



FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 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> | September 30, 2013 | December 31, 2012 |
|---|-------------|---------------------------|--------------------------|
| ASSETS | | | |
| Cash | | \$ 143 | \$ 367 |
| Restricted cash | | 29 | 29 |
| Due from related parties | 4 | 276 | 233 |
| Deposits and prepaid expenses | | 9 | 5 |
| Related party loan receivable | 5 | 286 | 275 |
| Investments | 3 | 4,848 | 9,242 |
| Property and equipment | 6 | 7 | 10 |
| | | \$ 5,598 | \$ 10,161 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 3 | \$ 60 |
| Due to related parties | 7 | 1,041 | 959 |
| | | 1,044 | 1,019 |
| Shareholders' equity | | | |
| Capital stock | 8 | 40,132 | 40,132 |
| Contributed surplus | 8 | 8,752 | 8,749 |
| Deficit | | (44,330) | (39,739) |
| | | 4,554 | 9,142 |
| | | \$ 5,598 | \$ 10,161 |
| Nature of operations | 1 | | |
| Subsequent event | 12 | | |

On behalf of the Board:

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

- 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 September 30, 2013 | Three months ended September 30, 2012 | Nine months ended September 30, 2013 | Nine months ended September 30, 2012 |
|---|-------------|--|--|---|---|
| REVENUES | | | | | |
| Net realized gain (loss) on disposal of investments | | \$ (112) | \$ (6,656) | \$ (143) | \$ (9,859) |
| Net change in unrealized gain (loss) on investments | | 1,574 | 9,154 | (3,961) | 12,194 |
| | | 1,462 | 2,498 | (4,104) | 2,335 |
| Other income | 9 | 5 | 53 | 15 | 249 |
| | | 1,467 | 2,551 | (4,089) | 2,584 |
| EXPENSES | | | | | |
| Amortization | | 1 | 4 | 3 | 11 |
| Consulting fees | | 52 | 58 | 185 | 417 |
| Interest expense | | 29 | 19 | 90 | 54 |
| Office and miscellaneous | | 22 | 181 | 111 | 383 |
| Professional fees | | 2 | 168 | 50 | 200 |
| Project investigation and due diligence costs | | - | 1 | - | 37 |
| Rent | | 7 | 24 | 25 | 67 |
| Salaries and benefits | | 8 | 93 | 31 | 298 |
| Stock-based compensation | | 1 | 13 | 3 | 60 |
| Transaction costs | | 2 | 3 | 4 | 24 |
| | | 124 | 564 | 502 | 1,551 |
| Net income (loss) for the period | | 1,343 | 1,987 | (4,591) | 1,033 |
| Deficit, beginning of period | | (45,673) | (40,327) | (39,739) | (39,373) |
| Deficit, end of period | | \$ (44,330) | \$ (38,340) | \$ (44,330) | \$ (38,340) |
| Basic and diluted earnings (loss) per share | | \$ 0.01 | \$ 0.02 | \$ (0.04) | \$ 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)

| | Nine months ended September 30, 2013 | Nine months ended September 30, 2012 |
|---|---|---|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (4,591) | \$ 1,033 |
| Items not affecting cash: | | |
| Net realized (gain) loss on disposal of investments | 143 | 9,859 |
| Net change in unrealized (gain) loss on investments | 3,961 | (12,194) |
| Stock-based compensation | 3 | 60 |
| Amortization | 3 | 11 |
| Changes in non-cash working capital items: | | |
| Decrease in accounts receivable | - | 85 |
| Increase in due from related parties | (43) | (138) |
| Increase in deposits and prepaid expenses | (4) | (11) |
| Increase (decrease) in accounts payable and accrued liabilities | (57) | 36 |
| Increase (decrease) in due to related parties | 82 | (49) |
| | <u>(503)</u> | <u>(1,308)</u> |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | |
| Purchase of investments | - | (368) |
| Proceeds on disposal of investments | 290 | 1,609 |
| Collection of loan receivable | - | 50 |
| Collection of related party loan receivable | - | 260 |
| Related party loan receivable | (11) | (250) |
| Purchase of property and equipment | - | (10) |
| | <u>279</u> | <u>1,291</u> |
| Increase (decrease) in cash during the period | <u>(224)</u> | <u>(17)</u> |
| Cash, beginning of period | <u>367</u> | <u>47</u> |
| Cash, end of period | <u>\$ 143</u> | <u>\$ 30</u> |
| 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 NINE MONTHS ENDED SEPTEMBER 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.

Effective September 23, 2013, the Company is listed on the TSX Venture Exchange (“TSX-V”) under the ticker symbol “RIN”. The Company was previously listed on the Toronto Stock Exchange.

