



**MANAGEMENT DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS**

**FOR THE THREE MONTHS ENDED**

**MARCH 31, 2019**

**RESINCO CAPITAL PARTNERS INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2019**

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**INTRODUCTION**

The following management discussion and analysis – quarterly highlights (“MD&A – Quarterly Highlights”) of the results of operations and financial condition of Resinco Capital Partners Inc. (“Resinco” or the “Company”) for the three months ended March 31, 2019 and up to the date of this MD&A – Quarterly Highlights, has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the year ended December 31, 2018 (the “Annual MD&A”)

This MD&A – Quarterly Highlights should be read in conjunction with the Annual MD&A and the audited financial statements for the year ended December 31, 2018, together with the notes thereto, and the accompanying unaudited condensed interim financial statements and related notes thereto for the three months ended March 31, 2019 (the “Financial Report”).

All financial information in this MD&A – Quarterly Highlights 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 – Quarterly Highlights is May 29, 2019.

**DESCRIPTION OF BUSINESS**

Resinco was incorporated under the laws of British Columbia on May 25, 2004. The Company’s shares are listed for trading trading on the Canadian Securities Exchange (“CSE”) under the ticker symbol “RIN”, the Frankfurt Stock Exchange under the symbol L6V1.F and on the United States OTC stock market’s OTC Pink, under the symbol VSCZF. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Resinco Capital Partners is a global investment company which specializes in providing early stage financing to private and public companies as well as medical marijuana pharmaceutical companies (“Investment Partners”). The Company engages in new, early stage investment opportunities in previously underdeveloped assets and obtaining significant positions in early stage investment opportunities that adequately reflect the risk profile.

**OPERATIONAL HIGHLIGHTS**

On February 6, 2019, through the Company’s wholly owned investment Reformation Pharmaceuticals Corp. (“Reformation”), appointed Sir Marc Feldmann to ReFormation’s advisory board. Mr. Feldmann is a preeminent immunologist and a professor at the University of Oxford. He is the co-founder of Reformation with Jagdeep Nanchahal. During Mr. Feldmann’s career, his research breakthrough on inflammation led to the creation of some of the world’s top-selling drugs like Humira and Remicade. He holds a MBBS degree from the University of Melbourne and Ph.D. in Immunology at the Walter and Eliza Hall Institute of Medical Research.

On February 20, 2019, Mr. Jagdeep Nanchahal was appointed as Chief Science Officer of the Company. Mr. Nanchahal is a surgeon scientist and professor at the University of Oxford, focusing on defining the molecular mechanisms of common diseases and translating his finding through to early phase clinical trials. He undertook his PhD, whilst a medical student in London. His research focused on promoting tissue generation by targeting endogenous stem cells and reducing fibrosis. He is the co-founder of Reformation with Marc Feldmann.

On March 15, 2019, 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. The loan is due on demand and non-interest bearing.

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**OPERATIONAL HIGHLIGHTS (CONTINUED)**

During the period ended March 31, 2019, the Company made the following strategic investments:

Investee	Shares #	Cost \$
ReFormation Pharmaceuticals Corp.	29,000,000	7,105,000

**KEY INVESTMENT PORTFOLIO DESCRIPTION**

***Reformation***

ReFormation Pharmaceuticals Corp is a Medical Marijuana Pharmaceutical company headquartered in Toronto, ON with its Research and Development team at the University of Oxford. The company is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair (HMGB1). ReFormation is based on disruptive technology which will deliver a first in class therapeutic. The Company has identified a molecule that primes the body's own stem cells from a diverse range of tissues to accelerate repair and regeneration following acute or chronic injury. The Company's research pipeline will deliver further IP based on composition of matter and has a comprehensive work package of testing in animal models of diseases where no comparative treatment exists. ReFormation Pharmaceuticals is led by world class scientist, CEO and CSO, Professor Jagdeep Nanchahal, of the University of Oxford.

Website: <https://www.reformationpharma.com/>

***Katexco Pharmaceuticals***

Katexco is a pre-clinical pharmaceutical cannabis company and is developing innovative, orally available therapies harnessing endocannabinoid and nicotine receptors to treat inflammatory diseases. Katexco is led by a world class management team with a proven track record and the research is grounded in more than 20 years of academic and industrial research with primary operations at the Stanford University in California.

Katexco's website can be found here: <https://katexcopharma.com/>

***Vancity Green***

Vancity Green ("Vancity") is an early-stage website application that connects personal use cannabis growers and local dispensaries. In Canada, there is a growing disparity between the availability of legalized marijuana and the demand for such product leading to market shortages of cannabis products. Vancity Green creates a local database that connects personal use growers and local dispensaries and allow personal use growers to sell their products through local dispensaries, ultimately filling national demand. Vancity will continue to diversify and strengthen the Company's investment portfolio.

