OLIVUT RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2010

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The effective date of this report is June 9, 2010.

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" or "Olivut") 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. Other than as required by applicable laws, the Company does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

This MD&A provides a detailed analysis of the business of the Company and compares the results for the three and six months ended April 30, 2010 with those in the comparative periods of 2009. In order to better understand this MD&A, it should be read in conjunction with the financial statements of the Company (the "Financial Statements") for those periods. The Company prepares and files with various Canadian regulatory authorities its 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 is engaged in the acquisition, exploration and development of properties for the purpose of mining precious and base minerals. The Company has an interest in over 1.6 million acres of properties in northern Canada (collectively referred to as the "HOAM Project"). In May 2009 Olivut announced that it has signed an option agreement with Orosur Mining Inc. (formerly Uruguay Mineral Exploration Inc.) ("Orosur" or "OMI") whereby Olivut may earn up to an 80% interest in diamond prospecting and exploration licenses (the "Properties") located in northern Uruguay, South America. Olivut will act as operator for the OMI exploration program.

On January 13, 2010 the Company announced highlights of its field exploration programs which include:

- On the HOAM Project:
  - a total of 23 kimberlite discoveries to date
  - 18 holes drilled in 2009, 10 intersected kimberlite
  - discovery of 5 new kimberlite occurrences
  - caustic fusion returned limited number of microdiamonds
  - drilled targets apparently not source of diamond stability field indicator minerals; expanded program being designed to establish and test other anomalies
- Uruguay exploration program underway
- well financed to conduct ongoing exploration

Further detail is provided under "*Mineral Property and Exploration and Development Expenditures".*

Summary of Quarterly Results

	2010 **2nd Quarter**	**2010** **1st Quarter**	**2009** **4th Quarter**	**2009** **3rd Quarter**
Total revenues	$11,151	$11,816	$23,477	$44,948
Net (loss)	$(429,241)	$(273,403)	$(525,664)	$(930,896)
Basic and diluted net loss per share	$(0.01)	$(0.01)	$(0.02)	$(0.03)

	2009 **2nd Quarter**	**2009** **1st Quarter**	**2008** **4th Quarter**	**2008** **3rd Quarter** Note 1
Total revenues	$44,580	$47,897	$61,808	$83,112
Net (loss)	$(267,309)	$(320,410)	$(889,728)	$(1,269,430)
Basic and diluted net (loss) per share	$(0.01)	$(0.01)	$(0.03)	$(0.04)

Note 1: Prior to October 31, 2008 exploration costs were capitalized. Net (loss) and loss per share amounts have been retroactively restated to reflect a change in accounting policy effective October 31, 2008 whereby the Company expenses exploration costs as incurred.

Results of Operations

Three and Six months ended April 30, 2010 compared to Three and Six months ended April 30, 2009

The Company's net loss for the three and six months ended April 30, 2010 was $429,241 and $702,644 respectively (2009 - $267,309 and $587,719 respectively).

The Company has no active business income. Revenue is entirely interest income, primarily earned on cash deposits, which in the three and six months ended April 30, 2010 amounted to $11,151 and $22,967 respectively (2009 - $44,580 and $92,477 respectively). The decrease in interest income for the year is primarily due to lower cash and cash equivalents and lower interest rates.

Administrative and general expenses totaled $216,540 and $386,958 respectively in the three and six months ended April 30, 2010 (2009 - $193,545 and $341,050 respectively). The increase in total administrative and general expenses period over period was primarily due to (1) an increase in non-cash stock option expense which increased by $36,833 for the six months ended April 30, 2010 and (2) audit and other professional fees which increased by $10,869.

Exploration expenses for the three and six months ended April 30, 2010 were $223,584 and $338,117 respectively (2009 - $117,990 and $338,437). The change in exploration expenses period over period is explained below under "*Mineral Property and Exploration and Development Expenditures*".

<u>Mineral Property and Exploration and Development Expenditures</u>

The HOAM Project

The Company has a 100% interest in 22 mineral claims and 38 prospecting permits in the Mackenzie Region, Northwest Territories (the "HOAM Project"). The interests in exploration properties are subject to a 1.5% Net Smelter Return royalty ("NSR"), 50% of which is held by a director and officer of the Company. A total of 23 kimberlite discoveries have been made to date on the HOAM project. The Company had a very successful 2009 drill season despite cutbacks to preserve capital during unsettled market conditions. Drill targets were restricted to an area of limited dimensions to maximize cost effectiveness. A total of 13 targets were tested by 18 drill holes resulting in the discovery of five new kimberlite occurrences. Both kimberlite dyke and diatreme bodies were intersected and 236 kg of kimberlite submitted for caustic fusion returned two microdiamonds from one of the new occurrences. Examination of drill core material and caustic fusion residues indicates that none of the discoveries are the source of the extremely positive indicator mineral populations that have been obtained from stream and till samples collected by the Company. Indicator mineral results vary within the areas covered by regional and local sampling. The Company believes that a number of up-ice proximal targets may be the source for at least some of these very positive indicators.

