



FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 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>	June 30, 2013	December 31, 2012
ASSETS			
Cash		\$ 91	\$ 367
Restricted cash		29	29
Due from related parties	4	248	233
Deposits and prepaid expenses		14	5
Related party loan receivable	5	286	275
Investments	3	3,561	9,242
Property and equipment	6	8	10
		\$ 4,237	\$ 10,161

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities

Accounts payable and accrued liabilities		\$ 15	\$ 60
Due to related parties	7	1,012	959
		1,027	1,019

Shareholders' equity

Capital stock	8	40,132	40,132
Contributed surplus	8	8,751	8,749
Deficit		(45,673)	(39,739)
		3,210	9,142
		\$ 4,237	\$ 10,161

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>	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012
REVENUES					
Net realized gain (loss) on disposal of investments		\$ (32)	\$ (3,447)	\$ (31)	\$ (3,203)
Net change in unrealized gain (loss) on investments		(4,144)	(2,961)	(5,535)	3,040
		(4,176)	(6,408)	(5,566)	(163)
Other income	9	5	82	10	196
		(4,171)	(6,326)	(5,556)	33
EXPENSES					
Amortization		1	4	2	7
Consulting fees		66	164	133	359
Interest expense		32	10	61	35
Office and miscellaneous		25	130	89	202
Professional fees		21	27	48	32
Project investigation and due diligence costs		-	36	-	36
Rent		9	22	18	43
Salaries and benefits		8	99	23	205
Stock-based compensation		-	16	2	47
Transaction costs		2	15	2	21
		(164)	(523)	(378)	(987)
Net loss for the period		(4,335)	(6,849)	(5,934)	(954)
Deficit, beginning of period		(41,338)	(33,478)	(39,739)	(39,373)
Deficit, end of period		\$ (45,673)	\$ (40,327)	\$ (45,673)	\$ (40,327)
Basic and diluted loss per share		\$ (0.04)	\$ (0.06)	\$ (0.05)	\$ (0.01)
Weighted average number of common shares outstanding		123,019,885	123,019,885	123,019,885	123,019,885

- 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)

	Six months ended June 30, 2013	Six months ended June 30, 2012
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the period	\$ (5,934)	\$ (954)
Items not affecting cash:		
Net realized (gain) loss on disposal of investments	31	3,203
Net change in unrealized (gain) loss on investments	5,535	(3,040)
Stock-based compensation	2	47
Amortization	2	7
Changes in non-cash working capital items:		
Decrease in accounts receivable	-	79
Increase in due from related parties	(15)	(86)
Increase in deposits and prepaid expenses	(9)	(36)
Decrease in accounts payable and accrued liabilities	(45)	(98)
Increase (decrease) in due to related parties	53	(68)
	<u>(380)</u>	<u>(946)</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of investments	-	(368)
Proceeds on disposal of investments	115	1,423
Collection of loan receivable	-	50
Collection of related party loan receivable	-	260
Related party loan receivable	(11)	(100)
Purchase of property and equipment	-	(10)
	<u>104</u>	<u>1,255</u>
Increase (decrease) in cash during the period	(276)	309
Cash, beginning of period	367	47
Cash, end of period	\$ 91	\$ 356
Supplementary cash flow information		
Receipt of shares on settlement of due from related parties	\$ -	\$ 729

- 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 SIX MONTHS ENDED JUNE 30, 2013**

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 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.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE SIX MONTHS ENDED JUNE 30, 2013

3. INVESTMENTS

At June 30, 2013, the Company held the following investments:

Investee	Shares	Warrants	Options	Cost	Fair Value
Public Companies					
"Woulfe" - Woulfe Mining Corp. (i)	24,467,353	-	-	\$ 5,340	\$ 2,202
"Lions Gate" - Lion Gate Metals Inc. (i) (ii)	4,590,937	306,250	-	5,021	138
"Terreno" - Terreno Resources Corp. (i) (ii) (iii)	8,621,600	2,333,333	60,000	1,342	172
"Teslin" - Teslin River Resources Corp. (i) (ii) (iv)	3,343,284	625,000	-	1,554	67
"Salmon River" - Salmon River Resources Ltd.	1,364,338	-	-	156	41
Total of 8 other public company investments, each valued under \$50				615	65
				<u>14,028</u>	<u>2,685</u>
Private Companies					
"Pembroke" - Pembroke Mining Corp.	320,000	-	-	452	800
"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	-
				<u>2,540</u>	<u>876</u>
				\$ 16,568	\$ 3,561

- 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.
- iii) Subsequent to June 30, 2013, 666,666 of the 2,333,333 warrants expired unexercised.
- iv) Subsequent to June 30, 2013, the 625,000 warrants expired unexercised.

