



RESOLVE VENTURES INC.
INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED MAY 31, 2019
(Expressed in Canadian Dollars)

(Unaudited)

Notice of No Auditor Review of Consolidated Interim Financial Statements

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim financial statements they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company for the nine months ended May 31, 2019 have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these interim financial statements.

RESOLVE VENTURES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	May 31, 2019	August 31, 2018
ASSETS		
Current		
Cash	\$ 138,800	\$ 3,100
GST recoverable	41,352	29,868
Prepaid expenses	1,202	1,202
Total Current Assets	181,354	34,170
Equipment	690	918
Exploration and Evaluation Assets (Note 5)	-	150,000
Total Assets	\$ 182,044	\$ 185,088
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 86,999	\$ 356,031
Due to related parties (Note 7)	67,680	326,178
Note payable (Note 8)	-	59,800
Total Current Liabilities	154,679	742,009
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	12,626,130	11,649,039
Reserve	496,642	236,742
Deficit	(13,095,407)	(12,442,702)
Total Shareholders' Equity	27,365	(556,921)
Total Liabilities and Shareholders' Equity	\$ 182,044	\$ 185,088

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These financial statements were approved and authorized for issue by the Board of Directors on July 30, 2019. They are signed on the Company's behalf by:

"Clive Massey"
Director

"James Hyland"
Director

The accompanying notes are an integral part of these financial statements.

RESOLVE VENTURES INC.

STATEMENTS OF COMPREHENSIVE LOSS (Expressed in Canadian Dollars)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2019	2018	2019	2018
Expenses				
Audit and accounting (Note 7)	\$ 3,750	\$ 7,500	\$ 13,080	\$ 26,930
Consulting (Note 7)	76,000	15,000	154,100	36,500
Depreciation	76	76	228	228
Legal	-	-	89	16,731
Management and administrative services (Note 7)	27,000	27,000	81,000	69,000
Office, rent and telephone	63	4,461	712	8,646
Regulatory and filing fees	3,558	1,338	12,892	15,754
Share based compensation	-	-	259,900	-
Shareholder's communication	-	-	450	3,000
Transfer agent	2,328	6,177	10,214	6,757
	<u>(112,775)</u>	<u>(61,551)</u>	<u>(532,665)</u>	<u>(183,547)</u>
Other Items				
Mineral property impairment (Note 5)	(150,000)	-	(150,000)	(450,000)
Gain from debt settlement	29,962	-	29,962	-
Net Loss and Comprehensive Loss for the Period	<u>\$ (232,813)</u>	<u>\$ (61,551)</u>	<u>\$ (652,704)</u>	<u>\$ (633,547)</u>
Loss Per Share, Basic and Diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.05)</u>	<u>\$ (0.14)</u>
Weighted Average Outstanding Shares	<u>18,316,473</u>	<u>4,813,855</u>	<u>13,526,879</u>	<u>4,498,097</u>

The accompanying notes are an integral part of these financial statements.

RESOLVE VENTURES INC.

STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars)

	Nine Months Ended May 31	
	2019	2018
Cash provided (used) by:		
Operating activities		
Net loss	\$ (652,704)	(633,547)
Items not involving cash		
Depreciation	228	228
Debt settlement	426,411	-
Mineral property impairment	150,000	450,000
Share based compensation	259,900	-
Net changes in non-cash working capital items		
Prepaid expenses	-	(1,767)
Taxes recoverable	(11,484)	(8,039)
Accounts payable and accrued liabilities	(528,131)	187,699
Note payable	(59,200)	-
Net cash used in operating activities	(414,980)	(5,425)
Financing activity		
Issuance of common shares (net of share issue cost)	550,680	-
Net cash used in financing activity	550,680	-
Increase in cash	135,700	(5,425)
Cash, Beginning of Period	3,100	8,031
Cash, End of Period	\$ 138,800	2,605
Supplemental Cash Flow Information		
Interest paid	\$ -	-
Income taxes paid	\$ -	-
Non-cash investing and financing activities		
Issue of shares for exploration assets	\$ -	2,100,000

The accompanying notes are an integral part of these financial statements.

