

## Renforth Resources (RFR)

Company Report – June 27, 2020

Renforth Resources is a mineral exploration company that focusses on easily accessible Canadian-based gold projects.

Renforth delivered two NI43-101 compliant resource estimates in May 2020 for its active exploration projects New Alger and Parbec, both located in Quebec. Each of these emerging deposits is economically attractive, with gold grades that are considered robust for open-pit mining assumptions. The near surface zones are already significant in terms of the ounces of gold established. However, the total gold resources will very likely amount to much larger deposit areas as further exploration work continues.

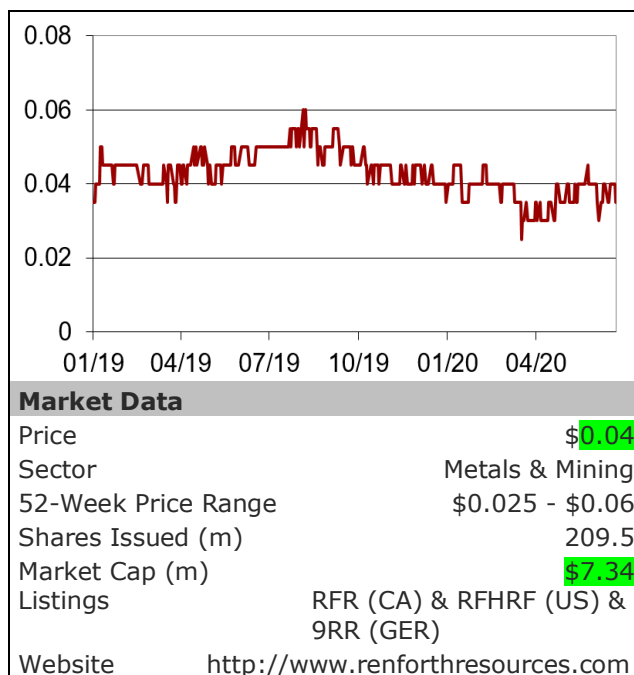
The Company is gaining recognition for these accomplishments. Very few junior explorers have achieved the stature to present compliant resource reports for two separate projects.

The steady advancement of these two high profile projects serves as the catalyst for a higher share value. Combined with the bullish background for the price of gold itself, Renforth shareholders may look ahead with anticipation to higher market premiums for this attractive stock.

We reiterate our buy recommendation for Renforth Resources with a price target of \$0.14, which is an increase from \$0.12 in our previous report, and 300% above today's stock price.



- ❑ All of Renforth's properties are located in Canada, one of the safest mining jurisdictions worldwide.
- ❑ With its recent exploration activities, Renforth has established itself as one of the most active junior explorers in Canada, and the New Alger property as one of the top discovery prospects in Quebec.
- ❑ If the Company is able to deliver further success from this work, the profile of this emerging gold deposit area in one of the hottest mining districts in Canada will attract further attention. With a market cap that may be considered in the bargain range at the present, the prospects for steady news flow from New Alger will be a catalyst to move this stock higher.

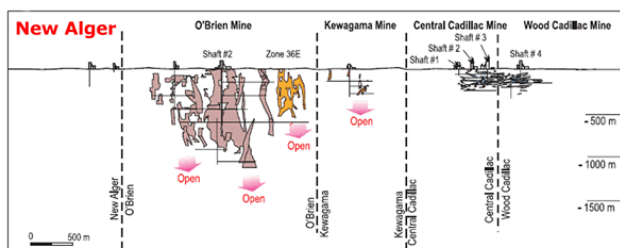


## THE COMPANY

Renforth Resources Inc. is a Toronto-based gold exploration company with interests in established exploration camps in both Quebec and Ontario. Its two flagship properties combined contain more than 530,000 ounces of estimated gold resources. However, Renforth’s resource estimates significantly understate the properties’ true resource potential.

Renforth’s 100% owned **New Alger property** is located on Quebec’s famous Cadillac Break. It contains 1.4 kilometer (km) of strike length, which is all gold-bearing. The project has an estimated maiden mineral resource of 250,000 ounces of gold. This estimate, which was calculated in 2020, only factored in resources to a depth of 215 meters.

However, the Cadillac Break region is known for hosting some of Canada’s biggest and deepest gold mines, including Agnico Eagle’s [NYSE:AEM] LaRonde mine, contiguous to New Alger, and Eldorado Gold Corporation’s [NYSE:EGO] Lamaque mine. In this region, gold is mined as deep 1,500 meters below the surface, such as at the adjacent past-producing O’Brien mine. In fact, in subsequent drilling at New Alger, Renforth has intersected gold at a depth of 410 meters. So it’s clear that the New Alger deposit is open for expansion.

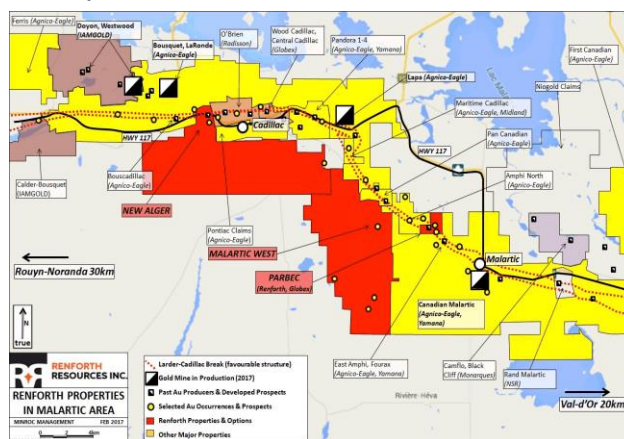


**Vertical sections showing the location of orebodies and showings in the Cadillac mining camp. Thompson-Cadillac, the historic mine at New Alger, has a shaft depth to 343m. Renforth now has gold pierce points below that point, while neighboring gold properties, such as the O’Brien mine, were mined as deep as 1,500 meters.**

Another important factor in potentially boosting New Alger’s resource base is the implications of Renforth’s 2014 re-discovery of gold bearing veins in the Pontiac

sediments, which are about 250 meters south of the Cadillac Break. Renforth calls this the Discovery Vein Horizon. An important cross-fault links the veins with the main resource.

