OLIVUT RESOURCES LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTHS ENDED JANUARY 31, 2017

(expressed in Canadian dollars)

UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at:	January 31, 2017 $	October 31, 2016 $
ASSETS		
CURRENT		
Cash	182,004	250,802
Amounts receivable (Note 4)	2,692	842
Prepaid expenses (Note 5)	19,941	15,579
Current portion of loan receivable (Note 8)	2,272	2,039
TOTAL CURRENT ASSETS	206,909	269,262
EQUIPMENT (Note 7)	25,179	26,501
LOAN RECEIVABLE (Note 8)	233,609	234,335
TOTAL ASSETS	465,697	530,098
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Notes 9 and 10)	424,684	372,587
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 11(b))	17,757,386	17,757,386
EQUITY RESERVES		
Share options (Note 12)	3,261,876	3,261,876
DEFICIT	(20,978,249)	(20,861,751)
TOTAL SHAREHOLDERS' EQUITY	41,013	157,511
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	465,697	530,098

COMMITMENTS AND CONTINGENCIES (Notes 6 and 13)
GOING CONCERN (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "Leni Keough", Director

Signed "Craig Reith", Director

UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

	Three months ended January 31, 2017 $	Three months ended January 31, 2016 $
Exploration expenses (Notes 6 and 10)	5,830	97,951
Administrative and general expenses (Note 10)	113,534	76,246
Share-option amortization expense (Notes 10 and 12)	-	10,967
Other amortization	1,322	1,656
Loss before the under-noted	(120,686)	(186,820)
Interest income from loans and receivables	4,188	4,333
Loss before income taxes	(116,498)	(182,487)
Deferred income tax recovery	-	22,857
NET LOSS AND COMPREHENSIVE FOR THE PERIOD	(116,498)	(159,630)
NET LOSS PER SHARE - basic and diluted	($0.00)	($0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	40,946,672	40,946,672

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(expressed in Canadian

	Three months ended January 31, 2017 $	Three months ended January 31, 2016 $
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the period	(116,498)	(159,630)
Adjustments for charges not involving cash:		
Deferred income tax recovery	-	(22,857)
Share-option amortization expense	-	10,967
Other amortization	1,322	1,656
	(115,176)	(169,864)
Changes in non-cash working capital balances:		
Amounts receivable	(1,850)	(1,345)
Prepaid expenses	(4,362)	(4,569)
Accounts payable and accrued liabilities	52,097	58,705
Cash flows used in operating activities	(69,291)	(117,073)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan receivable	493	462
(Decrease) in cash	(68,798)	(116,611)
Cash, beginning of period	250,802	551,846
Cash, end of period	182,004	435,235

See accompanying notes to the unaudited condensed interim financial statements.

(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves Share Options	Deficit	Total
	#	$	$	$	$
	(Note 11(b))	(Note 11(b))	(Note 12)		
Balance, October 31, 2015	**40,946,672**	**17,757,386**	**3,315,060**	**(20,476,640)**	**595,806**
Options expired	-	-	(73,500)	73,500	-
Share-option amortization expense	-	-	20,316	-	20,316
Net loss for the year	-	-	-	(458,611)	(458,611)
Balance, October 31, 2016	**40,946,672**	**17,757,386**	**3,261,876**	**(20,861,751)**	**157,511**
Net loss for the period	-	-	-	(116,498)	(116,498)
Balance, January 31, 2017	**40,946,672**	**17,757,386**	**3,261,876**	**(20,978,249)**	**41,013**

1. NATURE OF OPERATIONS AND GOING CONCERN

Olivut Resources Ltd. (the "Company" or "Olivut") is engaged in the acquisition, exploration and evaluation of mineral properties for the purpose of mining diamonds and other precious and base minerals. The Company's shares are listed on the TSX Venture Exchange ("TSXV"). The head office is located at 27010 Hwy 16, 14 Mountain Park Properties, Jasper East, Alberta. These financial statements were reviewed, approved and authorized for issue by the Board of Directors on March 22, 2017.

The Company is in the process of exploring properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the ability of the Company to obtain financing, the preservation and confirmation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

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 and environmental requirements. The Company's assets and operations are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company needs equity capital financing in order to explore and evaluate its properties and for working capital requirements (Note 15(a)). Because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. There is no assurance that funds will be available on terms acceptable to the Company or at all. All of these indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies followed in these unaudited condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements for the year ended October 31, 2016 except as described in Note 3. These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements. Accordingly these unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended October 31, 2016.

