

## RENFORTH RESOURCES INC.

### MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

*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 nine months ended September 30, 2018 and the comparable periods ended September 30, 2017. The discussion should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended September 30, 2018 and September 30, 2017 and related notes thereto, and the audited annual financial statements for the years ended December 31, 2017 and 2016. 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 November 27, 2018.

#### **Overview of Operations**

Renforth Resources Inc. is a Toronto-based gold exploration company with interests in established exploration camps in both Quebec and Ontario. In the Cadillac-Malartic Gold Camp the Company holds the New Alger project, with an inferred resource of 237,000 ounces of gold above a depth of 200 metres contained in 3,505,000 tonnes with a grade of 2.1 g/t Au using a cut-off of 0.75 g/t Au (see press release July 17, 2014) as calculated by Brian H. Newton P. Geo and Philip Burt P. Geo, which is located on the Cadillac Break outside of Cadillac, Quebec and an option to purchase 100% of the Parbec Property from Globex Mining Enterprises Inc. (GMX-TSE), where Renforth established a maiden resource of 262,230 t Indicated at a grade of 3.62 g/t Au containing 33,592 ounces and 7,256,872 t Inferred at a grade of 2.01 g/t Au representing 514,108 ounces. Renforth holds the West Malartic Project, contiguous to, and interpreted from geophysics to be the structural extension of, the Canadian Malartic Mine. The West Malartic Project has been optioned to SOQUEM, a subsidiary of Investissement Quebec, whereby SOQUEM can earn a 50% interest by expenditure of \$1.3 million dollar in approved exploration. East of Val d’Or Renforth has assembled the gold-bearing Denain-Pershing Project, covering both the eastern little explored termination of the Cadillac Break in to the Grenville front and a gold bearing banded-iron formation on the property. In Ontario, the Company owns 100% of the Nixon-Bartleman project, located on the Porcupine-Destor fault in the West Timmins Mining area, another historic gold occurrence with a couple of old shallow pits onsite and a history of past drilling which has not yet defined the gold occurrence.

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

#### **Projects**

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

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

The Thompson-Cadillac Mine area is drill ready, with gaps in the maiden resource to infill, as well as an exploration target immediately below the resource, over only part of the 1.4km strike of the Cadillac Break. In addition to these targets there is 105 feet of albitite mineralization intersected in the 1930’s underground, to the north of the mine

workings. This is a more significant amount of albitite than appears at either neighbour, it is a target because the rock type is a good host of gold mineralization, associated with significant mineralization in the wider mining camp area.

Thompson-Cadillac Mine Area

Class	Tonnes	Au g/t	Total Oz
Inferred	3,505,000	2.1	237,000
<ul style="list-style-type: none"> <li>▪ Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.</li> <li>▪ The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or Measured mineral resource category.</li> <li>▪ The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.</li> </ul>			

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

2018 work programs

Breakdown of expenses for the nine months ended September 30, 2018:

	2017
Management fees	\$ 33,750
Airborne survey	88,800
Other	15,950
	\$ 138,500

In March 2018, the Company retained Eagle Geophysics of Sorel, Qc to fly a helicopter borne high resolution Quadri-Mag, VLF and AFMAG Survey over the project. As at the date of this report, the data obtained is currently being processed and interpreted.

In November 2018, the Company Renforth sold a 1% NSR interest in the New Alger Property to Abitibi Royalties for \$190,000, and concurrently purchased a 1% NSR on New Alger held by a third party for consideration of \$50,000 and 2 million shares of Renforth.

The Company is planning drill and other exploration programs which are dependent on obtaining additional financing.

**Nixon Bartleman Property – 100% owned**

Renforth holds 100% of the Nixon-Bartleman project, subject to a 2.5% NSR, consisting of four patents and 15 staked claims over an area of 313Ha, straddling the Porcupine Destor Deformation Zone, in the Porcupine Mining Camp of the West Timmins Mining area, approximately 45 km SW of Timmins, only 10 kms SW of Lakeshore's West Timmins Mine.

