

Resolve Ventures Inc.

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MANAGEMENT DISCUSSION & ANALYSIS

For the Quarter Ended May 31, 2011

Date of Report: July 29, 2011

Directors and Officers as at July 29, 2011

Directors: Martin Auyeung
David Baker
J. Earl Terris

Officers: David Baker, President
Vivian Gu, CFO

Contact Name: David Baker

Website: www.resolveventures.com

TSX Venture Exchange Symbol: RSV.V

Form 51-102F1

RESOLVE VENTURES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Quarter Ended May 31, 2011

1.1 Date of This Report

July 29, 2011

1.2 Overall Performance

Description of Business

Resolve Ventures Inc. is a junior company listed on the TSX Venture Exchange. The Company is engaged in the acquisition, exploration and development of resource properties. 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, 2010</u>	<u>August 31, 2009</u>	<u>August 31, 2008</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$207,069	\$421,829	\$301,698
(ii) Loss per share - basic	\$0.01	\$0.10	\$0.32
(iii) Loss per share - diluted	\$0.01	\$0.10	\$0.32
(c) Net loss			
(i) Total loss	\$207,069	\$421,829	\$301,698
(ii) Loss per share - basic	\$0.01	\$0.10	\$0.32
(iii) Loss per share - diluted	\$0.01	\$0.10	\$0.32
(d) Total assets	\$2,335,720	\$2,845,140	\$1,679,538
(e) Total long-term liabilities	\$ -	\$ -	\$ -
(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:

Raglan Property

The Company has 100% interest in 880 claims consisting of approximately 90,085 acres located in the Ungava area, Province of Quebec.

Exploration Results & Future Developments:

A 2009 exploration program completed on the Company's Raglan property consisted of prospecting, geological mapping and sampling, portable XRF rock sample analysis and rock sampling, a limited 183 line-km airborne VTEM geophysical survey, and two short exploratory drill holes.

Exploration crews discovered new, gabbro-related Ni-Cu-Co sulphide showings in the central portion of the Resolve mineral tenures. Three Ni-Cu-Co mineralized targets were identified: a mineralized, pyroxenite basal-cumulate within a gabbro was delineated with a particularly gossanous Ni-Cu sulphide bearing outcrop called the "Bertrand" showing; and 660 metres east of Bertrand a gossanous Ni-Cu sulphide bearing, foliated and sheared gabbro called the "Slope" showing was also located.

The "Bertrand" showing occurs at the north end of the basal pyroxenite and consists of several gossanous outcrops within an area 65m long N-S, and up to 20m wide. Sulphide mineralization of 10% combined pyrrhotite, chalcopyrite and pyrite is common along the length of the showing. Over thirty rock samples were collected at the Bertrand showing and ALS Chemex results include Ni values to 2380 ppm and Cu to 8920 ppm. A drillhole (RSV09-002) tested the Bertrand showing and the pyroxenite was intersected from 107.95 to 118.0 metres downhole and its up-section gabbro intersected from 118.0 to 137.0 metres downhole, and both returned strongly anomalous Ni-Cu values for gabbroic source rock.

The "Slope" discovery located about 660 metres east of the Bertrand showing, is within a near vertical, east-west shear zone in a large gabbroic body. Mineralization occupies a 9 metre wide section that extends over 80 metres in an E-W direction. A broader shear zone extends westward to the northern end of the pyroxenite unit and Bertrand showing. Outcrop samples were collected at Slope for analyses at ALS Chemex and results include values to 1535 ppm Ni and 5260 ppm Cu. One drillhole (RSV09-001) tested the showing and intersected the foliated gabbro with only one sample returning anomalous Ni-Cu-Co values.

The most significant discovery was the mineralized, basal pyroxenite which is interpreted as a basal-cumulate that coarsens eastward and is bounded on the west by gradational contact with gabbro and on the east by an anorthositic gabbro that appears to be co-magmatic. The cumulate pyroxenite is variably 20 to 60 metres wide, extends over 1.2 km to the south and southeast and remains to be fully defined. The basal pyroxenite includes a gossanous zone 10 to 20 metres wide, which along most of its length is strongly anomalous in Ni-Cu-Co. Ni-Cu-Co values are particularly high in the central portion returning assay values to 4860 ppm Ni and 7070 ppm Cu (*0.49% Ni and 0.71% Cu respectively*), values that are significantly above background for a gabbroic source.

