



**RESOLVE VENTURES INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

**NINE MONTHS ENDED MAY 31, 2020**  
(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 condensed interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended May 31, 2020 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 condensed interim financial statements.

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

	May 31, 2020	August 31, 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 42,110	\$ 64,481
GST recoverable	21,807	40,218
Prepaid expenses	1,202	7,502
<b>Total Current Assets</b>	<b>65,119</b>	<b>112,201</b>
<b>Equipment</b>	<b>386</b>	<b>614</b>
<b>Exploration and Evaluation Assets</b> (Note 5)	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 65,505</b>	<b>\$ 112,815</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 121,872	\$ 75,528
Due to related parties (Note 7)	38,600	16,187
<b>Total Current Liabilities</b>	<b>160,472</b>	<b>91,715</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share Capital (Note 6)	12,963,294	12,776,544
Reserve	500,642	496,642
Deficit	(13,558,903)	(13,252,086)
<b>Total Shareholders' Equity (Deficiency)</b>	<b>(94,967)</b>	<b>21,100</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 65,505</b>	<b>\$ 112,815</b>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on July 24, 2020. They are signed on the Company's behalf by:

“Clive Massey”  
Director

“James Hyland”  
Director

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

# RESOLVE VENTURES INC.

## STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)  
(unaudited)

	Three months ended		Nine months ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
<b>Expenses</b>				
Audit and accounting (Note 7)	\$ (5,000)	\$ 3,750	\$ 15,954	\$ 13,080
Consulting (Note 7)	24,000	76,000	90,240	154,100
Depreciation	76	76	228	228
Legal	4,716	-	4,716	89
Management and administrative services (Note 7)	39,000	27,000	113,000	81,000
Office, rent and telephone	335	63	4,822	712
Property investigation	(1,268)	-	62,128	-
Regulatory and filing fees	5,200	3,558	9,133	12,892
Share based compensation	-	-	-	259,900
Shareholder's communication	-	-	-	450
Transfer agent	3,944	2,328	6,596	10,214
	<b>(71,003)</b>	<b>(112,775)</b>	<b>(306,817)</b>	<b>(532,665)</b>
<b>Other items</b>				
Mineral property impairment (Note 5)	-	(150,000)	-	(150,000)
Gain from debt settlement	-	29,962	-	29,962
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ (71,003)</b>	<b>\$ (232,813)</b>	<b>\$ (306,817)</b>	<b>\$ (652,704)</b>
<b>Loss Per Share, Basic and Diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.05)</b>
<b>Weighted Average Outstanding Shares</b>	<b>22,839,434</b>	<b>18,316,473</b>	<b>22,308,558</b>	<b>13,526,879</b>

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

# RESOLVE VENTURES INC.

## STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)  
(unaudited)

	Nine months ended	
	May 31, 2020	May 31, 2019
<b>Cash provided (used) by:</b>		
<b>Operating activities</b>		
Net loss for the year	\$ (306,817)	\$ (652,704)
Items not involving cash		
Depreciation	228	228
Loss on settlement of debt	-	426,411
Mineral property impairment	-	150,000
Share based compensation	-	259,900
Net changes in non-cash working capital items		
Prepaid expenses	6,300	-
Taxes recoverable	18,411	(11,484)
Accounts payable and accrued liabilities	68,757	(528,131)
Note payable	-	(59,200)
Net cash used in operating activities	<u>(213,121)</u>	<u>(414,980)</u>
<b>Financing activity</b>		
Issuance of common shares (net of share issue cost)	<u>190,750</u>	550,680
Net cash provided by financing activity	<u>190,750</u>	<u>550,680</u>
<b>Increase (decrease) in cash</b>	<b>(22,372)</b>	135,700
<b>Cash, Beginning of Period</b>	<u>64,481</u>	3,100
<b>Cash, End of Period</b>	<b>\$ 42,110</b>	<b>\$ 138,800</b>
<b>Non-cash investing and financing activities</b>		
Issue of shares for exploration assets	\$ -	\$ -
Issue of shares for debt	\$ -	\$ -
Issue of warrants for debt	\$ -	\$ -
Issue of shares for finder's fee	\$ -	\$ -

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

## RESOLVE VENTURES INC.

### STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars, except number of shares)

(unaudited)

	SHARE CAPITAL		RESERVE			TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)
	NUMBER OF SHARES	AMOUNT	WARRANTS	OTHER	DEFICIT	
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
Finders' fees	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)
<b>Balance, August 31, 2019</b>	<b>20,216,101</b>	<b>\$ 12,776,544</b>	<b>\$ 455,900</b>	<b>\$ 40,742</b>	<b>\$ (13,252,086)</b>	<b>\$ 21,100</b>
Shares issued for financing	2,623,333	196,750	-	-	-	196,750
Finders' fees	-	(10,000)	4,000	-	-	(6,000)
Net loss for the period	-	-	-	-	(306,817)	(306,817)
<b>Balance, May 31, 2020</b>	<b>22,839,434</b>	<b>\$ 12,963,294</b>	<b>\$ 459,900</b>	<b>\$ 40,742</b>	<b>\$ (13,558,903)</b>	<b>\$ (94,967)</b>

# RESOLVE VENTURES INC.

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (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 830 – 1100 Melville Street, Vancouver, BC, V6E 4A6. 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 condensed interim 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 \$306,817 for the nine months ended May 31, 2020 (2019: \$652,704) and had a deficit of \$13,558,903 (August 31, 2019: \$13,252,086). 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 condensed 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 condensed interim financial statements, including International Accounting Standard (“IAS”), Interim Financial Reporting (“IAS 34”).

