



OLIVUT RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2011



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The effective date of this report is June 8, 2011.

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, 2011 with those in the comparative period in 2010. 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 a 100% interest in the HOAM Project located in the Mackenzie Region, Northwest Territories, Canada (the "HOAM Project"). In May 2009 Olivut announced that it had signed an option agreement with Orosur Mining Inc. ("Orosur" or "OMI") whereby Olivut may earn a 51% interest in certain diamond prospecting and exploration licenses (the "Properties") located in northern Uruguay, South America. Olivut's interest may be increased to 80% depending on OMI's participation in subsequent work programs. Olivut is the operator for the OMI exploration program (the "Rivera Project").

Exploration program highlights for the HOAM and Rivera Projects include:

HOAM Project, NWT

- geophysical interpretation of airborne magnetic data successful in delineating numerous additional drill targets
- 2010 detailed airborne geophysical surveys confirm new drill targets
- 2011 airborne geophysical and drill program planning and activity underway

Rivera Project, Uruguay

- August 1, 2010 Joint Venture earn-in commitment met
- positive initial sample program results
- encouraging initial drill program results
- 2011 geochemical sampling program underway
- geophysical and drilling programs anticipated to commence later in season

Itapoty Diamond Project, Paraguay

On February 16, 2011 the Company announced that it had signed a non-binding Letter of Intent (“LOI”) dated February 15, 2011 with Latin American Minerals Inc. (“LAT”) (TSXV:LAT) to explore the Itapoty Diamond Project (the “Project”) located in central Paraguay, South America..

Pursuant to the LOI, the Company and LAT have agreed to negotiate a binding agreement (the “Definitive Agreement”) with respect to the Project. If executed, it is anticipated that work will begin immediately on the Project. Pursuant to the LOI terms, the Definitive Agreement would provide Olivut with an option to earn 50% of the Project by incurring CDN\$250,000 in expenses related to the Project in the first 12 months and an additional CDN\$750,000 in the following 18 months. Olivut would be the operator of the Project. As the LOI is non-binding and is subject to further negotiations, there is no assurance that a Definitive Agreement will be entered into on these terms or at all.

Further detail is provided under “*Mineral Property and Exploration and Development Activities*”.

Summary of Quarterly Results

| | 2011 2nd Quarter | 2011 1st Quarter | 2010 4th Quarter | 2010 3rd Quarter |
|--------------------------------------|--|--|--|--|
| Total revenues | \$12,962 | \$14,728 | \$14,835 | \$12,127 |
| Net (loss) | \$(342,416) | \$(437,539) | \$(432,301) | \$(220,745) |
| Basic and diluted net loss per share | \$(0.01) | \$(0.01) | \$(0.01) | \$(0.01) |

| | 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) |

Results of Operations

Three and six months ended January 31, 2011 compared to three and six months ended April 30, 2010

The Company’s net loss for the three and six months ended April 30, 2011 was \$342,416 and \$779,955 respectively (2010 - \$429,241 and \$702,644 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, 2011 amounted to \$12,962 and \$27,690 respectively (2010 - \$11,151 and \$22,967 respectively). The increase in interest income for the period is due to higher interest rates earned on cash deposits.

Administrative and general expenses totaled \$202,985 and \$340,774 respectively in the three and six months ended April 30, 2011 (2010 - \$216,540 and \$386,958 respectively). The decrease in total administrative and general expenses period over period was primarily due to reduced stock-based compensation expense.

Exploration expenses for the three and six months ended April 30, 2011 were \$152,189 and \$466,463 respectively (2010 - \$223,584 and \$338,117 respectively). The change in exploration expenses period over period is explained below under "*Mineral Property and Exploration and Development Activities*".

Mineral Property and Exploration and Development Activities

The HOAM Project

The Company has a 100% interest in the HOAM project located in the Mackenzie Region, Northwest Territories (the "HOAM Project"), Canada. 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. The Company has been very successful in identifying kimberlite occurrences in this previously unexplored area of the NWT. Twenty-three kimberlite discoveries have been made to date by the Company. Although some of these discoveries are microdiamond bearing, the sources of the extremely positive, yet discrete, kimberlite indicator mineral ("KIM") populations (including G10 garnets), recovered from stream sediment and till samples collected throughout this large project area, remain to be found.

