

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: **RESINCO CAPITAL PARTNERS INC.** (the “Issuer”).

Trading Symbol: **RIN**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

**Second Quarter (six month period) ended June 30, 2018**

**The unaudited condensed interim financial statements of the Issuer for the six month period ended June 30, 2018, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix A.**

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

**1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

**With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six month period ended June 30, 2018, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.**

## 2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

**As at March 23, 2018, the dated of the Issuer's last Form 2A - Listing Statement, 46,141,007 common shares in the capital of the Issuer were issued and outstanding.**

(a) summary of securities issued during the period,

**The following securities were issued during this period:**

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
06-22-2018	100,000	Alexander Somjen	Director & Officer	\$0.22	06-22-2023	\$0.22
06-22-2018	100,000	Kyle Stevenson	Director	\$0.22	06-22-2023	\$0.22
06-22-2018	100,000	Ronald Shorr	Director	\$0.22	06-22-2023	\$0.22
06-22-2018	100,000	Maciej Lis	Director	\$0.22	06-22-2023	\$0.22
06-22-2018	100,000	Eugene Beukman	Officer	\$0.22	06-22-2023	\$0.22
06-22-2018	100,000	Theo van der Linde	Officer	\$0.22	06-22-2023	\$0.22
06-22-2018	800,000	Michael DesLauriers	Consultant	\$0.22	06-22-2023	\$0.22
06-22-2018	800,000	David DesLauriers	Consultant	\$0.22	06-22-2023	\$0.22
06-22-2018	922,000	191747 Ontario Inc.	Consultant	\$0.22	06-22-2023	\$0.22
06-22-2018	528,000	Christy Bharti	Consultant	\$0.22	06-22-2023	\$0.22

06-22-2018	150,000	Brianna Davies	Consultant	\$0.22	06-22-2023	\$0.22
06-22-2018	514,000	Joel Dumaresq	Consultant	\$0.22	06-22-2023	\$0.22

### 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

**As at June 30, 2018, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which 46,141,007 common shares were issued and outstanding.**

**The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.**

- (b) number and recorded value for shares issued and outstanding,

Date	Share Class	Number of Shares	Recorded value of shares
June 30, 2018	Common	46,141,007	\$40,436,949

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

**Options:**

**Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.**

**As at June 30, 2018, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:**

Date of Grant	Number of Options	Exercise Price	Expiry Date
November 24, 2017	300,000	\$0.465	November 24, 2022
June 22, 2018	4,314,000	\$0.22	June 22, 2023
<b>TOTAL</b>	<b>4,614,000</b>		

**Warrants:**

**As at June 30, 2018, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:**

Date of Issue	Number of Warrants	Exercise Price	Expiry Date
November 17, 2017	9,995,005	\$0.15	November 17, 2019
November 17, 2017	1,175,299	\$0.15	November 17, 2019
December 27, 2017	20,000,000	\$0.45	December 27, 2019
December 27, 2017	2,000,000	\$0.45	December 27, 2019
<b>TOTAL</b>	<b>33,170,304</b>		

**Convertible Securities**

**As at June 30, 2018, there were no convertible securities outstanding.**

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

**As at June 30, 2018, no common shares of the Issuer were subject to a prescribed escrow agreement pursuant to National Policy 46-201.**

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

<b>Name of Director/Officer</b>	<b>Position with Issuer</b>
Alexander Somjen	CEO, President & Director
Theo van der Linde	CFO
Eugene Beukman	Corporate Secretary
Maciej Lis	Director
Troy Grant	Director

## **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

**Management's Discussion & Analysis for the six month period ended June 30, 2018, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Schedule B.**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 28, 2018.

**Theo van der Linde**

Name of Director or Senior Officer

**/s/ "Theo van der Linde"**

Signature

**Chief Financial Officer**

Official Capacity

<b>Issuer Details</b> Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
<b>Resinco Capital Partners Inc.</b>	<b>June 30, 2018</b>	<b>2018/08/28</b>
Issuer Address <b>789 West Pender Street, Suite 810</b>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<b>Vancouver, British Columbia V6C 1H2</b>	<b>(604) 687-3141</b>	<b>(604) 687-2038</b>
Contact Name	Contact Position	Contact Telephone No.
<b>Eugene Beukman</b>	<b>Corporate Secretary</b>	<b>(604) 687-2038</b>
Contact Email Address <a href="mailto:ebeukman@pendergroup.ca">ebeukman@pendergroup.ca</a>	Web Site Address <b>N/A</b>	

**APPENDIX A**

**RESINCO CAPITAL PARTNERS INC.**

**Unaudited condensed consolidated interim financial statements  
for the six month period ended June 30, 2018**





**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**JUNE 30, 2018**

**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Continuous Disclosure Requirement, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Resinco Capital Partners Inc. have been prepared by and are the responsibility of management. These condensed interim financial statements for the six months ended June 30, 2018 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

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**RESINCO CAPITAL PARTNERS INC.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

	<i>Note</i>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
<b>ASSETS</b>			
Cash		\$ 6,241,102	\$ 3,357,218
Interest receivable		37,533	1,500
Share subscriptions receivable	5	-	4,176,144
Prepaid expenses		158,625	403,000
Investments at fair value	4	680,453	912,748
		\$ 7,117,713	\$ 8,850,610
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Trade and other payables	6	\$ 87,805	\$ 647,146
		87,805	647,146
<b>Shareholders' equity</b>			
Share capital	5	40,436,949	40,436,949
Share-based reserve	5	16,950,533	16,003,610
Deficit		(50,357,574)	(48,237,095)
		7,029,908	8,203,464
		\$ 7,117,713	\$ 8,850,610
Nature of operations	1		
Subsequent events	11		

These condensed interim financial statements were approved for issue by the Board of Directors of the Company on August 28, 2018.

