

RESOLVE VENTURES INC.

INTERIM FINANCIAL STATEMENTS

May 31, 2007

(Unaudited)

NOTICE TO READER

INTERIM BALANCE SHEETS

INTERIM STATEMENTS OF LOSS AND DEFICIT

INTERIM STATEMENTS OF CASH FLOWS

NOTES TO INTERIM FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statement for the period ended May 31, 2007.

NOTICE TO READER

The interim balance sheet as at May 31, 2007 and the interim statements of loss and deficit, and the interim statements of cash flows for the nine-month period then ended are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Morgan and Company.

The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

/s/ David Baker

David Baker, Director
Vancouver, BC Canada
July 30, 2007

/s/ Martin Auyeung

Martin Auyeung, Director
Vancouver, BC Canada
July 30, 2007

RESOLVE VENTURES INC.

BALANCE SHEETS

	May 31, 2007	August 31, 2006
ASSETS		
Current		
Cash	\$ 29,748	\$ 688,041
Goods and Services Tax recoverable	5,586	35,481
Tax credit and mining duties recoverable (Note 4)	208,708	264,291
Prepaid expenses	5,907	26,329
	<u>249,949</u>	<u>1,014,142</u>
Quebec Mining Duties Recoverable (Note 4)	39,063	78,103
Mineral Properties (Note 4)	<u>1,345,916</u>	<u>1,283,513</u>
	<u>\$ 1,634,928</u>	<u>\$ 2,375,758</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 35,430	\$ 29,005
Due to related party (Note 5)	-	566,993
Interest on convertible promissory notes (Note 6)	75,075	64,350
Convertible promissory notes (Note 6)	130,000	125,978
	<u>240,505</u>	<u>786,326</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)	7,862,939	7,862,939
Shares subscribed	27,000	-
Equity Portion Of Convertible Promissory Notes	40,742	40,742
Deficit	<u>(6,536,258)</u>	<u>(6,314,249)</u>
	<u>1,394,423</u>	<u>1,589,432</u>
	<u>\$ 1,634,928</u>	<u>\$ 2,375,758</u>

Nature Of Operations And Going Concern (Notes 1 and 2)

Approved by the Board of Directors:

"David Baker"
David Baker, Director

"Martin Auyeung"
Martin Auyeung, Director

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

RESOLVE VENTURES INC.

INTERIM STATEMENTS OF LOSS AND DEFICIT

(Unaudited)

	3 months ended May 31,		9 months ended May 31,	
	2007	2006	2007	2006
Expenses				
Audit and accounting	\$ (4,650)	\$ (4,400)	\$ 23,050	\$ 16,540
Interest on convertible notes	3,575	5,615	14,747	16,845
Bank charges and interest	67	12	122	362
Consulting	10,800	11,950	38,075	46,535
Legal	2,188	4,258	7,135	16,075
Management and administrative services	15,500	13,200	60,600	40,400
Office, rent and telephone	16,263	5,975	58,596	44,918
Regulatory and filing fees	44	445	7,015	19,492
Transfer agent	745	1,224	2,511	4,902
Shareholder's communication	2,850	3,590	10,200	13,910
Conferences and shows	-	-	-	3,200
Travel	-	8,805	-	12,384
Property investigation	-	-	-	152
Loss Before The Following	47,382	50,674	222,051	235,715
Interest Income And Other Income	(20)	(517)	(42)	(530)
Loss on foreign exchange	-	-	-	489
Office expenses recovered	-	(99,084)	-	(99,084)
FIT recovery	-	-	-	(85,248)
Net Income (Loss) For The Period	(47,362)	48,927	(222,009)	(51,342)
Deficit, Beginning of Period	(6,488,896)	(6,302,303)	(6,314,249)	(6,202,034)
Deficit, End of Period	(6,536,258)	(6,253,376)	(6,536,258)	(6,253,376)
Loss Per Share, Basic and Diluted			\$ 0.04	\$ 0.01
Weighted Average Outstanding Shares			6,251,836	4,179,493

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

RESOLVE VENTURES INC.

INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

	3 months ended May 31,		9 months ended May 31,	
	2007	2007	2007	2007
Cash provided (used) by:				
Operating activities				
Net loss for the period	\$ (47,362)	48,927	(222,009)	(51,342)
Items not involving cash				
FIT recovery	-	-	-	(85,248)
Accretion on convertible notes	-	2,040	4,022	6,120
Accrued interest on convertible notes	3,575	3,575	10,725	10,725
	(43,787)	54,542	(207,262)	(119,745)
Changes in non-cash working capital balances				
(Increase) decrease in prepaid expenses	8,691	(10,785)	20,422	(18,643)
(Increase) decrease in taxes recoverable	16,955	243,862	72,538	250,368
Due to related parties	-	-	(566,993)	-
(Increase) decrease in A/R	836	-	29,895	(182)
Increase (decrease) in A/P	10,702	(16,908)	6,425	(15,135)
	37,184	216,169	(437,713)	216,408
	(6,603)	270,711	(644,975)	96,663
Financing Activities				
Issue of share capital	-	(16,210)	-	510,857
Share subscription	27,000	-	27,000	-
	27,000	(16,210)	27,000	510,857
Investing Activities				
Deferred acquisition costs	-	-	-	(50,000)
Deferred expenses	(4,950)	(11,328)	(40,318)	(178,445)
	(4,950)	(11,328)	(40,318)	(228,445)
Increase (decrease) in cash	15,447	243,173	(658,293)	379,075
Cash, beginning of period	14,301	369,667	\$ 688,041	\$ 333,765
Cash, end of period	29,748	612,840	29,748	612,840

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

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

1. GOING CONCERN

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.

2. NATURE OF OPERATIONS

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

During the year ended August 31, 2006, the Company consolidated its capital on a 10 old for 1 new basis. The name of the Company and the number of authorized common shares remain unchanged.

The number of shares and issue and exercise prices per share in these financial statements have been restated to reflect the share consolidation.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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.

Cost of Maintaining Mineral Properties

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

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

b) 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.

c) 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 nine months ended May 31, 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.

d) 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”.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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.

f) 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.

g) 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.

h) 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.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

4. MINERAL PROPERTIES

Ungava Acrex Property

During the year ended August 31, 2005, the Company entered into an agreement with 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.

Costs related to the Ungava Acrex Property are as follows:

	BALANCE MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
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	32,697	14,685	18,012
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>208,829</u>	14,685	<u>194,144</u>
Refundable tax credits and mining duties	<u>(69,960)</u>	-	<u>(69,960)</u>
Total mineral property deferred costs	<u>\$ 296,782</u>	\$ 14,685	<u>\$ 282,097</u>

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

4. MINERAL PROPERTIES (Continued)

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.

Costs related to the Ungava Ubex Property are as follows:

	BALANCE MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
Acquisition costs			
Shares (50,000 at \$2.00)	\$ 100,000	\$ -	\$ 100,000
Cash	50,000	-	50,000
	150,000	-	150,000
Deferred exploration expenses			
Camp site	47,665	-	47,665
Claim staking and maintenance	53,198	23,653	29,545
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
	243,512	23,653	219,859
Refundable tax credits and mining duties	(79,854)	-	(79,854)
Total mineral property deferred costs	\$ 313,658	\$ 23,653	\$ 290,005

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.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

4. MINERAL PROPERTIES (Continued)

Ungava Scott Property (Continued)

Costs related to the Ungava Scott Property are as follows:

	BALANCE MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
Acquisition costs			
Shares (10,000 at \$2.00)	\$ 20,000	\$ -	\$ 20,000
Cash	50,000	-	50,000
	70,000	-	70,000
Deferred exploration expenses			
Camp site	15,888	-	15,888
Claim staking and maintenance	54,045	990	53,055
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
	136,110	990	135,120
Refundable tax credits and mining duties	(47,641)	-	(47,641)
Total mineral property deferred costs	\$ 158,469	\$ 990	\$ 157,479

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.

Costs related to the Ungava West Property are as follows:

	BALANCE MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
Deferred exploration expenses			
Claim staking and maintenance	\$ 33,833	\$ -	\$ 33,833
Refundable tax credits and mining duties	(13,734)	-	(13,734)
Total mineral property deferred costs	\$ 20,099	\$ -	\$ 20,099

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

4. MINERAL PROPERTIES (Continued)

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 MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
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>534,574</u>
Refundable tax credits and mining duties	<u>(217,004)</u>	-	<u>(217,004)</u>
Total mineral property deferred costs	<u>\$ 317,570</u>	\$ -	<u>\$ 317,570</u>

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.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

4. MINERAL PROPERTIES (Continued)

Klu Property (Continued)

Costs related to the Klu Property are as follows:

	BALANCE MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
Acquisition costs			
Shares (119,047 at \$0.42)	\$ 50,000	\$ -	\$ 50,000
Cash	50,000	-	50,000
Finder's fee	10,000	-	10,000
	110,000	-	110,000
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	990	6,158
Consulting	45,740	-	45,740
General and administration	22,411	-	22,411
Equipment	340	-	340
Site visits	278	-	278
	107,253	990	106,263
Total mineral property deferred costs	\$ 217,253	\$ 990	\$ 216,263

Summary of Mineral Properties

	BALANCE MAY 31 2007	ADDITIONS	BALANCE AUGUST 31 2006
Acquisition costs	\$ 487,913	\$ -	\$ 487,913
Deferred exploration costs and advances	1,264,111	40,318	1,223,793
Mineral property tax credits and incentives	(406,108)	22,085	(428,193)
	\$ 1,345,916	\$ 62,403	\$ 1,283,513

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

4. MINERAL PROPERTIES (Continued)

Mineral Exploration Credits

As a result of the Company incurring exploration expenditures on its Quebec mineral properties, the Company applied for and received the Province of Quebec government tax credits. The Company is still expecting the 2006 Quebec mining duties credit in the amount of \$39,063 includes it in tax credit and mining duties recoverable.

