



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2018

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Continuous Disclosure Requirement, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Resinco Capital Partners Inc. have been prepared by and are the responsibility of management. These condensed interim financial statements for the six months ended June 30, 2018 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

RESINCO CAPITAL PARTNERS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

| | <i>Note</i> | June 30, 2018 | December 31, 2017 |
|---|-------------|----------------------|--------------------------|
| ASSETS | | | |
| Cash | | \$ 6,241,102 | \$ 3,357,218 |
| Interest receivable | | 37,533 | 1,500 |
| Share subscriptions receivable | 5 | - | 4,176,144 |
| Prepaid expenses | | 158,625 | 403,000 |
| Investments at fair value | 4 | 680,453 | 912,748 |
| | | \$ 7,117,713 | \$ 8,850,610 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Liabilities | | | |
| Trade and other payables | 6 | \$ 87,805 | \$ 647,146 |
| | | 87,805 | 647,146 |
| Shareholders' equity | | | |
| Share capital | 5 | 40,436,949 | 40,436,949 |
| Share-based reserve | 5 | 16,950,533 | 16,003,610 |
| Deficit | | (50,357,574) | (48,237,095) |
| | | 7,029,908 | 8,203,464 |
| | | \$ 7,117,713 | \$ 8,850,610 |
| Nature of operations | 1 | | |
| Subsequent events | 11 | | |

These condensed interim financial statements were approved for issue by the Board of Directors of the Company on August 28, 2018.

They are signed on the Company's behalf by:

"Alexander Somjen" Director "Maciej Lis" Director

- See accompanying notes to the condensed interim financial statements -

RESINCO CAPITAL PARTNERS INC.
CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

| | | Three months ended June 30, 2018 | Three months ended June 30, 2017 | Six months ended June 30, 2018 | Six months ended June 30, 2017 |
|--|-------------|--|--|--------------------------------------|--------------------------------------|
| | <i>Note</i> | | | | |
| REVENUES | | | | | |
| Net realized loss on disposal of investments | 4 | \$ (1,210,834) | \$ (194,080) | \$ (1,969,574) | \$ (427,888) |
| Net change in unrealized gain on investments | | 1,084,098 | 129,927 | 1,785,264 | 387,581 |
| | | (126,736) | (64,153) | (184,310) | (40,307) |
| Other income | | 30,575 | - | 36,171 | - |
| | | (96,161) | (64,153) | (148,139) | (40,307) |
| EXPENSES | | | | | |
| Consulting fees | 6 | 175,918 | 18,900 | 771,068 | 37,800 |
| Corporate development | | - | - | 97,650 | - |
| Insurance | | 2,875 | 3,000 | 5,875 | 6,000 |
| Office and miscellaneous | | 12,774 | 1,564 | 35,173 | 3,304 |
| Professional fees | | 26,871 | 6,711 | 50,301 | 7,173 |
| Regulatory and transfer agent fees | | 29,960 | 12,400 | 52,510 | 19,357 |
| Share-based compensation | 5, 6 | 946,923 | - | 946,923 | - |
| Transaction costs | | 8,431 | 518 | 12,840 | 833 |
| | | (1,203,752) | (43,093) | (1,972,340) | (74,467) |
| Net loss and comprehensive loss for the period | | \$ (1,299,913) | \$ (107,246) | \$ (2,120,479) | \$ (114,774) |
| Basic and diluted loss per share | | \$ (0.03) | \$ (0.02) | \$ (0.05) | \$ (0.02) |
| Weighted average number of common shares outstanding: | | | | | |
| Basic and diluted | | 46,141,007 | 6,150,994 | 46,141,007 | 6,150,994 |