The New Alger Discovery Vein system shows similarities to the veins found at the nearby Canadian Malartic Mine, owned by Agnico Eagle. Canadian Malartic, Canada’s largest open-pit low-grade gold mine (with a grade of about 1.1g/tonne), produced about 700,000 ounces of gold in 2018 and had total proven and probable reserves of 2.78 million ounces as of year-end 2018.



**Renforth’s New Alger, Parbec, and Malartic West properties (in red) all located in the heart of Canada’s Gold Country, the home of the giants such as Agnico/Iamgold/Osisko Canadian Malartic/Eldorado.**

The 100% owned **Parbec property** is a shallow gold resource with a 1.8 kilometer strike length also situated along the Cadillac Break. A 2020 resource estimate showed that Parbec contains over 280,000 ounces of gold. Similar to New Alger, about 80% of the mineralization was found at a depth of 200 meters or less.

In addition, Renforth holds the **Malartic West property**, contiguous to, and interpreted from geophysics to be the structural extension of, the Canadian Malartic Mine, Canada’s largest open-pit gold mine.

East of Val d’Or Renforth has assembled the gold-bearing **Denain-Pershing property**, 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.

Finally, in Ontario, the Company owns 100% of the **Nixon-Bartleman property**, located on the Porcupine-Destor fault in the West Timmins Mining area, another historic gold occurrence with a couple of old shallow pits onsite and a history of past drilling which has not yet defined the gold occurrence.

Short term, the New Alger and Parbec Gold properties offer easy road access exploration and development with deep labour pools and service providers to draw upon. The balance of the property portfolio gives shareholders access to longer term blue sky opportunities through basic exploration on prospective ground with historically identified gold occurrences.

## NEW ALGER

The 100% owned New Alger Project, which is subject to a 3% NSR, 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, while the former O'Brien Mine is the eastern neighbour.

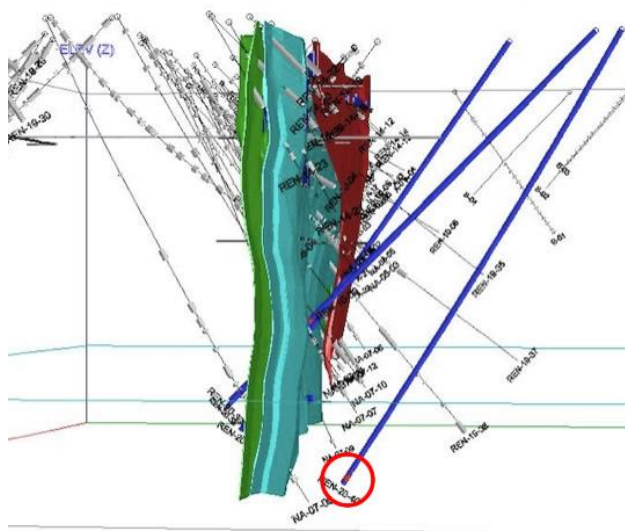
The Cadillac Break system comprises at least three primary gold veins extending laterally along a wide corridor. There are often sub-parallel veins branching off, related to cross-trending structural features. The veins often pinch and swell and a variance in grade is common.

All three of the main vein systems extend through New Alger for a strike length of approximately 1.4 kilometers. In addition, the geometry of the vein alignment within the property area is favorable for Renforth. The almost vertical plunge of the veins suggests that the gold-bearing zones related to the structure will remain entirely within the land package controlled by the Company.

### Successful Drilling Campaign

The latest round of drilling, conducted earlier this year, hit the deepest mineralized vein intercepts achieved so far. REN-20-40 penetrated the #3 vein starting at more than

490m down hole. This represents a depth of more than 410 meters below surface. It is likely that the other two established veins of the system would also have been encountered even further down if the drilling continued. However the hole was terminated due to challenging ground conditions.



**Vertical sections showing the location of orebodies and showings in the Cadillac mining camp. Thompson-Cadillac, the historic mine at New Alger, has a shaft depth to 343m. Renforth now has gold pierce points below that point, while neighboring gold properties, such as the O'Brien mine, were mined as deep as 1,500 meters.**

The entire strike length of the system within the property area remains open for further expansion to depth. Geologie Quebec has stated that the Cadillac Mining Camp remains essentially unexplored below 400 meters depth.

A cluster of mines within a corridor of roughly 20 kilometers of the Cadillac Break in proximity to New Alger highlights this potential. For example, Agnico-Eagle Mines Ltd. has achieved significant success to outline new resources to depth and extend the mine life at its nearby Lapa Mine project. Productive gold zones at Lapa were discovered as deep as 1500 meters beneath the surface.

Also immediately to the east of New Alger, the O'Brien Mine extended to depths of at least 1500 meters. The same vein system continues laterally through New Alger. If it walks like a duck and quacks like a duck...

To more effectively complete deeper drilling work, Renforth plans to collar the next round of drill holes from the southern side of the structure. Project geologists believe that this change in alignment of the drills will avoid the fragmented rock that created difficulties in this latest round. This shift in the drilling will also enable the Company to test for extensions within the Discovery Veins targets as the drilling work continues down to the deeper mine area veins.

### New Resource Estimate

Previous operators of the property were targeting higher grade gold alteration, which was mostly confined within narrow vein intervals. Contrary, Renforth has taken the approach to outline bulk tonnage alteration in rock units surrounding the main structure. While this often includes lower grade gold resources, the total gold clout of these zones is now amounting to a significant deposit.

A three-dimensional model was created for New Alger as part of the process. This served as a starting point to enable a conceptual open-pit shell to be created for the near surface resource zones. Resources closest to surface represent the lowest cost zones of the deposit for possible extraction and are therefore more attractive economically.

Renforth presented this maiden open-pit resource amounting to 61,500 oz Indicated, along with 123,300 ounces of gold Inferred. Additional resources were defined below the pit zone including another 64,700 ounces of gold in the Inferred category.

Class	Tonnes (000)	Grade (g/t Au)	Contained ounces
Indicated	1,035	1.88	62,600
Inferred	3,226	1.81	188,000

**The 2020 New Alger Resource Estimate. Source: Company Filings.**

Of note, only the historic geological data extending back to 2007 was assembled to establish the resource, along with the first hole of the four drill holes completed by Renforth earlier this year. Consider that Renforth successfully encountered gold bearing zones in all four of the drill holes.

