RENAISSANCE GOLD INC.

# ANNUAL REPORT

(Expressed in Canadian Dollars)

**Year ended June 30, 2018**

RENAISSANCE GOLD INC.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

## Year ended June 30, 2018

## Introduction

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Renaissance Gold Inc. (the "Company" or "RenGold") for the year ended June 30, 2018 and up to the date of this MD&A, should be read in conjunction with the accompanying audited consolidated financial statements for the year ended June 30, 2018, together with the notes thereto (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is October 18, 2018.

## Description of the Business

RenGold was incorporated pursuant to the Business Corporations Act (British Columbia) on May 25, 2010 and its common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol REN. RenGold's operating office is located at 4750 Longley Lane, Suite 106, Reno, NV 89502. RenGold's registered and corporate office is located at Unit 1 – 15782 Marine Drive, White Rock, British Columbia, Canada, V4B 1E6.

On September 27, 2018, the Company's common shares commenced trading on the OTCQB Venture Market in the United States under the trading symbol "RNSGF" in addition to its primary listing on the TSX-V.

RenGold is an exploration stage business engaged in the acquisition and exploration of mineral properties located in Nevada and Utah. RenGold's business model is to identify and secure mineral properties for which it seeks suitable funding partners. Once funding partners are found, an exploration and option to earn-in agreement is entered into on the property enabling the earn-in partner to obtain an interest by conducting and funding exploration on that property.

## Operational Highlights

RenGold's year ended June 30, 2018, and to the date of this MD&A was a second year of increased drilling activity keeping us on the path to our next discovery. Generative exploration efforts continue to identify high quality targets, which we look forward to placing in deals with strong partners in the future.

| Activity | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
|---|---|---|---|
| Private placements | $ 3,117,200 | $ 1,615,000 | $ 1,715,000 |
| Projects drilled | 7 | 1 | 2 |
| Exploration and evaluation expenditures, before recoveries | $ 1,891,063 | $ 1,144,032 | $ 1,777,749 |
| New agreements with funding partners | 3 | 3 | 0 |
| Projects funded under new agreements with funding partners | 5 | 5 | 0 |
| New exploration projects acquired through staking | 4 | 2 | 0 |
| New exploration projects acquired through agreement | 0 | 0 | 2 |
| New exploration projects acquired through Kinetic acquisition | 2 | 7 | 0 |

*Generative exploration*

The primary business of RenGold is mineral exploration and in the year ended June 30, 2018 and to the date of this MD&A the Company had a productive season of generative exploration bringing four new high-quality projects into the portfolio. The Mars and Cine Mountain projects lie within the Coeur Exploration Alliance area for 2018. The Ghost Ranch Project lies within the Kinross ROFR area.

**Mars** The Mars Project in located in Lincoln County, Nevada. The property hosts a Carlin-type target in lower Paleozoic sedimentary rocks, characterized by anomalous gold in soils, extensive jasperoid alteration with rock chip assays up to 3.7 g/t Au and strongly anomalous in the typical Carlin suite pathfinder elements As, Sb and Hg. Historic work on the project was conducted in the 1980s and 1990s and included three shallow drill programs that tested the system to a depth of less than 200 feet and encountered multiple low-grade gold intercepts. The gold system is exposed over a 4.5 km area and occurs peripheral to a Mesozoic intrusive center. RenGold's technical team recognized this project as a significant discovery opportunity based on the geologic setting, the existence of an already known, exposed gold system, the very shallow past drilling and the absence of past work to develop structural and stratigraphic targets where the system dips under cover rocks. The Company has staked additional claims to cover areas for new target generation and has begun geological, geochemical and geophysical work to develop a comprehensive understanding of the gold system and to develop additional targets for drilling. This project is available for an earn-in agreement.

The Mars project was acquired through staking and through a February 2018 lease/option to purchase agreement with a third party whereby the Company paid US$10,000 upon signing a definitive agreement and will pay US$10,000 on each anniversary of the agreement for up to ten years to complete the purchase option. The purchase option may be exercised at any time by making all remaining payments. Upon exercising the option, the vendor's interest would revert to a 3% NSR, with 2% buyable for US$1,000,000 per 1%. The Company has no work commitments under this agreement.

**Cine Mountain** The Cine Mountain project is comprised of 177 unpatented mining claims located on BLM ground. The project covers a large area of precious metal bearing jasperoids that occur primarily in Devonian and Mississippian carbonate and clastic host rocks. A series of low angle thrust faults are exposed which duplicate and locally overturn the stratigraphic section. 109 surface rock samples taken from the project range in grade from below detection limit up to 10.4 g/t Au, including several samples in excess of 1 g/t Au. Interpretation of the rock chip geochemistry suggests the possibility of two geochemical signatures; one characterized by Au-Ag-As-Sb (Tl), and a second with Ag-Pb-Zn-Sb (Cu) similar to the nearby historic Tybo district. This project is available for an earn-in agreement.

**Ghost Ranch** Ghost Ranch, located in Elko County, Nevada was acquired through staking on open ground. The project is a shallow pediment target located SE of Newmont's Long Canyon Mine and along a proposed northwest trend of gold occurrences. The target is indicated through gravity data, enzyme leach soil geochemistry and a pH survey. This project is available for an earn-in agreement.

**Fat Lizard** The Fat Lizard Project, located in Nye County, Nevada was acquired through staking on open ground. The Fat Lizard project comprises a gold and silver bearing volcanic-hosted, low-sulfidation epithermal system. The presence of steam-heated alteration suggests a shallow level of exposure above a boiling zone. Mineralization occurs along a 1.2 km long mineralized fault zone and is open to the west. A half graben setting controls mineralization and suggests structural intersections and horsetailing are present at moderate depths. Gold values are widespread within the half graben, ranging up to 0.494 ppm Au in surface rock chips. Spectral measurements have been used to map zones of high-level alteration including silicification, and kaolinite, dickite, and alunite-bearing zones. Limited illite-smectite alteration is present and is associated with anomalous gold and silver. Potential Au-Ag-rich mineralization may occur at relatively shallow depths within a boiling horizon. This project is available for an earn-in agreement.

*Exploration projects with funding partners*

At the date of this MD&A, RenGold has 6 properties under exploration funding agreements and 1 exploration alliance agreement:

| Project | Funding partner |
|---|---|
| Ecru | S2 Resources Ltd. ("S2 Resources") |
| Jake Creek | Ginguro Gold Pty. Ltd. ("Ginguro") |
| Jupiter | Ramelius Resources Limited ("Ramelius") |
| Silicon | AngloGold Ashanti North America, Inc. ("AngloGold") |
| South Roberts | S2 Resources |
| Spruce East | Kinross Gold U.S.A., Inc. ("Kinross") |
| Exploration alliance | Coeur Mining, Inc. ("Coeur") |

The highlights of activity by RenGold and its funding partners on its exploration properties during year ended June 30, 2018 and to the date of this MD&A follow.

**Coeur**

In May 2017, the Company entered into an exploration alliance agreement with Coeur whereby Coeur will fund US$250,000 per year in generative exploration expenses for a minimum of two years, during which the parties will identify and explore potential precious metals mining opportunities on lands in the State of Nevada within defined areas of interest. Coeur advanced the Company the first US$250,000 in June 2017 and the second US$250,000 in May 2018. RenGold must use this funding to identify and stake properties that will then be presented to Coeur. Upon presentation Coeur will then have 50 calendar days to elect to enter into an exploration earn-in agreement under terms that have been agreed to by the parties. The Company presented several target ideas to Coeur based on exploration work undertaken from the proceeds of the first advance and they decided to go forward with an earn-in agreement on the Cine Mountain project.

Cine Mountain
In November 2017, the Company entered into an exploration earn-in option agreement with Coeur whereby Coeur has the option to acquire a 70% interest in the Cine Mountain project by spending US$3,000,000 over three years, with a minimum annual work commitment of US$250,000. Upon signing the agreement, Coeur made a one-time payment to the Company of US$50,000. In September 2018, Coeur terminated the agreement without drilling the project and the targets remain untested.

**Kinross**

In May 2017, the Company entered into an exploration option agreement with Kinross Gold U.S.A, Inc. ("Kinross") granting Kinross the option to acquire a 70% interest within 10 years, in the Spruce East, Buffalo Canyon, and Diamond Point exploration projects located in Nevada. On signing, Kinross advanced RenGold US$500,000 to carry out and conduct exploration for the first agreement year among the three projects as directed by Kinross.

In addition, RenGold granted Kinross a right to exercise a right of first refusal (the "ROFR") for up to three additional properties within a defined area of interest in Nevada. The ROFR shall expire on the earlier of May 15, 2020 or the exercise of the ROFR on three different properties.

Spruce East
Drilling during the Phase 1 five hole reverse circulation drill program, totaling 1,215 meters, conducted in 2017, encountered significant zones of anomalous geochemistry and meaningful gold intercepts further defining a Carlin-like system which remains open to expansion. A Phase 2 follow-up drill program was designed to offset mineralization in the Cicada target as well as test additional

targets throughout the project. The program consisted of nine reverse circulation drill holes, totaling 2,316 meters and was completed in August 2018. The Company announce the results in October 2018 and RenGold and Kinross are evaluating the results to decide on future exploration for the project.

Buffalo Canyon
The 2017 drilling program encountered long runs of low-grade gold mineralization which expanded the footprint of known mineralization on the project and included the highest single assay received to date of 5.34 g/t Au. Despite this encouragement, Kinross decided to not continue to earn-in on the project. The property is now being actively marketed to attract a new funding partner.

Diamond Point
All of the 2017 drill holes bottomed in Chainman Shale and did not reach the target stratigraphy of the Webb formation. Gold values in 5 foot (1.5 m) sample intervals ranged from below detection limits to 0.29 g/t Au, establishing the continuation of the surface gold showings along the West fault under shallow alluvial cover 400 meters to the north. Kinross decided to not continue to earn-in on this project. The Company is currently assessing the remaining target potential.

**S2 Resources**

On July 31, 2017, the Company announced that it had signed a definitive agreement with Nevada Star Exploration LLC, a wholly owned subsidiary of S2 Resources. The agreement grants S2 Resources the option to acquire a 70% interest in the Ecru, South Roberts and Pluto projects located in Nevada. S2 Resources must spend US$3,000,000 per project over a 5-year period to earn a 70% interest, with a committed expenditure of US$200,000 per project by the second anniversary of the agreement. Upon signing the definitive agreement, S2 Resources paid the Company US$75,000.

Ecru Project
S2 Resources completed additional geophysical surveys at Ecru with plans to drill in the fourth quarter 2018. The Ecru project is a Carlin-type target in the heart of the Cortez Trend, located to the north of Barrick's Pipeline Complex and Robertson property.

Pluto Project
S2 Resources completed four reverse circulation drill holes on the Pluto project in October-November 2017 and did not encounter any significant gold mineralization. Accordingly, S2 Resources informed the Company that it would not be continuing with the earn-in on the Pluto Project. After further evaluation of the results of the drilling, the Company has decided to not maintain the property.

South Roberts Project
As announced on June 27, 2018, the objective of the initial 3 hole core drilling program totaling 1,100 meters was to test multiple target horizons associated with specific favorable stratigraphic units and contacts, located in the crest of a concealed anticline, as interpreted from past drilling and strongly supported by new controlled source audiomagnetotellurics (CSAMT) survey lines. Favorable host rocks were intersected in the predicted position and the best assay result was 1.65 meters (5.4 feet) @ 0.17 g/t gold from 491.7 meters in hole NSRD0001, associated with a zone of strong brecciation and carbonate veining. All three holes intersected the Webb-Devils Gate contact confirming the presence of an anticline. Holes NSRD0001 and NSRD0003 both intersected zones of collapse breccia, decalcification and minor silicification, with anomalous arsenic, antimony and mercury (maximum values of 491 ppm, 38 ppm and 2 ppm respectively), and weakly anomalous gold. These results may represent a distal signature of Carlin-style mineralization on this contact away from the drill holes.

