



OLIVUT RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

OCTOBER 31, 2007

**Olivut Resources Ltd.
Management's Discussion and Analysis
October 31, 2007**

The effective date of this report is December 11, 2007

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") 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. The Company expressly disclaims any obligation to revise or update forward-looking information that might prove to be inaccurate, and shareholders are cautioned not to place undue reliance on forward-looking information.

This MD&A provides a detailed analysis of the business of the Company and compares the results for the three months and the year ended October 31, 2007 with those of Olivut Investments Ltd. ("Olivut") in the comparative period of 2006. In order to better understand this MD&A, it should be read in conjunction with the audited consolidated 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 was formerly known as Arrabiata Capital Corp. ("Arrabiata") which was a Capital Pool Company ("CPC") as defined under Policy 2.4 (the "TSX-V Policy") of the TSX Venture Exchange (the "TSX-V") Corporate Finance Manual.

On January 8, 2007 the reverse take-over transaction with Olivut was completed and Olivut amalgamated with Arrabiata's wholly owned subsidiary, 2111940 Ontario Ltd. On January 9, 2007 the TSX-V issued its final acceptance for filing of the Company's Qualifying Transaction (as defined in the TSX-V Corporate Finance Manual) and the name of Arrabiata was changed to Olivut Resources Ltd.

In accordance with the abstract of this issue discussed in EIC-10 issued by the Canadian Institute of Chartered Accountants ("CICA"), the substance of the Qualifying Transaction was accounted for as a reverse take-over with Olivut being identified as the acquirer. In accordance with reverse take-over accounting, the consolidated balance sheet in the Financial Statements is a continuation of Olivut, the capital structure reflects that of Arrabiata and the stated value of the share capital is that of Olivut. Comparative figures presented in the Financial Statements and this MD&A after the reverse take-over are those of Olivut.

The Company is engaged in the acquisition, exploration and development of properties for the purpose of mining precious and base minerals. The Company has an interest in over 2.6 million acres of properties in northern Canada (collectively referred to as the "HOAM Project").

The exploration programs carried out by the Company on the HOAM Project include stream sediment and till sampling, regional magnetic airborne and detailed helimag surveys and drilling, which together indicate favourable conditions for emplacement of diamondiferous kimberlites. The Company's strategy is to continue the acquisition, exploration and development of properties in the HOAM Project.

Selected Annual Information

	Year ended October 31		
	2007	2006	2005
	\$	\$	\$
Total revenues	294,526	25,374	12,337
Net income (loss)	(897,501)	76,192	(118,575)
Basic and diluted net income (loss) per share	(0.033)	0.007	(0.012)
Total assets	16,901,281	9,702,592	3,881,213

Summary of Quarterly Results

	Year ended October 31, 2007			
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Total revenues	\$108,656	\$98,110	\$41,311	\$46,449
Net income (loss)	\$(627,452)	\$(61,196)	\$(407,953)	\$199,100
Basic and diluted net income (loss) per share:	\$(0.020)	\$(0.002)	\$(0.015)	\$0.011

	Year ended October 31, 2006			
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Total revenues	\$14,428	\$4,890	\$3,084	\$2,972
Net income (loss)	\$105,185	\$(14,930)	\$(8,743)	\$(5,320)
Basic and diluted net income (loss) per share	\$0.009	\$(0.001)	\$(0.001)	\$(0.001)

Results of Operations

Three Months Ended October 31, 2007 compared to Three Months Ended October 31, 2006

The Company's net loss for the three months ended October 31, 2007 was \$627,452 compared to a net income of \$105,185 for the three months ended October 31, 2006. The Company has no active business income. Revenue is entirely interest earned on cash deposits which in the three months ended October 31, 2007 amounted to \$108,656 (2006 - \$14,428). The increase in interest income is due to higher cash and short term investments during the quarter ended October 31, 2007 raised from the private equity placements in the third quarter of 2006 and first and third quarters of 2007. Administrative and general costs totalled \$363,308 in the quarter ended October 31, 2007 compared to \$90,402 in the same period of 2006. The increase is largely due to the increase in stock based compensation of \$267,195.

