OLIVUT RESOURCES LTD.

FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023

(expressed in Canadian dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Olivut Resources Ltd.

Opinion

We have audited the financial statements of Olivut Resources Ltd.(the "Company"), which comprise the statements of financial position as at October 31, 2024 and 2023, and the statements of operations and comprehensive income and loss, statements of changes in equity (deficiency) and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended October 31, 2024 and, as of that date, the Company has limited working capital. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
December 11, 2024

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

	October 31, 2024 $	October 31, 2023 $
ASSETS		
CURRENT		
Cash (Note 5)	690,418	478,203
Amounts receivable	25,261	14,279
Prepaid expenses and deposits (Note 6)	11,983	11,749
Current portion of loan receivable (Note 9)	-	709
TOTAL CURRENT ASSETS	727,662	504,940
EQUIPMENT (Note 8)	4,446	5,558
LOAN RECEIVABLE (Note 9)	-	232,409
TOTAL ASSETS	732,108	742,907
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 10 and 11)	98,157	19,213
LONG TERM LIABILITES		
Promissory note (Note 11)	-	1,331,003
TOTAL LIABILITIES	98,157	1,350,216
SHAREHOLDERS' EQUITY (DEFICIENCY)		
CAPITAL STOCK (Note 13(b))	21,257,989	20,676,130
EQUITY RESERVES		
Share options (Note 14)	292,664	286,737
DEFICIT	(20,916,702)	(21,570,176)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	633,951	(607,309)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	732,108	742,907

COMMITMENTS AND CONTINGENCIES (Notes 7, 11 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 financial statements.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME AND LOSS

(expressed in Canadian dollars)

For the years ended October 31,	2024 $	2023 $
Exploration expenses (Note 7)	345,655	138,692
Administrative and general expenses (Note 11)	350,661	339,451
Share-option amortization expense (Notes 11 and 14)	5,927	37,620
Other amortization (Note 8)	1,112	1,389
Loss before the under-noted	(703,355)	(517,152)
Gain on forgiveness of promissory note (Note 11)	1,331,003	-
Accretion expense on promissory note (Note 11)	-	(219,350)
Interest income	25,826	27,516
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	653,474	(708,986)
NET INCOME (LOSS) PER SHARE - basic and diluted	$0.01	($0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	75,960,078	68,563,899

See accompanying notes to the financial statements.

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

For the years ended October 31,	2024 $	2023 $
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income (loss)	653,474	(708,986)
Interest income from loan receivable	(12,305)	(16,380)
Adjustments for charges not involving cash:		
Gain on forgiveness of promissory note (Note 11)	(1,331,003)	-
Accretion expense on promissory note (Note 11)	-	219,350
Deferred salary (Note 11)	-	164,430
Share-option amortization expense	5,927	37,620
Other amortization	1,112	1,389
	(682,795)	(302,577)
Changes in non-cash working capital balances:		
Amounts receivable	(10,982)	(13,006)
Prepaid expenses and deposits	(234)	(664)
Accounts payable and accrued liabilities	78,944	1,484
Cash flows used in operating activities	(615,067)	(314,763)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income from loan receivable	12,305	16,380
Loan receivable	233,118	1,620
Cash flows from investing activities	245,423	18,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of common shares (Note 13)	597,000	605,000
Cost of issue (Note 13)	(15,141)	(17,899)
Cash flows from financing activities	581,859	587,101
Increase in cash	212,215	290,338
Cash, beginning of year	478,203	187,865
Cash, end of year (Note 5)	690,418	478,203

STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves - Share Options	Deficit	Total
	# (Note 13(b))	$ (Note 13(b))	$ (Note 14)	$	$
Balance, October 31, 2022	**62,840,611**	**20,089,029**	**249,117**	**(21,107,945)**	**(769,799)**
Common shares issued	12,100,000	605,000	-	-	605,000
Share issue costs		(17,899)	-	-	(17,899)
Share-option amortization expense	-	-	37,620	-	37,620
Noteholder contribution (Note 11)	-	-	-	246,755	246,755
Net loss for the year	-	-	-	(708,986)	(708,986)
Balance October 31, 2023	**74,940,611**	**20,676,130**	**286,737**	**(21,570,176)**	**(607,309)**
Common shares issued	7,462,500	597,000	-	-	597,000
Share issue costs		(15,141)	-	-	(15,141)
Share-option amortization expense	-	-	5,927	-	5,927
Net income for the year	-	-	-	653,474	653,474
Balance October 31, 2024	**82,403,111**	**21,257,989**	**292,664**	**(20,916,702)**	**633,951**

See accompanying notes to the 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:OLV”). 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 December 11, 2024.

