CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

(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 three months ended March 31, 2019 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)

	Note		March 31, 2019		December 31, 2018
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**580,144**	$	2,338,545
Loan receivable	**5**		**1,200,780**		-
Prepaid expenses			**294,338**		10,351
Investments at fair value	**4**		**11,424,761**		4,709,259
Total assets		**$**	**13,500,023**	$	7,058,155
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	**7**	**$**	**191,185**	$	60,161
Total liabilities			**191,185**		60,161
SHAREHOLDERS' EQUITY					
Share capital	**6**		**53,253,575**		45,644,400
Share-based reserves	**6**		**16,935,157**		16,938,232
Deficit			**(56,879,894)**		(55,584,638)
Total shareholders' equity			**13,308,838**		6,997,994
Total liabilities and shareholders' equity		**$**	**13,500,023**	$	7,058,155

Nature of operations – Note 1
Subsequent events – Note 10

These condensed interim financial statements were approved for issue by the Board of Directors of the Company on May 29, 2019.

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)

	Notes	Three months ended March 31, 2019 $	March 31, 2018 $
Net investment gain (loss)			
Net realized gain (loss) on disposal of investments	4	**(5,647)**	(758,740)
Net change in unrealized gain (loss) on investments		**(233,748)**	701,166
		(239,395)	(57,574)
Other expenses (income)		**4,495**	5,596
		(234,900)	(51,978)
Expenses			
Consulting fees	7	**(72,900)**	(595,150)
Corporate development		**(335,211)**	(97,650)
Insurance		**(2,851)**	(3,000)
Office and miscellaneous		**(56,341)**	(22,399)
Professional fees		**(88,684)**	(23,430)
Regulatory and transfer agent fees		**(7,009)**	(22,550)
Transaction costs		**(497,350)**	(4,409)
		(1,060,356)	(768,588)
Income (loss) and comprehensive income (loss) for the period		**(1,295,256)**	(820,566)
Income(loss) and comprehensive income (loss) per share, basic and diluted		**(0.01)**	(0.02)
Weighted average number of shares outstanding		**116,725,512**	46,141,007

- See accompanying notes to the condensed interim financial statements -

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

Three month period ended		March 31, 2019		March 31, 2018
Operating activities				
Net income (loss) for the period	$	**(1,295,256)**	$	(820,566)
Items not affecting cash:				
Realized loss on sale of investment		**233,748**		(701,166)
Fair value change in investments		**5,647**		758,740
Transactions costs		**497,350**		-
		(558,511)		(762,992)
Changes in non-cash working capital items:				
Accounts receivable		**-**		(5,596)
Prepaid expenses		**(283,987)**		(839,800)
Accounts payable and accrued liabilities		**131,024**		(617,473)
Net cash used in operating activities		**(711,474)**		(2,225,861)
Investing activities				
Purchase of investments		**-**		(90,000)
Loan receivable		**(1,200,780)**		-
Proceeds from sale of investments		**150,103**		181,996
Net cash provided by (used in) investing activities		**(1,050,677)**		91,996
Financing activities				
Share subscription receivable		**-**		4,176,144
Warrants exercise		**3,750**		-
Net cash provided by investing activities		**3,750**		4,176,144
Net increase (decrease) in cash		**(1,758,401)**		2,042,279
Cash, beginning of the period		**2,338,545**		3,357,218
Cash, end of the period	$	**580,144**	$	5,399,497

- 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 reserves		Deficit		Total Shareholders' Equity
Balance, December 31, 2017	46,141,007	$	40,436,949	$	16,003,610	$	(48,237,095)	$	8,203,464
Net income for the period	-		-		-		(820,566)		(820,566)
Balance, March 31, 2018	46,141,007	$	40,436,949	$	16,003,610	$	(49,057,661)	$	7,382,898
Balance, December 31, 2018	**91,131,007**	**$**	**45,644,400**	**$**	**16,938,232**	**$**	**(55,584,638)**	**$**	**6,997,994**
Acquisition of Reformation shares	29,000,000		7,105,000		-		-		7,105,000
Shares issued as finder fees	2,030,000		497,350		-		-		497,350
Warrant exercise	25,000		3,750		-		-		3,750
Fair value re-allocation pursuant to warrant exercise	-		3,075		(3,075)		-		-
Loss and comprehensive loss for the period	-		-		-		(1,295,256)		(1,295,256)
Balance, March 31, 2019	**122,186,007**	**$**	**53,253,575**	**$**	**16,935,157**	**$**	**(56,879,894)**	**$**	**13,308,838**

- See accompanying notes to the condensed interim financial statements -

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 Canadian Securities Exchange ("CSE") under the ticker symbol "RIN", the Frankfurt Stock Exchange under the symbol L6V1.F and in the US on the OTC market, under the symbol RSCZF. 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 as well as medical marijuana pharmaceutical 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.

