



RESOLVE VENTURES INC.
CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED MAY 31, 2021
(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, 2021, 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 COMPREHENSIVE LOSS (Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	May 31 2021	May 31 2020	May 31 2021	May 31 2020
Expenses				
Audit and accounting	\$ 5,000	\$ (5,000)	\$ 13,183	\$ 15,954
Consulting (Note 8)	26,792	24,000	44,792	90,240
Depreciation	76	76	228	228
Legal	-	4,716	-	4,716
Management and admin services (Note 8)	-	39,000	-	113,000
Office and miscellaneous	1,240	335	2,194	4,822
Property investigation	-	(1,268)	1,523	62,128
Regulatory and filing fees	(1,247)	5,200	8,158	9,133
Stock based compensation	-	-	162,700	-
Transfer agent	4,992	3,944	8,496	6,596
	(36,853)	(71,003)	(241,274)	(306,817)
Net Loss and Comprehensive Loss for the Period	\$ (36,853)	\$ (71,003)	\$ (241,274)	\$ (306,817)
Loss Per Share, Basic and Diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted Average Outstanding Shares	27,241,101	22,839,434	27,241,101	22,308,558

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

RESOLVE VENTURES INC.

STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars)

	Nine months ended	
	May 31, 2021	May 31, 2020
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (241,274)	\$ (306,817)
Items not involving cash		
Depreciation	228	228
Interest on note payable	66	-
Mineral property impairment	-	-
Share based compensation	162,700	-
Net changes in non-cash working capital items		
Prepaid expenses	(23,033)	6,300
GST recoverable	(3,400)	18,411
Accounts payable and accrued liabilities	26,687	68,757
Note payable	60,000	-
Net cash used in operating activities	<u>(18,026)</u>	<u>(213,121)</u>
Financing activity		
Issuance of common shares (net of share issue cost)	<u>311,615</u>	190,750
Net cash provided by financing activity	<u>311,615</u>	<u>190,750</u>
(Decrease) Increase in cash	293,589	(22,372)
Cash, Beginning of Period	<u>29,644</u>	<u>64,481</u>
Cash, End of Period	\$ 323,233	\$ 42,110
Non-cash investing and financing activities		
Issue of shares for debt	\$ -	\$ -
Issue of warrants for debt	\$ -	\$ -
Issue of shares for finders' fee	\$ -	\$ -
Issue of warrants for finders' fee	\$ -	\$ -

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

RESOLVE VENTURES INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIENCY) EQUITY

(Expressed in Canadian dollars, except number of shares)

	SHARE CAPITAL		RESERVE		DEFICIT	TOTAL SHAREHOLDERS' (DEFICIENCY) EQUITY
	NUMBER OF SHARES	AMOUNT	WARRANTS	OTHER		
Balance August 31, 2019	20,216,101	12,776,544	455,900	40,742	(13,252,086)	21,100
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)
Balance, May 31, 2020	22,839,434	12,963,294	459,900	40,742	(13,558,903)	(94,967)
Balance Aug 31, 2020	22,839,434	\$ 12,963,294	\$ 459,900	\$ 40,742	\$ (13,581,589)	\$ (117,653)
Share issued for financing	4,401,667	301,615	10,000	-	-	311,615
Share based compensation	-	-	-	162,700	-	162,700
Net loss for the period	-	-	-	-	(241,274)	(241,274)
Balance, May 31, 2021	27,241,101	\$ 13,264,909	\$ 469,900	\$ 203,442	\$ (13,822,863)	\$ (115,388)

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (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 \$241,274 for the nine months ended May 31, 2021 (2020 – \$306,817) and had a deficit of \$13,822,863 (August 31, 2020 – \$13,581,589). 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.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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, 2020, 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, 2021, could result in restatement of these unaudited condensed interim financial statements.

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (Expressed in Canadian Dollars) (unaudited)

2. BASIS OF PRESENTATION (Continued)

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

Critical judgments exercised where management's judgment in applying accounting policies that has the most significant effect on the amounts recognized in these 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:

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.

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (Expressed in Canadian Dollars) (unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these unaudited condensed consolidated interim financial statements are summarized in the Company's annual audited consolidated financial statements for the year ended August 31, 2020.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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, 2021, the Company held cash of \$323,233 and had current liabilities of \$257,299, which fall due for payment within 3 months of the Statement of Financial Position. Those current liabilities included approximately \$58,000 accrued for fees deferred by executives and officers. 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

n/a

6. NOTE PAYABLE

On May 27, 2021, the Company borrowed \$60,000 from an arm's length creditor. The loan is payable on or before December 31, 2021 and bears 8% interest calculated monthly.

7. SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value

b) Issued:

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (Expressed in Canadian Dollars) (unaudited)

7. SHARE CAPITAL (Continued)

During the nine months ended May 31, 2021

On March 10, 2021, the Company closed a private placement whereby it issued 4,401,667 units at \$0.075 per unit for gross proceeds of \$330,125.

