

RESOLVE VENTURES INC.

FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007



AUDITORS' REPORT

To the Shareholders of
Resolve Ventures Inc.

We have audited the balance sheets of Resolve Ventures Inc. as at August 31, 2008 and 2007, and the statements of loss and deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

December 5, 2008

"Morgan & Company"

Chartered Accountants

RESOLVE VENTURES INC.

BALANCE SHEETS

	AUGUST 31	
	2008	2007
ASSETS		
Current		
Cash	\$ 95,855	\$ 564,359
Goods and Services Tax recoverable	4,035	4,630
Prepaid expenses	11,044	23,217
	<u>110,934</u>	<u>592,206</u>
Equipment (Note 3)	9,084	11,355
Quebec Mining Duties Recoverable (Note 4)	-	16,797
Mineral Properties (Note 4)	1,559,520	1,528,700
	<u>\$ 1,679,538</u>	<u>\$ 2,149,058</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 28,508	\$ 21,780
Tax credit and mining duties payable (Note 4)	114,074	104,974
Interest on convertible promissory notes (Note 6)	-	78,650
Convertible promissory notes (Note 6)	-	130,000
	<u>142,582</u>	<u>335,404</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)	8,397,239	8,397,239
Shares Subscribed (Note 11)	25,000	-
Contributed Surplus (Note 6)	40,742	-
Equity Portion Of Convertible Promissory Notes (Note 6)	-	40,742
Deficit	(6,926,025)	(6,624,327)
	<u>1,536,956</u>	<u>1,813,654</u>
	<u>\$ 1,679,538</u>	<u>\$ 2,149,058</u>

Nature Of Operations And Going Concern (Note 1)
Subsequent Events (Note 11)

Approved on behalf of the Board of Directors:

"David Baker"
Director

"Martin Auyeung"
Director

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

RESOLVE VENTURES INC.
STATEMENTS OF LOSS AND DEFICIT

	YEARS ENDED AUGUST 31	
	2008	2007
Expenses		
Audit and accounting	\$ 53,120	\$ 43,258
Amortization	2,271	1,262
Interest on convertible notes	2,745	18,322
Bank charges and interest	9,504	11,418
Consulting	57,525	55,675
Legal	6,087	6,018
Management and administrative services	80,100	80,100
Office, rent and telephone	63,341	62,440
Regulatory and filing fees	10,390	7,942
Transfer agent	3,875	7,323
Shareholder's communication	12,740	16,320
Loss For The Year	(301,698)	(310,078)
Deficit, Beginning of Year	(6,624,327)	(6,314,249)
Deficit, End of Year	\$ (6,926,025)	\$ (6,624,327)
Loss Per Share, Basic and Diluted	\$ (0.03)	\$ (0.05)
Weighted Average Outstanding Shares	9,389,308	6,707,414

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

RESOLVE VENTURES INC.
STATEMENTS OF CASH FLOWS

	YEARS ENDED AUGUST 31	
	2008	2007
Cash provided (used) by:		
Operating activities		
Loss for the year	\$ (301,698)	\$ (310,078)
Items not involving cash		
Amortization	2,271	1,262
Accretion on convertible notes	-	4,022
Accrued interest on convertible notes	-	14,300
Interest on tax assessment	-	11,404
	(299,427)	(279,090)
Changes in non-cash working capital balances		
Prepaid expenses	12,173	3,112
Taxes recoverable	595	30,851
Interest on convertible notes	(78,650)	-
Due to related parties	-	(32,419)
Accounts payable and accrued liabilities	15,828	(7,225)
	(349,481)	(284,771)
Financing Activities		
Issue of share capital (net of share issue costs)	-	534,300
Shares subscription	25,000	-
Payment of convertible promissory note	(130,000)	-
	(105,000)	534,300
Investing Activities		
Deferred mineral property expenditures	(55,058)	(606,469)
Mineral property tax credits	41,035	281,246
Repayment of mineral property tax credits	-	(35,371)
Purchase of property and equipment	-	(12,617)
	(14,023)	(373,211)
Decrease In Cash	(468,504)	(123,682)
Cash, Beginning Of Year	564,359	688,041
Cash, End Of Year	\$ 95,855	\$ 564,359
Supplemental Cash Flow Disclosure:		
Interest paid	\$ 81,395	\$ -

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

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company's principal operations are the exploration of mineral properties in the Raglan area of Northern Quebec, Canada (Note 4).

