OLIVUT RESOURCES LTD.

(A DEVELOPMENT STAGE COMPANY)

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JULY 31, 2011

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

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

	July 31, 2011 $	October 31, 2010 $
ASSETS		
CURRENT		
Cash and cash equivalents	1,815,966	3,227,058
Amounts receivable	37,985	6,035
Prepaid expenses	41,863	19,319
Current portion of loan receivable (Note 6)	16,822	16,822
	1,912,636	3,269,234
EQUIPMENT (Note 5)	89,684	3,571
LOAN RECEIVABLE (Note 6)	230,499	230,741
	2,232,819	3,503,546
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	692,709	297,883
COMMITMENTS 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
CONTRIBUTED SURPLUS (Note 8(e))	4,575,555	2,151,482
DEFICIT	(14,975,301)	(13,254,675)
	1,540,110	3,205,663
	2,232,819	3,503,546

APPROVED ON BEHALF OF THE BOARD:

Signed “Leni Keough” ____________, Director

Signed “Craig Reith” ____________, 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 July 31, 2011 $	Three months ended July 31, 2010 $	Nine months ended July 31, 2011 $	Nine months ended July 31, 2010 $
Exploration expenses (Notes 4 and 7)	806,784	128,426	1,273,247	466,543
Administrative and general expenses (Notes 7 and 8(d))	141,305	104,178	482,079	491,136
Amortization	4,767	268	5,175	804
Loss before the under-noted	(952,856)	(232,872)	(1,760,501)	(958,483)
Interest income from held for trading financial assets	7,767	7,704	26,617	21,820
Interest income from loans and receivables	4,418	4,423	13,258	13,274
NET LOSS FOR THE PERIOD	(940,671)	(220,745)	(1,720,626)	(923,389)
DEFICIT, beginning of period	(14,034,630)	(12,601,629)	(13,254,675)	(11,898,985)
DEFICIT, end of period	(14,975,301)	(12,822,374)	(14,975,301)	(12,822,374)
NET LOSS PER SHARE - basic and diluted	($0.030)	($0.007)	($0.054)	($0.029)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING -basic and diluted	31,650,637	31,650,637	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 July 31, 2011 $	Three months ended July 31, 2010 $	Nine months ended July 31, 2011 $	Nine months ended July 31, 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	(940,671)	(220,745)	(1,720,626)	(923,389)
Adjustments for charges not involving cash:				
Stock-based compensation	25,200	24,136	55,073	92,215
Amortization	4,767	268	5,175	804
	(910,704)	(196,341)	(1,660,378)	(830,370)
Changes in non-cash working capital balances:				
(Increase) decrease in amounts receivable	(27,164)	2,741	(31,950)	9,815
(Increase) in prepaid expenses	(30,120)	(19,265)	(22,544)	(13,291)
Increase (decrease) in accounts payable and accrued liabilities	552,941	(64,294)	394,826	(96,944)
Cash flows from operating activities	(415,047)	(277,159)	(1,320,046)	(930,790)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equipment	(91,288)	-	(91,288)	-
Loan receivable	82	77	242	226
Cash flows from investing activities	(91,206)	77	(91,046)	226
(Decrease) in cash and cash equivalents	(506,253)	(277,082)	(1,411,092)	(930,564)
Cash and cash equivalents, beginning of period	2,322,219	3,699,612	3,227,058	4,353,094
Cash and cash equivalents, end of period	1,815,966	3,422,530	1,815,966	3,422,530
CASH AND CASH EQUIVALENTS ARE COMPOSED OF:				
Cash	1,615,966	1,614,138	1,615,966	1,614,138
Cash equivalents	200,000	1,808,392	200,000	1,808,392
	1,815,966	3,422,530	1,815,966	3,422,530
SUPPLEMENTAL INFORMATION				
Interest paid	-	-	-	-
Income tax paid	-	-	-	-

See accompanying notes to the interim unaudited financial statements.

