

May 18, 2011

Dear Shareholder,

2010 was a very good year for Resinco.

Over the course of the entire year, the hard work that John Icke and his team had put into re-engineering our business in 2009 began to bear fruit.

But our share price showed much volatility: on December 31, 2009 our closing price was \$0.11. By March 31, 2010 it had risen 18%, to \$0.13 on a surge of optimism for commodities, especially precious metals. By June 30, it had fallen more than 45%, to \$0.07 on general market softness. Throughout the summer share prices remained soft on fears about the economic recovery in the US and about whether economic growth in China and India was slowing down. By September, 30 our share price was \$0.065. A strong market recovery in the final quarter led to a closing price on December 31, 2010 of \$0.15 and earnings per share for 2010 of \$0.08. The dramatic turnaround in the junior resource market resulted from a number of factors, including:

1. Record prices for precious metals.
2. The Chinese economy continuing to grow strongly.
3. Copper prices rising as a consequence of increased demand and a significant reduction in the stock-piles of refined metal.
4. Uranium regaining favour as an efficient, low cost and environmentally attractive energy source.
5. Many “boutique” metals such as tungsten experiencing dramatic price increases due to increased demand and, in the case of tungsten, the threat of restricted supply.

The increase in Resinco’s share price reflected a strong performance of the portfolio:

1. The value of our portfolio grew from \$16,890,000 to \$28,428,000, or 68.3%.
2. Income before income taxes was \$ 10,061,000 as compared to a 2009 year end income of \$ 4,757,000, an increase of 115.9%.
3. Earnings per share were \$0.08 in 2010 as compared to \$0.04 in 2009, an increase of 100%.

In my shareholder letter last year I said that the company’s focus in 2010 was to:

- 1). Pursue great projects;
- 2) To hire - at Resinco and in the investees - great people; and
- 3) To keep a capital cushion to protect us against the next financial tsunami.

How did we perform against these objectives?

- 1) We evaluated over 60 new projects in 2010 and re-evaluated all of our portfolio companies. The net result was that we made three new investments (our target was to make between 3 and 5). Additionally, we made 11 follow-on investments. Our ability to attract and evaluate high quality new projects is enhanced significantly by our Technical Advisory Board. We owe all of them our sincere thanks. John and his team also played a key role in reengineering Mega Moly Inc. into Terreno Resources Inc. ("Terreno."). By year end Terreno had acquired options on 3 high potential gold/copper projects in Argentina and, after year end, 3 additional projects in Brazil (Potash, Phosphate and Bauxite). Portfolio companies Teslin River Resources Inc. and Pacific Coast Nickel Inc. also both acquired promising new projects.
- 2) Portfolio companies CUE Resources Ltd. and Teslin River Resources Inc. both hired new CEOs. Additionally, we enlarged our Technical Advisory Board by two consultants. We also helped CUE Resources Inc., Teslin River Resources Inc., and Pacific Coast Nickel enhance the quality of their boards of directors.
- 3) Our cash position at year-end was about the same as in 2009. (\$200,000 as compared to \$158,000): your management believes that your interests are best served in the current climate by deploying our assets fully. At the same time, we enhanced financial flexibility in 2010 by increasing the proportion of the portfolio that can be liquidated relatively easily.

During 2010 we maintained strict expense control, in part by maintaining a very low headcount.

In summary, John and his team had a very good 2010.

What about 2011?

Since year end the market has again been quite volatile, as have Resinco's share price and Net Asset Value ("NAV"). We expect continuing volatility in our NAV and share price.

Resinco's shares trade at a substantial discount to NAV. To make that discount transparent to our shareholders, we started publishing our NAV on a monthly basis, beginning with January 2011.

So what's next? First, a word about the assumptions that underlie our investment approach:

- 1) We think that precious metals prices are likely to continue to be high.
- 2) We think that copper prices will also stay strong for the foreseeable future. So we have high hopes of the exposure to copper that our Terreno and Lions Gate Metals Inc. investments give us.
- 3) We think that uranium prices will recover from the Fukushima disaster. So we are content to continue to own our uranium assets.

We believe that we have significant exposures to investees that have great upside. We intend to stay with those investments until they reach sufficient maturity for us to take a harvest. Until that time, management's ability to make new investments is somewhat constrained by the size of our free capital. We are working to alleviate that constraint.

What is our plan?

Our plan is to stay the course. We will continue to:

- 1) Pursue great projects;
- 2) Hire great people: during the first 4 months of 2011 we appointed David McAdam as our Chief Financial Officer and Christina Boddy as our Corporate Secretary. We also added Dr. Michael Hitch to our board and Andrew Gourlay to our Technical Advisory Board; and
- 3) Keep a capital cushion.

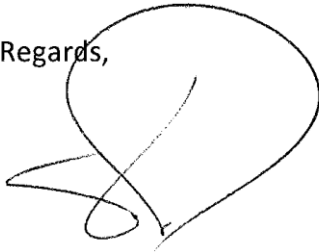
We will continue to aim for a balance between short, mid and long term investments.

We will continue our focus on cost control.

We will continue to work to broaden the networks that bring us capital and great new deals.

Good years do not happen by accident; they happen by the hard work of management and the support of our stakeholders. Many thanks to all.

Regards,

A handwritten signature in black ink, consisting of a large, stylized loop that starts on the left, goes up and over, then down and under, ending with a small flourish on the right.

Hein Poulus

Chairman of the Board