OLIVUT RESOURCES LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED JULY 31, 2014
(expressed in Canadian dollars)

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at:	July 31, 2014 $	October 31, 2013 $
ASSETS		
CURRENT		
Cash and cash equivalents (Note 4)	534,164	1,077,430
Amounts receivable (Note 5)	2,427	9,523
Current portion of prepaid expenses (Note 6)	191,897	177,231
Current portion of loan receivable (Note 9)	16,822	16,822
TOTAL CURRENT ASSETS	745,310	1,281,006
PREPAID EXPENSES (Note 6)	105,652	224,503
EQUIPMENT (Note 8)	44,695	54,240
LOAN RECEIVABLE (Note 9)	228,610	229,207
TOTAL ASSETS	1 124,267	1,788,956
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Notes 10 and 12)	129,011	98,329
Convertible security (Note 11)	109,412	189,029
Securities Purchase Agreement advance (Notes 13(b) and 18)	-	52,000
TOTAL CURRENT LIABILITIES	238,423	339,358
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 13(b))	17,310,876	17,337,413
EQUITY COMPONENT OF CONVERTIBLE SECURITY (Note 11)	66,524	133,048
EQUITY RESERVES		
Stock options (Note 14)	3,529,950	3,415,216
DEFICIT	(20,021,506)	(19,436,079)
TOTAL SHAREHOLDERS' EQUITY	885,844	1,449,598
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,124,267	1,788,956

COMMITMENTS AND CONTINGENCIES (Notes 7, 13 and 15)
GOING CONCERN (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "Leni Keough", Director　　Signed "Craig Reith", Director

See accompanying notes to the unaudited condensed interim financial statements.

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

	Three months ended July 31, 2014 $	Three months ended July 31, 2013 $	Nine months ended July 31, 2014 $	Nine months ended July 31, 2013 $
Exploration expenses (Notes 7 and 12)	23,925	48,210	126,089	277,672
Administrative and general expenses (Note 12)	95,477	117,609	355,461	412,163
Stock-option amortization expense (Notes 12 and 14)	-	363,824	114,734	1,634,994
Other amortization (Note 8)	4,104	3,405	9,545	10,216
Loss before the under-noted	(123,506)	(533,048)	(605,829)	(2,335,045)
Interest income from financial assets at fair value through profit or loss	2,176	3,952	7,499	11,797
Interest income from loans and receivables	4,060	4,311	12,903	12,943
Loss before income taxes	(117,270)	(524,785)	(585,427)	(2,310,305)
Deferred income tax recovery	-	-	-	99,210
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(117,270)	(524,785)	(585,427)	(2,211,095)
NET LOSS PER SHARE - basic and diluted	($0.00)	($0.01)	($0.02)	($0.06)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	36,457,956	35,608,763	36,284,752	34,757,144

See accompanying notes to the unaudited condensed interim financial statements.

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

	Three months ended July 31, 2014 $	Three months ended July 31, 2013 $	Nine months ended July 31, 2014 $	Nine months ended July 31, 2013 $
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net loss for the period	(117,270)	(524,785)	(585,427)	(2,211,095)
Adjustments for charges not involving cash:				
Deferred income tax recovery	-	-	-	(99,210)
Stock-option amortization expense (Notes 12 and 14)	-	363,824	114,734	1,634,994
Other amortization (Note 8)	4,104	3,405	9,545	10,216
	(113,166)	(157,556)	(461,148)	(665,095)
Changes in non-cash working capital balances:				
Decrease in amounts receivable	3,952	8,844	7,096	32,422
(Increase) in prepaid expenses	(21,740)	(17,298)	(14,665)	(6,507)
Increase (decrease) in accounts payable and accrued liabilities	64,993	(12,307)	30,682	(142,626)
Cash flows used in operating activities	(65,961)	(178,317)	(438,035)	(781,806)
CASH FLOWS FROM INVESTING ACTIVITIES				
Loan receivable	203	188	597	557
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue (repayment) of convertible debenture	-	-	(150,000)	300,000
Issue of shares	48,000	332,873	48,000	657,873
Securities Purchase Agreement advance	-	(148,000)	-	52,000
Cost of issue	(821)	(13,857)	(3,828)	(38,849)
(Increase) in prepaid expense related to cost of issue	-	-	-	(154,292)
Cash flows from financing activities	47,179	171,016	(105,828)	816,732
(Decrease) increase in cash and cash equivalents	(18,579)	(7,113)	(543,266)	35,483
Cash and cash equivalents, beginning of period	552,743	1,338,450	1,077,430	1,295,854
Cash and cash equivalents, end of period (Note 4)	534,164	1,331,337	534,164	1,331,337
SUPPLEMENTARY CASH FLOW INFORMATION				
Common shares issued for SPA advance (Note 13(b))	-	-	52,000	-
Prepaid financing expense charged to share issue costs (Note 13(b))	39,618	39,618	118,851	52,824
Accretion of convertible security included in cost of issue (Note 11)	5,210	8,573	24,585	13,075

See accompanying notes to the unaudited condensed interim financial statements.

