RESINCO
CAPITAL PARTNERS

FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2012

(Unaudited)

These unaudited interim financial statements of Resinco Capital Partners Inc. For the six months ended June 30, 2012 have been prepared by management and approved by the Board of Directors. These interim financial statements have not been review by the Company's external auditors.

RESINCO CAPITAL PARTNERS INC.
BALANCE SHEETS
AS AT JUNE 30, 2012 AND DECEMBER 31, 2011
(IN THOUSANDS OF CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

		June 30, 2012 *(Unaudited)*		December 31, 2011 *(Audited)*
ASSETS				
Investments (Note 4)	**$**	**8,708**	$	9,197
Cash and cash equivalents		**356**		47
Restricted cash		**29**		29
Due from related parties (Note 11(b))		**202**		845
Accounts receivable		**7**		86
Deposits and prepaid expenses		**76**		40
Loan receivable		**-**		50
Related party loan receivables (Note 11(d))		**100**		260
Property and equipment (Note 6)		**55**		52
	$	**9,533**	$	10,606
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Accounts payable and accrued liabilities (Note 7)	**$**	**1,000**	$	1,166
Shareholders' equity				
Capital stock (Note 9)		**40,132**		40,132
Contributed surplus (Note 9)		**8,728**		8,681
Deficit		**(40,327)**		(39,373)
		8,533		9,440
	$	**9,533**	$	10,606

Measurement uncertainty – Investments (Note 2a)
Commitments (Note 14)
Contingent Liability (Note 15)
Subsequent Events (Note 17)

On behalf of the Board:

"John Icke" Director *"Ron Shorr"* Director

- See accompanying notes to the financial statements -

RESINCO CAPITAL PARTNERS INC.
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30
(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT FOR PER SHARE AMOUNTS)
(Unaudited – Prepared by Management)

	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	**June 30, 2012**	June 30, 2011
REVENUES				
(Loss) gain on disposal of investments, net (Note 4)	**$ (3,447)**	$ 425	**$ (3,203)**	$ 1,493
Unrealized (loss) gain on investments, net	**(2,961)**	(5,896)	**3,040**	(14,061)
Interest, loan and rental income	**45**	35	**90**	74
Corporate services revenues (Note 11)	**37**	128	**106**	236
	$ (6,326)	$ (5,308)	**$ 33**	$ (12,258)
EXPENSES				
Operating, general and administrative	**450**	692	**847**	1,128
Transaction costs	**15**	1	**21**	13
Stock-based compensation (Note 9 and 10)	**16**	55	**47**	238
Project investigation and due diligence costs	**36**	13	**36**	29
Reversal of loan imparment (Note 5)	**-**	(158)	**-**	(158)
Amortization	**4**	6	**7**	12
Interest	**10**	-	**35**	-
Foreign exchange (gain) loss	**(8)**	2	**(6)**	2
Total expenses	**523**	611	987	1,264
Loss before income tax	**(6,849)**	(5,919)	**(954)**	(13,522)
Income tax recovery (Note 8)	-	-	-	-
Net loss for the period	**(6,849)**	(5,919)	**(954)**	(13,522)
Deficit, beginning of period	**(33,478)**	(28,215)	**(39,373)**	(20,612)
Deficit, end of period	**(40,327)**	(34,134)	**(40,327)**	(34,134)
Basic and diluted (loss) earnings per share	**(0.06)**	(0.05)	**(0.01)**	(0.11)
Weighted average number of common shares outstanding (Note 2)				
Basic	**123,019,885**	121,650,775	**123,019,885**	121,407,023
Diluted	**123,022,162**	122,075,015	**123,020,094**	122,322,753