**Ramelius**

In November 2017, the Company entered into a farm-in and joint venture agreement with Ramelius, an Australian public company, whereby Ramelius has the right to earn a 75% interest in the Jupiter property by spending US$3,000,000 over a 5-year period.

Jupiter Project

Ramelius completed a Phase 1 drill program on the Jupiter Project in December 2017 as a first test of two drill targets. The results of this program were positive and encountered anomalous gold mineralization in several holes drilled in the NE Pediment target including an intercept of 30 feet (9.1 meters) of 1.10 g/t Au.

In August 2018, Ramelius completed a Phase 2 drill program totaling 7 reverse circulation drill holes totaling 1,547 meters. The program encountered several anomalous intercepts associated with jasperoidal alteration developed along the Tertiary-Paleozoic contact and in proximity to the graben bounding basement faults, however no increase in grade was observed. The basement structures intercepted in one hole were visually encouraging, but unmineralized. RenGold and Ramelius are evaluating the results to decide on additional exploration on the project.

**AngloGold**

In May 2017, the Company entered into an option agreement with AngloGold whereby AngloGold can acquire the Silicon project from the Company for a series of payments totaling US$3,000,000 over 3 years as follows: US$100,000 in June 2017 (received), US$200,000 in June 2018 (received), US$300,000 in June 2019, and US$2,400,000 in June 2020.

Silicon Project

On September 17, 2018, RenGold reported that AngloGold had completed an initial drilling test comprised of 2,346 meters in six core holes at one of several target areas on the Silicon Project. The program goal was to test the deeper levels of a large, exposed alteration zone, initially identified by RenGold geologists as characteristic of the barren, upper levels of a low sulfidation epithermal system. The work completed by AngloGold to date has demonstrated that the alteration system is representative of a low sulfidation epithermal system centered around the Silicon Fault target. The alteration system observed supports a follow up combined core and reverse circulation drilling program of approximately 17,000 meters planned for Q4 2018.

The Silicon project is near Corvus Gold Inc's (TSX.V:KOR) North Bullfrog and Mother Lode projects, and the Sterling mine, which was recently acquired by Coeur Mining, Inc. (NYSE:CDE) from Northern Empire Resources (TSX.V:NM) for $117 million. Both properties have been active and reporting good drill results.

**Radius**

In May 2016, the Company entered into an agreement with Radius giving them an option to acquire the Spring Peak project.

Spring Peak Project

Spring Peak is a well preserved low-sulfidation, epithermal gold system in the Walker Lane structural corridor near the Aurora, Borealis, and Bodie deposits. Spring Peak contains widespread gold on surface, in banded veins with grades up to 35 g/t Au. Radius conducted rock chip and soil sampling and a CSAMT survey and developed drill targets looking for subvertical high-grade veins as feeders to the sinter terraces. Drilling on this project conducted more than 30 years ago consisted of very shallow and mostly vertical holes, which contained anomalous gold in most holes and individual samples up to 1.93 g/t Au, but did not test the system for the deeper, high-grade bonanza vein potential.

Radius completed the necessary baseline studies in 2017 to satisfy the U.S. Forest Service permitting requirements and were finalizing steps to getting the required bonding in place. Permitting delays prevented a planned drill program in the summer of 2018 and in August 2018 Radius terminated the agreement. The property is now being actively marketed to attract a new funding partner.

**Ginguro** In April 2018, the Company entered into an exploration earn-in agreement with Ginguro Jake Inc., a subsidiary of Ginguro on its Jake Creek Project in Humboldt County, Nevada. The agreement grants Ginguro the option to acquire a 70% interest in the Jake Creek project by spending US$3,000,000 over a 5-year period and making payments of US$15,000 (received) and US$10,000 before the first anniversary of the agreement. Jake Creek is a low-sulfidation epithermal gold target on the western margin of the Northern Nevada Rift, in a very similar geologic environment to the Midas gold deposit.

Pursuant to an option agreement between Ivy Minerals Inc. ("IMI") and Kinetic Gold (US) Inc., effective August 12, 2013 (as amended), the Company exercised its option to purchase 100% of the Jake Creek project from IMI for the agreed upon consideration of 372,541 common shares of the Company (issued April 19, 2018 at a value of $85,684).

Jake Creek Project
Ginguro is planning a 1,000 sample soil geochemistry program utilizing ALS Minerals' Ionic Leach™ method. The results of this survey will be integrated with geophysical and drill data to plan the next phase of drilling on the project in 2019.

## Qualified Person

All technical data, as disclosed in this MD&A, has been verified by the Company's qualified person, Robert Felder, M.Sc. and Certified Professional Geologist as recognized by the American Institute of Professional Geologists (AIPG).

## Selected Annual Information

| | Fiscal Year Ended June 30 2018 | Fiscal Year Ended June 30 2017 | Fiscal Year Ended June 30 2016 |
|---|---|---|---|
| | $ | $ | $ |
| **Statement of Loss** | | | |
| Net revenues | nil | nil | nil |
| Net loss | 2,478,285 | (1,715,307) | (1,377,314) |
| Net loss per share | (0.05) | (0.05) | (0.04) |
| **Financial Position:** | | | |
| Total assets | 6,555,063 | 5,991,161 | 2,689,430 |
| Long term debt | nil | nil | nil |
| Dividends | nil | nil | nil |

## Results of Operations

*Results of Operations for the year ended June 30, 2018*

The consolidated net loss for the year ended June 30, 2018 was $2,478,285 (2017 - $1,715,307).

The significant changes between the current year and the comparative year are discussed below.

The majority of the Company's expenses are incurred in US dollars but reported in Canadian dollars. The exchange rate at June 30, 2018 was 1.3168 compared to 1.2977 at June 30, 2017. The average exchange rate for the year ended June 30, 2018 was 1.2700 compared to 1.3267 in the comparative year. The effect of these translation differences distorts the actual expenditure comparisons.

Exploration and evaluation expenditures on RenGold projects for the year ended June 30, 2018, net of funding partner contributions was $738,711 (2017 - $572,844). In the year ended 2018, expenditures before recoveries were $1,891,063 an increase of $747,031 or 65% over expenditures before recoveries of $1,144,032 in the comparative year. In addition to the exploration and evaluation expenditures recorded in RenGold's accounts, funding partners also conducted additional exploration programs directly on RenGold's projects as required under the particular exploration earn-in agreements.

Exploration and evaluation recoveries are related to payments from funding partners in excess of amount deferred to the statement of financial position. In the year ended June 30, 2018, the Company recorded total recoveries of $317,504 of which $254,003 was from AngloGold on the Silicon project and $63,501 was from Coeur on the Cine Mountain project. In the year ended June 30, 2017, the Company recorded total recoveries of $175,205 of which $118,573 was from AngloGold on the Silicon project, $30,098 was from Coeur on the Arabia project, and $26,534 was from Liberty Silver Corp. on the Trinity Silver project.

Office and miscellaneous expenses plus rent for the year ended June 30, 2018 total $229,450 (2017 - $202,821) increased year over year primarily because of the previously mentioned increase in staffing and activity as well as computer and network upgrades.

Salaries and benefits totaled $661,100 (2017 - $424,415) for the year ended June 30, 2018. Additionally, exploration and evaluation expenditures include $616,861 (2017 - $389,255) of salaries and benefits of which $253,485 (2017 – $132,300) was recovered from funding partners. The increase in salaries and benefits over the prior year is a further reflection of the Company's increased activity since the acquisition of Kinetic Gold Corp. in May 2017 as staff were added to the team while others were restored to full-time.

Non-cash share-based compensation expense was $222,653 (2017 - $272,679) which relates to stock option grants that vested during the year.

## Summary of Quarterly Results

| | 3 Months Ended June 30, 2018 | 3 Months Ended March 31, 2018 | 3 Months Ended December 31, 2017 | 3 Months Ended September 30, 2017 | 3 Months Ended June 30, 2017 | 3 Months Ended March 31, 2017 | 3 Months Ended December 31, 2016 | 3 Months Ended September 30, 2016 |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Total revenues | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Net loss | (660,049) | (638,672) | (517,907) | (661,657) | (321,065) | (417,604) | (487,159) | (489,479) |
| Net loss per share, basic and diluted | (0.02) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.02) |

## Liquidity and Capital Resources

RenGold began the year with $3,648,618 cash. During the year ended June 30, 2018, the Company spent $1,996,964 on operating activities net of working capital changes, received $35,399 in investing activities, and received $2,959,863 from financing activities with a positive $30,092 effect of foreign exchange on cash to end at June 30, 2018 with $4,677,008.

On May 16, 2018, the Company completed a non-brokered private placement through the issue of 12,988,332 units at a price of $0.24 per unit for gross proceeds of $3,117,200. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at a price of $0.48 per share until May 16, 2023. If the daily volume weighted average trading price of the common shares of the Company is at least $0.72 per share for 20 consecutive trading days in the period commencing September 17, 2018, the Company will have the right, exercisable within three trading days thereof, to accelerate the expiry date of the warrants to the date which is 30 days after notice is given to the holders of the warrants of the accelerated expiry date and a news release to that effect is given. The Company paid finders' fees of $132,700 cash and issued 15,000 broker units.

As at June 30, 2018, the Company had working capital of $4,129,891. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

At the date of this MD&A, the Company has 17,903,332 exercisable warrants outstanding at exercise prices ranging from $0.48 to $0.60, and 4,065,000 exercisable stock options outstanding at exercise prices ranging from $0.205 to $0.57, that if exercised will raise additional capital for the Company.

## Fourth Quarter

The Company began the fourth quarter with $1,464,289 cash. During the fourth quarter the Company recovered $230,499 from operating activities, received $9,454 from investing activities, and received $2,959,863 from financing activities with a positive $12,903 effect of foreign exchange on cash so that the Company ended the quarter and the year with $4,677,008 cash.

## Contractual Obligations

The Company's expenditure commitments on its exploration and evaluation assets are primarily at the Company's discretion. License fees and details of lease payments and minimum work commitments to maintain the option agreement and the underlying exploration and evaluation asset option agreements are described in the notes to the Financial Report. The Company will fund these expenditures with existing working capital.

The Company has an obligation under an operating lease for its US subsidiary's corporate office in Reno, Nevada until June 2019 as described in the notes to the Financial Report.

## Related Party Transactions

**a)** Consulting fees

During the year ended June 30, 2018, the Company paid or accrued $90,000 (2017 – $88,750) to Golden Oak Corporate Services Ltd. ("Golden Oak"). Golden Oak is a consulting company controlled by the Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

**b)** Compensation of key management personnel

Key management includes members of the Board of Directors, the Executive Chairman, the President and Chief Executive Officer, the Executive Vice President, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel, which include the amounts disclosed above, during the year ended June 30, 2018 and 2017 were as follows:

| | | Year ended June 30, | |
|---|---|---|---|
| **Relationship** | **Description** | **2018** | **2017** |
| Officers | Salaries and benefits | $ 285,652 | $ 167,677 |
| Independent directors | Director fees included in salaries and benefits | 15,240 | 15,920 |
| Golden Oak - Officers | Consulting fees | 90,000 | 88,750 |
| Golden Oak - Officers | Transaction costs - Kinetic acquisition | - | 15,000 |
| Directors and officers | Share-based compensation | 142,661 | 190,096 |
| | | $ 533,553 | $ 477,443 |

As at June 30, 2018, the Company owed $1,318 (2017 – $32,547) to Golden Oak for the reimbursement of expenditures. All amounts are unsecured and non-interest bearing.

## Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration costs are described in Note 9 to the Financial Report.