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves Stock Options	Equity Component of Convertible Security	Deficit	Total
	# (Note 13(b))	$ (Note 13(b))	$ (Note 14)	$ (Note 11)	$	$
Balance, October 31, 2012	33,927,382	16,733,645	1,671,731	-	(16,839,864)	1,565,512
Common shares issued	1,750,660	532,873	-	-	-	532,873
Flow-through shares issued	342,105	225,790	-	-	-	225,790
Share issue costs	-	(105,496)	-	-	-	(105,496)
Equity component of convertible security	-	-	-	133,048	-	133,048
Options expired	-	-	(80,000)	-	80,000	-
Stock-option amortization expense	-	-	1,634,994	-	-	1,634,994
Net loss for the period	-	-	-	-	(2,211,095)	(2,211,095)
Balance, July 31, 2013	**36,020,147**	**17,386,812**	**3,226,725**	**133,048**	**(18,970,959)**	**1,775,626**
Balance, October 31, 2013	36,020,147	17,337,413	3,415,216	133,048	(19,436,079)	1,449,598
Common shares issued	589,588	100,000	-	-	-	100,000
Share issue costs	-	(147,263)	-	-	-	(147,263)
Stock-option amortization expense	-	-	114,734	-	-	114,734
Redemption of convertible security	-	20,726	-	(66,524)	-	(45,798)
Net loss for the period	-	-	-	-	(585,427)	(585,427)
Balance, July 31, 2014	**36,609,735**	**17,310,876**	**3,529,950**	**66,524**	**(20,021,506)**	**885,844**

See accompanying notes to the unaudited condensed interim financial statements.

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 September 10, 2014.

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. 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 17(b)). 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.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent 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 annual financial statements for the year ended October 31, 2013 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 annual financial statements for the year ended October 31, 2013.

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 nine month period ended July 31, 2014 are not necessarily indicative of the results that may be expected for the year ending October 31, 2014.

3. ACCOUNTING CHANGES

Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective November 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 2 – Share-based Payment ("IFRS 2") was amended to clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The adoption of this standard did not result in any changes to the Company's financial statements.

IFRS 7 — Financial Instruments: Disclosures ("IFRS 7") was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation ("IAS 32"). The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of this standard did not result in any significant changes to the Company's financial statements.

IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRS. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date under current market conditions. It also establishes disclosures about fair value measurement. The adoption of this standard did not result in any significant changes to the Company's financial statements.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting annual periods beginning after November 1, 2013 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 in November 2009 with additions in October 2010 and May 2013 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.

(expressed in Canadian dollars)

3. ACCOUNTING CHANGES (Continued)

IFRS 13 – Fair Value Measurement ("IFRS 13") was amended to clarify that the exception which allows fair value measurements of a group of financial assets and liabilities on a net basis applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or liabilities as defined in IAS 32. The amendment is effective for annual periods beginning on or after July 1, 2014.

IAS 24 – Related Party Disclosures ("IAS 24") was amended to clarify that an entity providing key management services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. The amendments to IAS 24 are effective for annual periods beginning on or after July 1, 2014.

IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014.

IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014.

4. CASH AND CASH EQUIVALENTS

	July 31, 2014 $	**October 31, 2013** $
Cash in account at a Canadian chartered bank	534,164	550,402
Cash in Guaranteed Investment Certificates issued by a Canadian chartered bank	-	527,028
	534,164	1,077,430

5. AMOUNTS RECEIVABLE

	July 31, 2014 **$**	**October 31, 2013** $
GST input tax credit	2,427	9,523

(expressed in Canadian dollars)

6. PREPAID EXPENSES

	July 31, 2014 $	October 31, 2013 $
Current portion of prepaid expenses:		
Insurance premiums	29,513	18,760
Deposit for future conference	3,913	-
Financing costs (Note 13(b))	158,471	158,471
	191,897	177,231
Long term portion of prepaid expenses:		
Financing costs (Note 13(b))	105,652	224,503

The prepaid financing costs are charged to share issue costs over the term of the SPA (Note 11) on a straight-line basis.

