

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
ASSETS		
Current assets		
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
Non-current assets		
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
TOTAL ASSETS	\$ 1,513,723	\$ 1,580,987
LIABILITIES AND EQUITY		
Current liabilities		
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
Equity		
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
TOTAL LIABILITIES AND EQUITY	\$ 1,513,723	\$ 1,580,987

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
Expenses				
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
Loss before other items	\$ (129,224)	\$ (128,221)	\$ (172,943)	\$ (233,293)
Other items				
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
Net (loss) income and comprehensive (loss) income for the period	\$ (129,224)	\$ 390,203	\$ (167,693)	\$ 285,131
Basic and fully diluted (loss) income per share (<i>note 10</i>)	\$ (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
Cash flow from operating activities		
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)
Cash flow from investing activities		
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
Decrease in cash and cash equivalents	(458,199)	127,855
Cash and cash equivalents beginning of period (note 5)	540,172	254,691
Cash and cash equivalents, end of period (note 5)	\$ 81,973	\$ 382,546

*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
	#	\$	\$	\$	\$	\$
Balance, December 31, 2011	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)
Balance, June 30, 2012	22,615,678	10,614,296	1,249,457	294,073	(5,959,211)	6,198,615
Balance, December 31, 2012	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)
Balance, June 30, 2013	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
	\$ 81,973	\$ 540,172

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
Cost			
January 1, 2012	\$ 4,231	\$ 3,964	\$ 8,195
Additions	-	-	-
December 31, 2012	4,231	3,964	8,195
Additions/Dispositions	-	-	-
June 30, 2013	\$ 4,231	\$ 3,964	\$ 8,195
Accumulated Depreciation			
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
June 30, 2013	\$ 3,832	\$ 2,648	\$ 6,380
Carrying amounts			
December 31, 2012	643	1,462	2,105
June 30, 2013	\$ 499	\$ 1,316	\$ 1,815

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
Acquisition costs					
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
June 30, 2013	\$ 277,500	\$ 52,393	\$ -	\$ -	\$ 329,893
Exploration					
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
June 30, 2013	\$ 813,831	\$ 258,505	\$ -	\$ -	\$ 1,072,336
Carrying amounts					
December 31, 2012	\$ 868,508	\$ 145,551	\$ -	\$ -	\$ 1,014,059
June 30, 2013	\$ 1,091,331	\$ 310,898	\$ -	\$ -	\$ 1,402,229

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	<u>100,000</u>	-
	<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	-	-
	\$ 146,100	\$ 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.

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
Balance at December 31, 2012 and June 30, 2013	2,927,500	\$ 33,895

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
2,927,500	\$ 0.06			0.47	\$ 33,895

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.

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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
Outstanding – beginning of year	640,000	\$ 0.653	5,880,000	\$ 0.157
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)
Outstanding – end of period	2,645,000	\$ 0.199	640,000	\$ 0.653
Exercisable – end of period	2,645,000	\$ 0.199	627,500	\$ 0.661

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

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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

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(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	\$ -	\$ -
Non-Monetary Transactions:		
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

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Notes to Condensed Interim Financial Statements

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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.