RESOLVE VENTURES INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, except number of shares)

	SHARE CAPITAL		RESERVE			TOTAL SHAREHOLDERS' EQUITY
	NUMBER OF SHARES	AMOUNT	WARRANTS	OTHER	DEFICIT	
Balance, August 31, 2017	3,924,992	\$ 11,174,039	\$ 196,000	\$ 40,742	\$ (11,408,959)	\$ 1,822
Shares issued for property acquisition	888,889	2,100,000	-	-	-	2,100,000
Consolidation adjustment	(26)	-	-	-	-	-
Net loss for the period	-	-	-	-	(633,547)	(633,547)
Balance, May 31, 2018	4,813,855	13,274,039	196,000	40,742	(12,042,506)	1,468,274
Balance August 31, 2018	4,813,855	\$ 11,649,039	\$ 196,000	\$ 40,742	\$ (12,442,702)	\$ (556,921)
Shares issued for financing	9,266,664	563,000	-	-	-	563,000
Finder's fee	119,000	(12,320)	-	-	-	(12,320)
Shares issued for debt	6,016,582	426,411	-	-	-	426,411
Share based compensation	-	-	259,900	-	-	259,900
Net loss for the period	-	-	-	-	(652,704)	(652,704)
Balance, May 31, 2019	20,216,101	\$ 12,626,130	\$ 455,900	\$ 40,742	\$ (13,095,407)	\$ 27,365

RESOLVE VENTURES INC.

NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Resolve Ventures Inc. (“the Company”) was incorporated on March 31, 1980 under the laws of the province of British Columbia, Canada and its corporate office, principal place of business and registered records office is located at 700 – 838 West Hastings Street, Vancouver, BC, V6C 0A6. The Company is a public company listed on the TSX Venture Exchange, trading under the symbol “RSV”.

The Company is engaged in the acquisition and exploration of mineral properties.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. The ability of the Company to arrange additional financing in the future depends, in part, on the prevailing capital market conditions. The Company incurred a net loss and comprehensive loss of \$652,704 for the period ended May 31, 2019 (2018 – \$633,547) and had a deficit of \$13,095,407 (August 31, 2018 – \$12,442,702). There is material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and or private placement of common shares.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”), Interim Financial Reporting (“IAS 34”).

The accounting policies adopted in these interim financial statements are consistent with the accounting policies adopted in the Company’s financial statements for the years ended August 31, 2018 and 2017, and as such, these unaudited interim financial statements should be read in conjunction with the Company’s audited financial statements for these years.

b) Basis of Measurement

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

c) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

RESOLVE VENTURES INC.

NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

Critical judgments exercised where management's judgment in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements are as follows:

- i. *Going concern assumption* - The determination of the going concern assumption requires management to make judgments regarding the viability of the Company.
- ii. *Economic recoverability and probability of future benefits of exploration and evaluation costs* - The assessment of indications of impairment for the Company's exploration and evaluation assets and related determination of recoverable values and write-down of those assets where applicable.
- iii. *Determination of cash generating units* - In performing impairment assessments of corporate assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management is required to exercise judgment in identifying these cash generating units.
- iv. *Tax provisions and deferred income tax balances* - Management is required to assess the recoverability of deferred income tax assets, which arise from the differences between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12 Income Taxes, to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment of the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Valuation of share-based payments - The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand and demand deposits. Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of change and have maturities of three months or less from the date of acquisition, held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. As at May 31, 2019, August 31, 2018 and 2017, the Company had no cash equivalents.

RESOLVE VENTURES INC.

NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

b) Equipment

Equipment is carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the following annual rates, which are used to estimate the useful lives of the assets:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%

c) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Facts and circumstances as defined in IFRS 6 exploration and evaluation assets are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgement that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to

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NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

d) Impairment of Non-Financial Assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

e) Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred income taxes are recognized in net income except to the extent that the amounts relate to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

f) Loss Per Common Share

Basic loss per common share is computed by dividing losses by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. In computing diluted loss per share, no shares were added to the weighted average number of common shares outstanding during the period ended May 31, 2019, August 31, 2018 and 2017 for the dilutive effect of employee stock options and warrants as they were all anti-dilutive. No adjustments were required to report loss from operations in computing diluted per share amounts.

g) Share-based Payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

h) Fair Value of Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair values using the residual method to determine the fair value of warrants issued. Warrants issued to brokers are evaluated using the Black-Scholes Model.

i) Foreign Currency Transactions

The presentation currency and the functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

j) Accounting Standards and Amendments Issued Not Yet Effective

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures. The Company has not yet assessed the impacts of the standards or determined whether it will adopt the standards early.

RESOLVE VENTURES INC.

NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

IFRS 16 - Leases

IFRS 16 Leases provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019.

k) Changes in Accounting Policies

IFRS 9 Financial Instruments

The Company adopted the requirements of IFRS 9 Financial Instruments (“IFRS 9”) as of September 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company’s new accounting policy for financial instruments under IFRS 9:

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Prepaid expenses	Amortized cost	Amortized cost
GST Recoverable	Amortized cost	Amortized cost
Accounts Payable	Amortized cost	Amortized cost
Accrued Liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Note payable	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders’ equity at the beginning of the 2019 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening

RESOLVE VENTURES INC.

NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

accumulated deficit nor to the opening balance of accumulated comprehensive income on September 1, 2018.

