

RENFORTH RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

(Expressed in Canadian Dollars)

NOTICE TO SHAREHOLDERS

The accompanying condensed interim financial statements of Renforth Resources Inc. for the three months ended March 31, 2017 and 2016 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see notes 2 & 3 to the interim consolidated financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Auditors Involvement

The external auditors of Renforth Resources Inc., have not audited or performed a review of the unaudited interim financial statements for the three months ended March 31, 2017 and 2016 nor have they conducted any procedures with respect to the supplementary financial schedules included herein.

RENFORTH RESOURCES INC.**Condensed Interim Statements of Financial Position (unaudited)**

(Expressed in Canadian dollars)

| | As at March 31, 2017 | As at December 31, 2016 |
|--|----------------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents (<i>note 5</i>) | \$ 33,103 | \$ 16,906 |
| Sales tax and refundable tax credits receivable | 89,587 | 62,531 |
| Total current assets | 122,690 | 79,437 |
| Non-current assets | | |
| Exploration and evaluation assets (<i>notes 6 and 7</i>) | 2,946,834 | 2,721,122 |
| TOTAL ASSETS | \$ 3,069,524 | \$ 2,800,559 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (<i>note 7</i>) | \$ 101,323 | \$ 335,957 |
| Total liabilities | 101,323 | 335,957 |
| Equity | | |
| Share capital (<i>note 8 (b)</i>) | 12,952,212 | 12,433,562 |
| Warrant reserve (<i>note 8 (c)</i>) | 110,864 | 143,201 |
| Contributed surplus | 1,909,479 | 1,837,042 |
| Accumulated deficit | (12,004,354) | (11,949,203) |
| Total equity | 2,968,201 | 2,464,602 |
| TOTAL LIABILITIES AND EQUITY | \$ 3,069,524 | \$ 2,800,559 |

Going concern (*note 1*)**Commitments and contingencies** (*notes 6 and 11*)*The accompanying notes are an integral part of these financial statements.*

Approved by the Board

Signed:

“Nicole Brewster”, Director

Signed:

“Wally Rudensky”, Director

RENFORTH RESOURCES INC.

Condensed Interim Statements of Loss and Comprehensive Loss (unaudited)

For the three months ended March 31, 2017 and March 31, 2016

(Expressed in Canadian dollars)

| | 2017 | 2016 |
|---|--------------------|-------------|
| Expenses | | |
| General and corporate (<i>notes 7 and 13</i>) | \$ 39,551 | \$ 37,270 |
| Share based payments (<i>note 8(d)</i>) | 15,600 | 1,029 |
| Loss before other items | \$ (55,151) | \$ (38,299) |
| Other items | | |
| Other income | - | 4,000 |
| Net loss and comprehensive loss for the period | \$ (55,151) | \$ (34,299) |
| Basic and diluted loss per share (<i>note 9</i>) | \$ (0.00) | \$ (0.00) |

The accompanying notes are an integral part of these financial statements.

RENFORTH RESOURCES INC.**Condensed Interim Statements of Cash Flows (unaudited)**

For the three months ended March 31, 2017 and March 31, 2016

(Expressed in Canadian dollars)

| | 2017 | 2016 |
|--|------------------|-----------------|
| Cash flow from operating activities | | |
| Net loss for the period | \$ (55,151) | \$ (34,299) |
| Items not affecting cash: | | |
| Share based payments | 15,600 | 1,029 |
| Other income | - | (4,000) |
| | (39,551) | (37,270) |
| Changes in non-cash working capital: | | |
| Sales tax and refundable tax credits receivable | (27,056) | 8,723 |
| Accounts payable and accrued liabilities | 31,017 | 27,832 |
| Prepaid expenses and deposits | - | (13,813) |
| Total cash flows from operating activities | (35,590) | (14,528) |
| Cash flow from investing activities | | |
| Additions to exploration and evaluation assets | (15,713) | (37,612) |
| Total cash flows from investing activities | (15,713) | (37,612) |
| Cash flow from financing activities | | |
| Issue of common shares | 43,000 | - |
| Issue of warrants | 24,500 | - |
| Total cash flows from financing activities | 67,500 | - |
| Increase (Decrease) in cash and cash equivalents | 16,197 | (52,140) |
| Cash and cash equivalents, beginning of period | 16,906 | 59,338 |
| Cash and cash equivalents, end of period (note 5) | \$ 33,103 | \$ 7,198 |

*Supplemental information (note 12)**The accompanying notes are an integral part of these financial statements.*

RENFORTH RESOURCES INC.