- See accompanying notes to the financial statements -

RESINCO CAPITAL PARTNERS INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30
(IN THOUSANDS OF CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	2012 (Unaudited)	2011 (Unaudited)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net (loss) income for the period	$ (954)	$ (13,522)
Items not affecting cash:		
Loss (gain) on disposal of investments, net	3,203	(1,493)
Unrealized (gain) loss on investments, net	(3,040)	14,061
Stock-based compensation	47	238
Reversal of impairment of loan	-	(158)
Amortization	7	12
Loan fee	(75)	-
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivable	79	(40)
(Increase) in due from related parties	(10)	(81)
(Increase) decrease in deposits and prepaid expenses	(36)	10
(Decrease) in accounts payable and accrued liabilities	(167)	(88)
Net cash used in operating activities	(947)	(1,061)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Advances on warrants	-	(250)
Purchase of investments	(368)	(1,712)
Proceeds from disposal of investments	1,423	3,075
Net advance of loans	210	(250)
Purchase of property and equipment	(9)	(8)
Net cash from investing activities	1,256	855
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from exercise of stock options	-	15
Net cash from financing activities	-	15
Increase in cash and cash equivalents during the period	309	(191)
Cash and cash equivalents, beginning of period	76	200
Cash and cash equivalents, end of period	$ 385	$ 9
Cash consists of:		
Cash	356	(20)
Restricted cash	29	29
	$ 385	$ 9
Supplementary cash flow information		
Shares received for loan settlement	421	-
Shares received for accounts receivable settlement	232	-
Options exercised by offset to accounts payable and accrued liabilities	-	-

- See accompanying notes to the financial statements -

1. NATURE OF OPERATIONS

Resinco Capital Partners Inc. ("Resinco" or "the Company") is a global investment company which specializes in providing early-stage financing to private and public exploration and mining companies in the hard rock minerals, precious metals, rare-earth minerals, oil, gas, water and renewable energy markets.

On March 3, 2006, the Company began trading as a Tier 1 listed issuer on the TSX Venture Exchange ("TSX-V") and graduated to the Toronto Stock Exchange ("TSX") on September 24, 2007, and began trading under the ticker symbol: "RIN".

2. SIGNIFICANT ACCOUNTING POLICIES

Management has prepared these financial statements of the Company in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The Company is considered an Investment Company under the guidelines set out in the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 18, *Investment Companies* ("AcG-18").

(a) Investments

At the end of each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and records such valuations in the financial statements.

(i) Public Investments

Investments in shares of public companies traded on an active market are recorded at fair values based upon the closing bid prices at the balance sheet date. If an active market does not exist the investments are recorded at fair value using a valuation technique based upon Management's estimates which consider reliable, observable market inputs.

The amounts at which investments in public companies could be disposed of may differ from fair values based upon market bid prices, as the value at which significant ownership positions are sold is often different from a quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to a lack of liquidity.

(ii) Private Investments

All investments in private companies are initially recorded at cost, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below.

The determinations of fair value of the Company's investments in private companies at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available or, if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on Management's judgment and any value estimated from these techniques may not be realized or realizable.

The following circumstances are used to determine if the fair value of an investment in a private company should be adjusted upward or downward at the end of each reporting period. In addition to the events described below, which may affect a specific investment, Management will take into account general market conditions when valuing the Company's investments. Absent the occurrence of any of these events or any significant change in general market conditions, the fair value of the investment is left unchanged.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

The fair value of an investment in a private company may be adjusted upward if:

1) There has been a significant subsequent equity financing provided by outside investors at a valuation above the current fair value of the investee company. In this instance, the fair value of the investment is adjusted to the value at which the financing took place; or

2) There has been significant corporate, political, operating and/or economic events affecting the investee company that, in Management's opinion, have a positive impact on the investee company's prospects and, therefore, its fair value.

In the circumstances where general market conditions so warrant, an adjustment to the fair value of an investment will be based on Management's judgment and any value estimated may not be realized and may differ from values that might be determined if a ready market existed.

The fair value of an investment in a private company may be adjusted downward if:

1) There has been a significant subsequent equity financing provided by outside investors at a valuation below the current fair value of the investee company. In this instance, the fair value of the investment is adjusted to the value at which the financing took place; or

2) The investee company is placed into receivership or bankruptcy; or

3) Based on financial information received from the investee company it is apparent to Management that the investee company is unlikely to be able to continue as a going concern; or

4) There has been significant corporate, political, operating and/or economic events affecting the investee company that, in Management's opinion, have a negative impact on the investee company's prospects and, therefore, its fair value.

In the circumstances where general market conditions so warrant, an adjustment to the fair value of an investment will be based on Management's judgment and any value estimated may not be realized and may differ from values that might be determined if a ready market existed. Warrants and options not traded on a recognized securities exchange are recorded at fair value using a valuation technique that considers the exercise price, the closing bid price of the underlying shares, time value adjustment, volatility and liquidity.