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

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

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

There was no work on the property in 2018. Future work is dependent on obtaining additional financing.

### **Parbec Gold Property – earn-in**

On January 29, 2015, the Company entered into a letter of intent to acquire the Parbec Gold Property ("Parbec") which straddles the Cadillac Break for a strike length of 1.3 km. and encompasses a historic gold occurrence identified in two zones on the property above a depth of 500 feet, and over a strike length of 2000 feet. In addition, historic drilling demonstrates gold intercepts below 500 feet and demonstrates continuity to the east with additional, on property, mineralized occurrences. Further work is required to define this historic gold occurrence, which is open along strike and at depth and meet current reporting guidelines. Parbec is located west of the Town of Malartic Quebec within the Malartic Mining Camp, contiguous to Parbec is the East Amphi deposit (inferred resource of 1.4Mt grading 1.47 g/t Au) which forms part of the Canadian Malartic Mine Property. East Amphi shares the same lithologies and deformation zone as Parbec. The letter of intent allows Renforth to earn a 100% interest in the property from Globex Mining Enterprises Inc. ("Globex") under the following terms;

- 1) over 4 years make cash payments totaling \$550,000 (\$25,000 within 6 months of signing (paid), \$50,000 within 12 months (paid), \$25,000 within 18 months (paid), \$125,000 within 24 months (paid), \$125,000 within 36 months, and \$200,000 within 48 months);
- 2) over 4 years incur \$4,000,000 in work costs on the property (\$350,000 in year one<sup>1</sup>, \$500,000 by the end of year two<sup>1</sup>, \$1,150,000 by the end of year three<sup>1</sup>, and \$2,000,000 by the end of year four);
- 3) over 4 years issue a total of 2,000,000 shares to Globex (250,000 on signing (issued), 500,000 before the end of year one (issued), 500,000 before the end of year two (issued), 500,000 before the end of year three, 250,000 before the end of year four.
- 4) Globex retains a gross metal royalty on the property of between 1% and 2% (percentage calculated in relationship to the prevailing price of gold at the time of delivery).

<sup>(1)</sup> The Company has not met the work requirements to date. The vendor has agreed to extend the work requirements to a future date. In November 2018, the Company obtained a 12-month extension to the Parbec work commitment in exchange for a 1% NSR at New Alger and a total of 5 million common shares of the Company

Parbec, on a never mined portion of the Cadillac Break, is contiguous to the Canadian Malartic super pit mine and its' 10 million ounce resource (2014), and immediately adjacent to the East Amphi mine resource portion of Canadian Malartic. Mineralization at Parbec starts on surface and is contained within the 1.6km structural feature of the Break. A ramp in place may provide future access for underground bulk sampling and exploration. Additional exploration potential also exists to the south and the north of the known break on the property.

Renforth has identified five areas of interest on the Property:

1. Drilling from surface within the deposit as modeled, to depth and along strike – the process of detailed modeling that resulted in this initial resource calculation also highlighted "gaps" within the model. Within the outlined resource there are deeper gold intersections, gaps occur between these and the bulk of the resource (100% of the indicated and approximately 73% of the inferred resource is located within 200m of surface). The vertical gaps are priority drill targets. Lastly, the structure is open along strike and represents a prospective target along its length.
2. Dewatering the ramp – the 580 m ramp at Parbec ends at 100 m depth, about 30 m south of the Tuff horizon in the Camp Zone which it is targeting. This ramp, once dewatered, would provide access to sample the ramp, including the felsite zone it was collared in and provide underground drilling stations to investigate the main mineralized zones. Additionally, the ramp could be extended along strike to allow additional drilling at depth and along strike as well as access for bulk sampling of the mineralized zones.