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, 2018.

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.

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:

2. BASIS OF PRESENTATION (continued)

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– 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, 2018.

Changes in accounting policies

- IFRS 16, Leases

  The Company adopted IFRS 16, Leases, on January 1, 2019. 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. There was no material impact on the Company's financial statements upon adoption of this standard.

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

4. INVESTMENTS AT FAIR VALUE

At March 31, 2019, the Company held the following investments:

Investee	Shares #	Cost $	Fair value $
Public Companies			
Global Gaming Technologies Corp.*	833,333	2,500,000	222,717
Hashchain Technology Inc.	950,000	246,975	28,500
Total of 5 other public company investments, each valued under $15,000		5,205,872	33,544
		7,952,847	284,761
Private Company			
Katexco Pharmaceuticals Corp.	2,000,000	200,000	200,000
Vancity Green List Inc.	100	1,200,000	-
ReFormation Pharmaceuticals Corp.	58,030,000	10,750,000	10,750,000
Pembrook Copper Corp.	320,000	452,000	190,000
		12,602,000	11,140,000
		20,554,847	11,424,761

*On February 12, 2019, Global Blockchain Technologies Corp. changed its name to Global Gaming Technologies Corp. On March 19, 2019, Global Gaming Technologies reverse-split its issued and outstanding shares on a 10:1 basis. The number of shares stated reflect the reverse-split.

During the three months ended March 31, 2019, the Company sold 200,000 shares of Bearing Lithium Corp. for gross proceeds of $45,986, 9,984 shares of Lions Bay Mining Corp. for gross proceeds of $1,218, and 25,000 shares of Lithium Americas Corp. for gross proceeds of $102,899.

On January 16, 2019, the Company entered into an Amalgamation Agreement acquiring the remaining 52% of ReFormation Pharmaceuticals Corp. by issuing 29,000,000 common shares with a fair value of $7,105,000. The Company issued 2,030,000 finder common shares with a fair value of $497,350. As at March 31, 2019, the fair value of ReFormation was $10,750,000.

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

4. INVESTMENTS AT FAIR VALUE (continued)

At December 31, 2018, the Company held the following investments:

Investee	Shares #	Cost $	Fair value $
Public Companies			
Bearing Lithium Corp.	200,000	75,000	48,000
Block X Capital Corp. *	286,933	5,020,527	14,346
Global Gaming Technologies Corp.*	833,333	2,500,000	454,333
Hashchain Technology Inc.	950,000	246,975	28,500
Lithium Americas Corp.	25,000	165,418	107,750
Total of 5 other public company investments, each valued under $14,000		185,345	21,330
		8,193,265	674,259
Private Companies			
Katexco Pharmaceuticals Corp.	2,000,000	200,000	200,000
Vancity Green List Inc.	100	1,200,000	-
ReFormation Pharmaceuticals Corp.	27,000,000	3,645,000	3,645,000
Pembrook Copper Corp.	320,000	452,000	190,000
		5,497,000	4,035,000
		13,690,265	4,709,259

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

During the year ended December 31, 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.

On October 19, 2018, the Company subscribed for 2,000,000 common shares at $0.10/share for a total investment of $200,000 in Katexco Pharmaceuticals Corp. Katexco is led by a world class team of scientists that come from Stanford University in California. As at December 31, 2018, the fair value of Katexco was $200,000.

On October 22, 2018, the Company acquired 48% of ReFormation Pharmaceuticals Corp. ("ReFormation"), a medical marijuana pharmaceutical company with its research and development team at the University of Oxford. ReFormation is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair. The Company issued 27,000,000 common shares with a fair value of $3,645,000. The Company has an option to make further investments in ReFormation, subject to certain conditions. As at December 31, 2018, the fair value of ReFormation was $3,645,000.