7. 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.

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. Pursuant to subsequent exploration activities, Olivut determined that additional expenditures on these properties were not justified and terminated the option agreement effective September 6, 2013. As a result, the Company has no further interest in these properties, but remains responsible for any environmental or other liabilities arising from work performed by the Company. The Company believes there are no such liabilities outstanding.

During the nine months ended July 31, 2014, the Company incurred $126,089 (2013 - $277,672) on exploration expenditures. Cumulative exploration expenditures made by the Company as at July 31, 2014 total $15,536,175 (at October 31, 2013 - $15,410,086). This cumulative total represents $14,587,087 spent on the HOAM Project (October 31, 2013 – $14,460,998) and $949,088 spent on other projects where the Company’s interests have been terminated (October 31, 2013 - $949,088).

8. EQUIPMENT

	July 31, 2014			October 31, 2013		
	Cost $	Accumulated Amortization $	Net $	Cost $	Accumulated Amortization $	Net $
Drill rig	91,288	46,593	44,695	91,288	38,706	52,582
Office equipment	-	-	-	11,951	10,638	1,313
Computer equipment	-	-	-	17,316	16,971	345
	91,288	46,593	44,695	120,555	66,315	54,240

(expressed in Canadian dollars)

9. 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.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2014 $	October 31, 2013 $
Corporate payables and accrued liabilities (Note 12)	120,311	72,012
Exploration expense payables	8,700	26,317
	129,011	98,329

11. CONVERTIBLE SECURITY

On March 12, 2013, the Company entered into a Securities Purchase Agreement (the “SPA”) that could raise, depending on market conditions and other factors, up to $18 million over approximately the following 36 months in a tranched placement of securities to the Canadian Special Opportunity Fund, L.P., a fund managed by The Lind Partners, a New York-based asset management firm (together “Lind”).

On March 13, 2013, the initial investment by Lind of $500,000 consisted of (i) a $300,000 callable, convertible security that may be converted into 689,655 units (each a “Unit”) (the first 500,000 Units issued shall be comprised of one common share and one warrant as further described below, and the remaining Units issued shall be exercisable for one common share) and (ii) $200,000 to purchase common shares (Note 13(b)).

The convertible security has a term of 36 months with a 0% interest rate and is unsecured and subordinated. Lind has the right to call the security or convert the security into Units at any time. On April 28, 2014 Lind elected to redeem $150,000 of the convertible security, which was paid to Lind by the Company on April 29, 2014.

Each warrant that may be issued pursuant to the remaining $150,000 convertible security entitles the holder to purchase one common share at $0.5957 per share until March 13, 2016. On March 13, 2014 all such warrants vested.

In accordance with IFRS, the convertible security has been bifurcated into a liability component and an equity component. The equity component represents the value of the conversion feature and is the difference between the fair value of the liability component and the proceeds received of $300,000. Management has estimated the value of the liability component of the convertible security using the effective interest rate method, using an interest rate of 20%.

(expressed in Canadian dollars)

11. CONVERTIBLE SECURITY (Continued)

The rate used in determining the appropriate value of the liability component of the convertible security and to appropriately apply the effective interest rate method to the convertible security is subject to significant management estimation.

Convertible security, October 31, 2013	$300,000
Redemption of security April 29, 2014	(150,000)
Convertible security, July 31, 2014	$150,000

Bifurcated as follows:

Equity component, October 31, 2013	$133,048
Equity component redeemed	(66,524)
Equity component, July 31, 2014	$66,524

Liability component, October 31, 2013	$189,029
Accretion to July 31, 2014	24,585
Liability component redeemed	(104,202)
Liability component, July 31, 2014	$109,412

12. RELATED PARTY TRANSACTIONS

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

	9 months ended July 31	
	2014	**2013**
	$	$
Salaries	165,000	168,604
Short term benefits	14,000	43,000
Stock-option amortization expense	103,697	1,474,610
Total remuneration	282,697	1,686,214

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 nine months ended July 31, 2014 and 2013. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of stock options.

In addition to salaries and benefits, during the three and nine month periods ended July 31, 2014, a total of $nil and $6,000 respectively (2013 - $nil and $13,500 respectively) for exploration consulting expenditures, and $2,400 and $7,200 respectively (2013 - $2,400 and $7,200 respectively) for administrative and general expenses 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.