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. IFRS 15 establishes a single five-step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. As the Company has no revenue, no impact on the Company's consolidated financial statements is expected.

4. FINANCIAL INSTRUMENTS

a) Designations

The Company's financial instruments consist of cash and accounts payable and accrued liabilities.

The Company has designated its cash as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities.

b) Fair Value

The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities

RESOLVE VENTURES INC.

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Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company has no assets or liabilities subject to fair value measurement on a recurring basis.

	FAIR VALUE INPUT LEVEL		AS AT MAY 31, 2019		AS AT AUGUST 31, 2018	
			CARRYING AMOUNT	ESTIMATED FAIR VALUE	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:						
Cash	1	\$	138,800	\$ 138,800	\$ 3,100	3,100
Financial Liabilities:						
Accounts payable and accrued liabilities	2	\$	154,679	\$ 154,679	\$ 742,009	742,009

Due to the relatively short-term nature of cash and accounts payable and accrued liabilities, the fair value of these instruments approximates their carrying value.

c) Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit Risk

The Company's credit risk is primarily attributable to cash. Cash is held in a reputable Canadian bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Our interest rate risk mainly arises from the interest rate impact on our cash. A change in interest rate would have a minimal effect on the profitability of the Company.

Liquidity Risk

As at May 31, 2019, the Company held cash of \$138,800 and had current liabilities of \$154,679. Those current liabilities included approximately \$67,680 accrued for fees deferred by executives and contractors, fees owed to the Board, and advances from the former President in the Company's efforts to conserve cash. These fees accrued and advances will not be paid until the financial position of the Company improves. The Company is seeking additional funds to ensure that it will have sufficient liquidity to meet liabilities.

RESOLVE VENTURES INC.

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5. EXPLORATION AND EVALUATION ASSETS

a) Neptune Property:

On May 3, 2016, the Company executed an Option and Joint Venture Agreement (the "Agreement") with Nevada Sunrise Gold Corporation ("Nevada Sunrise") of Vancouver, BC, Canada, for the Company to earn an exclusive option to acquire up to a 50% undivided interest in the Neptune lithium property ("Neptune Property"). Neptune Property consists of a block of 316 unpatented placer claims totaling approximately 6,320 acres (2526 hectares) located in the Clayton Valley, Esmeralda County, Nevada, USA.

During the year ended August 31, 2018, the agreement with Nevada Sunrise was terminated and as a result, the Company recorded an impairment of \$450,000.

b) Windfall Lake Property:

On March 31, 2017, the Company entered into an agreement to acquire a 100% in the Windfall Lake Property, Quebec, in consideration for 333,333 shares of the Company, subject to TSX-V approval. The acquisition consists of 29 map designated cells measuring 1,638 hectares. The majority of the acquisition lies in one block totaling 1,128 hectares. On November 1, 2017, the Company issued 333,333 shares at a deemed value of \$0.45 per share and completed the acquisition.

During the period ended May 31, 2019, the Company decided not to pursue the Windfall Lake Property and as a result, recorded an impairment of \$150,000.

c) Mary Property:

On November 24, 2017, the Company entered into an option agreement to acquire a 100% interest in the Mary property located 30 kilometers southeast of Houston, BC. Under the terms of the agreement, the Company can earn a 100% interest in the property by issuing 555,556 common shares in the capital of the Company upon TSX Venture Exchange approval and incurring a minimum \$100,000 in exploration expenditures within the first year. The vendors shall retain a 2% net smelter returns royalty of which the Company may purchase 1% for \$1.5 million. The transaction was approved by the TSX Venture Exchange on December 28, 2017 and 555,556 shares were issued on the same date with a deemed value of \$0.585 per share.

During the year ended August 31, 2018, the Company decided not to pursue the Mary Property and as a result, recorded an impairment of \$325,000.

d) Son Property

On December 8, 2017, the Company entered into an option agreement to acquire a 100% interest in the Son property located 51 kilometers south of Houston, BC. Under the terms of the agreement, the Company can earn a 100% interest in the property by paying \$15,000 cash upon TSX Venture Exchange approval and incurring a minimum \$100,000 in exploration expenditures within the first year. The vendors shall retain a 2% net smelter returns royalty of which the Company may purchase 1% for \$1.5 million. The transaction was approved by the TSX Venture Exchange on December 28, 2017.

During the year ended August 31, 2018, the Company decided not to pursue the Son Property.

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6. SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value

b) Issued:

During the nine months ended May 31, 2019

On April 17, 2019 the Company settled \$78,750 of debt by issuing 1,049,999 shares at a price of \$0.075 per share.

On March 22, 2019, pursuant to a private placement, the Company issued 2,666,664 common shares and 2,666,664 share purchase warrants at a price of \$0.075 per unit for gross proceeds totaling \$200,000. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.10 per common share until March 22, 2024.