Presentation of this resource report is just a starting point. The well-defined system of at least three main quartz veins remains open in all directions. Therefore it is reasonable to assume that the initial gold resource estimate for New Alger is set to expand as work continues and additional data becomes available to update the report.

Gold zones within 215 meters from surface were included in the pit shell resource. Consider that the deepest drill intercepts so far from the project have been outlined down to 416 meters below surface. One may assume a lot more gold is awaiting confirmation as deeper exploration work continues.

New drill targets will be determined based on sections of the property where gold alteration is believed to extend but current drill density is insufficient to include within the resource model. This interactive process is just one of the technologies embraced by the Company to improve the efficiency of the exploration effort.

Additional high grade veins and offshoots may also be encountered within the main structural corridor. As more drill holes are completed from different angles, the gold resources of this project are expected to increase.

As it stands, the Company has been able to present a very attractive deposit at New Alger. The resources are outlined within the primary corridor of the Cadillac Break. Extensive alteration zones near surface have been identified in the surrounding rock units. These disseminated gold zones are now building towards a much larger overall deposit. The conceptual pit shell therefore represents a custom mining scenario that may deliver appealing economics.

For a development option, Renforth may not have to invest in the expense to build a processing plant. The New Alger area is a prolific mining district with superb access to infrastructure and support services. Mining is a way of life for this region. A number of established gold mines are currently operating in close proximity to the project. As these

gold mines approach the end of their resources, they may look to New Alger for a source of compatible, low cost feed to continue processing and recovery operations. Alternately, Renforth may leverage this opportunity itself, arrange contract milling, and commence mining operations.

### The Pontiac Vein System

In the Fall of 2017, Renforth undertook a stripping program which exposed 230m, of a known ~500m, of gold in quartz veining located in the Pontiac sediments approximately 250m south of the Cadillac Break. More recent work, in July of 2019, extended the stripped area's surface mineralization to ~270m in a generally west to east direction.

This newly exposed mineralized system was detail mapped, sampled and studied in thin-section, all of which concluded that there are in fact two separate veins, bisected by a potentially offsetting fault, this fault is interpreted as continuing to, and forming the western margin of, the historic underground mine workings for Thompson-Cadillac.

As best as Renforth can determine the initial discovery of gold in 1924 at New Alger was in the Discovery Vein area. Whatever was on surface at that time warranted driving a tunnel several hundred feet south and then drifting underground a few hundred feet east to west. Unfortunately no information as to what was mined in that location is available.

The available historic record indicates that there were drill holes drilled from the main shaft at a depth of 300m to both the north and the south, with interesting findings in both. Underground development took place after the drilling. There is no record of what was found underground, but, it is interesting to note that the underground development to the south finishes under a series of historic blast pits uncovered during Renforth's stripping program.

During this program, Renforth channeled 2.65g/t Au over 3.7m and 1.95g/t over 5.6m (PR Nov. 6 2017), hosted in blue/black quartz, along with evidence of additional blasting and trenches.



**Discovery Vein stripping was carried out on 270m of the known 500m length.**

At New Alger there are also two access trails to the Discovery Vein area, the so-called ATV trails. Also in July of 2019, two lines of sampling, in a north-south direction, separated by 100m along each access trail were taken, several results are still pending in the west. The eastern trail gave the highest surface result obtained of 2.19 g/t over 0.55m. This surface showing is entirely new, though it does correlate with historic underground drill results which record the presence of gold at a depth of 300 feet, and distinct from the Discovery Veins.

### Outstanding Drill Results

Late 2019, Renforth initiated its first drill campaign at the New Alger property. Several prospects were targeted, none of which had been tested through drilling by prior operators of the project area. A total of 2057 meters of drilling was completed in ten drill holes. **All ten drill holes successfully intersected the targeted structures.**

The first three drill holes were completed at the eastern portion of the mine area. This drilling was designed to intersect the three main vein systems further to depth from previous drilling work. Each of the vein systems was successfully intercepted during the program.

This target area was highlighted by an interval of 1.9m with 11.83 g/t gold in Vein #3 from drill hole 35. The interval was part of a larger section of 4.8m where an average assay of 5.38 g/t gold was reported. Further below in this drill hole, a half-meter section of 11.2 g/t gold was also reported, within the

Sericite zone. In drill Hole 36, the Sericite zone extended for 3.2m with an average grade of 2.15 g/t gold. Drill Hole 38 encountered wider sections of lower grade gold.

One promising aspect to these results was the mineralized sections of 3m or wider that were commonly encountered. Wider intervals contribute to the definition of a greater tonnage of rock. The combination of tonnage and grade will add clout to the overall gold resource. In addition, in the event that mining resumes at this deposit area, wider gold zones are more economic for underground mining activity.

The remainder of the 10-hole program was targeted in the Discovery Vein area. The target area was defined from previous trenching and sampling work, about 250m south of the mine zone area. This section of quartz veining in sediments was never drilled by anyone.

Assay results from these drill holes were also promising. The reported gold grades ranged from 0.45 to 1.7 g/t across narrow vein intervals. Similar to the results from the Mine Area drilling, most of the Discovery Vein drill holes encountered multiple gold-bearing veins. The best interval was found in Hole #30 where a 1.5m section bearing 1.28 g/t gold was reported.

There are several important aspects to this latest update.

- Firstly, all of the drill holes in this program successfully encountered gold. The widely distributed presence of gold alteration, often with multiple gold zones in each drill hole, increases the potential to establish a more significant overall resource at New Alger.
- Each of the target areas included new discovery zones where no previous drilling had been undertaken.
- The new Sericite zone is an attractive element to the evolving discovery.

**Renforth determined that the results from this work are extremely positive. The exciting potential for further discovery has prompted the Company to**

**immediately launch another drilling program, which commenced last week.**

A total of 2000m of drilling is planned during this current round of exploration. The focus is directed to the west of the historic Thompson-Cadillac mine, in the central part of the property. The first three drill holes are expected to reach 500m each. These will be targeting the discovery area north of the Cadillac Break and continue towards the south, under the known mine area mineralization, ending in the sediments. As the drill core is pulled from these holes, the geologists will interpret new information and then choose where to focus the remaining portion of the drilling budgeted in this program.