3. Structural exploration – the resource modeling process has identified several areas of elevated gold values occurring in proximity to fault junctions. Some of the best deeper intersections at Parbec occur in this setting. Drilling above and below those intersections to increase known high grade areas is planned.
4. A large intrusive diorite stock, historically identified and verified in the field by Renforth is located in the SW portion of the property, on the south side of the Break. The marginal areas of this intrusive have been found to host elevated gold values in drill intercepts outside of the area of the current resource. An intrusive can be a heat engine for the emplacement of gold as well as provide a prospective environment for mineralization in the fracturing that occurs along the intrusive's margins.
5. Northern exploration targets –additional targets exist to the north of the Cadillac Break.

### 2018 work programs

With the success of the recent backpack drill and field programs, Renforth commenced a drill program towards the end of 2017 designed to in-fill the resource model and to test the western strike of the Camp Zone mineralization.

The first phase of the drill program was completed finished on Dec 22, 2017 with a total of 1265m drilled to complete 7 of the planned drillholes. The drilling has extended the mineralized resource model horizons at Parbec by 60m on strike to the NW with gold intersected in each of seven holes.

The second phase of the drill program was completed on Dec 22, 2017 with a total of 1619m drilled to complete 7 of drillholes. Each of the 7 holes drilled in January 2018 returned gold values, including the longest two intersections obtained by Renforth to date where PAR-18-73 averaged 1.44 g/t Au over a length of 32.6 metres, and PAR-18-74 which graded 1.23 g/t Au over 33.2 metres.

In April 2018, Renforth commenced the third and final phase of this program.

Parbec drill results, including an intersection of 3.64 g/t Au over 19.3 m in PAR-18-78 in Chlorite Schist and Diorite, which includes 4.2m grading 11.7 g/t Au in a Magnetic Diorite body. This Magnetic Diorite is also seen in PAR-18-77, the first hole in this recent program and the most easterly drilled to date, and is visually similar to a mineralized diorite sill in PAR-17-63 which graded 9.42 g/t Au over 0.9m, part of a wider interval of 2.34 g/t over 11.05m (between 44.75 and 55.8m depth), drilled in December and previously press released, located 450m to the west of PAR-18-78.

### Parbec Observations

- Extended Gold Mineralization: Renforth drilled 19 holes at Parbec since December 2017. Each of these holes returned gold values, extending the mineralization outside of the NI 43-101 resource statement model.
- New Gold Target Identified: Newly identified Magnetic Diorite mineralized body located from the central part of the resource area to the eastern end of current drilling, a distance of ~450-500m. Higher assays may correlate with brecciated zones within the diorite welded with quartz and albite.
  - o The Magnetic Diorite zone in PAR-18-78 appears to line up with a zone seen in 1940's drilling where a "Grey Porphyry" gave several assays over 1 oz/ton. These results are historic in nature and not to be relied upon.
  - o Unsampled core, from a unit logged as similar to the Magnetic Diorite and ~25m to the east, previously drilled in hole PAR-10-06, is available to Renforth and will be sampled and assayed.
  - o In an initial review of existing data it is apparent PAR-86-06 intersected the Magnetic Diorite with an assay of 1.97 oz/t Au over 2.5 feet, drilled, logged and sampled by Brian H. Newton P.Geol. In the resource modeling process this stood out as a higher than usual, unique gold occurrence, the significance of the lithology was not realized at the time.

Magnetic Diorite Significance - Magnetic Diorite identified at Parbec corresponds to iron rich diorite intrusions documented in gold deposits previously mined in the Malartic camp. The former Barnat and East Malartic mines, part of the current adjacent Canadian Malartic Mine property, totalled a production of 26.4 million tonnes for 4 Moz at an average grade of 4.7 g/t gold (Source: SIGEOM), principally developed inside the Piché Group, in a setting like the Parbec mineralization.

Iron rich diorite can be typically called an altered rock with a composition usually observed within gold mineralization zones that includes biotite, tourmaline, pyrite, and magnetite.

