

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019

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

The effective date for this report is April 27, 2020.

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 100% of the New Alger project, with an inferred resource of 237,000 ounces of gold above a depth of 200 metres contained in 3,505,000 tonnes with a grade of 2.1g/t Au using a cut-off of 0.75 g/t Au (see press release July 17, 2014) as calculated in 2014 by Brian H. Newton P.Geol and Philip Burt P.Geol, which is located on the Cadillac Break outside of Cadillac, Quebec and 100% of the Parbec Gold Project where Renforth has established a resource of 368,105 t Indicated at a grade of 3.47 g/t Au containing 37,224 ounces and 9,659,636 t Inferred at a grade of 2.33 g/t Au representing 656,875 ounces, calculated in 2018. Both resources are currently being re-calculated using an open pit scenario and will be released as completed. Renforth holds the Malartic West Project, contiguous to, and interpreted from geophysics to host, a structural extension of the Canadian Malartic Mine property, in the central portion of the property. In addition to this Malartic West is the site of a copper and high-grade silver discovery which Renforth made in the northern portion of the property. The extreme southern portion of the large property hosts an ~20km long structure which hosts Nickel/Zinc occurrences at each end and is unexplored in the central area. 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, this property has been optioned to a third party. 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 currently stripped and sampled over 500m, 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 for exploration and development, with deep labour pools and service providers to draw upon for Renforth, and along with the balance of the property portfolio present an opportunity to build shareholder value through basic exploration on prospective ground with historically identified gold occurrences.

Projects

Parbec Gold Property – 100% owned

On January 29, 2015, the Company entered into a letter of intent to acquire the Parbec Gold Property ("Parbec") which straddles the Cadillac Break for a strike length of 1.8 km. known at the time to host a historic gold occurrence over a portion of the property and at a shallow depth, however, with no significant recent work or resource estimate in place. At the time of acquisition further work would be required to define the mineralization on the property and to meet current reporting guidelines. Parbec is located west of the Town of Malartic Quebec within the Malartic Mining Camp, contiguous to the Canadian Malartic Mine property, specifically on strike to the East Amphi deposit (inferred resource of 1.4Mt grading 1.47 g/t Au) which forms a part of the Canadian Malartic Mine Property. East Amphi shares the same lithologies and deformation zone as Parbec.

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

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

2019 work programs

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

Parbec Observations:

- Extended Gold Mineralization: Renforth drilled 32 holes at Parbec since December 2017. Each of these holes returned gold values, resulting in an October 2018 update to the maiden 43-101 resource at Parbec, and then a further extension of the mineralization outside of the 2018 resource domain.
- The discovery of the "magnetic diorite" lithology at Parbec, which upon identification was determined to have been intersected in other of Renforth's and certain historic holes at Parbec.

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

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

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

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

In September 2019, an initial petrographic characterization was completed on 23 thin-section samples prepared from 6 recent drill holes at Parbec. The initial thin-section program successfully simplified the lithology at Parbec, characterized the alteration system and indicated the gold-deposition model for Parbec. In the course of observations done with the support of an optical petrographic microscope, 75 gold grains were observed in 5 samples coming from 5 of the 6 holes investigated. All gold particle observations, except 2 grains, were considered "free gold".

Initial lab work has identified the presence of a “nugget” effect at Parbec, where coarse free gold is occurring which may not be accurately tested in conventional fire assaying, but the presence of which raises the possibility of better grade recovery in a mining scenario. Renforth has commenced lab work on a larger number of samples from Parbec from additional lithologies and gold occurrences to better identify characteristics of this effect.

Renforth has commissioned a new technical report in the required Form 43-101F1 for the Parbec property, completion is expected in early 2020.