With this follow-up round, Renforth is expected to intercept the vein system further to depth. Perhaps new discoveries may be encountered in these deeper drill holes.

### Spring Exploration Program

Early June of this year, Renforth announced that it is forging ahead with another phase of activity at New Alger. In this round of exploration, work will focus on the Discovery Veins target area. The first phase involves continuation of fieldwork following the recently completed drilling program in February and March of 2020. A trail was opened to enable access for the drill rigs. Surface stripping of the overburden in this area will now be completed to expose a larger section of the alteration zones for prospecting and sampling.

As mentioned above, about 275 meters of the Discovery Veins area has already been cleared through surface stripping in previous work. However, a review of the property map demonstrates this is still only a small portion of the delineated target area. The section to the west of the currently defined veins, highlighted in grey along the dashed line, is where the next work will proceed. The added focus on this area will reveal a much larger section of near surface alteration for review.

The presence of alteration outcropping at surface, or just below minimal surface overburden, is a favorable characteristic of

the project. Historically, the lower grade surface alteration was not of great interest to previous operators. Renforth has taken a more inclusive approach and been rewarded for it. This growing tonnage of alteration is building clout for a potential open pit mine resource that is economically attractive.

Renforth will complete geophysical surveying to efficiently develop new exploration targets in this emerging deposit zone. A beep mat survey will be used in tandem with GPS tracking to pinpoint new prospects up to several meters below surface. The low-cost technology employs electromagnetic sensors to create an image of the underlying conductors and structure of a rock mass. Further analysis may then determine if these conductors are related to potential alteration zones. This improves the outlook for subsequent drilling programs to follow up with the next round of exploration work.



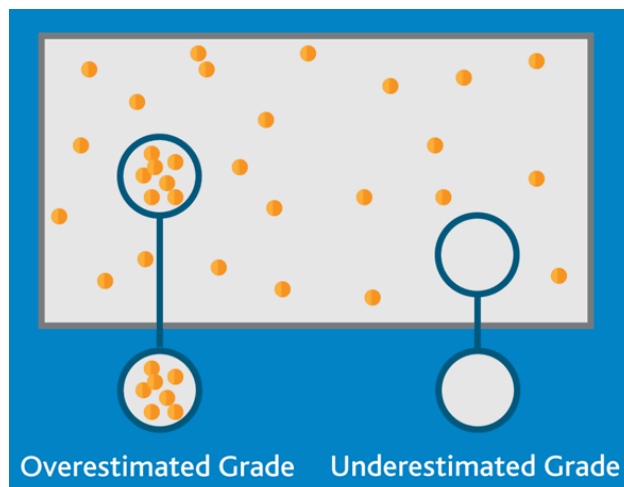
**A Beep Mat is used to conduct an efficient, user-friendly, inexpensive electromagnetic survey.**

Actual rock samples from New Alger were successfully tested earlier this year at the PDAC. Instrumentation GDD Inc, one of the front runners of the Beep Mat technology, scanned the samples as a confirmation of the effectiveness of the system.

The data may highlight additional veins or offsets proximal to the system that were previously unknown. A larger area of the Discovery Veins zone will be targeted using the survey to outline new sections for further exploration work.

The advantage to this Beep Mat system is that it is portable, easily deployed, and generates accurate data in the field. This avoids the necessity of time-consuming line cutting work to remove surface vegetation prior to

surveying. The results are therefore recorded much faster, and the program is much less expensive than other geophysical options.



**The "nugget effect" is a term used to describe the sampling problem you can have when there are large, valuable particles, particularly gold, in a given deposit. Large gold particles are traditionally referred to as "nuggets." If by chance a nugget is selected through traditional sampling and analysis procedures, researchers tend to greatly overestimate the amount of metal in the deposit. However, the opposite is also true. If the nugget is missed, the results undervalue the ore.**

Renforth is also working towards the strategic objective to complete a mini-bulk sample for this exposed section of the Discovery Veins. Attractive gold grades have been highlighted at several near-surface zones of the deposit. The encouraging presence of coarse gold demonstrated through Metallic Screen analysis adds another element with the potential to upgrade the gold content.

However, the erratic distribution of coarse gold is problematic when evaluating the overall resource potential. Based on the small volume of material available for analysis from drill core samples, the results may be skewed if a higher (or lower) grade section happens to be selected. To achieve greater accuracy, a much larger amount of sample material must be extracted and processed.

The proposed mini-bulk sample will provide Renforth with valuable information that is more representative of the actual deposit grade. A contractor will be chosen to complete the extraction of several tons of resource material. Ideally, the sampling process will include sections of vein-hosted alteration,

disseminated zones, and various sizes of coarse gold nuggets distributed within the deposit.

**The outcome of the mini-bulk sample could be a true game changer for the Company. First, because it will give a more accurate measure of the gold content, and second because it will illuminate economic variables that may build confidence for a potential low-cost near-surface mine development. If satisfactory results are achieved during this testing, then it becomes a positive factor in the decision process to move forward with mining, start generating cash flow, and stop being reliant on private placement funding.**

## PARBEC

The Parbec property is 100% owned by Renforth, subject to a gross metal royalty (GMR) of up to 2%. It is located on a never mined portion of the Cadillac Break, and is contiguous to the Canadian Malartic super pit mine with its 10 million ounce resource (2014), and immediately adjacent to the East Amphi mine (inferred resource of 1.4Mt grading 1.47 g/t Au) which forms part of the Canadian Malartic Mine Property.

The Parbec property has established Renforth as a serious exploration story in Quebec. Originally acquired through an acquisition deal with Globex Mining, Parbec is the most advanced of Renforth's holdings and appears to be emerging as a development candidate.

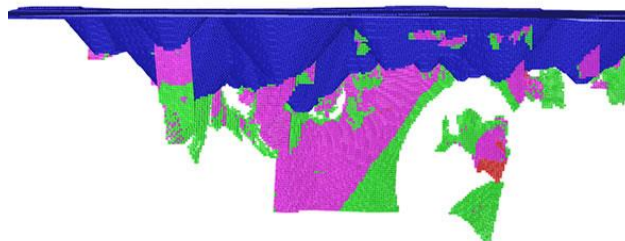
Last month, Renforth reported a compliant Mineral Resource Estimate for Parbec. A great deal of information was summarized within this concise document, as exploration data from work programs extending back to 2007 was considered in the analysis. This included results from previous operators of the property. The last 4 years of work at Parbec was completed by Renforth with a total of 37 drill holes, each of which encountered gold. The defined gold zone has been confirmed by drilling to a depth of 738m and extends along a confirmed strike length of roughly 1,800m through the property. The system remains open for expansion as further exploration continues.

