

# Resolve Ventures Inc.

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## MANAGEMENT DISCUSSION & ANALYSIS

**For the Year ended August 31, 2007**

Date of Report: December 27, 2007

### **Directors and Officers as at December 27, 2007:**

**Directors:** Martin Auyeung  
David Baker  
Harvey Lawson

**Officers:** David Baker, President  
Vivian Gu, CFO

**Contact Name:** David Baker

**Website:** [www.resolveventures.com](http://www.resolveventures.com)

**TSX Venture Exchange Symbol:** RSV.V

Form 51-102F1

**RESOLVE VENTURES INC.**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended August 31, 2007

1.1 Date of This Report

December 27, 2007

1.2 Overall Performance

*Description of Business*

Resolve Ventures Inc., formerly known as Mira Properties Ltd., is a junior company listed on the TSX Venture Exchange. The Company is engaged in the acquisition, exploration and development of resource properties. Currently, the Company's planned principal operations include the ongoing exploration of its mineral properties in Northern Quebec and Yukon, and the potential acquisition of other mineral property interests.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>August 31, 2007</u>	<u>August 31, 2006</u>	<u>August 31, 2005</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$310,078	\$112,215	\$1,137,132
(ii) Loss per share - basic	\$0.05	\$0.02	\$0.50
(iii) Loss per share - diluted	\$0.05	\$0.02	\$0.50
(c) Net loss			
(i) Total loss	\$310,078	\$112,215	\$1,137,132
(ii) Loss per share - basic	\$0.05	\$0.02	\$0.50
(iii) Loss per share - diluted	\$0.05	\$0.02	\$0.50
(d) Total assets	\$2,149,058	\$2,375,758	\$1,286,181
(e) Total long-term liabilities	\$ -	\$ -	\$117,818
(f) Cash dividends declared per-share	N/A	N/A	N/A

#### 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.

##### **Mineral Properties Acquired**

The Company had the following mineral property interests in Northern Quebec and Southwestern Yukon:

##### **Ungava Acrex Property**

During the year ended August 31, 2005, the Company entered into an agreement with Acrex Ventures Ltd. ("Acrex") whereby the Company will acquire a 100% interest in and to 150 mineral claims. The claims consist of approximately 15,350 acres located in the Ungava area, Province of Quebec.

In consideration of the acquisition, the Company issued 50,000 of its common shares to Acrex and made a cash payment of \$65,000.

This Agreement replaces a September 19, 2003 option agreement previously granted to the Company by Acrex to earn up to a 70% interest in the Property. The Agreement further provides that Acrex will retain a 3% net smelter return royalty on any mineral production from the Property. The Company has the option to purchase up to 2-1/2% of the royalty, at a price of \$500,000 per one-half percent.

The Company paid a \$13,788 finder's fee, upon completion of phase one work program with regards to the September 19, 2003 option agreement, in January 2005.

At the time of signing the September 19, 2003 option agreement, the finder's fee due to D. Baker Capital Inc. was an arms' length transaction. On January 8, 2004, David Baker, the sole director of D. Baker Capital Inc., became the president and a director of the Company.

##### **Exploration Results & Future Developments:**

The 2006 exploration program included a major helicopter-supported airborne geophysical survey and minor geological mapping and mineral prospecting surveys of priority targets. Numerous electromagnetic and magnetic anomalies were identified from the airborne survey for follow-up field work in 2007. No significant nickel assays were returned for rock samples from the mapping and prospecting surveys.

### **Ungava Ubex Property**

The Company entered into a purchase agreement with Ubex Capital Inc. and Menace Capital Corp. ("vendors") dated September 22, 2003 whereby the Company may acquire a 100% interest in four mineral properties covering approximately 25,610 acres in the Ungava region of Northern Quebec. To earn the interest in the property, the Company must pay \$15,000 upon signing of the letter of intent (paid), pay \$35,000 (paid) and issue 50,000 common shares (issued) of the Company upon approval of the agreement by the TSX Venture Exchange. The agreement received regulatory approval on January 19, 2004. The vendors will retain a 1% net smelter return royalty on any future mineral production from the properties.