Condensed Interim Statements of Changes in Equity (unaudited)

For the three months ended March 31, 2017 and March 31, 2016

(Expressed in Canadian dollars)

| | Share capital | Share capital | Contributed surplus | Warrant reserve | Deficit | Total |
|---|---------------|---------------|---------------------|-----------------|--------------|-----------|
| | # | \$ | \$ | \$ | \$ | \$ |
| Balance, December 31, 2015 | 67,571,172 | 12,183,169 | 1,706,505 | 127,102 | (11,691,197) | 2,325,579 |
| Share based payments | - | - | 1,029 | - | - | 1,029 |
| Shares and warrants issued on property purchase agreement | 500,000 | 5,000 | - | - | - | 5,000 |
| Net loss and comprehensive loss for the year | - | - | - | - | (34,299) | (34,299) |
| Balance, March 31, 2016 | 68,071,172 | 12,188,169 | 1,707,084 | 127,102 | (11,725,496) | 2,297,309 |
| Balance, December 31, 2016 | 75,451,172 | 12,433,562 | 1,837,042 | 143,201 | (11,949,203) | 2,464,602 |
| Share based payments | - | - | 15,600 | - | - | 15,600 |
| Shares issued on property purchase agreement | 3,750,000 | 187,500 | - | - | - | 187,500 |
| Shares issued under private placement | 1,350,000 | 67,500 | - | - | - | 67,500 |
| Valuation of warrants issued under private placement | - | (24,500) | - | 24,500 | - | - |
| Shares issued to settle debt | 5,763,000 | 288,150 | - | - | - | 288,150 |
| Expiry of warrants | - | - | 56,837 | (56,837) | - | - |
| Net loss and comprehensive loss for the year | - | - | - | - | (55,151) | (55,151) |
| Balance, March 31, 2017 | 86,314,172 | 12,952,212 | 1,909,479 | 110,864 | (12,004,354) | 2,968,201 |

The accompanying notes are an integral part of these financial statements.

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Renforth Resources Inc. (the “Company” or “Renforth”), was incorporated in Canada under the Business Corporations Act (Ontario) and carries on business in one segment, being the acquisition, exploration and development of mineral properties in Canada. The Company’s registered and head office is located at 65 Front Street East, Suite 200, Toronto, Ontario M5E 1B5.

These financial statements were approved by the board on May 29 2017.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The amounts shown as exploration and evaluation assets do not necessarily represent present or future values. Changes in future conditions could require material write-downs to the carrying values of the Company’s assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, First Nations claims, unregistered prior agreements, social licensing requirements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainties. The Company is currently negotiating terms of its option agreements regarding the Parbec Gold Property.

Going concern assumption

These financial statements are prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future.

The recoverability of the costs incurred to date on exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write-downs to the carrying value of the exploration and evaluation assets. Such adjustments could be material. Management is aware, in making its assessment of material uncertainties related to events or conditions that cast significant doubt upon the entity’s ability to continue as a going concern. The Company has incurred a net loss of \$55,151 for the year three months ended March 31, 2017 (2016 - \$34,299) and has an accumulated deficit of \$12,004,354 (December 31, 2016 - \$11,949,203) and a working capital of \$21,367 (December 31, 2016 – working capital deficiency of \$256,520).

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Basis of presentation

These condensed interim financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2016.

Functional currency

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

Critical judgments and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets’ carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation costs.

- Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company’s properties, costs to sell the properties and the appropriate discount rate.

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingences (note 11)

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's December 31, 2016 annual financial statements, except for the adoption of new standards and interpretations as of January 1, 2017.

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, 2017 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 9, Financial Instruments ("IFRS 9") was updated and re-issued by the IASB on July 24, 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 2 Share based payments, the amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The effective date is for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IAS 7 Statement of Cash Flows, the amendment states that it is required to provide disclosure of information that enables the users of the financial statements to evaluate the changes in liabilities arising from financing activities, whether changes relating to cash flows or changes not relating to cash flows. The amendment shall be applied by way of prospective application for annual reporting periods beginning on January 1, 2017 or thereafter.