The 2009 exploration program was designed specifically to drill untested targets that were identified in previous seasons by airborne magnetic and helimag geophysical surveys. Many geophysical targets remain to be tested and it is anticipated that additional targets will be generated through a re-evaluation of existing geophysical data. Since all previously drilled kimberlite occurrences have only minor microdiamond content, methods to locate other anomalies that may reflect diamond bearing targets and the source for the Company's positive indicator minerals are being evaluated. Appropriate targets will be tested during the 2010 field season subject to giving due consideration to project and corporate priorites and to market conditions and cash balances.

The Rivera Project

In May, 2009 the Company announced it had signed an option agreement (the "Rivera Project") with Orosur Mining Inc. (formerly Uruguay Mineral Exploration Inc.) ("Orosur" or "OMI" – TSX-V:OMI and LSE: OMI) whereby Olivut will act as operator for an exploration program of certain diamond prospecting and exploration licenses (the "Properties") located in northern Uruguay, South America. These Properties are held by Cinco Rios S.A., a wholly owned subsidiary of OMI. The Company has the option to acquire a 51% interest in the Properties by incurring minimum expenditures of $250,000 by August 1, 2010, of which $155,069 was incurred by April 30, 2010, and a total of $750,000 by December 31, 2011. Olivut`s interest may be increased to 80% depending on OMI`s participation in subsequent work programs.

In December 2009 diamond exploration began on the Rivera Project. The Company is anticipating a productive season in this relatively unexplored region. A combination of geomorphological targets and excellent geochemistry provides the focus for the initial exploration program that includes sampling, geophysics and drilling. The stable craton of Uruguay is consistent with that of southern Africa (where a large number of diamondiferous kimberlite bodies exist), and accordingly provides a high degree of encouragement that diamondiferous kimberlite bodies could occur in the region.

During the three and six months ended April 30, 2010, the Company incurred $223,584 and $338,117 respectively (2009 - $117,990 and $338,437 respectively) in exploration and development expenditures. The principal expenditures were for diamond drilling related costs $122,418 (2009 - $111,600). Cumulative exploration and development expenditures made by the Company as at April 30, 2010 total $11,532,869 (at October 31, 2009 - $11,194,752). This cumulative total represents $11,377,800 spent on the HOAM Project (2009 – $11,182,851) and $155,069 spent on the Rivera Project (2009 - $11,901).

Additional information is available at <u>www.sedar.com</u> and the Company's website at <u>www.olivut.com</u>.

Liquidity and Capital Resources

As at April 30, 2010, the Company had a cash and cash equivalents balance of $3,699,612 (October 31, 2009 - $4,353,094) to settle current liabilities of $150,597 (October 31, 2009 - $183,247) and working capital of $3,582,196 (October 31, 2009 - $4,216,076).

At no time has the Company held Asset Backed Commercial Paper. Cash equivalents are entirely guaranteed investment certificates issued by a major Canadian chartered bank. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms.

During the three and six months ended April 30, 2010, cash used by operating activities was $326,987 and $653,631 respectively, an increase of $433,772 and $292,527 respectively compared to the cash used in the three and six months ended April 30, 2009. The increase was primarily due to the receipt of $249,452 in refundable deposits in 2009 and increased spending on exploration expenses.

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. On the basis of the Company's current cash position, management of the Company believes that it has sufficient funds to complete a 2010 exploration program, pay its ongoing administrative expenses and to meet its existing liabilities until the next fiscal year end, October 31, 2010. Management carefully monitors its cash balances and may postpone material exploration expenses so as to protect the Company's working capital if equity markets do not permit additional financing. As at April 30, 2010, the Company did not have any long-term debt or contractual liability 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 and six months ended April 30, 2010, a total of $15,500 and $15,500 respectively (2009 - $nil) for exploration consulting expenditures, and $8,400 and $10,800 respectively (2009 - $2,400 and $4,800 respectively) for administrative and general expenses (other than salary and benefits) were accrued or paid to directors and officers of the Company or persons or companies related to or controlled by them. The directors and officers of the Company or persons or companies related to or controlled by them were also reimbursed at cost for expenses incurred on behalf of the Company. Included in accounts payable and accrued liabilities at April 30, 2010 is $6,000 (October 31, 2009 - $nil) relating to the above transactions owing to directors and officers of the Company or persons or companies related to or controlled by them.