#### **Exploration Results & Future Developments:**

The 2006 exploration program included a major helicopter-supported airborne geophysical survey and minor geological mapping and mineral prospecting surveys of priority targets. Numerous electromagnetic and magnetic anomalies were identified from the airborne survey for follow-up field work in 2007. No significant nickel assays were returned for rock samples from the mapping and prospecting surveys.

### **Ungava Scott Property**

On January 12, 2004, the Company acquired additional claims in the Ungava Belt in northern Quebec (also referred to as the Raglan District). The new acquisition comprises 54,952 acres. To acquire a 100% interest in the claims, the Company must pay \$50,000 in cash (paid) and issue 10,000 (issued) shares on Exchange approval. The TSX Venture Exchange approved the transaction on February 4, 2004.

#### **Exploration Results & Future Developments:**

The 2006 exploration program included a major helicopter-supported airborne geophysical survey and minor geological mapping and mineral prospecting surveys of priority targets. Numerous electromagnetic and magnetic anomalies were identified from the airborne survey for follow-up field work in 2007. No significant nickel assays were returned for rock samples from the mapping and prospecting surveys.

### **Ungava West Property**

The Company staked additional claims known as Ungava West. The Company staked (registered) a total of 342 units, totaling 14,222 hectares (35,143 acres) immediate west of the Company's main block of claims in the Raglan district.

#### **Exploration Results & Future Developments:**

The 2006 exploration program included a major helicopter-supported airborne geophysical survey and minor geological mapping and mineral prospecting surveys of priority targets. Numerous electromagnetic and magnetic anomalies were identified from the airborne survey for follow-up field work in 2007. No significant nickel assays were returned for rock samples from the mapping and prospecting surveys.

**Klu Property:**

On September 1, 2005, the Company entered into an agreement to acquire 100% of the Klu Property Mineral Claims located in Southwestern Yukon. The Company acquired the property from Inco Limited (“Inco”) for a cash payment of \$50,000 and \$50,000 worth of the Company’s shares. The property is subject to a 2% net smelter return held by FNX Mining Company Inc.

The Company made the cash payment of \$50,000 and issued 119,047 common shares to Inco at \$0.42 per share. The Company also paid a \$10,000 finder’s fee.

**Exploration Results & Future Developments:**

The Klu property was assessed in view of exploration work completed to date. Work was not carried out during 2006. The majority of the claims were relinquished, although 29 claims related to the Spy showing were retained.

***Discussion of Operations and Financial Condition***

**Results of Operations**

The net loss for the year ended August 31, 2007 was \$310,078 as compared with a net loss of \$112,215 for the year ended August 31, 2006. During the year ended August 31, 2007, shareholders’ communication expenses, travel expenses, conferences and shows expenses, regulatory and filing fees, legal fees, and consulting fees decreased due to fewer activities. During the comparative period ended August 31, 2006, the Company recognized recovered office expenses of \$99,084 and a non-cash future income tax recovery in the amount of \$85,248.

**Investor Relations Activities**

Currently, the Company has no formal arrangements in place with respect to investor relations. The directors and two consultants act as the spokespersons responding to any shareholder or investor calls. During the period, the Company issued press releases, responded to investor inquiries and conducted shareholder and investor mail outs. The shareholder communication expenses were all related to mail-outs and website maintenance, and various attendances in conferences and trade shows.

### Financings, Principal Purposes & Milestones

On July 24, 2007, the Company announced that it had completed the private placement previously announced on April 18, 2007. The Company has issued 3,000,000 units of the Company at a price of \$0.18 per unit, for gross proceeds of \$540,000. Each unit is comprised of one common share of the Company and one transferable common share purchase warrant. Each warrant is exercisable into one additional common share of the Company for a period of two years from the closing date of the private placement at an exercise price of \$0.24. The shares and warrant shares are subject to a four-month hold period expiring on November 11, 2007. Finders' fees including \$5,400 cash and 137,472 Units were paid.

