iii) \$250,000 cash by November 15, 2013. Upon satisfaction of the foregoing conditions, Renforth will acquire a 100% interest in the property, subject to an existing 1% net smelter return royalty and Cadillac will retain an additional 1% net smelter return royalty.

The Purchase Agreement terminates the previous agreement between the parties under which Renforth had an option to acquire a 51% joint venture interest in the New Alger Property.

The Company and Cadillac are currently negotiating an extension on the \$210,000 payment noted above.

### **2013 exploration and outlook**

In 2013, Renforth initiated a comprehensive compilation of all the historic data including diamond drill logs from the 2007, 2008 and 2010 exploration programs. In addition to this recent work, Renforth has recovered the historic underground level plans, back and rib sampling records, and drill logs for 30 surface diamond drill holes drilled during the 1930's, which focused on the previously unexplored western portion of the Property. All of this data has been brought into a 3d model, and is being used to direct Renforth's future exploration activities.

On April 12, 2013, Renforth announced that the Company has formed an exploration target for the New Alger Property. Based upon previous work on the property the Company has formed an estimated exploration target of 800,000 to 1,500,000 ounces of Au contained within 15,000,000 to 20,000,000 tonnes grading 1.5 to 3.5gpt Au. The potential tonnages and grades are conceptual in nature and based upon past work including surface and underground exploration and development and production records for the target area. There has been insufficient work done to define a current resource and the Company cautions that there is a risk that future work will not delineate the exploration target as a current resource.

On June 27, 2013, Renforth completed a reconnaissance visit to its New Alger Property. The purpose of the site visit was to locate outcrop within the Exploration Target area identified as a result of the major data compilation and model study noted above. The Company found that during the site visit gold was discovered in outcrop within the Exploration Target area, roughly equidistant between the two capped shafts on the property. Based on observations made by management and Mr. Brian H. Newton, P. Geo, the Company believes the outcrop represents the southern contact boundary area of the Cadillac Break. During the Property visit four grab samples were selected, each of these returned gold values, with the best result being 0.72 g/t Au. (an outcrop of sheared silicified sediment which contains sulphide mineralization presenting as clots of massive and disseminated pyrite).

During the six months ended June 30, 2013, Renforth spent approximately \$120,000 related to the purchase of the project and another \$102,821 in expenses on the project:

<b>For the six months ended June 30</b>	<b>2013</b>	<b>2012</b>
Management fees	\$ 60,360	\$ 12,500
Mining concession fee	12,475	
Data compilation and modeling	12,558	-
Geologist fees	13,650	16,000
Other	1,380	
Core storage	2,400	-
	<b>\$ 102,823</b>	<b>\$ 28,500</b>

Renforth will also be commencing the permitting process for de-watering, at the same time as a re-location and relog, with potential resampling, of the existing core will be undertaken. In addition, a drill program is targeted using the underground model designed to increase the resource.

All future work is dependent upon raising future financing.

### **Mink Lake Gold Project**

On February 18, 2012, the Renforth acquired an option to acquire the Mink Lake Gold Project, located approximately 110 kms east-northeast from the Town of Red Lake in the Birch-Uchi Greenstone Belt. The Project is comprised of 9 unpatented mining claims totaling 123 units over 1658 hectares (the "Property").

Renforth acquired the option on the Mink Lake Gold Project from Accolade Resources Corporation ("Accolade") through the assumption of Accolade's rights and obligations under a Purchase Option Agreement (the "Option Agreement") between Accolade and an arm's length exploration and development company (the "Optionor"). Renforth now has the right to earn 100% ownership in the Property, subject to a 2% Net Smelter Return Royalty in favour of the Optionor (half of which can be purchased back for a payment of one million dollars to the Optionor), by making the following payments to the Optionor:

- 1) \$15,000 by September 30, 2012;
- 2) \$20,000 by September 30, 2013; and
- 3) \$25,000 by September 30, 2014.

This is a total of \$60,000 in payments, which can be accelerated at the election of Renforth.

On August 15, 2012, the Company entered into an option agreement to acquire a 100% undivided interest in 50 unpatented mining claims situated in the Townships of Shabumeni Lake, Little Shabumeni Lake, Casummit Lake and Satterly Lake in the District of Red Lake, Ontario. To exercise the option, Renforth is required to: (i) issue 250,000 common shares of Renforth to the optionor over three years (of which 100,000 shares were issued on September 12, 2012), and (ii) pay \$98,000 to the optionor over four years (of which an initial payment of \$20,000 was paid, as per the agreement).

In addition to this Renforth staked 130 units in the area which join the Mink Lake Property to the optioned ground, forming one large land block.

