

# Resolve Ventures Inc.

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## MANAGEMENT DISCUSSION & ANALYSIS

**For the quarter ended November 30, 2005**

Date of Report: January 24, 2006

### **Directors and Officers as at January 24, 2006:**

**Directors:**

Martin Auyeung  
David Baker  
Harvey Lawson  
Brent Peters

**Officers:**

David Baker, President

**Contact Name:**

David Baker

**Website:**

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

**TSX Venture Exchange Symbol:**

RSV.V (formerly RVN.V)

Form 51-102F1

**RESOLVE VENTURES INC.**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Quarter Ended November 30, 2005

1.1 Date of This Report

January 24, 2005

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, 2005</u>	<u>August 31, 2004</u>	<u>August 31, 2003</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$1,137,132	\$239,788	\$561,136
(ii) Loss per share - basic	\$0.05	\$0.03	\$0.48
(iii) Loss per share - diluted	\$0.05	\$0.03	\$0.48
(c) Net loss			
(i) Total loss	\$1,137,132	\$239,788	\$561,136
(ii) Loss per share - basic	\$0.05	\$0.03	\$0.48
(iii) Loss per share - diluted	\$0.05	\$0.03	\$0.48
(d) Total assets	\$1,286,181	\$1,562,794	\$103,424
(e) Total long-term liabilities	\$117,818	\$109,658	\$101,498
(f) Cash dividends declared per-share	N/A	N/A	N/A

## 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:

#### **Shoot Out Property**

The Company entered into an option agreement with Golden Valley Mines Ltd. ("Golden") dated August 29, 2003 whereby the Company could earn a 50% interest in certain mining claims located in the Lac Dumas and Lac Forcier Townships of Northern Quebec. The option was subject to Golden first acquiring a 100% interest in and to the property by fulfilling the terms of an option agreement entered into by Golden and the mineral rights holder. Effective on the date on which Golden acquired a 100% interest in the Property, the Company received an exclusive option to acquire an undivided 50% interest in the Property by:

- i) issuing 500,000 common shares to Golden. (issued)
- ii) paying \$100,000 to Golden as follows:
  - \$20,000 upon regulatory approval (paid)
  - \$20,000 by November 29, 2003 (paid)
  - \$30,000 by May 29, 2004 (paid)
  - \$30,000 by May 29, 2005 (paid)
- iii) incurring exploration expenditures in the aggregate amount of \$2,000,000 as follows:
  - \$350,000 by December 31, 2003 (completed),
  - an additional \$550,000 on or before December 31, 2004 (completed),
  - an additional \$1,100,000 on or before December 31, 2005.

The Company received regulatory approval for the transaction on September 9, 2003. The Company paid a \$44,250 finder's fee with regards to the option agreement. The Company paid an additional \$43,500 finder's fee in December 2004 pursuant to an August 29, 2003 finder's fee agreement.

At the time of signing the 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.

On June 16, 2005, the Company announced that, although the East Shoot Out exploration program had been completed to a very high technical standard, it had decided to discontinue its joint venture arrangement with Golden and would focus its efforts and resources on its own Raglan holdings and the Klu property. Accordingly, the Shoot Out property has been written off.

### **Ungava Acrex Property**

During the year ended August 31, 2005, the Company entered into an agreement with Acrex whereby the Company would acquire a 100% interest in and to 150 mineral claims currently owned by Acrex. The claims consist of approximately 15,350 acres located in the Ungava area, Province of Quebec. The agreement was accepted for filing by the TSX Venture Exchange on July 5, 2005.

In consideration of the acquisition, the Company issued 500,000 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:**

During the previous year-ended August 2005, the Company completed the airborne AeroTem magnetic-electromagnetic survey and the final report for this work has been received. During the winter months of 2005 and 2006, the airborne survey will be evaluated and interpreted and recommendations for the project will be formulated. A ground exploration program, consisting of geological mapping and prospecting, magnetic and electromagnetic surveys, and diamond drilling is planned for the summer exploration season of 2006.

### **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 500,000 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:**

During the previous year-ended August 2005, an airborne magnetic-electromagnetic survey (AeroTem survey by Aeroquest) was completed over the property and the final report was received. The results of the airborne survey will be evaluated and integrated with previously compiled geological and exploration data, and target areas for follow-up will be prioritized. A ground exploration program, consisting of geological mapping and prospecting, magnetic and electromagnetic surveys, and diamond drilling is planned for the summer exploration season of 2006.

