



**FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED**  
**MARCH 31, 2013**

**(UNAUDITED – PREPARED BY MANAGEMENT)**

**(EXPRESSED IN CANADIAN DOLLARS)**

#### Notice to Reader

These interim financial statements of Resinco Capital Partners Inc. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related interim Management Discussion and Analysis.

**RESINCO CAPITAL PARTNERS INC.**  
**BALANCE SHEETS**  
**(UNAUDITED – PREPARED BY MANAGEMENT)**  
**(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)**  
**AS AT**

	<i>Note</i>	<b>March 31, 2013</b>	<b>December 31, 2012</b>
<b>ASSETS</b>			
Cash		\$ 154	\$ 367
Restricted cash		29	29
Due from related parties	4	240	233
Deposits and prepaid expenses		1	5
Related party loan receivable	5	275	275
Investments	3	7,846	9,242
Property and equipment	6	9	10
		<u>\$ 8,554</u>	<u>\$ 10,161</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**Liabilities**

Accounts payable and accrued liabilities		\$ 30	\$ 60
Due to related parties	7	979	959
		<u>1,009</u>	<u>1,019</u>

**Shareholders' equity**

Capital stock	8	40,132	40,132
Contributed surplus	8	8,751	8,749
Deficit		(41,338)	(39,739)
		<u>7,545</u>	<u>9,142</u>
		<u>\$ 8,554</u>	<u>\$ 10,161</u>

Nature of operations 1

**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**  
**(UNAUDITED – PREPARED BY MANAGEMENT)**  
**(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT FOR PER SHARE AMOUNTS)**

	<i>Note</i>	<b>Three months ended March 31, 2013</b>	<b>Three months ended March 31, 2012</b>
<b>REVENUES</b>			
Net realized (loss) gain on disposal of investments		\$ 1	\$ 244
Net change in unrealized gain (loss) on investments		(1,391)	6,001
		(1,390)	6,245
Other income	9	5	114
		(1,385)	6,359
<b>EXPENSES</b>			
Amortization		1	3
Consulting fees		67	195
Interest expense		29	25
Office and miscellaneous		64	72
Professional fees		27	5
Rent		9	21
Salaries and benefits		15	106
Stock-based compensation		2	31
Transaction costs		-	6
		(214)	(464)
<b>Net income (loss) for the period</b>		(1,599)	5,895
<b>Deficit, beginning of period</b>		(39,739)	(39,373)
<b>Deficit, end of period</b>		\$ (41,338)	\$ (33,478)
<b>Basic and diluted earnings (loss) per share</b>		\$ (0.01)	\$ 0.05
<b>Weighted average number of common shares outstanding</b>			
Basic		123,019,885	123,197,907
Diluted		123,019,885	123,214,785

- See accompanying notes to the financial statements -

**RESINCO CAPITAL PARTNERS INC.**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED – PREPARED BY MANAGEMENT)**  
**(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)**

	Three months ended March 31, 2013	Three months ended March 31, 2012
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ (1,599)	\$ 5,895
Items not affecting cash:		
Net realized loss (gain) on disposal of investments	(1)	(244)
Net change in unrealized (gain) loss on investments	1,391	(6,001)
Stock-based compensation	2	31
Amortization	1	3
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	-	44
(Increase) decrease in due from related parties	(7)	44
(Increase) decrease in deposits and prepaid expenses	4	(29)
Decrease in accounts payable and accrued liabilities	(30)	12
Increase (decrease) in due to related parties	20	(76)
	<u>(219)</u>	<u>(321)</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		
Purchase of investments	-	(128)
Proceeds on disposal of investments	6	414
Collection of loan receivable	-	50
Collection of related party loan receivable	-	260
Purchase of property and equipment	-	(5)
	<u>6</u>	<u>591</u>
<b>Increase (decrease) in cash during the period</b>	<u>(213)</u>	<u>270</u>
<b>Cash, beginning of period</b>	<u>367</u>	<u>47</u>
<b>Cash, end of period</b>	<u>\$ 154</u>	<u>\$ 317</u>
Supplementary cash flow information		
Receipt of shares on settlement of due from related parties	\$ -	\$ 320

**- See accompanying notes to the financial statements -**

**RESINCO CAPITAL PARTNERS INC.  
NOTES TO THE FINANCIAL STATEMENTS  
(UNAUDITED – PREPARED BY MANAGEMENT)  
(IN THOUSANDS OF CANADIAN DOLLARS)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013**

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**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.