Accordingly, the amounts at which investments in privately-held companies could be disposed of may differ from the carrying value determined due to the uncertain reliability of information available to, and determinations reached by, Management. These differences may be material. Any fair value determined by these techniques may or may not be realized in the future.

The fair value of any options or warrants that the Company holds, for both private and publicly traded companies, is calculated each reporting period using the Black-Scholes pricing model.

Transaction costs incurred in the purchase and sale of investments, such as brokerage commissions, are recorded as an expense in the statements of operations. Purchases and sales of securities are accounted for on a trade-date basis.

The Company also incurs costs to investigate certain early stage projects and other potential investment opportunities to determine whether an investment will be made. These costs are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(b) Cash and cash equivalents

Cash and cash equivalents are reported at fair value and consist of highly liquid investments that are readily convertible into known amounts of cash and have original maturities of three months or less.

(c) Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Expenditures for additions are capitalized. Expenditures for maintenance and repairs are charged to net income (loss). Upon retirement, or disposal, the cost and related amortization are removed from the accounts and any gain or loss is reflected in earnings. Property and equipment are amortized over the asset's estimated useful life as follows:

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance

Leasehold improvements are amortized over the term of the lease.

Management assesses the carrying value of long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying value may not be recoverable from future undiscounted cash flows. An impairment loss equal to the difference in the asset's carrying value and its fair value is recognized in the period in which the determination is made.

(d) Revenue recognition

Security transactions are recorded on a trade-date basis. Realized gains and losses on the disposal of investments and unrealized gains and losses in the fair value of investments are reflected in the statement of operations and are calculated on an average-cost basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition.

Interest is recorded on an accrual basis when reasonable assurance exists regarding measurement and collectability.

Revenue for corporate and advisory services is recognized when persuasive evidence of an arrangement exists, services have been rendered, the price is fixed or determinable and collectability is reasonably assured.

(e) Loan impairment

Loans are accounted for at their face value net of any allowance for loan impairment. When a loan is deemed to be impaired, its carrying amount is reduced to its estimated realizable amount which is measured by discounting expected future cash flows at the effective interest rate inherent in the loans, if such future cash flows can be reasonably estimated. Otherwise the net realizable amount is measured as the net recoverable value of any security pledged as collateral for the loan. The amount initially recognized as impairment, together with any subsequent change, is charged to the allowance for loan impairment. A write-off of the loan will occur when the loan is believed to have no reasonable expectation of collectability. Loan impairments are reversed if the conditions that gave rise to the impairment are no longer present and it is determined that the loan is no longer impaired as a result.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(f) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at historical rates. Revenues and expenses denominated in foreign currencies are translated into Canadian dollars at rates of exchange prevailing at the transaction dates. Gains or losses arising from the translation of foreign currencies are included in the determination of net income for the period.

(g) Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be accurately measured, it is recorded at the carrying amount (after reduction, when appropriate, for impairment) of the asset given up, adjusted by the fair value of any monetary consideration received or given.

(h) Stock-based compensation

The Company has a stock option plan as described in Note10. Management uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. The value of stock options granted to employees, directors and consultants is recorded as stock-based compensation expense and credited to contributed surplus. The value of any stock options issued as compensation for private placements and other financings is recorded as share issue costs and credited to contributed surplus. Any consideration received from the exercise of stock options is credited to share capital and the appropriate amount of the options' fair value is reallocated from contributed surplus to share capital.

(i) Earnings (loss) per share

Basic Earnings (loss) Per Share ("EPS") is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the year. To compute diluted earnings (loss) per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, all options and warrants were exercised. The proceeds from exercise would be used to purchase the Company's common shares at their average market price during the period, which would reduce the weighted average number of common shares outstanding as calculated under basic earnings per share. If this computation is anti-dilutive, diluted loss per share is the same as basic loss per share.

(j) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, the estimated income taxes payable for the current period are recognized. Future income tax assets and liabilities are recognized when a temporary difference between the tax basis and the accounting basis of an asset and/or liability exists. Future income tax assets and liabilities are recorded using substantively-enacted tax rates.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(k) Financial instruments

1) Classification

Financial instruments of a company are classified into one of five categories: "Held-for-trading", "Held-to-maturity", "Loans and receivables", "Available-for-sale" and "Other financial liabilities". All financial instruments are measured at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and accounting for changes in the value of these instruments will depend on their initial classification as follows: a) "Held-for-trading" financial assets are measured at fair value with changes in fair value recognized in the statement of operations, and b) "Available-for-sale" financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the change in value is realized or the instrument is derecognized or permanently impaired.