IAS 12 Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants, contributed surplus and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

4. CAPITAL MANAGEMENT (continued)

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2017 and the year ended December 31, 2016.

The Company is not subject to any externally imposed capital requirements.

5. CASH AND CASH EQUIVALENTS

| | As at March 31, 2017 | As at December 31, 2016 |
|--------------|-------------------------|----------------------------|
| Cash in bank | \$ 33,103 | \$ 16,909 |

Cash and cash equivalents earn interest based on market rates applicable to each form of interest bearing instrument. Cash is deposited at a reputable financial institution in Canada. The fair value of cash and cash equivalents approximates the values disclosed in this note.

6. EXPLORATION AND EVALUATION ASSETS

| | New Alger | Nixon Bartelman | Parbec | Malartic West | Denain | Total |
|----------------------------------|---------------------|--------------------|-------------------|-------------------|-------------------|---------------------|
| Acquisition costs | | | | | | |
| December 31, 2015 | \$ 866,785 | \$ 40,000 | \$ 30,000 | \$ 114,206 | \$ - | \$ 1,050,991 |
| Additions | 27,500 | 90,000 | 80,000 | - | - | 197,500 |
| December 31, 2016 | 894,285 | 130,000 | 110,000 | 114,206 | - | 1,248,491 |
| Additions | - | - | - | - | 187,500 | 187,500 |
| March 31, 2017 | \$ 894,285 | \$ 130,000 | \$ 110,000 | \$ 114,206 | \$ 187,500 | \$ 1,435,991 |
| Exploration | | | | | | |
| December 31, 2015 | \$ 1,239,695 | \$ 25,999 | \$ 96,018 | \$ - | \$ - | \$ 1,361,712 |
| Exploration and other geological | 63,774 | - | 89,611 | - | - | 153,385 |
| Quebec input tax credit | (15,436) | - | (27,030) | - | - | (42,466) |
| December 31, 2016 | 1,288,033 | 25,999 | 158,599 | - | - | 1,472,631 |
| Exploration and other geological | 11,458 | - | 26,754 | - | - | 38,212 |
| March 31, 2017 | \$ 1,299,491 | \$ 25,999 | \$ 185,353 | \$ - | \$ - | \$ 1,510,843 |
| Carrying amounts | | | | | | |
| December 31, 2016 | 2,182,318 | 155,999 | 268,599 | 114,206 | - | 2,721,122 |
| March 31, 2017 | \$ 2,193,776 | \$ 155,999 | \$ 295,353 | \$ 114,206 | \$ 187,500 | \$ 2,946,834 |

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

New Alger Gold Project

On January 28, 2013, Renforth entered into an agreement (the "Purchase Agreement") with Cadillac Ventures Inc. ("Cadillac") to acquire a 100% interest in Cadillac's New Alger Property, located in Cadillac Township, Québec. The Purchase Agreement supersedes previous agreements.

The Purchase Agreement provides for the payment to Cadillac of the following: (i) \$20,000 cash and 2,000,000 common shares of Renforth at the time of signing the agreement (paid and common shares issued), (ii) \$210,000 cash by June 15, 2013 and (iii) \$250,000 cash by November 15, 2013. Upon satisfaction of the foregoing conditions, Renforth will acquire a 100% interest in the property, subject to an existing 1% net smelter return royalty ("NSR") and Cadillac will retain an additional 1% NSR.

On September 30, 2013, Renforth and Cadillac signed an agreement whereby Cadillac agreed to accept common shares in lieu of the June 15, 2013 cash payment at an agreed price of \$0.05. On October 24, 2013, Renforth issued 4,200,000 common shares to Cadillac, valued at \$168,000 based on the fair value of common shares at the date of issuance.

On February 1, 2014, Renforth and Cadillac agreed to settle the final payment through quarterly instalments of \$15,000 (commencing February 2014), with the balance of \$190,000 payable February 2015. In consideration for the restructuring of the payment, Renforth agreed to pay an additional fee of \$10,000 payable February 2015. On December 2, 2014, Renforth and Cadillac made an amendment to the February 1, 2014 agreement whereby Renforth will continue to make quarterly instalments of \$15,000, with the balance payable November 2015. On May 20, 2015, a further amendment was made whereby Renforth will continue to make quarterly payments of \$15,000 which will apply against the balance due. The first payment was due on signing the amendment, followed by quarterly payments due: August 1, November 1, February 1, and the balance due May 2016. As at December 31, 2016, \$nil (2015 - \$110,000) is payable to Cadillac and is included in accounts payable and accrued liabilities.

