

## Renforth Resources (RFR) Company Report – November 23, 2019

Renforth Resources is a mineral exploration company that focusses on easily accessible Canadian-based gold projects. Reasons to own Renforth stock:

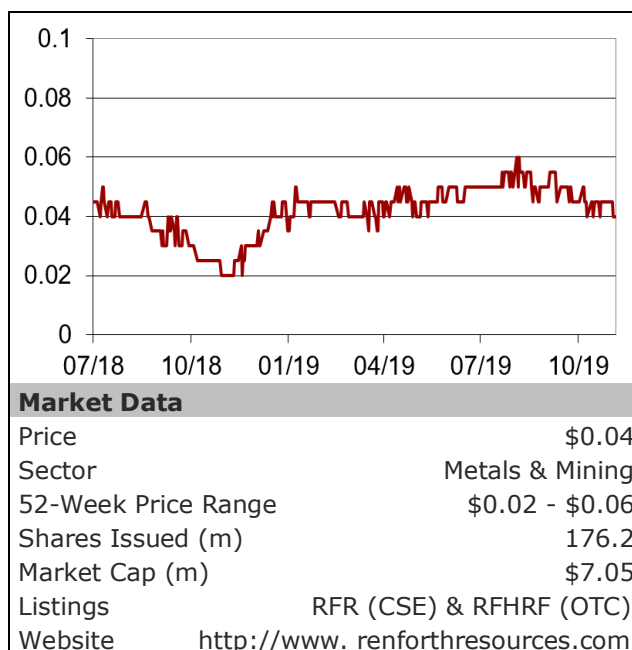
1. Renforth has a couple of projects with already attractive gold resource estimates (Parbec ~700,000 ounces of gold, and New Alger ~237,000 ounces of gold).
2. There is significant potential to expand and upgrade these resources. In fact, new resource estimates will be published for both properties for the end of 2019.
3. The Company's geologists can drive to and work on the properties the year round. No helicopters are necessary to access the properties.
4. Next to Parbec and New Alger, the Company has several other properties with blue sky potential.
5. All of its properties are located in Canada, one of the safest mining jurisdictions worldwide.
6. After being stagnant for several years between \$1,100 and \$1,350, the price of gold has shot up to over \$1,500 the past six months. This indicates that we could be on the verge of a new gold revival.

Renforth's prime project locations, along with its heavily discounted value in terms of enterprise value per ounce of gold resource, make it an intriguing potential acquisition target by some of its giant mining neighbors.

As a result, we initiate coverage of Renforth Resources with a buy recommendation and a price target of \$0.12, which is 200% above today's stock price.



- ❑ Renforth's business plan is to build value on its five properties and then evaluate exit strategies, including toll-mining or asset/company sales for maximum shareholder return.
- ❑ Renforth offers a unique, asset deep and well-priced opportunity for investors to participate in a resource company. All of Renforth's assets are located in a safe jurisdiction with significant logistical advantages, which reduces operating costs.
- ❑ Junior miners' share price has benefitted little from the recent spike in the gold price. This represents another excellent reason for investors to initiate a position at these prices.



## 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 900,000 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 237,000 ounces of gold. This estimate, which was calculated in 2014, only factored in resources to a depth of 200 meters.

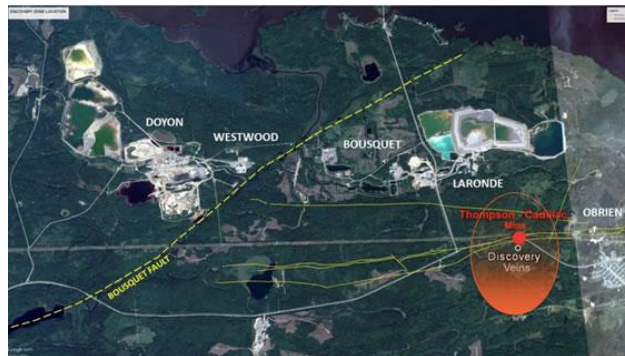
However, the Cadillac Break region is known for hosting some of Canada's biggest and deepest gold mines, including Agnico Eagle's [NYSE:AEM] LaRonde mine and Eldorado Gold Corporation's [NYSE:EGO] Lamaque mine. In this region, gold is mined as deep 1,500 meters below the surface, such as at the adjacent past-producing O'Brien mine. In fact, in subsequent drilling at New Alger, Renforth has intersected gold at a depth of 404 meters. So it's clear that the New Alger deposit is open for expansion.

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.

In 2017, Renforth exposed about 270 meters of the gold-bearing vein in a stripping program and found 2.65 g/t of gold over 3.7 meters and 1.95 g/t over 5.6 meters.

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.