The Company has classified its cash and cash equivalents as "Held-for-trading". The accounting method for the Company's investments under AcG-18 is consistent with a classification as "Held-for-trading", as investments are accounted for at fair value with changes in fair value recognized in the statement of operations. Accounts receivable, amounts due from related parties, loans receivable and related party loans receivable are classified as "Loans and receivables" and are initially measured at amortized cost with a subsequent measurement reduction for an allowance for doubtful accounts or a provision for impairment, if necessary, accounts payable and accrued liabilities are classified as "Other financial liabilities".

2) Fair value

The Company has determined the fair value of its financial instruments as follows:

(i) The carrying values of cash and cash equivalents, amounts due from related parties, accounts receivable, related party loans receivable, and accounts payable and accrued liabilities in the balance sheets approximate their fair values due to the short-term nature of these instruments.

(ii) The carrying value of loans receivable approximates their fair value as the amounts presented are stated net of an impairment provision.

(iii) Fair value of investments is determined as disclosed in Note 2(a).

(iv) The Company does not have any "Other Comprehensive Income (Loss)" components and, as such, comprehensive income (loss) is equal to net income (loss).

(l) Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates and assumptions include the determination of the fair value of investments and loans, the allowance for doubtful accounts, loan impairment provisions, recognition of future income tax assets and stock-based transactions. Actual results may differ materially from those estimates.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

New Accounting Pronouncements

The recent accounting pronouncements that have been issued as new sources of GAAP, but are not yet in effect, are described below:

International Financial Reporting Standards

Canadian publicly listed enterprises were required to adopt IFRS in replacement of Canadian GAAP on January 1, 2011. This transition would have required the Company to present its financial statements under IFRS starting with its first quarterly report dated March 31, 2011, with restated comparative information for the comparative quarter of March 31, 2010, also under IFRS. The Company has elected to defer adoption of IFRS until no later than January 1, 2014. This election is permitted by the Canadian Accounting Standards Board ("AcSB") and applies to Investment Companies and Segregated Accounts of Life Insurance Enterprises. The decision is in response to the International Accounting Standards Board's announcement in late 2010 that its Investment Company project is delayed. The current rules under IFRS are inconsistent with the rules followed by the Company pursuant to Accounting Guideline 18. The conversion to IFRS will impact the Company's accounting policies, information technology processes and financial reporting systems, including internal controls over financial reporting, data systems and disclosure controls and procedures. The transition may also impact certain business processes, accounting for contractual agreements, debt covenants and compensation arrangements.

(IN THOUSANDS OF CANADIAN DOLLARS)

4. INVESTMENTS

At June 30, 2012, the Company held the following investments:

Investee	Shares	Warrants	Options	Cost	Fair Value
Public companies:					
Woulfe Mining Corp. (formerly Oriental Minerals Inc.) (i)	27,042,353	-	-	$ 5,902	$5,138
Lions Gate Metals Inc. (i)	4,590,937	1,717,887	-	5,023	1,640
Teslin River Resources Corp.(formerly Wind River Resources Ltd.) (i)	16,716,420	3,125,000	-	1,554	539
Terreno Resources Corp. (formerly Mega Moly Inc.) (i)	8,621,600	2,333,333	120,000	1,342	303
Uranium Energy Corp. (i)(ii)	107,403	42,946	-	1,169	224
Salmon River Resources Ltd.	1,465,338	-	-	168	212
Total of 8 other public company investments, each valued under $150				2,713	160
Total value of public company investments				$ 17,871	$8,216
Private companies:					
Pembrook Mining Corp. (iii)	320,000			409	409
Coral Rapids Minerals Inc.	21,000,000			100	67
Atlantis Gold Mines Corp.	200,000	-	-	50	16
Total of 7 other private company investments, each valued at nil (iv)				6,397	-
Total value of private company investments				$ 6,956	$ 492
Total				$ 24,827	$8,708

(i) Director or officer of Resinco is also a director or officer of the investee company (Note 11).

