

**RENFORTH RESOURCES INC.  
(formerly Wycliffe Resources Inc.)  
(A Development Stage Company)**

**MANAGEMENT DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS  
for the period ended June 30, 2006**

*The following is a discussion and analysis of the activities, consolidated results of operation and financial condition of Renforth Resources Inc. ("Renforth" or the "Company") for the three months and six months ended June 30, 2006 and the comparable same periods ended June 30, 2005. The discussion should be read in conjunction with the audited financial statements of the Company for the twelve months ended December 31, 2005 and related notes thereto. The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All monetary amounts are reported in Canadian dollars unless otherwise noted.*

**1.1** The effective date for this report is August 29, 2006.

**1.2 Overview of Operations**

At its Annual Shareholder Meeting it was approved that the Company change its name to "Renforth Resources Inc.". On July 28, 2006 the Company filed Articles of Amendment with the Ontario Ministry of Consumer and Business Services to effect the Company's name change to Renforth Resources Inc.

On May 30, 2006 Judi Wood consented to be a member of the Board of Directors and be a member of the Audit, Compensation and Corporate Governance Committees.

Renforth carries on business in one segment, being the acquisition, exploration and development of properties for the mining of precious and base metals, in Canada.

The Company had two active mining properties – the Larder Lake property and the Attawapiskat property (formerly referred to the Greenstone/James Bay lowlands property) consisting of 13 and 130 claims, respectively.

**Exploration Activity**

*Larder Lake*

During the three months ended June 30, 2006, \$14,219 was spent on the property. The allocation of the amount is indicated in section 5.3(a). Included in the \$14,219 is \$1,125 paid to a third party for geological evaluation, \$1,344 paid to another third party for cost reports and accommodation and food, and the balance of \$11,750 was charged by Porphyry Incorporated (see 1.9 Related Party Transactions) for management supervision.

As described in previous MD&A's and the June 30, 2006 interim financial statements the Company has the option to acquire 100% interest in 13 mining claims in the area. The balance of the option price is \$210,000 (December 31, 2005 - \$250,000).

The Company does not plan to conduct any field operations on the Cosby property during the next quarter. It will re-evaluate the exploration program for the Cosby property when it has completed the planning and budgets for the Attawapiskat properties.

## Attawapiskat

The Corporation continues to review the historical geophysical data with respect to these mining interests. During the three months ended June 30, 2006 the Corporation completed staking of the claims, in order to acquire areas that were constructed to have exploration potential. The total cost of such work was \$260,179.

The Company is now preparing exploration programs and budgets for fall and winter exploration for all of the Attawapiskat projects including the Kyle Kimberlites.

On July 26, 2006 Renforth, Spider Resources Inc. and KWG Resources Inc. entered into an agreement whereby Renforth can earn a 55% interest in the five diamondiferous Kyle kimberlite properties located in the James Bay Lowlands. The project involves a \$6 million exploration and development program over a three year period (\$2 million annually) and Renforth contributing its existing 39 claims situated in the Attawapiskat River area to the joint venture. A specific budget to apply to the \$2 million annual spending is currently being prepared by the co-venturers. Renforth has not paid any amounts to date.

### 1.3 Selected Financial Information

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Revenue	\$ --	\$ --	\$ --	\$ --
Net income (loss) for the period	(113,697)	(81,649)	(15,976)	(133,741)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.00)
Cash flows from operating activities	(67,189)	200,077	(284,195)	154,960
Cash flows from investing activities	(26,729)	(321,394)	(146,025)	(374,569)
Cash flows from financing activities	98,192	81,049	728,778	218,290
(Decrease) in cash in period	4,274	(40,268)	298,558	(1,319)
		June 31 2006 (unaudited)	December 31 2005 (audited)	
Total Assets		\$1,332,936	\$780,316	
Total long term financial liabilities		\$Nil	\$Nil	
Cash dividends declared for all classes of shares		\$ Nil	\$ Nil	