***Global Gaming Technologies Corp.***

Global Gaming Technologies Corp. is a gaming industry holding company that provides investment exposure to digital interactive entertainment in emerging technologies, such as Augmented Reality, Virtual Reality, and Artificial Intelligence, in addition to eSports and traditional game platforms, such as mobile and console. It is focused on gamifying content using visual cinematics across all platforms. The Company's strategy is to publish games and content that are immersive in storytelling, bold in design, and technologically innovative. The Company is managed by game and film industry pioneers. It is headquartered in Toronto, Canada with its primary game studio in Los Angeles, California. GGAM is listed on the Canadian Securities Exchange ("CSE") and its common shares trade under the ticker symbol "GGAM.U".

Additional information relating to GGAM is available on its website at <https://www.globalgaming.tech/>.

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**SUBSEQUENT EVENTS**

There are no material subsequent events to disclose.

**EQUITY TRANSACTIONS**

Use of proceeds

During the year ended December 31, 2017, the Company completed two non-brokered private placements for net proceeds of \$7,417,172. The Company intends to use the net proceeds for investments and general working capital. The table below provides a breakdown of the intended use, the amounts used to date and any variances.

<b>Intended use of proceeds of November and December 2017 Private Placements</b>	<b>Amount to date March 31, 2019</b>		<b>Variances</b>	
Investments (85%)	\$5,933,738	Investments	\$4,388,173	(1,545,565)
General Working Capital (15%)	\$1,483,434	General Working Capital	\$3,028,999	1,545,565
<b>Total</b>	<b>\$7,417,172</b>	<b>Total to date</b>	<b>\$7,417,172</b>	

Variance is attributed to a re-allocation between investment and general working capital. Variances occurred as the Company acquired investments with share issuances instead of cash, as well as incurring higher than expected acquisition costs for due diligence work to ensure acquisitions are fairly priced and beneficial to the Company and its shareholders.

**TRENDS AND INVESTMENT STRATEGY**

Resinco is focused on early-stage investment opportunities in private and public companies. The Company recognizes two enterprise value enhancers; (1) the transition from private to public assets, and; (2) investing in assets which have been overlooked 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 companies and this has resulted in the quantity of financings to be severely reduced and arduous to complete successfully.

Due to the depressed state on the junior resource segment, the Company reviewed potential opportunities in Block Chain and Technology sector and is now focused on potential investments in the Cannabis Pharmaceutical Sector. In particular, the Company is reviewing early stage investment opportunities in previously underdeveloped life and sciences and biotech companies with a specific focus on Cannabis Pharma.

The Company evaluates its portfolio on a regular basis and is actively reviewing new opportunities for investment.

**INVESTMENTS SUMMARY**

	<b>March 31, 2019</b>		<b>December 31, 2018</b>	
	<b>Cost</b>	<b>Fair value</b>	<b>Cost</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Public Company Investments	7,952,847	284,761	8,193,265	674,259
Private Company Investments	12,602,000	11,140,000	5,497,000	4,035,000
<b>Total</b>	<b>20,554,847</b>	<b>11,424,761</b>	<b>13,690,265</b>	<b>4,709,259</b>

As at March 31, 2019 the Company held public company investments with a fair value of \$284,761 compared to \$674,259 at December 31, 2018, a decrease of 58%. This is primarily due to the \$231,616 decrease in fair value of 833,333 shares the Company held in Global Gaming Technologies Corp. (formerly Blockchain Technology Inc.) at March 31, 2019. 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.

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**INVESTMENTS SUMMARY (CONTINUED)**

The decrease in the fair value of the Company's investment is due to the sale of several investments, as described below.

During the three months ended March 31, 2019, the Company sold 25,000 common shares of Lithium Americas Corp. ("LAC") for gross proceeds of \$102,899, 200,000 common shares of Bearing Lithium Corp. ("BRZ") for gross proceeds of \$48,000 and 9,984 shares of Lions Bay Mining Corp. ("LBM") for gross proceeds of \$1,218.

As at March 31, 2019, the Company held private company investments with a fair value of \$11,140,000, compared to \$4,035,000 at December 31, 2018, an increase of 176%. This is due to the acquisition of ReFormation Pharmaceuticals Corp. ("Reformation") as discussed below.