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions and events cast substantial doubt upon the validity of this assumption. The Company has incurred significant losses over several years as a result of administrative expenses and the write off of costs incurred on unprofitable resource properties. In addition, there are questions as to whether the Company will have enough working capital to meet future administrative and property expenditures. The Company's continued existence is dependent upon its ability to obtain additional financing and achieving future profitable production from existing resource properties or proceeds from the disposition thereof.

These financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. Management believes that the actions already taken or planned will mitigate the adverse conditions and events which raise doubts about the validity of the "going concern" assumption used in preparing these financial statements.

If the "going concern" assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

Subsequent to August 31, 2008, the Company received shareholder approval to consolidate the Company's issued and outstanding common shares on the basis of a consolidation ratio to be determined by the directors, provided that such ratio is no greater than one post-consolidation share for every ten pre-consolidation shares. The consolidation may be implemented by the Company's board of directors in its sole discretion, at any time within six months following the date of shareholder approval. The share consolidation is subject to regulatory approval.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Instruments – Change in Accounting Policies

Effective September 1, 2007, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Company is required to classify all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Comprehensive Income (CICA Handbook Section 1530)

The standard introduces the concept of comprehensive loss, which consists of net loss and other comprehensive income. Other comprehensive income (“OCI”) is comprised of the unrealized gains on available-for-sale financial assets arising during the year.

Cumulated changes in OCI are included in Accumulated Other Comprehensive Income (“AOCI”), which is presented as a new category within shareholders’ equity on the balance sheet.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

The adoption of the above CICA Handbook section does not have a significant impact on the Company’s financial statements.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Mineral Properties, and Deferred Exploration and Development Costs

Costs and Amortization

Mineral properties, including options to mineral claims, are stated at cost. The recorded cost of mineral properties and exploration and development interests is based on cash paid and assigned value, if any, of share considerations given for mineral properties and exploration and development costs incurred.

All direct and indirect costs relating to the acquisition of mineral properties are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or when management has determined that there is an impairment in the carrying values of those mineral properties.

The Company defers expenditures directly attributable to the exploration and development of mineral properties, pending a decision as to the commercial viability of a property. At such times as the Company loses or abandons title on its interest in the property, the accumulated expenditures on such property are charged to operations. If any property reaches commercial production, the applicable costs of the mineral property and the deferred exploration and development expenditures will be amortized against related production revenues on the unit of production method, based on the property's estimated reserves.

Values

Based on the information available to date, the Company has not yet determined whether the mineral properties it is exploring and developing contain economically recoverable reserves. The recoverability of the amounts capitalized as mineral properties and deferred exploration and development costs is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete its exploration and development programs and upon future profitable production.

The amounts shown for mineral properties and deferred exploration and development expenses represent costs incurred to date, and do not necessarily represent present or future values as they are entirely dependent upon various factors as noted above.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Mineral Properties, and Deferred Exploration and Development Costs (Continued)

Cost of Maintaining Mineral Properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Environmental Protection and Rehabilitation Costs

Presently, the Company does not foresee the necessity to make any material expenditure in this area; as a result, no amounts have been accrued for future site restoration costs.

c) Equipment

Office equipment is recorded at cost and amortized over its economic life using the declining balance method at the rate of 20%.

d) Income Taxes

Income taxes are recorded using the liability method of tax allocation. Future income taxes are calculated based on temporary timing differences arising from the difference between the tax basis of an asset or liability and its carrying value using tax rates anticipated to apply in the periods when the timing differences are expected to reverse. The recognition of future income tax assets is limited to the amount that is more likely than not to be realized.

e) Loss Per 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 years ended August 31, 2008 and 2007 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.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Stock Option Plan