## Outstanding Share Data as at the date of this MD&A

The authorized share capital of RenGold consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series with special rights or restrictions attached.

| | **Common Shares issued and outstanding** | **Warrants** | **Stock Options** |
|---|---|---|---|
| Balance, June 30, 2018 | 62,744,814 | 17,903,332 | 2,253,000 |
| Options cancelled | - | - | (68,000) |
| Options granted | - | - | 1,880,000 |
| Balance, date of this MD&A | 62,744,814 | 17,903,332 | 4,065,000 |

## Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Share-based compensation - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data, and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the parent Company as well as the Company's Canadian subsidiaries is the Canadian dollar and the functional currency of its US subsidiaries is the US dollar.

## New Accounting Standards

Refer to the discussion of "New standards, interpretations and amendments not yet effective" in our Financial Report. The Company has not applied any of the new and revised IFRS detailed therein, all of which have been issued but are not yet effective at the date of this MD&A.

## Financial Instruments and Risk Management

*Financial Instruments*

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); available-for-sale ("AFS"); loans and receivables; or other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

| Financial Instrument | Category | June 30, 2018 | June 30, 2017 |
|---|---|---|---|
| Cash | FVTPL | $ 4,677,008 | $ 3,648,618 |
| Marketable securities | AFS | 18,764 | 18,623 |
| Receivables | Loans and receivables | 4,061 | 9,891 |
| Reclamation bonds | Loans and receivables | 58,429 | - |
| Trade and other payables | Other financial liabilities | (149,367) | (108,968) |
| Amounts due to funding partners | Other financial liabilities | (454,112) | (831,760) |

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities, receivables, reclamation bonds, trade and other payables, and amounts due to funding partners. The carrying values of receivables, reclamation bonds, trade and other payables, and amounts due to funding partners approximate their fair value due to their short-term nature. Cash and marketable securities are recorded at fair value using Level 1 of the fair value hierarchy.

*Risk management*

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

*Credit Risk*
Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs. The Company`s receivables primarily include balances receivable from the government of Canada.

*Liquidity Risk*
Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next sixty days.

*Market Risk*
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

(b) Foreign Exchange Risk: The Company has identified the functional currency of its Canadian subsidiaries as the Canadian dollar and the functional currency of its US subsidiaries as the US dollar. The Company expects to continue to raise equity predominately in Canadian dollars. The Company is primarily conducting business in the USA. As such, it is subject to risk due to fluctuations in the exchange rate between the Canadian dollar and the US dollar. As at June 30, 2018, the Company holds 80% of its cash in Canadian dollars. Management believes the foreign exchange risk related to currency conversions is minimal and therefore, does not hedge its foreign exchange risk. The effect of a five percent change in the foreign exchange rate on the cash held in the US dollar at June 30, 2018 would be approximately $46,000.

(c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets are related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

## Cautionary Note Regarding Forward-looking Statements

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that RenGold or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by RenGold and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although RenGold believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of RenGold is subject to a number of risks and uncertainties, including those risk factors discussed under "Risk Factors" elsewhere in this MD&A and the documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, of RenGold may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by RenGold will be realized or, even if substantially realized, that they will have the expected consequences for RenGold.

Forward-looking statements are based on the beliefs, estimates and opinions of RenGold's management on the date the statements are made. Unless otherwise required by law, RenGold expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and RenGold does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

## Other Information

Additional information relating to RenGold is available for viewing on SEDAR at www.sedar.com.

# CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**Year ended June 30, 2018**

# INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Renaissance Gold Inc.

We have audited the accompanying consolidated financial statements of Renaissance Gold Inc., which comprise the consolidated statements of financial position as at June 30, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Renaissance Gold Inc. as at June 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**"DAVIDSON & COMPANY LLP"**

Vancouver, Canada | Chartered Professional Accountants

October 18, 2018

A member of Nexia International

**RENAISSANCE GOLD INC.**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

| | Note | | June 30, 2018 | | June 30, 2017 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash | *5* | $ | 4,677,008 | $ | 3,648,618 |
| Marketable securities | *6* | | 18,764 | | 18,623 |
| Receivables | *7* | | 4,061 | | 9,891 |
| Advances and prepaid expenses | *8* | | 33,537 | | 60,193 |
| | | | 4,733,370 | | 3,737,325 |
| **Non-current assets** | | | | | |
| Exploration and evaluation assets | *9* | | 1,754,120 | | 2,247,604 |
| Equipment | *10* | | 9,144 | | 6,232 |
| Reclamation bonds | *11* | | 58,429 | | - |
| | | | 1,821,693 | | 2,253,836 |
| | | $ | 6,555,063 | $ | 5,991,161 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | *12* | $ | 149,367 | $ | 108,968 |
| Amounts due to funding partners | *13* | | 454,112 | | 831,760 |
| | | | 603,479 | | 940,728 |
| **Shareholders' equity** | | | | | |
| Share capital | *14* | | 36,400,820 | | 33,427,802 |
| Obligation to issue shares | *14* | | - | | 126,061 |
| Share-based reserve | *14* | | 4,493,063 | | 3,945,327 |
| Other comprehensive income | | | 64,851 | | 80,108 |
| Deficit | | | (35,007,150) | | (32,528,865) |
| | | | 5,951,584 | | 5,050,433 |
| | | $ | 6,555,063 | $ | 5,991,161 |
| Nature of operations | *1* | | | | |
| Commitments | *19* | | | | |
| Subsequent events | *9, 14 & 21* | | | | |

These consolidated financial statements are approved for issue by the Board of Directors on October 18, 2018.

They are signed on the Company's behalf by:

"Robert Felder", Director                "Robert Boaz", Director

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

**RENAISSANCE GOLD INC.**
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

| | Note | | Year ended June 30, 2018 | | 2017 |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Consulting | *15* | $ | 90,000 | $ | 88,750 |
| Depreciation | | | 4,346 | | 8,247 |
| Exploration and evaluation expenditures, net | *9* | | 738,711 | | 572,844 |
| Exploration and evaluation recoveries | *9* | | (317,504) | | (175,205) |
| Foreign exchange | | | 14,468 | | (14,587) |
| Insurance | | | 41,518 | | 46,953 |
| Management fees earned | | | (69,998) | | (25,152) |
| Office and miscellaneous | | | 112,173 | | 80,296 |
| Professional fees | | | 63,722 | | 54,604 |
| Regulatory and transfer agent fees | | | 44,200 | | 37,839 |
| Rent | | | 117,277 | | 122,525 |
| Salaries and benefits | *15* | | 661,100 | | 424,415 |
| Shareholder relations | | | 86,393 | | 62,389 |
| Share-based compensation | *14* | | 222,653 | | 272,679 |
| Travel and related | | | 31,399 | | 30,525 |
| | | | (1,840,458) | | (1,587,122) |
| **Interest and other income** | | | 18,068 | | 2,690 |
| **Gain on sale of equipment** | *10* | | 10,479 | | 2,650 |
| **Gain on sale of exploration and evaluation assets** | *9* | | 38,750 | | - |
| **Write-off of exploration and evaluation assets** | *9* | | (705,124) | | (133,525) |
| **Loss for the year** | | | (2,478,285) | | (1,715,307) |
| **Items that may be reclassified subsequently to profit or loss** | | | | | |
| Unrealized gain (loss) on marketable securities | *6* | | (13,609) | | 18,623 |
| Foreign currency translation differences for foreign operations | | | (1,648) | | (29,246) |
| **Comprehensive loss for the year** | | $ | (2,493,542) | $ | (1,725,930) |
| **Basic and diluted loss per common share** | | $ | (0.05) | $ | (0.05) |
| **Weighted average number of common shares outstanding** | | | 50,952,637 | | 38,032,624 |

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

**RENAISSANCE GOLD INC.**
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

| | Year ended June 30, 2018 | 2017 |
|---|---|---|
| **CASH FLOWS FROM (TO) OPERATING ACTIVITIES** | | |
| Loss for the year | $ (2,478,285) | $ (1,715,307) |
| Items not affecting cash: | | |
| Depreciation | 4,346 | 8,247 |
| Share-based compensation | 222,653 | 272,679 |
| Gain on sale of equipment | (10,479) | (2,650) |
| Gain on sale of exploration and evaluation assets | (38,750) | - |
| Write-off of exploration and evaluation assets | 705,124 | 133,525 |
| Unrealized foreign exchange | (19,385) | (647) |
| Changes in non-cash working capital items: | | |
| Receivables | 5,830 | 2,672 |
| Advances and prepaid expenses | 26,656 | 6,039 |
| Trade and other payables | 39,212 | 3,847 |
| Amounts due to funding partners | (453,886) | 680,613 |
| Net cash used in operating activities | (1,996,964) | (610,982) |
| **CASH FLOWS FROM (TO) INVESTING ACTIVITIES** | | |
| Exploration and evaluation asset additions | (183,410) | (168,841) |
| Exploration and evaluation asset recoveries | 190,396 | 222,781 |
| Proceeds on sale of exploration and evaluation assets | 25,000 | - |
| Purchase of equipment | (7,066) | (8,211) |
| Proceeds on sale of equipment | 10,479 | 2,650 |
| Kinetic acquisition, net of cash received | - | 294,963 |
| Reclamation bonds | - | 18,612 |
| Net cash provided by investing activities | 35,399 | 361,954 |
| **CASH FLOWS FROM (TO) FINANCING ACTIVITIES** | | |
| Proceeds from private placement | 3,117,200 | 1,615,000 |
| Subscriptions receivable | - | 93,750 |
| Share issue costs | (157,337) | (16,353) |
| Net cash provided by financing activities | 2,959,863 | 1,692,397 |
| Effect of foreign exchange on cash | 30,092 | (27,521) |
| **Increase in cash during the year** | 1,028,390 | 1,415,848 |
| **Cash, beginning of year** | 3,648,618 | 2,232,770 |
| **Cash, end of year** | $ 4,677,008 | $ 3,648,618 |
| **Non-cash investing and financing activities** | | |
| Shares issued for exploration and evaluation assets | $ 212,177 | $ - |
| Issuance of broker units | 3,600 | - |
| Warrant valuation - units | 324,708 | - |
| Warrant valuation - broker units | 375 | - |
| Receipt of marketable securities on sale of exploration and evaluation assets | 13,750 | - |
| Shares issued on acquisition of Kinetic | - | 2,323,197 |
| Obligation to issue shares on acquisition of Kinetic | 126,061 | (126,061) |
| Reclamation bonds transferred from funding partners | 55,376 | - |
| **Supplementary information** | | |
| Interest paid | - | - |
| Income taxes paid | - | - |

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

**RENAISSANCE GOLD INC.**
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

| | Number of shares | Share capital | Obligation to issue shares | Share-based reserve | Other comprehensive income | Deficit | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| **Balance, June 30, 2016** | 36,854,577 | $ 29,505,958 | $ - | $ 3,672,648 | $ 90,731 | $ (30,813,558) | $ 2,455,779 |
| Private placements | 4,833,333 | 1,615,000 | - | - | - | - | 1,615,000 |
| Share issue costs | - | (16,353) | - | - | - | - | (16,353) |
| Kinetic acquisition | 6,832,933 | 2,323,197 | 126,061 | - | - | - | 2,449,258 |
| Share-based compensation | - | - | - | 272,679 | - | - | 272,679 |
| Comprehensive loss for the year | - | - | - | - | (10,623) | (1,715,307) | (1,725,930) |
| **Balance, June 30, 2017** | 48,520,843 | $ 33,427,802 | $ 126,061 | $ 3,945,327 | $ 80,108 | $ (32,528,865) | $ 5,050,433 |

| | Number of shares | Share capital | Obligation to issue shares | Share-based reserve | Other comprehensive income | Deficit | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| **Balance, June 30, 2017** | 48,520,843 | $ 33,427,802 | $ 126,061 | $ 3,945,327 | $ 80,108 | $ (32,528,865) | $ 5,050,433 |
| Private placement | 12,988,332 | 2,792,492 | - | 324,708 | - | - | 3,117,200 |
| Broker units | 15,000 | 3,225 | - | 375 | - | - | 3,600 |
| Share issue costs | - | (160,937) | - | - | - | - | (160,937) |
| Shares issued for exploration and evaluation assets | 1,220,639 | 338,238 | (126,061) | - | - | - | 212,177 |
| Share-based compensation | - | - | - | 222,653 | - | - | 222,653 |
| Comprehensive loss for the year | - | - | - | - | (15,257) | (2,478,285) | (2,493,542) |
| **Balance, June 30, 2018** | 62,744,814 | $ 36,400,820 | $ - | $ 4,493,063 | $ 64,851 | $ (35,007,150) | $ 5,951,584 |

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

## 1. NATURE OF OPERATIONS

Renaissance Gold Inc. (the "Company" or "RenGold") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on May 25, 2010. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol REN and the OTCQB under the symbol RNSGF. RenGold's head office is located at 4750 Longley Lane, Suite 106, Reno, NV 89502. RenGold's registered and corporate office is located at Unit 1 – 15782 Marine Drive, White Rock, British Columbia, Canada, V4B 1E6.