On August 11, 2016, the Company and Cadillac entered in to an agreement whereby, Renforth made a final payment to Cadillac of \$10,000 and 2,000,000 common shares of Renforth as full settlement of the amount owing under the New Alger Purchase Agreement. This settlement resulted in a gain of \$5,000.

On February 18, 2014, the Company acquired the option to acquire certain properties on the western boundary of Renforth's New Alger project.

The acquisition was subject to several terms and conditions, including the following;

- 1- Renforth shall issue to the vendor 200,000 common shares of Renforth (issued February 14, 2014);
- 2- Upon or before the date which is 12 months from the signing of the agreement Renforth shall carry out \$20,000 in exploratory work on the property, issue to the vendor 100,000 (issued February 18, 2015) Renforth common shares and pay the vendor \$10,000 (paid February 24, 2015), to acquire a 25% interest in the property;
- 3- Upon or before the date which is 24 months from the signing of the agreement Renforth shall carry out \$30,000 in work on the Property, issue to the vendor 250,000 (issued May 25, 2016) Renforth common shares and pay the vendor \$15,000, to earn an additional 30% interest in the Property;
- 4- Upon or before the date which is 36 months from the signing of the agreement Renforth shall carry out \$50,000 in work on the Property, issue to the vendor 250,000 common shares of Renforth and pay the vendor \$25,000 in cash, to earn Renforth the final 45% interest in the Property.

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

On September 14, 2016 the Company entered into an agreement to acquire 100% of the properties for the following terms:

- issue 450,000 shares (issued September 21, 2016)
- pay \$10,000 prior to January 2017¹
- pay nominal expenses associated with renewal fees
- issue a 1% NSR to the option holder (purchasable for \$1,000,000)

(1) The Company has not met the cash payment to date. The vendor has agreed to extend the cash payment to a future date.

On August 4, 2015, the Company acquired 50 claims adjacent to the New Alger project (the “Bonchamp Claims”). In consideration for these claims, the Company issued 4,000,000 common shares valued at \$0.05 per share based on the quoted market price on the date of issuance.

During the year ended December 31, 2016, the Company recovered \$61,861 (2015 - \$93,131) from Revenu Quebec for the fiscal year ended December 31, 2015. These refundable mining tax credits were recorded as a reduction to exploration and evaluation assets. As at December 31, 2016, the Company also accrued \$15,436 (2015 - \$38,205) for credits related to 2016 expenditures.

Nixon Bartleman Property

On August 4, 2014, Renforth entered into an option agreement to earn a 55% interest in the Nixon-Bartleman Property located in the West Timmins Mining Area, in the western part of the Porcupine Mining Camp.

On April 28, 2016, Renforth negotiated a 100% purchase of the Nixon Bartleman property, subject to a pre-existing 2% NSR, for total consideration of 3 million shares of Renforth and the issuance of an additional 0.5% NSR to the vendor. This purchase replaces the prior option held on the property.

Parbec Gold Project

On January 29, 2015, the Company entered into a letter of intent to acquire 100% of the Parbec Gold Property (“Parbec”) 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, \$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 one¹, \$500,000 by the end of year 2¹, \$1,150,000 by the end of year three, 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, 500,000 before the end of year three, 250,000 before the end of year four shares issued).
- 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).

(1) The Company has not met the work and the share issuance requirements to date. The vendor has agreed to extend the work and share issuance requirements to a future date.

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

As at December 31, 2016, the Company accrued \$27,030 (2015 - \$25,537) of refundable mining tax credits from Revenu Quebec for the fiscal year ended December 31, 2016. These refundable mining tax credits were recorded as a reduction to exploration and evaluation assets.

Malartic West

On November 6, 2015, the Company acquired 100% of the Malartic West Property. The Malartic West Property, acquired from Knick Exploration for total consideration of 4,000,000 shares of Renforth, is located west of Renforth's Parbec Property, contiguous to the Canadian Malartic Mine property. The property is subject to a 2% NSR and a 2% Gross Overriding Receipts royalty on all diamonds extracted. There is a right to buy back one per cent of the royalty for \$1,000,000.