On January 16, 2019, the Company entered into an Amalgamation Agreement ("Amalgamation Agreement") to acquire the remaining 52% of ReFormation, a medical cannabis company developing innovative, first-in-class therapies to repair vital organs and stem cells. The Company previously acquired 48% of ReFormation's outstanding shares on November 1, 2018. Pursuant to the terms of the Amalgamation Agreement, ReFormation amalgamated with the Company's wholly owned subsidiary, 1189879 B.C. Ltd. As consideration, the Company issued 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.

**RESULTS FROM OPERATIONS**

*Three Months Ended March 31, 2019*

The Company's net realized loss on disposal of investments for the three months ended March 31, 2019 was \$5,647, compared to a net realized loss on disposal of investments of \$758,740 for the three months ended March 31, 2018. The net realized loss on disposal of investments for the three months ended March 31, 2019 and 2018 is due to the sale of certain public company investments as described above.

In addition, the Company recorded a net change in unrealized gain on investments for the three months ended March 31, 2019 of \$233,748, compared to a net change in unrealized gain on investments of \$701,166, for the three months ended March 31, 2018. The change in unrealized gain is largely due to fluctuations in the valuation of the Company's investments.

The Company's expenses for the three months ended March 31, 2019 were \$1,060,356 compared to expenses of \$768,588, for the three months ended March 31, 2018. Overall the Company had limited activity during Q1 2019 due to limited working capital.

The key differences in expenses between the three months ended March 31, 2019 and 2018 were as follows:

- Consulting fees decreased by \$522,250 due to changes in various consultants and management during the period.
- Corporate development increased by \$237,561 due to incurred expenditures on Media, Public Relations and other forms of communication to create public awareness.
- Office and miscellaneous increased by \$33,942 due to expenditures on website hosting and administration
- Professional fees increased by \$65,264 due to legal fees associated with due diligence and other work done in connection with the various acquisitions made during the period.
- Regulatory and transfer agent fees decreased by \$15,541 due to completion of listing with the CSE.
- Transaction costs increased by \$492,941 due to finder's fees paid in connection with acquisition of ReFormation.
- During the three-month period ended, the Company held \$250,000 of its cash and cash equivalent into a short term GIC, earning interest of \$4,495.

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**SUMMARY OF QUARTERLY RESULTS**

	Three months ended			
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Net revenues (losses)	\$(234,900)	\$(2,056,946)	(1,473,744)	\$(96,161)
Net income (loss) for the period	\$(1,295,256)	(3,576,456)	(1,650,864)	(1,299,913)
Earnings (loss) per share – basic and diluted	(0.01)	(0.05)	(0.01)	(0.03)

	Three months ended			
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Net revenues (losses)	\$(51,978)	\$(85,917)	\$355,942	\$(64,153)
Net income (loss) for the period	(820,566)	(270,901)	325,182	(107,246)
Earnings (loss) per share – basic and diluted	(0.02)	(0.02)	0.05	(0.023)

The quarterly financial information for 2019, 2018 and 2017 fiscal periods are presented in accordance with IFRS.

The Company has been negatively affected by poor stock market performance, volatile commodity prices and weakened global economic performance. Due to an investment portfolio which is weighted in early-stage companies, quarter-to-quarter performance is affected by volatility in the stock markets. The amount and timing of expenses and availability of capital resources vary substantially quarter to quarter, depending on the level of investment activities being undertaken at the time.

**LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2019, the Company had cash of \$580,144 and working capital of \$13,308,838, compared to \$2,338,545 and \$6,997,994, respectively as at December 31, 2018. Since the Company's inception, operations have been financed through the issuance of equity securities and the sale of the Company's investments.

The Company began the period with cash of \$2,338,545. In the three months ended March 31, 2019, the Company used net cash of \$711,474 on operating activities, used \$1,050,677 on investing activities and received \$3,750 from financing activities related to the exercise of warrants on January 16, 2019, to end March 31, 2019 with \$580,144 cash.

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.

As at March 31, 2019, the Company had investments valued at \$11,424,761. Funding for the Company's operations is generated from the sale of investments in its portfolio and private placements. Most of the value of the portfolio of investments is comprised of three publicly traded companies and one private company. Although the shares of the private company cannot be easily liquidated, the shares in the three public companies are expected to provide sufficient liquidity to support the continuing operations of the Company. Management believes its resources are more than sufficient to meet the Company's ongoing overhead requirements.

**CASH FLOWS – OPERATING ACTIVITES**

Net cash used in operating activities during the three months ended March 31, 2019 was \$711,474 (2018-\$2,225,861) which mainly consisted of cash spent for the initiation of the business, general working capital, brand awareness campaigns, consulting and professional fees for investment opportunities.