On December 28, 2018, the Company acquired 100% of Vancity Green List Inc. ("Vancity") by way of three-cornered amalgamation. Vancity is a leading website application that connects personal use cannabis growers and local dispensaries. In consideration, the Company issued 15,000,000 common shares with a fair value of $1,200,000. As at December 31, 2018 and under IFRS 9, the fair value of Vancity was $Nil.

5. LOAN RECEIVABLE

On March 15, 2019, through the Company's wholly-owned investment, ReFormation, entered into a right of first negotiation with 180 Therapeutics LP. ("180"). 180 is a clinical stage biopharmaceutical company focused on the discovery and development of novel biological therapies for the treatment of fibrosis. In partnership with 180, the Company will work with 180 to develop the effectiveness of the HMGB1 molecule; this molecule primes to body's stem cells to accelerate repair and regeneration following injuries. ReFormation has agreed to fund the project of up to US $1,200,000. On March 15, 2019 the Company advanced $1,200,780 to 180 on behalf of ReFormation by way of loan to ReFormation Pharmaceuticals Corp (note 7). The loan is due on demand and non-interest bearing.

6. SHARE CAPITAL

a) Authorized share capital

At March 31, 2019 the authorized share capital comprised an unlimited number of common shares without par value.

b) Issued share capital

At March 31, 2019 the Company had 122,186,007 common shares issued and outstanding (December 31, 2018 – 91,131,007).

On January 15, 2019, the Company issued 29,000,000 common shares with a fair value of $7,105,000 pursuant to the acquisition of ReFormation (Note 4). The Company issued 2,030,000 common finder shares with a fair value of $497,350, which was measured on the basis of the Company's observable market price.

On December 28, 2018, the Company issued 15,000,000 common shares with a fair value of $1,200,000 pursuant to the acquisition of Vancity (Note 4). The Company issued 1,000,000 common finder shares with a fair value of $80,000, which was measured on the basis of the Company's observable market price.

On November 16, 2018, the Company issued 100,000 common shares pursuant to a warrant exercise for gross proceeds of $15,000. The Company re-allocated $12,301 from share-based reserve to share capital.

On November 1, 2018, the Company issued 27,000,000 common shares with a fair value of $3,645,000 pursuant to the acquisition of ReFormation (Note 4). The Company issued 1,890,000 common finder shares with a fair value of $255,150, which was measured on the basis of the Company's observable market price.

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.

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

The continuity for stock options for the three months ended March 31, 2019 is as follows:

Expiry date	Exercise price $	Balance, December 31, 2018 #	Granted #	Exercised #	Expired #	Balance, March 31, 2019 #
November 24, 2022	0.465	200,000	-	-	-	200,000
June 22, 2023	0.220	4,114,000	-	-	-	4,114,000
		4,314,000	-	-	-	4,314,000
Weighted average exercise price		0.236	-	-	-	0.231

The continuity for stock options for the year ended December 31, 2018 is as follows:

Expiry date	Exercise price $	Balance, December 31, 2017 #	Granted #	Forfeited/ Exercised #	Expired #	Balance, December 31, 2018 #	Fair Value $
November 24, 2022	0.465	300,000	-	-	(100,000)	200,000	139,152
June 22, 2023	0.220	-	4,314,000	-	(200,000)	4,114,000	946,923
		300,000	4,314,000	-	(300,000)	4,314,000	
Weighted average exercise price		0.465	0.220	-	0.30	0.236	

On June 22, 2018, 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. As at December 31, 2018, 4,314,000 stock options were exercisable (2017 – 300,000).

d) Finders' warrants

The continuity for finders' warrants for the three months ended March 31, 2019 is as follows:

Expiry date	Exercise price $	Balance, December 31, 2018 #	Granted #	Exercised #	Expired #	Balance, March 31, 2019 #
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	-	-	-	0.23

The continuity for finders' warrants for the year ended December 31, 2018 is as follows:

Expiry date	Exercise price $	Balance, December 31, 2017 #	Granted #	Forfeited/ Exercised #	Expired #	Balance, December 31, 2018 #	Fair Value $
November 17, 2019	0.10	1,175,299	-	-	-	1,175,299	691,641
December 27, 2019	0.45	2,000,000	-	-	-	2,000,000	2,730,916
		3,175,299	-	-	-	3,175,299	
Weighted average exercise price		0.32	-	-	-	0.32	

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

e) Warrants

The continuity for warrants for the three months ended March 31, 2019 is as follows:

Expiry date	Exercise price $	Balance, December 31, 2018 #	Granted #	Exercised #	Expired #	Balance, March 31, 2019 #
November 17, 2019	0.15	9,895,005	-	(25,000)	-	9,870,005
December 27, 2019	0.45	20,000,000	-	-	-	20,000,000
		29,895,005	-	(25,000)	-	29,870,005

The weighted average exercise price is $0.35.