On December 14, 2018 the Company settled \$347,661 of debt by issuing 1,349,998 shares at a price of \$0.07 per share, and 3,616,585 units (each unit being one share and one share purchase warrant) at a price of \$0.07 per unit. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.09 per common share until December 14, 2023.

On October 26, 2018, pursuant to a private placement, the Company issued 6,600,000 common shares at a price of \$0.055 per common share for gross proceeds totaling \$363,000. The Company paid a cash finder's fee of \$12,320 and issued 119,000 common shares to finders.

During the year ended August 31, 2018

On August 15, 2018, the Company consolidated its capital on a two-new-for-three-old basis. All references to the number of common shares and per common share amounts have been retroactively restated to reflect the common share consolidation.

On February 16, 2018, the Company consolidated its capital on a one-new-for-six-old basis. All references to the number of common shares and per common share amounts have been retroactively restated to reflect the common share consolidation.

On December 28, 2017, the Company issued 555,556 shares in order to complete the acquisition of the Mary Property (Note 5(c)).

On November 1, 2017, the Company issued 333,333 shares in order to complete the acquisition of the Windfall Lake Property (Note 5(b)).

During the fiscal year ended August 31, 2017

No transactions took place during the year ended August 31, 2017.

c) Incentive Stock Options

The Company has a rolling stock option plan whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan.

As at May 31, 2019, August 31, 2018, and 2017, there were no stock options granted, or

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outstanding for the purchase of common shares.

d) Share Purchase Warrants

The changes in warrants during the year ended August 31, 2018 and the nine months ended May 31, 2019 are as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, August 31, 2017	1,341,500	\$ 0.945
Issued	-	-
Expired	-	-
Warrants outstanding, August 31, 2018	1,341,500	0.945
Issued	6,283,249	0.09
Expired	1,341,500	0.95
Warrants outstanding, May 31, 2019	6,283,249	\$ 0.09

Details of warrants as at May 31, 2019 are as follows:

Exercise price	Number of warrants outstanding	Expiry Date
\$ 0.09	3,616,585	Dec 14, 2023
0.10	2,666,664	Mar 22, 2024
	6,283,249	

As at May 31, 2019, the weighted average remaining contractual life of the share purchase warrants was 4.66 years (August 31, 2018 – 0.67 years) and the weighted average exercise price was \$0.09 (August 31, 2018 – \$0.945).

On March 22, 2019, as a result of the private placement (Note 6(b)), the Company issued 2,666,664 share purchase warrants at a price of \$0.10 per warrant share until March 22, 2024.

On December 14, 2018, as a result of debt settlement, the Company issued 3,616,585 share purchase warrants. Each warrant entitles the holder to purchase one additional common share at \$0.09 per common share until December 14, 2023. The estimated fair value of the warrants was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk free interest rate of 2.04%, expected life of 5 years, no annual dividends, expected volatility of 100% and a forfeiture rate of 0%. The fair value of \$259,900 was recorded as share based compensation.

7. RELATED PARTY TRANSACTIONS

Transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) Transactions with Key Management Personnel

	Nine Months Ended May 31	
	2019	2018
Management and consulting fees	\$ 108,000	\$ 42,000

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NOTES TO FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2019 (Expressed in Canadian Dollars) (unaudited)

Payments and accruals to key management personnel including the President, a former director, and companies directly controlled by current and former key management personnel are for consulting fees or management fees and are directly related to their position in the organization.

- b) The Company also entered into the following transactions with companies controlled by former related parties:

	Nine Months Ended May 31	
	2019	2018
Fees for consulting services	\$ -	\$ 4,000
Equipment rental	-	1,453

As at May 31, 2019 \$67,680 (August 31, 2018 - \$264,498) of fees and expenses was due to related parties.

8. NOTE PAYABLE

	May 31, 2019	August 31, 2018
Promissory note issued to a key management personnel, \$46,000 principal, 10% interest of principal amount due on February 26, 2018, additional 10% interest every 90 days thereafter, unsecured. The principal and \$13,800 of interest were repaid during the nine months ended May 31, 2019.	\$ -	\$ 59,800

9. CAPITAL MANAGEMENT

The Company manages capital with the goal to safeguard the Company's ability to continue as a going concern and ensure its ability to further explore and develop its mineral property holdings in Canada. The Company includes cash and the components of shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

To ensure continued operations, the Company depends on external financing to fund its activities. The Company manages its capital requirements through the preparation of annual expenditure budgets, which are updated regularly to take into account factors such as successful financings to fund activities, changes in property holdings and related obligations, and exploration activities.

In the past, the Company has been successful in raising funds through the issuance of share capital. It is uncertain, however, how successful the Company will be in raising more funds in the current difficult market conditions.

10. SUBSEQUENT EVENTS

n/a