Breakdown of expenses for the year ended December 31, 2019:

	2019
Management fees	\$ 50,429
Consulting	38,359
Field program	207,943
Drill programs	282,441
Analysis	36,394
Reports	124,864
Data compilation and modelling	27,508
Other	25,750
	<u>\$ 793,688</u>

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

2019/20 outlook on Parbec

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

- 1- Continued drilling from surface – while Renforth has now demonstrated that the entire 1.8km strike of the Cadillac break on the Parbec property is gold-bearing there are numerous areas within that strike, and below the existing resource, which present opportunities to drill and, with positive results, increase the resource at Parbec.
- 2- Diorite Splay Zone exploration – Renforth has discovered a splay of the Cadillac break in the NW portion of the property, on the south side of the Cadillac break, presently understood to be gold-bearing in the sediments where the sediments and the diorites intersect. This area requires additional exploration to better define the gold occurrence.
- 3- Additional thin-section and metallurgical work can be undertaken at Parbec in order to learn more about the setting of the gold, the presence and the type of alteration indicators and minerals. Additional metallurgical work will be undertaken in order to test varied lithological types for recoverability.
- 4- Renforth will continue to re-evaluate the deposit model for Parbec as new knowledge is gained. The current view is that the deposit is structurally controlled, thought to be a secondary mineralizing event that has emplaced gold across numerous lithologies and may have created subvertical and/or cross cutting vein systems.

New Alger Gold Project – 100% owned

Wholly owned by Renforth, New Alger hosts a 2014 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. This resource is currently being updated to include recent drilling, including on the Discovery Veins south of the mine area, and assess the deposit as an open pit. 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. Renforth has stripped 270m of this veining to expose the gold bearing veins on surface.

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 assumed to be a good host of gold mineralization, associated with significant mineralization in the wider mining camp area.

Thompson-Cadillac Mine Area 2014 Resource Estimate

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

Renforth has commissioned a new technical report in the required Form 43-101F1 for the New Alger property.

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 (more than 3 kms deep), the former O’Brien Mine is the eastern neighbour (mined to a depth of 1500m), both are/were mines deeper than the Thompson-Cadillac’s historic 340m shaft with current surface mineralization, the deepest gold pierce point in the mine area is at a depth of 410m, geophysical inversions suggest the mineralization goes deeper.

2019 work programs

Breakdown of expenses for the year ended December 31, 2019:

	2019
Reports	\$ 130,623
Field programs	18,625
Drilling	313,215
Management	45,000
Geological consulting	22,710
Other	38,092
	<u>\$ 568,265</u>

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

- Sampling in the areas of the two access trails to the Discovery Veins stripped area was completed, outcropping on surface in several locations and on each trail was blue/grey quartz veining with sulphides present. In one instance several veins of varying thickness and with blowouts extends over a length (E/W) of approximately 20m and a width (N/S) of approximately 5m, this is thought to be the surface structural expression of gold encountered in a 1930’s

horizontal hole drilled during the advancement of a tunnel which ends under the main blast pit of the Discovery Veins. Renforth did obtain gold values in this area.

- At the SW and NE end of the previously stripped gold bearing Discovery Vein system, and along the northern edge of the central portion, Renforth was able to complete additional sampling which was not completed during the initial program, extending the strike of the surface gold bearing vein system. Additional gold values were obtained in prospecting outside of the stripped area.
- Completed preliminary prospecting and some initial soil sampling in the southern claims at New Alger where government data offers some of the highest soil samples obtained in the area, Renforth also obtained gold in soil values above background, no further work has been done on this occurrence.

Drilling at New Alger commenced in November 2019 targeting the Discovery Veins, which have never been drilled, and the western portion of the historic Thompson-Cadillac Mine at New Alger. In total 14 holes were drilled over two campaigns, ending in March 2020. These holes successfully drilled the Discovery Veins for the first time ever, extending the surface mineralization to as deep as 120m, with gold pierce points demonstrating that the veins in the Discovery area are, like the veins in the mine area, steeply dipping, almost vertical. In addition to the Renforth completed the first drilling in the Cadillac Break on this property, intersecting the targeted albitite and discovering a new gold bearing lithology within the Cadillac Break over several drill holes, where gold is present in sericite. One of the final holes in the second drilling campaign resulted in the deepest pierce point to date in the mine area, the #3 mine area vein was intersected at a depth of 410m where it assayed 6.3m of 1.46 g/t Au, which included 1m of 4.28 g/t Au, demonstrating the “halo” effect unique to New Alger where gold bearing alteration, typically of a lower grade, adds width to the mineralized veins. The #3 vein occurs within the Cadillac Break, this drillhole was lost due to ground conditions upon exiting the vein and re-entering the Cadillac Break, possibly due to proximity to a fault.