### **2013 Exploration and outlook**

In 2013, the Company completed a helicopter borne high resolution magnetic survey over the Mink Lake Property. The survey consisted of approximately 1225 line kilometres of data collection and flown using the proprietary Heli-GT and GT-Grid systems and software of Scott Hogg and Associates.

During the six months ended June 30, 2013, Renforth spent approximately \$165,347 on the project as follows:

<b>For the six months ended June 30,</b>	<b>2013</b>	<b>2012</b>
Airborne geophysics	\$ 100,217	-
Management Geologist	8,800	4,000
Technical Geologist fees	12,000	-
Geology	44,330	13,455
Linecutting	-	22,132
Data compilation	-	11,923
Other	-	664
Geophysics	-	20,984
	<b>\$ 165,347</b>	<b>\$ 73,158</b>

Renforth will be planning an exploration program consisting of prospecting, stripping and trenching over the areas of interest, and if funding and conditions permit, Renforth hopes to drill these targets. All future work is dependent upon raising future financing.

### **Attawapiskat- James Bay Lowlands**

As at December 31, 2012, these claims were written off as the Company has no current plans to explore these claims.

#### **2013 Exploration**

No exploration was conducted on these properties during the six months ended June 30, 2013.

### **Kyle Kimberlites**

As at December 31, 2012, these claims were written off as the Company has no current plans to explore these claims.

#### **2013 Exploration**

No exploration was conducted on these properties during the six months ended June 30, 2013.

### **Overview of the three and six months ended June 30, 2013 compared to June 30, 2012**

The Company reported a net loss and comprehensive loss of \$167,693 for the six months ended June 30, 2013, compared to net income of \$285,131 for the six months ended June 30, 2012. The Company reported a net loss and comprehensive loss of \$129,224 for the three months ended June 30, 2013, compared to net income of \$390,203 for the three months ended June 30, 2012. The main reason for the differences (in the three and six month periods) is the \$580,855 gain on the settlement of debt in 2012.

The Company had cash of \$81,973 at June 30, 2013, compared to \$540,172 as at December 31, 2012. The decrease in cash was due to \$230,029 of cash used in operating activities and \$228,170 of cash spent on the exploration and evaluation assets.

Total acquisition and exploration expenditures on mineral properties for the six months ended June 30, 2013 amounted to \$388,170. Included in this amount was \$120,000 in acquisition costs (\$20,000 cash and \$100,000 in shares) for the purchase of the New Alger project. The exploration expenditures comprised mainly of an airborne survey flown over the Mink Lake property and a compilation of historical data on the New Alger project.

### **Results of Operations**

#### *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 the three and six months ended June 30, 2013 and June 30, 2012.

#### *Other items*

Other income – flow through share premium

During 2012 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 during the six months ended June 30, 2013, on the date when the Company filed the appropriate renunciation forms with the Canadian taxation authorities.

Expense analysis for the three months ended June 30, 2013 compared to June 30, 2012:

For the three months ended June 30	2013	% of 2012 Total	2012	% Change
General and corporate				
Management compensation	\$ 15,000	11.61%	\$ 47,833	-68.64%
Legal and audit	20,961	16.22%	41,469	-49.46%
Consulting services	799	0.62%	10,000	-92.01%
Investor relations	7,500	5.80%	10,000	-25.00%
Rent	3,801	2.94%	3,800	0.01%
Insurance	2,843	2.20%	2,788	1.98%
Transfer agent and shareholder communication	1,034	0.80%	455	127.35%
Administrative and general	7,166	5.55%	7,722	-7.18%
Stock exchange fees	1,500	1.16%	2,000	-25.00%
Amortization	145	0.11%	254	-42.91%
Share based payments	68,475	52.99%	1,900	3503.95%
	\$ 129,224	100.00%	\$ 128,221	0.78%

Management compensation comprised of CEO management fees of \$nil (2012 – \$32,833), and CFO management fees of \$15,000 (2012 - \$15,000). In the current period \$30,000 of fees relating to the CEO was capitalized to the exploration and evaluation assets as they directly relate to managing the Company’s properties and exploration programs.

Legal and audit include legal fees of \$13,361 (2012 – \$34,294) and audit and accounting fees of \$7,600 (2012 - \$11,050). The decrease in fees was due to less corporate transactions in the current period.

Consulting fees comprised of corporate administrative services \$799 (2012 - \$10,000) (services include keeping minutes, organizing meetings, assisting with new releases, updating fact sheet company presentation and website as needed, and general assistance to management).

An investor relations group was engaged to assist with fundraising and educating investors on the Company’s projects. The decrease is due to entering a contract with lower fees in order to preserve cash.

Other general and corporate expenses were in line with the prior year.