(ii) Uranium Energy Corp ("UEC") acquired all the outstanding common shares of Cue Resources Ltd ("Cue"). Cue shareholders received 0.0195 of one share of UEC common stock for each share of Cue. In conjunction with this agreement Resinco received $260 cash for their Loan Receivable with Cue with all other outstanding amounts for fees for services, interest and loan arrangement fee being converted into shares in UEC totaling $269.

(iii) Shares received as part of the settlement from Damien Reynolds (Note 11).

(iv) During the year ended December 31, 2011 ($760) was recognized in Gain (loss) on disposal of investments for Investee Companies that have been dissolved during fiscal year 2012.

(IN THOUSANDS OF CANADIAN DOLLARS)

4. INVESTMENTS (cont'd...)

At December 31, 2011, the Company held the following investments:

Investee	Shares	Warrants	Options	Cost	Fair Value
Public companies:					
Woulfe Mining Corp. (formerly Oriental Minerals Inc.) (i)	27,042,353	-	-	$ 5,902	$4,868
Lions Gate Metals Inc. (i)	3,883,437	1,567,887	-	4,656	1,313
Terreno Resources Corp. (formerly Mega Moly Inc.) (i)	8,621,600	2,333,333	120,000	1,342	850
Teslin River Resources Corp. (formerly Wind River Resources Ltd.) (i)	16,716,420	3,125,000	-	1,554	688
Salmon River Resources Ltd.	2,489,343	-	-	285	498
Cue Resources Ltd. (i)	18,901,850	4,285,715	-	5,055	382
Total of 9 other public company investments, each valued under $150				2,766	328
Advance against warrants - Cue Resources Ltd.				250	250
Total value of public company investments				$ 21,810	$9,177
Private companies:					
Atlantis Gold Mines Corp.	200,000	-	-	50	20
Total of 8 other private company investments, each valued at nil (ii)				6,497	-
Total value of private company investments				$ 6,547	$ 20
Total				$ 28,357	$9,197

(i) Director or officer of Resinco is also a director or officer of the investee company (Note 11).
(ii) Fair value of investments totalling ($760) was recognized in Gain (loss) on disposal of investments during the year for Investee Companies that have been dissolved subsequent to the fiscal year.

5. LOAN RECEIVABLE

During 2011, a loan receivable of $158 initially advanced in 2008 was reinstated. The loan receivable was unsecured, due on demand and had interest at 6%; as of June 30, 2012 both the principal and interest were repaid.

(IN THOUSANDS OF CANADIAN DOLLARS)

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
Balance, June 30, 2012			
Computer equipment	$ 169	$ 154	$ 15
Furniture and fixtures	169	134	35
Leasehold improvements	8	3	5
	$ 346	$ 291	$ 55
Balance, December 31, 2011			
Computer equipment	$ 167	$ 151	$ 16
Furniture and fixtures	163	131	32
Leasehold improvements	6	2	4
	$ 336	$ 284	$ 52

7. ACCOUNTS PAYABLE

Included in accounts payable and accrued liabilities is an amount in respect of an incentive compensation accrual from 2010 which was payable in three equal instalments after 4, 12, and 24 months. Interest at prime plus 2% applies on any amounts unpaid by April 30, 2011. Further interest applies if any instalment is not paid by the date payable, at a rate of prime plus 10% per annum for the first 6 months, prime plus 15% for the next 6 months and prime plus 20% for any period thereafter. As at June 30, 2012, the amounts still outstanding to the CEO for the 2010 incentive compensation is $693 (2011 - $894).

8. INCOME TAXES

Income tax attributable to income before taxes differs from the amounts computed by applying the combined Federal and B.C. Provincial estimated tax rate of 25.0% in 2012 (2011 – 26.5%) on pre-tax income. The differences are mainly due to non-deductible expenses, changes in statutory rates and changes in future income tax asset valuation allowance. The tax asset valuation allowance provides for any tax asset or liability created by the reporting period results until such time as the benefit is realized.

The FIT asset relates primarily to the tax benefit that would arise from the realization of unrealized losses on investments. A valuation allowance against the FIT asset is recorded to the extent that the Company considers it more likely than not that all or a portion of the FIT asset will not be realized.

