OLIVUT RESOURCES LTD.

(A DEVELOPMENT STAGE COMPANY)

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2010

THESE INTERIM FINANCIAL STATEMENTS ARE UNAUDITED AND HAVE NOT BEEN REVEIWED BY THE COMPANY'S AUDITORS

OLIVUT RESOURCES LTD.
(A Development Stage Company)
INTERIM UNAUDITED BALANCE SHEETS
AS AT

	January 31, 2010 $	October 31, 2009 $
ASSETS		
CURRENT		
Cash and cash equivalents	4,026,524	4,353,094
Amounts receivable	14,817	13,428
Prepaid expense	8,605	15,979
Current portion of loan receivable (Note 6)	16,822	16,822
	4,066,768	4,399,323
EQUIPMENT (Note 5)	4,375	4,643
LOAN RECEIVABLE (Note 6)	230,971	231,045
	4,302,114	4,635,011
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	85,328	183,247
COMMITMENT AND CONTINGENCIES (Notes 4 and 9)		
GOING CONCERN (Note 2)		
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Notes 8(a) and 8(b))	11,939,856	11,939,856
WARRANTS (Note 8(c))	2,369,000	2,369,000
CONTRIBUTED SURPLUS (Note 8(e))	2,080,318	2,041,893
DEFICIT	(12,172,388)	(11,898,985)
	4,216,786	4,451,764
	4,302,114	4,635,011

APPROVED ON BEHALF OF THE BOARD:

Signed “Craig Reith”, Director

Signed “Leni Keough”, Director

See accompanying notes to the interim unaudited financial statements.

OLIVUT RESOURCES LTD.

(A Development Stage Company)
INTERIM UNAUDITED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE

	Three months Ended January 31, 2010 $	Three months Ended January 31, 2009 $
Exploration expenses (Note 4)	114,533	220,447
Administrative and general expenses (Note 7)	170,418	147,506
Amortization	268	354
(Loss) before the under-noted	(285,219)	(368,307)
Interest income from held for trading financial assets	7,390	43,466
Interest income from loans and receivables	4,426	4,431
NET (LOSS) FOR THE PERIOD	(273,403)	(320,410)
DEFICIT, beginning of period	(11,898,985)	(9,854,706)
DEFICIT, end of period	(12,172,388)	(10,175,116)
NET (LOSS) PER SHARE - Basic and Diluted	($0.01)	($0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – basic and diluted	31,650,637	31,650,637

See accompanying notes to the interim unaudited financial statements.

OLIVUT RESOURCES LTD.
(A Development Stage Company)
INTERIM UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE

	Three Months Ended January 31, 2010 $	Three Months Ended January 31, 2009 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the period	(273,403)	(320,410)
Adjustments for charges not involving cash:		
Stock-based compensation	38,425	15,623
Amortization	268	354
	(234,710)	(304,433)
Changes in non-cash working capital balances:		
(Increase) in amounts receivable	(1,389)	(9,649)
Decrease in prepaid expense	7,374	-
(Decrease) in accounts payable and accrued liabilities	(97,919)	(153,807)
Cash flows from operating activities	(326,644)	(467,889)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan receivable	74	69
(Decrease) in cash and cash equivalents	(326,570)	(467,820)
Cash and cash equivalents, beginning of period	4,353,094	6,010,365
Cash and cash equivalents, end of period	4,026,524	5,542,545
CASH AND CASH EQUIVALENTS ARE COMPOSED OF:		
Cash	628,268	47,589
Cash equivalents	3,398,256	5,494,956
	4,026,524	5,542,545
SUPPLEMENTAL INFORMATION		
Interest paid	-	-
Income tax paid	-	-

1. BASIS OF PRESENTATION

The accompanying interim unaudited financial statements of Olivut Resources Ltd. (the "Company" or "Olivut") have been prepared by, and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an auditor.

These interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods of application as the audited financial statements for the year ended October 31, 2009. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended January 31, 2010 are not necessarily indicative of the results that may be expected for the full year ended October 31, 2010. For further information, see the Company's financial statements including the notes thereto for the year ended October 31, 2009**.**

2. NATURE OF OPERATIONS AND GOING CONCERN

The Company is a development stage company as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11 and currently is engaged in the acquisition, exploration and development of properties for the purpose of mining precious and base minerals.

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 preservation and confirmation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain 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 and environmental requirements. The Company's activities that are located outside of Canada are subject to the risk of foreign investment, including but not limited to taxes and royalties, exploration, renegotiation of contracts and currency exchange fluctuations and controls.

These financial statements have been prepared in accordance with Canadian GAAP applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

The Company has a need for equity capital and financing in order to explore and develop its properties and for working capital requirements. 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 to reach profitable levels of operation. There is no assurance that these funds will be available on terms acceptable to the Company or at all.

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3. FUTURE ACCOUNTING CHANGES

Business Combinations

CICA Handbook Section 1582 "Business Combinations" replaces Section 1581 "Business Combinations" and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Consolidations and Non-Controlling Interests

CICA Handbook Sections 1601 "Consolidations" and 1602 "Non-Controlling Interests" together replace Section 1600 "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides the Canadian equivalent to International Accounting Standard 27 "Consolidated and Separate Financial Statements" for non-controlling interests. These sections are applicable for years beginning on or after January 1, 2011.

International Financial Reporting Standards

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"). The Company currently does not have a changeover plan. However, management considers the risk of not meeting the changeover date to be minimal, due to the simplicity of the Company's accounting policies and computer systems and the size of its business. Management is currently in the process of developing a changeover plan.