RenGold is an exploration stage business engaged in the acquisition and exploration of mineral properties located in the western United States of America ("USA"). The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties.

The operations of the Company will require various licenses and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at June 30, 2018, the Company had working capital of $4,129,891. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

## 2. BASIS OF PRESENTATION

### Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

### Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the parent Company's functional currency as well as being the functional currency for the Company's Canadian subsidiaries. The US dollar is the functional currency for the Company's US subsidiaries.

## 2. BASIS OF PRESENTATION (continued)

**Use of estimates and judgments**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>The carrying value and the recoverability of exploration and evaluation assets</u> - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

<u>Share-based compensation</u> - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

<u>Recovery of deferred tax assets</u> - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

<u>Determination of functional currency</u> - In accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates” management determined that the functional currency of the parent Company as well as the Company’s Canadian subsidiaries is the Canadian dollar and the functional currency of its US subsidiaries is the US dollar.

(Expressed in Canadian dollars)

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Principles of Consolidation

These consolidated financial statements include the accounts of RenGold and its wholly owned subsidiaries, from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

| Name of subsidiary | Place of incorporation | Ownership interest as at June 30, 2018 | Principal activity |
|---|---|---|---|
| Renaissance Exploration Inc. | Nevada | 100% | Mineral exploration company |
| Kinetic Gold (US) Inc. (1) | Nevada | 100% | Mineral exploration company |
| Kinetic Gold Corp. (1) | British Columbia | 100% | Holding company |
| Kinetic Ivy Exploration LLC (1) (2) | Nevada | 0% | Mineral exploration company |
| EuEx Ventures, Inc. (3) | British Columbia | 0% | Dormant company |

(1) acquired on May 29, 2017 (Note 4)
(2) dissolved on July 31, 2017
(3) dissolved on June 30, 2018

### Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions in the financial statements of each entity in the Company.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in operations.

On consolidation, for subsidiaries with functional currencies other than Canadian dollars, the assets and liabilities are translated into Canadian dollars using the period-end rate and the operations and cash flows are translated using the average rates of exchange. Exchange adjustments arising when the opening net assets and the profit or loss are translated into Canadian dollars are taken into a separate component of equity and reported in other comprehensive income or loss.

### Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized in operations on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are from three to five years commencing from the year the equipment available for its intended use.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Exploration and evaluation assets

Upon acquiring the legal right to explore a mineral property, all direct costs related to the acquisition of exploration and evaluation assets are capitalized. All direct costs related to the acquisition of mineral property interests are capitalized into intangible assets. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period such determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

### Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

A liability is recognized for legal obligations relating to the restoration, rehabilitation and retirement of property, plant and equipment obligations arising from the acquisition, construction, development or normal operation of those assets. Such decommissioning liabilities are recognized at fair value, when a reasonable estimate of fair value can be made, in the period in which the liability is incurred. A corresponding increase to the carrying amount of the related asset where one is identifiable is recorded and amortized over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the year is expensed. The amount of the liability is subject to re-measurement at each reporting period. The estimates are based principally on legal and regulatory requirements.

It is possible that the Company's estimate of its ultimate reclamation liabilities could change as a result of changes in regulations; the extent of environmental remediation required or completed and the means of reclamation or changes in cost estimates. Changes in estimates are accounted for prospectively commencing in the period the estimate is revised.

The Company has no material restoration, rehabilitation and environmental obligations as any environmental disturbance to date has been minimal.

### Impairment

At each statement of financial position reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in operations, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

### Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

### Financial assets

(i) Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Assets in this category include cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in operations. Attributable transaction costs are recognized in operations when incurred.

(ii) Financial assets available for sale (“AFS”)

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss (“OCI”) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. Assets in this category include the Company’s marketable securities.

Financial assets AFS are initially recognized, and subsequently carried at fair value with changes recognized in OCI. Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Financial assets (continued)**

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include subscriptions receivable and reclamation bonds.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

(iv) Impairment of financial assets

Financial assets, other than those at FVTPL and available for sale, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in operations.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through operations to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(v) De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in operations.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded as the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or as other financial liabilities.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in operations in the period in which they arise.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The Company has classified trade and other payables and amounts due to funding partners as other financial liabilities.

### Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit and loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

### Share-based compensation

The Company's stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based reserves to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment; otherwise, share-based compensation is measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based compensation transactions.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Share capital

Common shares are classified as share capital. Incremental costs, net of tax effects, directly attributable to the issue of common shares are recognized as a deduction from equity.

### Warrants

The Company uses the residual method for accounting for finance related warrants. Under this method warrants are assigned a value equal to the excess of the unit purchase price over the then prevailing market price of the Company's shares. When the units are priced at or below market there is no excess and the warrants are valued at $Nil.

### Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**New standards, interpretations and amendments not yet effective**

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2018 and have not been applied in preparing these consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2018:

- New standard IFRS 9, Financial Instruments

  IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement. This new standard addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss.

Effective for annual periods beginning on or after January 1, 2019:

- New standard IFRS 16, Leases

  All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

The Company has not early adopted these new standards and none of these standards are expected to have a material effect on the financial statements.

## 4. ACQUISITION OF KINETIC

On May 29, 2017, the Company completed the acquisition of Kinetic Gold Corp. (“Kinetic”) through the issue of 6,832,933 common shares of the Company valued at $2,323,197 to the nine selling shareholders of Kinetic. Three of the selling shareholders of Kinetic are also directors of RenGold but collectively only owned 5% of the shares of Kinetic. Kinetic is the sole owner of Kinetic Gold (US) Inc. (“Kinetic USA”) and on acquisition had a 50.1% interest in Kinetic Ivy Exploration LLC (“Kinetic Ivy”).

As part of the acquisition, the Company was required to exercise an option to purchase the remaining 49.9% interest in Kinetic Ivy for 370,797 common shares of the Company. These common shares were recorded as an obligation to issue shares on acquisition and valued at $126,061. In August 2017, the Company acquired the remaining 49.9% interest in Kinetic Ivy (Note 9).

On acquisition, Kinetic held seven projects (Ely Springs, Ferguson Mountain, Jupiter, Pluto, Raven, South Roberts, and Spring Peak) and had an option to acquire another three projects (Ecru, Jake Creek, and Many) all located in Nevada (Note 9).

(Expressed in Canadian dollars)

## 4. ACQUISITION OF KINETIC (continued)

IFRS requires that a determination is made as to whether an acquisition is a business combination by applying the definitions contained in IFRS 3, which requires that the assets acquired and liabilities assumed constitute a business. Management has determined that this acquisition does not constitute the acquisition of a business, therefore, has treated it as an acquisition of a group of assets.

| **Consideration given up** | | |
|---|---|---|
| Shares issued | $ | 2,323,197 |
| Obligation to issue shares | | 126,061 |
| Transaction costs | | 45,824 |
| Total | $ | 2,495,082 |

| **Net assets received** | | |
|---|---|---|
| Cash | $ | 340,787 |
| Receivables | | 3,140 |
| Advances and prepaid expenses | | 3,242 |
| Exploration and evaluation assets | | 2,170,530 |
| Trade and other payables | | (22,617) |
| Total | $ | 2,495,082 |

The Company acquired a 100% interest in Kinetic and Kinetic USA and a 50.1% interest in Kinetic Ivy with an option to acquire the remaining 49.9% interest (Note 9). As the Company was required to exercise this option and acquire the remaining 49.9% interest in Kinetic Ivy, the Company is not reporting any non-controlling interest and is consolidating 100% of Kinetic Ivy.

## 5. CASH

| | | **June 30, 2018** | | **June 30, 2017** |
|---|---|---|---|---|
| Canadian dollar denominated deposits held in Canada | $ | 3,746,176 | $ | 1,759,316 |
| US dollar denominated deposits held in Canada | | 220,994 | | 640,649 |
| US dollar denominated deposits held in the USA | | 709,838 | | 1,248,653 |
| Total | $ | 4,677,008 | $ | 3,648,618 |

(Expressed in Canadian dollars)

## 6. MARKETABLE SECURITIES

| | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Opening balance | $ 18,623 | $ - |
| Additions | 13,750 | - |
| Unrealized gain (loss) | (13,609) | 18,623 |
| Ending balance | $ 18,764 | $ 18,623 |

In February 2014, the Company sold its Argentinean projects (Note 9) to Atala Resources Corporation ("Atala"), a Canadian private company, and as part of the consideration received 500,000 common shares of Atala. On May 5, 2017, Atala was acquired by Brionor Resources Inc. ("Brionor"), a Canadian publicly traded corporation, and the shareholders of Atala received 0.4382 of a Brionor share for each Atala share. Accordingly, RenGold received 219,101 common shares of Brionor. On June 9, 2017, Brionor changed its name to Magna Terra Minerals Inc. ("Magna Terra").

As at June 30, 2017, the Company valued the 219,101 Magna Terra shares at $18,623 and recorded an unrealized gain on marketable securities of $18,623 for the year ended June 30, 2017.

On October 26, 2017, the Company received an additional 250,000 common shares Magna Terra valued at $13,750 related to the cancelation of future cash payments (Note 9).

As at June 30, 2018, the Company valued the 469,101 Magna Terra shares at $18,764 and accordingly recorded an unrealized loss on marketable securities of $13,609 for the year ended June 30, 2018.

## 7. RECEIVABLES

| | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Amounts due from the Government of Canada pursuant to goods and services input tax credits | $ 1,740 | $ 8,467 |
| Interest | 2,321 | 1,424 |
| Total | $ 4,061 | $ 9,891 |

## 8. ADVANCES AND PREPAID EXPENSES

| | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Prepaid expenses | $ 33,537 | $ 57,598 |
| Advances | - | 2,595 |
| Total | $ 33,537 | $ 60,193 |

(Expressed in Canadian dollars)

## 9. EXPLORATION AND EVALUATION ASSETS

RenGold acquires mineral properties through staking and from third party vendors, some of which are subject to a net smelter return ("NSR") royalty. Subsequently, the Company may enter into agreements to sell a portion of its interest in its mineral properties to third parties in exchange for exploration expenditures, royalty interests, cash, and/or share-based payments.

RenGold cannot guarantee title to all of its exploration and evaluation assets as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers and title may be affected by undetected defects.