The Company is listed on the Toronto Stock Exchange (“TSX”) under the ticker symbol “RIN”.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These interim financial statements have been prepared 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”).

These interim financial statements do not include all the disclosures required for annual financial statements and therefore should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2012.

**(a) Use of estimates and measurement uncertainty**

The preparation of financial statements in conformity with 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.

**(b) Comparative figures**

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

**(c) Transition to new financial reporting framework**

Canadian publicly listed enterprises were required to adopt International Financial Reporting Standards (“IFRS”) in replacement of Canadian GAAP on January 1, 2011. The Company 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 AcG-18. The conversion to IFRS will impact the Company’s accounting policies and financial reporting systems. The transition may also impact certain business processes, accounting for contractual agreements and compensation arrangements.

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**3. INVESTMENTS**

At March 31, 2013, the Company held the following investments:

<b>Investee</b>	<b>Shares</b>	<b>Warrants</b>	<b>Options</b>	<b>Cost</b>	<b>Fair Value</b>
<b>Public Companies</b>					
"Woulfe" - Woulfe Mining Corp. (i)	25,113,353	-	-	\$ 5,481	\$ 6,530
"Lions Gate" - Lion Gate Metals Inc. (i) (ii)	4,590,937	306,250	-	5,021	207
"Terreno" - Terreno Resources Corp. (i) (ii)	8,621,600	2,333,333	120,000	1,342	259
"Teslin" - Teslin River Resources Corp. (i) (ii)	3,343,284	625,000	-	1,554	150
"Salmon River" - Salmon River Resources Ltd.	1,364,338	-	-	156	75
Total of 8 other public company investments, each valued under \$50				615	97
				14,169	7,318
<b>Private Companies</b>					
"Pembroke" - Pembroke Mining Corp.	320,000	-	-	452	452
"Coral Rapids" - Coral Rapids Minerals Inc. (i) (ii)	21,000,000	-	-	100	76
Total of 5 other private company investments, each valued at \$nil				1,988	-
				2,540	528
				\$ 16,709	\$ 7,846

- i) Director or officer of Resinco is also a director or officer of the investee company.
- ii) Resinco holds greater than 10% of the outstanding share capital of the investee company.

**4. DUE FROM RELATED PARTIES**

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due from Coral Rapids	\$ 6	\$ 6
Due from Lions Gate	2	1
Due from Teslin	230	225
Due from Woulfe	2	1
<b>Total</b>	<b>\$ 240</b>	<b>\$ 233</b>

As at March 31, 2013, the amount due from Teslin relates to corporate services that Resinco had been providing to Teslin in prior years of \$170 (2012 – \$170) as well as interest of \$20 (2012 – \$15) and a loan bonus of \$40 (2012 – \$40), both related to the loan Resinco advanced to Teslin (Note 5).

**5. RELATED PARTY LOAN RECEIVABLE**

During the year ended December 31, 2012, the Company loaned Teslin \$275. The loan is unsecured and bears interest at prime + 4%, compounded annually, with a one-time administration fee of \$25 and 300,000 bonus shares valued at \$15. The administration fee and the interest on the loan are included in due from related parties (Note 4). All amounts are due by December 31, 2014.

**RESINCO CAPITAL PARTNERS INC.**  
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**6. PROPERTY AND EQUIPMENT**

	<b>December 31,</b>		<b>March 31,</b>	
	<b>2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>2013</b>
<b>Computer equipment</b>				
Cost	\$ 46	\$ -	\$ -	\$ 46
Accumulated amortization	(36)	(1)	-	(37)
	<u>\$ 10</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 9</u>

**7. DUE TO RELATED PARTIES**

	<b>March 31,</b>	<b>December 31,</b>
	<b>2013</b>	<b>2012</b>
Due to the CEO	\$ 759	\$ 731
Due to the former CFO	-	8
Due to current and former directors	95	95
Due to Coral Rapids	125	125
<b>Total</b>	<b>\$ 979</b>	<b>\$ 959</b>

During fiscal 2010, a company controlled by the CEO earned an incentive payment of \$964. The incentive payment was payable in three equal instalments of \$321 on April 30, 2011, December 31, 2011, and December 31, 2012. 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. The total incentive payment plus accrued interest must be repaid by December 31, 2013. During the year ended December 31, 2012, the Company made the final payment on the first installment of \$76 (2011 – \$246). As at March 31, 2013, the amount outstanding relates to the second and third installments plus accrued interest.



