MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

DECEMBER 31, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

INTRODUCTION

The following management discussion and analysis ("MD&A") of the results of operations and financial condition of Resinco Capital Partners Inc. ("Resinco" or the "Company") for the year ended December 31, 2018, and up to the date of this MD&A, 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.

This MD&A should be read in conjunction with the Annual MD&A and the audited financial statements for the year ended December 31, 2018 and 2017 (the "Financial Report").

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

The effective date of this MD&A is April 29, 2019.

DESCRIPTION OF BUSINESS

Resinco was incorporated under the laws of British Columbia on May 25, 2004. The Company's shares are listed for trading trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "RIN", the Frankfurt Stock Exchange under the symbol L6V1.F and on the United States OTC stock market's OTC Pink, under the symbol RSCZF. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Resinco Capital Partners 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 positions in early-stage investment opportunities that adequately reflect the risk profile. Recently the Company announced an initiative to enter the growing cannabis pharma space, a reflection of its focus on innovative new markets. The company is moving forward to explore exciting new opportunities in the cannabis pharma sector and hopes to find additional investments in the near future.

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.

COMPANY HIGHLIGHTS

- In October 2018, Resinco announced that it has commenced its due diligence and research procedures in search of new investment opportunities in the growing cannabis pharmaceutical sector to diversify and strengthen its existing portfolio. Resinco's management team and board of directors will remain the same as it pursues new cannabis pharma opportunities. The initiative by the company to enter the growing cannabis pharma space is a reflection of its focus on innovative new markets.
- On October 19, 2018, the Company made it's first strategic investment in the Cannabis Pharma Sector, investing in Katexco Pharmaceuticals Corp ("Katexco"). The Company subscribed for 2,000,000 common shares at $0.10/share for a total investment of $200,000. Katexco is led by a world class team of scientists that come from Stanford University in California.
- On October 22, 2018, the Company acquired 48% of ReFormation Pharmaceuticals Corp. ("ReFormation"), a medical marijuana pharmaceutical company with its research and development team at the University of Oxford. ReFormation is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair. The Company issued 27,000,000 common shares with a fair value of $3,645,000.
- On December 28, 2018, the Company acquired 100% of Vancity Green List Inc. ("Vancity") by way of three-cornered amalgamation. Vancity is a leading website application that connects personal use cannabis growers and local dispensaries. In consideration, the Company issued 15,000,000 common shares with a fair value of $1,200,000.

COMPANY HIGHLIGHTS (CONTINUED)

- On January 16, 2019, the Company entered into a Definitive Agreement and acquired the remaining 51% of ReFormation Pharmaceuticals Corp. ("Reformation"). Pursuant to the terms of the Definitive Agreement, Reformation will amalgamate with the Company's wholly owned subsidiary, 1189879 B.C. Ltd.

  As consideration, the Company issued 29,000,000 common shares with a fair value of $7,105,000. The Company issued 2,030,000 finder common shares with a fair value of $497,350.

- On February 6, 2019, through the Company's wholly owned subsidiary, ReFormation, appointed Sir Marc Feldmann to ReFormation's advisory board.
- On March 15, 2019, through the Company's wholly owned subsidiary, ReFormation, entered into a right of first negotiation with 180 Therapeutics LP. ("180"). 180 is a clinical stage biopharmaceutical company focused on the discovery and development of novel biological therapies for the treatment of fibrosis. In partnership with 180, the Company will work with 180 to develop the effectiveness of the HMGB1 molecule; this molecule primes to body's stem cells to accelerate repair and regeneration following injuries. ReFormation has agreed to fund the project of up to US $1,200,000.

KEY INVESTMENT PORTFOLIO DESCRIPTION

Reformation

ReFormation Pharmaceuticals Corp is a Medical Marijuana Pharmaceutical company headquartered in Toronto, ON with its Research and Development team at the University of Oxford. The company is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair (HMGB1). ReFormation is based on disruptive technology which will deliver a first in class therapeutic. The Company has identified a molecule that primes the body's own stem cells from a diverse range of tissues to accelerate repair and regeneration following acute or chronic injury. The Company's research pipeline will deliver further IP based on composition of matter and has a comprehensive work package of testing in animal models of diseases where no comparative treatment exists. ReFormation Pharmaceuticals is led by world class scientist, CEO and CSO, Professor Jagdeep Nanchahal, of the University of Oxford.