A 2010 geophysical evaluation conducted by an independent expert has resulted in numerous additional targets located up-ice from the areas of anomalous KIMs. The objective of this analysis was to identify potential new areas of kimberlite occurrences that may have been overlooked by initial assessments. Analysis is ongoing to further evaluate many of the high priority target areas. No drilling was undertaken in 2010. The work program included geophysical interpretative studies and detailed airborne geophysical surveys. The 2011 exploration season will include geophysical and geochemical programs as well as drilling to test new targets. Actual exploration costs year-to-date on the HOAM Project are \$401,557, or \$206,609 more than the \$194,948 spent in the six months ended April 30, 2010.

The Rivera Project

In May 2009, the Company announced it had signed an option agreement with Orosur Mining Inc. ("Orosur" or "OMI") (TSXV:OMI and AIM:OMI) whereby Olivut will act as operator for an exploration program of certain diamond prospecting and exploration licenses (the "Rivera Project") located in northern Uruguay, South America. The Rivera Project is held by Cinco Rios S.A., a wholly owned subsidiary of OMI. The Company has the option to acquire a 51% interest in the Rivera Project by incurring minimum expenditures of \$250,000 by August 1, 2010 (\$285,527 was incurred by August 1, 2010) and a total of \$750,000 by December 31, 2011 (\$381,847 was incurred by April 30, 2011). Olivut's interest may be increased to 80% depending on OMI's participation in subsequent work programs. The joint venture earn-in structure was established in order for Olivut to evaluate the potential for kimberlites in this relatively unexplored region without exposing shareholders to high front-end costs.

The Company had a successful initial exploration program on the Rivera Project in Uruguay.

Phase 1 exploration work included stream and pit sampling at both regional and local scales. Positive KIMs including a diamond were recovered. Surface features of most of the recovered pyrope garnets indicate a probable proximal source. An early stage drill program was undertaken to test several geomorphological targets. Shallow reverse circulation holes (less than 110 metres) were drilled into four targets. Intensely serpentized, ultramafic material was intersected within sandstone in one of the targets. A geophysical interpretation of airborne and ground magnetic data has now been completed and numerous additional targets have been established for further investigation.

The Company is extremely encouraged by the coincidence of anomalous stream sediment samples, geophysical targets, favourable structures and the presence of ultramafic material, all of which support the probability that kimberlite, though currently undiscovered, exists in the project area. Management is pleased with the amount of positive information obtained from this early stage investigation and that the initial results justify continued expenditures pursuant to the option agreement. A 2011 geochemical exploration program is underway for the Rivera Project where exploration can be carried out on a year round basis. To enable drilling on the priority targets, negotiations with landowners have been undertaken to allow access to test anomalies and agreements are being finalized, as is the government permitting process. It is anticipated that the geophysical and drilling programs will commence later in the season.

The Rivera Project is situated in the stable Rio de la Plata craton which is consistent with cratonic regions in southern Africa. This provides an additional degree of encouragement that diamondiferous kimberlite bodies may be present in the region of the Rivera Project.

Itapoty Diamond Project

As described above under the heading "Description of Business", on February 16, 2011 the Company announced that it had signed a non-binding Letter of Intent ("LOI") dated February 15, 2011 with Latin American Minerals Inc. ("LAT") to explore the Itapoty Diamond Project located in central Paraguay, South America.

This new opportunity complements Olivut's existing portfolio of diamond exploration properties in Canada and Uruguay, South America. The southern hemisphere location provides a complementary work season to that of the HOAM summer program in Canada. Paraguay's mineral resources remain largely underexplored.