The relationship between the gold system, a particular type of intrusion and the mineralogical composition creates a strong exploration vector at Parbec. Extensive quartz veining is not expected from the diorite lithology, we are targeting fractures and veinlet control inside a disseminated pyrite environment, which could form a continuous lens.

The next steps at Parbec will include data integration and interpretation, this will focus on a better understanding of data and information between historic drill logs, current drill core, geophysical and structural data, mineralogy and geochemistry in order to identify the extent of the newly recognized magnetic diorite body and formulate future exploration targets.

In June 2018, the Company completed a surface prospecting program at Parbec, locating the historically mapped diorite body and determining it to be a gold bearing magnetic diorite. Historic trenches in the NW of the property were also re-discovered during a prospecting traverse, the porphyry within these returned gold grades. These trenches are located on strike ~370m from the western edge of the 2016 Parbec Resource and ~190m from the westernmost hole in the recent drilling, PAR-18-80. The Island trenches were revisited and sampled, returning gold. Samples obtained in each location demonstrate the presence of mineralized gold systems.

In July/August 2018, the Company completed a 6-hole drill program for a total of 1,443.9m of drilling. Each of these holes intersected gold, and were outside of the 2016 resource envelope and were step-outs from previous drilling. This program was designed to deliver on-strike, up-dip or down-dip extensions to the gold resource at Parbec with each hole drilled.

In September 2018, the Company release an updated Resource Estimate for Parbec consisting of an inferred 656,875 oz Au and an indicated 37,224 oz Au. This increase to the resource estimate is the result of positive drill results obtained in 25 holes over 5600.8 m in the last 10 months.

Breakdown of expenses for the nine months ended September 30, 2018:

	2018
Management fees	\$ 33,750
Analysis	30,078
Field program	50,913
Drill programs	709,830
Dewatering	8,067
Other	1,250
Magnetic survey	14,000
Data compilation and modelling	47,064
Consulting geo fees	2,500
	<b>\$ 897,452</b>

#### 2018 outlook on Parbec

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

- 1- Continued drilling from surface within the deposit as modeled, to depth and along strike – the process of detailed modeling that resulted in this initial resource calculation also highlighted “gaps” within the model. These gaps can be targeted with surface drilling and if successful would positively impact the resource. Within the outlined resource there are deeper gold intersections, gaps occur between these and the bulk of the resource (100% of the indicated and approximately 73% of the inferred resource is located within 200m of surface). The vertical gaps are priority drill targets. Lastly, the structure is open along strike and. represents a prospective target along its length.
- 2- Dewatering the ramp – the 580 m ramp at Parbec ends at 100 m depth, about 30m south of the Tuff horizon in the Camp Zone which it was targeting. This ramp, once dewatered, would provide access to sample the ramp, including the felsite zone it was collared in and provide underground drilling stations to investigate the main mineralized zones. Additionally, the ramp could be extended along strike to allow additional drilling at depth and along strike as well as access for bulk sampling of the mineralized zones.

- 3- Structural exploration – the resource modeling process has identified several areas of elevated gold values occurring in proximity to fault junctions. Some of the best deeper intersections at Parbec occur in this setting. Drilling above and below those intersections to increase known high-grade areas is planned.
- 4- A large intrusive diorite stock, historically identified and verified in the field by Renforth is located in the SW portion of the property, on the south side of the Break. The marginal areas of this intrusive have been found to host elevated gold values in drill intercepts outside of the area of the current resource. An intrusive can be a heat engine for the emplacement of gold as well as provide a prospective environment for mineralization in the fracturing that occurs along the intrusive's margins.
- 5- Northern exploration targets –additional targets exist to the north of the Cadillac Break.