In connection with the December 12, 2012 private placement (see Note 13(b)), 25,000 common shares with flow-through tax benefits (“flow-through shares”) were sold to an officer and director of the Company.

(expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

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	
	July 31, 2014	October 31, 2013
	$	$
Officers and directors	76,955	29,015

These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

13. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares without par value

b) Issued

36,609,735 common shares

A summary of changes during the nine months ended July 31, 2014 is as follows:

	Common Shares #	Amount $
Balance, October 31, 2013	36,020,147	17,337,413
SPA tranches	589,588	100,000
Redemption of convertible security	-	20,726
Share issue costs	-	(147,263)
Balance, July 31, 2014	36,609,735	17,310,876

On December 12, 2012, the Company issued a total of 342,105 common shares through a non-brokered private placement for aggregate gross proceeds of $325,000. The private placement comprised the issue of 342,105 flow-through shares to the shareholders at a price of $0.95 per share.

On March 12, 2013, the Company entered into the SPA which, in addition to the convertible security described in Note 11, provides that over approximately 36 months following the initial investment made on March 13, 2013 Lind could invest up to $17,700,000 in a tranched placement of common shares. The SPA provides that the initial cash advance of $200,000 on March 13, 2013 to purchase common shares is intended to be followed by up to an additional $200,000 approximately every month over the following 35 months. Individual monthly tranches may be increased to a maximum of $500,000 upon mutual agreement between the Company and Lind and may be less than $200,000 after the initial cash advance if any single tranche exceeds 0.55% of the Company's market capitalization (the "Market Capitalization Test").

(expressed in Canadian dollars)

13. CAPITAL STOCK (Continued)

b) Issued (Continued)

The number of common shares of the Company to be issued for each tranche will be calculated based on a price per common share equal to 92.5% of the Daily Volume Weighted Average Price ("VWAP") per common share on the TSXV for the 5 days chosen by Lind out of the 20 trading days preceding such issuance date (the "Purchase Price"), provided such price will not be less than the higher of (i) the closing price per common share or (ii) the volume-weighted average price per common share, on the TSXV on the trading day immediately preceding the relevant cash advance date, in either case, less the maximum permitted discount under TSXV regulations (the "Set Floor Price"). The share issuance date for each tranche is 28 days after the funds are received.

Should the Purchase Price be below the Set Floor Price, Lind may elect to not take shares and instead have the tranche amount previously advanced repaid without penalty. The Company may elect to offset the repayment against the next tranche.

If the market price is below $0.325 for two consecutive days Lind may postpone subsequent advances by up to two months.

The SPA includes explicit no-shorting provisions. Lind, its affiliates, associates and insiders will not: sell Olivut shares that it does not hold in its inventory and that it does not own outright; pre-sell shares that it expects to receive or has contracted to receive, where such shares have not yet been issued and delivered to it; borrow shares to be sold; or borrow shares to cover a short position, The SPA also includes a floor price which enables Olivut to refuse to issue stock below $0.40 and the option for Olivut to terminate the SPA at any time, subject to compliance with the terms of the SPA.

As part of the financing, Lind received a commitment fee of $200,000 which was paid by issuing Lind 505,944 common shares of the Company.

During the year ended October 31, 2013 and the nine months ended July 31, 2014 the following tranche share issuances were made to Lind under the terms of the SPA:

Date	Amount	Price per share	Shares
	$	$	#
May 10, 2013	200,000	0.2807	712,504
June 11, 2013	68,373 (1)	0.2700	253,233
July 11, 2013	64,500 (1)	0.2312	278,979
Total to October 31, 2013	332,873		1,244,716
January 13, 2014	52,000 (1)	0.1741	298,679
June 17, 2014	48,000 (1)	0.1650	290,909
Total to July 31, 2014	432,873		1,834,304

Note 1. The tranche amounts were limited by the Market Capitalization Test.

In the nine months ended July 31, 2014, a total of $118,851 prepaid financing costs were charged to share issue costs (Note 6).