In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three month period ended January 31, 2017 are not necessarily indicative of the results that may be expected for the year ending October 31, 2017.

(expressed in Canadian dollars) Page 6 of 12

3. RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting annual periods beginning after November 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

During 2016, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards including IAS1. These new standards and changes did not have any material impact on the Company's financial statements.

4. AMOUNTS RECEIVABLE

	January 31, 2017 $	**October 31, 2016 $**
GST input tax credit	2,692	842

5. PREPAID EXPENSES

	January 31, 2017 $	**October 31, 2016** $
Current portion of prepaid expenses:		
Insurance premiums	19,941	15,579

6. MINERAL PROPERTY AND EXPLORATION EXPENDITURES

The Company has a 100% interest in the HOAM Project located in the Mackenzie Region, Northwest Territories, Canada (the "HOAM Project"). This interest is subject to a 1.5% Net Smelter Return royalty ("NSR"), 50% of which is held by a director and officer of the Company.

During the three months ended January 31, 2017, the Company incurred $5,830 (2016 - $97,951) on exploration expenditures. Cumulative exploration expenditures made by the Company as at January 31, 2017 total $15,847,300 (at October 31, 2016 - $15,841,470). This cumulative total represents $14,898,212 spent on the HOAM Project (October 31, 2016 – $14,892,382) and $949,088 spent on other projects where the Company's interests have been terminated (October 31, 2016 - $949,088).

(expressed in Canadian dollars) Page 7 of 12

6. MINERAL PROPERTY AND EXPLORATION EXPENDITURES (Continued)

During 2016, certain of the HOAM Project claims were allowed to expire.

7. EQUIPMENT

	January 31, 2017			October 31, 2016		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
	$	$	$	$	$	$
Drill rig	91,288	66,109	25,179	91,288	64,787	26,501

8. LOAN RECEIVABLE

On May 25, 2007, the Company loaned $250,000 to an unrelated corporation that is providing services to the Company. The loan bears interest at 7% per annum and is secured by a general security agreement covering all assets of the borrower. Repayment terms include monthly payments of interest and principal of $1,500 with the balance due May 25, 2017. At maturity, the loan may be repaid by the borrower with cash or may be refinanced by the Company. As it has not yet been determined if the loan receivable will be refinanced, it has been presented as a long-term asset.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2017	October 31, 2016
	$	$
Corporate payables and accrued liabilities (Note 10)	423,024	371,087
Exploration expense payables	1,660	1,500
	424,684	372,587

10. RELATED PARTY TRANSACTIONS

The remuneration of directors and key management personnel during the period was as follows:

	Three months ended January 31	
	2017	2016
	$	$
Salaries and remuneration	56,500[1]	56,500[1]
Benefits	4,390	6,634
Share-option amortization expense	-	6,789
Total remuneration	60,890	69,923

Note 1: Salaries and remuneration expense includes an accrued expense of $55,000 (2016 - $55,000) for salary and vacation pay earned by the CEO, which the CEO has elected to defer and which was unpaid as at January 31, 2017.

(expressed in Canadian dollars) Page 8 of 12

10. RELATED PARTY TRANSACTIONS (Continued)

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

No bonuses were paid in the three months ended January 31, 2017 and 2016. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of share options.

In addition to salaries and benefits, during the three months ended January 31, 2017 a total of $Nil (2016 - $17,000) for exploration consulting expenditures, and $2,400 (2016 - $2,400) for administrative and general expenses included in the statements of operations 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.

In addition, there is a management contract with the CEO (Note 13(b)) and an NSR agreement (Note 6).

Amounts included in accounts payable and accrued liabilities owed to directors and officers of the Company or persons or companies related to or controlled by them are as follows:

	Amounts owed to related parties, as at	
	January 31, 2017	**October 31, 2016**
	$	$
Officers and directors	408,350	351,229

Included in the amount owing to officers and directors as at January 31, 2017 is $398,847 (October 31, 2016 - $343,847) representing unpaid salary and vacation pay owing to the Company's CEO.

Amounts owing to the related parties are unsecured and non-interest bearing with no fixed terms of repayment.

11. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares without par value

b) Issued

40,946,672 common shares

A summary of changes during the three months ended January 31, 2017 are as follows:

	Common Shares	**Amount**
	#	$
Balance, October 31, 2016 and January 31, 2017	40,946,672	17,757,386

(expressed in Canadian dollars) Page 9 of 12

12. EQUITY RESERVES

Share options	Number of Options #	Weighted Average Exercise Price $	Estimated Amortized Fair Value of Options $
October 31, 2016 and January 31, 2017	3,462,500	0.979	3,261,876

The Company's Share Option Plan (the "Plan") provides for the granting of share options to independent directors (who receive no other compensation from the Company), officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years at exercise prices not less than the closing sale price of the Company's shares on the TSXV on the trading day immediately preceding the date the options are granted, and are not transferable. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued shares.