- See accompanying notes to the condensed interim financial statements -

RESINCO CAPITAL PARTNERS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

| | Six months ended June 30, 2018 | Six months ended June 30, 2017 |
|--|-----------------------------------|-----------------------------------|
| CASH FLOWS USED IN OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (2,120,479) | \$ (114,774) |
| Items not affecting cash: | | |
| Net realized loss on disposal of investments | 1,969,574 | 427,888 |
| Net change in unrealized gain on investments | (1,785,264) | (387,581) |
| Share-based compensation | 946,923 | - |
| Changes in non-cash working capital items: | | |
| Receivables | (36,033) | - |
| Prepaid expenses | 244,375 | (6,000) |
| Trade and other payables | (559,341) | (2,521) |
| | (1,340,245) | (82,988) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds on disposal of investments | 535,378 | 63,121 |
| Purchase of investments | (487,393) | - |
| | 47,985 | 63,121 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Share subscription receivable | 4,176,144 | - |
| | 4,176,144 | - |
| Increase (Decrease) in cash during the period | 2,883,884 | (19,867) |
| Cash, beginning of period | 3,357,218 | 23,189 |
| Cash, end of period | \$ 6,241,102 | \$ 3,322 |
| Supplementary information | | |
| Interest paid | \$ - | \$ - |
| Income taxes paid | - | - |

- See accompanying notes to the condensed interim financial statements -

RESINCO CAPITAL PARTNERS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

| | Number of shares | Share capital | Share-based reserve | Deficit | Total Shareholders' equity |
|--|-----------------------------|--------------------------|--------------------------------|-----------------|---|
| Balance, December 31, 2017 | 46,141,007 | \$ 40,436,949 | \$ 16,003,610 | \$ (48,237,095) | \$ 8,203,464 |
| Share-based compensation | - | - | 946,923 | - | 946,923 |
| Net loss and comprehensive loss for the period | - | - | - | (2,120,479) | (2,120,479) |
| Balance, June 30, 2018 | 46,141,007 | \$ 40,436,949 | \$ 16,950,533 | \$ (50,357,574) | \$ 7,029,908 |

| | Number of shares | Share capital | Share-based reserve | Deficit | Total Shareholders' equity |
|--|-----------------------------|--------------------------|--------------------------------|-----------------|---|
| Balance, December 31, 2016 | 6,150,997 | \$ 40,132,099 | \$ 8,752,136 | \$ (48,176,602) | \$ 707,633 |
| Net loss and comprehensive loss for the period | - | - | - | (114,774) | (114,774) |
| Balance, June 30, 2017 | 6,150,997 | \$ 40,132,099 | \$ 8,752,136 | \$ (48,291,376) | \$ 592,859 |

- See accompanying notes to the condensed interim financial statements -

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

1. NATURE OF OPERATIONS

Resinco Capital Partners Inc. (“Resinco” or the “Company”) 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 Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Resinco is a global investment company which specializes in providing early-stage financing to private and public companies. The Company engages in new, early stage investment opportunities in previously underdeveloped assets and obtaining significant position in early stage investment opportunities that adequately reflect the risk profile.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 5).

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these interim financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as at the date the Board of Directors approved these interim financial statements for issue.

These interim financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2017.

Basis of presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

2. BASIS OF PRESENTATION (continued)

Critical accounting estimates are estimates, judgments and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

Fair value of financial derivatives – Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value.

Share-based payments – The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets – Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2017.

Changes in accounting policies

- IFRS 9, Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit and loss (“FVTPL”). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company’s financial statements.

- **IFRS 15, Revenue from Contracts with Customers**

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. Since the Company has no revenues from contracts with customers, there was no material impact on the Company’s financial statements upon adoption of this standard.

New standards, interpretations and amendments not yet effective

Certain new standards, amendments to standards and interpretations are not yet effective as of June 30, 2018, and have not been applied in preparing these financial statements.

Effective for annual periods beginning on or after January 1, 2019:

- **New standard IFRS 16, Leases**

All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently. The Company is in the process of assessing the impact of this pronouncement. The extent of the impact has not yet been determined.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

4. INVESTMENTS AT FAIR VALUE

At June 30, 2018, the Company held the following investments:

| Investee | Shares | Cost | Fair Value |
|---|---------------|--------------|-------------------|
| Public Companies | | | |
| Bearing Lithium Corp. | 200,000 | \$ 75,000 | \$ 60,000 |
| Block X Capital Corp. * | 286,933 | 5,020,527 | 123,381 |
| Hashchain Technology Inc. | 950,000 | 246,975 | 114,000 |
| Lithium Americas Corp. | 25,000 | 165,418 | 175,750 |
| Total of 4 other public company investments, each valued under \$15,000 | | 185,345 | 27,322 |
| | | 5,693,265 | 500,453 |
| Private Companies | | | |
| Pembroke Copper Corp. | 320,000 | 452,000 | 180,000 |
| | | \$ 6,145,265 | \$ 680,453 |

*On January 23, 2018, Lions Gate Metals Inc. changed its name to Block X Capital Corp.