### **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 situated south of the Company's Shoot Out Property, Acrex Joint Venture and the claims purchased from Ubex and Menace Capital. To acquire a 100% interest in the claims, the Company must pay \$50,000 in cash and issue 100,000 shares on Exchange approval. The TSX Venture Exchange approved the transaction on February 4, 2004. The \$50,000 has been paid and the 100,000 shares have been issued.

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

During the previous year-ended August 2005, an airborne magnetic-electromagnetic survey (AeroTem survey by Aeroquest) was completed over the property and the final report was received. As with all of the Resolve Raglan District properties, the results of the airborne survey will be evaluated and integrated with previously compiled geological and exploration data, and target areas for follow-up will be prioritized. A ground exploration program, consisting of geological mapping and prospecting, magnetic and electromagnetic surveys, and diamond drilling is planned for the summer exploration season of 2006.

**Klu Property:**

On September 8, 2005, the Company announced that it had entered into an agreement to acquire 100% of the Klu Property, a Nickel-Copper-Platinum Group Element (“Ni-Cu-PGE”) target, 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 on September 13, 2005 and issued 1,190,476 common shares to Inco at \$0.042 per share on September 12, 2005.

**Exploration Results & Future Developments:**

On October 3, 2005, the Company announced that it had commenced a field exploration program on the newly acquired Klu property. The program consisted of geological mapping and lithochemical sampling. Completion of the program was hampered by early winter conditions making access to some of the target areas poor. However, the program was a successful orientation to the property and will provide the basis for the formulation of a comprehensive exploration program for 2006.

**Ungava West Property**

On September 8, 2005, the Company announced additional claims staked at a new Ungava property – Ungava West. The Company staked (registered) a total of 342 units, totaling 14,222 hectares (35,143 acres) immediately west of the main block of claims in the Raglan district. The claims cover the favourable stratigraphy of the Povungituk and are contiguous, to the south, with Goldbrook’s Belanger property. Future work on the newly acquired claims will be conducted in conjunction with the main block of Acrex, Ubex, and Scott claims.

**Exploration Results & Future Developments:**

No work was completed on the property during the quarter ended November 2005. As per all of the Raglan district properties, a field program is being planned for the 2006 field season.

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

### **Results of Operations**

The net loss for the quarter ended November 30, 2005 was \$96,780 as compared with a net loss in the previous year of \$91,234 for the quarter ended November 30, 2004. During the quarter, consulting fees, legal fees, and regulatory fees increased due to the increased activities in mineral properties acquisition and exploration involving the Company's acquisition of the Klu property, as well as the decision to proceed with the proposed share consolidation and the non-brokered private placement announced in October, 2005. Consulting and legal fees also relate to various investor meetings in Europe. Office expenses also increased from the previous year due to expenses related to the offices maintained for shareholder communication (first opened in April 2005).

### **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 in Europe, Quebec and San Francisco.

### **Financings, Principal Purposes & Milestones**

On October 27, 2005, the Company announced that it had decided to proceed with a common share consolidation of ten old common shares for one new common share, as approved at the Company's Annual General Meeting of shareholders held in April 2005. (See *Subsequent Events*.) The Company also announced that it had arranged a non-brokered private placement to issue up to 2,850,000 post consolidation units (subsequently increased to 2,875,000 units) at a post consolidated price of \$0.19 per unit. Each unit is to consist of one post consolidated common share and one share purchase warrant exercisable into one post consolidated common share for a period of two years at the post consolidated share price of \$0.25 per post consolidated common share. . (See *Subsequent Events*.)

#### 1.4 Summary of Quarterly Results

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

	<u>Q1</u> <u>30-Nov-</u> <u>05</u>	<u>Q4</u> <u>31-Aug-</u> <u>05</u>	<u>Q3</u> <u>31-May-</u> <u>05</u>	<u>Q2</u> <u>28-Feb-</u> <u>05</u>	<u>Q1</u> <u>30-Nov-</u> <u>04</u>	<u>Q4</u> <u>31-Aug-</u> <u>04</u>	<u>Q3</u> <u>31-May-</u> <u>04</u>	<u>Q2</u> <u>29-Feb-</u> <u>04</u>
<b>Net sales</b>	-	-	-	-	-	-	-	-
<b>Net Income (loss):</b>								
<b>Total</b>	(\$96,780)	(\$1,046,718)	(\$109,957)	\$110,777	(\$91,234)	(\$76,295)	(\$49,085)	(\$62,141)
<b>Per share</b>	(\$0.003)	(\$0.046)	(\$0.005)	\$0.006	(\$0.005)	(\$0.008)	(\$0.005)	(\$0.007)
<b>Per share - diluted</b>	(\$0.003)	(\$0.046)	(\$0.005)	\$0.004	(\$0.005)	(\$0.008)	(\$0.005)	(\$0.007)

#### *Discussion*

For the quarter ended November 30, 2005, please refer to Section 1.4 Results of Operations.

