



renforthresourcesinc.

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024**

*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 three and nine months ended September 30, 2024 and the comparable period ended September 30 2023. The discussion should be read in conjunction with the unaudited interim financial statements for the three and nine months ended September 30, 2024 and 2023, and the audited financial statements for the years ended December 31, 2023 and December 31, 2022 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.sedarplus.ca](http://www.sedarplus.ca).*

The effective date for this report is November 25, 2024.

### **Overview of Operations**

Renforth wholly owns the ~300 km<sup>2</sup> Malartic Metals Package (formerly called the Surimeau District Property), which hosts numerous areas of polymetallic and gold mineralization, each with various levels of exploration, as well as a significant amount of unexplored ground. Victoria has been drilled by Renforth in two areas, at the western property boundary and in a second location, from the road to the west over a strike length of ~2.5km with ~10,000m drilled, proving nickel, cobalt, platinum and palladium interlayered with zinc, copper, silver and gold in a mineralized structure which is proven to occur along the entire extent of the 20km magnetic anomaly running E/W across the centre of the property. In addition to this the Lalonde, a structure similar to Victoria, located ~4km to the north and running E/W over at least 9km, has been drilled by Renforth, delivering polymetallic results similar to Victoria West. In the NE corner of the property the Beaupré surface copper discovery has been traced over ~175m was stripped in late Fall 2023. In 2024 the newly exposed ground was channel sampled, delivering copper and silver values perpendicular to the main vein, mapping of the stripped ground revealed a stockwork type system, previously unknown, on the south side of the main vein. In addition to this the property hosts numerous pegmatites and a handful of long, low grade drilled gold intercepts the Malartic Metals Package is a significant mineralized property with excellent logistics, with roads on the property, hydroelectric power lines crossing the property, adjacent to the rail line and located in an active, mature mining camp.

In addition, Renforth wholly owns the Parbec Gold deposit, a surface gold deposit contiguous to the Canadian Malartic Mine property in Malartic, Quebec. In 2020/21 Renforth completed 15,569m of drilling which successfully twinned certain historic holes, filled in gaps in the resource model with newly discovered gold mineralization and extended mineralization deeper. Based upon the success of this significant drill program the Company considers the spring 2020 MRE, with a resource estimate of 104,000 indicated ounces of gold at a grade of 1.78 g/t Au and 177,000 inferred ounces of gold at a grade of 1.78 g/t Au to be out of date. With the new data gained Renforth has commenced a reinterpretation of the Parbec deposit which will result in a new geological model.

Renforth also holds Nixon-Bartleman, west of Timmins Ontario, with gold present on surface over a strike length of ~500m.

The Company trades on the CSE (RFR), the OTCQB (RFHRF) in the US and the Frankfurt Stock Exchange (9RR). The Company’s registered and head office is located at Unit 1B 955 Brock Road, Pickering, Ontario.

## Projects

### Malartic Metals Package ("MMP")

Summary of work done on the property during the nine months ended September 30, 2024 to date of this MD&A

The Company completed initial gold, platinum and palladium assay testing on drill core from our Victoria Multi Metals Zone, the positive results obtained in each sample result in a notable increase to the Ni Eq and/or Zn Eq values in each case. Based upon this success Au/Pt/Pd testing will be continued at Victoria in various locations and lithologies on an ongoing basis to form a better understanding of the PGE mineralization.

The team continued with various field programs in 2024.

Results of the prospecting on the Beaupré copper discovery, where the Company was able to channel sample copper and silver on surface over in several locations within the ~160m on the stripped main vein. Highlights included - • 4.71% copper and 9.27 g/t silver grab sampled from Beaupre Main Vein • 3.78% copper and 7.02 g/t silver channel sampled over 0.25m, within a channel averaging 0.63% copper and 1.2 g/t silver over 1.75m • Mineralized breccia was observed on the south side of the main vein and halo mineralization within the Pontiac sediments on the north side is demonstrated in assay results within Channel 9.

At Beaupré an initial and follow up soil survey delivered gold in soil results in 3 linear features north and south of the stripped vein, this result was not expected and forms a target for further work at Beaupré to investigate whether the gold occurs in bedrock.

At Parbec an initial soil survey campaign, and its follow up, delivered several areas of notable gold in soil numbers, follow up has commenced with results not available as of the date of this report. The gold in soil occurrences serve to support Renforth's current geological model for Parbec, which extends mineralization into the Pontiac with a hinge fold that may have been a conduit for gold enriched fluids to interact with the Cadillac Break.