Interim Financial Condition	June 30 2005 (unaudited)	December 31 2005 (audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 299,378	\$ 820
GST receivable	6,852	30,064
Exploration contract advances	125,000	-
Prepaid expenses	7,756	-
Other assets	4,675	4,007
	443,661	34,891
Mineral properties and deferred exploration expenditures (note 3)	889,275	745,425
	\$ 1,332,936	\$ 780,316
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 85,129	\$ 95,175
Due to related parties (note 4)	97,769	571,307
Liabilities for shares to be issued (note 5)	358,400	295,384
	554,291	961,866
<b>Deficiency in assets</b>		
Share capital (note 5)	2,148,010	1,222,710
Contributed surplus (note 5)	31,912	-
Deficit	(1,388,284)	(1,404,260)
	791,638	(181,550)
	\$ 1,332,936	\$ 780,316

## 1.4 Results of Operation

### Revenues

The exploration properties acquired by the Corporation are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production it is not anticipated that the Corporation will have any material revenue. No revenues have been reported for the three and six month periods ended June 30, 2006 and the comparable periods ended June 30, 2005.

### Expenses

#### Analysis of Expenses

	Three Months Ended June 30, 2006	% of 2006 Total	Three Months Ended June 30, 2005	% Change
	\$	%	\$	%
Consulting	25,425	19	45,363	(46)
Professional fees	40,615	32	20,518	98
Office and General	18,904	15	15,735	20
Interest	9,834	8	33	297
Stock Compensation	31,912	24	--	
	<u>126,610</u>	<u>100</u>	<u>81,649</u>	

	Six Months Ended June 30, 2006	% of 2006 Total %	Six Months Ended June 30, 2005	% Change
	\$		\$	%
Consulting	73,025	32	90,363	(19)
Professional fees	74,274	33	24,110	208
Office and General	37,061	16	19,198	93
Interest	9,752	5	70	N/A
Stock Compensation	31,912	14		
	<u>226,024</u>	<u>100</u>	<u>133,741</u>	

During the three months ended June 30, 2006 the Corporation incurred exploration expenses of \$14,219 related to the Larder Lake property and \$10,334 for the Greenstone/James Bay Lowlands property. The breakout of the capitalization amounts are reported in section 5.3 of this report.

Expenses for the three months ended June 30, 2006 were \$126,610 compared to \$81,649 for the comparable period in 2005 and \$99,334 for the first quarter of 2006.

Included in the second quarter of 2006 is \$31,912 (2005 – Nil) of stock option expense with respect to 1,820,000 in stock options issued in the second quarter of 2006 to directors, officers and a consultant. The option expense is based on a Black Scholes valuation model that recognizes the expense over the term of the vesting period. Assuming the recipients continue to provide service to the company the total expense to be recognized over the total vesting period shall total \$327,908. The stock option expense does not affect the cash resources of the Company.

Consulting fees of \$25,425 (2005 - \$45,363) include \$18,900 (2005 - \$45,000) of fees charged by JMS/159 as described in section 1.9 Related Party Transactions. The balance of \$6,525 of consulting fees was paid to other consultants for management services. The gross amount charged by JMS/159 in the second quarter of 2006 was \$21,000 and \$2,100 was capitalized towards the mining properties to net the expense to \$18,900. No JMS/159 fees were capitalized in the comparable period in 2005.

Professional fees of \$40,615 consist of \$13,621 for Mr. Julian Fosbery, CFO; \$6,480 to Moore Stephens Cooper Molyneux LLP, the Company's auditors for period charges and accrual for 2006 audit fee; and \$20,514 for general corporate legal fees.

Included in interest expense of \$9,834 is \$9,719 of interest to JMS/159 (see 1.9 Related Party Transactions).

Office and general expenses are itemized in section 5.3(d). Rent of \$4,279 net of \$431 of a capitalized amount was charged by JMS/159.