At June 30, 2012, the Company considered the various factors set out in CICA Handbook Section 3465 – Income Taxes in determining whether it was more likely than not that all or a portion of the FIT asset will be realized. Based on these factors, it was concluded that a full valuation allowance should be recognized and therefore no asset or liability recorded in the balance sheet

(IN THOUSANDS OF CANADIAN DOLLARS)

9. SHARE CAPITAL

	Number of Shares	Amount
Authorized:		
An unlimited number of common voting shares without par value		
Issued:		
As at December 31, 2009	118,953,885	$ 39,126
Issued for exercise of stock options (a)	2,000,000	555
As at December 31, 2010	120,953,885	$ 39,681
Issued for exercise of stock options (b)	2,066,000	451
As at December 31, 2011	123,019,885	$ 40,132
As at June 30, 2012	123,019,885	$ 40,132

(a) On January 15, 2010, and May 31, 2010, 1,620,000 stock options and 380,000 stock options, respectively, were exercised at prices from $0.055 to $0.11 per share for total proceeds of $139, including $6 of cash and $133 as a reduction in the Company's accrued liabilities. Pursuant to the exercise of these stock options, $416 was reallocated from contributed surplus to share capital.

(b) During the year ended December 31, 2011, 2,066,000 stock options were exercised at prices between $0.055 and $0.155 per share for total proceeds of $184, including $54 of cash and $130 as a reduction in the Company's accrued liabilities. Pursuant to the exercise of these stock options, $267 was reallocated from contributed surplus to share capital.

Contributed Surplus

	Amount
Balance, December 31, 2009	$ 8,816
Stock-based compensation	224
Exercise of stock options	(416)
Balance, December 31, 2010	$ 8,624
Stock-based compensation	324
Exercise of stock options	(267)
Balance, December 31, 2011	$ 8,681
Stock-based compensation	47
Balance, June 30, 2012	$ 8,728

(IN THOUSANDS OF CANADIAN DOLLARS)

10. STOCK OPTIONS

In its discretion, the Board of Directors of the Company may from time-to-time and in accordance with Exchange requirements, 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 following is a summary of the stock option transactions during 2010, 2011 and 2012:

	Number of options	Weighted average exercise price
Outstanding at December 31, 2009	8,500,000	$ 0.08
Granted	1,710,000	0.11
Exercised	(2,000,000)	0.07
Expired / forfeited	(1,000,000)	0.10
Outstanding at December 31, 2010	7,210,000	$ 0.10
Granted	4,530,000	0.14
Exercised	(2,066,000)	0.09
Expired / forfeited	(854,000)	0.10
Outstanding at December 31, 2011	8,820,000	$ 0.12
Granted	360,000	0.06
Expired / forfeited	(430,000)	0.11
Outstanding at June 30, 2012	8,750,000	$ 0.11

(IN THOUSANDS OF CANADIAN DOLLARS)

10. STOCK OPTIONS (cont'd...)

At June 30, 2012, the Company had outstanding stock options enabling the holders to acquire 8,750,000 shares as follows:

	Number of options	Number vested and exercisable	Exercise price	Expiry date	Life remaining
	75,000	75,000	$0.0550	July 2, 2013*	1.01
	235,000	235,000	$0.0600	February 8, 2014	1.61
	300,000	300,000	$0.0550	July 1, 2014	2.00
	750,000	750,000	$0.0800	October 19, 2014	2.30
	1,740,000	1,740,000	$0.1100	November 25, 2014	2.41
	30,000	30,000	$0.1100	December 15, 2014	2.46
	400,000	400,000	$0.1000	January 5, 2015	2.52
	300,000	300,000	$0.1300	January 22, 2015	2.56
	250,000	250,000	$0.1000	February 1, 2015	2.59
	100,000	100,000	$0.0900	March 1, 2015	2.67
	100,000	100,000	$0.0900	June 1, 2015	2.92
	124,000	104,000	$0.1350	December 18, 2015	3.47
	2,800,000	1,600,000	$0.1550	January 24, 2016	3.57
	100,000	60,000	$0.1450	February 7, 2016	3.61
	430,000	264,000	$0.1100	March 15, 2016	3.71
	290,000	190,000	$0.1050	April 13, 2016	3.79
	75,000	45,000	$0.0850	May 16, 2016	3.88
	25,000	15,000	$0.0800	June 1, 2016	3.92
	100,000	40,000	$0.0850	August 8, 2016	4.11
	266,000	116,000	$0.0550	November 4, 2016	4.35
	130,000	30,000	$0.0600	March 28, 2017	4.75
	130,000	26,000	$0.0400	June 12, 2017	4.95
Total	8,750,000	6,770,000			3.05

*Note – options exercisable between $0.15 and $1.23 were repriced to $0.055 per share on January 30, 2009.