During the three months ended June 30, 2013 a total of \$68,475 (2012 - \$1,900) was expensed with respect to that portion of the options vesting during the period. The stock option 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. The values of the options are derived using the Black Scholes option pricing model in which subjective assumptions are used.

Expense analysis for the six months ended June 30, 2013 compared to June 30, 2012:

For the six months ended June 30	2013	% of 2013 Total	2012	% Change
General and corporate				
Management compensation	\$ 30,000	17.35%	\$ 92,833	-67.68%
Legal and audit	31,070	17.97%	58,810	-47.17%
Consulting services	2,062	1.19%	17,500	-88.22%
Investor relations	12,500	7.23%	25,000	-50.00%
Rent	7,601	4.39%	7,601	-0.01%
Insurance	5,856	3.39%	5,277	10.98%
Transfer agent and shareholder communication	1,034	0.60%	1,369	-24.44%
Administrative and general	11,027	6.38%	14,896	-25.97%
Stock exchange fees	3,000	1.73%	2,900	3.45%
Amortization	290	0.17%	507	-42.80%
Share based payments	68,503	39.61%	6,600	937.92%
	\$ 172,943	100.00%	\$ 233,293	-25.87%

Management compensation comprised of CEO management fees of \$nil (2012 – \$62,833), and CFO management fees of \$30,000 (2012 - \$30,000). In the current period \$60,000 of fees relating to the CEO was capitalized to the exploration and evaluation assets as they directly relate to managing the Company's properties and exploration programs.

Legal and audit include legal fees of \$16,470 (2012 – \$47,760) and audit and accounting fees of \$14,600 (2012 - \$11,050). The decrease in fees was due to less corporate transactions in the current period.

Consulting fees comprised of corporate administrative services \$2,062 (2012 - \$17,500) (services include keeping minutes, organizing meetings, assisting with new releases, updating fact sheet company presentation and website as needed, and general assistance to management).

An investor relations group was engaged to assist with fundraising and educating investors on the Company's projects. The decrease is due to entering a contract with lower fees in order to preserve cash.

Other general and corporate expenses were in line with the prior year.

During the six months ended June 30, 2013 a total of \$68,503 (2012 - \$6,600) was expensed with respect to that portion of the options vesting during the period. The stock option 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. The values of the options are derived using the Black Scholes option pricing model in which subjective assumptions are used.

## Summary of Quarterly Results

	QTR 2 2013	QTR 1 2013	QTR 4 2012	QTR 3 2012	QTR 2 2012	QTR 1 2012	QTR 4 2011	QTR 3 2011
Revenue	--	--	--	--	--	--	--	--
Income (Loss) before discontinued and extraordinary items	\$(129,224)	\$(38,469)	\$(4,920,658)	\$(95,217)	\$390,203	\$(105,072)	\$(446,266)	\$(120,975)
Income (Loss) per common share basic and fully diluted	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)
Net Income (loss)	\$(129,224)	\$(38,469)	\$(4,920,658)	\$(95,217)	\$390,203	\$(105,072)	\$(446,266)	\$(120,975)
Income (Loss) per common share basic and fully diluted	(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

The Company's cash decreased to \$81,973 at June 30, 2013, from \$540,172 at December 31, 2012. The Company's working capital was \$11,403 compared to working capital of \$398,473 at December 31, 2012. The decrease in cash was due to cash used in operating activities of \$230,029 and cash used on the Company's exploration and evaluation assets in the amount of \$228,170.

On July 25, 2015, the Company closed a financing for gross proceeds of \$91,050 through the issuance of 1,100,000 units ("Units") at \$0.05 per Unit and 515,000 Flow-Through Units at \$0.07 per Flow-Through Unit.

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

### 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 and outstanding balances 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, 2013 and June 30, 2012.

	2013	2012
Salary or other short term benefits	\$ 90,000	\$ 92,833
Share based payments issued	56,100	500
Directors' fees	-	-
	<b>\$ 146,100</b>	<b>\$ 93,333</b>

### Other related party balances and transactions

The Company engages Billiken Management Services Inc. ("Billiken"), a geological consulting company, to manage the Company's exploration programs. The Company's CEO, Nicole Brewster, is a shareholder of Billiken. For the six months ended June 30, 2013, the Company was charged \$181,090 in property related expenditures, \$60,000 in management fees for the CEO (accrued at June 30, 2013), and \$2,940 in administration expenses. The Company also rents office space from Billiken at a rate of \$1,266 per month. During the period, the Company was charged \$7,600 for office rent.

During the six months ended June 30, 2013, the Company was charged \$nil (2012-\$13,053) in legal fees from a law firm in which a former director of the Company is a partner of the firm. This former director resigned April 10, 2012.