Highlights of the Itapoty Diamond Project include:

- Sample results collected by LAT have yielded numerous KIMs
- 37 diamonds have been recovered from the property by LAT
- Diamond distribution suggests local and multiple sources
- Diamonds found in coarse fraction (1-2 mm)
- Surface features of diamonds indicate proximal sources
- Regional and local geology supports emplacement of diatremes and dykes

During the three and six months ended April 30, 2011, the Company incurred \$152,189 and \$466,463 respectively (2010 - \$223,584 and \$338,117 respectively) on exploration and development expenditures. The principal expenditures year-to-date were for airborne geophysics-related costs \$277,733 (2010 - \$8,919) on the HOAM project. Cumulative exploration and development expenditures made by the Company as at April 30, 2011 total \$12,234,156 (at October 31, 2010 - \$11,767,693). This cumulative total represents \$11,852,309 spent on the HOAM Project (October 31, 2010 - \$11,450,752) and \$381,847 spent on the Rivera Project (October 31, 2010 - \$316,941).

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

Liquidity and Capital Resources

As at April 30, 2011, the Company had a cash and cash equivalents balance of \$2,322,219 (October 31, 2010 - \$3,227,058) to settle current liabilities of \$139,768 (October 31, 2010 - \$297,883) and working capital of \$2,221,837 (October 31, 2010 - \$2,971,351).

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, 2011, cash used by operating activities was \$457,995 and \$904,999 respectively, an increase of \$131,008 and \$251,88 respectively compared to the cash used in the three and six months ended April 30, 2010. The increase year-to-date reflects increased spending on exploration 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. On the basis of the Company's current cash position, management of the Company believes that it has sufficient funds to carry on its ordinary course of business through the fiscal year end October 31, 2011. 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, 2011, 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, 2011 a total of \$19,500 and \$33,500 respectively (2010 - \$15,500 and \$15,500 respectively) for exploration consulting expenditures, and \$2,400 and \$4,800 respectively (2010 - \$8,400 and \$10,800 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, 2011 is \$10,000 (October 31, 2010 - \$5,800) 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 policies are disclosed in full in Note 3 of the audited financial statements for the year ended October 31, 2010.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

In January 2006, the Canadian Institute of Chartered Accountants 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 to identify the issues that must be addressed in the transition. The Company has engaged a professional consultant who has assisted management in determining the alternative accounting policies which the Company can adopt under IFRS, identifying financial statement items that require restatement under IFRS and developing the working papers, checklists and proforma financial statements leading to the audit of the opening balance sheet and comparative statement required under IFRS. Based on the 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 does not expect any difficulty in completing all necessary changes in accordance with these new standards by the required changeover date.

Outstanding Share Data

As of June 8, 2011, an unlimited number of common shares with no par value are authorized of which 31,650,637 shares are issued and outstanding.

As of April 30, 2011, 2,300,000 warrants were issued and outstanding at an exercise price of \$2.00 per share, all of which expired unexercised on May 14, 2011.

Under the terms of the Company's Stock Option Plan, as at June 8, 2011 a total of 3,000,000 options to purchase common shares at exercise prices ranging from \$ 0.165 to \$1.70 per common share and expiring between January 17, 2012 and March 10, 2016 are outstanding.

Commitments and Contingencies

Environmental Contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company 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.

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 of 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 the financial statements for the six months ended April 30, 2011.

Operating Lease

The Company is committed to an operating lease for equipment rental, which expires on May 2, 2014. Minimum lease payments for successive fiscal years ending October 31 are as follows:

| Year | \$ Amount |
|------|--------------|
| 2011 | 1,440 |
| 2012 | 2,880 |
| 2013 | 2,880 |
| 2014 | <u>1,440</u> |
| | <u>8,640</u> |

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, 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 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.

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, 2011. 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 six months ended April 30, 2011 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, 2011. The Company's current policy is to invest cash in investment-grade short-term guaranteed investment certificates issued by 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 as investments are short-term, the Company does not carry interest bearing debt and it is expected that future financings, if any, would be secured from equity placements rather than debt obligations.

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 Activities", the Company acts as operator of an exploration program in Uruguay. At April 30, 2011 the Company has spent \$381,847 on this program and has the option to spend an additional \$368,153 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. Although the Company has no influence on commodity prices, it closely monitors commodity prices to determine appropriate courses of action.

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.

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, if any, would be secured from equity placements rather than debt obligations. Based on cash and cash equivalents held by the Company as at April 30, 2011, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately \$23,000.

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.

There were no changes in the six months ended April 30, 2011 that occurred that were attributed to financial risks.

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 or its joint venture partner'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 or its joint venture partner 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 or its joint venture partner 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.