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

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

### **Denain Pershing Project**

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

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

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

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

### **Malartic West**

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

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

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

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

## Results of Operations

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
<b>Expenses</b>				
General and corporate	\$ 68,468	\$ 52,934	\$ 265,020	\$ 130,561
Share based payments	-	-	271,500	15,600
<b>Loss before other items</b>	\$ (68,468)	\$ (52,934)	\$ (536,520)	\$ (146,161)
<b>Other items</b>				
Gain on settlement of debt	-	-	30,700	-
Other income	-	-	434,203	-
<b>Net loss and comprehensive loss for the period</b>	\$ (68,468)	\$ (52,934)	\$ (71,617)	\$ (146,161)
<b>Basic and diluted loss per share</b>	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

### 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 2018 and 2017.

### Other items

Other income – flow through share premium

During 2017 the Company issued flow through shares. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation was made based on the difference between the price of a non-flow through share and the amount the investor paid for the flow-through share. A liability was recognized for this difference. The liability was reduced and the reduction of premium liability was recorded in other income on the date when the Company filed the appropriate renunciation forms with the Canadian taxation authorities.

*Gain on settlement of debt* – During Q1, the Company settled debt in the amount of \$153,500 with the issuance of 3,070,000 common shares. On the date of issuance, the shares had a value of \$0.04 per share for a total value of \$122,800 resulting in a gain on settlement of \$30,700. \$81,360 of this debt was settled with related parties (see related party section of this report).

*General and Corporate* - breakdown for the three and nine months ended September 30, 2018 and September 30, 2017.

	Three months ended Sept 30.		Nine months ended Sept 30.	
	2018	2017	2018	2017
Management compensation	\$ 22,500	\$ 22,500	\$ 67,500	\$ 67,500
Legal and audit	5,000	6,800	15,000	15,682
Consulting services	31,767	2,832	148,405	2,832
Insurance	2,168	2,157	6,460	6,442
Transfer agent	3,906	2,431	6,150	7,039
Administrative and general	2,772	14,589	15,105	26,441
Listing fees	355	1,625	6,400	4,625
	\$ 68,468	\$ 52,934	\$ 265,020	\$ 130,561

Management compensation for the three and nine months ended September 30 2018 comprised of CEO fees of \$7,500 and \$22,500, respectively (2018 - \$7,500 and \$22,500) and CFO management fees of \$15,000 and \$45,000, respectively (2017 - \$15,000 and \$45,000). \$67,500 (2017 - \$67,500) of fees relating to the CEO was capitalized to the exploration and evaluation assets, for the nine months ended September 30, 2018, as they directly related to managing the Company's properties and exploration programs.

Legal and audit include corporate legal fees and annual audit fees.

Consulting fees increased during the nine months ended September 30, 2018 compared to the same period in 2017 as, in 2018, the Company engaged financial communications companies for business development and public and investor relations services. For the three and nine months ended September 30, 2018, \$38,976 and \$115,896 of these services were paid with common shares.

*Share based payments* - During the nine months ended September 30, 2018, a total of \$271,500 (2017 - \$15,600) 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	QTR	QTR	QTR	QTR	QTR	QTR	QTR
	3	2	1	4	3	2	1	4
	2018	2018	2018	2017	2017	2017	2017	2016
Revenue	--	--	--	--	--	--	--	--
Net Income (Loss) and Comprehensive Income (Loss)	\$(68,468)	\$(370,490)	\$367,341	\$(201,842)	\$(52,934)	\$(38,076)	\$(55,151)	\$(53,998)
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

During the nine months ended September 30, 2018 the Company's cash decreased to \$33,545 compared to \$1,026,984 at December 31, 2017. The Company's working capital was \$94,572 compared to \$387,541 at December 31, 2017. The decrease in cash was attributed to \$170,087 cash spent on operating activities and \$1,140,852 spent on the company's projects.

In the nine months ended September 30, 2018, the Company raised \$317,500 through the issuance of common shares at \$0.05 per share.

During Q1 2018, the Company settled debt in the amount of \$153,500 with the issuance of 3,070,000 common shares.