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 ability of the Company to raise financing, if necessary and/or available, its extensive regional information database, the preservation and confirmation of its interest in the underlying exploration properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the health and well-being of its key employees and consultants, the potential forgiveness or deferral of some or all of the President and CEO’s salary (Note 11), and 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 government licensing requirements or regulations, social licensing requirements, 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. 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. Sustained global economic and political uncertainty could result in more costly or limited access to funding sources and there is no assurance that funds will be available on terms acceptable to the Company or at all. All of these factors indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern (see Note 17(a)).

2. BASIS OF PRESENTATION

These financial statements, including comparatives, have been prepared in accordance 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").

These financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis except for certain financial instruments which are carried at fair value as disclosed in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Judgements and Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Actual results could differ from those reported. Management believes that the estimates are reasonable.

The areas which require management to make significant judgements, estimates and assumptions in determining the reported amounts include, but are not limited to:

(i) Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(ii) Share-Based Payments

Management determines the value of share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are estimated at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(iii) Contingencies

Refer to Note 15.

(b) Currency Translation

The functional and reporting currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit and loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Acquisition, Exploration, Evaluation and Development of Mineral Property Interests

Exploration and evaluation costs including property acquisition costs are expensed as incurred.

Development costs are expensed until it has been established that a mineral deposit is commercially viable and a mine development decision has been made by the Company. Thereafter, the Company capitalizes expenditures subsequently incurred to develop the mine, prior to the start of mining operations.

(d) Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. The Company does not have any significant provisions as of October 31, 2024 or October 31, 2023.

(e) Rehabilitation Provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground and/or environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is expensed under exploration expenses. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the statement of operations. The Company does not have any significant rehabilitation provisions as of October 31, 2024 or October 31, 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Equipment

Equipment is stated at acquisition cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of the consideration given to acquire or construct an asset and includes direct charges associated with bringing the asset to the location and condition necessary for putting it into use.

When parts of an item of equipment have different lives, they are accounted for as separate items (major components) of equipment.

Equipment is amortized over the estimated useful lives of the assets on the declining balance basis using the following annual rates:

Drill rig	- 20% declining balance

The carrying value of equipment is assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the equipment's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell the equipment and the equipment's value in use.

(g) Flow-Through Financing

The proceeds from the issuance of common shares with flow-through tax benefits to the shareholders ("flow-through shares") are segregated as follows: the premium investors pay for the flow-through feature, if any, is recorded as a liability and included in accounts payable and accrued liabilities; the remaining net proceeds are recorded as share capital. Upon renunciation to the investor of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the liability previously recorded in accounts payable is reversed with any difference being recorded as a deferred tax recovery (expense). To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

(h) Share-Based Payments

Equity-settled share-based payments to directors, employees and consultants that meet the definition of an employee under IFRS are measured at the fair value of the equity instruments at the grant date.

The Company has a share option plan that provides for vesting of rights under the plan in tranches over a period of time. Each tranche is recognized on a graded-vesting basis over the period in which options vest and is recorded as a charge to operations and a credit to equity reserves. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. When options are exercised the consideration received plus the related share-based payments reserve is credited to share capital. The equity reserve relating to options cancelled or forfeited before vesting is credited to operations and after vesting directly to retained earnings (deficit).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Share-Based Payments (Continued)

Equity-settled share-based payment transactions with parties other than directors, employees and consultants that meet the definition of an employee under IFRS are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(i) Interest Income

Interest income is recognized on a time-proportion basis using the effective interest rate method.