The policies applied in these unaudited condensed interim financial statements are based on IFRS’ issued and outstanding policies as of the date the Board of Directors approved the statements. These condensed interim financial statements follow the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended August 31, 2019, except for new accounting standards adopted as disclosed in Note 3. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending August 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

#### b) Basis of Measurement

These condensed interim 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 condensed interim 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 condensed interim financial statements and the reported amounts of expenses during the reporting period.

# RESOLVE VENTURES INC.

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (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 condensed interim 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) Changes in Accounting Policies

##### *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, the adoption of IFRS 15 has no impact on the Company's financial statements.

##### *IFRS 16 Leases*

# RESOLVE VENTURES INC.

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (Expressed in Canadian Dollars) (unaudited)

IFRS 16 replaces the previous leases standard, IAS 17 Leases, and interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, lessee and lessor. The Company adopted IFRS 16 effective September 1, 2019. The Company does not expect the impact of such changes on the financial statements to be material.

### 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

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.

		As at May 31, 2020		As at August 31, 2019	
	Input Level	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated fair Value
Financial Assets:					
Cash	1	\$ 42,110	\$ 42,110	\$ 64,481	\$ 64,481
Financial Liabilities:					
Accounts payable and accrued liabilities	2	\$ 160,472	\$ 160,471	\$ 91,715	\$ 91,715

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.

# RESOLVE VENTURES INC.

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (Expressed in Canadian Dollars) (unaudited)

### 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, 2020, the Company held cash of \$42,110 and had current liabilities of \$160,472. Those current liabilities included approximately \$38,600 accrued for fees deferred by executives and contractors. 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.

## 5. EXPLORATION AND EVALUATION ASSETS

### a) 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 year ended August 31, 2019, the Company decided not to pursue the Windfall Lake Property and as a result, recorded an impairment of \$150,000.

## 6. SHARE CAPITAL

### a) Authorized:

Unlimited common shares without par value

### b) Issued:

*During the nine months ended May 31, 2020*

On November 13, 2019, the Company closed a non-brokered private placement financing for total gross proceeds of \$14,250. The Company issued 190,000 Units at a price of \$0.075 per Unit. Each Unit consists of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at \$0.09 per common share for a five-year period. The Company issued 80,000 finders warrants exercisable at \$0.09 per common share for a period of five years and paid \$6,000 cash as finder's fees. The estimated fair value of the finders warrants

# RESOLVE VENTURES INC.

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (Expressed in Canadian Dollars) (unaudited)

was \$4,000 calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk free interest rate of 1.54%, expected life of 5 years, no annual dividends, expected volatility of 100% and a forfeiture rate of 0%.

On October 24, 2019, the Company closed a non-brokered private placement financing for total gross proceeds of \$182,500. The Company issued 2,433,333 Units at a price of \$0.075 per Unit. Each Unit consists of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at \$0.09 per common share for a five-year period.

*During the year ended August 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, resulting in a loss on settlement of debt of \$26,250.

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, resulting in a loss on settlement of debt of \$384,064. Each share purchase 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 \$259,900 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%.

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.

### 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, 2020 and August 31, 2019, there were no stock options granted, or outstanding for the purchase of common shares.

### d) Share Purchase Warrants

A continuity schedule of warrants is as follows:

	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, August 31, 2018	1,341,500	0.945
Issued	6,283,249	0.09
Expired	(1,341,500)	0.95
Warrants outstanding, August 31, 2019	6,283,249	0.09
Issued	2,703,333	0.09
<b>Warrants outstanding, May 31, 2020</b>	<b>8,986,582</b>	<b>0.09</b>

# RESOLVE VENTURES INC.

## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (Expressed in Canadian Dollars) (unaudited)

Details of warrants as at May 31, 2020 are as follows:

<b>Exercise price</b>	<b>Number of warrants outstanding</b>	<b>Expiry Date</b>
\$ 0.09	3,616,585	Dec 14, 2023
0.10	2,666,664	Mar 22, 2024
0.09	2,433,333	Oct 24, 2024
0.09	270,000	Nov 13, 2024
	<b>8,986,582</b>	

As at May 31, 2020, the weighted average remaining contractual life of the share purchase warrants was 3.88 years and the weighted average exercise price was \$0.09.

### 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

	<b>Nine months ended</b>	
	<b>May 31, 2020</b>	<b>May 31, 2019</b>
Management and consulting fees	<b>\$ 147,500</b>	\$ 108,000

As at May 31, 2020 \$38,600 (2019 - \$67,680) of fees and expenses was due to related parties.

Payments and accruals to key management personnel including the President, 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.

### 8. 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.

# **RESOLVE VENTURES INC.**

## **NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2020 (Expressed in Canadian Dollars) (unaudited)**

### **9. SUBSEQUENT EVENTS**

No subsequent events.