They are signed on the Company's behalf by:

"Alexander Somjen" Director "Maciej Lis" Director

- See accompanying notes to the condensed interim financial statements -

**RESINCO CAPITAL PARTNERS INC.**  
**CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

		Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
	<i>Note</i>				
<b>REVENUES</b>					
Net realized loss on disposal of investments	4	\$ (1,210,834)	\$ (194,080)	\$ (1,969,574)	\$ (427,888)
Net change in unrealized gain on investments		1,084,098	129,927	1,785,264	387,581
		(126,736)	(64,153)	(184,310)	(40,307)
Other income		30,575	-	36,171	-
		(96,161)	(64,153)	(148,139)	(40,307)
<b>EXPENSES</b>					
Consulting fees	6	175,918	18,900	771,068	37,800
Corporate development		-	-	97,650	-
Insurance		2,875	3,000	5,875	6,000
Office and miscellaneous		12,774	1,564	35,173	3,304
Professional fees		26,871	6,711	50,301	7,173
Regulatory and transfer agent fees		29,960	12,400	52,510	19,357
Share-based compensation	5, 6	946,923	-	946,923	-
Transaction costs		8,431	518	12,840	833
		(1,203,752)	(43,093)	(1,972,340)	(74,467)
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (1,299,913)</b>	<b>\$ (107,246)</b>	<b>\$ (2,120,479)</b>	<b>\$ (114,774)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.05)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding:</b>					
<b>Basic and diluted</b>		<b>46,141,007</b>	<b>6,150,994</b>	<b>46,141,007</b>	<b>6,150,994</b>

- See accompanying notes to the condensed interim financial statements -

**RESINCO CAPITAL PARTNERS INC.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

	Six months ended June 30, 2018	Six months ended June 30, 2017
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (2,120,479)	\$ (114,774)
Items not affecting cash:		
Net realized loss on disposal of investments	1,969,574	427,888
Net change in unrealized gain on investments	(1,785,264)	(387,581)
Share-based compensation	946,923	-
Changes in non-cash working capital items:		
Receivables	(36,033)	-
Prepaid expenses	244,375	(6,000)
Trade and other payables	(559,341)	(2,521)
	(1,340,245)	(82,988)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on disposal of investments	535,378	63,121
Purchase of investments	(487,393)	-
	47,985	63,121
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share subscription receivable	4,176,144	-
	4,176,144	-
<b>Increase (Decrease) in cash during the period</b>	<b>2,883,884</b>	<b>(19,867)</b>
<b>Cash, beginning of period</b>	<b>3,357,218</b>	<b>23,189</b>
<b>Cash, end of period</b>	<b>\$ 6,241,102</b>	<b>\$ 3,322</b>
<b>Supplementary information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

- See accompanying notes to the condensed interim financial statements -

**RESINCO CAPITAL PARTNERS INC.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

	Number of shares	Share capital	Share-based reserve	Deficit	Total Shareholders' equity
<b>Balance, December 31, 2017</b>	46,141,007	\$ 40,436,949	\$ 16,003,610	\$ (48,237,095)	\$ 8,203,464
Share-based compensation	-	-	946,923	-	946,923
Net loss and comprehensive loss for the period	-	-	-	(2,120,479)	(2,120,479)
<b>Balance, June 30, 2018</b>	46,141,007	\$ 40,436,949	\$ 16,950,533	\$ (50,357,574)	\$ 7,029,908

	Number of shares	Share capital	Share-based reserve	Deficit	Total Shareholders' equity
<b>Balance, December 31, 2016</b>	6,150,997	\$ 40,132,099	\$ 8,752,136	\$ (48,176,602)	\$ 707,633
Net loss and comprehensive loss for the period	-	-	-	(114,774)	(114,774)
<b>Balance, June 30, 2017</b>	6,150,997	\$ 40,132,099	\$ 8,752,136	\$ (48,291,376)	\$ 592,859

- See accompanying notes to the condensed interim financial statements -

**RESINCO CAPITAL PARTNERS INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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**1. NATURE OF OPERATIONS**

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Resinco Capital Partners Inc. (“Resinco” or the “Company”) was incorporated under the laws of British Columbia on May 25, 2004. The Company’s shares are listed for trading on the TSX Venture Exchange under the ticker symbol “RIN”. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Resinco is a global investment company which specializes in providing early-stage financing to private and public companies. The Company engages in new, early stage investment opportunities in previously underdeveloped assets and obtaining significant position in early stage investment opportunities that adequately reflect the risk profile.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 5).

**2. BASIS OF PRESENTATION**

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**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these interim financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as at the date the Board of Directors approved these interim financial statements for issue.

These interim financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2017.

**Basis of presentation**

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

**Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

**Use of estimates and judgments**

The preparation of the 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.

**RESINCO CAPITAL PARTNERS INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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**2. BASIS OF PRESENTATION (continued)**

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Critical accounting estimates are estimates, judgments 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:

Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

Fair value of financial derivatives – Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value.

Share-based payments – 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. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

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. 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 could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2017.

**Changes in accounting policies**

- IFRS 9, Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.



**RESINCO CAPITAL PARTNERS INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit and loss (“FVTPL”). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company’s financial statements.

- **IFRS 15, Revenue from Contracts with Customers**

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. Since the Company has no revenues from contracts with customers, there was no material impact on the Company’s financial statements upon adoption of this standard.

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

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

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 is in the process of assessing the impact of this pronouncement. The extent of the impact has not yet been determined.

