



## RESOLVE VENTURES INC.

### MANAGEMENT DISCUSSION & ANALYSIS

Form 51-102F1

Nine Months Ended May 31, 2019

The following management discussion and analysis (“MD&A”) of the financial position and results of operations for Resolve Ventures Inc. (the “Company” or “Resolve”) should be read in conjunction with the financial statements and the notes thereto for the nine months ended May 31, 2019. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

#### 1.1 Date of This Report

July 30, 2019

#### 1.2 Overall Performance

##### *Description of Business*

Resolve Ventures Inc. is a junior company listed on the TSX Venture Exchange. The Company is engaged in the acquisition, exploration and development of resource properties.

The Company is incorporated in British Columbia, Canada. The Company’s principal place of business and registered records office is located at 700-838 W Hastings Street, Vancouver, BC, V6C 0A6.

#### Mineral Properties

##### Neptune Property:

On May 3, 2016, the Company executed an Option and Joint Venture Agreement with Nevada Sunrise Gold Corp. (“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.

##### Windfall Lake Property:

On March 31, 2017, the Company entered into an agreement to acquire a 100% interest 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 to complete 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.

##### 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-per-cent-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.

As at November 24, 2018, the Company had not met the required work commitment, no longer intends to continue with the project, and during the year ended August 31, 2018 recorded an impairment of \$325,000.

#### 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.

As at December 8<sup>th</sup>, 2018, the Company had not met the required work commitment as it no longer intended to pursue the project.

#### **Private Placements and Share Capital Issued**

On April 17, 2019 the Company settled \$78,750 of debt by issuing 1,049,999 shares at a deemed 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 totalling \$200,000. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.10 per common share until April 17, 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 share. Each 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 totalling \$363,000. The Company paid a cash finder's fee of \$12,320 and issued 119,000 common shares to finders.

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.

On November 1, 2017 the Company issued 333,333 common shares in order to complete the acquisition of the Windfall Lake Property.

### 1.3 Selected Annual Information

N/A - Annual requirement

### 1.4 Results of Operations

#### *Discussion of Acquisitions, Operations and Financial Condition*

The following should be read in conjunction with the financial statements of the Company and notes attached thereto.

The Company is in the development stage and does not generate any revenues. To date, the Company has not earned any significant revenues.

#### **General and Administrative Expenses**

##### *Three months ended May 31, 2019*

The Company's operating costs during the three months ended May 31, 2019 were more than those of the three months ended May 31, 2018. Loss from operations increased by \$171,262 to \$232,813 (2018 - \$61,551). Key contributors to the change in operating costs are as follows:

- During the three months ended May 31, 2019, the Company reported a gain from debt settlement of \$29,962 related to settlement of historical fees for services. There was no similar gain in the comparative period for 2018.
- Consulting fees increased by \$61,000 to \$76,000 (2018: \$15,000) as a result of geological evaluation conducted on current and prospective projects for the Company.
- \$150,000 of mineral property impairment charges were recorded during the 2019 period. No mineral property impairment was recorded during the same period in 2018.

##### *Nine months ended May 31, 2019*

The Company's operating costs during the nine months ended May 31, 2019 were greater than those of the nine months ended May 31, 2018. Loss from operations increased by \$19,157 to \$652,704 (2018 - \$633,547). Key contributors to the change in operating costs in addition to those outlined above are as follows:

- Consulting fees increased by \$117,600 to \$154,100 (2018: \$36,500). As a result of management changes in November of 2017, the Company engaged consultants to conduct research on both the Company's existing projects and new acquisition targets.
- Legal fees decreased by \$16,642 to \$89 (2018: \$16,731). During the nine months ended May 31, 2018, an annual bill was presented to the Company. Few legal services were required during the nine months ended May 31, 2019, the Company has changed legal counsel and receives more regular invoices.
- Share based compensation increased to \$259,900 (2018: \$nil) in relation to debt settlement in December 2018.
- \$450,000 of mineral property impairment charges were recorded during the 2018 period compared to \$150,000 recorded during the 2019 period.

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of commodity prices, and the uncertainty of fundraising activities.

### 1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results, under IFRS, for the eight most recently completed quarters:

| <b>Three months ended</b> | <b>Total Revenues</b> | <b>Net Loss</b> | <b>Loss Per Share<br/>(basic and diluted)</b> |
|---------------------------|-----------------------|-----------------|---|
| May 31, 2019              | \$Nil                 | \$232,813       | \$0.01  |
| February 28, 2019         | \$Nil                 | \$324,338       | \$0.02  |
| November 30, 2018         | \$Nil                 | \$95,552        | \$0.01  |
| August 31, 2018           | \$Nil                 | \$400,196       | \$0.10  |
| May 31, 2018              | \$Nil                 | \$61,551        | \$0.01  |
| February 28, 2018         | \$Nil                 | \$531,084       | \$0.11  |
| November 30, 2017         | \$Nil                 | \$40,912        | \$0.01  |
| August 31, 2017           | \$Nil                 | \$55,568        | \$0.01  |

Losses across the quarters are reasonably consistent with a rise in loss over recent quarters (February 28, 2018 – November 30, 2018) due to an overall increase of activity within the Company. During the quarter ended February 28, 2019, the Company incurred share-based compensation costs of \$259,900 related to warrants issued with the settlement of debt. In the quarter ended February 28, 2018, the Company incurred an impairment cost of \$450,000 in relation to the termination of the Neptune property agreement, and in the quarter ended August 31, 2018, the Company incurred an impairment of \$325,000 in relation to the Mary property. In the quarters ended May 31, 2018 and August 31, 2018, the Company incurred additional expenses in relation to the consolidation and re-organization of the Company. During the quarter ended May 31, 2019, the Company recorded a gain from debt settlement of \$29,962 and a mineral impairment charge of \$150,000.