During the six months ended June 30, 2018, the Company sold 1,001,993 shares of Almonty Industries Inc. for gross proceeds of \$490,022, 123,076 shares of BriaCell Therapeutics Corp. for gross proceeds of \$16,000, 79,000 shares of Central Iron Ore Limited for gross proceeds of \$1,580, 41,666 shares of Fura Gems Inc. for gross proceeds of \$25,826 and 195,000 shares of Tanzania Minerals Corp. for gross proceeds of \$1,950.

At December 31, 2017, the Company held the following investments:

| Investee | Shares | Cost | Fair Value |
|---|---------------|--------------|-------------------|
| Public Companies | | | |
| Almonty Industries Inc. | 1,001,993 | \$ 2,125,218 | \$ 541,076 |
| BriaCell Therapeutics Corp. | 123,076 | 159,817 | 16,615 |
| Fura Gems Inc. | 41,666 | 200,000 | 22,083 |
| Block X Capital Corp. * | 286,933 | 5,020,527 | 123,381 |
| Total of 5 other public company investments, each valued under \$15,000 | | 205,262 | 29,593 |
| | | 7,710,824 | 732,748 |
| Private Companies | | | |
| Pembroke Copper Corp. | 320,000 | 452,000 | 180,000 |
| | | \$ 8,162,824 | \$ 912,748 |

*On January 23, 2018, Lions Gate Metals Inc. changed its name to Block X Capital Corp.

During the year ended December 31, 2017, the Company sold 427,000 shares of Almonty Industries Inc. for gross proceeds of \$117,406.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

5. SHARE CAPITAL

a) Authorized share capital

At June 30, 2018, the authorized share capital comprised an unlimited number of common shares without par value.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

b) Issued share capital

At June 30, 2018, the Company had 46,141,007 common shares issued and outstanding (December 31, 2017 – 46,141,007).

On November 17, 2017, the Company completed the first tranche of a non-brokered private placement through the issue of 15,100,010 units at \$0.10 for gross proceeds of \$1,510,001. Each unit comprises one common shares and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.15 until November 17, 2019. The Company paid finders' fees of \$83,300 and issued 833,000 finders' warrants exercisable until November 17, 2019 to purchase one unit at \$0.10 on the same terms as the units issued in the private placement. The Company also incurred other share issuance costs of \$11,287 in connection with this non-brokered private placement.

On November 24, 2017, the Company completed the second and final tranche of the non-brokered private placement through the issue of 4,890,000 units at \$0.10 for gross proceeds of \$489,000. Each unit comprises one common shares and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.15 until November 17, 2019. The Company paid finders' fees of \$34,230 and issued 342,300 finders' warrants exercisable until November 17, 2019 to purchase one unit at \$0.10 on the same terms as the units issued in the private placement.

On December 27, 2017, the Company completed a non-brokered private placement through the issue of 20,000,000 units at \$0.31 for gross proceeds of \$6,200,000. Each unit comprises one common shares and one share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of \$0.45 until December 27, 2019. The Company paid finders' fees of \$620,000 and issued 2,000,000 finders' warrants exercisable until December 27, 2019 to purchase one unit at \$0.45 on the same terms as the units issued in the private placement. The Company also incurred other share issuance costs of \$33,012 in connection with this non-brokered private placement. As at December 31, 2017, there are subscriptions receivable of \$4,176,144; and was fully received in January 2018.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

5. SHARE CAPITAL (continued)

c) 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 continuity for stock options for the six months ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2017 | Granted | Exercised | Expired | Balance, June 30, 2018 |
|---------------------------------|-----------------------|-----------------------------------|----------------|------------------|----------------|-------------------------------|
| November 24, 2022 | \$0.465 | 300,000 | - | - | - | 300,000 * |
| June 22, 2023 | \$0.220 | - | 4,314,000 | - | - | 4,314,000 * |
| | | 300,000 | 4,314,000 | - | - | 4,614,000 |
| Weighted average exercise price | \$ | 0.465 | \$ 0.220 | \$ - | \$ - | \$ 0.236 |

On November 24, 2017, the Company granted 4,314,000 stock options with an exercise price of \$0.220 per share expiring on June 22, 2023. The fair value of the stock options was estimated to be \$946,923 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 271.74%; risk-free rate of 1.99%; and expected dividends of zero.