Each unit is comprised of one common share and one share purchase warrant exercisable at \$0.10 per common share for a period of two years from closing. Aggregate finders' fees totalling \$15,510 in cash and 206,800 broker warrants with the same terms as the subscriber warrants. The estimated fair value of the brokers warrants was \$10,000 calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk free interest rate of 0.245%, expected life of 2 years, no annual dividends, expected volatility of 110% and a forfeiture rate of 0%.

During the year ended August 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 finders' fees. The estimated fair value of the finders' warrants 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.

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.

On February 11, 2021, the Company granted an aggregate of 2,200,000 share purchase options to directors, officers, and consultants, at an exercise price of \$0.10 per share with a term of five years. The estimated fair value of the stock options was \$162,700 calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk free interest rate of 0.489%, expected life of 5 years, no annual dividends, expected volatility of 100% and a forfeiture rate of 0%.

A continuity schedule of stock options is as follows:

	Number of options	Weighted average exercise price (\$)
Options outstanding, August 31, 2019	-	-
Issued	-	-
Expired	-	-
Options outstanding, August 31, 2020	-	-
Issued	2,200,000	0.10
Options outstanding, May 31, 2021	2,200,000	0.10

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (Expressed in Canadian Dollars) (unaudited)

7. SHARE CAPITAL (Continued)

Details of outstanding stock options at May 31, 2021 are as follows:

Exercise price	Number of options outstanding	Expiry Date
\$ 0.10	2,200,000	February 11, 2026
	2,200,000	

As at May 31, 2021 the weighted average remaining contractual life of the stock options was 4.70 years (August 31, 2020 – n/a) and the weighted average exercise price was \$0.10 (August 31, 2020 – n/a).

d) Share Purchase Warrants

A continuity schedule of warrants are as follows:

	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, August 31, 2019	6,283,249	0.09
Issued	2,703,333	0.09
Warrants outstanding, August 31, 2020	8,986,582	0.09
Issued	4,521,667	0.10
Warrants outstanding, May 31, 2021	13,508,249	0.10

Details of warrants as at May 31, 2021 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
0.09	2,433,333	Oct 24, 2024
0.09	270,000	Nov 13, 2024
0.10	4,521,667	March 10, 2023
	13,508,249	

As at May 31, 2021, the weighted average remaining contractual life of the share purchase warrants was 2.51 years (August 31, 2020 – 3.63 years) and the weighted average exercise price was \$0.10 (August 31, 2020 - \$0.09).

e) Escrow Shares

As at May 31, 2021, the Company has 2,209,124 (August 31, 2020 – 2,811,611) common shares held in escrow.

The terms of the common shares held in escrow are as follows:

- 200,830 common shares will be released on December 14, 2018 (released); and
- 200,830 common shares will be released on June 14, 2019 (released); and

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (Expressed in Canadian Dollars) (unaudited)

7. SHARE CAPITAL (Continued)

- 401,657 common shares will be released on December 14, 2019 (released); and
- 401,657 common shares will be released on June 14, 2020 (released); and
- 602,487 common shares will be released on December 14, 2020 (released); and
- 602,487 common shares will be released on June 14, 2021; and
- 1,606,637 common shares will be released on December 14, 2021.

8. 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. All amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

Transactions with Key Management Personnel:

	Nine months ended	
	May 31, 2021	May 31, 2020
Management and consulting fees	\$ 31,000	\$ 147,500

As at May 31, 2021 \$77,905 (August 31, 2020 - \$41,950) 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.

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.

There have been no changes to the Company's approach to capital management during the nine months ended May 31, 2021.

RESOLVE VENTURES INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MAY 31, 2021 (Expressed in Canadian Dollars) (unaudited)

10. SUBSEQUENT EVENTS

On March 30, 2021, the Company announced that it had entered into an option agreement with Island Time Exploration Ltd., Calderan Ventures Ltd., and Raymond Wladichuk to earn a 100-per-cent ownership interest in the combined 10,050.4-hectare contiguous Gravity property and the Jack White property (collectively the Gravity Jack property) located in the New Westminster Mining Division, near Boston Bar, B.C., Canada. Under the terms of the agreement, Resolve may acquire a 100-per-cent ownership interest in the Gravity Jack property by issuing to the vendors an aggregate of 1.6 million common shares in the capital of Resolve within five business days of TSX Venture Exchange approval of the agreement, completing \$200,000 in exploration expenditures on the Gravity Jack property by Aug. 21, 2021, incurring an aggregate of \$2.25-million in additional exploration expenditures and issuing an aggregate of 2.5 million common shares to the vendors over a period of four years from the date of the agreement. The transaction was approved by the TSXV on June 30, 2021 and the Company subsequently closed the transaction.