

## RENFORTH RESOURCES INC.

### MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 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 months ended March 31, 2013 and the comparable period ended March 31, 2012. The discussion should be read in conjunction with the unaudited condensed interim financial statements for the three months ended March 31, 2013 and March 31, 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 May 22, 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 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.

### 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.

Renforth spent approximately \$39,953 on the project during the three Months ended March 31, 2013 as follows:

<b>For the three months ended March 31,</b>	<b>2013</b>	<b>2012</b>
Management fees	\$ 30,360	\$ -
Data compilation and modeling	7,193	-
Technical Geologist fees	-	12,000
Core storage	2,400	-
	<b>\$ 39,953</b>	<b>\$ 12,000</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 is undertaken. In addition, a drill program is targeted using the underground model designed to increase the resource.

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.

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.

Renforth spent approximately \$121,452 on the project during the three Months ended March 31, 2013 as follows:

<b>For the three months ended March 31,</b>	<b>2013</b>	<b>2012</b>
Airborne geophysics	\$ 100,218	-
Management Geologist	8,800	-
Technical Geologist fees	12,000	-
Geology	434	2,026
Linecutting	-	14,957
Data compilation	-	1,183
Geophysics	-	10,204
	<b>\$ 121,452</b>	<b>\$ 28,370</b>

Renforth will be mounting a summer 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 three months ended March 31, 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 three months ended March 31, 2013.

## Overview of the three months ended March 31, 2013 compared to March 31, 2012

The Company reported a net loss and comprehensive loss of \$38,469 for the three months ended March 31, 2013, compared to a loss of \$105,073 for the three months ended March 31, 2012. The main reason for the decrease in loss is a decrease in general and corporate expenditures.

The Company had cash of \$226,523 at March 31, 2013, compared to \$540,172 as at December 31, 2012. The decrease in cash was due to \$162,244 of cash used in operating activities and \$151,406 of cash spent on the exploration and evaluation assets.

Total acquisition and exploration expenditures on mineral properties for the three months ended March 31, 2013 amounted to \$281,406. 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 months ended March 31, 2013 and March 31, 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 three months ended March 31, 2013, when the Company filed the appropriate renunciation forms with the Canadian taxation authorities.

*Expense analysis for the three months ended March 31, 2013 compared to March 31, 2012:*

For the three months ended March 31	2013	% of 2013 Total	2012	% Change
General and corporate				
Management compensation	\$ 15,000	34.31%	\$ 45,000	-66.67%
Legal and audit	10,109	23.12%	17,341	-41.70%
Consulting services	1,263	2.89%	7,500	-83.17%
Investor relations	5,000	11.45%	15,000	-66.67%
Rent	3,800	8.69%	3,800	0.00%
Insurance	3,013	6.89%	2,490	21.00%
Transfer agent and shareholder communication	-	0.00%	914	-100.00%
Administrative and general	3,861	8.83%	7,174	-46.18%
Stock exchange fees	1,500	3.43%	900	66.67%
Amortization	145	0.33%	254	-42.81%
Share based payments	28	0.06%	4,700	-99.40%
	\$ 43,719	100.00%	\$ 105,072	-58.39%

Management compensation comprised of CEO management fees of \$nil (2012 – \$30,000), 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 \$3,109 (2012 – \$13,466) and audit and accounting fees of \$7,000 (2012 - \$3,875). The decrease in fees was due to less corporate transactions in the current period and a smaller audit accrual in the prior period.

Consulting fees comprised of corporate administrative services \$1,263 (2012 - \$7,500) (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 three months ended March 31, 2013 a total of \$28 (2012 - \$4,700) 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 1 2013	QTR 4 2012	QTR 3 2012	QTR 2 2012	QTR 1 2012	QTR 4 2011	QTR 3 2011	QTR 2 2011
Revenue	--	--	--	--	--	--	--	--
Income (Loss) before discontinued and extraordinary items	\$(38,469)	\$(4,920,658)	\$(95,217)	\$390,203	\$(105,072)	\$(446,266)	\$(120,975)	\$(152,481)
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)	\$(38,469)	\$(4,920,658)	\$(95,217)	\$390,203	\$(105,072)	\$(446,266)	\$(120,975)	\$(152,481)
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 \$226,523 at March 31, 2013, from \$540,172 at December 31, 2012. The Company's working capital was \$178,771 compared to working capital of \$398,473 at December 31, 2012. The decrease in cash was due to cash used in operating activities of \$162,242 and cash used on the Company's exploration and evaluation assets in the amount of \$151,406.

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 three months ended March 31, 2013 and March 31, 2012.

	2013	2012
Salary or other short term benefits	\$ 45,000	\$ 45,000
Share based payments issued	-	-
	<b>\$ 45,000</b>	<b>\$ 45,000</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 three months ended March 31, 2013, the Company was charged \$119,086 in property related expenditures, \$30,000 in management fees for the CEO (accrued at March 31, 2013), and \$1,940 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 \$3,800 for office rent.

During the three months ended March 31, 2013, the Company was charged \$nil (2012-\$13,465) 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 three months ended March 31, 2013, the Company was charged \$nil (2012-\$12,000) in geological consulting fees included in exploration and evaluation assets by a company owned by a former director of the Company.

During the three months ended March 31, 2013, the Company was charged \$12,000 (2012-\$nil) in geological consulting fees included in exploration and evaluation assets to the technical director of the Company.

During the three months ended March 31, 2013, the Company was charged \$15,000 (2012-\$15,000) in management fees by a company owned by the Chief Financial Officer of the Company, for CFO services.

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 three months ended March 31, 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 March 31, 2013, the Company had a cash and cash equivalent balance of \$226,523 (December 31, 2012 – \$540,172) to settle current financial liabilities of \$70,510 (December 31, 2012 - \$166,350).

#### **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 March 31, 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 \$2,200 annualized based on the March 31, 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 30,465,672 common shares issued and outstanding.

As at the date of this MD&A the Company had 2,927,500 warrants outstanding.

As at the date of this MD&A the Company had 570,000 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.*