Of course the highlight numbers of a resource report are the estimated gold ounces for the deposit. A total of 104,500 ounces of gold was estimated in the Indicated category, within 1,822,000 tonnes of mineralization that averaged 1.78 g/t gold. Another 177,300 ounces of gold was classified as Inferred based on 3,122,000 tonnes bearing an average of 1.77 g/t gold.

Class	Tonnes (000)	Grade (g/t Au)	Contained ounces
Indicated	1,822	1.78	104,500
Inferred	3,122	1.77	177,300

**The 2020 Parbec Resource Estimate. Source: Company Filings.**

The majority of the resource outlined so far at Parbec is situated near surface. This opens the potential for an open-pit mining scenario. Renforth has considered this option and outlined a pit constrained resource amounting to 100,300 ounces of gold Indicated plus 101,400 ounces Inferred. The pit shell envisioned under this scenario extends 1,300m along strike and only includes resources down to 225m depth.



**Blue shows pit outline, while the other colors show the mineralization outside the pit.**

The intrinsic value of a gold deposit is a function of many considerations that impact on the likelihood for a successful mine development. Open-pit mining enables much lower cost operations than a comparable underground mine. Typical open pit mines in operation today are profitable with average gold values of less than a gram per tonne. For comparison, the currently published reserves for the enormous Canadian Malartic mine average 1.11 g/t of gold. Renforth has already surpassed this grade at Parbec with the potential for further gains ahead.

A cutoff grade of 0.32 g/t gold was plugged into this estimate. All gold intervals below this



grade were not considered in the report. This is based on a gold price assumption of \$1450 per ounce. Considering that the current gold spot price is in the range of \$1750 there may be room to move this assumption higher in a future update. This alone would generate a larger total gold resource for the purpose of modeling the deposit.

However, Renforth is also awaiting further assay results for sample material that is undergoing Metallic Screening analysis. The Company has already presented data for the first batch to be tested that outlined much higher gold grades than were originally determined using only the fire assay process.

Renforth is also reviewing a 3D model of the resource with the objective to outline sections of the deposit that may be optimized with follow-up drill work. Areas outside of the current pit shell have been highlighted for further investigation. Promising gap zones exist where there was not enough data to assign an estimate for gold values. Increasing the drill density may reveal new resources and upgrade certain zones to the higher confidence classification for future updates.

This resource estimate is just a starting point for Parbec. Renforth remains confident that a much more attractive overall deposit is within reach. The assumptions that were chosen to evaluate the data are considered to be very conservative in nature.

The next phases of the work program will be focused towards further optimization of the resource model to capture additional gold zones that may increase the size and grade of the deposit. Renforth has identified five areas of interest that could help expand the resource at Parbec:

- ▣ **Drilling from surface within the deposit as modeled, to depth and along strike** – the process of detailed modeling that resulted in the initial resource calculation also highlighted “gaps” within the model. Within the outlined resource there are deeper gold intersections, gaps occur between these and the bulk of the resource. The vertical gaps are priority drill targets. Lastly, the structure is open

along strike and represents a prospective target along its length.

- ▣ **Dewatering the ramp** – the 580 m ramp at Parbec ends at 100 m depth, about 30 m south of the Tuff horizon in the Camp Zone which it is targeting. This ramp, once dewatered, would provide access to sample the ramp, including the felsite zone it was collared in and provide underground drilling stations to investigate the main mineralized zones. Additionally, the ramp could be extended along strike to allow additional drilling at depth and along strike as well as access for bulk sampling of the mineralized zones.
- ▣ **Structural exploration** – the resource modeling process has identified several areas of elevated gold values occurring in proximity to fault junctions. Some of the best deeper intersections at Parbec occur in this setting. Drilling above and below those intersections to increase known high grade areas is planned.
- ▣ **A large intrusive diorite stock** – historically identified and verified in the field by Renforth is located in the SW portion of the property, on the south side of the Break. The marginal areas of this intrusive have been found to host elevated gold values in drill intercepts outside of the area of the current resource. An intrusive can be a heat engine for the emplacement of gold as well as provide a prospective environment for mineralization in the fracturing that occurs along the intrusive’s margins.
- ▣ **Northern exploration targets** – additional targets exist to the north of the Cadillac Break.

### Looking At It From A Different Angle

It is quite common for one team of geologists to achieve a notable discovery at the same property where another group had entirely overlooked the same potential deposit. The difference to achieve success is sometimes a

matter of the willingness to use a different approach.

Renforth has already demonstrated the ability to encounter attractive new gold discoveries that had been entirely overlooked by previous operators. The geological team recently presented exciting new gold zones at the Parbec project. Similar successful advances were reported recently from the 2019 drilling at the New Alger property also.

This more flexible approach also extends to the laboratory analysis process. Alternate methods to complete sample testing have been requested by the Company. Back in April 2020, Renforth reported that retesting of sample material using Metallic Screening analysis has led to significantly higher gold values than the results previously reported based on fire assay only.

A batch of ten samples was resubmitted using reject sample material returned from the original assay process. The samples were extracted from a variety of different lithologies encountered at Parbec, and each had already been established as gold-bearing from the fire assay testing.

#### **REJECT BATCH MATERIAL**

It is important to provide clarity on the reference to 'reject sample material' for the purposes of this Metallic Screening process. When samples arrive at the laboratory the rock is pulverized in a grinding process down to a fine powder. Only a small portion of the total sample is selected and submitted for fire assay. The remainder, termed the 'reject', is returned to Renforth for secure storage. It is this remaining reject sample material that was resubmitted to ALS Laboratories to enable the Metallic Screening testing process.

Two things stand out from this batch of ten sample results. Firstly, all 10 of the samples delivered higher grades from the coarse gold content than was originally reported from the fire assay process. For example, sample 78 from the magnetic diorite rock contained 29.2 g/t coarse gold in comparison to the 15.66 g/t gold reported from the fire assay analysis. A

sample selected from the Island Trenches yielded 32.8 g/t gold from metallic screening which was more than three times richer than the 9.18 g/t gold value originally reported. This is extremely encouraging as Renforth is now adjusting its assaying methodology to account for this gold that was not entirely detected in the prior analysis process.