4. MINERAL PROPERTY AND EXPLORATION AND DEVELOPMENT EXPENDITURES

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.

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 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.

During the three month period ended January 31, 2010, the Company incurred $114,533 (2009 - $220,447) on exploration and development expenditures, primarily on the HOAM project. Cumulative exploration and development expenditures made by the Company as at January 31, 2010 total $11,309,285 (at October 31, 2009 - $11,194,752). This cumulative total represents $11,276,447 spent on the HOAM Project (2009 - $11,182,851) and $32,838 spent on the Rivera Project (2009 - $11,901).

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5. EQUIPMENT

	Cost $	Accumulated Amortization $	Net January 31, 2010 $	Net October 31, 2009 $
Office Equipment	11,951	8,905	3,046	3,206
Computer Equipment	17,316	15,987	1,329	1,437
	29,267	24,892	4,375	4,643

6. LOAN RECEIVABLE

On May 25, 2007, the Company loaned $250,000 to an unrelated corporation providing services to the Company. The loan carries 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.

7. RELATED PARTY TRANSACTIONS

During the three months ended January 31, 2010, a total of $2,400 (2009 - $57,400) for administrative and general expenses (other than salary and benefits) included in the statement 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. Included in accounts payable and accrued liabilities at January 31, 2010 is $nil (October 31, 2009 - $8,444) 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. Amounts owing to the related parties are unsecured, non-interest bearing with no fixed terms of repayment.

8. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares

b) Issued

31,650,637 common shares

A summary of changes in common shares is as follows:

	Common Shares #	**Amount $**
Balance, October 31, 2009 and January 31, 2010	31,650,637	11,939,856

As of January 31, 2010, no common shares are held in escrow.

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8. CAPITAL STOCK (Continued)

c) Warrants

The balance of warrants outstanding at January 31, 2010, all of which expire May 14, 2011, is as follows:

	Shares Issuable Upon Exercise of Warrants #	Estimated Grant Date Fair Value $	Weighted Average Exercise Price $
Balance, October 31, 2009 and January 31, 2010	2,300,000	2,369,000	2.00

d) Stock options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Stock options are granted for a term not to exceed five years at exercise prices not less than the closing sale price on the TSX Venture Exchange 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 following is a summary of stock options outstanding at January 31, 2010:

Expiry Date	Stock Options #	Exercisable Stock Options #	Estimated Grant Date Fair Value $	Exercise Price $
January 17, 2012	2,075,000	2,075,000	1,591,539	1.000
April 13, 2012	75,000	75,000	71,783	1.150
January 18, 2013 (i)	125,000	83,334	66,315	0.850
March 6, 2013 (ii)	30,000	20,000	15,833	0.740
December 9, 2014 (iii)	640,000	-	89,600	0.165
Total outstanding, January 31, 2010	2,945,000	2,253,334	1,835,070	0.813

(i) The 41,666 unvested options as at January 31, 2010 vest on January 18, 2011.
(ii) The 10,000 unvested options as at January 31, 2010 vest on March 6, 2010.
(iii) Of the 640,000 unvested options as at January 31, 2010, 213,333 vest July 9, 2010, 213,333 vest December 9, 2010 and 213,334 vest July 9, 2011.

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8. CAPITAL STOCK (Continued)

d) Stock options (Continued)

The following is a summary of stock option transactions during the three months ended January 31, 2010:

	Stock options #	Weighted average exercise price $
Outstanding, October 31, 2009	2,305,000	0.993
Granted December 9, 2010	640,000	0.165
Total outstanding, January 31, 2010	2,945,000	0.813

The weighted average grant-date fair value of options granted during the three months ended January 31, 2010 is $0.14 (2009 - $nil).

The fair values attributed to the options when granted are charged to general and administrative expenses or exploration expenses and included in contributed surplus over the period the options vest. An amount of $38,425 was charged to general and administrative expense and $nil was charged to exploration expenses during the three months ended January 31, 2010 (2009 - $12,590 and $3,033 respectively). The fair values of stock options granted during the three months ended January 31, 2010 have been estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	0%
Risk-free interest rate	2.5%
Expected volatility	133%
Expected life	5 years

e) Contributed Surplus

A summary of changes in contributed surplus during the three months ended January 31, 2010 is as follows:

	Amount $
Balance, October 31, 2009	2,041,893
Employee stock based compensation	30,543
Non-employees stock based compensation	7,882
Balance, January 31, 2010	2,080,318

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9. COMMITMENT AND CONTINGENCIES

a) Environmental Contingencies

The Company's 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.

b) 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 such as a change in control, 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 these financial statements.

c) 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	3,942
2011	2,190
	6,132

10. 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 three months ended January 31, 2010. The Company is not subject to externally imposed capital requirements.

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11. 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 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. As at January 31, 2010, the Company had a cash and cash equivalents balance of $4,026,524 (October 31, 2009 - $4,353,094) to settle current liabilities of $85,328 (October 31, 2009 - $183,247). All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependant 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.

Market risk

a) Interest rate risk

The Company has cash and cash equivalents balances and no interest bearing debt at January 31, 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 Note 4, 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.

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11. FINANCIAL RISK FACTORS (Continued)

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 market. 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 and 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 three months ended January 31, 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 (Note 6) has a fixed interest rate of 7% 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 January 31, 2010, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $34,000.

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.