Exploration and evaluation assets capitalized to the consolidated statements of financial position are as follows:

| | June 30, 2016 | Kinetic acquisition | Additions | Recoveries | Written off | Foreign exchange adjustment | June 30, 2017 | Additions | Recoveries | Written off | Foreign exchange adjustment | June 30, 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Nevada:** | | | | | | | | | | | | |
| Arabia | **$ 67,573** | $ - | $ 60,341 | $ (127,914) | $ - | $ - | **$ -** | $ - | $ - | $ - | $ - | **$ -** |
| Buffalo Canyon | **2,459** | - | 861 | - | - | 7 | **3,327** | - | - | - | 49 | **3,376** |
| Bunce | - | - | - | - | - | - | - | - | - | - | - | - |
| Cine Mountain | - | - | - | - | - | - | - | 20,280 | (20,280) | - | - | - |
| Diamond Point | - | - | 12,256 | - | - | (234) | **12,022** | - | - | - | 177 | **12,199** |
| Ecru | - | - | - | - | - | - | - | 126,493 | (55,510) | - | 2,929 | **73,912** |
| Ely Springs | - | 250,000 | - | - | - | - | **250,000** | - | - | (250,000) | - | - |
| Fat Lizard | - | - | - | - | - | - | - | 1,340 | - | - | 48 | **1,388** |
| Ferguson Mountain | - | 250,000 | - | - | | - | **250,000** | - | - | - | - | **250,000** |
| Fireball Ridge | **121,617** | - | - | - | (121,617) | - | - | - | - | - | - | - |
| Gilbert South | **222** | - | 4,126 | - | - | (81) | **4,267** | 2,117 | - | - | 158 | **6,542** |
| Golden Shears | - | - | - | - | - | - | - | - | - | - | - | - |
| Jake Creek | - | - | - | - | - | - | - | 85,684 | (19,050) | - | 3,877 | **70,511** |
| Jupiter | - | 344,469 | - | (32,443) | - | - | **312,026** | - | - | - | (477) | **311,549** |
| Maggie Creek | - | - | - | - | - | - | - | - | - | - | - | - |
| Many | - | - | - | - | - | - | - | - | - | - | - | - |
| Mars | - | - | - | - | - | - | - | 12,648 | - | - | 520 | **13,168** |
| Pluto | - | 300,000 | 8,069 | - | - | (283) | **307,786** | - | (31,750) | (276,036) | - | - |
| Raven | - | 426,061 | - | - | - | - | **426,061** | - | - | - | - | **426,061** |
| Secret Canyon | **3,172** | - | 3,362 | - | - | (103) | **6,431** | 3,228 | - | - | 158 | **9,817** |
| Silicon | **12,036** | - | 50,084 | (62,120) | - | - | - | - | - | - | - | - |
| South Roberts | - | 300,000 | - | - | - | - | **300,000** | 25,051 | (56,801) | - | (1,170) | **267,080** |
| Spring Peak | - | 300,000 | - | - | - | - | **300,000** | - | - | - | - | **300,000** |
| Spruce East | - | - | 8,628 | - | - | (234) | **8,394** | 6,948 | (7,005) | - | 180 | **8,517** |
| Trinity Silver | - | - | - | - | - | - | - | 99,878 | - | (99,878) | - | - |
| Whistler | **11,908** | - | - | - | (11,908) | - | - | - | - | - | - | - |
| Wood Hills South | **46,660** | - | 20,810 | - | - | (180) | **67,290** | 11,920 | - | (79,210) | - | - |
| **Utah:** | | | | | | | | | | | | |
| Wildcat | - | - | 304 | (304) | - | - | - | - | - | - | - | - |
| Total | **$ 265,647** | $2,170,530 | $ 168,841 | $ (222,781) | $ (133,525) | $ (1,108) | **$ 2,247,604** | $ 395,587 | $ (190,396) | $ (705,124) | $ 6,449 | **$ 1,754,120** |

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**Arabia, Pershing County, Nevada**

The Company held its interest in the Arabia project through directly held unpatented claims, purchased patented mining claims and three mineral leases of patented claims.

Effective May 15, 2012, until it was terminated May 9, 2017, the Company was party to a mining lease and option to purchase agreement with Victory Exploration Inc.

Effective January 1, 2012, until it was terminated September 6, 2017, the Company was party to a mining lease and option to purchase agreement with Jack Saylor and Dan Damico.

Effective January 1, 2012, until it was terminated September 6, 2017, the Company was party to a mining lease and option to purchase agreement with Silver Saddle Resources, LLC.

Effective October 15, 2012, until it was terminated September 6, 2017, the Company was party to a mining lease and option to purchase agreement with Oliver Cook.

Effective January 10, 2017, until it was terminated September 11, 2017, the Company was party to an exploration license and option to lease agreement with New Nevada Resources, LLC.

Effective February 24, 2016, until it was terminated May 9, 2017, the Company was party to an exploration earn-in agreement with Coeur Mining, Inc. (“Coeur Mining”). The terms of the agreement required Coeur Mining to pay RenGold, among other things, US$75,000 on the second anniversary. This payment was received in March 2017 and was first credited against the acquisition costs for $67,573 (US$52,314), with the remainder of $30,098 (US$22,686) being recorded as exploration and evaluation recoveries for the year ended June 30, 2017.

**Buffalo Canyon, Nye County, Nevada**

The Company holds its interest in the Buffalo Canyon project through directly held unpatented claims. Two directors of RenGold collectively have a 1% NSR royalty on certain of the Buffalo Canyon claims.

Effective May 15, 2017, until it was terminated February 8, 2018, the Company was party to an exploration option agreement with Kinross Gold U.S.A., Inc. (“Kinross USA”).

**Bunce, Pershing County, Nevada**

The Company holds its interest in the Bunce project through directly held unpatented claims.

**Cine Mountain, Nye County, Nevada**

The Company holds its interest in the Cine Mountain project through directly held unpatented claims.

Effective November 27, 2017, until it was terminated August 20, 2018, the Company was party to an exploration earn-in option agreement with Coeur Explorations Inc. (“Coeur”), a subsidiary of Coeur Mining. Upon signing the agreement, Coeur made a one-time payment to the Company of $63,501 (US$50,000) which has been recorded as exploration and evaluation recoveries on the statement of loss and comprehensive loss for the year ended June 30, 2018.

**Diamond Point, Elko/Eureka County, Nevada**

The Company holds its interest in the Diamond Point project through directly held unpatented claims.

Effective May 15, 2017, until it was terminated February 8, 2018, the Company was party to an exploration option agreement with Kinross USA.

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**Ecru, Lander County, Nevada**

The Ecru option was acquired by RenGold through the acquisition of Kinetic (Note 4).

On August 9, 2017, the Company exercised its option to purchase 100% of the Ecru project through the issue of 477,331 common shares valued at $126,493.

On July 31, 2017, the Company entered into a definitive agreement with Nevada Star Exploration LLC ("Nevada Star"), a wholly owned subsidiary of S2 Resources Ltd. The agreement grants Nevada Star the option to acquire a 70% interest in the Ecru, Pluto (see below) and South Roberts (see below) projects. Nevada Star must spend US$3,000,000 per project over a 5-year period to earn a 70% interest, with a committed expenditure of US$200,000 per project to be expended by July 31, 2019. Upon signing the definitive agreement Nevada Star paid the Company US$75,000. This payment was credited against the acquisition costs of the projects and split evenly with $31,750 (US$25,000) credited to each project.

On July 30, 2018, the Company entered into a mining sublease agreement with Newmont USA Limited ("Newmont"). The agreement covers certain lands adjacent to the Company's already controlled claims. The agreement is for a period of 10 years, with an option to extend the lease for an additional 5 years, and then indefinitely so long as mining, development or processing operations are being conducted on the property on a continuous basis. RenGold paid Newmont $22,500 on signing and is required to make anniversary payments of US$22,500 per year for the first five years and US$45,000 per year thereafter. These payments will be deemed advance royalty payments to be offset against any future royalty obligations in the event of a mine being developed. Newmont holds a 0.875% NSR royalty and the underlying lease holder holds a 2.125% NSR royalty.

**Ely Springs, Lincoln County, Nevada**

The Ely Springs project was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company held its interest in the Ely Springs project through directly held unpatented claims that were allowed to lapse. Accordingly, the Company wrote-off acquisition costs totaling $250,000 in the year ended June 30, 2018.

**Fat Lizard, Nye County, Nevada**

The Company holds its interest in the Fat Lizard project through directly held unpatented claims.

**Ferguson Mountain, Elko County, Nevada**

The Ferguson Mountain project was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company holds its interest in the Ferguson Mountain project through directly held unpatented claims.

**Fireball Ridge, Churchill County, Nevada**

The Company holds its interest in the Fireball Ridge project through directly held unpatented claims and a mineral lease of unpatented claims.

(Expressed in Canadian dollars)

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**Fireball Ridge, Churchill County, Nevada (continued)**

RenGold was assigned the April 15, 2003, as amended March 1, 2012, February 6, 2015 and May 25, 2017, mining lease and option to purchase agreement with Janice E. Ehrhart and Charles Mabarak. The lease is renewable on April 15, 2027 on certain milestones having been met. The owners retained a 3% NSR royalty and the annual payments are creditable against the NSR royalty.

To maintain the option, the Company is required to make annual payments as follows:

| Date | Payment US$ |
|---|---|
| April 15, 2003 to April 15, 2012 | $36,000 (paid) |
| April 15, 2013 | $10,000 (paid) |
| April 15, 2014 | $10,000 (paid) |
| 30 days after the execution of an exploration earn-in agreement | $10,000 |
| Each anniversary thereafter until termination | $10,000 |

In December 2012, the Company purchased private land for US$30,000. The seller retained a 1% NSR royalty.

During the year ended June 30, 2017, the Company wrote-off acquisition costs totaling $121,617 due to a lack of exploration activity on the project.

**Gilbert South, Esmeralda County, Nevada**

The Company holds its interest in the Gilbert South project through directly held unpatented claims and a mineral lease of unpatented claims.

On August 19, 2015, the Company entered into an agreement with Timberline Resources Corporation and its wholly-owned subsidiary Wolfpack Gold (Nevada) Corporation ("Wolfpack") whereby the Company acquired the Gilbert South project from Wolfpack in exchange for a 1% NSR royalty that can be bought down at any time for US$1,500,000 or fractions thereof at the pro-rata cost at any time during the term of the agreement. In addition, a 0.2% NSR royalty is payable to William M. Sheriff and a 1.8% NSR royalty is payable to 5555 Gold, both of which exist under a pre-existing asset to purchase agreement.

On November 17, 2017, the Company entered into an option agreement with Nevada Select Royalty, Inc. ("Nevada Select"), a wholly-owned subsidiary of Ely Gold Royalties, to acquire two unpatented mining claims on the Gilbert South project in exchange for an option payment of US$50,000 (the "Option Price"). If the option is exercised, Nevada Select will retain a 2% NSR royalty.

To maintain the option, the Company is required to make annual payments as follows which will be credited against the Option Price:

| Date | Payment US$ |
|---|---|
| On execution of the option agreement | $668 (paid) |
| On the Effective Date * | $5,000 |
| First anniversary of the Effective Date | $5,000 |
| Second anniversary of the Effective Date | $5,000 |
| Third anniversary of the Effective Date | $5,000 |
| Fourth anniversary of the Effective Date | $5,000 |
| Fifth anniversary through the tenth anniversary of the Effective Date | $10,000 |

*the Effective Date is the date on which a drill program is initiated

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**Golden Shears, Clark County, Nevada**

The Company held its interest in the Golden Shears project through directly held unpatented claims that were allowed to lapse.

**Jake Creek, Humboldt County, Nevada**

The Jake Creek option was acquired by RenGold through the acquisition of Kinetic (Note 4).

On April 19, 2018, the Company exercised its option to acquire 100% of the Jake Creek project through the issue of 372,541 common shares valued at $85,684.

On April 17, 2018, the Company entered into an exploration earn-in agreement with Ginguro Jake Inc., a subsidiary of Ginguro Gold Pty. Ltd. ("Ginguro"). The agreement grants Ginguro the option to acquire a 70% interest in the Jake Creek project by spending US$3,000,000 over a 5-year period. Ginguro paid RenGold $19,050 (US$15,000) on signing and must pay RenGold US$10,000 before the first anniversary of the agreement.

**Jupiter, Nye County, Nevada**

The Jupiter project was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company holds its interest in the Jupiter project through directly held unpatented claims and the project is subject to a 1% NSR royalty to Altius Royalty Corporation ("Altius").