Website: https://www.reformationpharma.com/

Katexco Pharmaceuticals

Katexco is a pre-clincal pharmaceutical cannabis company and is developing innovative, orally available therapies harnessing endocannabinoid and nicotine receptors to treat inflammatory diseases. Katexco is led by a world class management team with a proven track record and the research is grounded in more than 20 years of academic and industrial research with primary operations at the Stanford University in California.

Katexco's website can be found here: https://katexcopharma.com/

Vancity Green

Vancity Green ("Vancity") is an early-stage website application that connects personal use cannabis growers and local dispensaries. In Canada, there is a growing disparity between the availability of legalized marijuana and the demand for such product leading to market shortages of cannabis products. Vancity Green creates a local database that connects personal use growers and local dispensaries and allow personal use growers to sell their products through local dispensaries, ultimately filling national demand. Vancity will continue to diversify and strengthen the Company's investment portfolio.

EQUITY TRANSACTIONS:

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.

Intended use of proceeds of November and December 2017 Private Placements		Amount to date December 31, 2018		Variances
Investments (85%)	$5,933,738	Investments (85%)	$3,187,393	(958,178)
General Working Capital (15%)	$1,483,434	General Working Capital (15%)	$2,441,612	958,178
Total	$7,417,172	Total to date	$5,629,005	

Variance is attributed to a re-allocation between investment and general working capital.

TRENDS AND INVESTMENT STRATEGY

Resinco is focused on early-stage investment opportunities in private and public companies. 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.

Due to the depressed state on the junior resource segment, the Company reviewed potential opportunities in Block Chain and Technology sector and is now focused on potential investments in the Cannabis Pharmaceutical Sector. In particular, the Company is reviewing early stage investment opportunities in previously underdeveloped life and sciences and biotech companies with a specific focus on Cannabis Pharma.

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

INVESTMENTS SUMMARY

During the year ended December 31, 2018, the Company had the following investments:

Investee	Shares #	Cost $	Fair value $
Public Companies			
Bearing Lithium Corp.	200,000	75,000	48,000
Block X Capital Corp.	286,933	5,020,527	14,346
Global Blockchain Technologies Corp.	8,333,333	2,500,000	454,333
Hashchain Technology Inc.	950,000	246,975	28,500
Lithium Americas Corp.	25,000	165,418	107,750
Total of 5 other public company investments, each valued under $14,000		185,345	21,330
		8,193,265	674,259
Private Companies			
Katexco Pharmaceuticals Corp.	2,000,000	200,000	200,000
Vancity Green List Inc.	100	1,200,000	-
Reformation Pharmaceuticals Corp.	27,000,000	3,645,000	3,645,000
Pembrook Copper Corp.	320,000	452,000	190,000
		5,497,000	4,035,000
		13,690,265	4,709,259

INVESTMENTS SUMMARY (CONTINUED)

During the year ended December 31, 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.

On October 19, 2018, the Company subscribed for 2,000,000 common shares at $0.10/share for a total investment of $200,000 in Katexco Pharmaceuticals Corp. Katexco is led by a world class team of scientists that come from Stanford University in California. As at December 31, 2018, the fair value of Katexco was $200,000.

On October 22, 2018, the Company acquired 48% of ReFormation Pharmaceuticals Corp. ("ReFormation"), a medical marijuana pharmaceutical company with its research and development team at the University of Oxford. ReFormation is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair. The Company issued 27,000,000 common shares with a fair value of $3,645,000. The Company has an option to make further investments in ReFormation, subject to certain conditions. As at December 31, 2018, the fair value of Reformation was $3,645,000.

On December 28, 2018, the Company acquired 100% of Vancity Green List Inc. ("Vancity") by way of three-cornered amalgamation. Vancity is a leading website application that connects personal use cannabis growers and local dispensaries. In consideration, the Company issued 15,000,000 common shares with a fair value of $1,200,000. As at December 31, 2018 and under IFRS 9, the fair value of Vancity was $Nil.

