



**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED**

**MARCH 31, 2015**

This management's discussion and analysis ("MD&A") of the results of operations of Resinco Capital Partners Inc. ("Resinco" or the "Company") for the three months ended March 31, 2015, and up to the date of this MD&A, should be read in conjunction with the accompanying financial statements and related notes thereto for the three months ended March 31, 2015 as well as the audited financial statements and related MD&A for the year ended December 31, 2014.

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is May 15, 2015.

## **NATURE OF OPERATIONS**

Resinco was incorporated under the laws of British Columbia on May 25, 2004. The Company's shares are listed for trading on the TSX Venture Exchange under the ticker symbol "RIN". The registered office of the Company is Unit 1 – 15782 Marine Drive, White Rock, British Columbia, Canada, V4B 1E6.

Resinco 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.

## **INVESTMENTS SUMMARY**

Resinco is focused on early-stage investment opportunities and is primarily focused on the junior mineral resource sector. The Company recognizes two enterprise value enhancers; (1) the transition from private to public assets, and; (2) investing in assets which have been over-looked and have not realized their latent potential. Engagement of this strategy has resulted in increases in the value of the Company's portfolio historically, however the depressed state of the resource sector, and in particular the junior resource segment, has affected all publicly traded entities over the last several years. All forms of financing continue to be very constrained for early stage mineral exploration companies and this has resulted in the quantity of financings to be severely reduced and arduous to complete successfully. The Company's performance has mirrored the general negative sentiment towards the junior resource market.

	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
Public Company Investments	\$ 11,337,794	\$ 1,272,319	\$ 12,628,591	\$ 2,605,868
Private Company Investments	452,000	800,000	452,000	800,000
<b>Total</b>	<b>\$ 11,789,794</b>	<b>\$ 2,072,319</b>	<b>\$ 13,080,591</b>	<b>\$ 3,405,868</b>

As at March 31, 2015, the Company held public company investments with a fair value of \$1,272,319 compared to \$2,605,868 at December 31, 2014, a decrease of 51%. This is primarily due to the sale of Teslin shares (as described below) that had a fair value of \$968,098 as at December 31, 2014.

On June 26, 2014, the Company and Teslin River Resources Corp. ("Teslin") entered into an agreement to settle outstanding debts aggregating \$552,082 through the issuance of 10,756,643 common shares of Teslin in full settlement of the debt. The shares were issued to Resinco on September 24, 2014 and were subject to a four-month hold period expiring January 24, 2015. The Company recorded the Teslin shares at a value of \$1,290,797. Also on September 24, 2014, the Company entered into a share purchase option agreement with a third party (the "Optionee") to grant the Optionee the right for 5 months to purchase up to 10,756,643 common shares of Teslin for \$82,826. In consideration, the Optionee paid the Company \$80,000 as a non-refundable deposit and the shares were placed into escrow. This deposit was credited to derivative liability at the time of receipt. At December 31, 2014, the derivative liability was revalued to \$885,443. On February 11, 2015, the Optionee exercised his option to purchase 10,756,643 shares of Teslin and accordingly paid the Company the balance owing of \$2,826. The Company recorded a net realized loss on disposal of investments of \$402,528.

As at March 31, 2015 and December 31, 2014, the Company held investments in private companies with a fair value of \$800,000. Management continues to closely monitor its one remaining private company investment and will record any fair value adjustments when considered appropriate.

### **RESULTS FROM OPERATIONS**

The Company's net realized loss on disposal of investments for the three months ended March 31, 2015 was \$402,528 compared to a net realized loss on disposal of investments of \$86,499 for the three months ended March 31, 2014.

In addition, the Company recorded a net change in unrealized loss on investments of \$42,752 compared to a net change in unrealized gain on investments of \$170,574 for the three months ended March 31, 2014.

During the three months ended March 31, 2015, the Company paid or accrued \$24,150 to Golden Oak Corporate Services Ltd. ("Golden Oak") compared to \$25,200 in the comparative period. Golden Oak is a consulting company controlled by the Corporate Secretary of the Company. Golden Oak provides the services of a chief financial officer, a corporate secretary, and accounting and administrative staff to the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

### **SUMMARY OF QUARTERLY RESULTS**

	<b>Three months ended</b>			
	<b>March 31, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>	<b>June 30, 2014</b>
Net revenues	\$(445,280)	\$(377,338)	\$(628,110)	\$225,598
Income (loss) for the period	(482,694)	(35,350)	(578,150)	136,831
Income (loss) per share – basic and diluted	(0.00)	(0.00)	(0.00)	0.00

	<b>Three months ended</b>			
	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>September 30, 2013</b>	<b>June 30, 2013</b>
Net revenues	\$84,075	\$(1,358,665)	\$ 1,462,934	\$(4,176,473)
Income (loss) for the period	34,622	(1,571,090)	1,343,608	(4,335,658)
Income (loss) per share – basic and diluted	0.00	(0.01)	0.01	(0.04)

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company began the period with cash of \$146,423. In the three months ended March 31, 2015, the Company expended \$53,604 on operating activities and received \$2,826 from financing activities, to end on March 31, 2015 with \$95,645 cash.