Breakdown of expenses for the nine months ended September 30, 2024:

Prospecting	\$ 316,240
Management and admin	37,500
Geological consulting and modelling	66,727
Claim acquisition and management	12,133
Other	795
	<u>\$ 433,395</u>

### Parbec Gold Property – 100% owned

During the prior period Renforth worked with two new consulting groups on Parbec using the results from the recently completed and reported on 15,569m of drilling, and the ~13,000m of historic drilling excluded from the May 2020 MRE which was validated during the 2020/21 drill program for inclusion in a future mineral resource estimate update for Parbec. The first group are structural geologists doing the first ever structural study on the structurally controlled (the Cadillac Break) gold environment at Parbec. The second group is producing a new model of Parbec using the new and historic data, an early interpretation is that the recent drilling demonstrates vertical continuity of mineralization.

There was no active exploration work on the property during the nine months ended September 30, 2024. \$53,238 was spent during the period on management, analysis and modelling.

The Company provided the following update based on its current studies - interpretation of the Parbec Gold deposit proves the presence of gold mineralization in structures oriented oblique to the Cadillac Break and extending into the Pontiac sediments. Interpreted conclusions include instances where surface mineralization within the Cadillac Break forms a continuous zone with gold mineralization within the Pontiac sediments to the south, crossing the lithologies. This is a new exploration target concept at Parbec with bulk tonnage potential. These interpreted oblique structures

carry gold mineralization to the south of the Break, within the Pontiac sediments and have been intersected in several locations at Parbec. Similar to our Malartic Metals Package property, there is almost a complete lack of exploration in the Pontiac sediments, whereas we can now demonstrate that the entire area has significant exploration potential, validated by our new geological model and the success of our contiguous neighbour, the Canadian Malartic Mine, operating quite successfully in the Pontiac sediments. While there have been >40,000m drilled at Parbec there are still many areas to be drilled, the Pontiac has not been the focus of any exploration or drilling at Parbec. The new interpretation does not yet cover the entirety of the Cadillac Break's ~1.8km of strike on the property, or the deepest pierce points on the property (>700m depth). Additional drilling, guided by this new interpretation, is justified, in the Cadillac Break, the Pontiac sediments and the Piché volcanics to the north, each of which host gold mineralization and untested strike.

### **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 nine months ended September 30, 2024

### **Results of Operations**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
<b>Expenses</b>				
General and corporate	<b>56,829</b>	243,212	<b>234,628</b>	520,404
Exploration expenditures	<b>175,509</b>	197,053	<b>486,633</b>	661,592
<b>Loss before other items</b>	<b>(232,338)</b>	(440,265)	<b>(721,261)</b>	(1,181,996)
<b>Other items</b>				
Flow through share premium	-	-	<b>109,427</b>	191,350
Royalty payment	-	-	<b>(50,000)</b>	-
Gain on settlement of debt	-	-	-	13,333
Loss on sale of marketable securities	-	(1,784,669)	-	(2,158,020)
Unrealized gain of marketable securities	-	1,584,999	-	2,156,608
<b>Net loss and comprehensive loss for the period</b>	<b>(232,338)</b>	(639,935)	<b>(661,834)</b>	(978,725)

### *Revenues*

The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue. No revenues have been reported for the three and nine months ended September 30, 2024 and 2023.

### Other items

Other income – flow through share premium

During 2023 the Company issued flow through shares. For accounting purposes, the proceeds from the 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.

General and Corporate - breakdown for the three and nine months ended September 30, 2024 and 2023:

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Management compensation (see related party transactions)	22,500	22,500	67,500	67,500
Legal and audit	5,082	14,055	11,857	14,055
Consulting services	18,909	170,050	66,358	357,336
Insurance	1,551	1,034	4,653	6,082
Transfer agent	855	1,011	6,935	3,256
Administrative and general	6,182	26,374	64,656	47,433
Interest income	-	-	-	(1,853)
Listing fees	1,750	8,188	12,669	26,595
	56,829	243,212	234,628	520,404

Management compensation for the three and nine months ended September 30, 2024 is comprised of CEO fees of \$7,500 and \$22,500, respectively (2023 - \$7,500 and \$22,500) and CFO management fees of \$15,000 and \$45,000, respectively (2023 - \$15,000 and \$45,000). For the three and nine months ended September 30, 2024, \$22,500 and \$67,500 (2023 - \$22,500 and \$67,500) of fees relating to the CEO was grouped with exploration expenses 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 Company engaged less consultants in this category during the current period compared to the prior period.