RESULTS FROM OPERATIONS

Year ended December 31, 2018 compared to December 31, 2017
The Company's net realized loss on disposal of investments for the year ended was $46,371, compared to a net realized loss on disposal of investments of $788,257 for the year ended December 31, 2017. The net realized loss on disposal of investments is due to the sale of certain public company investments.

In addition, the Company recorded a net change in unrealized gain on investments for the year ended December 31, 2018 of $3,654,133, compared to a net change in unrealized gain on investments of $1,016,478 for the year ended December 31, 2017. The change in unrealized gain is largely due to fluctuations in the valuation of the Company's investments. The unrealized fair value loss is partly attributed to Vancity Green, as the Company purchased Vancity Green for $1,200,000 but the fair value was $Nil at year end. The remaining losses is attributed to the overall decline in the cryptocurrency space, primarily the Company's investment in Global Gaming Technologies Corp.

The Company's expenses for the year ended December 31, 2018 was $3,668,696, compared to expenses of $290,211 for the year ended December 31, 2017. Overall the Company had limited activity during the year ended December 31, 2017 due to limited working capital.

The key differences in expenses between the year ended December 31, 2018 and 2017 were as follows:

- Consulting fees increased to $1,220,200 from $75,600 due to increased activity in the Company and due to the fact that the Company relies heavily on Consultants to help them achieve their goals on all facets of the business. Consultants include Management, Advisors, Technical Support and other support roles. The focus of Q3 and Q4 2018 was to explore new strategic investment opportunities.
- Corporate development increased to $1,193,991 due to incurred expenditures on Media, Public Relations and other forms of communication to create public awareness of the Company's shift from mining and exploration investments to a new focus on the cannabis industry.
- Office and miscellaneous increased to $90,184 from $4,213 in the comparative period. The Company incurred rent fees, travel and miscellaneous expenditures. The Company's management team gained exposure through attending conferences and solidifying business in the United States and Europe.
- Professional fees increased to $126,965 from $25,673 due to legal and other professional fees associated with preparing the Company's listing application with the CSE, the OTC and Frankfurt that was completed during the period.

RESULTS FROM OPERATIONS (CONTINUED)

- Filing and listing increased to $78,784 from $31,895 due to its listing fees with the CSE and ongoing costs to file news releases and Transfer agent fees.
- Share-based compensation increased to $946,923 from $139,152 due to stock options granted during the period.
- During the year ended, the Company invested $1,500,000 of its cash and cash equivalent into a short term GIC, earning interest of $21,657.

Three Months Ended December 31, 2018
During the three-month period ended December 31, 2018, the Company incurred loss and comprehensive losses of $3,576,456 compared to $85,917. A significant amount of the overall expenditures was incurred during the three-month period ended December 31, 2018 and the explanations of the nature of cost incurred are similar to the above descriptions.

SELECTED ANNUAL INFORMATION

The Company's selected financial information for the past three fiscal years is as follows:

	Year ended December 31, 2018 $	Year ended December 31, 2017 $	Year ended December 31, 2016 $
Statement of operations			
Net gain (loss)	(3,678,847)	229,718	(60,824)
Net loss for the year	(7,347,543)	(60,493)	(210,523)
Loss per share – basic and diluted	(0.14)	(0.01)	(0.03)
Balance sheet			
Total assets	7,058,155	8,850,610	828,125

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Net losses	(2,056,964)	(1,473,744)	$(96,161)	$(51,978)
Net loss for the year	(3,576,456)	(1,650,608)	(1,299,913)	(820,566)
Loss per share – basic and diluted	(0.07)	(0.01)	(0.03)	(0.02)

	Three months ended			
	December 31, 2017	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Net revenues (losses)	$(85,917)	$355,942	$(64,153)	$23,846
Net income (loss) for the year	(270,901)	325,182	(107,246)	(7,528)
Earnings (loss) per share – basic and diluted	(0.02)	0.05	(0.023)	(0.00)

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 December 31, 2018, the Company had cash of $2,338,545 and working capital of $6,997,994, 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. During the year ended December 31, 2018, the Company used net cash of $2,557,802 on operating activities, used $2,652,015 on investing activities and received $4,191,144 from financing activities related to the completed private placement on December 27, 2017, to end December 31, 2018 with $2,338,545 cash.