On November 27, 2015, the Company acquired additional claims adjacent to, and also named, the Malartic West Property for total consideration of 2,000,000 shares of Renforth and 2,000,000 common share purchase warrants exercisable for a period of 2 years at a price of \$0.05.

Denain Gold Project

In March 2017, the Company acquired the Denain Gold Project, located on the Cadillac Break. The Project is comprised of 145 claims. The claims were acquired for 3,750,000 shares of Renforth to be issued from Treasury for a 100% interest in 101 claims and an 80% interest in 44 of the claims where the arms-length vendor only holds an 80% interest in such claims. The vendor will retain a 2% NSR on the claims, half of which (1% of the 2%) can be purchased by Renforth for \$500,000.

7. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Compensation of key management personnel

Key management includes members of the board of directors, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the three months ended March 31, 2017 and March 31, 2016:

| | 2017 | 2016 |
|-------------------------------------|-----------|-----------|
| Salary or other short term benefits | \$ 45,000 | \$ 45,000 |

(b) 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 shareholder of Billiken. For the three months ended March 31, 2017, the Company was charged \$15,504 (2016 - \$1,311) in exploration related expenditures, and \$30,000 (2016 - \$30,000) in management fees for the CEO, of which \$22,500 (2016 - \$22,500) was capitalized and recorded in exploration and evaluation assets and \$7,500 (2016 - \$7,500) was charged to general and corporate expense on the statement of loss. The Company also rents office space from Billiken. During the period, the Company was charged \$nil (2016 - \$3,825) for office rent. 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. As at March 31, 2017, \$52,260 (December 31, 2016 - \$187,470) was owed to Billiken. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

During the three months ended March 31, 2017, the Company was charged \$15,000 (2016 - \$15,000) in management fees by a company owned by the Chief Financial Officer of the Company, for CFO services. As at March 31, 2017, \$16,950 (2015 - \$96,050) is owing to this officer and included in accounts payable. This amount is unsecured, non-interest bearing with no fixed terms of repayment. 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.

8. SHARE CAPITAL

a) Shares authorized

The Company is authorized to issue an unlimited number of preferred and common shares without nominal or par value. No preferred shares have been issued.

b) Common shares issued and outstanding

Details of shares issued and outstanding are as follows:

| | Shares | Amount |
|---|------------|---------------|
| Balance, December 31, 2015 | 67,571,172 | 12,183,169 |
| Shares issued in accordance with Parbec option agreement (note 6) | 500,000 | 5,000 |
| Shares issued under private placement (i) | 520,000 | 26,000 |
| Valuation of warrants (i) | - | (11,556) |
| Shares issued in accordance with Nixon Bartleman agreement (note 6) | 3,000,000 | 90,000 |
| Shares issued in accordance with New Alger agreement (note 6) | 250,000 | 5,000 |
| Shares issued under private placement (ii) | 360,000 | 18,000 |
| Valuation of warrants (ii) | - | (7,642) |
| Shares issued under private placement (iii) | 520,000 | 26,000 |
| Valuation of warrants (iii) | - | (11,556) |
| Shares issued under private placement (vi) | 280,000 | 14,000 |
| Valuation of warrants (vi) | - | (5,353) |
| Shares issued in accordance with New Alger agreement (iv) | 2,000,000 | 80,000 |
| Shares issued in accordance with New Alger claim agreement (v) | 450,000 | 22,500 |
| Balance, December 31, 2016 | 75,451,172 | \$ 12,433,562 |
| Shares issued to settle debt (vii) | 5,763,000 | 288,150 |
| Shares issued under private placement (viii) | 1,350,000 | 67,500 |
| Valuation of warrants (viii) | - | (24,500) |
| Shares issued on acquisition of Denain property (note 6) | 3,750,000 | 187,500 |
| Balance, March 31, 2017 | 86,314,172 | \$ 12,592,212 |

- (i) On May 11, 2016, the Company closed a non-brokered private placement financing raising gross proceeds of \$26,000 through the issuance of 520,000 common share units ("Common Units") at \$0.05 per Common Unit. Each Common Unit consists of one common share in the capital of the Company and one whole common share purchase warrant ("Common Warrant"). Each Common Warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 for a period of 24 months following closing. These warrants were assigned a value of \$11,556 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.53%; expected volatility of 218%; expected dividend yield of 0% and an expected life of two years. Expected volatility was based on the historical volatility of other comparable listed companies.