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**FOR THE THREE MONTHS ENDED MARCH 31, 2013**

**8. CAPITAL STOCK AND CONTRIBUTED SURPLUS**

	<b>Number of Shares</b>	<b>Capital Stock</b>	<b>Contributed Surplus</b>
<b>Authorized:</b>			
An unlimited number of common voting shares without par value			
<b>Issued:</b>			
As at December 31, 2011	123,019,885	\$ 40,132	\$ 8,681
Stock-based compensation	-	-	68
As at December 31, 2012	123,019,885	40,132	8,749
Stock-based compensation	-	-	2
As at March 31, 2013	123,019,885	\$ 40,132	\$ 8,751

**Stock options**

In its discretion, the Board of Directors of the Company may from time-to-time and in accordance with TSX policies, 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 three month period ended March 31, 2013:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
<b>Outstanding:</b>		
As at December 31, 2012	7,398,000	\$ 0.12
Expired	(733,000)	0.12
As at March 31, 2013	6,665,000	\$ 0.12

As at March 31, 2013, the following stock options were outstanding and exercisable:

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**FOR THE THREE MONTHS ENDED MARCH 31, 2013**

**8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)**

**Stock options (cont'd...)**

<b>Number of Options Outstanding</b>	<b>Number of Options Exercisable</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Remaining Life</b>
200,000	200,000	\$ 0.060	February 9, 2014	0.86
300,000	300,000	0.055	July 1, 2014	1.25
700,000	700,000	0.080	October 19, 2014	1.55
1,740,000	1,740,000	0.110	November 25, 2014	1.65
250,000	250,000	0.100	February 1, 2015	1.84
2,800,000	2,800,000	0.155	January 24, 2016	2.82
100,000	100,000	0.110	March 15, 2016	2.96 *
250,000	200,000	0.105	April 13, 2016	3.04
75,000	60,000	0.085	May 16, 2016	3.13
250,000	150,000	0.055	November 4, 2016	3.60
6,665,000	6,500,000			

\*Expired subsequent to March 31, 2013

The weighted average exercise price for options exercisable is \$0.12.

**9. OTHER INCOME**

	<b>Three months ended March 31, 2013</b>	<b>Three months ended March 31, 2012</b>
Corporate services revenue	\$ -	\$ 69
Interest income	5	20
Loan fees	-	25
<b>Total</b>	<b>\$ 5</b>	<b>\$ 114</b>

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NOTES TO THE FINANCIAL STATEMENTS  
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(IN THOUSANDS OF CANADIAN DOLLARS)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013**

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**10. RELATED PARTY TRANSACTIONS**

Related party transactions not disclosed elsewhere in these financial statements are as follows:

- (a) During the three months ended March 31, 2013, the Company received or accrued corporate services revenue of \$Nil (2012 - \$63) and interest and loan income of \$5 (2012 – \$43) from investee companies.
- (b) During the three months ended March 31, 2013, the Company paid or accrued consulting fees of \$38 (2012 - \$70) to a company controlled by the CEO, \$24 (2012 - \$Nil) to a company controlled by the CFO, \$Nil (2012 - \$17) to a company controlled by a director, and \$Nil (2012 - \$41) to a company controlled by the former CFO.
- (c) During the three months ended March 31, 2013, the Company paid or accrued interest of \$29 (2012 - \$24) to a company controlled by the CEO.
- (d) 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.

**11. SEGMENTED INFORMATION**

The Company operates in one business segment being the financing of private and public exploration and mining companies in the hard rock minerals, precious metals, rare-earth minerals, oil, gas, water and renewable energy markets. All of the companies investments are traded on Canadian exchanges and all of the companies property and equipment are located in Canada.