4. DUE FROM RELATED PARTIES

	June 30, 2013	December 31, 2012
Due from Coral Rapids	\$ 7	\$ 6
Due from Lions Gate	2	1
Due from Teslin	239	225
Due from Woulfe	-	1
Total	\$ 248	\$ 233

As at June 30, 2013, the amount due from Teslin relates to corporate services that Resinco had been providing to Teslin in prior years of \$170 (2012 – \$170), expense reimbursements of \$4 (2012 - \$Nil) as well as interest of \$25 (2012 – \$15), a one-time administration fee of \$25 (2012 - \$25) and bonus shares of \$15 (2012 - \$15), all related to the loan Resinco advanced to Teslin (Note 5).

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE SIX MONTHS ENDED JUNE 30, 2013

5. RELATED PARTY LOAN RECEIVABLE

In April 2012, Resinco and Teslin entered into a loan agreement whereby Resinco would lend Teslin up to \$300. During the year ended December 31, 2012, Resinco advanced Teslin \$275 and during the six months ended June 30, 2013, Resinco advanced Teslin an additional \$11 for a total of \$286. The loan is unsecured and bears interest at prime + 4%, compounded annually, with a one-time administration fee of \$25 and 60,000 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.

6. PROPERTY AND EQUIPMENT

	December 31,				June 30,	
	2012	Additions	Disposals		2013	
Computer equipment						
Cost	\$ 46	\$ -	\$ -	\$ -	\$ 46	
Accumulated amortization	(36)	(2)	-	-	(38)	
	<u>\$ 10</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	

7. DUE TO RELATED PARTIES

	June 30,		December 31,	
	2013	2012	2012	2012
Due to the CEO	\$ 792	\$ 731	\$ 731	\$ 731
Due to the former CFO	-	8	8	8
Due to current and former directors	95	95	95	95
Due to Coral Rapids	125	125	125	125
Total	<u>\$ 1,012</u>	<u>\$ 959</u>	<u>\$ 959</u>	<u>\$ 959</u>

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 settled 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 June 30, 2013, the amount outstanding relates to the second installment of \$321, the third installment of \$321, and accrued interest of \$150.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE SIX MONTHS ENDED JUNE 30, 2013

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus
Authorized:			
An unlimited number of common voting shares without par value			
Issued:			
As at December 31, 2012	123,019,885	\$ 40,132	8,749
Stock-based compensation	-	-	2
As at June 30, 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 six months ended June 30, 2013:

	Number of Options	Weighted Average Exercise Price
Outstanding:		
As at December 31, 2012	7,398,000	\$ 0.12
Expired	(833,000)	0.12
As at June 30, 2013	6,565,000	\$ 0.12

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE SIX MONTHS ENDED JUNE 30, 2013

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

Stock options (cont'd...)

As at June 30, 2013, the following stock options were outstanding and exercisable:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Remaining Life
200,000	200,000	\$ 0.060	February 9, 2014	0.61
300,000	300,000	0.055	July 1, 2014	1.00
700,000	700,000	0.080	October 19, 2014	1.30
1,740,000	1,740,000	0.110	November 25, 2014	1.41
250,000	250,000	0.100	February 1, 2015	1.59
2,800,000	2,800,000	0.155	January 24, 2016	2.57
250,000	250,000	0.105	April 13, 2016	2.79
75,000	75,000	0.085	May 16, 2016	2.88
250,000	200,000	0.055	November 4, 2016	3.35
6,565,000	6,515,000			

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

9. OTHER INCOME

	Six months ended June 30, 2013	Six months ended June 30, 2012
Corporate services revenue	\$ -	\$ 106
Interest income	10	25
Loan fees	-	65
Total	\$ 10	\$ 196

**RESINCO CAPITAL PARTNERS INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE SIX MONTHS ENDED JUNE 30, 2013**

10. RELATED PARTY TRANSACTIONS

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

- (a) During the six months ended June 30, 2013, the Company received or accrued corporate services revenue of \$Nil (2012 - \$96) and interest and loan income of \$10 (2012 - \$88) from investee companies.
- (b) During the six months ended June 30, 2013, the Company paid or accrued consulting fees of \$75 (2012 - \$140) to a company controlled by the CEO, \$48 (2012 - \$Nil) to a company controlled by the CFO, \$Nil (2012 - \$36) to a company controlled by a director, and \$Nil (2012 - \$81) to a company controlled by the former CFO.
- (c) During the six months ended June 30, 2013, the Company paid or accrued interest of \$61 (2012 - \$34) 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 Company's investments are traded on Canadian exchanges and all of the Company's property and equipment is located in Canada.