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

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

## Off-Balance Sheet arrangements

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

## Related Party Transactions

Compensation of key management personnel

Key management includes members of the board of directors, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the nine months ended September 30, 2018 and September 30, 2017:

	2018	2017
Salary or other short-term benefits	\$ 135,000	\$ 135,000

(a) Other related party balances and transactions

The Company engages Billiken Management Services Inc. and Minroc Management Limited ("Billiken"), geological consulting companies, to manage the Company's exploration programs. The Company's CEO, Nicole Brewster, is a controlling shareholder of Billiken. For the nine months ended September 30, 2018, the Company was charged \$806,258 (2017 - \$93,753) in exploration related expenditures, and \$90,000 (2017 - \$90,000) in management fees for the CEO, of which \$67,500 (2017 - \$67,500) was capitalized and recorded in exploration and evaluation assets and \$22,500 (2017 - \$22,500) was charged to general and corporate expense on the statement of loss. On March 23, 2018, the Company settled debt with Billiken in the amount of \$67,800 by the issuance of 1,356,000 common shares. The shares had a market value of \$54,240, and therefore resulted in a gain on settlement of \$13,560.

On January 11, 2017, the Company settled debt with Billiken in the amount of \$192,100 by the issuance of 3,842,000 common shares. The shares had a market value of \$192,100. On July 7, 2017, the Company settled debt with Billiken in the amount of \$67,800 by the issuance of 968,571 common shares. The shares had a market value of \$67,800. As at September 30, 2018 \$113,044 (December 31, 2017 - \$246,280) was owed to Billiken. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

During the nine months ended September 30, 2018, the Company was charged \$45,000 (2017 - \$45,000) in management fees by a corporation owned by the CFO of the Company, for CFO services. As at September 30, 2018,

\$50,850 (December 31, 2017 - \$33,900) is owing to this corporation and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On March 23, 2018, the Company settled debt with the CFO in the amount of \$33,900 by the issuance of 678,000 common shares. The shares had a market value of \$27,120, and therefore resulted in a gain on settlement of \$6,780. On January 11, 2017, the Company settled debt with the CFO in the amount of \$96,050 by the issuance of 1,921,000 common shares. The shares had a market value of \$96,050. On July 7, 2017, the Company settled debt with the CFO in the amount of \$33,900 by the issuance of 484,286 common shares. The shares had a market value of \$33,900.

## **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.

## **Recent accounting pronouncements**

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's December 31, 2017 annual financial statements, except for the adoption of new standards and interpretations as of January 1, 2018.

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

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company and have

been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

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

## **Commitments and Contingencies**

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

- (a) See note 6 (to the condensed interim financial statements for the three and nine months ended September 30, 2018) for additional commitments and contingencies on evaluation and exploration assets.
- (b) The Company renounced \$1,322,860 of qualifying exploration expenditures to the shareholders effective December 31, 2017. Under the “look back” provision governing flow-through shares, \$780,092 of the amount was unspent by the end of 2017 and has to be spent by December 31, 2018.
- (c) The Company’s mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

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## **Risk Factors**

### **Credit risk**

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

**Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2018, the Company had a cash and cash equivalent balance of \$33,545 (December 31, 2017 – \$1,026,984) to settle current liabilities of \$220,144 (December 31, 2017 - \$796,380).

**Market risk****(a) Interest rate risk**

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

**(b) Foreign exchange risk**

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

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

**(c) Price risk**

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

**Fair value of financial assets and liabilities**

The Company has designated its cash and cash equivalents 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 September 30, 2018 and December 31, 2017, the fair values of Company's financial instruments approximate their carrying values, given their short-term nature.

**Disclosure of Outstanding Share Data**

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

As at the date of this MD&A the Company had 148,576,163 common shares issued and outstanding.

As at the date of this MD&A the Company had 31,725,767 warrants outstanding.

As at the date of this MD&A the Company had 13,600,000 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.*