(expressed in Canadian dollars)

13. CAPITAL STOCK (Continued)

b) Issued (Continued)

Copies of the qualifying base shelf prospectus dated March 11, 2013, the prospectus supplement dated March 12, 2013 and specific Pricing Supplements for securities issued are available on SEDAR. These documents, as well as any documents incorporated therein by reference may be obtained on request without charge from Olivut, at its offices located at 27010 Highway 16, 14 Mountain Park Properties, Jasper East, Alberta, or by faxing a written request to (780) 866-3713, by mail to P.O. Box 6690 Hinton, Alberta T7V 1X8 or by accessing the disclosure documents available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

14. EQUITY RESERVES

Stock options	Number of Options #	Weighted Average Exercise Price $	Estimated Grant Date Fair Value of Options $
October 31, 2013	3,145,000	1.171	3,415,216
Stock-option amortization expense	-	-	114,734
July 31, 2014	3,145,000	1.171	3,529,950

The Company's stock option plan (the "Plan") provides for the granting of stock options to independent directors (who receive no other compensation from the Company), officers, employees and consultants of the Company. Stock 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 following is a summary of stock options outstanding at July 31, 2014:

Expiry Date	Outstanding Stock Options #	Exercisable Stock Options #	Estimated Grant Date Fair Value $	Exercise Price $
December 9, 2014	565,000	565,000	79,100	0.165
April 19, 2015	35,000	35,000	9,100	0.300
March 10, 2016	50,000	50,000	73,500	1.700
June 27, 2022	2,495,000	2,495,000	3,368,250	1.400
Total, July 31, 2014	3,145,000	3,145,000	3,529,950	

The fair value attributed to the options when granted is charged to stock-option amortization expense and added to equity reserves over the period the options vest. $Nil and $114,734 respectively were charged to stock-option amortization expense during the three and nine months ended July 31, 2014 (2013 - $363,824 and $1,634,994 respectively).

(expressed in Canadian dollars)

14. EQUITY RESERVES (Continued)

The weighted average remaining contractual life of options as of July 31, 2014 is 6.4 years (October 31, 2013 – 7.1 years). The weighted average exercise price of options exercisable as at July 31, 2014 is $1.17 (October 31, 2013 - $1.09).

15. 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

Pursuant to the issuance of 342,105 flow-through shares on December 12, 2012 (Note 13(b)), the Company renounced $325,000 of qualified exploration expenditures with an effective date of December 31, 2012.

The Company expended all of this amount on qualified exploration expenditures prior to November 30, 2013.

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 this expenditure commitment.

d) 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
2014	706
2015	2,822
2016	2,822
2017	1,411
	7,761

16. 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 the convertible security, 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.

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, 2014 or the year ended October 31, 2013. The Company is not subject to externally imposed capital requirements.

17. FINANCIAL RISK FACTORS

There were no changes in the nine months ended July 31, 2014 or the year ended October 31, 2013 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) Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and a loan receivable. The Company has no significant credit risk arising from operations. Cash and cash equivalents consist of bank deposits with a Canadian chartered bank and guaranteed investment certificates issued by a Canadian chartered bank. The loan receivable as described in Note 9 is secured by all assets of the borrower. Management believes that the credit risk with respect to these financial instruments is remote.

17. FINANCIAL RISK FACTORS (Continued)

b) 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, 2014, the Company had a cash and cash equivalents balance of $534,164 to settle accounts payable and accrued liabilities of $129,011 and the callable convertible security of $150,000 (Note 11). 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, and the proceeds of the SPA described in Note 13(b), if available, 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 meet its ongoing administrative and general costs until the fiscal year ended October 31, 2014 and will be soliciting additional financing during the next year to enable the Company to continue exploration on its projects and to consider new opportunities. 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 continuing as a going concern.

c) Market Risk

(i) *Interest Rate Risk*

The Company's current policy is to invest its cash and cash equivalents balances 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 loan receivable is at a fixed interest rate, the convertible security bears a 0% interest rate and it is expected that future financings, if any, would be secured from equity placements rather than debt obligations.

(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.

17. FINANCIAL RISK FACTORS (Continued)

d) 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, the liability component of the convertible security and the liability related to shares to be issued pursuant to the SPA are classified as other financial liabilities, which are measured at amortized cost.

The carrying amounts for amounts receivable, accounts payable and accrued liabilities and the securities purchase agreement advance pursuant to the SPA 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.

Management has estimated the value of the liability component of the convertible security using the effective interest rate method and using an interest rate of 20%. It is not possible to determine if this portion of the convertible security is at fair value as there is no comparable market value for such convertible security.

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.

e) Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal as investments in guaranteed investment certificates are short-term; the loan receivable (Note 9) 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, 2014, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $5,000 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.

18. SUBSEQUENT EVENT

On August 18, 2014, the Company received an additional tranche of $42,500 under the terms of the SPA. The share issuance date for this tranche is anticipated to be September 15, 2014.