On June 15, 2017, as amended, the Company entered into a binding terms sheet with Ramelius Resources Limited ("Ramelius"), an Australian public company, which was superseded by a definitive agreement on November 30, 2017. The agreement grants Ramelius the right to earn a 75% interest in the property by spending US$3,000,000 over a 5-year period. Ramelius paid the Company a one-time payment of $32,443 (US$25,000) upon signing the binding term sheet, must spend US$250,000 in the first year (completed), and must spend a minimum of US$100,000 in subsequent years to maintain the agreement. Following completion of the earn-in, Ramelius will carry the Company's share of joint venture expenditures up to Ramelius making a decision to mine. Upon making a decision to mine, the Company must either contribute to ongoing joint venture expenditures in proportion to its ownership interest, dilute to a royalty interest, or allow Ramelius to provide project financing for the Company, whereby Ramelius increases its project interest to 80%.

**Maggie Creek, Eureka County, Nevada**

The Company holds its interest in the Maggie Creek project through directly held unpatented claims.

On August 20, 2015, the Company entered into an agreement with Wolfpack whereby the Company acquired the Maggie Creek project from Wolfpack in exchange for a 1% NSR royalty that can be bought down at any time for US$1,500,000 or fractions thereof at the pro-rata cost at any time during the term of the agreement. In addition, a 2% NSR royalty is now payable to EMX Royalty Corp. (formerly Eurasian Minerals Inc.) which exists under a pre-existing deed of royalties.

**Many, Eureka County, Nevada**

The Many option was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company held an option to acquire the Many project through an option agreement with Ivy Minerals that expired June 30, 2018.

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**Mars, Lincoln County, Nevada**

The Company holds its interest in the Mars project through directly held unpatented claims and a mineral lease.

On February 28, 2018, the Company entered into an exploration and mining lease and option to purchase agreement with Pilot Gold (USA) Inc. ("Pilot"). The Company paid $12,648 (US$10,000) upon signing and will pay US$10,000 on each anniversary of the agreement for up to ten years to complete the purchase option. The purchase option may be exercised at any time by making all remaining payments. Upon exercising the option, the vendor's interest would revert to a 3% NSR royalty, with 2% buyable for US$1,000,000 per 1%. The Company has no work commitments under this agreement.

**Pluto, Lander County, Nevada**

The Pluto project was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company held its interest in the Pluto project through directly held unpatented mining claims and one mining lease.

In July 2017, this project was placed in an earn-in agreement with S2 (see Ecru above). On March 6, 2018, S2 informed the Company that they would not be continuing with the agreement on the Pluto project.

On April 6, 2018, the Company informed the underlying lease holder that they would not be continuing with the mining lease and the remaining unpatented claims were allowed to lapse in August 2018. Accordingly, the Company wrote-off acquisition costs totaling $276,036 in the year ended June 30, 2018.

**Raven, Lander County, Nevada**

The Raven project was acquired by RenGold through the acquisition of Kinetic (Note 4).

On June 30, 2017, the Company held an interest in the Raven project through its 50.1% interest held in Kinetic Ivy Exploration LLC ("Kinetic Ivy"). The other 49.9% of Kinetic Ivy was owned by Ivy Minerals, Inc. ("Ivy Minerals").

On July 31, 2017, Kinetic USA and Ivy Minerals were distributed Kinetic Ivy's interest in the Raven project as to 50.1% to Kinetic USA and 49.9% to Ivy Minerals. 100% of Kinetic Ivy's cash was distributed to Kinetic USA and Kinetic Ivy was then dissolved.

On August 9, 2017, the Company issued 370,767 common shares to Ivy Minerals that had been recorded as an obligation to issue shares of $126,061 as at June 30, 2017 and granted Ivy Minerals a 0.5% NSR royalty on the claims of the Raven property, as they are currently constituted, to acquire Ivy Minerals 49.9% interest, giving RenGold a 100% interest in the Raven project.

(Expressed in Canadian dollars)

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

### Secret Canyon, Pershing County, Nevada

The Company holds its interest in the Secret Canyon project through directly held unpatented mining claims and one mining lease.

Effective June 22, 2015, as amended April 12, 2017, the Company entered into an exploration and mining lease and option to purchase agreement with Nevada Mine Properties II, Inc. ("Nevada Mine"). The owner retained a 3% NSR royalty subject to a buy-down provision of which RenGold may purchase 2% by paying US$2,000,000.

To maintain the option, the Company is required to make annual payments as follows:

| Date | Payment US$ |
|---|---|
| April 12, 2017 | $2,500 (paid) |
| April 12, 2018 | $2,500 (paid) |
| Annual payments until the Effective Date * | $2,500 |
| Within 30 days of the Effective Date | $5,000 |
| First anniversary of the Effective Date | $5,000 |
| Second anniversary of the Effective Date | $10,000 |
| Third anniversary of the Effective Date | $15,000 |
| Fourth anniversary of the Effective Date | $20,000 |
| Fifth anniversary of the Effective Date | $25,000 |
| Sixth anniversary through the thirtieth anniversary of the Effective Date | $50,000 |

*the Effective Date is the date of execution of an agreement with a funding partner

### Silicon, Nye County, Nevada

The Company holds its interest in the Silicon project through directly held unpatented mining claims and the project is subject to a 1.5% NSR royalty to Altius.

On May 1, 2017, the Company entered into an option agreement with AngloGold Ashanti North America, Inc. ("AngloGold"). Pursuant to the agreement, AngloGold paid the Company $129,114 (US$100,000) on signing and reimbursed the Company $87,920 (US$68,083) for certain exploration costs incurred by the Company. This payment was first credited against the acquisition costs for $62,120 (US$46,560), was second credited directly to the exploration costs incurred for $36,341 (US$32,149), with the remainder of $118,573 (US$89,374) being recorded as exploration and evaluation recoveries for the year ended June 30, 2017. AngloGold also paid the Company $254,003 (US$200,000) in May 2018 which was recorded as exploration and evaluation recoveries for the year ended June 30, 2018. To maintain the option, AngloGold must pay US$300,000 on June 21, 2019 and US$2,400,000 on June 21, 2020. Upon RenGold having been paid a total of US$3,000,000, AngloGold would then own a 100% interest in the property subject to RenGold retaining a 1% NSR royalty on future production. AngloGold may withdraw at any time during the option period with no retained interest.

(Expressed in Canadian dollars)

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**South Roberts, Eureka County, Nevada**

The South Roberts project was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company holds its interest in the South Roberts project through directly held unpatented claims and a minerals lease.

On January 1, 2012, as amended June 11, 2012, September 5, 2013 and July 29, 2015, Kinetic USA entered into a mineral lease and option to purchase agreement with Harvest Gold Corporation (US). The owners retain a 2% NSR royalty, 1% of which may be purchased for US$1,000,000.

To maintain the option, the Company is required to make annual payments as follows:

| Date | Payment US$ |
|---|---|
| January 1, 2012 | $10,000 (paid) |
| January 1, 2013 | $15,000 (paid) |
| January 1, 2014 | $5,000 (paid) |
| January 1, 2015 | $20,000 (paid) |
| July 30, 2015 | $5,000 (paid) |
| July 30, 2016 | $5,000 (paid) |
| July 30, 2017 | $5,000 (paid) |
| July 31, 2017 | $15,000 (paid) |
| July 31, 2018 | $20,000 (paid) |
| July 31, 2019 | $40,000 |

In July 2017, this project was placed into an earn-in agreement with Nevada Star (see Ecru above).

**Spring Peak, Mineral County, Nevada**

The Spring Peak project was acquired by RenGold through the acquisition of Kinetic (Note 4).

The Company holds its interest in the Spring Peak project through an underlying mineral lease.

On January 20, 2012, as amended September 5, 2013 and April 12, 2016, Kinetic entered into a mineral lease and option to purchase agreements with Gregory J. Kuzma and Heidi A. Kuzma (the "Kuzma lease"). The owners retain a 2.5% NSR royalty, 1.5% of which may be purchased for US$500,000 per half percentage point. The Company has the option to purchase the Spring Peak project for US$500,000 within one year following the completion of a technical report.

To maintain the option, the Company is required to make annual payments as follows:

| Date | Payment US$ |
|---|---|
| January 20, 2012 | $10,000 (paid) |
| January 20, 2013 | $10,000 (paid) |
| May 18, 2016 | $12,500 (paid) |
| Thirty days (30) after the Permit Date * | $20,000 |
| First anniversary of the Permit Date | $30,000 |
| Second anniversary of the Permit Date | $40,000 |
| Third through twelfth anniversary of the Permit Date | $50,000 |
| Twelfth through sixteenth anniversary of the Permit Date | $60,000 |
| Each anniversary thereafter until termination | $60,000 |

*the Permit Date is the date that a drill permit is issued

Effective May 18, 2016, until it was terminated July 16, 2018, the Company was party to an agreement with Radius Gold Inc.

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

**Spruce East, Elko County, Nevada**

The Company holds its interest in the Spruce East project through directly held unpatented claims.

On May 15, 2017, as amended September 13, 2017 and March 16, 2018, the Company entered into an exploration option agreement with Kinross USA granting Kinross USA the option to acquire a 70% interest, within 10 years, in the Spruce East, Buffalo Canyon (see above) and Diamond Point (see above) exploration projects located in Nevada. Kinross USA advanced RenGold US$500,000 to carry out and conduct exploration for the first agreement year to be spent among the three projects as directed by Kinross USA. Subsequent years will have increasing minimum expenditures for each project of US$200,000, then US$300,000 and finally US$500,000 per year through year 10 totaling US$4,000,000 to vest an undivided 70% interest in each project. Kinross USA may accelerate vesting by spending US$5,000,000 on each project before the end of the seventh year. As noted above, both Buffalo Canyon and Diamond Point were terminated from the agreement on February 8, 2018 leaving Spruce East as the only exploration project under option.

In addition, RenGold granted Kinross USA a right to exercise a right of first refusal (the "ROFR") for up to three additional properties within a defined area of interest in Nevada. The ROFR shall expire on the earlier of May 15, 2020, the date on which Kinross no longer has an earn-in agreement with RenGold, and the exercise of the ROFR on three different properties.

**Trinity Silver, Pershing County, Nevada**

The Company holds its interest in the Trinity Silver project through directly held unpatented claims.

Effective July 29, 2005, until it was terminated May 8, 2018, the Company was party to a minerals lease and sublease agreement with Newmont (the "Newmont Lease").

Effective March 29, 2010, until it was terminated August 31, 2017, the Company was party to an option earn-in agreement with Liberty Silver Corp. ("Liberty"). Among other things, Liberty paid RenGold $26,534 (US$20,000) in April 2017 which has been recorded as exploration and evaluation recoveries in the year ended June 30, 2017.

Although the Company still holds a small claim block, the Company wrote-off acquisition costs totaling $99,878 during the year ended June 30, 2018 given that the above agreements were terminated.

**Whistler, Eureka County, Nevada**

The Company held its interest in the Whistler project through directly held unpatented mining claims that were allowed to lapse. Accordingly, the Company wrote-off acquisition costs totaling $11,908 in the year ended June 30, 2017.

**Wood Hills South, Elko County, Nevada**

The Company held its interest in the Wood Hills project through directly held unpatented mining claims that were allowed to lapse. Accordingly, the Company wrote-off acquisition costs totaling $79,210 in the year ended June 30, 2018.

Effective April 23, 2009, until it was terminated March 23, 2018, the Company was party to an exploration license and option to lease agreement with New Nevada Resources, LLC.

**Wildcat, Juab County, Utah**

The Company held its interest in the Wildcat project through directly held unpatented mining claims that were allowed to lapse.

Effective February 23, 2015, until it was terminated February 19, 2018, the Company was party to an exploration earn-in agreement with Troymet USA LLC.

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

### Coeur Alliance

On May 18, 2017, the Company entered into an exploration alliance agreement with Coeur whereby Coeur will fund US$250,000 per year (received) in generative exploration expenses for a minimum of two years, during which the parties will identify and explore potential precious metals mining opportunities on land in the State of Nevada within defined areas of interest. The exploration alliance agreement may be extended on an annual basis after the initial 2-year term by the written agreement of the parties.