The weighted average exercise price for options exercisable is $0.111.

The weighted average fair value of stock options granted during the six month period ended June 30, 2012 was $0.06 (2011 - $0.15), based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2012	2011
Risk-free interest rate	**1.05%-1.15%**	**1.15%-1.50%**
Expected life of option	**2.5 years**	**2.5 years**
Annualized volatility	**115%-120%**	**125%-135%**
Dividend rate	**0%**	**0%**

(IN THOUSANDS OF CANADIAN DOLLARS)

11. RELATED PARTY TRANSACTIONS

(a) For the six months ended June 30, 2012, the Company received or accrued revenue from related companies for rent, administrative and accounting services, loan fees and interest totaling $184 (June 30, 2011 – $111).

(b) At June 30, 2012, the Company was owed $202 (December 31, 2011 – $845) from related parties, comprised of three components: 1) service fees earned as noted in Note 11(a) above, in the current and prior periods totaling $195 (December 31, 2011 – $357), 2) interest related to loans receivable noted in Note 11(d) totaling $7 (December 31, 2011 - $14) and 3) an amount of $Nil (December 31, 2011 – $474) due from the former CEO and Chairman of the Company. On December 31, 2009 the Company and the former CEO and Chairman signed a Debt Agreement in respect of the total amount owing for the recovery of personal indebtedness to the Company. The amount was due on demand, unsecured, and accrued interest at 5% as of December 1, 2010 and increased five percentage points each six months thereafter, until the interest rate is 60% per annum.

During the six months ended June 30, 2012, the Company received final payment from Damien Reynolds (a related party and former CEO) against a loan balance of $492 (principal and interest) by way of $200 cash and 320,000 shares in Pembrook Mining Corp. (a private company) valued at $409. Within the same transaction Resinco has agreed to settle Damien Reynolds' outstanding loan balance with Coral Rapids Minerals Inc., in which the Company is the majority shareholder.

(c) Companies where a director or officer of the investee company is or was also a director, officer or a member of management of the Company, and the Company holds greater than 10% of the outstanding share capital of the investee company, are as follows: Lions Gate Metals Inc., Terreno Resources Corp. and Teslin River Resources Corp.

(d) Loans Receivable

At June 30, 2012, the Company had related party loans receivable as follows:

Related party	Balance December 31, 2011	New loans provided	Loans repaid in shares	Loans repaid or settled	Impairment	Balance June 30, 2012
Cue Resources Ltd.*	$ 260	-	-	$ 260	-	-
Teslin River Resources Corp.**	-	$ 100	-	-	-	$ 100
	$ 260	$ 100	$ -	$ 260	$ -	$ 100

* The loan receivable from Cue was repaid in cash, with the accumulated interest at prime + 4%, compounded annually and one-time administration fee of $25 settled by issuance of shares in Uranium Energy Corporation ("UEC") upon its acquisition of Cue. 1,000,000 bonus shares relating to the loan were also issued in the first quarter and converted to UEC shares.
** The loan receivable from Teslin River Resources Corp. ("Teslin") is unsecured, due on December 31, 2014 and bears interest at prime + 4%, compounded annually with a one-time administration fee of $25 and 300,000 bonus shares.

(IN THOUSANDS OF CANADIAN DOLLARS)

11. RELATED PARTY TRANSACTIONS (cont'd)

At December 31, 2011, the Company had related party loans receivable as follows:

Related party	Balance December 31, 2010	New loans provided	Loans repaid in shares	Loans repaid or settled	Impairment	Balance December 31, 2011
Teslin River Resources Corp. *	$ 75	$ 375	$ -	$ (450)	$ -	$ -
Cue Resources Ltd.**	-	260	-	-	-	260
	$ 75	$ 635	$ -	$ (450)	$ -	$ 260

* During the year, the initial $75 loan with Teslin was settled and a new loan was extended for a total of $375. A payment of $375 was received in cash prior to the end of the year.
** The loan receivable from Cue is unsecured, due on July 31, 2012 and bears interest at prime + 4%, compounded annually with a one-time administration fee of $25 and 1,000,000 bonus shares.