**Thompson-Cadillac is the former mine at New Alger on the Cadillac Break. The Discovery Veins are immediately south in the Pontiac Sediments (indicated by the white circle). Also shown are the neighbours LaRonde (Agnico Eagle) and Westwood (Iamgold) and the location on strike of the historic O'Brien Mine.**

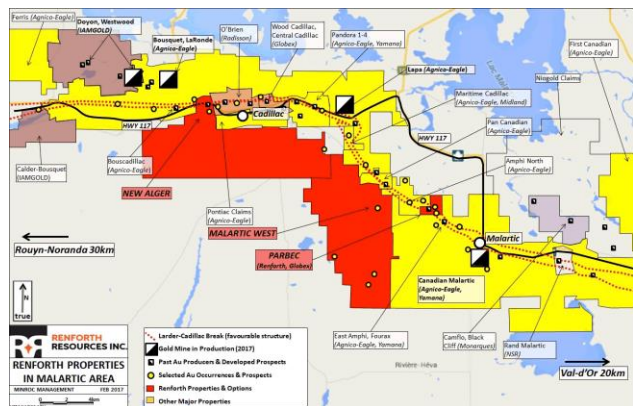
The 100% owned **Parbec property** is a shallow gold resource with a 1.8 kilometer strike length also situated along the Cadillac Break. A September 2018 resource estimate showed that Parbec contains nearly 700,000 ounces of gold (657,000 ounces inferred and 37,000 ounces indicated). Similar to New Alger, about 80% of the mineralization was found at a depth of 200 meters or less.

Also in Parbec's case, a substantially increased resource can be expected as the 700,000-ounce estimate was calculated considering only 800 meters of Parbec's total strike length. Since September 2018, Renforth has drilled 18 holes on the property, each of which was gold-bearing and many of which were drilled on the 1,000 meters not covered in the year-ago resource.

In September 2019, Renforth commissioned P&E Mining Consultants to prepare new resource estimates for New Alger and Parbec. Both reports are being drafted by a mining engineering firm and will result in open pit scenarios. The Company expects them to be published before the end of 2019. The release of the Form 43-101 reports could be an initial catalyst for share appreciation of Renforth Resources.

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.



**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.**

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 2% 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.

Class	Tonnes (000)	Grade (g/t Au)	Contained ounces
Inferred	3,505	2.1	237,000

**New Alger hosts a maiden gold resource at surface to a depth of 200m. Source: Company Filings.**

Although already an attractive resource, it was based on only a portion of the 1.4 kilometers long strike of the Cadillac Break, which is entirely gold-bearing. Moreover, the maiden resource started at the surface and only went down 200 meters, while neighboring gold properties, such as the O’Brien mine, were mined as deep as 1,500 meters. **Therefore, it is safe to consider the Cadillac Break mineralization at New Alger is open on strike and on depth.**

In addition to this resource in the Cadillac Break area of the property, Renforth has discovered that in the Pontiac Sediments to the south of the mine area are several gold bearing quartz vein “horizons” running parallel to the Cadillac Break. The “Discovery Vein” horizon has seen the most exploration to date, traced over a distance of greater than 450m by Renforth, this veining was also explored from underground as soon as the 1930’s.

## 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.

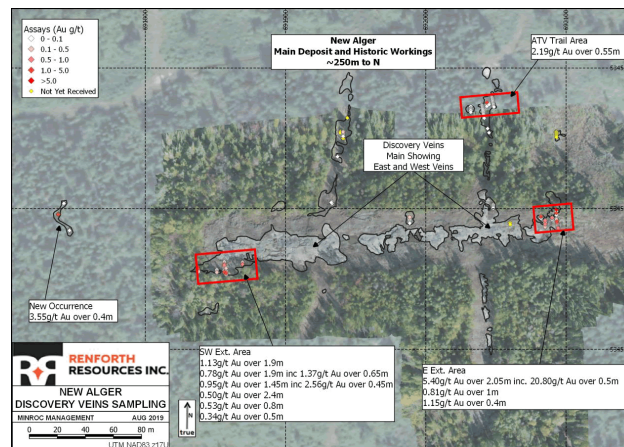
The available historic record indicates that there were drill holes drilled from the main shaft at a depth of 300m to both the north and the south, with interesting findings in both. Underground development took place after the drilling. There is no record of what was found underground, but, it is interesting 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 450m 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. Additional work will be required to determine the extent and nature of this new vein which the sample was taken from.

**Although more work is needed, the Discovery Vein surface gold system at New Alger demonstrates that the gold mineralization on the property is not confined to the Cadillac Break.**



**Discovery Vein map in detail with the vertically oriented ATV trails.**

### New Drill Campaign Started

A few days ago, a new drill campaign commenced at New Alger. Targets for this drill program were, amongst others, determined by the recently completed 3d modelling of New Alger.