The amounts received and expected are allocated to the respective Quebec properties based upon proportionate costs incurred on the properties.

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 nine months ended May 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	\$ 37,250	\$ 19,800
Fees for consulting services	\$ 13,850	\$ 5,500
Management and consulting fees allocated to deferred exploration costs	\$ -	\$ 14,700
Website maintenance	\$ 4,400	\$ 3,000

Accounts payable and accrued liabilities include \$7,944 (2006 - \$1,013) due to a director and companies controlled by directors for unpaid fees and expenses.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

6. CONVERTIBLE PROMISSORY NOTES

	<u>2007</u>	<u>2006</u>
Convertible promissory notes	\$ 130,000	\$ 130,000
Equity portion of convertible promissory notes	(40,742)	(40,742)
	89,258	89,258
Interest accretion	40,742	34,680
	\$ 130,000	\$ 123,938

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. As at May 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.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 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
Balance, May 31, 2007	6,251,836	\$ 7,862,939

b) Private Placement

On April 18, 2007, the Company announced that it had arranged a non-brokered private placement involving the issuance of up to 3,000,000 units of the Company (the "Units") at a price of \$0.18 per Unit for gross proceeds of \$540,000.00. Each Unit shall be composed of one common share of the Company and one transferable common share purchase Warrant (the "Warrant"). Each Warrant is exercisable into one additional common share for a period of two years from the closing date of the private placement at an exercise price of \$0.24.

The proceeds from the offering will be used to pay off convertible promissory notes and for general working capital purposes.

The private placement was closed subsequently (Note 9).

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

7. SHARE CAPITAL (Continued)

c) Warrants Outstanding

A summary of changes of the Company's warrants during the nine months ended May 31, 2007 is presented below:

	<u>WARRANTS OUTSTANDING</u>
Balance, beginning of period	3,443,600
Expired	<u>(1,098,600)</u>
Balance, end of period	<u>2,345,000</u>

Share purchase warrants outstanding at May 31, 2007:

<u>EXERCISABLE INTO NUMBER OF COMMON SHARES</u>	<u>EXERCISE PRICE PER SHARE</u>	<u>EXPIRY DATE</u>
2,345,000	\$ 0.25	January 24, 2008

d) Options Outstanding

During the year ended August 31, 2005, the TSX Venture Exchange accepted the Company's amended Stock Option Plan, which was approved by the Company's shareholders at the Annual General Meeting. The Company implemented a rolling stock option plan whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan.

During the nine months ended May 31, 2007 and 2006, there were no stock options granted, exercised or outstanding for the purchase of common shares.

RESOLVE VENTURES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MAY 31, 2007

8. NON-CASH TRANSACTIONS

During the nine months ended May 31, 2007 and 2006, 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:

	<u>2007</u>	<u>2006</u>
119,047 common shares issued at \$0.42 per share in respect of Klu property acquisition payment	-	\$ 50,000
Renunciation of exploration expenditures through flow-through shares	-	\$ 85,248
	<u>-</u>	<u>\$ 135,248</u>

9. FINANCIAL INSTRUMENTS

The Company has estimated the fair value of its financial instruments, which consist of cash, accounts payable and accrued liabilities, related party loans payable, loans payable and principal and interest portions of promissory notes payable. The Company used valuation methodologies and market information available as at year end and has determined that the carrying amounts of such financial instruments approximate fair value. It is management's opinion that the Company is not exposed to significant interest, credit or foreign currency risks arising from these financial instruments, except as noted below.

The Company's promissory notes detailed in Note 6 are all convertible at the option of the holders into common shares of the Company and are issued with interest payable at rates less than normal market rates under similar conditions without the conversion feature.

Therefore, should the holders of such debentures not elect to exercise their conversion rights, replacement funds may not be available to repay the debentures on their respective maturity dates or refinance the debentures at equivalent rates. No reliable estimate can be made as to the financial amount of such risk.

RESOLVE VENTURES INC.

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9. SUBSEQUENT EVENTS

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 (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 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.