RENFORTH RESOURCES INC.

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8. SHARE CAPITAL (continued)

- (ii) On July 4, 2016, the Company closed a non-brokered private placement financing raising gross proceeds of \$18,000 through the issuance of 260,000 common share units (Common Units) and 100,000 flow through units ("FT Units"). The Common Units were priced at \$0.05 per unit and consisted of one share and one warrant. The FT Units were priced at \$0.05 per unit and consisted of one share and a half warrant. Each full warrant can be exercised to purchase one common share at a price of \$0.10 per share. The half warrants associated with the flow through units are exercisable for a period of 18 months, the whole warrants associated with the common share units are valid for a period of 24 months. These warrants were assigned a value of \$7,642 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.51%; expected volatility of 214%; expected dividend yield of 0% and an expected life of 1.5 - 2 years. Expected volatility was based on the historical volatility of other comparable listed companies.
- (iii) On September 19, 2016, the Company completed a non-brokered private placement financing raising gross proceeds of \$26,000 through the issuance of 520,000 common share units ("Common Units") at \$0.05 per Common Unit. Each Common Unit consisted of one common share in the capital of the Company and one whole common share purchase warrant ("Common Warrant"). Each Common Warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 for a period of 24 months following closing. These warrants were assigned a value of \$11,556 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.58%; expected volatility of 214%; expected dividend yield of 0% and an expected life of 2 years. Expected volatility was based on the historical volatility of other comparable listed companies.
- (iv) On September 19, 2016, the Company issued 2,000,000 common shares, at \$0.04 per share based on the fair market value of the common shares at the date of issuance, for 100% ownership of the New Alger mining concession, subject to a 2% NSR which applies to the property (note 6).
- (v) On September 21, 2016, the Company issued 450,000 common shares, at \$0.05 per share based on the fair market value of the common shares at the date of issuance, for 100% interest in the optioned claims that are contiguous to the Company's wholly owned New Alger Project (note 6).
- (vi) On November 30, 2016, the Company completed a non-brokered private placement financing raising gross proceeds of \$14,000 through the issuance of 80,000 common share units ("Common Units"), and 200,000 flow through units ("FT Units") each at \$0.05 per Common Unit. Each Common Unit consisted of one common share in the capital of the Company and one whole common share purchase warrant ("Common Warrant"). Each Common Warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 for a period of 24 months following closing. Each FT Unit consisted of one common share in the capital of the Company and one half common share purchase warrant ("FT Warrant"). Each FT Warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 for a period of 18 months following closing. These Common and FT Warrants were assigned a value of \$2,095 and \$3,258 respectively, using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.53%; expected volatility of 218%; expected dividend yield of 0% and an expected life of 1.5 - 2 years. Expected volatility was based on the historical volatility of other comparable listed companies.
- (vii) On January 9, 2017, the Company settled debt in the amount of \$288,150 associated with services rendered to Renforth by the President and CEO and the CFO over a period covering 17 months and including HST. This is the only compensation paid for the services rendered in the period. A total of 5,763,000 shares were issued to discharge this debt in full.

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8. SHARE CAPITAL (continued)

- (viii) On March 7, 2017, the Company closed the first tranche of financing in the amount of \$67,500, raised with the sale of 100,000 common share units and 1,250,000 flow-through units, each unit priced at \$0.05, with 725,000 warrants exercisable at \$0.10 for a period of 24 months for the warrants attached to the common share units and 18 months for the warrants attached to the flow through units.
- (ix) On March 2017, the Company issued 3,750,000 common shares, at \$0.05 per share based on the fair market value of the common shares at the date of issuance, for a 100% interest in 101 claims and an 80% interest in 44 of the claims of the Denain Gold Project, where the arms-length vendor only holds an 80% interest in such claims. The vendor will retain a 2% NSR on the claims, half of which (1% of the 2%) can be purchased by Renforth for \$500,000 (note 6).