The fair value attributed to the options when granted is charged to share-option amortization expense and added to equity reserves over the period the options vest. $Nil was charged to share-option amortization expense during the three months ended January 31, 2017 (2016 - $10,967).

The following is a summary of share options outstanding at January 31, 2017:

Expiry Date	Outstanding Share Options #	Exercisable Share Options #	Estimated Grant Date Fair Value $	Exercise Price $
June 26, 2022	2,332,500	2,332,500	3,148,876	1.40
December 15, 2024	1,130,000	1,130,000	113,000	0.11
Total January 31, 2017	3,462,500	3,462,500	3,261,876	

The estimated grant date fair value is calculated using the Black-Scholes option pricing model. Options granted in the year ended October 31, 2015 were valued using the following assumptions:

Expected dividend yield	0%
Risk-free interest rate	1.78%
Expected volatility	116%
Expected life	10 years

The weighted average remaining contractual life of options as of January 31, 2017 is 6.2 years (October 31, 2016 – 6.5 years). The weighted average exercise price of options exercisable as at January 31, 2017 is $0.979 (October 31, 2016 - $0.979).

13. COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

b) Management Contracts

The Company is party to a management contract. Minimum contract commitments remaining under the agreement are approximately $660,000, including $220,000 due within one year. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to $1,000,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

c) Flow-Through Shares

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting the expenditure commitment. The Company has incurred the entire amounts on qualified exploration expenditures.

c) Operating Lease

The Company is committed to an operating lease for equipment rental, which expires on July 1, 2017. Minimum lease payments for successive fiscal years ending October 31 are as follows:

Year	Amount $
2017	706

14. 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 exploration properties. The capital of the Company consists of capital stock and equity reserves. The Board of Directors does not establish quantitative return on capital criteria for the Company's management, but rather relies on the expertise of 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 and if reasonably available. 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.

14. CAPITAL MANAGEMENT(Continued)

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 three months ended January 31, 2017 or 2016. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

15. FINANCIAL RISK FACTORS

There were no changes in the three months ended January 31, 2017 or 2016 that occurred that were attributed to financial risk. The Company's financial risk exposures and the impact on the Company's financial instruments are summarized below:

a) Liquidity Risk

As at January 31, 2017, the Company had a cash balance of $182,004 (October 31, 2016 - $250,802) to settle accounts payable and accrued liabilities of $424,684 (October 31, 2016 - $372,587) which includes $398,847 (October 31, 2016 - $343,847) of unpaid salary and vacation pay owing to the Company's CEO that she has elected to defer. All of the Company's financial liabilities have contractual maturities of less than one year. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. 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. The Company will need to rely on new sources of equity financing, if available, to meet its ongoing working capital requirements. Failure to obtain 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 failing to continue as a going concern.

b) Credit Risk

The Company's credit risk is primarily attributable to cash, amounts receivable and a loan receivable. The Company has no significant credit risk arising from operations. Cash consists of bank deposits with Canadian chartered banks. The loan receivable as described in Note 8 is secured by all assets of the borrower. At maturity, May 25, 2017, the loan may be repaid by the borrower with cash or may instead be refinanced by the Company.

c) Market Risk

(i) *Interest Rate Risk*

The Company's current policy is to invest its cash balances in interest bearing accounts with its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company considers interest rate risk to be minimal. The loan receivable is at a fixed interest rate and it is expected that future financings, if any, would be secured from equity placements rather than debt obligations.

15. FINANCIAL RISK FACTORS (Continued)

c) Market Risk (Continued)

(ii) 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.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Although the Company has no influence on commodity prices, it closely monitors commodity prices to determine appropriate courses of action.

d) Fair Value

Cash, 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 amounts receivable, accounts payable and accrued liabilities on the statements of financial position 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.

At January 31, 2017 and 2016 the Company had no financial instruments that are carried at fair value.

e) Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal. The loan receivable (Note 8) has a fixed interest rate of 7% and the Company does not carry interest bearing debt. It is expected that future financings, if any, would be secured from equity placements rather than debt obligations. Based on the cash held by the Company as at January 31, 2017, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $2,000 annually.

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.