Year Ended October 31, 2007 compared to Year Ended October 31, 2006

The Company's net loss for the year ended October 31, 2007 was \$897,501 compared to a net income of \$76,192 for the year ended October 31, 2006. The Company has no active business income. Revenue is entirely interest earned on cash deposits which in the year ended October 31, 2007 amounted to \$294,526 (2006 - \$25,374). The increase in interest income is due to higher cash and short term investments during the year ended October 31, 2007 raised from the private equity placements in the third quarter of 2006 and first and third quarters of 2007. Administrative and general costs totalled \$1,430,992 in the year ended October 31, 2007 compared to \$130,341 in the same period of 2006. The increase includes \$1,079,746 of stock based compensation relating to options granted, together with an increase in office and general cost of \$87,067 and management services of \$74,979. These increases all relate primarily to the increased activity as the Company became a TSX-V listed public company in January 2007.

Deferred exploration expenditures

The field portion of the 2007 exploration program was completed on November 14th. Results of analyses will be announced as they become available.

During the fiscal year ended October 31, 2007 expenditures on exploration properties and deferred exploration amounted to \$3,292,735. Most of these expenditures relate to the calendar year 2007 exploration program on the HOAM Project (the "2007 Exploration Program") (2006 - \$677,503). Expenditures on the 2007 Exploration Program included airborne magnetic surveys \$551,980, detailed geophysical surveys \$330,130, and \$1,755,594 drilling program costs. A low level helicopter magnetic survey was completed over targets established from results of the previous regional airborne geophysical surveys. The helimag program was successful in confirming magnetic anomalies and allowing for a more detailed analysis to aid in drill target prioritization and modeling of these features.

Drilling on the HOAM project commenced in June 2007 on anomalies prioritized from helimag surveys. A total of 24 holes into 18 targets was drilled from late June until the end of October despite extremely challenging weather and logistical conditions. Bedrock was intersected in fourteen holes. Recovery of the core was excellent: half of the holes that reached bedrock contain ultramafic intrusives and recovery of these phases exceeds 90%.

Initial interpretation of recovered ultramafic core material indicates that some is of favourable mantle origin. Identification of pelletal lapilli in certain core samples suggests diatreme facies occurrence. The Company has submitted samples for caustic fusion digestion based on the many features present in these rocks that are common to kimberlite intrusions. While samples are being processed by Saskatchewan Research Council, petrography and mineral chemistry will be ongoing to ascertain the composition and mineral potential of the intrusive mineral assemblages.

Management is extremely pleased with such encouraging results so early in its first drill program.

The HOAM project area is geographically extensive (approximately 200 km. x 450 km.) A Phase II drill program is being planned as part of the 2008 exploration program to continue this preliminary field investigation of targets during the Company's next fiscal year.

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

Liquidity and Capital Resources

As at October 31, 2007, the Company had cash and cash equivalents totalling \$8,950,379, current liabilities of \$545,156, and working capital of \$8,600,111 as compared to October 31, 2006 cash and cash equivalents of \$1,847,059, cash held in escrow of \$3,008,340, current liabilities of \$560,548, and working capital of \$4,315,461. At no time has the Company held Asset Backed Commercial Paper. Cash equivalents are entirely guaranteed investment certificates issued by a major Canadian chartered bank.

On May 14, 2007 the Company completed a private placement for the sale of 4,600,000 units at \$1.75 per unit (a "Unit") for gross proceeds of \$8,050,000.

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.

The Company budgeted to spend approximately \$4 million for the 2007 exploration program, approximately \$0.7 million for administrative costs and approximately \$0.8 million for property payments. For the year ended October 31, 2007 approximately \$3.2 million has been spent on the 2007 exploration program and approximately \$0.35 million has been spent on administrative and general costs.

On the basis of the Company's current cash position, management of the Company believes that it has sufficient funds to complete the 2007 exploration program, pay its ongoing administrative expenses and to meet its existing liabilities until the next fiscal year end October 31, 2008. The 2008 exploration program will be determined once the 2007 exploration program is completed and its results are evaluated.

As at October 31, 2007, the Company did not have any long-term debt or contractual liabilities 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 year ended October 31, 2007, a total of \$196,485 (2006 - \$15,950) for exploration consulting expenditures, \$8,500 (2006 - \$50,700) for deferred public offering costs and share issuance consulting costs, and \$6,800 (2006 - \$7,200) for general and administrative fees were paid to a director of the Company and a former director of the Company or persons or companies related to or controlled by them. The director and former director 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 October 31, 2007 is \$65,953 (October 31, 2006 - nil) owing to a director of the Company or persons or companies related to or controlled by that director.