(j) Taxation

(i) Current Tax

Income tax expense, if any, represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reduced to the extent that the Company does not consider it to be probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Taxation (Continued)

(ii) Deferred Tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(k) Net income (loss) Per Share

Basic net income (loss) per share is calculated by dividing net income (loss) attributable to common shares by the weighted average number of shares outstanding during the period.

Diluted net income (loss) per share is calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options. The denominator is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all stock options with exercise prices below the average market price for the year.

For the years ended October 31, 2024 and 2023 all outstanding options were excluded from the computation of diluted net income (loss) per share because their effect would have been anti-dilutive.

(l) Financial Instruments

Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other amounts receivable held for collection of contractual cash flows are measured at amortized cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statements of operations. The Company's cash and cash equivalents, amounts receivable and loan receivable are measured at amortized cost.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of operations. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of operations when the right to receive payments is established

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are amounts receivable and, until it was repaid in 2024, the loan receivable, which are measured at amortized cost. At each reporting date, an assessment is made whether there is objective evidence that a financial asset is impaired based on expected credit loss information. For the Company's financial assets measured at amortized cost, loss allowances are determined based on expected credit losses over the asset's lifetime. Expected losses are an estimate of credit losses considering possible default events over the expected life of a financial asset. All impairment losses are recognized in the statements of operations. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and the promissory note, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the statements of operations.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of operations.

Fair Value
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2024.

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.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1,2024.

(expressed in Canadian dollars)

4. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

IFRS 18 – In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

5. CASH

	October 31, 2024 $	October 31, 2023 $
Cash in accounts at Canadian chartered banks	690,418	478,203

6. PREPAID EXPENSES AND DEPOSITS

	October 31, 2024 $	October 31, 2023 $
Insurance premiums	11,983	11,749

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, 2018, the Company signed an option agreement (the “Option Agreement”) with Talmora Diamond Inc. (“Talmora”) to earn 50% in Talmora’s Seahorse Project (the “Seahorse Project”), located in the Northwest Territories, by spending $1,200,000 (in a combination of cash and in-kind expenses) over two years on exploration expenditures and making a $200,000 payment to Talmora (the “Option Payment”). The Company exercised its option to earn 50% of the Seahorse Project in accordance with the terms of the Option Agreement. Olivut and Talmora are joint (50/50) owners of the assets. Talmora has a 1% NSR on certain land. The Company and Talmora have not yet entered into a new formal joint venture company structure as contemplated in the Option Agreement. Exploration costs incurred in cash to date have been financed 50% by each of the partners.

(expressed in Canadian dollars)

7. MINERAL PROPERTY AND EXPLORATION EXPENDITURES (Continued)

Cumulative cash exploration expenditures made by the Company are as follows:

	HOAM	Seahorse Project(1)(2)	Other(3)	Total
	$	$	$	$
Total to October 31, 2022	15,089,120	1,245,655	949,088	17,283,863
Year ended October 31, 2023	18,630	120,062	-	138,692
Total to October 31, 2023	15,107,750	1,365,717	949,088	17,422,555
Year ended October 31, 2024	51,430	294,225	-	345,655
Total to October 31, 2024	15,159,180	1,659,942	949,088	17,768,210

Notes:

1. Does not include in-kind expenses incurred relating to the Seahorse Project.
2. Includes the Option Payment.
3. Projects where the Company's interests have been terminated.

8. EQUIPMENT

Drill rig cost as at October 31, 2022, 2023, and 2024	91,288
Accumulated amortization October 31, 2022	84,341
Charge for the year	1,389
Accumulated amortization October 31, 2023	85,730
Charge for the year	1,112
Accumulated amortization as at October 31, 2024	86,842
Net book value as at October 31, 2024	4,446
Net book value as at October 31, 2023	5,558

9. LOAN RECEIVABLE

On May 25, 2007, the Company loaned $250,000 to an unrelated corporation that provided services to the Company. The loan bore interest at 7% per annum and was secured by a general security agreement covering all assets of the borrower. Repayment terms included monthly payments of interest and principal of $1,500 with the balance due May 25, 2017. The Company subsequently entered into several loan extension agreements with the borrower extending the maturity date of the loan receivable, ultimately to May 25, 2026. All other terms and conditions remained unchanged. On June 21, 2024 the loan was fully repaid.