**Picture of the actual core from PAR-17-63 at Parbec..**

Similar to the encouraging results obtained at the New Alger project, the Company has demonstrated that more representative results may be achieved using the combination of fire assay and metallic screening for sample material. This in turn is also contributing to higher overall gold values for some sections and therefore a larger potential gold resource as the data is eventually incorporated into a compliant resource estimate.

Now that Metallic Screening has been proven to arrive at a more representative overall grade, the retesting process will be carried out for a larger inventory of reject sample material collected from several of the 37 previously completed drill holes. It is expected that this will yield additional positive results to augment the gold resource from this work.

## **MALARTIC WEST**

The 100% owned Malartic West property covers 53 km<sup>2</sup> adjacent to the entire western border of the Canadian Malartic Mine property, Canada's largest open pit gold mine. The Malartic West property is located within

the Pontiac Sediments, in some instances within a couple hundred metres of the Cadillac Break.

This prospective land package has been drilled and prospected to some degree, in both instances delivering gold values.

Renforth is in the early exploration stage at Malartic West, applying the same techniques which brought discovery success at New Alger and Parbec to this very prospective gold-bearing ground.

During a late summer/early fall work program at Malartic West, the Company's geologists successfully extended the Beaupre copper/silver discovery to a current total strike length of 165m, an increase of over 100m, and exposed en-echelon quartz veining to the south. Beaupre also yielded one high grade grab sample bearing 3.59% copper plus 6.62 g/t silver. Geologists followed up with closer inspection around this zone, including shallow trenching work.

In December 2019, Renforth reported that assay results from the sampling program confirmed the attractiveness of this discovery zone. Geologists encountered encouraging grades of copper and silver from the preliminary field work. Assays included results of 0.889%Cu and 0.895%Cu in channel cuts among the samples collected. Pathfinder elements commonly associated with mineral deposits in the district were also encountered.

Of even greater interest, the discovery remains open along strike with the potential for further discovery of a significant deposit area. Historic satellite imaging data for the area revealed an anomaly in this section extending for more than a kilometer.

The Malartic West property will see further work completed later this year. The copper-gold showing that was encountered during fieldwork in 2019 is considered a very appealing target for further investigation. Similar to New Alger, resource zones at Malartic West are also hosted within Pontiac Sediments associated with the Cadillac Break. A number of prolific gold and copper mines have been established in the district. Renforth will issue further updates on the status of this

work commitment as the planning is completed later this year.

## NIXON-BARTLEMAN

Renforth holds 100% of the Nixon-Bartleman project, subject to a 2.5% NSR. The property consists of 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. This property is known to host five gold bearing quartz veins in a structurally complex environment.

It was discovered in the 1920's and has seen several owners and exploration campaigns with a modest amount of drilling, most recently in 2004, 2005 and 2011 where ~4500m were drilled. Assay results included up to 40 g/t gold and intersected a gold-bearing porphyry.

Renforth undertook one field campaign in 2014 which extended the mineralized strike length from ~200 meters to ~450 meters. Sample results included an interval of 0.3m with an average grade of 22.1 g/t gold. This represents a large and appealing target that merits further investigation. Additional fieldwork is planned for later this year.

## DENAIN-PERSHING

The wholly owned Denain-Pershing Project is 10,001 hectares in size. It is located in an active mining camp, on strike to the Chimo Mine and contiguous to the Croinor Mine. It's a virtually unexplored and very prospective area.

In March 2017, Renforth first acquired a 100% interest in the Denain Gold Project, located on the Cadillac Break, approximately 10km east of the former Chimo Mine. The property hosts the Americ Au Occurrence and the Matchi-Manitou and Sullivan Cu/Zn occurrences. The vendor retained a 2% Net Smelter Return (NSR) on the claims, half of which (1% of the 2%) can be purchased by Renforth for \$500,000.

Four months later, the Company also acquired the adjacent gold bearing 2244 Ha Pershing

claim block. Elevated gold assays are reported from exploration programs in the 1980s and 1990s. The most recent drill results showed 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 190.35m to 190.65m. The variability of the results 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, in 2011.

The Pershing property was acquired from two vendors. One vendor retained a 2% NSR on 36 of the purchased claims, with Renforth able to buy back half of the NSR (1% NSR) for \$1,000,000 for a period of 10 years. The other vendor retained a 2% Gross Metal Royalty on 3 of the claims.

In May 2018, Renforth granted Chalice Gold Mines Limited an earn-in option. In order to earn an 80% interest in the Denain-Pershing Property, over a 3-year period, Chalice would have to make payments to Renforth totaling \$200,000 (\$50,000 was paid on signing the agreement) and spend \$1,250,000 in work on the property. Once Chalice had earned the interest, a 80/20 joint venture would be formed between Chalice and Renforth.

In July 2019 however, O3 Mining [TSXV:OIII] acquired the Canadian assets of Chalice Gold Mines. As a result, O3 Mining has taken over all responsibilities of Chalice for the Denain-Pershing property. Note that O3 Mining is a company formed and supported by Osisko Mining [TSX:OSK].

## FINANCIALS

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 anticipated that the Company will not have any material revenue.

Obviously, the generation of revenues is not what Renforth shareholders are looking for in the first place. The increase of gold resources at the properties, and the potential sale of

one such property – or the entire Company – are the main drivers for share price appreciation, and as such for share ownership.

Amounts in \$000's	03/31/20	03/31/19
General & Corporate	131	51
Share Based Payments	-	65
<b>Total Expenses</b>	<b>131</b>	<b>117</b>
Flow Through Share Premium	271	10
<b>Net Income (Loss)</b>	<b>140</b>	<b>(107)</b>
Diluted Shares Outs.	268,534	161,076
Diluted EPS	0.00	(0.00)
<b>Selected income statement data for the quarters ended March 31, 2020 and March 31, 2019.</b>		
<b>Source: Company Filings</b>		

Note, that the compensation of key management personnel, such as the CEO and CFO, consists entirely of Renforth shares.

Share Based Payments are expenses with respect to options being 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.