**RESINCO CAPITAL PARTNERS INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2018**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

**4. INVESTMENTS AT FAIR VALUE**

At June 30, 2018, the Company held the following investments:

<b>Investee</b>	<b>Shares</b>	<b>Cost</b>	<b>Fair Value</b>
<b>Public Companies</b>			
Bearing Lithium Corp.	200,000	\$ 75,000	\$ 60,000
Block X Capital Corp. *	286,933	5,020,527	123,381
Hashchain Technology Inc.	950,000	246,975	114,000
Lithium Americas Corp.	25,000	165,418	175,750
Total of 4 other public company investments, each valued under \$15,000		185,345	27,322
		5,693,265	500,453
<b>Private Companies</b>			
Pembroke Copper Corp.	320,000	452,000	180,000
		\$ 6,145,265	\$ 680,453

\*On January 23, 2018, Lions Gate Metals Inc. changed its name to Block X Capital Corp.

During the six months ended June 30, 2018, the Company sold 1,001,993 shares of Almonty Industries Inc. for gross proceeds of \$490,022, 123,076 shares of BriaCell Therapeutics Corp. for gross proceeds of \$16,000, 79,000 shares of Central Iron Ore Limited for gross proceeds of \$1,580, 41,666 shares of Fura Gems Inc. for gross proceeds of \$25,826 and 195,000 shares of Tanzania Minerals Corp. for gross proceeds of \$1,950.

At December 31, 2017, the Company held the following investments:

<b>Investee</b>	<b>Shares</b>	<b>Cost</b>	<b>Fair Value</b>
<b>Public Companies</b>			
Almonty Industries Inc.	1,001,993	\$ 2,125,218	\$ 541,076
BriaCell Therapeutics Corp.	123,076	159,817	16,615
Fura Gems Inc.	41,666	200,000	22,083
Block X Capital Corp. *	286,933	5,020,527	123,381
Total of 5 other public company investments, each valued under \$15,000		205,262	29,593
		7,710,824	732,748
<b>Private Companies</b>			
Pembroke Copper Corp.	320,000	452,000	180,000
		\$ 8,162,824	\$ 912,748

\*On January 23, 2018, Lions Gate Metals Inc. changed its name to Block X Capital Corp.

During the year ended December 31, 2017, the Company sold 427,000 shares of Almonty Industries Inc. for gross proceeds of \$117,406.

**RESINCO CAPITAL PARTNERS INC.**  
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**5. SHARE CAPITAL**

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**a) Authorized share capital**

At June 30, 2018, the authorized share capital comprised an unlimited number of common shares without par value.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

**b) Issued share capital**

At June 30, 2018, the Company had 46,141,007 common shares issued and outstanding (December 31, 2017 – 46,141,007).

On November 17, 2017, the Company completed the first tranche of a non-brokered private placement through the issue of 15,100,010 units at \$0.10 for gross proceeds of \$1,510,001. Each unit comprises one common shares and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.15 until November 17, 2019. The Company paid finders' fees of \$83,300 and issued 833,000 finders' warrants exercisable until November 17, 2019 to purchase one unit at \$0.10 on the same terms as the units issued in the private placement. The Company also incurred other share issuance costs of \$11,287 in connection with this non-brokered private placement.

On November 24, 2017, the Company completed the second and final tranche of the non-brokered private placement through the issue of 4,890,000 units at \$0.10 for gross proceeds of \$489,000. Each unit comprises one common shares and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.15 until November 17, 2019. The Company paid finders' fees of \$34,230 and issued 342,300 finders' warrants exercisable until November 17, 2019 to purchase one unit at \$0.10 on the same terms as the units issued in the private placement.

On December 27, 2017, the Company completed a non-brokered private placement through the issue of 20,000,000 units at \$0.31 for gross proceeds of \$6,200,000. Each unit comprises one common shares and one share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.45 until December 27, 2019. The Company paid finders' fees of \$620,000 and issued 2,000,000 finders' warrants exercisable until December 27, 2019 to purchase one unit at \$0.45 on the same terms as the units issued in the private placement. The Company also incurred other share issuance costs of \$33,012 in connection with this non-brokered private placement. As at December 31, 2017, there are subscriptions receivable of \$4,176,144; and was fully received in January 2018.

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**5. SHARE CAPITAL (continued)**

**c) Stock options**

The Board of Directors of the Company may from time-to-time grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Company's stock option plan requires that options vest 20% immediately, with 20% vesting every six months thereafter; however, the Board may change such provisions at its discretion or as required on a grant-by-grant basis.

The continuity for stock options for the six months ended June 30, 2018 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2017</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, June 30, 2018</b>
November 24, 2022	\$0.465	300,000	-	-	-	300,000 *
June 22, 2023	\$0.220	-	4,314,000	-	-	4,314,000 *
		300,000	4,314,000	-	-	4,614,000
Weighted average exercise price	\$	0.465	\$ 0.220	\$ -	\$ -	\$ 0.236

On November 24, 2017, the Company granted 4,314,000 stock options with an exercise price of \$0.220 per share expiring on June 22, 2023. The fair value of the stock options was estimated to be \$946,923 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 271.74%; risk-free rate of 1.99%; and expected dividends of zero.

The continuity for stock options for the year ended December 31, 2017 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2016</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, December 31, 2017</b>
November 24, 2022	\$0.465	-	300,000	-	-	300,000 *
		-	300,000	-	-	300,000
Weighted average exercise price	\$	-	\$ 0.465	\$ -	\$ -	\$ 0.465

\* The stock options vest immediately from the date of grant

On November 24, 2017, the Company granted 300,000 stock options with an exercise price of \$0.465 per share expiring on November 24, 2022. The fair value of the stock options was estimated to be \$139,152 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 269.38%; risk-free rate of 1.62%; and expected dividends of zero.