(e) During the year ended December 31, 2011 the Company provided $250 of advances to Cue, as an irrevocable commitment towards the exercise of warrants. These warrants were exercised in the quarter ended June 30, 2012 and subsequently converted to UEC shares upon its acquisition of Cue.

(f) The Company has a committed obligation, effective January 1, 2008, whereby the Board of Directors and corporate officers have the option to collectively participate in up to 20% of any founding stock in all new private company investments.

Transactions with related parties were conducted and recorded at the exchange amount at the time of the transaction.

12. MANAGEMENT OF CAPITAL

The Company considers the following to comprise its capital, which is equal to its net assets:

	June 30, 2012	December 31, 2011
Capital Stock	**$ 40,132**	$ 40,132
Contributed surplus	**8,728**	8,681
Deficit	**(40,327)**	(39,373)
Total Capital	**$ 8,533**	$ 9,440

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.

(IN THOUSANDS OF CANADIAN DOLLARS)

12. MANAGEMENT OF CAPITAL (cont'd)

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 has been able to avoid shareholder dilution by maintaining its capital and liquidity through the sale of investments and has not needed to raise funds by the issuance of equity since 2007.

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.

13. FINANCIAL INSTRUMENTS

The financial instruments measured at fair value on the Company's balance sheet were classified as follows (refer to Notes 2 and 4):

June 30, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments	$8,144	$72	$492	$8,708

December 31, 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments	$8,775	$402	$20	$9,197

During the six months ended June 30, 2012, there was no transfer between level 2 and level 1 (2011 - $Nil).

The following table reconciles the Company's Level 3 fair value measurements from December 31, 2011, to June 30, 2012:

	Level 3 Investments	
	June 30, 2012	December 31, 2011
Balance at beginning of the period	$ 20	$ 108
Acquired	409	50
Realized losses	-	(764)
Unrealized gains	63	626
Transferred out to level 2	-	-
Balance at end of the period	$ 492	$ 20

During the six months ended June 30, 2012, there was no transfer between level 3 and level 2 (2011 - $Nil).

13. FINANCIAL INSTRUMENTS (cont'd...)

(l) 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.

Individual risks are discussed as follows:

Interest rate risk

The Company has loans receivable and, therefore, may be subject to interest rate risk. Management believes the exposure to the interest rate risk is immaterial given the size of the loans outstanding and the current low global interest rate environment. This risk is further mitigated by fixing interest rates at the inception of the loans where possible.

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.

Credit risk from accounts receivable and loans receivable encompasses the default risk of the counterparties. 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.

The Company is also exposed, in the normal course of business, to credit risk from the sale of its investments and on accounts receivable and loans receivable. Management has determined that the maximum exposure to losses is equal to $309 in 2012 ($1,171 in 2011).

13. FINANCIAL INSTRUMENTS (cont'd...)

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 favourable 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 manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers. The Company's investments are primarily concentrated in the natural resource industry, 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, 2012, would have a $871 (2011 - $1,531) impact on net income.

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 June 30, 2012, approximately 97% (December 31, 2011 - 95%) of the fair value of the Company's investment portfolio consisted of investments in seven companies with the largest single investment comprising 59% (December 31, 2011 - 53%) of the total portfolio value.

(IN THOUSANDS OF CANADIAN DOLLARS)

14. COMMITMENTS

The Company has a five-year office lease agreement with the following lease commitments remaining:

	$
2012	27
2013	54
2014	54
2015	54
2016	18

15. CONTINGENT LIABILITY

The Company has been named as a cross-defendant in a legal matter between an investee and their supplier. Management does not believe this matter meets the criteria of being likely and possible to estimate and therefore no reserve has been established at this time.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current method of presentation. Operating results for the comparative periods remain unchanged.

17. SUBSEQUENT EVENTS

(a) Subsequent to June 30, 2012, the Company had 374,000 options with strike prices between $0.055 and $0.135 expire unexercised.

(b) Subsequent to June 30, 2012 the Company advanced an additional $50 to Teslin under the loan agreement dated April 27, 2012 (Note 11).