The Company accounts for all grants of options to employees, non-employees, and directors in accordance with the fair value method of accounting for stock based compensation pursuant to CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”.

g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated to Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at current rates of exchange and other assets and liabilities are translated at historical rates of exchange. Revenues and expenses are translated at average rates of exchange for the year, except for amortization and depletion which are translated at rates in effect when the related assets were acquired. All exchange gains and losses are recognized currently in earnings.

h) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from and affect the results reported in these financial statements.

i) Flow-through Financing

The Company has financed a portion of its exploration activities through the issue of flow-through shares which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issue of such shares have been credited to share capital and the related exploration costs have been charged to mineral property deferred exploration costs. When transferring the tax deductibility of exploration expenditures to the investor (renunciation), future income tax recovery income has been recognized and share capital has been reduced accordingly.

j) Fair Value of Warrants

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

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Asset Retirement Obligations

The Company has adopted the CICA Handbook Section 3110 "asset retirement obligations" which establishes standards for the recognition, measurement and disclosure of liabilities for asset retirement obligations and the associated asset retirement costs. The standards apply to legal obligations associated with the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. The standards require that a liability for an asset retirement obligation be recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost should be recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated nominal future value.

l) Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, which consist primarily of mineral property, property and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying values of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

m) Recently Issued Accounting Pronouncements

i) Going Concern

Effective September 1, 2008, the Company implemented the amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Recently Issued Accounting Pronouncements (Continued)

ii) Financial Instruments

Effective September 1, 2008, the Company implemented the new CICA Handbook Sections: 3862, Financial Instruments – Disclosure, and 3863, Financial Instruments – Presentation, which replace Section 3861, Financial Instruments – Disclosures and Presentation. These new standards revise and enhance the disclosure requirements, and carry forward, substantially unchanged, the presentation requirements. Sections 3862 and 3863 emphasize the significance of financial instruments for the entity's financial position and performance, the nature and extent of the risks arising from financial instruments, and how these risks are managed.

iii) Capital Disclosures

The CICA issued a new accounting standard, Section 1535, Capital Disclosures, which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and processes for managing capital. This new section will be effective for the Company beginning September 1, 2008.

The Company is currently assessing the impact of the above new accounting standards on the Company's financial positions and results of operations.

3. EQUIPMENT

	2008		
	COST	ACCUMULATED AMORTIZATION	NET
Office furniture	\$12,617	\$ 3,533	\$ 9,084
	2007		
	COST	ACCUMULATED AMORTIZATION	NET
Office furniture	\$12,617	\$ 1,262	\$ 11,355

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

4. MINERAL PROPERTIES

Summary of Mineral Properties

	BALANCE AUGUST 31 2007	ADDITIONS	BALANCE AUGUST 31 2008
Acquisition costs	\$ 487,913	\$ -	\$ 487,913
Deferred exploration costs and advances	1,295,767	55,058	1,350,825
Mineral property tax credits and incentives	(254,980)	(24,238)	(279,218)
Total mineral property deferred costs	\$ 1,528,700	\$ 30,820	\$ 1,559,520

	BALANCE AUGUST 31 2006	ADDITIONS	BALANCE AUGUST 31 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)
Total mineral property deferred costs	\$ 1,283,513	\$ 245,187	\$ 1,528,700

a) *Raglan Property*

The Company has 100% interest in 1,287 claims consisting of approximately 131,140 acres located in the Ungava area, Province of Quebec.

On 150 of these claims, the Company has the option to purchase up to 2 – ½% of the royalty, at a price of \$500,000 per one half percent, and is subject to a 3% net smelter return royalty.