**d) Finders' warrants**

The continuity for finders' warrants for the six months ended June 30, 2018 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2017</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, June 30, 2018</b>
November 17, 2019	\$0.10	1,175,299	-	-	-	1,175,299
December 27, 2019	\$0.45	2,000,000	-	-	-	2,000,000
		3,175,299	-	-	-	3,175,299
Weighted average exercise price	\$	0.32	\$ -	\$ -	\$ -	\$ 0.32

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**5. SHARE CAPITAL (continued)**

**d) Finders' warrants (continued)**

The continuity for finders' warrants for the year ended December 31, 2017 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2016</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, December 31, 2017</b>
November 17, 2019	\$0.15	-	1,175,299	-	-	1,175,299
December 27, 2019	\$0.45	-	2,000,000	-	-	2,000,000
		-	3,175,299	-	-	3,175,299
Weighted average exercise price	\$	-	\$ 0.32	\$	-	\$ 0.32

On November 17, 2017, the Company granted 1,175,299 finders' warrants with an exercise price of \$0.10 per share expiring on November 17, 2019. The fair value of the finders' warrants was estimated to be \$691,641 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 213.60%; risk-free rate of 1.45%; and expected dividends of zero.

On December 27, 2017, the Company granted 2,000,000 finders' warrants with an exercise price of \$0.45 per share expiring on December 27, 2019. The fair value of the finders' warrants was estimated to be \$2,730,916 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 298.96%; risk-free rate of 1.66%; and expected dividends of zero.

**e) Warrants**

The continuity for warrants for the six months ended June 30, 2018 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2017</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, June 30, 2018</b>
November 17, 2019	\$0.15	9,995,005	-	-	-	9,995,005
December 27, 2019	\$0.45	20,000,000	-	-	-	20,000,000
		29,995,005	-	-	-	29,995,005
Weighted average exercise price	\$	0.35	\$	-	\$	-

The continuity for warrants for the year ended December 31, 2017 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2016</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Balance, December 31, 2017</b>
November 17, 2019	\$0.15	-	9,995,005	-	-	9,995,005
December 27, 2019	\$0.45	-	20,000,000	-	-	20,000,000
		-	29,995,005	-	-	29,995,005
Weighted average exercise price	\$	-	\$ 0.35	\$	-	\$ 0.35

During the year ended December 31, 2017, the fair value of the 29,995,005 share purchase warrants issued in connection with the unit private placements totalled \$3,689,765 valued on a relative fair value basis using the Black-Scholes pricing model with the following weighted average assumptions: term of 2 years; expected volatility of 270.51%; risk-free rate of 1.59%; and expected dividends of zero.

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**6. RELATED PARTY TRANSACTIONS**

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During the six months ended June 30, 2018, the Company paid or accrued \$105,118 (2017 - \$Nil) in consulting fees and \$6,300 (2017 - \$Nil) in rent to Pender Street Consulting Ltd. (“Pender Street”). Pender Street is a company controlled by the Corporate Secretary of the Company. As at June 30, 2018, there was \$53,898 (December 31, 2017 - \$Nil) due to Pender Street, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company paid or accrued \$15,750 (2017 - \$Nil) in consulting fees to Executive Management Solutions Limited (“Executive Management”). Executive Management is a company controlled by the Chief Financial Officer of the Company. As at June 30, 2018, there was \$3,224 (December 31, 2017 - \$Nil) due to Executive Management, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company paid or accrued \$6,300 (2017 - \$37,800) in consulting fees to Golden Oak Corporate Services Ltd. (“Golden Oak”). Golden Oak is a consulting company controlled by the former Corporate Secretary of the Company. Golden Oak provided the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The former Chief Financial Officer and the former Corporate Secretary are employees of Golden Oak and are not paid directly by the Company. As at June 30, 2018, there was \$Nil (December 31, 2017 - \$2,371) due to Golden Oak, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company incurred share-based compensation of \$131,700 (2017 - \$Nil) related to stock options granted to officers, directors, former officers and former directors of the Company.

**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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**Financial instruments**

The Company’s financial instruments consist of cash, receivables, share subscriptions receivable, loan receivable, investments and trade and other payables. The carrying value of receivables, loan receivable, share subscriptions receivable and trade and other payables approximates their fair value due to the short-term nature. Cash is recorded at fair value using Level 1 of the fair value hierarchy. Investments are recorded at fair value using Level 1 to 3 of the fair value hierarchy.

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**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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 following table presents the Company's investments, measured at fair value on the statements of financial position and categorized into levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
<b>June 30, 2018</b>	\$ 500,453	\$ -	\$ 180,000	\$ 680,453
<b>December 31, 2017</b>	\$ 732,748	\$ -	\$ 180,000	\$ 912,748

The Company holds a private company investment that is considered Level 3. The fair value of the investment in Level 3 is determined by referring to the most recent equity financing the investee undertook during the period if it can be demonstrated that this was completed with an arms-length party or by using a valuation model that utilizes the weighted average of the net assets of the private company and the value of its historical share issuance transactions. For the six months ended June 30, 2018 and 2017, the Company has utilized the valuation model as it has not been able to evidence that equity financing by the investee was completed with arms-length parties.

The following table reconciles the Company's Level 3 fair value investments:

Level 3	Six months ended June 30, 2018	Six months ended June 30, 2017
Balance, beginning of period	\$ 180,000	\$ 320,000
Unrealized loss	-	-
Balance, end of period	\$ 180,000	\$ 320,000

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**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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**Risk management**

The Company is or may be subject to certain risks including interest rate risk, currency risk, credit risk and market risk. Risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results and increase overall financial strength.