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 (the “CICA”) 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, 2010. 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 July 31, 2011 are not necessarily indicative of the results that may be expected for the full year ended October 31, 2011. For further information, see the Company’s financial statements including the notes thereto for the year ended October 31, 2010**.**

2. NATURE OF OPERATIONS AND GOING CONCERN

The Company is a development stage company as defined by 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 assets and activities are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

These financial statements have been prepared in accordance with 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.

3. ACCOUNTING CHANGES

a) 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. The Company is in the process of evaluating the requirements of the new standard.

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. The Company is in the process of evaluating the requirements of the new standard.

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"). Accordingly, management is monitoring and analyzing pronouncements of the International Accounting Standards Board. 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.

4. MINERAL PROPERTY AND EXPLORATION AND DEVELOPMENT EXPENDITURES

The Company has a 100% interest in the HOAM Project located in the Mackenzie Region, Northwest Territories, Canada (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 signed an option agreement with Orosur Mining Inc. ("Orosur" or "OMI") (TSXV:OMI) for the Rivera Project to explore certain diamond prospecting and exploration licenses located in northern Uruguay, South America. Olivut is the operator. 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 ($417,796 was incurred by July 31, 2011). Olivut`s interest may be increased to 80% depending on OMI`s participation in subsequent work programs.

4. MINERAL PROPERTY AND EXPLORATION AND DEVELOPMENT EXPENDITURES (Continued)

On July 6, 2011 the Company announced that it had signed an option agreement with Latin American Minerals Inc. ("LAT") (TSXV:LAT) and certain of its Paraguayan subsidiaries to explore the Itapoty Diamond Project located in central Paraguay, South America. Olivut may earn a 50% interest in the Itapoty Diamond Project by incurring $250,000 in expenses by July 5, 2012 and an additional $750,000 by January 5, 2013. Olivut is the Operator.

During the three and nine month periods ended July 31, 2011, the Company incurred $806,784 and $1,273,247 respectively (2010 - $128,426 and $466,543 respectively) on exploration and development expenditures. Cumulative exploration and development expenditures made by the Company as at July 31, 2011 total $13,040,940 (at October 31, 2010 - $11,767,693). This cumulative total represents $12,506,620 spent on the HOAM Project (October 31, 2010 - $11,450,752), $417,796 spent on the Rivera Project (October 31, 2010 - $316,941) and $116,524 (October 31, 2010 - $nil) spent on the Itapoty Project.

5. EQUIPMENT

	Cost	Accumulated Amortization	Net July 31, 2011	Net October 31, 2010
	$	$	$	$
Drill Rig	91,288	4,564	86,724	-
Office Equipment	11,951	9,771	2,180	2,565
Computer Equipment	17,316	16,536	780	1,006
	120,555	30,871	89,684	3,571

6. 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.

7. RELATED PARTY TRANSACTIONS

During the three and nine months ended July 31, 2011, a total of $58,000 and $91,500 respectively (2010 - $9,410 and $24,910 respectively) for exploration consulting expenditures, and $2,400 and $7,200 respectively (2010 - $2,400 and $13,200 respectively) 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 July 31, 2011 is $31,000 (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. Amounts owing to the related parties are unsecured, non-interest bearing with no fixed terms of repayment.

See also Note 4.

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, 2010 and July 31, 2011	31,650,637	11,939,856

c) Warrants

Changes in warrants and the balance of warrants outstanding are as follows:

	Shares Issuable Upon Exercise of Warrants #	Estimated Grant Date Fair Value $	Weighted Average Exercise Price $
Balance, October 31, 2010	2,300,000	2,369,000	2.00
Expired, May 14, 2011	(2,300,000)	(2,369,000)	(2.00)
Balance, July 31, 2011	-	-	-

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.