The continuity for stock options for the year ended December 31, 2017 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2016 | Granted | Exercised | Expired | Balance, December 31, 2017 |
|---------------------------------|-----------------------|-----------------------------------|----------------|------------------|----------------|-----------------------------------|
| November 24, 2022 | \$0.465 | - | 300,000 | - | - | 300,000 * |
| | | - | 300,000 | - | - | 300,000 |
| Weighted average exercise price | \$ | - | \$ 0.465 | \$ - | \$ - | \$ 0.465 |

* The stock options vest immediately from the date of grant

On November 24, 2017, the Company granted 300,000 stock options with an exercise price of \$0.465 per share expiring on November 24, 2022. The fair value of the stock options was estimated to be \$139,152 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 269.38%; risk-free rate of 1.62%; and expected dividends of zero.

d) Finders' warrants

The continuity for finders' warrants for the six months ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2017 | Granted | Exercised | Expired | Balance, June 30, 2018 |
|---------------------------------|-----------------------|-----------------------------------|----------------|------------------|----------------|-------------------------------|
| November 17, 2019 | \$0.10 | 1,175,299 | - | - | - | 1,175,299 |
| December 27, 2019 | \$0.45 | 2,000,000 | - | - | - | 2,000,000 |
| | | 3,175,299 | - | - | - | 3,175,299 |
| Weighted average exercise price | \$ | 0.32 | \$ - | \$ - | \$ - | \$ 0.32 |

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

5. SHARE CAPITAL (continued)

d) Finders' warrants (continued)

The continuity for finders' warrants for the year ended December 31, 2017 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2016 | Granted | Exercised | Expired | Balance, December 31, 2017 |
|---------------------------------|-----------------------|-----------------------------------|----------------|------------------|----------------|-----------------------------------|
| November 17, 2019 | \$0.15 | - | 1,175,299 | - | - | 1,175,299 |
| December 27, 2019 | \$0.45 | - | 2,000,000 | - | - | 2,000,000 |
| | | - | 3,175,299 | - | - | 3,175,299 |
| Weighted average exercise price | \$ | - | \$ 0.32 | \$ | - | \$ 0.32 |

On November 17, 2017, the Company granted 1,175,299 finders' warrants with an exercise price of \$0.10 per share expiring on November 17, 2019. The fair value of the finders' warrants was estimated to be \$691,641 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 213.60%; risk-free rate of 1.45%; and expected dividends of zero.

On December 27, 2017, the Company granted 2,000,000 finders' warrants with an exercise price of \$0.45 per share expiring on December 27, 2019. The fair value of the finders' warrants was estimated to be \$2,730,916 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 298.96%; risk-free rate of 1.66%; and expected dividends of zero.

e) Warrants

The continuity for warrants for the six months ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2017 | Granted | Exercised | Expired | Balance, June 30, 2018 |
|---------------------------------|-----------------------|-----------------------------------|----------------|------------------|----------------|-------------------------------|
| November 17, 2019 | \$0.15 | 9,995,005 | - | - | - | 9,995,005 |
| December 27, 2019 | \$0.45 | 20,000,000 | - | - | - | 20,000,000 |
| | | 29,995,005 | - | - | - | 29,995,005 |
| Weighted average exercise price | \$ | 0.35 | \$ | - | \$ | 0.35 |

The continuity for warrants for the year ended December 31, 2017 is as follows:

| Expiry date | Exercise price | Balance, December 31, 2016 | Granted | Exercised | Expired | Balance, December 31, 2017 |
|---------------------------------|-----------------------|-----------------------------------|----------------|------------------|----------------|-----------------------------------|
| November 17, 2019 | \$0.15 | - | 9,995,005 | - | - | 9,995,005 |
| December 27, 2019 | \$0.45 | - | 20,000,000 | - | - | 20,000,000 |
| | | - | 29,995,005 | - | - | 29,995,005 |
| Weighted average exercise price | \$ | - | \$ 0.35 | \$ | - | \$ 0.35 |