*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.

*Currency risk*

The Company has foreign investments and is therefore subject to currency risk. Management believes these investment and transaction amounts are not significant and there are no material foreign currency commitments. The currency risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

*Credit risk*

Credit risk is the risk associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe money or securities in connection with services provided, or for other purposes, will default on their underlying obligations.

Prior to accepting any service engagement or providing any loan, the Company assesses future recoverability by examining the entities' financial conditions, properties and assets, business development activities and management. The Company manages its exposure to credit risk by reviewing the outstanding balances on an ongoing basis, monitoring the amount attributable to each counterparty and the length of time taken for amounts to be settled. Where necessary, management takes appropriate action to follow up on those balances considered overdue.

*Liquidity risk*

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company does not have access to the capital markets, whether as a result of a downturn in general market conditions or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds and/or losses on disposition. The Company generates cash flows primarily from the disposition of its investments and from its financing activities. The Company's investments focus on early-stage companies which can at times be relatively illiquid and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all. However, the Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, in the absence of overall market disruptions or exceptional circumstances, liquidity risk can be minimized.



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**7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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**Risk management (continued)**

*Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in early-stage companies, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. A 10% change in the fair values of the Company's investments at June 30, 2018 would have an \$50,000 impact on operations.

*Concentration risk*

The Company is subject to concentration risk due to the nature of the Company's operations as an investment company and the number of investments held in the portfolio which consists primarily of early-stage companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in these industry sectors.

As at June 30, 2018, approximately 61% of the fair value of the Company's investment portfolio consisted of investments in three companies with the largest single investment comprising 26% of the total portfolio value.

**8. MANAGEMENT OF CAPITAL**

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The Company considers its common shares and options to comprise its capital.

The Company's objectives when managing capital are:

- (a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements;
- (b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;
- (c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and
- (d) To maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, in order of preference, by:

- (a) Realizing proceeds from the disposition of investments and provision of corporate services; and
- (b) Raising funds through equity financings.

The Company is not subject to any externally imposed capital requirements. Management monitors the Company's capital to ensure capital resources will be sufficient to discharge its liabilities on an ongoing basis.

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**9. SUBSEQUENT EVENTS**

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In July 2018, the Company subscribed for 8,333,333 common shares of Global Blockchain Technologies Corp. (each a “Common Share”) at a price of \$0.30 per Common Share for a total price of \$2,500,000.

**APPENDIX B**

**RESINCO CAPITAL PARTNERS INC.**

**Management's Discussion & Analysis  
for the six month period ended June 30, 2018**



**MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS**

**FOR THE SIX MONTHS ENDED**

**JUNE 30, 2018**

## **INTRODUCTION**

The following management discussion and analysis – quarterly highlights (“MD&A – Quarterly Highlights”) of the results of operations and financial condition of Resinco Capital Partners Inc. (“Resinco” or the “Company”) for the six months ended June 30, 2018, and up to the date of this MD&A – Quarterly Highlights, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the year ended December 31, 2017 (the “Annual MD&A”).

This MD&A – Quarterly Highlights should be read in conjunction with the Annual MD&A and the audited financial statements for the year ended December 31, 2017, together with the notes thereto, and the accompanying unaudited condensed interim financial statements and related notes thereto for the six months ended June 30, 2018 (the “Financial Report”).

All financial information in this MD&A – Quarterly Highlights 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 – Quarterly Highlights is August 28, 2018.

## **DESCRIPTION OF BUSINESS**

Resinco was incorporated under the laws of British Columbia on May 25, 2004. The Company's shares are listed for trading on the TSX Venture Exchange and on May 28, 2018, the Company's shares commenced trading on the Canadian Securities Exchange (“CSE”) under the ticker symbol “RIN”. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Resinco is a global investment company which specializes in providing early-stage financing to private and public companies. The Company engages in new, early stage investment opportunities in previously underdeveloped assets and obtaining significant position in early stage investment opportunities that adequately reflect the risk profile.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

## **OPERATIONAL HIGHLIGHTS**

On January 25, 2018, Eugene Beukman was appointed as Corporate Secretary of the Company. Mr. Beukman is the Corporate Counsel of the Pender Group of Companies, a position he has held since January 1994. Mr. Beukman graduated from the Rand University of Johannesburg, South Africa with a Bachelor of Law degree and a Bachelor of Law Honors Postgraduate degree in 1987. After practicing as a lawyer Mr. Beukman was employed as a legal advisor to the BHP Billiton group companies.

On January 25, 2018, Theo van der Linde was appointed as Chief Financial Officer of the Company. He is Chartered Professional Accountant with 20 years' extensive experience in finance, reporting, regulatory requirements, public company administration, equity markets and financing of publicly traded companies. He has served as a CFO & Director for a number of TSX Venture Exchange and Canadian Securities Exchange (CSE) listed companies over the past several years.

On February 13, 2018, Mr. Maciej Lis was appointed as Director of the Company. Mr. Lis currently holds interests in various predominately sales, distribution and logistics companies which he helped build over the preceding decade. Mr. Lis has also previously acted in a number of business development roles for both public and private small-cap and mid-cap natural resource and technology sector companies, operating globally. Mr. Lis holds an Honors Degree in Economics from the University of Toronto, and is fluent in 3 languages. Mr. Lis is an active patron of the arts and theatre, to which he contributes not only financial support but also resources, skills and his time.