Nixon Bartleman Property – 100% owned

Renforth holds 100% of the Nixon-Bartleman project, subject to a 2.5% NSR, consisting of four patents and 24 staked claims over an area of 313Ha, straddling the Porcupine 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 Timmins West Mine, held by Lakeshore Gold, a subsidiary of Pan-American Silver.

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.

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

There was no work on the property during the year ended December 31, 2019. Future work is dependent on obtaining additional financing.

Denain Gold Project, Val d’Or, Quebec

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

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.

Combined these acquisitions form the Denain Pershing project with a total of 10,001.28 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.

Chalice has sold their Quebec business, including their rights under the option granted by Renforth, to O3 Mining. O3 has indicated to Renforth that they intend to pursue the rights and obligations of the option agreement.

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 granted 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.

In July, 2019, the Agreement with Soquem was ceased. SOQUEM had a very specific exploration mandate focussed on the central part of the property, which was not met, however, the exploration work carried out on the property was filed for work declaration and will keep the claims in good standing for a period of time.

Subsequent to the end of the option agreement, the Company conducted some initial prospecting and sampling on the property. The targets of this effort were copper sample results found within the data generated during the option period, not previously reported to Renforth, which included a grab sample of 8.08% Cu obtained by SOQUEM. Renforth carried out confirmation work at the property in August, in order to verify the copper discovery.

Results obtained by Renforth at the Beupre copper discovery included a grab sample high value of 3.59% Cu and 6.62 g/t Ag, in addition to other sample results defining copper mineralization over 60m. This copper showing is a discovery program, with no prior work and little geophysical coverage. In addition to field work Renforth pursued data acquisition, this included a LWIR (longwave infrared) study obtained from Japanese ASTER satellite imagery interpreted by DIRT Exploration of South Africa. While this data is coarse (90m resolution) a chalcopyrite anomaly co-incident with the Beupre showing registers, this ~1km long anomaly is the initial prospecting target. With additional field work the Beupre copper/silver discovery was successfully extended to a current total strike length of 165m, an increase of just over 100m, and exposed en-echelon quartz veining to the south. The strike is still open, exploration work was ended, as expected, by several days of snowfall.

Selected Annual Information

For the years ended	2019	2018	2017
	\$	\$	\$
Revenue	-	-	-
Expenses	489,319	821,946	348,003
Net loss and comprehensive loss for the year	(479,713)	(227,063)	(348,003)
Basic and fully diluted loss per share	(0.00)	(0.00)	(0.00)
Cash flows from (used in) operating activities	(183,905)	(62,132)	163,693
Cash flows used in investing activities	(1,443,714)	(1,349,321)	(827,145)
Cash flows from financing activities	1,865,841	1,032,005	1,673,530
Increase (decrease) in cash in year	238,222	(379,448)	1,010,078
As at December 31	2019	2018	2017
Total Assets	8,332,645	6,410,407	5,186,042
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared for all classes of shares	Nil	Nil	Nil

Results of Operations

(Expressed in Canadian dollars)

	2019	2018
Expenses		
General and corporate	\$ 424,069	\$ 400,497
Share based payments	65,250	421,449
Loss before other items	\$ (489,319)	\$ (821,946)
Other items		
Flow through share premium	9,606	434,203
Gain on sale of partnership units	-	91,320
Gain on settlement of debt	-	69,360
Net loss and comprehensive loss for the year	\$ (479,713)	\$ (227,063)

Revenues

The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue. No revenues have been reported for the years ended December 31, 2019 and 2018.

Other items

Other income – flow through share premium

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

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

Gain on sale of partnership units - On August 7, 2018, the Company entered into a general partnership agreement (the “Partnership”) for the purpose of carrying on a trading and investment business, at a cost of \$55,000. The Company entered in to a loan agreement, with an arm’s length creditor, to borrow the \$55,000, and subsequent to entering in to the Partnership, the loan was forgiven. The Partnership entered into various forward foreign exchange contracts and on August 28, 2018, the Company sold its interest in the Partnership for net proceeds of \$146,320. The net proceeds were used to fund working capital requirements. As a result of the income allocated to the Company from the Partnership, the Company used up all of its non-capital loss carry forwards.