c) Share purchase warrants

The following summarizes the activity during the three months ended March 31, 2017 and the year ended December 31, 2016:

| | Warrants outstanding | Value \$ |
|--|----------------------|-------------|
| Balance at December 31, 2015 | 6,726,000 | 127,102 |
| Issue of warrants – May 11, 2016 | 520,000 | 11,556 |
| Issue of warrants – July 4, 2016 | 310,000 | 7,642 |
| Issue of warrants – September 19, 2016 | 520,000 | 11,556 |
| Issue of warrants – November 30, 2016 | 180,000 | 5,353 |
| Expired | (1,156,000) | (20,008) |
| Balance at December 31, 2016 | 7,150,000 | 143,201 |
| Issue of warrants – March 7, 2017 | 100,000 | 2,761 |
| Issue of warrants – March 7, 2017 | 635,000 | 21,739 |
| Expired | (2,600,000) | (56,837) |
| Balance at March 31, 2017 | 5,275,000 | 110,864 |

Summary of warrants outstanding as at March 31, 2017:

| Number of Warrants Outstanding | Exercise Price | Expiry Date | Weighted Average Remaining Life | Grant Date Fair Value |
|-----------------------------------|-------------------|----------------|------------------------------------|--------------------------|
| # | \$ | | years | \$ |
| 24,000 | 0.07 | 1-Jun-17 | 0.17 | 199 |
| 2,000,000 | 0.05 | 27-Nov-17 | 0.66 | 24,206 |
| 558,800 | 0.10 | 27-Nov-17 | 0.66 | 15,491 |
| 387,200 | 0.10 | 31-Dec-17 | 0.75 | 10,361 |
| 520,000 | 0.10 | 11-May-18 | 1.11 | 11,556 |
| 260,000 | 0.10 | 4-Jul-18 | 1.26 | 5,642 |
| 50,000 | 0.10 | 4-Jan-18 | 0.76 | 2,000 |
| 520,000 | 0.10 | 19-Sep-18 | 1.47 | 11,556 |
| 80,000 | 0.10 | 30-Nov-18 | 1.67 | 2,095 |
| 100,000 | 0.10 | 30-May-18 | 1.16 | 3,258 |
| 100,000 | 0.10 | 07-Mar-19 | 1.93 | 2,761 |
| 625,000 | 0.10 | 07-Sept-18 | 1.44 | 21,739 |
| 5,275,000 | 0.09 | | 0.96 | 110,864 |

RENFORTH RESOURCES INC.

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(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

d) Stock option plan

The Company has a stock option plan which provides for the granting of options to purchase common shares to a maximum of 10% of the issued and outstanding common shares of the Company to officers, directors, and other service providers at the discretion of the directors. Each option granted under this plan shall be exercisable for a maximum period of five years from the date the option is granted to the optionee. Stock options vest over a period of 12 months.

On April 28, 2016, the Company issued 1,650,000 options to officers, directors and consultants of the Company exercisable for a period of five years at an exercise price of \$0.07 per option. The options vested 50% upon grant and 50% six months from the date of grant. The fair value of the options were estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 191%; expected dividend yield of 0%; risk-free interest rate of 0.85%; and expected life of 5 years. The options were valued at \$62,700. Expected volatility was based on the historical volatility of other comparable listed companies.

On September 19, 2016, the Company issued 1,300,000 options to officers, directors and consultants of the Company exercisable for a period of five years at an exercise price of \$0.05 per option. The options vested immediately on the date of grant. The fair value of the options were estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 195%; expected dividend yield of 0%; risk-free interest rate of 0.73%; and expected life of 5 years. The options were valued at \$62,400. Expected volatility was based on the historical volatility of other comparable listed companies.

For the three months ended March 31, 2017, stock option expense of \$15,600 (2016 - \$1,029) was charged to operations with an equivalent offset credited to contributed surplus to reflect the vested portion of the fair value of stock options granted for directors and officers compensation.

As at March 31, 2017, the weighted average exercise price of options outstanding and options exercisable were as follows:

| | March 31, 2017 | | December 31, 2016 | |
|------------------------------------|------------------|---------------------------------|-------------------|---------------------------------|
| | Number | Weighted Average Exercise price | Number | Weighted Average Exercise price |
| Outstanding – beginning of year | 7,625,000 | \$ 0.07 | 4,755,000 | \$ 0.09 |
| Granted | - | \$ - | 2,950,000 | \$ 0.06 |
| Expired | - | \$ - | (80,000) | \$ 0.25 |
| Outstanding – end of period | 7,625,000 | \$ 0.07 | 7,625,000 | \$ 0.07 |
| Exercisable – end of period | 7,625,000 | \$ 0.07 | 6,975,000 | \$ 0.07 |

RENFORTH RESOURCES INC.