Subsequent to March 31, 2015, the Company sold 862,160 shares of Terreno Resources Corp. for gross proceeds of \$43,108.

As of the date of this MD&A, the Company had 123,019,885 common shares issued and outstanding. As of the date of this MD&A, none of the stock options outstanding are "in-the-money".

### **CONTRACTUAL OBLIGATIONS**

The Company has one lease agreement for an office in Vancouver, B.C. until April 2016 as described in the annual financial statements for the year ended December 31, 2014. This office has been sub-leased and Resinco will recover 100% of the lease payments over the term of the lease.

## **RELATED PARTY TRANSACTIONS**

During the three months ended March 31, 2015, the Company paid or accrued \$24,150 (2014 - \$25,200) to Golden Oak Corporate Services Ltd. ("Golden Oak"). Golden Oak is a consulting company controlled by the Corporate Secretary of the Company. Golden Oak provides the services of a chief financial officer, a corporate secretary, and accounting and administrative staff to the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

As at March 31, 2015, there was \$95,250 (December 31, 2014 – \$95,250) due to current and former directors of the Company.

## **NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE**

Certain new standards, amendments to standards and interpretations are not yet effective as of March 31, 2015, and have not been applied in preparing the Company's financial statements.

Effective for annual periods beginning on or after January 1, 2018:

- New standard IFRS 9, Financial Instruments

Partial replacement of IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost, and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

The Company has not early adopted this revised standard and this standard is not expected to have a material effect on the financial statements.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Financial instruments**

The Company's financial instruments consist of cash, restricted cash, investments, trade and other payables, and due to related parties. The fair value of trade and other payables and due to related parties approximate their fair value due to the short-term nature. Cash is recorded at fair value using Level 1 of the fair value hierarchy. Investments are recorded at fair value using Level 1 to 3 of the fair value hierarchy.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's investments, measured at fair value on the statements of financial position and categorized into levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
March 31, 2015	\$ 1,272,319	\$ -	\$ 800,000	\$ 2,072,319
December 31, 2014	\$ 2,605,868	\$ -	\$ 800,000	\$ 3,405,868

The Company holds private company investments that are considered Level 3. The fair value of investments in Level 3 is determined by referring to the most recent equity financing the investee undertook during the year or by determining the net realizable value of the investee.

The following table reconciles the Company's Level 3 fair value investments:

Level 3	Three months ended March 31, 2015	Year ended December 31, 2014
Balance, beginning of year	\$ 800,000	\$ 875,915
Sold	-	(101,382)
Realized gain	-	25,467
Balance, end of year	\$ 800,000	\$ 800,000

## 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.

### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

### *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.

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.

*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 favorable 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's investments are primarily concentrated in the junior 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 March 31, 2015 would have a \$207,000 impact on operations.

*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 March 31, 2015, approximately 94% of the fair value of the Company's investment portfolio consisted of investments in two companies with the largest single investment comprising 56% of the total portfolio value.

**OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company had the following issued and outstanding securities:

	Common shares	Stock options
Balance, March 31, 2015	123,019,885	2,000,000
Balance, as at the date of this MD&A	123,019,885	2,000,000

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

Statements in this MD&A other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, constitute forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause

the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

### **RISKS AND UNCERTAINTIES**

The business of investing primarily in resource exploration and development companies involves a high degree of risk. The Company's portfolio is highly concentrated in this sector, which is exposed to above average cyclical fluctuations due to economic conditions, commodity supply/demand imbalances and global political factors. Development stage companies in this sector focus on early-stage resource properties, and few of those properties explored are ultimately developed into commercial operations. At present, none of the Company's investments are in companies that are in commercial operations, and therefore do not internally generate any cash flows to support their operations. Thus, they are reliant on raising additional financing through debt or equity issuances to continue their operations and develop their properties.

The Company's investments are also exposed to title risks, environmental and insurance risks, as well as political and environmental instability. The business of investing in public companies exposes the Company to the inherent risk of unusual market fluctuations.

Other risks facing the Company include competition, which can either increase costs or reduce the number of attractive opportunities, reliance on third parties (such as brokerage houses and securities clearing houses), statutory and regulatory requirements and uncertainty of additional financing. As the Company generates the majority of its income from the proceeds of disposition of its investments, the volatility of the sector could impact the availability and quantity of cash flows available. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Information concerning risks specific to the Company and its industry, which are required to be included in this MD&A are incorporated by reference to the Company's annual MD&A for the year ended December 31, 2014.

### **ADDITIONAL INFORMATION**

Additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com), or by contacting the Company's corporate office at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada V4B 1E6, or by emailing the Company at [info@resinco.com](mailto:info@resinco.com).