During the year ended December 31, 2017, the fair value of the 29,995,005 share purchase warrants issued in connection with the unit private placements totalled \$3,689,765 valued on a relative fair value basis using the Black-Scholes pricing model with the following weighted average assumptions: term of 2 years; expected volatility of 270.51%; risk-free rate of 1.59%; and expected dividends of zero.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

6. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2018, the Company paid or accrued \$105,118 (2017 - \$Nil) in consulting fees and \$6,300 (2017 - \$Nil) in rent to Pender Street Consulting Ltd. (“Pender Street”). Pender Street is a company controlled by the Corporate Secretary of the Company. As at June 30, 2018, there was \$53,898 (December 31, 2017 - \$Nil) due to Pender Street, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company paid or accrued \$15,750 (2017 - \$Nil) in consulting fees to Executive Management Solutions Limited (“Executive Management”). Executive Management is a company controlled by the Chief Financial Officer of the Company. As at June 30, 2018, there was \$3,224 (December 31, 2017 - \$Nil) due to Executive Management, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company paid or accrued \$6,300 (2017 - \$37,800) in consulting fees to Golden Oak Corporate Services Ltd. (“Golden Oak”). Golden Oak is a consulting company controlled by the former Corporate Secretary of the Company. Golden Oak provided the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The former Chief Financial Officer and the former Corporate Secretary are employees of Golden Oak and are not paid directly by the Company. As at June 30, 2018, there was \$Nil (December 31, 2017 - \$2,371) due to Golden Oak, which is included in trade and other payables.

During the six months ended June 30, 2018, the Company incurred share-based compensation of \$131,700 (2017 - \$Nil) related to stock options granted to officers, directors, former officers and former directors of the Company.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company’s financial instruments consist of cash, receivables, share subscriptions receivable, loan receivable, investments and trade and other payables. The carrying value of receivables, loan receivable, share subscriptions receivable and trade and other payables approximates 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.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 |
|--------------------------|------------|---------|------------|------------|
| June 30, 2018 | \$ 500,453 | \$ - | \$ 180,000 | \$ 680,453 |
| December 31, 2017 | \$ 732,748 | \$ - | \$ 180,000 | \$ 912,748 |

The Company holds a private company investment that is considered Level 3. The fair value of the investment in Level 3 is determined by referring to the most recent equity financing the investee undertook during the period if it can be demonstrated that this was completed with an arms-length party or by using a valuation model that utilizes the weighted average of the net assets of the private company and the value of its historical share issuance transactions. For the six months ended June 30, 2018 and 2017, the Company has utilized the valuation model as it has not been able to evidence that equity financing by the investee was completed with arms-length parties.

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

| Level 3 | Six months ended June 30, 2018 | Six months ended June 30, 2017 |
|------------------------------|-----------------------------------|-----------------------------------|
| Balance, beginning of period | \$ 180,000 | \$ 320,000 |
| Unrealized loss | - | - |
| Balance, end of period | \$ 180,000 | \$ 320,000 |

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 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.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management (continued)

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 early-stage companies, 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 June 30, 2018 would have an \$50,000 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 companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in these industry sectors.

As at June 30, 2018, approximately 61% of the fair value of the Company's investment portfolio consisted of investments in three companies with the largest single investment comprising 26% of the total portfolio value.

8. MANAGEMENT OF CAPITAL

The Company considers its common shares and options to comprise its capital.

The Company's objectives when managing capital are:

- (a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements;
- (b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;
- (c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and
- (d) To maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, in order of preference, by:

- (a) Realizing proceeds from the disposition of investments and provision of corporate services; and
- (b) Raising funds through equity financings.

The Company is not subject to any externally imposed capital requirements. Management monitors the Company's capital to ensure capital resources will be sufficient to discharge its liabilities on an ongoing basis.

RESINCO CAPITAL PARTNERS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

9. SUBSEQUENT EVENTS

In July 2018, the Company subscribed for 8,333,333 common shares of Global Blockchain Technologies Corp. (each a “Common Share”) at a price of \$0.30 per Common Share for a total price of \$2,500,000.