The above transactions were in the normal course of operations and the consideration paid was at normal market rates.

Directors, officers or persons or companies related or controlled by them participated in the private placement of units completed May 14, 2007 and purchased a total of 212,715 units providing proceeds to the Company of \$372,251.

Critical Accounting Estimates and Changes in Accounting Policies

The Company's critical accounting principles and methods are disclosed in full in note 2 of the Financial Statements. On November 1, 2006 the Company adopted the CICA Handbook Section 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; and Section 3865, *Hedges*. These new standards have been adopted prospectively and resulted in no changes to amounts previously reported.

(i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

(ii) Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources.

Other comprehensive income ("OCI") includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity. As at and during the year ended October 31, 2007, the Company had no OCI.

(iii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the year ended October 31, 2007, the Company had no hedges. The application of these new standards has had no impact on the Company's financial statements as at and for the year ended October 31, 2007, and as such, a statement of comprehensive income has not been included in these Financial Statements.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, short term investments, amounts receivable, advances receivable and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values because of the limited term of these instruments.

GAAP require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made as at the balance sheet date, based on relevant market information and

information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Outstanding Share Data

As of October 31, 2007, an unlimited number of common shares with no par value are authorized, of which 31,588,317 shares are issued and outstanding. There are also 280,000 common share purchase warrants issued and outstanding at an exercise price of \$1.00 per share which expire January 10, 2008, 322,000 broker's warrants issued and outstanding at an exercise price of \$2.00 per share which expire May 14, 2008 and 2,300,000 share purchase warrants issued and outstanding at an exercise price of \$2.00 per share which expire May 14, 2009. Of the issued and outstanding shares, 880,270 common shares are subject to a 36-month staged release pursuant to a CPC escrow agreement, of which 88,027 were released on January 9, 2007 and 132,040 were released on July 9, 2007 leaving a balance of 660,203. There is also a value escrow agreement pursuant to which 2,083,740 common shares and 79,360 warrants are also subject to a 36-month staged release escrow, of which 208,374 common shares and 7,936 warrants were released on January 9, 2007 and 312,561 common shares and 11,904 warrants were released on July 9, 2007 leaving a balance of 1,562,805 shares and 59,520 warrants held in escrow.

2,200,000 options to purchase common shares are currently issued and outstanding at an exercise price of \$1.00 per share, 62,320 options to purchase common shares are currently issued and outstanding at an exercise price of \$0.1284 per share and 110,000 options to purchase common shares are issued and outstanding at an exercise price of \$1.15 per share.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures and assessed the design of its internal controls over financial reporting pursuant to the requirements of Multilateral Instrument 52-109.

The Chief Executive Officer and Chief Financial Officer have concluded, based on this evaluation, that the design, documentation and operation of the Company's disclosure controls and procedures are effective.

The Chief Executive Officer and Chief Financial Officer are responsible for the design of internal controls over financial reporting that provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the financial statements for external purposes in accordance with GAAP. Due to the Company's small number of staff it is not feasible to achieve ideal segregation of incompatible duties or to have advanced technical accounting expertise sufficient to address all possible incompatible complex or non-routine accounting transactions that may arise. Management and the Board work to mitigate the risk of material misstatement in financial reporting. However there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

There are no changes in internal control in the three months ended October 31, 2007.

A control system, no matter how well designed or operated can provide only reasonable assurance, not absolute assurance, that the objectives of the control system are met.

Commitments and Contingencies

i) Environmental Contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

ii) Flow-through Expenditures

Pursuant to the issuance of 2,777,500 flow-through special warrants during the year ended October 31, 2006, in February 2007 the Company renounced \$2,777,500 of qualified exploration expenditures with an effective date of December 31, 2006. The effect of this renunciation was recorded in February 2007, which is the date of the renunciation. As of October 31, 2007, the Company has expended all of the funds related to these flow-through special warrants on qualified exploration expenses.

iii) Management Contracts

The Company is party to a management contract. The contract requires that additional payments of up to \$1,000,000 be made upon the occurrence of certain events. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these financial statements.

The Company is not involved in any outstanding litigation.

Risks & Uncertainties

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 contractors 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 recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying 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. Changes in future conditions could require material write-downs of the carrying values.

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 requirements.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Financing Activities

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.

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 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 will be able to maintain or obtain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations.

Environmental Contingencies

The Company's mining and exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.