In June 2018, Mr. Alexander Somjen was appointed as Chief Executive Officer, President and Director of the Company. Mr. Somjen has a great deal of experience, having most recently spent over a decade in capital markets at a large financial institution, working in both investment banking and sales- and trading-related capacities. In these roles, Mr. Somjen forged deep relationships with large institutional investors and major corporations, and worked on many notable debt capital and equity capital issuances. During his career, Mr. Somjen also pivoted away from capital markets for a time to found and serve as chief financial officer of an artificial-intelligence-related tech concern. Mr. Somjen began his career as a preferred share sales trader servicing Canada's largest institutional investors. In his most recent role, he advised both issuers and institutional investors on the preferred share market and hybrid capital space. He holds a BA in economics from the University of Toronto.

In July 2018, Mr. Troy Grant was appointed as Director of the Company. Mr. Grant has held senior positions in the financial service sector for over 18 years. He has spent most of his career in the brokerage field and has also been instrumental in venture formation, financing and the development of a number of resource, technology and agriculture companies operating globally. Previously, he held the position of head of corporate finance and head of institutional European sales at Citadel Securities where he focused primarily on the resource sector. Currently, Mr. Grant is a director of Auxly Cannabis Group, Inc. and he is also the founder and CEO of Elcora Advanced Materials, a TSX-V-listed graphene materials company, which he took public in June 2011. Mr. Grant is a graduate of St. Francis Xavier University with a Bachelor of Business and economics.

#### Use of proceeds

During the year ended December 31, 2017, the Company completed two non-brokered private placements for net proceeds of \$7,417,172. The Company intends to use the net proceeds for investments and general working capital. The table below provides a breakdown of the intended use, the amounts used to date and any variances.

<b>Intended use of proceeds of November and December 2017 Private Placements</b>		<b>Amount to date June 30, 2018</b>		<b>Variances</b>
Investments (85%)	\$5,933,738	Investments (85%)	\$487,000	No variances anticipated
General Working Capital (15%)	\$1,483,434	General Working Capital (15%)	\$1,351,000	No variances anticipated
Total	\$7,417,172	Total to date	\$1,838,000	

#### TRENDS AND INVESTMENT STRATEGY

Resinco is focused on early-stage investment opportunities. The Company recognizes two enterprise value enhancers; (1) the transition from private to public assets, and; (2) investing in assets which have been over-looked and have not realized their latent potential.

Engagement of this strategy has resulted in increases in the value of the Company's portfolio historically, however the depressed state of the resource sector, and in particular the junior resource segment, has affected all publicly traded entities over the last several years. All forms of financing continue to be very constrained for early stage companies and this has resulted in the quantity of financings to be severely reduced and arduous to complete successfully.

The Company's performance has mirrored the general negative sentiment towards the junior resource market. As previously stated, fundraising for junior resource companies has become very constricted.

The Company evaluates its portfolio on a regular basis and is actively reviewing new opportunities for investment.

## **INVESTMENTS SUMMARY**

	<b>June 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
Public Company Investments	\$ 5,693,265	\$ 500,453	\$ 7,710,824	\$ 732,748
Private Company Investments	452,000	180,000	452,000	180,000
<b>Total</b>	<b>\$ 6,145,265</b>	<b>\$ 680,453</b>	<b>\$ 8,162,824</b>	<b>\$ 912,748</b>

As at June 30, 2018, the Company held public company investments with a fair value of \$500,453 compared to \$732,748 at December 31, 2017, a decrease of 32%. This is primarily due to the sale of certain shares, as described below.

During the six months ended June 30, 2018, the Company sold 1,001,993 shares of Almonty Industries Inc. for gross proceeds of \$490,022, 123,076 shares of BriaCell Therapeutics Corp. for gross proceeds of \$16,000, 79,000 shares of Central Iron Ore Limited for gross proceeds of \$1,580, 41,666 shares of Fura Gems Inc. for gross proceeds of \$25,826 and 195,000 shares of Tanzania Minerals Corp. for gross proceeds of \$1,950.

During the year ended December 31, 2017, the Company sold 427,000 shares of Almonty Industries Inc. for gross proceeds of \$117,406.

As at June 30, 2018, the Company held investments in a private company with a fair value of \$180,000.

## **RESULTS FROM OPERATIONS**

### *Six Months Ended June 30, 2018*

The Company's net realized loss on disposal of investments for the six months ended June 30, 2018 was \$1,969,574, compared to a net realized loss on disposal of investments of \$427,888 for the six months ended June 30, 2017. The net realized loss on disposal of investments for the six months ended June 30, 2018 and 2017 is due to the sale of certain public company investments as described above.

In addition, the Company recorded a net change in unrealized gain on investments for the six months ended June 30, 2018 of \$1,785,264, compared to a net change in unrealized gain on investments of \$387,581 for the six months ended June 30, 2017.

The Company's expenses for the six months ended June 30, 2018 were \$1,972,340, compared to expenses of \$74,467 for the six months ended June 30, 2017. Overall the Company had limited activity during the six months ended June 30, 2017 due to limited working capital.

The key differences in expenses between the six months ended June 30, 2018 and 2017 were as follows:

- Consulting fees increased by \$733,268 due to increased activity from the Company's various consultants. The Company relies heavily on Consultants to help them achieve their goals on all facets of business. Consultants include Management, Advisors, Technical Support and other support roles. The focus of Q2 2018 was to explore strategic investment opportunities.
- Corporate development increased by \$97,650 due to incurred expenditures on Media, Public Relations and other forms of communication to create public awareness.
- Office and miscellaneous increased by \$31,869 due to expenditures on rent and administration
- Professional fees increased by \$43,128 due to legal fees associated with preparing the Company's filing with the CSE that was completed during the period.
- Filing and listing increased by \$33,153 due to its listing fees with the CSE.
- Share-based compensation increased by \$946,923 related to stock options granted during the period.