## 1.5 Summary of Quarterly Results

	QTR 2 2006	QTR 1 2006	QTR 4 2005	QTR 3 2005	QTR 2 2005	QTR 1 2005	QTR 4 2004	QTR 3 2004
Revenue	--	--	--	--	--	--	--	--
(Loss) earnings before discontinued and extraordinary items	(113,697)	(129,673)	(25,030)	(63,756)	(81,649)	(52,091)	131,128	(46,826)
Per common share basic and fully diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)
Net (loss) earnings	(113,697)	129,673	(25,030)	(63,756)	(81,649)	(52,091)	131,128	(46,826)
Per common share and fully diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)

## **1.6 Liquidity**

The company's liquidity is a function of raising flow through and non flow through financing, primarily through private placements to sophisticated investors and institutions. In addition, from time to time, JMS/159, as described in 1.9 Related Party, has produced necessary working capital. The company has no revenues or any anticipated revenues.

During the second quarter of 2006 JMS/159 did not make any advances to Renforth or make any third party costs or expenses on its behalf. In the same period JMS/159 was repaid \$24,725.

The Company received in late June 2006 a total of \$75,000 for 150,000 common shares that are to be issued in the third quarter of 2006. As at June 30, 2006 the Company had cash on hand of approximately \$299,000 and current monetary obligations of \$182,898.

## **1.7 Capital Resources**

As at June 30, 2006 Renforth's working capital deficiency was \$97,637 compared to a working capital deficiency of \$926,975 as at December 31, 2005.

In the first quarter of 2006 the Company issued 1,358,400 flow-through common shares with an associated exploration commitment of \$679,200. The Company has advanced \$125,000 towards future allowable exploration expenses (shown as "Exploration contract advances" on the balance sheet) and has spent approximately \$104,000 towards its flow-through obligation to leave approximately \$450,200 of capital resources still to be expended.

In addition, in June 2006 an additional \$20,000 of flow-through financing was received by the Company, which together with the previously described amount of \$450,200 leaves total flow-through obligations of \$470,200. As at June 30, 2006 cash on hand is approximately \$299,000 and management estimated quarterly operating expenses of approximately \$100,000 or \$200,000 for the balance of fiscal 2006. Consequently the Company shall be required to raise additional non-flow-through financings or advances from JMS/159 of approximately \$371,000 in order to fund its future operating expenses and its expenditure commitments.

## **1.8 Off-Balance Sheet arrangements**

There are no off-balance sheet arrangements as at June 30, 2006.

## **1.9 Related Party**

During 2006 and the previous fiscal year a material amount of the Company's expenses related to services provided by JMS Capital Corp. ("JMS") and subsequently 1597318 Ontario Inc. ("159"). Each of JMS and 159 are "Related Parties" by virtue of the fact that a minority shareholder, Mary Vorvis, is related to a director of the Company, Paul Vorvis. In addition, the Company from time to time, having no working capital during a period, a significant amount of Renforth's third party expenditures have been financed by the Related Parties, indicating an economic dependence. For purposes herein each of JMS and 159 are collectively referred to as JMS/159. A summary of transactions with JMS/159 are as follows:

- (a) For the three months ended June 30, 2006, the amount of \$21,000 plus GST (2005 - \$45,000) for corporate services rendered in accordance with an agreement between the companies. These services have been recorded at their exchange amount established and agreed to by the related parties.
- (b) For the three months ended June 30, 2006, JMS/159 also paid \$ Nil (2005 - \$46,513) of costs and expenses on behalf of the Corporation.
- (c) For the three months ended June 30, 2006, JMS/159 was repaid \$24,725 (2005 - \$323,446).
- (d) During the three months ended June 30, 2006 the related party charged interest of \$9,719 (June 2005 - Nil) that is based on annualized interest rate of 12% compounded monthly.
- (e) The resulting balance payable to this related party of \$86,208 (December 31, 2005 - \$348,565) is subject to normal trade payments terms. The balance of \$86,208 bears interest as described in d) above.

During the period ended June 30, 2006, the Company was charged \$15,000 (June 30, 2005 – nil) in mining expenditures by a corporation related to a director of Wycliffe. In the period \$15,800 was paid to a corporation related to a director of Wycliffe for a balance owing as at June 30, 2006 of \$11,556 (December 31, 2005 - \$32,100).

The balances due to the related parties are unsecured and have no specific terms of repayment. Transactions with related parties are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to between the Company and the related parties.

### 1.11 Proposed Transactions

There are no proposed transactions, other than equity raises discussed in sections 1.6, 1.7 and under the Attawapiskat Property of section 1.2 , which would have a material effect on the Company.

