

# Resolve Ventures Inc.

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## MANAGEMENT DISCUSSION & ANALYSIS

**For the Quarter Ended November 30, 2009**

Date of Report: January 29, 2010

### **Directors and Officers as at January 29, 2010**

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

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

**Contact Name:** David Baker

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

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

Form 51-102F1

**RESOLVE VENTURES INC.**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Quarter Ended November 30, 2009

1.1 Date of This Report

January 29, 2010

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, 2009</u>	<u>August 31, 2008</u>	<u>August 31, 2007</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$421,829	\$301,698	\$310,078
(ii) Loss per share - basic	\$0.10	\$0.32	\$0.50
(iii) Loss per share - diluted	\$0.10	\$0.32	\$0.50
(c) Net loss			
(i) Total loss	\$421,829	\$301,698	\$310,078
(ii) Loss per share - basic	\$0.10	\$0.32	\$0.50
(iii) Loss per share - diluted	\$0.10	\$0.32	\$0.50
(d) Total assets	\$2,845,140	\$1,679,538	\$2,149,058
(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 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.

##### **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 subsequently reimbursed the exploration expenditures incurred and paid by Goldbrook Ventures Inc. on behalf of the Company.

#### **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 quarter ended November 30, 2009 was \$67,550 as compared with a net loss of \$73,331 for the quarter ended November 30, 2008. During the three months ended November 30, 2009, the Company incurred expenses at the same level as in the three months ended November 30, 2008, except for the \$2,835 fees paid for the Klu property to keep it in good standing.

### **Investor Relations Activities**

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

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

On 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. Finders' fees of \$8,225 were paid in connection with this private placement.

On June 5, 2009, the Company completed a non-brokered private placement of 10 million units at a price of \$0.075 per unit for gross proceeds of \$750,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company for a period of two years at a price of \$0.10. No finder's fees were paid in conjunction with this private placement.

On August 24, 2009, the Company completed a non-brokered private placement of 1,000,000 flow-through shares and 1,000,000 non-flow-through shares at a price of \$0.17 per share for gross proceeds of \$340,000. No finder's fees were paid in conjunction with this private placement.

### 1.5 Summary of Quarterly Results

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

	<b><u>Q1</u></b> <b><u>30-Nov-</u></b> <b><u>09</u></b>	<b><u>Q4</u></b> <b><u>31-Aug-</u></b> <b><u>09</u></b>	<b><u>Q3</u></b> <b><u>31-May-</u></b> <b><u>09</u></b>	<b><u>Q2</u></b> <b><u>28-Feb-</u></b> <b><u>09</u></b>	<b><u>Q1</u></b> <b><u>30-Nov-</u></b> <b><u>08</u></b>	<b><u>Q4</u></b> <b><u>31-Aug-</u></b> <b><u>08</u></b>	<b><u>Q3</u></b> <b><u>31-May-</u></b> <b><u>08</u></b>	<b><u>Q2</u></b> <b><u>29-Feb-</u></b> <b><u>08</u></b>
<b>Net sales</b>	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	(\$67,550)	(313,870)	39,172	(\$73,800)	(\$73,331)	(\$95,620)	(\$63,293)	(\$78,977)
<b>Income(loss) per share</b>	(\$0.01)	(0.07)	0.01	(\$0.02)	(\$0.02)	(\$0.10)	(\$0.07)	\$0.08
<b>Income(loss) Per share diluted</b>	(\$0.01)	(0.07)	0.01	(\$0.02)	(\$0.02)	(\$0.10)	(\$0.07)	(\$0.08)

### 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, 2009, the Company's working capital was \$564,949 compared to a working capital of 683,688 at August 31, 2009.

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 \$1,927,999. 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, 2009 and 2008, the Company entered into the following transactions with directors and officers of the Company, or companies controlled by directors, officers, and related parties:

	<u>2009</u>	<u>2008</u>
Management fees	\$ 15,000	\$ 12,000
Fees for consulting services	\$ 10,313	\$ 12,150
Professional fees	\$ 4,500	\$ 5,475
Website maintenance	\$ 1,312	\$ 1,725

Prepaid expense includes \$509 (2008 - \$Nil) paid to a company controlled by a director for future expenses.

During the year ended August 31, 2009, Goldbrook Ventures Inc. (“Goldbrook”), a company with common directors and management, incurred \$338,151 in exploration program expenses on behalf of the Company and charged the Company an exploration program management fee of \$33,815. The Company paid \$250,000 of the \$371,966 to Goldbrook with the remaining balance of \$121,966 (2008 - \$Nil) in accounts payable as at August 31, 2009. This remaining balance has been paid off subsequently.

### 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

#### Recently Adopted Accounting Pronouncements

##### *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.

##### *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.

##### *Capital Disclosures*

Effective September 1, 2008, the Company implemented the new CICA Handbook 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

#### Future Accounting Pronouncements Not Yet Adopted

- i. The CICA issued Section 3064 – Goodwill and Intangible Assets replacing Section 3450, Research and Development Costs. The new standard establishes guidelines for the recognition, measurement, presentation and disclosure of research and development costs. Management has determined that the adoption of this standard will have no impact upon its consolidated financial statements.
- ii. Canada's Accounting Standards Board ratified a plan that will result in Canadian GAAP being converged with International Financial Reporting Standards ("IFRS") by 2011. Management has performed a preliminary analysis and highlighted areas where its current Canadian accounting practices differ from IFRS however, the impact on the Company's consolidated financial statements has not yet 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*

	Number	Book Value
Common Shares	13,939,927	\$9,874,514

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:*

<u>Number of warrants</u>	<u>Exercise price</u>	<u>Expiry date</u>
<b>10,000,000</b>	<b>\$ 0.10</b>	<b>June 4, 2011</b>

*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:**

	<u>BALANCE AUGUST 31 2009</u>	<u>ADDITIONS</u>	<u>BALANCE NOVEMBER 30 2009</u>
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	412,971	51,552	464,523
Consulting	41,818	-	41,818
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	876,515		876,515
Management fee	82,414		82,414
Reports and maps	31,755		31,755
Sampling and assays	73,401		73,401
Salaries and wages	7,368	-	7,368
	<u>1,777,752</u>	51,552	<u>1,829,304</u>
Refundable tax credits and mining duties	<u>(279,218)</u>	-	<u>(279,218)</u>
Total mineral property deferred costs	<u>\$ 1,876,447</u>	<u>\$ 51,552</u>	<u>\$ 1,927,999</u>

**Klu Property:**

	BALANCE AUGUST 31 2009	ADDITIONS/ (WRITE-OFFS)	BALANCE NOVEMBER 30 2009
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 2009	ADDITIONS/ (WRITE-OFFS)	BALANCE NOVEMBER 30 2009
Acquisition costs	\$ 487,913	\$ -	\$ 487,913
Deferred exploration costs and advances	1,888,845	51,552	1,940,397
Mineral property tax credits and incentives	(279,218)	-	(279,218)
Write-off of mineral property	<u>(221,093)</u>	<u>-</u>	<u>(221,093)</u>
Total mineral property deferred costs	<u>\$ 1,876,447</u>	<u>\$ 51,552</u>	<u>\$ 1,927,999</u>

*Subsequent Events*

Subsequent to November 30, 2009, the Company paid the balance of the prior year's exploration expenses in the amount of \$121,966 to Goldbrook Ventures Inc. The Company also paid Goldbrook Ventures Inc. \$273,880 for the exploration program expenses incurred and paid on behalf of the Company in current year, \$13,014 of which was the exploration program management fee charged by Goldbrook Ventures Inc.

*Additional information*

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