The 2009 exploration program has confirmed potential for gabbroic hosted nickel-copper-cobalt in the Central Resolve area. It is yet to be determined which types of the gabbroic hosted Ni-Cu deposits might be present with possible types and examples being the Ni-Cu deposits in basalt-gabbroic-ultramafics in the Labrador Trough located southeast of the Central resolve area in Nunavik Quebec and western Labrador, or the gabbroic hosted deposits such as Voisey's Bay and its nearby Pants lake intrusion located in eastern coastal Labrador.

The 2009 exploration program was conducted by Goldbrook Ventures Inc, a company with common directors and management. The Company has reimbursed the exploration expenditures incurred and paid by Goldbrook Ventures Inc. on behalf of the Company. During 2010 the company reviewed the detailed results of all exploration to date, and continues to evaluate the potential of the property and to consider possible next steps to explore it further.

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.

As the Company has paid only minimum fees to keep the property in good standing for three years, the property has been impaired and written off as at August 31, 2009 pursuant to the newly issued EIC 174, "Mining Exploration Costs".

Discussion of Operations and Financial Condition

Results of Operations

The net loss for the nine months ended May 31, 2011 was \$187,640 as compared with a net loss of \$190,023 for the nine months ended May 31, 2010.

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.

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>Q3</u> <u>31-May-</u> <u>11</u>	<u>Q2</u> <u>28-Feb-</u> <u>11</u>	<u>Q1</u> <u>30-Nov-</u> <u>10</u>	<u>Q4</u> <u>31-Aug-</u> <u>10</u>	<u>Q3</u> <u>31-May-</u> <u>10</u>	<u>Q2</u> <u>28-Feb-</u> <u>10</u>	<u>Q1</u> <u>30-Nov-</u> <u>09</u>	<u>Q4</u> <u>31-Aug-</u> <u>09</u>
Net sales		-	-	-		-	-	
Net income (loss)	(47,829)	(\$72,749)	(\$67,062)	(\$17,046)	(\$51,406)	(\$71,067)	(\$67,550)	(313,870)
Income(loss) per share	(0.004)	(\$0.005)	(\$0.005)	(\$0.00)	(\$0.004)	(\$0.005)	(\$0.005)	(0.07)
Income(loss) Per share diluted	(0.004)	(\$0.005)	(\$0.005)	(\$0.00)	(\$0.004)	(\$0.005)	(\$0.005)	(0.07)

1.6 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings. At May 31, 2011, the Company's working capital was \$174,212 compared to a working capital of \$146,767 at August 31, 2010.

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 Raglan 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 \$2,033,540. 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 nine months ended May 31, 2011 and 2010, the Company entered into the following transactions with directors and officers of the Company, or companies controlled by directors, officers, and related parties:

	<u>2011</u>		<u>2010</u>	
Management fees	\$	45,000	\$	45,000
Fees for consulting services	\$	25,937	\$	30,937
Professional fees	\$	13,500	\$	13,500
Website maintenance	\$	3,938	\$	3,938

Prepaid expense includes \$542 (2010 - \$509) paid to a company controlled by a director for future expenses.

At May 31, 2011, the Company had an advance payable of \$35,000 (2010: \$Nil) to a company controlled by a director of the Company. The advance payable was unsecured, non-interest bearing payable on demand.

During the year ended August 31, 2010, Goldbrook Ventures Inc. (“Goldbrook”), a company with common directors and management, incurred \$260,786 (2009: \$338,151) in exploration program expenses on behalf of the Company and charged the Company an exploration program management fee of \$13,014 (2009: \$33,815). The Company reimbursed the exploration expenses incurred and paid the management fee to Goldbrook.

1.10 Third Quarter

The third 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

Recently Adopted Accounting Pronouncements

Financial Instruments

CICA Handbook Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. Section 3863 disclosures enhance financial statement users’ understanding of the significance of financial instruments to an entity’s financial position, performance and cash flows. 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.

Future Accounting Pronouncements Not Yet Adopted

In February 2008, the Accounting Standards Board confirmed that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for fiscal years beginning on or after January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP; however there may be significant differences on recognition, measurement and disclosures required by some companies. A detailed analysis of the differences between IFRS and the Company’s accounting policies as well as an assessment of the impact of various alternatives is being carried out. The Company’s project plan involves four phases: analysis, identification of changes, solution development and implementation, where necessary.

The Company is in the business of acquiring, exploring and if warranted, developing mineral

prospects.

In a number of cases, the Company will be adopting IFRS as an initial policy, rather than a change from existing policies to IFRS. The current analysis indicates that there will be very little effect on financial reporting as a result of the adoption of the IFRS.