### *Three Months Ended June 30, 2018*

The Company's net realized loss on disposal of investments for the three months ended June 30, 2018 was \$1,210,834, compared to a net realized loss on disposal of investments of \$194,080 for the three months ended June 30, 2017. The net realized loss on disposal of investments for the three months ended June 30, 2018 and 2017 is due to the sale of certain public company investments as described above.

In addition, the Company recorded a net change in unrealized gain on investments for the three months ended June 30, 2018 of \$1,084,098, compared to a net change in unrealized gain on investments of \$129,927 for the three months ended June 30, 2017.

The Company's expenses for the three months ended June 30, 2018 were \$1,203,752, compared to expenses of \$43,093 for the three months ended June 30, 2017. Overall the Company had limited activity during Q2 2017 due to limited working capital.

The key differences in expenses between the three months ended June 30, 2018 and 2017 were as follows:

- Consulting fees increased by \$157,018 due to increased activity from the Company's various consultants. The Company relies heavily on Consultants to help them achieve their goals on all facets of business. Consultants include Management, Advisors, Technical Support and other support roles. The focus of Q2 2018 was to explore strategic investment opportunities.
- Office and miscellaneous increased by \$11,210 due to expenditures on rent and administration
- Professional fees increased by \$20,160 due to legal fees associated with preparing the Company's filing with the CSE that was completed during the period.
- Filing and listing increased by \$17,560 due to its listing fees with the CSE.
- Share-based compensation increased by \$946,923 related to stock options granted during the period.

### **SUBSEQUENT EVENTS**

In July 2018, the Company subscribed for 8,333,333 common shares of Global Blockchain Technologies ("BLOC") at a price of \$0.30 per Common Share for a total price of \$2,500,000. BLOC is a Vancouver-based technology company that provides investors with access to a mixture of strategically-chosen assets in the blockchain space, selected to balance stability and growth by some of the earliest adopters of blockchain technology. Generally, most investors must undergo a tedious and complex process of research to make investments in the blockchain ecosystem. BLOC takes a "basket" approach, giving investors simplified exposure to the industry with holdings primarily in blockchain solutions and cryptocurrencies incubated by BLOC, and secondarily in best-of-breed blockchain and cryptocurrency ventures from other companies.

### **SUMMARY OF QUARTERLY RESULTS**

	Three months ended			
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Net revenues (losses)	\$(96,161)	\$(51,978)	\$(85,917)	\$355,942
Net income (loss) for the period	(1,299,913)	(820,566)	(270,901)	325,182
Earnings (loss) per share – basic and diluted	(0.03)	(0.02)	(0.02)	0.05

	Three months ended			
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Net revenues (losses)	\$(64,153)	\$23,846	\$(80,065)	\$(66,977)
Net income (loss) for the period	(107,246)	(7,528)	(129,006)	(92,919)
Earnings (loss) per share – basic and diluted	(0.023)	(0.00)	(0.02)	(0.02)

The quarterly financial information for 2018, 2017 and 2016 fiscal periods are presented in accordance with IFRS.



The Company has been negatively affected by poor stock market performance, volatile commodity prices and weakened global economic performance. Due to an investment portfolio which is weighted in early-stage companies, quarter-to-quarter performance is affected by volatility in the stock markets. The amount and timing of expenses and availability of capital resources vary substantially quarter to quarter, depending on the level of investment activities being undertaken at the time.

### **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2018, the Company had cash of \$6,241,102 and working capital of \$7,029,908, compared to \$3,357,218 and \$8,203,464, respectively as at December 31, 2017. Since the Company's inception, operations have been financed through the issuance of equity securities and the sale of the Company's investments.

The Company began the period with cash of \$3,357,218. In the six months ended June 30, 2018, the Company used net cash of \$2,340,245 on operating activities, received \$47,985 on investing activities and received \$4,176,144 from financing activities related to the completed private placement on December 27, 2017, to end on June 30, 2018 with \$6,241,102 cash.

During the six months ended June 30, 2018, the Company sold 1,001,993 shares of Almonty Industries Inc. for gross proceeds of \$490,022, 123,076 shares of BriaCell Therapeutics Corp. for gross proceeds of \$16,000, 79,000 shares of Central Iron Ore Limited for gross proceeds of \$1,580, 41,666 shares of Fura Gems Inc. for gross proceeds of \$25,826 and 195,000 shares of Tanzania Minerals Corp. for gross proceeds of \$1,950.

As at June 30, 2018, the Company had investments valued at \$680,453. Funding for the Company's operations is generated from the sale of investments in its portfolio and private placements. Most of the value of the portfolio of investments is comprised of three publicly traded companies and one private company. Although the shares of the private company cannot be easily liquidated, the shares in the three public companies are expected to provide sufficient liquidity to support the continuing operations of the Company. Management believes its resources are more than sufficient to meet the Company's ongoing overhead requirements.

### **CONTRACTUAL OBLIGATIONS**

As at June 30, 2018, the Company had no contractual obligations.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation was not party to any off-balance sheet arrangements as of June 30, 2018.