During the six months ended June 30, 2013, the Company was charged \$nil (2012-\$16,000) in geological consulting fees included in exploration and evaluation assets by a company owned by a former director of the Company.

During the six months ended June 30, 2013, the Company was charged \$16,000 (2012-\$4,000) in geological consulting fees included in exploration and evaluation assets to the technical director of the Company.

During the six months ended June 30, 2013, the Company was charged \$30,000 (2012-\$30,000) in management fees by a company owned by the Chief Financial Officer of the Company, for CFO services.

These transactions were in the normal course of operations and were measured at the exchange amount of consideration established and agreed to by the parties.

The Company would still have to pay individuals or entities in order to obtain these services and carry out the business of the Company. The transactions with related parties are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to between the Company and the related parties and did not differ from the arm's length equivalent value for these services.

## 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:

**Significant accounting judgments**

- In concluding that the Canadian dollar is the functional currency, management considered the currency that mainly influences the sales prices, and cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained;
- How financial assets and liabilities are categorized is an accounting policy that requires management to make judgments or assessments.

**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.

## **Changes in Accounting Policies**

The following IFRS standards became effective for the Company on January 1, 2013.

### **IFRS 7 — Financial Instruments**

IFRS 7 — Financial Instruments Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of the amendment to IFRS 7 had no impact on the financial statements.

### **IFRS 10 - Consolidated Financial Statements**

IFRS 10, "Consolidated Financial Statements" (IFRS 10) was issued by the IASB on May 12, 2011 and will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidated - Special Purpose Entities. IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and continuous reassessment as facts and circumstances change. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 10 had no impact on the financial statements.

### **IFRS 11 – Joint Arrangements**

IFRS 11, Joint Arrangements (IFRS 11) was issued by the IASB on May 12, 2011 and will replace IAS 31, Interest in Joint Ventures. The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidations will be removed and replaced with equity accounting. IFRS

11 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 11 had no impact on the financial statements.

#### **IFRS 12 – Disclosure of Interest in Other Entities**

IFRS 12, Disclosure of Interest in Other Entities was issued by the IASB on May 12, 2011. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 12 had no impact on the financial statements.

#### **IFRS 13 – Fair Value Measurement**

IFRS 13, Fair Value Measurement was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The adoption of IFRS 13 had no impact on the financial statements.

#### **IAS 1 – Presentation of Financial Statements**

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended by the IASB in June 2011. As a result of the amendment, items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The adoption of IAS 1 had no impact on the financial statements.

#### **IAS 28 - Investments in Associates and Joint Ventures**

IAS 28 - Investments in Associates and Joint Ventures (“IAS 28”) was issued by the IASB in May 2011 and supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 defines significant influence as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. IAS 28 also provides guidance on how the equity method of accounting is to be applied and also prescribes how investments in associates and joint ventures should be tested for impairment. The adoption of IAS 28 had no impact on the financial statements.

#### **Future Changes in Accounting Standards not yet adopted**

Standards issued but not yet effective up to the date of issuance of the Company’s financial statements are listed below. The Company intends to adopt those standards when they become effective.

#### **IFRS 9 - Financial Instruments**

IFRS 9, Financial instruments (“IFRS 9”) was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is assessing the impact of IFRS 9 on its results of operations and financial position.

#### **Financial Instruments and associated 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, 2013.

**Credit risk**

The Company's credit risk is primarily attributable to short-term investments included in cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of bankers acceptances, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Sales tax receivable consists of goods and services tax due from the Federal Government of Canada. 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, 2013, the Company had a cash and cash equivalent balance of \$81,973 (December 31, 2012 – \$540,172) to settle current financial liabilities of \$98,276 (December 31, 2012 - \$166,350). (See subsequent event note 15).

**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 currency 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.

**(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.

**Sensitivity analysis**

The Company has designated its cash and cash equivalents and sales tax receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, classified as other financial liabilities, are measured at amortized cost.

As at June 30, 2013 the carrying and fair value amounts of the Company's financial instruments are approximately the same.

The Company's financial instruments that are carried at fair value, consisting of cash equivalents have been classified as Level 1 within the fair value hierarchy.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

Cash and cash equivalents include liquid investments which are at variable rates. Sensitivity to a plus or minus 1% change in rates would affect net loss by \$819 annualized based on the June 30, 2013 cash and cash equivalents balance.

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

Price risk is remote since the Company is not a producing entity.

**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 32,080,672 common shares issued and outstanding.

As at the date of this MD&A the Company had 3,735,000 warrants outstanding.

As at the date of this MD&A the Company had 2,645,000 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.*