On another 794 claims, the original vendors will retain a 1% net smelter return royalty on any future mineral production from the properties.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

4. MINERAL PROPERTIES (Continued)

a) Raglan Property (Continued)

The costs related to the Raglan Property are as follows:

	BALANCE 2007	ADDITIONS	BALANCE 2008
Acquisition costs			
Shares	\$ 179,125	\$ -	\$ 179,125
Cash	198,788	-	198,788
	<u>377,913</u>	-	<u>377,913</u>
Deferred exploration expenses			
Camp site	126,472	-	126,472
Claim staking and maintenance	205,429	49,403	254,832
Consulting	33,718	3,600	37,318
Equipment rental	4,304	-	4,304
Field work, supplies and mobilization	5,025	-	5,025
Fuel and storage	73,920	-	73,920
General and administration	41,789	-	41,789
Geophysical survey	622,360	-	622,360
Management fee	48,598	-	48,598
Reports and maps	18,755	-	18,755
Sampling and assays	776	-	776
Salaries and wages	7,368	-	7,368
	<u>1,188,514</u>	53,003	<u>1,241,517</u>
Refundable tax credits and mining duties	<u>(254,980)</u>	<u>(24,238)</u>	<u>(279,218)</u>
Total mineral property deferred costs	<u>\$ 1,311,447</u>	<u>\$ 28,765</u>	<u>\$ 1,340,212</u>

b) 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 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.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

4. MINERAL PROPERTIES (Continued)

b) Klu Property (Continued)

Costs related to the Klu Property are as follows:

	BALANCE 2007	ADDITIONS	BALANCE 2008
Acquisition costs			
Shares	\$ 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	7,148	1,155	8,303
Consulting	45,740	900	46,640
General and administration	22,411	-	22,411
Equipment	340	-	340
Site visits	278	-	278
	<u>107,253</u>	<u>2,055</u>	<u>109,308</u>
Total mineral property deferred costs	<u>\$ 217,253</u>	<u>\$ 2,055</u>	<u>\$ 219,308</u>

Mineral Exploration Credits

As a result of the Company incurring exploration expenditures on its Quebec mineral properties, the Company applied for the following Province of Quebec government tax credits:

	<u>2008</u>	<u>2007</u>
2006 Quebec mining duties credit	<u>\$ -</u>	<u>\$ 16,797</u>
Total refundable tax credits and mining duties	<u>\$ -</u>	<u>\$ 16,797</u>

The amounts received and expected are allocated to the respective Quebec properties based upon proportionate costs incurred on the properties. During the year ended August 31, 2007, the Company's mineral property tax claims were assessed, and the Company was requested to repay previously received credits. The amount of \$114,074, inclusive of interest charges, was accrued at August 31, 2008 (2007 - \$104,974) as a result of the assessment.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

5. 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.

During the years ended August 31, 2008 and 2007, the Company entered into the following transactions with directors of the Company or companies controlled by them:

	<u>2008</u>	<u>2007</u>
Management fees	\$ 49,250	\$ 49,250
Fees for consulting services	\$ 49,725	\$ 49,125
Professional fees	\$ 22,400	\$ -
Website maintenance	\$ 6,900	\$ 6,125

Prepaid expense include \$Nil (2007 - \$11,080) 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 fee.

6. CONVERTIBLE PROMISSORY NOTES

	<u>2008</u>	<u>2007</u>
Convertible promissory notes	\$ -	\$ 130,000
Equity portion of convertible promissory notes	-	(40,742)
	-	89,258
Interest accretion	-	40,742
Debt portion of convertible promissory notes	\$ -	\$ 130,000

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

6. CONVERTIBLE PROMISSORY NOTES (Continued)

The convertible promissory notes 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. During the year ended August 31, 2008, the Company paid off \$130,000 in principal and \$81,395 in accrued interest with respect to the notes.

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. The equity element of the convertible debt has been re-classed as contributed surplus upon the retirement of the convertible debt.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008 AND 2007

7. SHARE CAPITAL

a) Common Shares

Authorized: unlimited common shares without par value

Issued and outstanding:

	NUMBER OF SHARES	AMOUNT
Balance, August 31, 2006	6,251,836	\$ 7,862,939
Issued for cash:		
- Private placement @ \$0.18	3,000,000	540,000
Issued for finders fees:	137,472	24,745
Share issue costs:		
- Commission – cash paid	-	(5,700)
- Commission – shares issued	-	(24,745)
	3,137,472	534,300
Balance, August 31, 2007 and 2008	9,389,308	\$ 8,397,239

b) Private Placement

On July 24, 2007, the Company completed a private placement of 3,000,000 units (the "Units") at a price of \$0.18 per Unit, for gross proceeds of \$540,000. Each Unit is comprised of one common share (a "Share") of the Company and one transferable common share purchase warrant (the "Warrant"). Each Warrant is exercisable into one additional common share of the Company ("Warrant Share") 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 were subject to a four-month hold period expiring on November 11, 2007. Finders' fees including \$5,400 cash and 137,472 Units were paid.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

7. SHARE CAPITAL (Continued)

c) Warrants Outstanding

A summary of the Company's warrants that have been issued and their status at August 31, 2008 and 2007 and the changes for the years ending on those dates is presented below:

	2008		2007	
	WARRANTS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE	WARRANTS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Balance, beginning of year	5,482,472	\$ 0.24	3,443,600	\$ 0.54
Granted	-		3,137,472	0.24
Cancelled/Expired	<u>(2,345,000)</u>	(0.25)	<u>(1,098,600)</u>	(1.17)
Balance, end of year	<u>3,137,472</u>	\$ 0.24	<u>5,482,472</u>	\$ 0.24

Share purchase warrants outstanding at August 31, 2008:

EXERCISABLE INTO NUMBER OF COMMON SHARES	EXERCISE PRICE PER SHARE	EXPIRY DATE
3,137,472	\$ 0.24	July 9, 2009

d) Options Outstanding

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.

During the year ended August 31, 2008, there were no stock options granted, exercised or outstanding for the purchase of common shares.

RESOLVE VENTURES INC.
NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

8. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows as follows:

	2008	2007
137,472 common shares issued at \$0.18 per share in respect of finders' fees related to the private placement closed in the year	\$ -	\$ 27,745

9. INCOME TAXES

A reconciliation of income taxes at statutory rates to the Company's effective income tax expense is as follows:

	2008	2007
Statutory tax rate	32%	34%
Expected income tax recovery	\$ (98,000)	\$ (105,000)
Adjustment of non-deductible permanent differences	3,000	-
Temporary differences and income tax rate adjustments	34,000	(12,000)
Valuation allowance	61,000	117,000
	\$ -	\$ -

Details of future income tax assets are as follows:

	2008	2007
Resource deductions	\$ 213,000	\$ 284,000
Loss carryforwards	569,000	631,000
Share issue costs	10,000	27,000
Equipment	3,000	4,000
Valuation allowance	(795,000)	(946,000)
	\$ -	\$ -

RESOLVE VENTURES INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2008 AND 2007

9. INCOME TAXES (Continued)

The Company has non-capital losses available to offset future income for tax purposes of approximately \$1,614,000. These losses expire as follows:

2009	\$ 143,000
2010	\$ 137,000
2014	\$ 263,000
2015	\$ 145,000
2026	\$ 245,000
2027	\$ 342,000
2028	\$ 339,000

In addition, the Company has available net capital losses of \$570,000 that can be applied indefinitely against future capital gains.

The Company has available approximately \$2,370,000 of Canadian and foreign resource deductions which may be carried forward indefinitely to reduce taxable income of future years.

No future income tax asset has been recognized for temporary timing differences due to uncertainty as to whether they will be utilized. Any potential benefit will be recognized in the financial statements when it is more likely than not that it will be realized.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, tax credit and mining duties payable, loans payable and principal and interest portions of promissory notes payable. The Company has determined that the carrying amounts of such financial instruments approximate fair value due to their short terms to maturity. It is management's opinion that the Company is not exposed to significant interest, credit or foreign currency risks arising from these financial instruments.

11. SUBSEQUENT EVENTS

On September 26, 2008, the Company completed a non-brokered private placement of 7,000,000 flow-through shares and 3,010,000 non-flow-through shares at a price of \$0.05 per share for gross proceeds of \$500,500. The shares are subject to a four-month hold period expiring on January 13, 2009. The Company received \$25,000 towards this private placement at August 31, 2008. Finders' fees of \$8,225 were paid in connection with this private placement.