General and Corporate - breakdown for the years ended December 31, 2019 and 2018:

	2019	2018
Management compensation	\$ 90,000	\$ 90,000
Legal and audit	27,221	33,492
Consulting services	229,891	234,539
Insurance	9,301	8,628
Transfer agent	6,596	6,882
Administrative and general	53,260	18,256
Stock exchange fees	7,800	8,700
	\$ 424,069	\$ 400,497

Management compensation for 2019 is comprised of CEO fees of \$30,000 (2018 - \$30,000) and CFO management fees of \$60,000 (2018 - \$60,000). \$90,000 (2018 - \$90,000) of fees relating to the CEO was capitalized to the exploration and evaluation assets as they directly related to managing the Company’s properties and exploration programs.

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

The increase in administrative expenses is the result of the commencement of paying rent of the use of office space (month to month). Previously the Company did not have any office rent arrangement. Total rent paid for the year was \$21,600 (2018 - \$nil).

Share based payments – Includes a total of \$65,250 (2018 - \$421,499) expensed with respect to the portion of options vesting during the period. The share-based payments expense does not affect the cash resources of the Company. The timing of this expense is subject to the date of issue and vesting terms of the options and warrants. The values of the options and warrants are derived using the Black Scholes option pricing model in which subjective assumptions are used.

Summary of Quarterly Results

	QTR	QTR	QTR	QTR	QTR	QTR	QTR	QTR
	4	3	2	1	4	3	2	1
	2019	2019	2019	2019	2018	2018	2018	2018
Revenue	--	--	--	--	--	--	--	--
Net (Loss) and Comprehensive (Loss)	\$(142,581)	\$(110,804)	\$(119,273)	\$(107,055)	\$(155,446)	\$(68,468)	\$(370,490)	\$367,341
(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

As at December 31, 2019 the Company's cash increased to \$885,758 from \$647,536 at December 31, 2018. The Company's working capital was \$520,866 compared to \$850,073 at December 31, 2018. The increase in cash was attributed to \$1,865,841 received on the issuance of common shares and warrants and \$50,000 received from an option payment on the Denain. These cash inflows were offset by \$183,905 of cash spent on operating activities and \$1,493,714 spent on the Company's projects.

The Company's 2019 monthly cash burn rate on average, which was calculated as cash spent per month in operating activities, was approximately \$15,000. This included various consulting fees for business development and investor relation services which is discretionary and based on available funds. At its current operating level, the Company will have sufficient funds to cover short-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. As such, the Company will need additional financing for costs related to corporate operations and exploration activities. The Company is currently addressing its liquidity concerns by proactively planning future financings through the sale of equity. The Company has been successful in the past at raising necessary funds but the timing and ability to do so will depend on the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies. There can be no guarantee that the Company will be able to secure any required financing.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations. The primary source of liquidity has primarily been private financings.

In 2019, the Company generated approximately \$1,900,000 (2018 - \$1,000,000, 2017 - \$1,600,000) through the sale of common shares. This demonstrated the Company's ability to continue to raise capital. The Company will also consider alternatives to the sale equity including entering into option agreement on its properties or the sale of exploration projects. As noted above, the Company maintains a small monthly burn rate which can be reduced to address short term liquidity concerns. Currently (and for the past several years) management has been settling management fees with common shares.

The Company has no debt and no financial commitments.

The Company has no capital expenditure commitments and has the ability to reduce or increase its exploration program activities and other discretionary costs depending on the level of available funds.

Overall, given working capital at December 31, 2019, the Company will be able to meet its operation requirement for 2020, but will require additional capital beyond.