## Balance Sheet As Of March 31, 2020

Despite the tough commodities markets the past few years, Renforth's management team has always been able to raise sufficient funds to continue developing its projects.

In September and October of 2019 for example, the Company raised close to \$900,000. In total, Renforth issued 7,184,000 common share units, with each unit priced at \$0.05 and consisting of one common share and one warrant to acquire an additional common share at a price of \$0.075 for a period of 24 months; and 8,904,670 flow through share units, with each flow through unit priced at \$0.06 and consisting of one share issued on a "flow-through" basis and one warrant to acquire an additional common share at a price of \$0.10.

In addition, a total of \$777,700 was raised early 2020 via the sale of common and flow

through shares. This amount was more than Renforth originally intended raise, indicating that the Company can rely on a solid base of shareholders. Initially, an offering of 550,000 units priced at 5 cents per share was issued. Each unit included a common share along with an attached warrant to buy another share for 7.5 cents, for a period of 24 months. A second component of flow through units was also completed. In it, a total of 12,503,334 flow through units were issued, priced at 6 cents. Each flow through unit included a common share plus an attached warrant to buy another share for 10 cents.

Amounts in \$000's	03/31/20	03/31/19
Cash and Cash Eq.	248	66
Sales Tax & Refundable Tax Credits	67	206
Prepaid Expenses & Deposits	105	103
<b>Total Current Assets</b>	<b>421</b>	<b>376</b>
Exploration & Evaluation Assets	7,597	6,185
<b>Total Assets</b>	<b>8,116</b>	<b>6,560</b>
Accounts Payable	219	126
<b>Total Liabilities</b>	<b>219</b>	<b>126</b>
Total Stockholder Equity	7,897	6,434
<b>Selected balance sheet data on March 31, 2020 and March 31, 2019. Source: Company Filings</b>		

## OUTLOOK

Renforth Resources has built a solid Canadian gold exploration portfolio, to which it continues to add value through ongoing work. Several of its gold-bearing projects are on, or associated with, the Cadillac Break and contiguous to producing mines. The infrastructure around the properties is outstanding, they are easily accessible, and can be worked upon year round.

Renforth's initial prospecting work led to discoveries of broad zones of alteration. Successful follow up work has extended these zones along strike, and to depth. Rapid progress has been achieved with exceptionally efficient operations for each round at the lowest expense. This strategy has enabled the Company to deliver attractive resources in a

very short time frame, for two separate Quebec projects.

Renforth is now working to advance New Alger beyond the conceptual stage. A proposed pit shell has been delineated for the near surface gold zones. The 3D model provides further insight on where the geologists may search for additional gold-bearing zones, and provide opportunities for further optimization of the pit shell. Ongoing lab testing may demonstrate additional gold content through validation of coarse gold potential.

As work continues to advance on the exploration front, Renforth is also moving forward with plans for a mini-bulk sample. This in turn may generate further evidence in support of favorable economics for development.

Renforth has also advanced Parbec from a promising gold showing to an emerging development candidate with an attractive near surface gold deposit in hand. The proximity to the Canadian Malartic mine, located just 4kms from Parbec, and the similarities of the mineralization of these deposits, does not go unnoticed. This factor alone may contribute towards a speculative premium for Renforth shares as investors ponder the potential for a transaction involving Parbec in the future.

Meanwhile, Renforth remains engaged to continue work programs, aspiring to upgrade the size and average grade of the deposit. Strategic drilling work to expand gold zones may enable subsequent resource updates to include more complete resource data. Laboratory work to confirm higher average gold grades is also in process. These positive factors may build a much larger overall gold resource.

**Combined with the aggressive pace of work and promising results being reported at the nearby New Alger property, Renforth is moving forward as one of the most active explorers in Canada. The steady advancement of these two high profile projects serves as the catalyst for a higher share value.**

**Combined with the bullish background for the price of gold itself, Renforth shareholders may look ahead with anticipation to higher market premiums for this attractive stock.**

Renforth's management team is well-respected in the industry. Both the CEO and CFO of the Company are paid entirely in Renforth shares. Furthermore, Renforth's cost discipline is extraordinary: its annual fixed costs, including G&A, legal, annual rent, audit, and legal costs, total only about \$75,000.

Next to the management, which owns approximately 8% of the Company, Renforth has several other large shareholders with long term investment horizons. Additionally, numerous Quebec-based high net worth investors participate in Renforth's financings.

Thanks to its loyal shareholders, Renforth has sufficient access to cash to engage in planned discovery and exploration activities at its properties, which will almost certainly boost the magnitude of the Company's mineral resource base further.

Renforth's long term goal is to bring one or more of its properties on the Cadillac Break into production using toll milling. This will significantly lower the capex of taking the project into production and speed up development.

Alternatively, the Company may sell its properties off individually to a large mining company; or agree to be acquired in its entirety. These are realistic scenarios given the M&A activity in the Cadillac Break area. Moreover, major gold production companies need to replace the ounces they mine, and are therefore searching for large enough deposits in attractive areas. In our opinion, Renforth's share price upon execution of either strategy will be several times higher than its current level.

## Valuation

When we compare the enterprise value per ounce of gold resource of a number of development-stage junior gold mining companies to Renforth's, the latter trades significantly below the average.

Moreover, M&A transactions for properties situated in the Cadillac Break show valuations of prices per ounce of mineral resource dramatically higher than Renforth's current valuation. Note that these transactions were conducted when the price of gold was significantly lower than today.

- In August 2019, Monarch Gold Corp. [TSX:MQR] acquired the Fayolle Property from Hecla Mining Company [NYSE:HL] for total consideration of about \$5 million. Fayolle only has an estimated mineral resource of about 101,000 ounces of gold. As a consequence, Monarch's purchase price equates to about \$50 per ounce of gold mineral resource.
- Also in August 2019, O3 Mining [TSXV:OIII] acquired Alexandria Minerals Corp. in a share-for-share exchange. Alexandria shareholders received about 9.6 million O3 Mining shares with a current value of around C\$23 million. Alexandria's key property contains about 1.1 million ounces of gold resources. Consequently, the OIII transaction equates to about \$21 per ounce of gold resource.
- Finally, in December 2018, IAMGOLD Corp. [NYSE:IAG] signed an option agreement with Yourbeau Resources [TSX:YRB] which gives IAMGOLD the option to acquire a 100% interest in Yourbeau's Rouyn Gold Project. To acquire the 100% interest, IAMGOLD must pay \$4 million in cash to Yourbeau and complete \$9 million in capital expenditures over a four-year period. After that four-year period, IAMGOLD can purchase the 100% interest by paying Yourbeau the lesser of \$30 million, or \$15 per resource ounce.

