Olivut Resources Ltd.
Management's Discussion and Analysis
January 31, 2007

The effective date of this report is March 27, 2007

This Management's Discussion and Analysis ("MD&A") contains certain "Forward-Looking Statements." All statements, other than statements of historical fact included herein, including without limitation, statements regarding potential mineralization and resources, exploration and development activities, and future plans of Olivut Resources Ltd. (the "Company") are forward looking statements that involve various known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from expected results, including changes in future prices of precious minerals, variations in resources and grades, accidents, labour disputes and other risks associated with the exploration and mining industry, and delays in obtaining governmental approvals or financing. The Company expressly disclaims any obligation to revise or update forward-looking information that might prove to be inaccurate, and shareholders are cautioned not to place undue reliance on forward-looking information.

This MD&A provides a detailed analysis of the business of the Company and compares the interim first quarter results for the three months ended January 31, 2007 with those of Olivut Investments Ltd. ("Olivut") in the comparative period of 2006. In order to better understand this MD&A, it should be read in conjunction with the unaudited interim consolidated financial statements of the Company (the "Financial Statements") for the three months ended January 31, 2007. We prepare and file with various Canadian regulatory authorities our financial statements and MD&A in Canadian dollars and in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's news releases and other regulatory filings can be found on SEDAR at www.sedar.com.

Description of Business

The Company was formerly known as Arrabbiata Capital Corp. ("Arrabbiata") which was a Capital Pool Company ("CPC") as defined under Policy 2.4 (the "TSX-V Policy") of the TSX Venture Exchange (the "TSX-V") Corporate Finance Manual.

On January 8, 2007 the business combination transaction with Olivut was completed and Olivut amalgamated with Arrabbiata's wholly owned subsidiary, 2111940 Ontario Ltd. On January 9, 2007 the TSX-V issued its final acceptance for filing of the Company's Qualifying Transaction (as defined in the TSX-V Corporate Finance manual) and the name of Arrabbiata was changed to Olivut Resources Ltd.

In accordance with the abstract of this issue discussed in EIC-10 issued by the Canadian Institute of Chartered Accountants, the substance of the Qualifying Transaction was accounted for as a reverse take-over with Olivut being identified as the acquirer. In accordance with reverse take-over accounting, the consolidated balance sheet in the Financial Statements is a continuation of Olivut, the capital structure reflects that of Arrabbiata and the stated value of the share capital is that of Olivut. Comparative figures presented in the Financial Statements and this MD&A after the reverse take-over are those of Olivut.

The Company is engaged in the acquisition, exploration and development of properties for the purpose of mining precious and base metals. The Company has an interest in over 2 million acres of properties in northern Canada (collectively referred to as the "HOAM Project"). The exploration programs carried out by the Company on the HOAM Project include stream sediment and till sampling and regional magnetic airborne surveys which indicate favourable conditions for emplacement of diamondiferous kimberlites. The Company's strategy is to continue the acquisition, exploration and development of properties in the HOAM Project.

Selected Financial Information

	Three months ended January 31, 2007	Year ended October 31, 2006	Year ended October 31, 2005
Total Revenues – interest income	$46,449	$25,374	$12,337
General and Administrative expenses	$113,914	$130,341	$76,234
Future income tax expense (recovery)	($266,565)	($181,159)	$54,678
Net income (loss)	$199,100	$76,192	($118,575)
Net income (loss) per share - basic	$0.011	$0.007	($0.012)
Net income (loss) per share - basic -diluted	$0.011	$0.007	($0.012)
Cash on hand and short term investments	$4,104,253	$1,847,059	$618,473
Current liabilities	$153,905	$560,548	$118,002
Total Assets	$9,011,432	$9,702,592	$3,881,213

Summary of Quarterly Results

	2007	2006	2006	2006
	1st Quarter	**4th Quarter**	**3rdQuarter**	**2nd Quarter**
Total revenues	$46,449	$14,428	$4,890	$3,084
Net income (loss)	$199,100	$105,184	$(14,929)	$(8,743)
Basic and diluted net income (loss) per share:	$0.011	$0.007	$(0.001)	$(0.001)
	2006	2005	2005	2005
	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Total revenues	$2,972	$4,101	$2,687	$1,504
Net loss	$ (5,320)	$(76,386)	$(14,739)	$(17,959)
Basic and diluted net loss per share	$(0.001)	$(0.01)	$(0.002)	$(0.003)

Results of Operations

Three Months Ended January 31, 2007 compared to Three Months Ended January 31, 2006

The Company's net income for the three months ended January 31, 2007 was $199,100 compared to a net loss of $5,320 for the three months ended January 31, 2006. The Company has no active business income. Revenue is entirely interest earned on cash deposits which in the three months ended January 31, 2007 amounted to $46,449 (2006 - $2,972). The increase in interest income is due to higher cash and short term investments during the quarter ended January 31, 2007 raised from the private equity placements in the third quarter of 2006. General and administrative costs totalled $113,914 in the quarter ended January 31, 2007 compared to $8,292 in the same period of 2006. The increase includes $61,926 of stock based compensation relating to options granted in the quarter ended January 31, 2007, together with, an increase in office and general cost of $33,272 and management services of $10,637. These increases all relate to the increased activity as the Company became a TSX Venture Exchange listed public company.