Notes to Financial Statements

March 31, 2017

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

As at March 31, 2017 the Company had the following stock options outstanding:

| Number of Options Outstanding | Exercise Price | Expiry Date | Number of Options Exercisable | Weighted Average Remaining Life (years) |
|----------------------------------|-------------------|----------------|----------------------------------|--|
| 50,000 | 0.25 | 20-Apr-17 | 50,000 | 0.05 |
| 1,875,000 | 0.10 | 19-Jun-18 | 1,875,000 | 1.22 |
| 1,150,000 | 0.06 | 28-May-19 | 1,150,000 | 2.16 |
| 650,000 | 0.05 | 26-Feb-20 | 650,000 | 2.91 |
| 950,000 | 0.09 | 7-Aug-20 | 950,000 | 3.36 |
| 1,650,000 | 0.07 | 28-Apr-21 | 1,650,000 | 4.08 |
| 1,300,000 | 0.05 | 19-Sept-21 | 1,300,000 | 4.47 |
| 7,625,000 | | | 7,625,000 | 2.94 |

No options were granted during the three months ended March 31, 2017. The weighted average fair value per option issued during the year ended December 31, 2016 was \$0.042.

9. LOSS PER COMMON SHARE

The following table sets forth the computation of basic and diluted loss per common share:

| For the three months ended March 31 | 2017 | 2016 |
|--|-------------|-------------|
| Numerator: | | |
| Net loss attributable to common shareholders | | |
| - basic and diluted | \$ (55,151) | \$ (34,299) |
| Denominator: | | |
| Weighted average common shares outstanding | | |
| - basic | 81,510,809 | 67,571,172 |
| - diluted | 94,410,809 | 79,052,172 |
| Basic and diluted loss per common share | \$ (0.00) | \$ (0.00) |

The warrants and options outstanding were excluded from the computation of diluted loss per share in 2017 and 2016 because their impact was anti-dilutive.

RENFORTH RESOURCES INC.

Notes to Financial Statements

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10. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures during the three months ended March 31, 2017 and March 31, 2016.

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 March 31, 2017, the Company had a cash and cash equivalent balance of \$33,103 (December 31, 2016 – \$16,906) to settle current liabilities of \$101,323 (December 31, 2016 - \$335,956).

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 March 31, 2017 and December 31, 2016, the fair values of Company's financial instruments approximate their carrying values, given their short-term nature.

11. COMMITMENTS AND CONTINGENCIES

- (a) See note 6 for additional commitments and contingencies on evaluation and exploration assets.
- (b) The Company renounced \$15,000 of qualifying exploration expenditures to the shareholders effective December 31, 2016. Under the "look back" provisions governing flow-through shares, \$10,000 of this amount was unspent by the end of 2016. As at March 31, 2017, the amount was spent.
- (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.

RENFORTH RESOURCES INC.**Notes to Financial Statements**

March 31, 2017

(Expressed in Canadian dollars)

12. SUPPLEMENTAL INFORMATION – STATEMENT OF CASH FLOWS

| Three months ended March 31, | 2017 | 2016 |
|---|------------|----------|
| Interest paid | \$ - | \$ - |
| Income taxes paid | \$ - | \$ - |
| Non-Monetary Transactions: | | |
| Shares issued for debt settlement | \$ 288,150 | \$ - |
| Shares issued under option agreements | \$ - | \$ 5,000 |
| Shares issued for property acquisitions | \$ 187,500 | \$ - |

13. GENERAL AND CORPORATE EXPENSES

| Three months ended March 31, | 2017 | 2016 |
|------------------------------|-----------|-----------|
| Management compensation | \$ 22,500 | \$ 22,500 |
| Legal and audit | 7,160 | 5,000 |
| Rent | - | 3,825 |
| Insurance | 2,157 | 2,687 |
| Transfer agent | 3,759 | 862 |
| Administrative and general | 2,475 | 896 |
| Listing fees | 1,500 | 1,500 |
| | \$ 39,551 | \$ 37,270 |