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**CASH FLOWS – OPERATING ACTIVITES (CONTINUED)**

The Company completed one investment during the period- ReFormation. In the comparative period, the Company acquired more investments; thus, the cash outflow from operations in the comparative period is higher.

**CASH FLOWS – FINANCING ACTIVITES**

Total net cash generated during the year ended was \$3,750 (2018 - \$4,176,144), which is from exercising of warrants during the period.

**CASH FLOWS – INVESTING ACTIVITES**

During the three months ended March 31, 2019, the Company sold investments of \$150,103 (2018 - \$181,996) and invested \$1,200,780 into cannabis pharma investment opportunities.

**CONTRACTUAL OBLIGATIONS**

As at March 31, 2019, the Company had no contractual obligations.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation was not party to any off-balance sheet arrangements as of March 31, 2019.

**RELATED PARTY TRANSACTIONS**

The Directors and Executive Officers of the Company are as follows:

Alexander Somjen	Director, Chief Executive Officer & President
Theo van der Linde	Chief Financial Officer
Eugene Beukman	Corporate Secretary
Troy Grant	Director
Maciej Lis	Director

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.

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. ReFormation Pharmaceuticals is a wholly-owned subsidiary of the Company.

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**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.

**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 Pembroke, Katexco, ReFormation and Vancity Green, all private company investments that are considered Level 3. The fair value of investments in Level 3 for Pembroke 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. The amounts included in profit or loss are comprised entirely of unrealized gains and losses. There were no transfers between levels during the period.



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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

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. 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.

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**FINANCIAL INSTRUMENTS AND 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 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.

**OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company had the following outstanding share data:

Common shares	122,331,007
Warrants	29,870,005
Finders warrants	3,102,799
Stock options	4,314,000

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

Statements in this MD&A – Quarterly Highlights 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. Forward-looking statements include, among others, statements pertaining to:

- The price of medical cannabis
- The lack of control over operations of the Company's investment operations;
- The fluctuations in the price of the Company's shares and the share price of the Company's investments;
- The Company's ongoing investment strategy;
- The successful buildout of the current and proposed facilities of each of the Company's investment partners; and,
- The Company's ability to generate cash flow.

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.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION (CONTINUED)**

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 – Quarterly Highlights 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.

**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 Suite 810 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2, or by emailing the Company at [info@resincoop.com](mailto:info@resincoop.com).

**RISK FACTORS**

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

*Sector Specific Investment Risks*

The Company seeks a high return on investment opportunities on its cannabis pharmaceuticals, mining and natural resource and block chain technology sectors ("Sectors"). Thus, the Company is exposed to investment risks relating to these Sectors which is generally more volatile than the overall market. Investing in these Sectors can be speculative in nature and the value of the Company's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the corporation's management. The assets, earnings and share values of corporations involved in the cannabis pharmaceuticals, natural resource and block chain development, are subject to risks associated with the world prices of various cannabis related products, natural resource and cryptocurrencies, forces of nature, economic cycles, commodity prices, exchange rates, royalty and taxation changes and political events. Government restrictions, such as price regulations, production quotas, royalties and environmental protection, can also be factors.

*Regulatory Risks*

The Company's Investment Partners in the cannabis pharmaceutical sector operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The Company's Investment Partners incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company's Investment Partners and, therefore, on the Company's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and its Investment Partners and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's and its Streaming Partners' earnings and could make future capital investments or the Company's and its Streaming Partners' operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

**RISK FACTORS (CONTINUED)**

*Change in Law, Regulations and Guidelines*

The Company's Investment Partners are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of cannabis pharmaceuticals and cannabis pharmaceutical related products but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's investments in the cannabis pharmaceutical sector.

*Jurisdictions Outside of Canada*

The Company intends to invest into early-stage global cannabis pharma related Company's with operations and business that may be outside of Canada's jurisdiction. There can be no assurance that any market for the Company's Investment Partners products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully invest in foreign cannabis pharmaceutical entities and may have a material adverse effect on the Company's business, financial condition and results of operations.

*Political and Economic Instability*

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

*Limited Operating History*

The Company has limited operating history as an investment company, and has had limited success investing in mining, block chain technology and cannabis pharmaceutical sectors. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cannabis pharmaceuticals and blockchain market. There is no certainty that the Company will be able to operate profitably.

*Additional Requirements for Capital*

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

*Key Personnel*

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

**RISK FACTORS (CONTINUED)**

*Lack of Control or significant influence over Companies in which the Company Invests*

In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the

company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

*Due Diligence*

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

*Fluctuations in the Value of the Company and the Common Shares*

The net asset value of the Company and market value of its common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Company's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.