### Summary of Quarterly Results

	QTR	QTR	QTR	QTR
	3	2	1	4
	2024	2024	2024	2023
Revenue	--	--	--	--
Net loss and comprehensive loss	\$(232,338)	\$(197,423)	\$(232,073)	\$(701,287)
Loss per common share basic and fully diluted	(0.00)	(0.00)	(0.00)	(0.00)

	QTR	QTR	QTR	QTR
	3	2	1	4
	2023	2023	2023	2022
Revenue	--	--	--	--
Net loss and comprehensive loss	\$(243,212)	\$(766,168)	\$427,378	\$(833,964)
Loss per common share basic and fully diluted	(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 September 30, 2024 the Company's cash decreased to \$117,941 from \$356,578 at December 31, 2023. The Company's working capital deficit was (\$396,393) compared to working capital of \$77,442 at December 31, 2023. The decrease in working capital was due to \$426,637 spent on operating activities (which primarily consisted of expenditures on the exploration projects).

There was no cash used or from investing activities during the nine months ended September 30, 2024.

During the nine months ended September 30, 2024, the Company received net proceeds of \$188,000 from the issuance of flow through shares.

The Company's 2024 monthly cash burn rate on average, which was calculated as cash spent per month in operating activities, was approximately \$47,000. This included exploration expenditures, and various consulting fees for business development and investor relation services which is discretionary and based on available funds. The Company expects to still operate at a loss for at minimum the next 12 months, at its current operating level, the Company will not have sufficient funds to cover short-term operational needs.

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 and sale of marketable securities and to a lesser extent the exercise of options and warrants. The Company currently has no more marketable securities to dispose of for cash.

The Company has no debt and no financial commitments other than spending its flow through dollars on acceptable exploration costs.

Overall, given working capital at September 30, 2024, the Company will not be able to meet its general operational requirements for the next 12 months. In order to fund exploration programs for 2024 the Company will be required to raise additional capital.

The Corporation's principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, the Company will need to continue its relations with the financial community to obtain further equity financing in the future. Outstanding options and warrants, if exercised, represent potential 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 nine months ended September 30, 2024 and 2023:

	<b>2024</b>	2023
Salary or other short-term benefits	<b>\$ 135,000</b>	\$ 135,000
	<b>\$ 135,000</b>	\$ 135,000

## 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 nine months ended September 30, 2024, the Company was charged \$371,578 (nine months ended September 30, 2023 - \$415,409) in exploration related expenditures, and \$90,000 (nine months ended September 30, 2023 - \$90,000) in management fees for the CEO, of which \$67,500 (nine months ended September 30, 2023 - \$67,500) was recorded as exploration expenditures and \$22,500 (nine months ended September 30, 2023 - \$22,500) was charged to general and corporate expense on the statement of loss. As at September 30, 2024, there was \$260,000 (December 31, 2023 - \$170,000) in accrued management fees due to Minroc. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

During the nine months ended September 30, 2024, the Company was charged \$45,000 (nine months ended September 30, 2023 - \$45,000) in management fees by a corporation owned by the CFO of the Company, for CFO services. As at September 30, 2024, \$146,900 (December 31, 2023 - \$79,100) was owing to this corporation and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

## 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; and
- Valuation of the refundable mining duties credit and the refundable tax credits for resources.

## 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) The Company renounced \$388,800 of qualifying exploration expenditures to the shareholders effective December 31, 2023. Under the “look back” provision governing flow-through shares, \$388,800 of the amount has to be spent by December 31, 2024. Certain interpretations are required to assess the eligibility of flowthrough expenditures that if changed, could result in the denial of renunciation.
- (b) 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 2024.

### **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, 2024, the Company had a cash balance of \$117,941 (December 31, 2023 – \$356,578) to settle current liabilities of \$645,528 (December 31, 2023 - \$582,755).

### **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 September 30, 2024 and December 31, 2023, 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 363,111,118 common shares issued and outstanding.

As at the date of this MD&A the Company had 14,417,499 warrants outstanding.

As at the date of this MD&A the Company had 10,750,000 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.*