During the three months ended March 31, 2019 the Company issued 25,000 common shares pursuant to a warrant exercise for gross proceeds of $3,750. The Company re-allocated $3,075 from share-based reserve to share capital.

The continuity for warrants for the year ended December 31, 2018 is as follows:

Expiry date	Exercise price $	Balance, December 31, 2017 #	Granted #	Forfeited/ Exercised #	Expired #	Balance, December 31, 2018 #	Fair value $
November 17, 2019	0.15	9,995,005	-	(100,000)	-	9,895,005	1,216,391
December 27, 2019	0.45	20,000,000	-	-	-	20,000,000	2,461,073
		29,995,005	-	-	-	29,895,005	3,677,464
Weighted average exercise price		0.35	-	0.15	-	0.35	

During the year ended December 31, 2018, the Company issued 100,000 common shares pursuant to a warrant exercise for gross proceeds of $15,000. The Company re-allocated $12,301 from share-based reserve to share capital.

7. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2019, the Company paid or accrued $50,850 (2018 - $nil) in consulting fees to the Chief Executive Officer (“CEO”).

During the three months ended March 31, 2019, the Company paid or accrued $12,600 (2018 - $4,200) in consulting fees to companies controlled by the Chief Financial Officer (“CFO”).

During the three months ended March 31, 2019, the Company paid or accrued $11,025 (2018 - $nil) in corporate service fees, $9,450 in accounting fees (2018- $nil), $nil (2018- $22,313) in consulting fees and and $nil (2018 - $3,150) in rent to Pender Street Consulting Ltd. (“Pender Street”). Pender Street is a company controlled by the Corporate Secretary of the Company.

During the three months ended March 31, 2019, the Company paid or accrued $nil (2018 - $6,300) 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.

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY TRANSACTIONS (continued)

During the three months ended March 31, 2019, the Company incurred share-based compensation of $nil (2018 - $131,700) related to stock options granted to officers, directors, former officers and former directors of the Company.

As at March 31, 2019, there was $26,332 (December 31, 2018 – $14,832) due to current officers and management of the Company, and a loan receivable of $1,200,780 (December 31, 2018 – $nil) due from ReFormation Pharmaceuticals Corp (note 5). ReFormation Pharmaceuticals is a wholly-owned subsidiary of the Company.

8. 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.

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, 2019	284,761	-	11,637,350	11,922,111
December 31, 2018	674,259	-	4,035,000	4,709,259

The Company holds investments in Pembrook, Katexco, ReFormation and Vancity Green, all private company investments that are considered Level 3. The fair value of investments in Level 3 for Pembrook is determined by referring to the most recent equity financing the investee undertook during the period or by taking a weighted average of the net assets of the private company and the value of its historical share issuance transactions. The fair value of investments for Katexco is based on the most recently completed private placement. The fair value for ReFormation and Vancity Green is based on the Company's most recent financings or transactions and assessed for whether there have been any adverse changes from the date of acquisition. All changes in fair value of these private company investments are recognized in profit or loss on the statements of loss and comprehensive loss.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The amounts included in profit or loss are comprised entirely of unrealized gains and losses. There were no transfers between levels during the period.

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

Level 3	Three months ended March 31, 2019 $	Three months ended March 31, 2018 $
Balance, beginning of period	4,035,000	180,000
Additions	7,602,350	-
Balance, end of period	11,637,350	180,000

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.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management (continued)

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.

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 March 31, 2019 would have an $1,140,000 (2018-$76,000) 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 March 31, 2019, approximately 96% (2018-71%) of the fair value of the Company's investment portfolio consisted of investments in three companies with the largest single investment comprising 70% (2018-48%) of the total portfolio value.

9. 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.

9. MANAGEMENT OF CAPITAL (continued)

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.

10. SUBSEQUENT EVENTS

There are no material subsequent events.