All in all, Renforth's shares trade at historically low valuation levels, expressed on a per-ounce of gold resource. Furthermore, a number of comparable M&A transactions have been recently consummated at substantial premiums to Renforth's current valuation.

We believe that as the gold market becomes firmer and Renforth's New Alger and Parbec properties expand their resource estimates, investors will recognize the true potential of the Company. As a result, we reiterate our buy recommendation for Renforth Resources

with a price target of \$0.14, which is an increase from \$0.12 in our previous report, and 300% above today's stock price.

## SHARE DATA & OWNERSHIP

As of March 31, 2020, Renforth had approximately 209.5 million common shares outstanding, of which management owns about 6.6% and Globex Mining Enterprises [TSX:GMX] approximately 5.4%.

In addition, the Company had approximately 49.3 million warrants outstanding with an average exercise price of \$0.10. WE had warrants die since the last financials, not sure if this number reflects that?

Finally, Renforth had 13.45 million stock options outstanding with a weighted average exercise price of \$0.06. Each stock option entitles its holder to purchase one common share of the Company.

## MANAGEMENT

### ▣ **MS. NICOLE BREWSTER - PRESIDENT & CEO, DIRECTOR**

After spending some time in the capital markets world, Ms. Brewster joined a successful exploration contracting business, active in several countries and on several projects. Those included, amongst many others, supporting and executing the Ring of Fire chromite discovery programs and participating in the re-opening of a mine and associated brownfield exploration in the pyrite belt of southern Spain. Personal focus in logistics, project support and execution on time and on budget, corporate development and functioning as a modelling technician in Gemcom and Datamine, form the expertise brought to bear in Renforth. From a significant shareholder in Renforth to President, Ms. Brewster's over-riding motivation began as, and continues to be, to unlock the value of the Company's gold projects.

### ▣ **MR. KYLE APPLEBY, CA – CFO**

Since 2007, Mr. Appleby has been providing CFO services to a number of public and private companies both domestic and

international. He has focused on assisting companies with financial reporting and controls, governance, operations, financing and regulatory compliance. Prior to 2007, he worked for several public accounting firms in Canada. He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario.

### ▣ **MR. WALLY RUDENSKY - INDEPENDENT DIRECTOR, AUDIT CHAIR**

Renforth's financial affairs are supervised by Mr. Wally Rudensky who, in addition to being an independent director for Renforth and the Chair of the Audit Committee, is also a Partner at MNP LLP who has been a chartered accountant since 1982. Mr. Rudensky specializes in the areas of corporate finance and taxation in his practice and has been CFO and director for a number of public and private corporations in the energy sector. A graduate of Ryerson University, Mr. Rudensky has lectured on taxation to the Canadian institute of Chartered Accountants as well as various universities, business seminars and conferences.

### ▣ **MR. DAVID WAHL - P.ENG, P.GEO, ICD.D – TECHNICAL DIRECTOR**

David Wahl's career in the mineral exploration sector has spanned more than 45 years, 6 continents and 70 countries, assessing, exploring and advising on properties for government agencies, public and private mining and exploration companies, financial institutions and private individuals. Mr. Wahl, having graduated from the Colorado School of Mines as an "Engineer of Mines" is qualified as a Professional Engineer of Ontario, a Professional Geoscientist of Ontario and with the Institute of Corporate directors.

### ▣ **MS. JUDI WOOD - INDEPENDENT DIRECTOR**

Judi Wood brings to Renforth more than 35 years of banking experience in the United Kingdom and Canada, largely in the areas of merchant banking and corporate finance, attaining the role of Senior Vice President Treasury, Chairperson of the Asset/Liability Committee and a member of the Management Committee at Barclay's Bank of Canada, prior to its merger with HSBC. Upon retirement

from HSBC, Ms. Wood held the role of Managing Director, Corporate and Institutional Banking. Ms. Wood is a founding and independent director of Renforth.

**▣ MR. KURT BREEDE - P.ENG -  
INDEPENDENT DIRECTOR**

Kurt is senior geological engineer and marketing executive with over 20 years of experience in the mineral resource industry. He is former Vice President of geological and mining consultancy Watts, Griffis and McOuat, and prior to that was Senior Business Analyst with Gemcom Software (now Dassault Systèmes). He currently works as an independent Mineral Resource and Corporate Development Consultant, serving as Vice Chair of the CIM Toronto Branch Executive,

and as a member of the CSA's Mining Technical Advisory and Monitoring Committee.

**▣ MR. JOHN S. WEBSTER -  
INDEPENDENT TECHNICAL DIRECTOR**

John Webster (Camborne School of Mines) has an extensive background in mining and ore processing, having built and operated 15 world class mine developments in Australia, USA, Russia and FSU with emphasis on strategies, resourcing, consulting and operational management with BHP, Vostok Mining, Trafigura and Alexander Mining Plc. An Independent Technical Director for Renforth Mr. Webster contributes his highly innovative expertise in mining, construction, processing and environmental management techniques to our exploration strategies.



## ANNUAL INCOME STATEMENT FY 2017 – 3M 2020

PERIOD ENDING	FY 2017	FY 2018	FY 2019	3M 2020
<b>Expenses</b>				
General & Corporate	210,509	400,497	424,069	130,559
Share Based Payments	137,494	421,449	65,250	-
Loss Before Other Items	348,003	821,946	489,319	130,559
Flow Through Share Premium	-	434,203	9,606	270,986
Gain on Sale of Partnership Units	-	91,320	-	-
Gain on Settlement of Debt	-	69,360	-	-
<b>Net Income (Loss)</b>	<b>(348,003)</b>	<b>(227,063)</b>	<b>(479,713)</b>	<b>140,426</b>

**Annual Income Statement FY 2017 – 3M 2020. Source: Company Filings**



CA:RFR  
US: RFHRF  
GER: 9RR

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