The Ontario Securities Commission, as part of their review of continuous disclosure, has requested the Company amend four previously released MD&A's for December 31, 2004, March 31, 2005, June 30, 2005, and September 30, 2005. The amended revisions are subject to their approval

### Other

### 5.3 Additional disclosure of Venture Issuers without significant revenue.

#### a) Capitalized Exploration Expenses

	Three Months Ended June 30,		Three Months Ended June 30,	
	2006	2005	2006	2005
<b>Larder Lake Property</b>				
Activity during the period				
Claims acquisition	\$ -	\$ 287,825	\$ 40,000	\$ 315,000
Field work	1,125	17,825	13,132	17,825
Line cutting	-	36,000	4,500	36,000
Management costs	13,095	9,565	31,893	9,565
Geophysics	-	-	28,500	-
Report costs	-	-	4,610	-
	\$ 14,220	\$ 351,215	\$ 122,635	\$ 378,390
<b>Attawapiskat</b>				
Activity during the period				
Claims acquisition	\$ -	\$ -	\$ -	\$ 26,000
Staking costs	-	260,179	-	260,179
Management costs	10,334	-	21,215	-
	\$ 10,334	\$ 260,179	\$ 21,215	\$ 286,179
<b>Total all Properties</b>	<b>\$ 24,554</b>	<b>\$ 611,394</b>	<b>\$ 143,850</b>	<b>\$ 664,569</b>

#### d) General and Administrative Expenses

	Three Months Ended June 30, 2006	Six Months Ended June 30, 2005
Activity during the period		
Business development	\$ -	\$ 7,639
Transfer agent, filing and shareholder communication	9,102	13,385
Office supplies	2,916	4,823
Rent	4,239	7,995
Insurance	1,712	1,712
Amortization	935	1,507
	<u>\$ 18,904</u>	<u>\$ 37,061</u>

#### 5.4 Disclosure of Outstanding Share Data

The following is for disclosure of information relating to the outstanding securities of the Company as at June 30, 2006.

- a) Share capital – refer to the June 30, 2006, note 4 financial statements
- b) Stock options – refer to the June 30, 2006, note 4 financial statements

As at June 30, 2006 the financial statement reported a \$358,400 liability for shares to be issued. This was composed of \$275,000 (December 31, 2005 - \$275,000) payable to Greenstone Exploration Company Ltd. With respect to the Attawapiskat property; \$8,400 (December 31, 2005 – \$20,384) due to Julian Fosbery, CFO pursuant to the terms of his remuneration agreement; and \$55,000 for 110,000 non-flow-through common shares and \$20,000 for 40,000 flow-through common shares that was received in June 2006 by means of a private placement. These shares are to be issued in the third quarter of 2006.

#### Risks

The Company's management continues to review possible acquisitions of further mining interests as part of a new business operation. The ability of the Corporation to meet its ongoing liabilities is dependent upon creditors extending repayment terms on these liabilities and the development of a new business activity which will provide positive cash flow.

The recoverability of costs incurred to date on the mining interests is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to complete exploration and the development of the properties to provide future profitable production or proceeds on the disposition of the properties.

Once the Company acquires mining interests additional financing will be required to develop such properties, by way of equity and/or debt financing. Such additional financing may not be available to the Company on commercially reasonable terms, if at all. The Company also faces the risk that it may not be able to identify and/or acquire one or more viable mining properties. The detailed risk factors are set out in the December 31, 2005 MD &A which is available on SEDAR.

#### Forward-Looking Statements

*This Management's Discussion and Analysis of Financial Conditions and Results of Operations contains certain forward-looking statements. All statements other than statements of historical fact that address activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are based upon certain assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the*

*circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including the considerations discussed herein and in other documents filed from time to time by the Corporation with Canadian security regulatory authorities, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Corporation's control. These factors may cause the actual results of the Corporation to differ materially from those discussed in the forward-looking statements and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on Renforth Resources Inc. All of the forward-looking statements made herein are qualified by the foregoing cautionary statements. The Corporation expressly disclaims any obligation to update or revise any such forward-looking statements.*