The above transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties and is intended to reflect market rates between un-related parties. Amounts owing to the related parties are unsecured, non-interest bearing with no fixed terms of repayment**.**

Critical Accounting Estimates and Changes in Accounting Policies

The Company's critical accounting principles and methods are disclosed in full in Note 3 of the audited financial statements for the year ended October 31, 2009.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for all publicly accountable companies must converge with IFRS for financial years beginning on or after January 1, 2011. Since the Company's year–end is October 31, it must develop a changeover plan in preparation for conversion from GAAP to IFRS beginning November 1, 2011 (the "changeover date"). Accordingly, management is monitoring and analyzing pronouncements of the International Accounting Standards Board. Based on this analysis of information to date and due to the simplicity of the Company's accounting policies and computer systems and the size of its business, management considers the risk of not meeting the changeover date to be minimal,.

Outstanding Share Data

As of June 9, 2010, an unlimited number of common shares with no par value are authorized of which 31,650,637 shares are issued and outstanding and 2,300,000 warrants are issued and outstanding at an exercise price of $2.00 per share and expire May 14, 2011.

Under the terms of the Company's Stock Option Plan, as at June 9, 2010 a total of 2,980,000 options to purchase common shares at exercise prices ranging from $ 0.165 to $1.15 per common share and expiring between January 17, 2012 and April 19, 2015 are outstanding.

Commitments and Contingencies

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, the future amounts of which cannot yet be determined or estimated.

Management Contracts

The Company is party to a management contract. Minimum contract commitments remaining under the agreement were approximately $660,000, including $220,000 due within one year. Upon the occurrence of certain events the contract requires payment of up to $1,000,000. As the likelihood of these events taking place is not determinable, the contingent payment has not been reflected in the financial statements for the three and six months ended April 30, 2010.

Operating Lease

The Company is committed to an operating lease for equipment rental, which expires on April 1, 2011. Minimum lease payments for successive fiscal years ending October 31 are as follows:

Year	Amount $
2010	2,628
2011	2,190
Total	4,818

The Company is not involved in any outstanding litigation.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of capital stock, warrants, stock options and contributed surplus. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. Accordingly the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for its administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended April 30, 2010. The Company is not subject to externally imposed capital requirements.

Risks and Uncertainties

Financial Risk Factors

The Company's financial risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

The Company's credit risk is primarily attributable to amounts receivable and a loan receivable. The Company has no significant credit risk arising from operations. Financial instruments included in amounts receivable consist primarily of goods and services tax due from the Federal Government of Canada. The loan receivable is described in Note 6 to the financial statements for the quarter ended April 30, 2010 and is secured by all assets of the borrower. Management believes that the credit risk with respect to these financial instruments is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. Further discussion relating to liquidity risk is described above under *"Liquidity and Capital Resources"*.

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 and even the risk of the Company continuing as a going concern.

Market Risk

a) Interest Rate Risk

The Company has cash and cash equivalent balances and no interest bearing debt at April 30, 2010. The Company's current policy is to invest cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its bank. The Company considers interest rate risk to be minimal as investments are short-term, the Company does not carry interest bearing debt and it is expected that future financings will be secured from equity placements.

b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk from currency conversions is negligible.

As discussed in "Mineral Property and Exploration and Development Expenditures", the Company will act as operator of an exploration program in Uruguay. The Company has the option to spend $250,000 by August 1, 2010 and $750,000 by December 31, 2011, all in Canadian dollars. Management believes that the Company will not be subject to any material foreign currency risk related to this option.

c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The current global economic and liquidity environment has had an adverse impact on the wholesale and retail diamond markets. If such conditions are protracted they may have a significant negative impact on the economic viability of future diamond developments.

Fair Value

The Company has designated its cash equivalents as held-for-trading, measured at fair value. Amounts receivable and loan receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying amounts for cash equivalents, amounts receivable and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited terms of these instruments. The fair value of the loan receivable approximates carrying value as the interest rate approximates the current rate for similar instruments. There were no changes in the six months ended April 30, 2010 that occurred that were attributed to financial risks.

Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal as investments are short-term, the loan receivable has a fixed interest rate and the Company does not carry interest bearing debt. It is expected that future financings will be secured from equity placements. Based on cash equivalents held by the Company as at April 30, 2010, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $31,000.

The Company does not hold any balances in foreign currencies to give rise to foreign exchange risk.

Price risk is remote since the Company is not a producing entity.

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 employees, contractors, consultants and equipment 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 Company's continued existence is dependent upon the preservation of its interest in the underlying exploration 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.

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, native land claims and non-compliance with regulatory requirements.

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 the properties under exploration, commence construction or operation of mining facilities or to maintain continued operations.