### 1.6 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings. At May 31, 2019, the Company's working capital was \$26,675 compared to a working capital deficit of \$707,839 at August 31, 2018. The Company's current liabilities as of May 31, 2019 were \$154,679 (August 31, 2018: \$742,009).

The Company will require additional financing to fund any new acquisitions and exploration programs. 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 acquire additional projects is conditional on its ability to secure financing when required. 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.

### 1.7 Capital Resources

At May 31, 2019 the capital of the Company consisted of cash in the bank, and GST recoverable totaling \$180,152. The Company will have to generate additional cash from equity and/or debt raised through the Canadian public markets to meet its commitments.

### 1.8 Off Balance Sheet Arrangements

At May 31, 2019, there were no off-balance sheet arrangements to which the Company is committed.

### 1.9 Transactions with Related Parties

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

|   | <b>Nine Months Ended<br/>May 31</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2019</b>                         | <b>2018</b> |
| Payments and accruals to:                       |                                     |             |
| Dave Baker (former President)                   | -                                   | 10,000      |
| Vivian Gu (former CFO)                          | -                                   | 4,000       |
| Don Dybyk (former director)                     | -                                   | 1,000       |
| Clive Massey (CEO)                              | <b>54,000</b>                       | 18,000      |
| a company controlled by Alexander Helmel (CFO)  | <b>27,000</b>                       | 9,000       |
| a company controlled by Kelly Young (Secretary) | <b>27,000</b>                       | -           |
| Management and consulting fees                  | <b>\$ 108,000</b>                   | \$ 42,000   |

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

|                              | <b>Nine Months Ended<br/>May 31</b> |             |
|------------------------------|-------------------------------------|-------------|
|                              | <b>2019</b>                         | <b>2018</b> |
| Fees for consulting services | <b>\$ -</b>                         | \$ 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.

During the nine months ended May 31, 2018, the unsecured promissory note issued to a key management personnel for \$46,000 in principal with 10% interest on the principal amount due on February 26, 2018, and an additional 10% interest every 90 days thereafter was repaid including \$13,800 of interest due.

### 1.10 Third Quarter

The Company's focus during the third quarter was to continue to explore opportunities to acquire additional mineral exploration projects, assess its existing projects, raise capital for the Company, and to organize debt settlements with the Company's creditors.

### 1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

### 1.12 Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **1.13 Changes in Accounting Policies**

No new accounting policies were adopted during the nine months ended May 31, 2019 other than those disclosed in the accompanying financial statements.

### **1.14 Financial Instruments and Risks**

As at May 31, 2019, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and loans due to related parties. The carrying value of these financial instruments approximate their fair values.

#### *Fair Value*

The Company classifies its fair value measurements in accordance with an established hierarchy that priorities the inputs in valuation techniques used to measure fair value as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly, and
- Level 3 Inputs that are not based on observable market data

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and accounts payable approximate their fair value because of the short-term nature of these instruments.

#### **Financial Risks**

The Company has analyzed the following risks:

##### *Credit Risk*

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. Cash deposits and term deposits are maintained with a financial institution of reputable credit and are redeemable on demand. Amounts receivable consists primarily of GST returns due from Revenue Canada. The Company's opinion is that credit risk is minimal.

##### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At May 31, 2019, the Company had cash and cash equivalents of \$138,780 to settle accounts payable and accrued liabilities of \$154,679. Readers' attention is drawn to Note 1 of the financial statements regarding going concern issue of the Company and section 1.6 of this MD&A.

##### *Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices, marketing prices and/or stock market movements (price risk). The Company is subject to Market Risk.

##### *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. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature or being non-interest bearing. The Company is not subject to significant interest rate risk.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low.

#### *Commodity Risk*

Commodity risk is the risk provided by uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. The commodity risk for the Company is significant.

### **1.15 Other MD&A Requirements**

#### **Share Capital as at the date of this report:**

|                      | <i>Number Issued<br/>and outstanding</i> |
|----------------------|--|
| Common Shares        | 20,216,101                               |
| Warrants             | 6,283,249                                |
| Stock Options        | -  |
| <b>Fully Diluted</b> | <b>26,499,350</b>                        |

### **Controls and Procedures**

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Forward-Looking Statements**

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by securities regulations, the Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to the future metal prices, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

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. Such factors include, among others, risks related to the integration of acquisitions; future price of metals; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### **Subsequent Events**

n/a