### **RELATED PARTY TRANSACTIONS**

The Directors and Executive Officers of the Company are as follows:

Alexander Somjen	Director, Chief Executive Officer & President
Theo van der Linde	Chief Financial Officer
Eugene Beukman	Corporate Secretary
Troy Grant	Director
Maciej Lis	Director

During the six months ended June 30, 2018, the Company paid or accrued \$105,118 (2017 - \$Nil) in consulting fees and \$6,300 (2017 - \$Nil) in rent to Pender Street Consulting Ltd. ("Pender Street"). Pender Street is a company controlled by the Corporate Secretary of the Company. As at June 30, 2018, there was \$53,898 (December 31, 2017 - \$Nil) due to Pender Street, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company paid or accrued \$15,750 (2017 - \$Nil) in consulting fees to Executive Management Solutions Limited ("Executive Management"). Executive Management is a company controlled by the Chief Financial Officer of the Company. As at June 30, 2018, there was \$3,224 (December 31, 2017 - \$Nil) due to Executive Management, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company paid or accrued \$6,300 (2017 - \$37,800) in consulting fees to Golden Oak Corporate Services Ltd. ("Golden Oak"). Golden Oak is a consulting company controlled by the former Corporate Secretary of the Company. Golden Oak provided the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The former Chief Financial Officer and the former Corporate Secretary are employees of Golden Oak and are not paid directly by the Company. As at June 30, 2018, there was \$Nil (December 31, 2017 - \$2,371) due to Golden Oak, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company incurred share-based compensation of \$131,700 (2017 - \$Nil) related to stock options granted to officers, directors, former officers and former directors of the Company.

### **CHANGES IN ACCOUNTING POLICIES**

- **IFRS 9, Financial Instruments**

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

- **IFRS 15, Revenue from Contracts with Customers**

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. Since the Company has no revenues from contracts with customers, there was no material impact on the Company's financial statements upon adoption of this standard.

## **NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE**

Certain new standards, amendments to standards and interpretations are not yet effective as of June 30, 2018 and have not been applied in preparing the Company's financial statements.

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 is in the process of assessing the impact of this pronouncement. The extent of the impact has not yet been determined.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Financial instruments**

The Company's financial instruments consist of cash, receivables, share subscriptions receivable, loan receivable, investments and trade and other payables. The carrying value of receivables, loan receivable, share subscriptions receivable and trade and other payables approximates their fair value due to the short-term nature. Cash is recorded at fair value using Level 1 of the fair value hierarchy. Investments are recorded at fair value using Level 1 to 3 of the fair value hierarchy.

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 following table presents the Company's investments, measured at fair value on the statements of financial position and categorized into levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
<b>June 30, 2018</b>	\$ 500,453	\$ -	\$ 180,000	\$ 680,453
<b>December 31, 2017</b>	\$ 732,748	\$ -	\$ 180,000	\$ 912,748

The Company holds a private company investment that is considered Level 3. The fair value of the investment in Level 3 is determined by referring to the most recent equity financing the investee undertook during the period if it can be demonstrated that this was completed with an arms-length party or by using a valuation model that utilizes the weighted average of the net assets of the private company and the value of its historical share issuance transactions. For the six months ended June 30, 2018 and 2017, the Company has utilized the valuation model as it has not been able to evidence that equity financing by the investee was completed with arms-length parties.

The following table reconciles the Company's Level 3 fair value investments:

<b>Level 3</b>	<b>Six months ended Six months ended</b>	
	<b>June 30, 2018</b>	<b>June 30, 2017</b>
Balance, beginning of period	\$ 180,000	\$ 320,000
Unrealized loss	-	-
Balance, end of period	\$ 180,000	\$ 320,000

### **Risk management**

The Company is or may be subject to certain risks including interest rate risk, currency risk, credit risk and market risk. Risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results and increase overall financial strength.

#### *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.

#### *Currency risk*

The Company has foreign investments and is therefore subject to currency risk. Management believes these investment and transaction amounts are not significant and there are no material foreign currency commitments. The currency risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

#### *Credit risk*

Credit risk is the risk associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe money or securities in connection with services provided, or for other purposes, will default on their underlying obligations.

Prior to accepting any service engagement or providing any loan, the Company assesses future recoverability by examining the entities' financial conditions, properties and assets, business development activities and management. The Company manages its exposure to credit risk by reviewing the outstanding balances on an ongoing basis, monitoring the amount attributable to each counterparty, and the length of time taken for amounts to be settled. Where necessary, management takes appropriate action to follow up on those balances considered overdue.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company does not have access to the capital markets, whether as a result of a downturn in general market conditions or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds and/or losses on disposition. The Company generates cash flows primarily from the disposition of its investments and from its financing activities. The Company's investments focus on early-stage companies which can at times be relatively illiquid and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all. However, the Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, in the absence of overall market disruptions or exceptional circumstances, liquidity risk can be minimized.

#### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in early-stage companies, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. A 10% change in the fair values of the Company's investments at June 30, 2018 would have an \$50,000 impact on operations.

#### *Concentration risk*

The Company is subject to concentration risk due to the nature of the Company's operations as an investment company and the number of investments held in the portfolio which consists primarily of early-stage companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in this industry sector.

As at June 30, 2018, approximately 61% of the fair value of the Company's investment portfolio consisted of investments in two companies with the largest single investment comprising 26% of the total portfolio value.

#### **OUTSTANDING SHARE DATA**

As of June 30, 2018 and as of the date of this MD&A, the Company had 46,141,007 common shares, 9,995,005 share purchase warrants with an exercise price of \$0.15 expiring on November 17, 2019, 20,000,000 share purchase warrants with an exercise price of \$0.45 expiring on December 27, 2019, 1,175,299 finders' warrants with an exercise price of \$0.10 expiring on November 17, 2019, 2,000,000 finders' warrants with an exercise price of \$0.45 expiring on December 27, 2019, 300,000 stock options with an exercise price of \$0.465 expiring on November 24, 2022 and 4,314,000 stock options with an exercise price of \$0.22 expiring on June 22, 2023 issued and outstanding.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

Statements in this MD&A – Quarterly Highlights other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, constitute forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A – Quarterly Highlights and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

#### **ADDITIONAL INFORMATION**

Additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com), or by contacting the Company's corporate office at Suite 810 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2, or by emailing the Company at [info@resincocp.com](mailto:info@resincocp.com).