#### 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 November 30, 2005, the Company's working capital was \$212,221 compared to a working capital of \$404,924 at the year ended August 31, 2005.

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 \$925,395. 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

During the three months ended November 30, 2005 and 2004, the Company entered into the following transactions with directors of the Company or companies controlled by them:

	<u>2005</u>	<u>2004</u>
Management fees	\$ 6,300	\$ 7,500
Fees for consulting services	\$ 3,000	\$ 5,000
Management and consulting fees allocated to deferred exploration costs	\$ 5,700	\$ 5,000
Website maintenance	\$ 1,500	\$ -

Accounts payable and accrued liabilities include \$8,170 (2004 - \$59,899) owing to companies related by virtue of common directors for expenses incurred by the related company on behalf of the Company.

### 1.10 First Quarter

The first 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.

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 November 30, 2005:

	<u>30-11-05</u>	<u>31-08-05</u>
Convertible promissory notes	\$ <b>130,000</b>	130,000
Equity portion of convertible promissory notes	<b>(40,742)</b>	(40,742)
	<b>89,258</b>	89,258
Interest accretion	<b>30,600</b>	28,560
Debt portion of convertible promissory notes	<b>\$ 119,858</b>	117,818

The recoverability of the amounts capitalized for the mineral properties under exploration is dependent upon the determination of economically recoverable ore reserves, the ability to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

1.15 Other

*Disclosure of Outstanding Share Capital*

	Number	Book Value
Common Shares	28,468,370	\$7,284,830

*Summary of warrants outstanding:*

Number of Shares	Exercise Price	Expiry Date
3,036,150	\$0.15	August 17, 2006
1,356,000	\$0.20	August 17, 2006
1,199,500	\$0.15	September 21, 2006
425,000	\$0.20	September 21, 2006
261,350	\$0.15	September 24, 2006
17,500	\$0.20	September 24, 2006
770,000	\$0.15	September 28, 2006
66,000	\$0.20	September 28, 2006
50,000	\$0.15	October 4, 2006
196,650	\$0.18	October 20, 2006
8,000,000	\$0.10	February 27, 2007
15,378,150		

*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:

**Shoot Out Property**

	<b>Balance as at</b>		<b>Balance as at</b>
	<b>30-Nov-05</b>	<b>Additions</b>	<b>31-Aug-05</b>
<b>Acquisition costs:</b>			
Shares (500,000 @ \$0.20)	\$ 100,000	-	100,000
Cash	187,750	-	187,750
<b>Total acquisition costs</b>	<b>287,750</b>	<b>-</b>	<b>287,750</b>
<b>Deferred expenses:</b>			
Advances for future exploration	-	-	-
Airborne	260,491	-	260,491
Camp site	233,250	-	233,250
Claims and maintenance	9,144	-	9,144
Consulting	2,888	-	2,888
Drilling, assaying, & overhead	100,048	-	100,048
Geology & field work	88,237	-	88,237
G&A, project management, and claim maintenance	188,975	-	188,975
Helicopter	198,234	-	198,234
Legal	15,917	-	15,917
Logistics	12,000	-	12,000
<b>Total deferred expenses</b>	<b>1,109,184</b>	<b>-</b>	<b>1,109,184</b>
Refundable tax credits and mining duties	(488,198)	-	(488,198)
<b>Write-off of Shoot Out property</b>			
Acquisition costs	(287,750)	-	(287,750)
Deferred expenses	(620,986)	-	(620,986)
<b>Total Mineral Property Deferred Costs</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

**Ungava Acrex Property:**

	<b>Balance as at</b>		<b>Balance as at</b>
	<b>30-Nov-05</b>	<b>Additions</b>	<b>31-Aug-05</b>
<b>Acquisition costs:</b>			
Shares	\$ 59,125	-	59,125
Cash	98,788	-	98,788
<b>Total acquisition costs</b>	<b>157,913</b>	<b>-</b>	<b>157,913</b>
<b>Deferred exploration expenses:</b>			
Camp site	42,519	-	42,519
Claim and maintenance	27,940	220	27,720
Consulting	11,328	2,584	8,744
G&A	12,743	146	12,597
Geophysical survey	106,389	-	106,389
Salaries and wages	2,364	2,364	-
<b>Total deferred exploration expenses</b>	<b>203,283</b>	<b>5,314</b>	<b>197,969</b>
Refundable tax credits and mining duties	(77,307)	-	(77,307)
<b>Total Mineral Property Deferred Costs</b>	<b>\$ 283,889</b>	<b>5,314</b>	<b>278,575</b>