As at December 31, 2018 the Company had investments valued at $4,709,259. 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.

CASH FLOWS – OPERATING ACTIVITES

Net cash used in operating activities during the year ended December 31, 2018 was $2,557,802 (2017 –$ 24,405) which mainly consisted of cash spent for the initiation of the business, general working capital, brand awareness campaigns, consulting and professional fees for investment opportunities. The Company completed three major investments during the period, ReFormation, Vancity Green and Katexco. In the comparative period, the Company was relatively inactive; thus, the cash outflow from operations in the comparative period is minimal.

CASH FLOWS – FINANCING ACTIVITES

Total net cash generated during the year ended was $4,191,144 (2017 - $3,241,028). During the year ended December 31, 2017, the Company completed private placements and recorded a subscription receivable of $4,176,144. The Company received this cash during the year. Also, the Company exercised warrants raising gross proceeds of $15,000.

CASH FLOWS – INVESTING ACTIVITES

During the year ended December 31, 2018, the Company sold investments of $535,378 (2017 - $117,406) and invested $3,187,393 into cannabis pharma investment opportunities.

CONTRACTUAL OBLIGATIONS

As at December 31, 2018, the Company had no contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation was not party to any off-balance sheet arrangements as of December 31, 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
Doris Meyer	Former Corporate Secretary

The following directors and/or senior officers transacted with the Company in the reporting year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. The aggregate value of transactions relating to key management personnel were as follows:

	For the year ended,	
	2018	2017
Consulting and accounting fees paid or accrued to Golden Oak, a company controlled by the former Corporate Secretary	$ 6,300	$ 75,600
Rent paid or accrued to companies controlled by the CFO and Corporate Secretary	23,100	-
Consulting fees to companies controlled by the CFO	40,950	-
Consulting and corporate advisory fees paid or accrued to a company controlled by the Corporate Secretary	100,317	-
Consulting fees paid to the Chief Executive Officer	108,900	-
Share based compensation	131,700	139,152
Total	**$ 411,267**	**$ 214,752**

As at December 31, 2018, there was $14,832 (2017 – $2,371) due to current officers and management of the Company.

CHANGES IN ACCOUNTING POLICIES

IFRS 9, Financial Instruments

The Company adopted IFRS 9 – Financial instruments on January 1, 2018 in accordance with the transitional provisions of the standard. IFRS 9 addresses the classification, measurement, and recognition of financial assets and liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39 – Financial instruments: recognition and measurement..

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss (FVTPL), those measured at fair value through other comprehensive income (FVTOCI), and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income unless this creates an accounting mismatch.

CHANGES IN ACCOUNTING POLICIES (CONTINUED)

IFRS 9, Financial Instruments (Continued)

The Company has assessed the classification and measurement of financial assets and financial liabilities under IFRS 9 and summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category Original (IAS 39)	New (IFRS 9)
Financial assets:		
Cash and cash equivalents	Loans and receivables	Amortized cost
Interest receivable	Loans and receivables	Amortized cost
Share subscription receivable	Loans and receivables	Amortized cost
Investments at fair value	FVTPL	FVTPL
Financial liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure 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

The Company adopted IFRS 15 – Revenue from contracts with customers on January 1, 2018 in accordance with the transitional provisions of the standard. 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 December 31, 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.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE (CONTINUED)

- New standard IFRIC 23, Uncertainty over Income Tax Treatments

  In June 2017, the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments. This interpretation specifies that if an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, it shall determine the tax result consistently with the tax treatment used or planned to be used in its income tax filing. If it is not probable, the entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either of the following methods, depending on which one the entity expects to better predict the resolution of the uncertainty:

  - Most likely amount: single most likely amount in a range of possible outcomes;
  - Expected value: sum of the probability-weighted amounts in a range of possible outcomes.

  The Company has not early adopted these new standards and these standards are not expected to have a material effect on the financial statements.