8. CAPITAL STOCK (Continued)

d) Stock options (Continued)

The following is a summary of stock options outstanding at July 31, 2011:

Expiry Date	Outstanding Stock Options #	Exercisable Stock Options #	Estimated Grant Date Fair Value $	Exercise Price $
January 17, 2012	2,075,000	2,075,000	1,577,000	1.000
April 13, 2012	75,000	75,000	54,750	1.150
January 18, 2013	125,000	125,000	80,000	0.850
December 9, 2014	640,000	640,000	89,600	0.165
April 19, 2015 (i)	35,000	23,334	9,101	0.300
March 10, 2016 (ii)	50,000	-	73,500	1.700
Total outstanding, July 31, 2011	3,000,000	2,938,334	1,883,951	0.810

(i) The 11,666 unvested options as at July 31, 2011 vest on October 19, 2011.
(ii) The 50,000 unvested options as at July 31, 2011 vest 16,667 on September 10, 2011, 16,667 on March 10, 2012 and 16,666 on September 10, 2012.

The following is a summary of stock option transactions during the nine months ended July 31, 2011:

	Stock options #	Weighted average exercise price $
Total outstanding, October 31, 2010	2,950,000	0.808
Granted	50,000	1.700
Outstanding July 31, 2011	3,000,000	0.823

The weighted average remaining contractual life of options as of July 31, 2011 is 1.24 years (October 31, 2010 – 1.93 years). The weighted average exercise price of options exercisable as at July 31, 2011 is $0.86 (October 31, 2010 - $0.92).

The fair values attributed to the options when granted are charged to administrative and general expenses and included in contributed surplus over the period the options vest. An amount of $55,073 was charged to administrative and general expenses during the nine months ended July 31, 2011 (2010 - $92,215). The fair values of stock options granted during the nine months ended July 31, 2011 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	2.68%
Expected volatility	130%
Expected life	5 years

8. CAPITAL STOCK (Continued)

e) Contributed Surplus

A summary of changes in contributed surplus during the nine months ended July 31, 2011 is as follows:

	Amount $
Balance, October 31, 2010	2,151,482
Grant date value attributed to warrants expired unexercised	2,369,000
Employee stock based compensation	13,829
Non-employee stock based compensation	41,244
Balance, July 31, 2011	4,575,555

9. COMMITMENT AND CONTINGENCIES

a) 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.

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 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 May 2, 2014. Minimum lease payments for successive fiscal years ending October 31 are as follows:

Year	$ Amount
2011	720
2012	2,880
2013	2,880
2014	1,440
	7,920

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, 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 nine months ended July 31, 2011. The Company is not subject to externally imposed capital requirements.

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. 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 July 31, 2011, the Company had a cash and cash equivalents balance of $1,815,966 (October 31, 2010 - $3,227,058) to settle current liabilities of $692,709 (October 31, 2010 - $297,883). 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 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 until the fiscal year end October 31, 2011. Additional financing will be solicited during the next year to enable the Company to continue exploration on its projects and to consider new opportunities. 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.

11. FINANCIAL RISK FACTORS (Continued)

Market risk

a) Interest rate risk

The Company has cash and cash equivalents balances and no interest bearing debt at July 31, 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 Note 4, the Company acts as operator of exploration programs in Uruguay and Paraguay. At July 31, 2011 the Company has spent $417,796 on the Rivera Project in Uruguay and has the option to spend an additional $332,204 by December 31, 2011, all in Canadian dollars. At July 31, 2011 the Company has spent $116,524 on the Itapoty Project in Paraguay and has the option to spend an additional $883,476 by January 5, 2013, all in Canadian dollars. Management believes that the Company will not be subject to any material foreign currency risk related to these options.

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.

At July 31, 2011, the Company's financial instruments that are carried at fair value consist of cash equivalents that do not have quoted market prices. They have been classified as level 2 within the fair value hierarchy.

11. FINANCIAL RISK FACTORS (Continued)

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, if any, would be secured from equity placements rather than debt obligations. Based on cash and cash equivalents held by the Company as at July 31, 2011, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $18,000.

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 nine months ended July 31, 2011 that occurred that were attributed to financial risks.