Four holes were drilled subsequent to the 2014 resource statement. Three of them contained visible gold. In addition, 53 channel samples were taken across the 270m stripped zone of the Discovery Vein. All this data has been included in a 3d model, with wireframe solids which define the veins drilled at New Alger to date.



**Drilling activities are ongoing at New Alger.**

Based upon the grades contained within the solids, the software program calculated and constructed a block model, with each block having a metal value. This block model is being run through a pit optimization software package by P&E Mining Consultants Inc. The end result will be a Mineral Resource Estimate expressed as "pit constrained" and "outside of pit" mineralization.

## PARBEC

The Parbec property is 100% owned by Renforth, subject to a gross metal royalty (GMR) of between 1% and 2% (percentage calculated in relationship to the prevailing price of gold at the time of delivery).

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 Canadian Malartic Mine produced 697,200 ounces of gold in 2018 from the 55,000tpd operating plant.**

Renforth has established a resource estimate of almost 700,000 ounces of gold located within the Cadillac Break. The resource estimate is contained within ~900m of the known ~1800m of strike length of mineralization at Parbec, 80% of the resource estimate mineralization is between surface and a depth of 200m.

The discovery by Renforth of gold mineralization at Parbec outside of the Cadillac Break/schist unit, specifically in the volcanics to the north and the discovery of the

Diorite Splay mineralization, in the Pontiac sediments to the south, expands the hosts and locations of gold mineralization on the property.

Class	Tonnes (000)	Grade (g/t Au)	Contained ounces
Inferred	9,659	2.33	656,875
Indicated	368	3.47	37,224

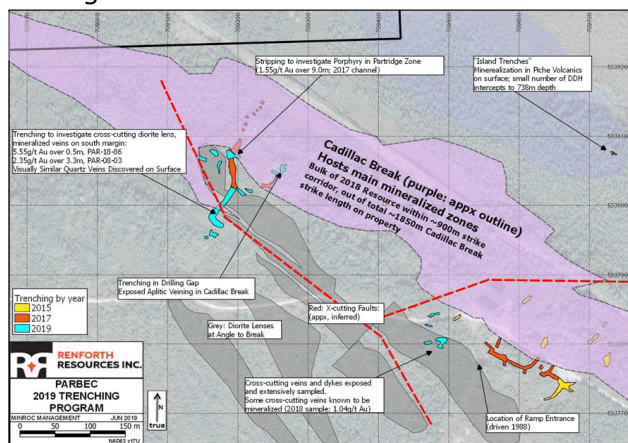
**The September 2018 Parbec Resource Estimate. Source: Company Filings.**

## 2019 Parbec Work Programs

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

In January-February 2019, Renforth drilled 5 holes, totalling 1,767 meters to extend the strike and to explore down-dip extensions of the 2018 43-101 resource estimate. Each hole again encountered gold, successfully extending the strike and the dip of the mineralized zones.

In addition, the Company conducted a spring field program in 2019. The results of this May/June field program support the Company's revision of the geological model to include structures parallel to and cross-cutting the Cadillac Break, which are gold bearing, only seen in a handful of instances in property drilling to date.



**Detail of trenching activities at Parbec per year: 2015 (yellow), 2017 (orange), and 2019 (blue).**

Renforth now sees evidence that there is mineralization outside of the previously

assumed constraints of the Cadillac Break, most recently to the south in the sediments. However, mineralization is also known to occur in the volcanics to the north. Recent results in the south include 1.03 g/t Au over 0.2m from narrow quartz veins in the sediments and a grab sample of 4.93 g/t Au from a porphyry interpreted to be a dilation within a diorite splay, also south of the Cadillac Break.

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

### Expanding the Resource Further

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.

The 2019 work program at Parbec demonstrates the potential to host mineralization outside of the existing resource estimate. In a few weeks, an updated resource estimate for the property will be published. But already it is clear that more work will uncover more gold mineralization at Parbec.

## 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.

Under explored 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 Beupre 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. The strike is still open.



A partly stripped area at the Malartic-West property.

In September 2019, Renforth announced the discovery of a surface copper occurrence, with grab samples of 8.08% Cu, 3.59% Cu, and 6.62 g/t Ag. Currently, no significant gold values have been found on surface. However, a copper/gold system could be present, as different types of minerals can be deposited in the same system in different areas due to the chemical or temperature environment during formation.