RenGold will use this funding to identify and stake properties that will then be presented to Coeur, which will then have 50 calendar days to elect to enter into an exploration earn-in agreement on a form that has been agreed to by the parties. If Coeur elects to accept the opportunity to earn into the property, RenGold will receive a one-time payment of US$50,000 on signing, and Coeur would be required to spend US$3,000,000 within 3 years to earn into an undivided 70% interest in the property. Additional payments from Coeur to RenGold would be triggered upon completion of a bankable feasibility study and upon achieving commercial production.

If Coeur does not elect to exercise its earn-in option regarding a property, the property will remain a 100% owned property of the Company.

### Altius Alliance

Effective October 22, 2013, until it expired October 22, 2016, the Company was party to an exploration alliance agreement with Altius whereby Altius funded $150,000 of generative exploration during the first year of the agreement.

In return for such funding, RenGold granted Altius the option to receive a 0.5% NSR royalty on any new projects acquired as a result of the generative exploration work. In addition, Altius had the option of funding an additional $150,000 on any of the new projects in exchange for a 1.0% (1.5% total) NSR royalty (See Silicon above).

### Argentina projects

In February 2014, the Company sold its Argentinean projects to Magna Terra in exchange for cash, future cash payments, common shares of Magna Terra (Note 6), and a NSR royalty on all properties of 4% less any underlying NSR royalty (including governmental and underlying ownerships) to be not less than 1% or greater than 3%.

On September 6, 2017, the parties entered into an amending agreement whereby Magna Terra agreed to pay RenGold cash and common shares of Magna Terra in exchange for cancelling the future cash payments. In October 2017, the Company received $25,000 cash and 250,000 common shares of Magna Terra valued at $13,750. Accordingly, the Company recorded a gain on sale of exploration and evaluation assets for $38,750 in the year ended June 30, 2018.

(Expressed in Canadian dollars)

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures included in the loss for the year ended June 30, 2018 and 2017 are as follows:

| | Year ended June 30, 2018 | | | Year ended June 30, 2017 | | |
|---|---|---|---|---|---|---|
| | **Exploration and evaluation expenditures** | **Recoveries from funding partners** | **Net exploration and evaluation expenditures** | **Exploration and evaluation expenditures** | **Recoveries from funding partners** | **Net exploration and evaluation expenditures** |
| **Nevada:** | | | | | | |
| Arabia | $ 1,407 | $ - | $ 1,407 | $ 155,593 | $ (147,776) | $ 7,817 |
| Buffalo Canyon | 257,699 | (252,279) | 5,420 | 129,232 | (51,508) | 77,724 |
| Bunce | 5,889 | - | 5,889 | 3,901 | - | 3,901 |
| Cine Mountain | 71,687 | (71,687) | - | - | - | - |
| Diamond Point | 12,027 | (7,134) | 4,893 | 29,336 | (22,402) | 6,934 |
| Ecru | 5,402 | (4,975) | 427 | - | - | - |
| Ely Springs | 14,922 | - | 14,922 | - | - | - |
| Fat Lizard | 23,507 | - | 23,507 | - | - | - |
| Ferguson Mountain | 5,908 | - | 5,908 | - | - | - |
| Fireball Ridge | 6,765 | - | 6,765 | 6,352 | - | 6,352 |
| Fourth of July | - | - | - | 3,824 | (3,173) | 651 |
| General reconnaissance | 561,518 | (298,599) | 262,919 | 232,553 | (60,903) | 171,650 |
| Gilbert South | 48,677 | - | 48,677 | 107,310 | - | 107,310 |
| Golden Shears | 11,384 | - | 11,384 | 14,324 | (1,778) | 12,546 |
| Jake Creek | 3,792 | (1,260) | 2,532 | - | - | - |
| Jupiter | 45,809 | (40,473) | 5,336 | - | - | - |
| Maggie Creek | 36,255 | - | 36,255 | 26,774 | - | 26,774 |
| Many | - | - | - | - | - | - |
| Mars | 103,024 | - | 103,024 | - | - | - |
| Pluto | 54,831 | (44,783) | 10,048 | - | - | - |
| Raven | 97,610 | - | 97,610 | 17,866 | - | 17,866 |
| Secret Canyon | 17,085 | - | 17,085 | 50,463 | - | 50,463 |
| Silicon | 62,549 | (58,267) | 4,282 | 52,965 | (5,486) | 47,479 |
| South Roberts | 48,930 | (47,674) | 1,256 | - | - | - |
| Spring Peak | 1,942 | (1,942) | - | - | - | - |
| Spruce East | 302,419 | (299,706) | 2,713 | 53,367 | (49,817) | 3,550 |
| Spruce Mountain | - | - | - | 12,012 | (11,454) | 558 |
| Trinity Silver | 35,347 | - | 35,347 | 157,858 | (148,051) | 9,807 |
| Wood Hills South | 29,279 | - | 29,279 | 32,555 | (13,267) | 19,288 |
| | 1,865,664 | (1,128,779) | 736,885 | 1,086,285 | (515,615) | 570,670 |
| **Utah:** | | | | | | |
| Wildcat | 25,399 | (23,573) | 1,826 | 57,747 | (55,573) | 2,174 |
| Total | $ 1,891,063 | $ (1,152,352) | $ 738,711 | $ 1,144,032 | $ (571,188) | $ 572,844 |

(Expressed in Canadian dollars)

## 10. EQUIPMENT

| | Nevada | | | | |
|---|---|---|---|---|---|
| | **Office equipment** | **Computers** | **Field equipment** | **Vehicles** | **Total** |
| **Cost** | | | | | |
| At June 30, 2016 | $ 49,122 | $ 33,786 | $ 123,331 | $ 75,009 | $ 281,248 |
| Additions | 4,931 | 2,422 | 858 | - | 8,211 |
| Disposals | - | - | (30,252) | - | (30,252) |
| Foreign exchange | 120 | 104 | 1,215 | 348 | 1,787 |
| At June 30, 2017 | 54,173 | 36,312 | 95,152 | 75,357 | 260,994 |
| Additions | - | 7,066 | - | - | 7,066 |
| Disposals | - | - | (953) | (36,875) | (37,828) |
| Write-off | (10,655) | (11,885) | (3,672) | - | (26,212) |
| Foreign exchange | 404 | 356 | 1,232 | (249) | 1,743 |
| At June 30, 2018 | $ 43,922 | $ 31,849 | $ 91,759 | $ 38,233 | $ 205,763 |
| **Accumulated depreciation** | | | | | |
| At June 30, 2016 | $ 49,053 | $ 33,786 | $ 117,162 | $ 75,009 | $ 275,010 |
| Depreciation | 880 | 740 | 6,627 | - | 8,247 |
| Disposals | - | - | (30,252) | - | (30,252) |
| Foreign exchange | 208 | 140 | 1,061 | 348 | 1,757 |
| At June 30, 2017 | 50,141 | 34,666 | 94,598 | 75,357 | 254,762 |
| Depreciation | 944 | 3,128 | 274 | - | 4,346 |
| Disposals | - | - | (953) | (36,875) | (37,828) |
| Write-off | (10,655) | (11,885) | (3,672) | - | (26,212) |
| Foreign exchange | 380 | 188 | 1,232 | (249) | 1,551 |
| At June 30, 2018 | $ 40,810 | $ 26,097 | $ 91,479 | $ 38,233 | $ 196,619 |
| **Carrying amounts** | | | | | |
| At June 30, 2017 | $ 4,032 | $ 1,646 | $ 554 | $ - | $ 6,232 |
| At June 30, 2018 | $ 3,112 | $ 5,752 | $ 280 | $ - | $ 9,144 |

During the year ended June 30, 2018, the Company sold equipment for proceeds of $10,479 (2017 - $2,650) with a net book value of $Nil (2017 - $Nil) and accordingly recorded a gain on sale of equipment of $10,479 (2017 - $2,650).

(Expressed in Canadian dollars)

## 11. RECLAMATION BONDS

The Company is required to post bonds, with the Bureau of Land Management and/or the State of Nevada and/or the USDA Forest Service as appropriate, for reclamation of planned mineral exploration programs work associated with the Company's exploration and evaluation assets located in the United States. For the Company's exploration and evaluation assets that are being actively explored under funding arrangement agreements, the funding partners are responsible for bonding for the surface disturbance created by the exploration programs funded by each of them on those projects. In some cases, the Company purchases the bonding for funding partners in its own name for which it is reimbursed by the funding partner. When the surface disturbance is reclaimed and paid for by the funding partner and the bond is eventually released to the Company, the Company will pay the proceeds of the bond to that funding partner.

| | Buffalo Canyon | Diamond Point | Total |
|---|---|---|---|
| At June 30, 2016 | $ 14,446 | $ 4,166 | $ 18,612 |
| Refunds | (14,446) | (4,166) | (18,612) |
| At June 30, 2017 | - | - | - |
| Additions | 40,061 | 15,315 | 55,376 |
| Foreign exchange | 2,208 | 845 | 3,053 |
| At June 30, 2018 | $ 42,269 | $ 16,160 | $ 58,429 |

## 12. TRADE AND OTHER PAYABLES

| | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Trade payables | $ 148,049 | $ 76,421 |
| Due to related parties (Note 15) | 1,318 | 32,547 |
| Total | $ 149,367 | $ 108,968 |

## 13. AMOUNTS DUE TO FUNDING PARTNERS

| | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Cash advances received in excess of exploration expenditures | $ 409,900 | $ 793,626 |
| Cash advances received in excess of reclamation work performed | 44,212 | 38,134 |
| Total | $ 454,112 | $ 831,760 |

Included in cash advances received in excess of exploration expenditures of $427,302 (2017 – $793,626) is $15,486 (2017 – $473,406) related to the exploration option agreement with Kinross USA and $201,644 (2017 – $264,854) related to the alliance agreement with Coeur.

## 14. SHARE CAPITAL

### a) Authorized share capital

The authorized share capital is comprised of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

### b) Issued share capital

At June 30, 2018, the Company had 62,744,814 (2017 – 48,520,843) common shares issued and outstanding. A summary of changes in share capital and reserves is contained on the consolidated statements of changes in equity for the years ended June 30, 2018 and 2017.

During the year ended June 30, 2018, the Company:

i) completed a private placement through the issue of 12,988,332 units at a price of $0.24 per unit for gross proceeds of $3,117,200. Each unit consists of one common share and one share purchase warrant with each share purchase warrant exercisable into one common share of the Company at a price of $0.48 per share until May 16, 2023. The warrants were valued at $324,708 using the residual value method.

   If the daily volume weighted average trading price of the common shares of the Company is at least $0.72 per share for 20 consecutive trading days in the period, the Company will have the right, exercisable within three trading days thereof, to accelerate the expiry date of the warrants to the date which is 30 days after notice is given to the holders of the warrants of the accelerated expiry date and a news release to that effect is given.

   The Company paid finders' fees of $132,700 cash, issued 15,000 broker units valued at $3,600, and paid other share issue costs of $24,637 cash. The warrants included in the broker units have the same terms as the warrants issued in the private placement. The broker warrants were valued at $375 using the residual value method.

ii) issued 370,767 common shares, that had been recorded as an obligation to issue shares of $126,061 as at June 30, 2017, to acquire Ivy Minerals 49.9% interest in the Raven project (Note 9);

iii) issued 477,331 common shares valued at $126,493 to exercise its option to acquire 100% of the Ecru project (Note 9); and

iv) issued 372,541 common shares valued at $85,684 to exercise its option to acquire 100% of the Jake Creek project (Note 9).

During the year ended June 30, 2017, the Company:

i) completed a private placement with Kinross Gold Corporation through the issue of 3,833,333 common shares at a price of $0.33 per share for gross proceeds of $1,265,000. The Company incurred share issue costs of $13,853;

ii) completed a private placement with Coeur Mining through the issue of 1,000,000 common shares at a price of $0.35 per share for gross proceeds of $350,000. The Company incurred share issue costs of $2,500; and

iii) issued 6,832,933 common shares at a value of $2,323,197 for the acquisition of Kinetic (Note 4).