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
	$	$	$	$
December 31, 2018	674,259	-	4,035,000	4,709,259
December 31, 2017	732,748	-	180,000	912,748

The Company holds investments in Pembrook, Katexco, ReFormation and Vancity Green, all private company investments that are considered Level 3. The fair value of investments in Level 3 for Pembrook is determined by referring to the most recent equity financing the investee undertook during the period or by taking a weighted average of the net assets of the private company and the value of its historical share issuance transactions. The fair value of investments for Katexco is based on the most recently completed private placement. The fair value for ReFormation and Vancity Green is based on the Company's most recent financings or transactions and assessed for whether there have been any adverse changes from the date of acquisition. All changes in fair value of these private company investments are recognized in profit or loss on the statements of loss and comprehensive loss. The amounts included in profit or loss are comprised entirely of unrealized gains and losses. There were no transfers between levels during the year.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial instruments (Continued)

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

Level 3	Year ended December 31, 2018 $	Year ended December 31, 2017 $
Balance, beginning of year	180,000	320,000
Additions	5,045,000	-
Unrealized loss	(1,190,000)	(140,000)
Balance, end of year	4,035,000	180,000

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. The Company is not materially exposed to credit risk.

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 natural resource and renewable energy 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.

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 pharmaceutical cannabis, recreational cannabis and junior natural resource industries, 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 December 31, 2018 would have an $470,000 (2017 - $91,000) 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 natural resource and renewable energy 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 December 31, 2018, approximately 87% (2017 - 90%) of the fair value of the Company's investment portfolio consisted of investments in two companies with the largest single investment comprising 77% (2017 - 70%) of the total portfolio value.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had the following outstanding share data:

Common shares	122,186,007
Warrants	29,870,005
Stock options	4,314,000

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. Forward-looking statements include, among others, statements pertaining to:

- The price of medical cannabis
- The lack of control over operations of the Company's investment operations;
- The fluctuations in the price of the Company's shares and the share price of the Company's investments;
- The Company's ongoing investment strategy;
- The successful buildout of the current and proposed facilities of each of the Company's investment partners; and,
- The Company's ability to generate cash flow.

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, 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.

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Sector Specific Investment Risks

The Company seeks a high return on investment opportunities on its cannabis pharmaceuticals, mining and natural resource and block chain technology sectors ("Sectors"). Thus, the Company is exposed to investment risks relating to these Sectors which is generally more volatile than the overall market. Investing in these Sectors can be speculative in nature and the value of the Company's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the corporation's management. The assets, earnings and share values of corporations involved in the cannabis pharmaceuticals, natural resource and block chain development, are subject to risks associated with the world prices of various cannabis related products, natural resource and cryptocurrencies, forces of nature, economic cycles, commodity prices, exchange rates, royalty and taxation changes and political events. Government restrictions, such as price regulations, production quotas, royalties and environmental protection, can also be factors.

Regulatory Risks

The Company's Investment Partners in the cannabis pharmaceutical sector operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The Company's Investment Partners incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company's Investment Partners and, therefore, on the Company's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and its Investment Partners and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's and its Streaming Partners' earnings and could make future capital investments or the Company's and its Streaming Partners' operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Change in Law, Regulations and Guidelines

The Company's Investment Partners are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of cannabis pharmaceuticals and cannabis pharmaceutical related products but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's investments in the cannabis pharmaceutical sector.

RISK FACTORS (CONTINUED)

Jurisdictions Outside of Canada

The Company intends to invest into early-stage global cannabis pharma related Company's with operations and business that may be outside of Canada's jurisdiction. There can be no assurance that any market for the Company's Investment Partners products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully invest in foreign cannabis pharmaceutical entities and may have a material adverse effect on the Company's business, financial condition and results of operations.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Limited Operating History

The Company has limited operating history as an investment company, and has had limited success investing in mining, block chain technology and cannabis pharmaceutical sectors. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cannabis pharmaceuticals and blockchain market. There is no certainty that the Company will be able to operate profitably.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Lack of Control or significant influence over Companies in which the Company Invests

In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

RISK FACTORS (CONTINUED)

Due Diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

Fluctuations in the Value of the Company and the Common Shares

The net asset value of the Company and market value of its common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Company's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.