Some of the specific areas reviewed and considered to date are:

Exploration and Development Costs – IFRS permits the capitalization of exploration costs. The Company capitalizes all costs related to investments in mineral property interest on a property-by-property basis. Such costs include mineral property interest acquisition costs and exploration development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, sold or the Company's mineral rights are allowed to lapse.

Financial Instruments – The Company's current financial instruments are simple and require no analysis.

Income Taxes – Analysis of IFRS requirements will be done when the new standards become available. With no current revenue or taxable income, and with no anticipated contentious issues regarding the tax value of assets or non-capital losses carried forward, no complications are anticipated.

Financial Disclosure – Based on publications to date, none of the requirements to comply with reporting under IFRS presents any foreseeable difficulty.

In summary, an analysis of the requirements for making the transition to IFRS and the subsequent compliance for financial reporting purposes indicates that there should not be any difficulty due to the simplicity of the Company's current operations.

The IFRS changeover date of September 1, 2011 for the Company will require restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011.

The key elements, timing and status of the Company's changeover plan are outlined below:

- Developed internal knowledge to manage changeover, design systems and produce IFRS reports. Accounting staff have upgraded their knowledge and will continue throughout the process.
- Reviewed accounting policy changes that are required or are optional under IFRS on conversion and make choices where necessary. An internal review has been conducted for major differences between IFRS and Canadian GAAP, where it is likely to affect the Company. No significant impact is expected to the Company's financial reporting.
- Prepare 2010 opening balance sheets and reconciliations of 2010 interim and year end statements to Canadian GAAP statements of the same periods. These statements will be ready for the interim financial statements for the quarter ended November 30, 2011.
- Reviewed internal control implication of new policies and changeover.

- Reviewed disclosure controls and procedures in light of change to IFRS.
- Reviewed business implications of conversion such as compensation formulas and contract requirements. No significant implications have been determined.

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.

1.15 Other

Disclosure of Outstanding Share Capital (as at July 29, 2011):

	Number	Book Value
Common Shares	23,939,927	\$10,825,514

Pursuant to the shareholders' approval at the annual and special general meeting of shareholders held on November 19, 2008, the Company has consolidated its capital on a 10 old for 1 new basis. Effective at the opening April 23, 2009, the shares of the Company commenced trading on TSX Venture Exchange on a consolidated basis.

The numbers of shares and issue prices per share in this report have been restated to reflect the share consolidation.

Controls and Procedures

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

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

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

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

Summary of warrants outstanding (as of July 29, 2011): Nil

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:

Raglan Property:

	BALANCE AUGUST 31 2010	ADDITIONS	BALANCE MAY 31 2011
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	590,776	-	590,776
Consulting	46,818	4,500	51,318
Drilling	47,842	-	47,842
Equipment rental	4,304	-	4,304
Field work, supplies and mobilization	60,960		60,960
Fuel and storage	73,920	-	73,920
General and administration	41,789	-	41,789
Geophysical survey	899,336	-	899,336
Helicopter	81,402	-	81,402
Management fee	95,428	-	95,428
Reports and maps	38,755	-	38,755
Sampling and assays	119,188	-	119,188
Salaries and wages	7,368	-	7,368
	<u>2,234,358</u>	-	<u>2,238,858</u>
Refundable tax credits and mining duties	<u>(453,519)</u>	(129,712)	<u>(583,231)</u>
Total mineral property deferred costs	<u>\$ 2,158,752</u>	\$ (125,212)	<u>2,033,540</u>

Klu Property:

	BALANCE AUGUST 31 2010	ADDITIONS/ (WRITE-OFFS)	BALANCE MAY 31 2011
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	10,088	-	10,088
Consulting	46,640	-	46,640
General and administration	22,411	-	22,411
Equipment	340	-	340
Site visits	278	-	278
	<u>111,093</u>	<u>-</u>	<u>111,093</u>
Write-off of mineral property	<u>(221,093)</u>	<u>-</u>	<u>(221,093)</u>
Total mineral property deferred costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Summary of Mineral Properties

	BALANCE AUGUST 31 2010	ADDITIONS	BALANCE MAY 31 2011
Acquisition costs	\$ 487,913	\$ -	\$ 487,913
Deferred exploration costs and advances	1,888,845	4,500	2,349,951
Mineral property tax credits and incentives	(279,218)	(129,712)	(583,231)
Write-off of mineral property	(221,093)	-	(221,093)
	<u>\$ 1,876,447</u>	<u>\$ (125,212)</u>	<u>\$ 2,033,540</u>

Subsequent Events

In June 2011, 9,110,000 stock purchase warrants with exercise price \$0.10 per share were exercised.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.