#### 1.5 Summary of Quarterly Results

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

	<u>Q4</u> <u>31-Aug-</u> <u>07</u>	<u>Q3</u> <u>31-May-</u> <u>07</u>	<u>Q2</u> <u>28-Feb-</u> <u>07</u>	<u>Q1</u> <u>30-Nov-</u> <u>06</u>	<u>Q4</u> <u>31-Aug-</u> <u>06</u>	<u>Q3</u> <u>31-May-</u> <u>06</u>	<u>Q2</u> <u>28-Feb-</u> <u>06</u>	<u>Q1</u> <u>30-Nov-</u> <u>05</u>
<b>Net sales</b>	-	-	-	-	-	-	-	-
<b>Net Income (loss):</b>								
<b>Total</b>	(\$88,069)	(\$47,362)	(\$110,572)	(\$64,075)	(\$60,873)	\$48,927	(\$3,489)	(\$96,780)
<b>Per share</b>	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.01)	\$0.00	(\$0.00)	(\$0.03)
<b>Per share - diluted</b>	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.01)	\$0.00	(\$0.00)	(\$0.03)

### 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 August 31, 2007, the Company's working capital was \$256,802 compared to a working capital of \$227,816 at the year ended August 31, 2006.

The Company will require additional financing to fund any new acquisitions, exploration programs as well as its holding costs on all of its properties. The ability of the Company to successfully fund the Ungava and Klu properties and to acquire additional projects is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding warrants, or arranging other forms of equity financing. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company.

### 1.7 Capital Resources

The only capital resources of the Company are its mineral properties, with a historical cost of \$1,528,700. The Company is committed to further expenditures on its properties, as detailed in Section 1.4 Results of Operations.

### 1.8 Off Balance Sheet Arrangements

There are 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.

During the years ended August 31, 2007 and 2006, the Company entered into the following transactions with directors of the Company or companies controlled by them:

	<u>2007</u>	<u>2006</u>
Management fees	\$ 49,250	\$ 27,000
Fees for consulting services	\$ 49,125	\$ 14,500
Management and consulting fees allocated to deferred exploration costs	\$ -	\$ 68,098
Website maintenance	\$ 6,125	\$ 4,000

Prepaid expenses include \$11,080 (2006 - \$20,117) paid to a company controlled by a director and a company controlled by an immediate family member of a director for future management fee and consulting fees.

Accounts payable and accrued liabilities include \$Nil (2006 - \$9,553) due to a director and a company controlled by an immediate family member of a director.

Due to related parties of \$Nil (2006 - \$566,993) was owing to companies related by virtue of common directors which consists of \$485,976 of exploration expenses incurred by the related company on behalf of the Company and \$48,598 charged by the related company as a 10% management fee. The amount was non-interest bearing, unsecured and had no fixed terms of repayment.

#### 1.10 Fourth Quarter

The fourth quarter results do not differ significantly from other quarters.

#### 1.11 Proposed Transactions

None.

#### 1.12 Critical Accounting Estimates

N/A

#### 1.13 Changes in Accounting Policies

N/A

#### 1.14 Financial and Other Instruments

The carrying value of cash and cash equivalents and accounts payable approximate their fair values due to the short maturity of those instruments.

The Company has outstanding convertible promissory notes which bear interest at 11% calculated monthly, and the interest is payable every six months over the term of the notes. The notes are unsecured and, along with accrued interest, are convertible at the option of the holder at \$2.50 per share at any time until February 7, 2007. The Company is obligated to pay all principal and accrued interest in full on February 7, 2007; however, if the Company chooses, it may pay up to 50% of the outstanding principal within the first year, up to 75% of the principal during the second year, up to 87.5% of the principal during the third year, and up to 93.75% of the principal during the fourth year of the notes. As at August 31, 2007, the Company has not yet paid any of the principal and interest.