**Ungava Ubex Property**

	<b>Balance as at</b>		<b>Balance as at</b>
	<b>30-Nov-05</b>	<b>Additions</b>	<b>31-Aug-05</b>
Acquisition costs:			
Shares (500,000 @ \$0.20)	\$ 100,000	-	100,000
Cash	50,000	-	50,000
Total acquisition costs	150,000	-	150,000
Deferred exploration expenses:			
Camp site	47,665	-	47,665
Claim and maintenance	39,473	220	39,253
Consulting	10,172	2,584	7,588
G&A	11,252	145	11,107
Geophysical survey	118,084	-	118,084
Salaries and wages	2,364	2,364	-
Total deferred exploration expenses	229,010	5,313	223,697
Refundable tax credits and mining duties	(87,279)	-	(87,279)
<b>Total Mineral Property Deferred Costs</b>	<b>\$ 291,731</b>	<b>5,313</b>	<b>286,418</b>

**Ungava Scott Property:**

	<b>Balance as at 30-Nov-05</b>	<b>Additions /(Recoveries</b>	<b>Balance as at 31-Aug-05</b>
Acquisition costs:			
Shares (100,000 @ \$0.20)	\$ 20,000	-	20,000
Cash	50,000	-	50,000
Total acquisition costs	70,000	-	70,000
Deferred exploration expenses:			
Camp site	15,888	(100)	15,988
Claims & maintenance	63,432	48,106	15,326
Consulting	11,892	3,735	8,157
G&A	13,843	3,235	10,608
Geophysical survey	35,417	-	35,417
Salaries and wages	2,364	2,364	-
Total deferred exploration expenses	142,836	57,340	85,496
Refundable tax credits and mining duties	(33,057)	-	(33,057)
<b>Total Mineral Property Deferred Costs</b>	<b>\$ 179,779</b>	<b>57,340</b>	<b>122,439</b>

**Klu Property:**

	<b>Balance as at</b>		<b>Balance as at</b>
	<b>30-Nov-05</b>	<b>Additions</b>	<b>31-Aug-05</b>
Acquisition costs:			
Shares (1,190,476 @ \$0.042)	\$ 50,000	50,000	-
Cash	50,000	50,000	-
<b>Total acquisition costs</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>
Deferred exploration expenses:			
Airborne	18,185	18,185	-
Assays	1,823	1,823	-
Camp and fieldwork	11,328	11,328	-
Claims & maintenance	4,730	4,730	-
Consulting	30,565	30,565	-
G&A	3,025	3,025	-
Equipment	340	340	-
<b>Total deferred exploration expenses</b>	<b>69,996</b>	<b>69,996</b>	<b>-</b>
<b>Total Mineral Property Deferred Costs</b>	<b>\$ 169,996</b>	<b>169,996</b>	<b>-</b>

	<b>Balance as at</b>		<b>Balance as at</b>
	<b>30-Nov-05</b>	<b>Additions</b>	<b>31-Aug-05</b>
Acquisition costs:	\$ 765,663	100,000	665,663
Deferred exploration costs and advances:	1,754,309	137,963	1,616,346
Write-off Shoot Out property	(908,736)	-	(908,736)
<b>Mineral property tax credits and incentives</b>	<b>(685,841)</b>	<b>-</b>	<b>(685,841)</b>
<b>Total Mineral Property</b>	<b>925,395</b>	<b>237,963</b>	<b>687,432</b>

***Subsequent Events***

Pursuant to a special resolution passed by shareholders April 13, 2005, the Company consolidated its capital on a 10 old for 1 new basis, Effective January 17, 2006, the shares of the Company commenced trading on the TSX Venture Exchange on a consolidated basis under the new trading symbol "RSV".

On January 23, 2006, the TSX Venture Exchange accepted for filing documentation with respect to a Non-Brokered Private Placement announced on October 27, 2005. The private placement involves the issuance of 2,875,000 Units at \$0.19 per Unit, each Unit comprised of one share and one warrant to acquire an additional share at a price of \$0.25 per share for a two-year period.

*Additional information*

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