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.
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(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

3. INVESTMENTS

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

| Investee | Shares | Warrants | Options | Cost | Fair Value |
|---|---------------|-----------------|----------------|---------------|-------------------|
| Public Companies | | | | | |
| "Woulfe" - Woulfe Mining Corp. (i) | 23,153,353 | - | - | \$ 5,053 | \$ 3,589 |
| "Lions Gate" - Lion Gate Metals Inc. (i) (ii) (iii) | 4,590,937 | 306,250 | - | 5,021 | 69 |
| "Terreno" - Terreno Resources Corp. (i) (ii) (iii) (iv) | 8,621,600 | 1,666,667 | 60,000 | 1,342 | 129 |
| "Teslin" - Teslin River Resources Corp. (i) (ii) | 3,343,284 | - | - | 1,554 | 50 |
| "Salmon River" - Salmon River Resources Ltd. | 1,364,338 | - | - | 156 | 82 |
| Total of 8 other public company investments, each valued under \$50 | | | | 615 | 53 |
| | | | | <u>13,741</u> | <u>3,972</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> |
| | | | | \$ 16,281 | \$ 4,848 |

- 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 September 30, 2013, 150,000 of the 306,250 warrants expired unexercised.
- iv) Subsequent to September 30, 2013, 1,666,667 warrants expired unexercised.

4. DUE FROM RELATED PARTIES

| | September 30, 2013 | December 31, 2012 |
|-----------------------|-------------------------------|------------------------------|
| Due from Coral Rapids | \$ 18 | \$ 6 |
| Due from Lions Gate | 2 | 1 |
| Due from Teslin | 256 | 225 |
| Due from Woulfe | - | 1 |
| Total | \$ 276 | \$ 233 |

As at September 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 \$16 (2012 - \$Nil) as well as interest of \$30 (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
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FOR THE NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 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, | | September 30, | |
|---------------------------|--------------|-----------|---------------|-------|
| | 2012 | Additions | Disposals | 2013 |
| Computer equipment | | | | |
| Cost | \$ 46 | \$ - | \$ - | \$ 46 |
| Accumulated amortization | (36) | (3) | - | (39) |
| | \$ 10 | \$ (3) | \$ - | \$ 7 |

7. DUE TO RELATED PARTIES

| | September 30, | | December 31, | |
|-------------------------------------|---------------|-------|--------------|-----|
| | 2013 | | 2012 | |
| Due to the CEO | \$ | 821 | \$ | 731 |
| Due to the former CFO | | - | | 8 |
| Due to current and former directors | | 95 | | 95 |
| Due to Coral Rapids | | 125 | | 125 |
| Total | \$ | 1,041 | \$ | 959 |

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 September 30, 2013, the amount outstanding relates to the second installment of \$321, the third installment of \$321, and accrued interest of \$179.

Subsequent to September 30, 2013, the incentive payment was settled in full (Note 12).

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE NINE MONTHS ENDED SEPTEMBER 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 | - | - | 3 |
| As at September 30, 2013 | 123,019,885 | \$ 40,132 | \$ 8,752 |

Stock options

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

The following is a summary of the stock option transactions during nine months ended September 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 September 30, 2013 | 6,565,000 | \$ 0.12 |

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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

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

Stock options (cont'd...)

As at September 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 | 0.36 |
| 300,000 | 300,000 | 0.055 | July 1, 2014 | 0.75 |
| 700,000 | 700,000 | 0.080 | October 19, 2014 | 1.05 |
| 1,740,000 | 1,740,000 | 0.110 | November 25, 2014 | 1.15 |
| 250,000 | 250,000 | 0.100 | February 1, 2015 | 1.34 |
| 2,800,000 | 2,800,000 | 0.155 | January 24, 2016 | 2.32 |
| 250,000 | 250,000 | 0.105 | April 13, 2016 | 2.54 |
| 75,000 | 75,000 | 0.085 | May 16, 2016 | 2.63 |
| 250,000 | 200,000 | 0.055 | November 4, 2016 | 3.10 |
| 6,565,000 | 6,515,000 | | | |

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

9. OTHER INCOME

| | Three months ended September 30, 2013 | Three months ended September 30, 2012 | Nine months ended September 30, 2013 | Nine months ended September 30, 2012 |
|----------------------------|--|--|---|---|
| Corporate services revenue | \$ - | \$ 49 | \$ - | \$ 155 |
| Interest income | 5 | 4 | 15 | 29 |
| Loan fees | - | - | - | 65 |
| Total | \$ 5 | \$ 53 | \$ 15 | \$ 249 |

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NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED – PREPARED BY MANAGEMENT)
(IN THOUSANDS OF CANADIAN DOLLARS)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013**

10. RELATED PARTY TRANSACTIONS

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

- (a) During the nine months ended September 30, 2013, the Company received or accrued corporate services revenue of \$Nil (2012 - \$146) and interest and loan income of \$15 (2012 – \$92) from investee companies.
- (b) During the nine months ended September 30, 2013, the Company paid or accrued consulting fees of \$100 (2012 - \$210) to a company controlled by the CEO, \$72 (2012 - \$Nil) to a company controlled by the CFO, \$Nil (2012 - \$56) to a company controlled by a director, and \$Nil (2012 - \$103) to a company controlled by the former CFO.
- (c) During the nine months ended September 30, 2013, the Company paid or accrued interest of \$90 (2012 - \$52) 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. Most of the Company's investments are traded on Canadian exchanges and all of the Company's property and equipment is located in Canada.

12. SUBSEQUENT EVENT

On October 9, 2013, the Company settled the outstanding incentive payment of \$821 (Note 7) in consideration for full and final mutual release through the transfer of 3,000,000 common shares of Woulfe to a company controlled by the CEO. The Woulfe shares were valued at \$\$405 and accordingly, the Company recorded a gain on settlement of \$416.