The liability component of the convertible debt is calculated as the present value of the principal, discounted at a rate approximating the interest rate that was estimated would have been applicable to non-convertible debt at the time the debt was issued. This portion of the convertible debt is accreted over its term to the full face value by charges to interest expense. The accretion is a non-cash transaction and has been excluded from the statement of cash flows.

The equity element of the convertible debt comprises the value of the conversion option, being the difference between the face value of the convertible debt and the liability element already calculated.

Following is a summary of the convertible notes as of August 31, 2007:

	<u>2007</u>	<u>2006</u>
Convertible promissory notes	\$ 130,000	\$ 130,000
Equity portion of convertible promissory notes	<u>(40,742)</u>	<u>(40,742)</u>
	<b>89,258</b>	89,258
Interest accretion	<u>40,742</u>	<u>36,720</u>
Debt portion of convertible promissory notes	<u><b>\$ 130,000</b></u>	<u>\$ 125,978</u>

As at August 31, 2007, the Company was in default regarding repayment of the notes. Interest of 11% per annum continues to be accrued for any outstanding amounts.

Subsequent to August 31, 2007, the Company paid \$130,000 in principal and \$81,395 in accrued interest with respect to the notes.

#### 1.15 Other

##### *Disclosure of Outstanding Share Capital*

	<u>Number</u>	<u>Book Value</u>
Common Shares	9,389,308	\$8,397,239

##### *Summary of warrants outstanding:*

<u>Number of warrants</u>	<u>Exercise price</u>	<u>Expiry date</u>
2,345,000	\$ 0.25	January 24, 2008
3,137,472	\$ 0.24	July 9, 2009
<u>5,482,472</u>		

*Additional Disclosure*

The Company is a venture issuer that has not had any revenue from operations in either of its last two financial years. The Company has capitalized all expenditures relating to the exploration of its mineral property. Details of deferred expenditures for the property are as follows:

**Ungava Acrex Property:**

	BALANCE AUGUST 31 2006	ADDITIONS	BALANCE AUGUST 31 2007
Acquisition costs			
Shares	\$ 59,125	\$ -	\$ 59,125
Cash	98,788	-	98,788
	<u>157,913</u>	-	<u>157,913</u>
Deferred exploration expenses			
Camp site	42,519	-	42,519
Claim staking and maintenance	18,012	14,710	32,722
Consulting	11,328	-	11,328
General and administration	13,431	-	13,431
Geophysical survey	106,389	-	106,389
Salaries and wages	2,465	-	2,465
	<u>194,144</u>	14,710	<u>208,854</u>
Refundable tax credits and mining duties	(69,960)	28,300	(41,660)
Total mineral property deferred costs	<u>\$ 282,097</u>	<u>\$ 43,010</u>	<u>\$ 325,107</u>

**Ungava Ubex Property**

	BALANCE AUGUST 31 2006	ADDITIONS	BALANCE AUGUST 31 2007
Acquisition costs			
Shares (50,000 at \$2.00)	\$ 100,000	\$	\$ 100,000
Cash	50,000		50,000
	<u>150,000</u>		<u>150,000</u>
Deferred exploration expenses			
Camp site	47,665		47,665
Claim staking and maintenance	29,545	23,678	53,223
Consulting	10,172		10,172
General and administration	11,941		11,941
Geophysical survey	118,084		118,084
Salaries and wages	2,452		2,452
	<u>219,859</u>	<u>23,678</u>	<u>243,537</u>
Refundable tax credits and mining duties	<u>(79,854)</u>	<u>32,303</u>	<u>(47,551)</u>
Total mineral property deferred costs	<u>\$ 290,005</u>	<u>\$ 55,981</u>	<u>\$ 345,986</u>