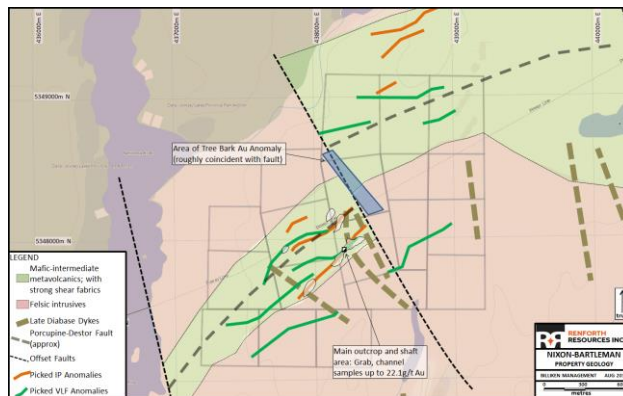
Renforth is prospecting additional areas of interest on the property, including the Surimau low grade gold occurrence, which, based upon initial discovery sampling and historic drill holes, is gold bearing. Samples have been taken in the field, consisting of channels cut and grab samples, these will be

delivered to the lab for assay work, the results reported upon when available.

## 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 Distor 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.



The Nixon-Bartleman property geology.

Renforth undertook one field campaign in 2014 which successfully increased the strike of the main gold-bearing quartz system on the property from ~300m to ~500m and discovered several en-echelon quartz vein systems.

Nixon-Bartlemen has benefited from several exploration campaigns, however, none took the preceding campaigns into account. Renforth has commenced the first all-encompassing property compilation report.

## 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

new 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	06/30/19	06/30/18
General & Corporate	119	99
Share Based Payments	-	272
<b>Total Expenses</b>	<b>119</b>	<b>370</b>
Flow Through Share Premium	-	-
Gain on Settlement of Debt	-	-
<b>Net Loss</b>	<b>119</b>	<b>370</b>
Diluted Shares Outs.	176,238	138,567
Diluted EPS	(0.00)	(0.00)
<b>Selected income statement data for the quarters ended June 30, 2019 and June 30, 2018. 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 June 30, 2019

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 for a period of 24 months.

In addition, during the first half of the year, the Company raised \$245,000 through the issuance of 3,000,000 common units ("Units") at \$0.05 per Unit and 1,500,000 of flow-through units ("FT Units") at \$0.05 per FT Unit. Each Unit consists of one common share and one common share purchase warrant to acquire an additional common share at a price of \$0.10 for a period of 24 months. Each FT Unit consists of one common share and one-half common share purchase warrant to acquire an additional common share at \$0.12 per share during 18 months

Amounts in \$000's	06/30/19	06/30/18
Cash and Cash Eq.	162	302
Sales Tax & Refundable Tax Credits	181	123
Prepaid Expenses & Deposits	57	234
<b>Total Current Assets</b>	<b>400</b>	<b>658</b>
Exploration & Evaluation Assets	6,340	4,805
<b>Total Assets</b>	<b>6,740</b>	<b>5,463</b>
Accounts Payable	56	146
Deferred Flow Through Share Premium	18	-
<b>Total Liabilities</b>	<b>74</b>	<b>146</b>
Total Stockholder Equity	6,666	5,317
<b>Selected balance sheet data on June 30, 2019 and June 30, 2018. 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.

The Company holds the New Alger project, with an inferred resource of 237,000 ounces of gold above a depth of 200 metres. Moreover, at the Parbec Gold project, Renforth has established a resource of 368,105 t Indicated at a grade of 3.47 g/t Au containing 37,224 ounces and 9,659,636 t Inferred at a grade of 2.33 g/t Au representing 656,875 ounces. Combined, the resources approach 1 million ounces of gold!

Renforth expects to issue new mineral resource estimates before year end for both New Alger (including the Discovery Veins) and Parbec. The release of these figures could become an important catalyst for Renforth's shares.

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 recent 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 (~8.50), the latter trades significantly below the average (~21.50).

Moreover, recent 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.

- 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 initiate coverage of Renforth Resources with a buy recommendation and a price target of \$0.12, which is 200% above today's stock price.

## SHARE DATA & OWNERSHIP

As of June 30, 2019, Renforth had approximately 176.2 million common shares outstanding, of which management owns about 8% and Globex Mining Enterprises [TSX:GMX] approximately 6.5%.

In addition, the Company had approximately 32 million warrants outstanding with an average exercise price of \$0.11.

Finally, Renforth had 14.05 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 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 – 6M 2019

PERIOD ENDING	FY 2017	FY 2018	6M 2019
<b>Expenses</b>			
General & Corporate	210,509	400,497	170,684
Share Based Payments	137,494	421,449	65,250
Loss Before Other Items	348,003	821,946	235,934
Flow Through Share Premium	-	434,203	9,606
Gain on Sale of Partnership Units	-	91,320	-
Gain on Settlement of Debt	-	69,360	-
<b>Net Loss</b>	<b>348,003</b>	<b>227,063</b>	<b>226,328</b>

**Annual Income Statement FY 2017 – 6M 2019. Source: Company Filings**



CA:RFR  
US: RFHRF

**Company Headquarters**

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