(Expressed in Canadian dollars)

## 14. SHARE CAPITAL (continued)

### c) Warrants

The continuity of warrants for the year ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Balance, June 30, 2017 | Granted | Exercised | Expired | Balance, June 30, 2018 |
|---|---|---|---|---|---|---|
| June 30, 2019 | $0.60 | 4,900,000 | - | - | - | 4,900,000 |
| June 30, 2018 | $0.35 | 187,800 | - | - | (187,800) | - |
| May 16, 2023 | $0.48 | - | 13,003,332 | - | - | 13,003,332 |
| | | 5,087,800 | 13,003,332 | - | (187,800) | 17,903,332 |
| Weighted average exercise price | | $0.59 | $0.48 | $0.00 | $0.35 | $0.51 |

The continuity of warrants for the year ended June 30, 2017 is as follows:

| Expiry date | Exercise price | Balance, June 30, 2016 | Granted | Exercised | Expired | Balance, June 30, 2017 |
|---|---|---|---|---|---|---|
| June 30, 2019 | $0.60 | 4,900,000 | - | - | - | 4,900,000 |
| June 30, 2018 | $0.35 | 187,800 | - | - | - | 187,800 |
| | | 5,087,800 | - | - | - | 5,087,800 |
| Weighted average exercise price | | $0.49 | $0.00 | $0.00 | $0.00 | $0.59 |

### d) Stock options

On November 14, 2017, the Company's shareholders approved a rolling stock option plan (the "Plan") pursuant to which the Company may grant incentive stock options to directors, officers, employees and consultants. The Plan permits the granting of up to 10% of the common shares of the Company issued and outstanding at the date of grant. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX Venture Exchange. The maximum term of the stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

Previously, the Company had a fixed stock option plan whereby the maximum number of common shares reserved for issuance would not exceed 3,000,000.

(Expressed in Canadian dollars)

## 14. SHARE CAPITAL (continued)

### d) Stock options (continued)

The continuity of stock options for the year ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Balance, June 30, 2017 | Granted | Exercised | Expired/ cancelled | Balance, June 30, 2018 |
|---|---|---|---|---|---|---|
| July 20, 2017 | $0.71 | 859,997 | - | - | (859,997) | - |
| March 15, 2018 | $0.42 | 682,000 | - | - | (682,000) | - |
| August 19, 2019 | $0.48 | 580,000 | - | - | (20,000) | 560,000 |
| August 18, 2021 | $0.57 | 875,000 | - | - | (40,000) | 835,000 |
| July 24, 2022 | $0.265 | - | 860,000 | - | (22,000) | 838,000 |
| December 19, 2022 | $0.265 | - | 20,000 | - | - | 20,000 |
| | | 2,996,997 | 880,000 | - | (1,623,997) | 2,253,000 |
| Weighted average exercise price | | $0.56 | $0.27 | $0.00 | $0.58 | $0.43 |

At June 30, 2018, all stock options were exercisable.

The continuity of stock options for the year ended June 30, 2017 is as follows:

| Expiry date | Exercise price | Balance, June 30, 2016 | Granted | Exercised | Expired/ cancelled | Balance, June 30, 2017 |
|---|---|---|---|---|---|---|
| August 16, 2016 | $0.71 | 330,000 | - | - | (330,000) | - |
| July 20, 2017 | $0.71 | 859,997 | - | - | - | 859,997 |
| March 15, 2018 | $0.42 | 762,000 | - | - | (80,000) | 682,000 |
| August 19, 2019 | $0.48 | 580,000 | - | - | - | 580,000 |
| August 18, 2021 | $0.57 | - | 875,000 | - | - | 875,000 |
| | | 2,531,997 | 875,000 | - | (410,000) | 2,996,997 |
| Weighted average exercise price | | $0.57 | $0.57 | $0.00 | $0.65 | $0.56 |

### e) Shareholder rights plan

The Company has a shareholder rights plan (the “SH Rights Plan”) to ensure, to the extent possible, that all holders of common shares of the Company and the Board of Directors have adequate time to consider and evaluate any such take-over bid, the Board of Directors has adequate time to identify, solicit, develop and negotiate value-enhancing alternatives, as considered appropriate, to any such take-over bid and the Company's shareholders are treated fairly in connection with any such take-over bid. The SH Rights Plan was approved by the shareholders on September 30, 2011 and is in effect for 10 years.

(Expressed in Canadian dollars)

## 14. SHARE CAPITAL (continued)

### f) Share-based compensation

During the year ended June 30, 2018, the Company recorded $222,653 (2017 - $272,679) of share-based compensation for options that vested during the year.

On December 19, 2017, the Company granted 20,000 stock options with a fair value of $3,493 or $0.17 per option, all of which was recorded as share-based compensation for the year ended June 30, 2018. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 88.42% expected stock price volatility, a 1.75% risk free interest rate, a five year expected life and zero expected dividend yield.

On July 24, 2017, the Company granted 860,000 stock options with a fair value of $156,762 or $0.18 per option, all of which was recorded as share-based compensation for the year ended June 30, 2018. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 88.19% expected stock price volatility, a 1.50% risk free interest rate, a five year expected life and zero expected dividend yield.

On August 18, 2016, the Company granted 875,000 stock options with a fair value of $335,077 or $0.38 per option, of which $62,398 was recorded as share-based compensation for the year ended June 30, 2018 and $272,679 was recorded for the year ended June 30, 2017. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 86.55% expected stock price volatility, a 0.61% risk free interest rate, a five year expected life and zero expected dividend yield.

## 15. RELATED PARTY TRANSACTIONS

**a)** Consulting fees

During the year ended June 30, 2018, the Company paid or accrued $90,000 (2017 – $88,750) to Golden Oak Corporate Services Ltd. ("Golden Oak"). Golden Oak is a consulting company controlled by the Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

**b)** Compensation of key management personnel

Key management includes members of the Board of Directors, the Executive Chairman, the President and Chief Executive Officer, the Executive Vice President, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel, which include the amounts disclosed above, during the year ended June 30, 2018 and 2017 were as follows:

| | | Year ended June 30, | |
|---|---|---|---|
| **Relationship** | **Description** | **2018** | **2017** |
| Officers | Salaries and benefits | $ 285,652 | $ 167,677 |
| Independent directors | Director fees included in salaries and benefits | 15,240 | 15,920 |
| Golden Oak - Officers | Consulting fees | 90,000 | 88,750 |
| Golden Oak - Officers | Transaction costs - Kinetic acquisition | - | 15,000 |
| Directors and officers | Share-based compensation | 142,661 | 190,096 |
| | | $ 533,553 | $ 477,443 |

As at June 30, 2018, the Company owed $1,318 (2017 – $32,547) to Golden Oak for the reimbursement of expenditures (Note 12). All amounts are unsecured and non-interest bearing.

(Expressed in Canadian dollars)

## 16. SEGMENTED INFORMATION

RenGold operates in one business segment being the acquisition and exploration of exploration and evaluation assets and has one geographic segment being the USA. The total assets relate primarily to exploration and evaluation assets and equipment and have been disclosed in Notes 9 and 10.

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); available-for-sale ("AFS"); loans and receivables; or other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

| Financial Instrument | Category | June 30, 2018 | June 30, 2017 |
|---|---|---|---|
| Cash | FVTPL | $ 4,677,008 | $ 3,648,618 |
| Marketable securities | AFS | 18,764 | 18,623 |
| Receivables | Loans and receivables | 4,061 | 9,891 |
| Reclamation bonds | Loans and receivables | 58,429 | - |
| Trade and other payables | Other financial liabilities | (149,367) | (108,968) |
| Amounts due to funding partners | Other financial liabilities | (454,112) | (831,760) |

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities, receivables, reclamation bonds, trade and other payables, and amounts due to funding partners. The carrying values of receivables, reclamation bonds, trade and other payables, and amounts due to funding partners approximate their fair value due to their short-term nature. Cash and marketable securities are recorded at fair value using Level 1 of the fair value hierarchy.

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### Risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

*Credit Risk*
Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs. The Company`s receivables primarily include balances receivable from the government of Canada.

*Liquidity Risk*
Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next sixty days.

*Market Risk*
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

(b) Foreign Exchange Risk: The Company has identified the functional currency of its Canadian subsidiaries as the Canadian dollar and the functional currency of its US subsidiaries as the US dollar. The Company expects to continue to raise equity predominately in Canadian dollars. The Company is primarily conducting business in the USA. As such, it is subject to risk due to fluctuations in the exchange rate between the Canadian dollar and the US dollar. As at June 30, 2018, the Company holds 80% of its cash in Canadian dollars. Management believes the foreign exchange risk related to currency conversions is minimal and therefore, does not hedge its foreign exchange risk. The effect of a five percent change in the foreign exchange rate on the cash held in the US dollar at June 30, 2018 would be approximately $46,000.

(c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets are related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

(Expressed in Canadian dollars)

## 18. MANAGEMENT OF CAPITAL

The Company manages its common shares, warrants and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company is not subject to externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure forecasts that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends.

The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through the next twelve months. There have been no changes to the Company's approach to capital management for the years presented.

## 19. COMMITMENTS

The Company has an operating lease for its US subsidiary's corporate office in Reno, Nevada until June 2019. The minimum payments in fiscal 2019 total $71,617.

## 20. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | Year ended June 30, 2018 | 2017 |
|---|---|---|
| Loss for the year | $ (2,478,285) | $ (1,715,307) |
| Expected income tax recovery | $ (673,000) | $ (446,000) |
| Change in statutory, foreign tax, foreign exchange rates and other | 1,922,000 | (107,000) |
| Permanent differences | 167,000 | 66,000 |
| Share issue costs | (42,000) | (5,000) |
| Adjustment to prior years provision versus statutory tax returns | (39,000) | 252,000 |
| Impact of acquisition of Kinetic Gold Corp. | - | (421,000) |
| Change in unrecognized deductible temporary differences | (1,335,000) | 661,000 |
| Total | $ - | $ - |

(Expressed in Canadian dollars)

## 20. INCOME TAXES (continued)

The significant components of the Company's unrecorded deferred tax assets are as follows:

| | | June 30, 2018 | | June 30, 2017 |
|---|---|---|---|---|
| Deferred tax assets (liabilities) | | | | |
| Exploration and evaluation assets | $ | 229,000 | $ | 374,000 |
| Allowable capital losses | | 435,000 | | 419,000 |
| Equipment | | 6,000 | | 21,000 |
| Share issue costs | | 46,000 | | 12,000 |
| Marketable securities | | 3,000 | | 1,000 |
| Non-capital losses available for future periods | | 3,973,000 | | 5,200,000 |
| Total unrecognized deferred tax assets | $ | 4,692,000 | $ | 6,027,000 |

Deferred tax assets have not been recognized in these financial statements as it is not probable that they will be realized.

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

| | | June 30, 2018 | Expiry date range |
|---|---|---|---|
| **Temporary differences** | | | |
| Exploration and evaluation assets | $ | 1,094,000 | no expiry date |
| Equipment | | 29,000 | no expiry date |
| Share issue costs | | 172,000 | 2019 to 2022 |
| Marketable securities | | 25,000 | no expiry date |
| Allowable capital losses | | 1,609,000 | no expiry date |
| Non-capital losses available for future periods | | 18,196,000 | 2021 to 2038 |
| **Non-capital loss summary** | | | |
| Canada | $ | 2,536,000 | 2030 to 2038 |
| USA | | 15,660,000 | 2021 to 2038 |

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## 21. SUBSEQUENT EVENTS

Subsequent to June 30, 2018, the Company completed the following transactions:

a) On July 25, 2018, 68,000 stock options were cancelled; and

b) On August 14, 2018, the Company granted 1,880,000 stock options exercisable at a price of $0.205 per share until August 14, 2023.