**Ungava Scott Property:**

	BALANCE AUGUST 31 2006	ADDITIONS	BALANCE AUGUST 31 2007
Acquisition costs			
Shares (10,000 at \$2.00)	\$ 20,000	\$ -	\$ 20,000
Cash	50,000		50,000
	<u>70,000</u>		<u>70,000</u>
Deferred exploration expenses			
Camp site	15,888	-	15,888
Claim staking and maintenance	53,055	1,015	54,070
Consulting	11,892		11,892
General and administration	16,417		16,417
Geophysical survey	35,417		35,417
Salaries and wages	2,451		2,451
	<u>135,120</u>	<u>1,015</u>	<u>136,135</u>
Refundable tax credits and mining duties	<u>(47,641)</u>	<u>19,272</u>	<u>(28,369)</u>
Total mineral property deferred costs	<u>\$ 157,479</u>	<u>\$ 20,287</u>	<u>\$ 177,766</u>

**Ungava West Property**

	BALANCE AUGUST 31 2006	ADDITIONS	BALANCE AUGUST 31 2007
Deferred exploration expenses			
Claim staking and maintenance	\$ 33,833	\$ 31,581	\$ 65,414
Refundable tax credits and mining duties	(13,734)	5,556	(8,178)
Total mineral property deferred costs	<u>\$ 20,099</u>	<u>\$ 37,137</u>	<u>\$ 57,236</u>

**Raglan Project:**

During the year ended August 31, 2006, the Company began an exploration program at its properties in the Ungava area, Quebec.

Costs related to the Raglan project are as follows and will be allocated to individual properties upon completion of the project:

	BALANCE AUGUST 31 2006	ADDITIONS	BALANCE AUGUST 31 2007
Deferred exploration expenses			
Camp site	\$ 20,400	\$ -	\$ 20,400
Consulting	326	-	326
Equipment rentals	4,304	-	4,304
Fieldwork, supplies and mobilization	5,025	-	5,025
Fuel and storage	73,920	-	73,920
Management fee	48,598	-	48,598
Geophysical survey	362,470	-	362,470
Reports and maps	18,755	-	18,755
Sampling and assays	776	-	776
	<u>534,574</u>	<u>-</u>	<u>534,574</u>
Refundable tax credits and mining duties	(217,004)	87,783	(129,221)
Total mineral property deferred costs	<u>\$ 317,570</u>	<u>\$ 87,783</u>	<u>\$ 405,353</u>

**Klu Property:**

	BALANCE MAY 31		BALANCE AUGUST 31
	2006	ADDITIONS	2007
Acquisition costs			
Shares (119,047 at \$0.42)	\$ 50,000	\$ -	\$ 50,000
Cash	50,000	-	50,000
Finder's fee	10,000	-	10,000
	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Deferred exploration expenses			
Airborne	18,185	-	18,185
Assays	1,823	-	1,823
Camp and fieldwork	11,328	-	11,328
Claim staking and maintenance	6,158	990	7,148
Consulting	45,740	-	45,740
General and administration	22,411	-	22,411
Equipment	340	-	340
Site visits	278	-	278
	<u>106,263</u>	<u>990</u>	<u>107,253</u>
Total mineral property deferred costs	<u>\$ 216,263</u>	<u>\$ 990</u>	<u>\$ 217,253</u>

**Summary of Mineral Properties**

	BALANCE AUGUST 31		BALANCE AUGUST 31
	2006	ADDITIONS	2007
Acquisition costs	\$ 487,913	\$ -	\$ 487,913
Deferred exploration costs and advances	1,223,793	71,974	1,295,767
Mineral property tax credits and incentives	(428,193)	173,213	(254,980)
	<u>\$ 1,283,513</u>	<u>\$ 245,187</u>	<u>\$ 1,528,700</u>
Total mineral property deferred costs	<u>\$ 1,283,513</u>	<u>\$ 245,187</u>	<u>\$ 1,528,700</u>

*Subsequent events*

Subsequent to August 31, 2007, the Company repaid the convertible promissory note, plus interest, as disclosed in 1.14.

*Additional information*

Additional information relating to the company is on SEDAR at [www.sedar.com](http://www.sedar.com).