Deferred exploration expenditures

During the three months ended January 31, 2007 expenditures on deferred exploration amounted to $581,487 (2006 - $89,324). During the period the expenditures were for land acquisition ($275,526), helimag geophysics ($248,118), a regional airborne magnetic survey ($31,006) with the balance for sampling and preparations for the 2007 drilling program.

Liquidity and Capital Resources

As at January 31, 2007, the Company had cash and short-term investments of $4,104,253, current liabilities of $153,905, and working capital of $4,042,473, as compared to October 31, 2006 amounts of cash of $1,847,059, cash held in escrow of $3,008,340, current liabilities of $560,548, and working capital of $4,315,461.

In prior financial years, the Company was entirely dependent upon private financings from shareholders to finance all of its activities. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. It is anticipated that the Company will continue to rely on equity financing to meet its ongoing working capital requirements.

The Company's principal requirements for cash over the fiscal year are estimated to be approximately $4 million for exploration on the HOAM Project, approximately $0.7 million for administrative costs and approximately $0.8 million for property payments. The Company intends to address any expected working capital deficiencies by carrying out further financings within the coming financial year.

On the basis of the Company's current cash position management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its existing liabilities for the remainder of the fiscal year.

As at January 31, 2007, the Company did not have any long-term debt or contractual liabilities or obligations other than as reported in the financial statements.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions**.**

Transactions with Related Parties

During the three-month period ended January 31, 2007, a total of $49,485 (2006 - $11,100) for exploration consulting expenditures, $8,500 (2006 - $9,000) for deferred public offering costs and share issuance consulting costs, $17,700 (2006 - $6,900) for general and administrative fees were paid to a director of the Company and a former director of the Company or persons or companies related to or controlled by them. The director and former director of the Company were also reimbursed at cost for expenses incurred on behalf of the Company. Included in accounts payable and accrued liabilities at January 31, 2007 is $39,535 (October 31, 2006 – $28,174) owing to a director of the Company and a former director of the Company or persons or companies related to or controlled by them.

The above transactions were in the normal course of operations and the consideration paid was at normal market rates..

Critical Accounting Estimates and Changes in Accounting Policies

The Company's critical accounting principles and methods are disclosed in full in note 2 of the Financial Statements. There were no changes in accounting policies during the three months ended January 31, 2007.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, short term investments, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values because of the limited term of these instruments.

GAAP require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made as at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Outstanding Share Data

As of March 27, 2007, an unlimited number of common shares with no par value are authorized, of which 26,583,677 shares are issued and outstanding. There are also 560,000 common share purchase warrants issued and outstanding at an exercise price of $1.00 per share which expire January 9, 2008. Of the issued and outstanding shares, 880,270 common shares are subject to a 36-month staged release pursuant to a CPC escrow agreement, of which 88,027 were released on January 9, 2007. There is also a value escrow agreement pursuant to which 2,083,740 common shares and 79,360 warrants are also subject to a 36-month staged release escrow, of which 208,374 common shares and 7,936 warrants were released on January 9, 2007.

2,200,000 stock options are currently issued and outstanding at an exercise price of $1.00 per share and 186,960 stock options are currently issued and outstanding at an exercise price of $0.1284 per share.

Commitments and Contingent Liabilities

Pursuant to the issuance of 2,777,500 flow-through special warrants during the year ended October 31, 2006, the Company plans to renounce $2,777,500 of qualified exploration expenditures with an effective date of December 31, 2006 in February 2007. The effect of this renunciation will be recorded in February 2007, which is the date of the renunciation. As of January 31, 2007, the Company has expended $1,046,211 related to these flow-through funds and is committed to expend the balance of $1,731,289 by December 31, 2007.

The Company is not involved in any outstanding litigation.

Risks & Uncertainties

Exploration

The Company's exploration projects are subject to conditions beyond its control that can affect the carrying costs and development costs for varying lengths of time. Such conditions include environmental hazards, unusual or unexpected geological formations or pressures and periodic interruptions due to inclement or hazardous weather conditions, geopolitical, economic, regulatory conditions as well as dependence on key employees. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury, environmental damage, delays in exploration programs, monetary losses and possible legal liability. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing marketable mineral reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land holdings, the availability of suitable contractors and other factors.

If mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal recovery process to extract the minerals from the ore and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment of resources or reserves. Whether a resource deposit will ultimately be commercially viable depends on a number of factors, including the particular attributes of the deposit such as the deposit's size, financing costs and the prevailing prices for the applicable resource. Also of key importance are government regulations, including those relating to prices, taxes, royalties, land tenure, land use, land treaties and environmental protection.

The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Financing Activities

In the absence of cash flow from operations the Company must rely on its shareholders or capital markets to fund operations. Although the Company has been successful in the past in obtaining financing, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. Failure to obtain such additional financing could result in delay or the indefinite postponement of further exploration and the development of the Company's properties, as well as the loss of prospecting permits and mineral claims.

Licenses and Permits, Laws and Regulations

The Company's exploration activities may require permits from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company relies on the expertise and commitment of its management team, their advisors, and contractors to ensure compliance with current laws and fosters a climate of open communication and cooperation with regulatory bodies. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations.

Environmental Contingencies

The Company's mining and exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.