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

Off-Balance Sheet arrangements

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

Related Party Transactions

Key management includes members of the board of directors, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the years ended December 31, 2019 and December 31, 2018:

	2019	2018
Salary or other short-term benefits	\$ 180,000	\$ 180,000
Share based payments issued	51,750	215,000
	\$ 231,750	\$ 395,000

Other related party balances and transactions

The Company engages Minroc Management Limited (“Minroc”), a geological consulting company, to manage the Company’s exploration programs. The Company’s CEO, Nicole Brewster, is a controlling shareholder of Minroc. For the year ended December 31, 2019, the Company was charged \$981,334 (2018 - \$1,053,080) in exploration related expenditures, and \$120,000 (2018 - \$120,000) in management fees for the CEO, of which \$90,000 (2018 - \$90,000) was capitalized and recorded in exploration and evaluation assets and \$30,000 (2018 - \$30,000) was charged to general and corporate expense on the statement of loss. The Company also rents office space from Minroc and was charged \$21,600 in 2019 (2018 - \$nil).

On June 10, 2019, the Company settled debt with Minroc in the amount of \$90,400 by the issuance of 1,808,000 common shares. The shares had a market value of \$82,400, and therefore resulted in a gain on settlement of \$8,000. On March 23, 2018, the Company settled debt with Minroc in the amount of \$67,800 by the issuance of 1,356,000 common shares. The shares had a market value of \$54,240, and therefore resulted in a gain on settlement of \$13,560. On October 10, 2018, the Company settled debt with Minroc in the amount of \$130,600 by the issuance of 2,612,000 common shares. The shares had a market value of \$65,300, and therefore resulted in a gain on settlement of \$65,300. These gains were recognized in contributed surplus.

During the year ended December 31, 2019, the Company was charged \$60,000 (2018 - \$60,000) in management fees by a corporation owned by Kyle Appleby, the CFO of the Company, for CFO services. As at December 31, 2019, \$39,550 (2018 - \$16,950) is owing to this corporation and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment. On June 10, 2019, the Company settled debt with CFO in the amount of \$41,200 by the issuance of 904,000 common shares. The shares had a market value of \$40,680, and therefore resulted in a gain on settlement of \$4,000. On March 23, 2018, the Company settled debt with the CFO in the amount of \$33,900 by the issuance of 678,000 common shares. The shares had a market value of \$27,120, and therefore resulted in a gain on settlement of \$6,780. On October 10, 2018, the Company settled debt with the CFO in the amount of \$50,850 by the issuance of 1,017,000 common shares. The shares had a market value of \$25,425, and therefore resulted in a gain on settlement of \$25,425. These gains were recognized in contributed surplus.

Proposed Transactions

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

Critical Accounting Estimates

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

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

Estimates and assumptions

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

Recent accounting pronouncements

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

Recently-Adopted Accounting Pronouncements and Recent accounting pronouncements

During the year ended December 31, 2019, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 16 and IFRIC 23. These new standards and changes did not have any material impact on the Company's financial statements.

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 7 (to the audited financial statements for the year ended December 31, 2019) for additional commitments and contingencies on evaluation and exploration assets.
- (b) The Company renounced \$633,000 of qualifying exploration expenditures to the shareholders effective December 31, 2018. Under the "look back" provision governing flow-through shares, \$633,000 of the amount was unspent at the end of 2018 and had to be spent by December 31, 2019. The Company spent the required amount.
- (c) The Company renounced \$1,403,180 of qualifying exploration expenditures to the shareholders effective December 31, 2019. Under the "look back" provision governing flow-through shares, \$970,662 of the amount was unspent by the end of 2019 and has to be spent by December 31, 2020.
- (d) 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.

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 years ended December 31, 2019 and 2018.

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 December 31, 2019, the Company had a cash balance of \$885,758 (2018 – \$647,536) to settle current liabilities of \$576,347 (2018- \$168,175).

Market risk

(a) Interest rate risk

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

(b) Foreign exchange risk

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

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

(c) Price risk

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

Fair value of financial assets and liabilities

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

As at December 31, 2019 and 2018, 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 205,771,167 common shares issued and outstanding.

As at the date of this MD&A the Company had 54,082,977 warrants outstanding.

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

Other Disclosure

COVID-19

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the

disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

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.