(expressed in Canadian dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2024 $	October 31, 2023 $
Corporate payables and accrued liabilities	82,693	19,213
Exploration expense payables	15,464	-
	98,157	19,213

11. RELATED PARTY TRANSACTIONS

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

	Year ended October 31, 2024 $	2023 $
Included in expenses:		
Salaries and remuneration expense	220,000(1)	220,000(1)
Benefits and insurance	27,463	21,608
Share-option amortization expense	5,506	31,012
Total remuneration	252,969	272,620

Note 1: Salaries and remuneration expense for the year ended October 31, 2024 includes $220,000 (2023 - $220,000) for salary earned by the President and CEO, of which the President and CEO elected to defer $Nil (2023 - $164,430).

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 years ended October 31, 2024 and 2023. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of share options.

In addition to salaries and benefits, during the year ended October 31, 2024 a total of $26,500 (2023 - $16,552) for exploration expenses, and $11,600 (2023 - $9,600) for administrative and general expenses included in the statements of operations were accrued or paid to persons or companies related to or controlled by directors and officers of the Company. 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.

Parties related to the Company or persons or companies related to or controlled by them participated in private placements of common shares as follows:

September 11, 2024 private placement	1,437,500 shares
August 22, 2023 private placement	2,500,000 shares

In addition, there is a management contract with the President and CEO (Note 15(b)) and an NSR agreement (Note 7).

(expressed in Canadian dollars)

11. 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:	
	October 31, 2024 $	**October 31, 2023 $**
Officers and directors	14,474	-

Promissory Note

On October 31, 2023 the Company's President and CEO agreed to continue to defer the amount owing for unpaid salary $1,597,204 (October 31, 2022 - $1,432,774). These amounts were evidenced but not settled by a promissory note that was unsecured, bore no interest and would become payable on the day following the one year anniversary of the Company's President and CEO requesting repayment. As the interest rate was below the market rate for such a note, which was estimated at 20%, based on consideration of comparable notes of other companies, there was a deemed benefit to the Company. As such the portion of the promissory note considered to represent that benefit was recorded in equity (deficit) as a noteholder contribution. The amount of the benefit was then recognized over the life of the promissory note as an accretion expense, for the year ended October 31, 2023 ($219,350).

During the year ended October 31, 2024 the Company's President and CEO agreed to a modification of her employment contract which resulted in the forgiveness of the amounts owing under the promissory note in exchange for an arrangement that includes certain amounts that would become owing to the President and CEO upon the occurrence of certain events. Under this new arrangement, the President and CEO will receive up to approximately $2,700,000 upon the occurrence of certain triggering events. As a triggering event has not taken place, these contingent payments have not been reflected in these financial statements. (Note 15).

As a result of the forgiveness of the promissory note the Company recognized a gain of $1,331,003 in the year ended October 31, 2024.

Issuance of undiscounted promissory note on October 31, 2022	1,432,774
Interest rate benefit recognized as a noteholder contribution	(238,796)
Balance October 31, 2022	1,193,978
Additional salary deferred	164,430
Accretion	219,350
Interest rate benefit recognized as a noteholder contribution	(246,755)
Balance October 31, 2023	1,331,003
Forgiveness of promissory note	(1,331,003)
Balance October 31, 2024	Nil

Amounts owing to the related parties are unsecured and non-interest bearing with no fixed terms of repayment.

(expressed in Canadian dollars)

12. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 23% (2023 – 23%) are as follows:

	2024 $	2023 $
Income (loss) before income taxes	653,474	(708,986)
Expected income tax (benefit) based on statutory Rates	150,000	(163,000)
Adjustments to benefit resulting from:		
Share-option amortization expense	1,000	10,000
Expenses not deductible for tax purposes	-	50,000
Change in tax rates	-	372,000
Other	59,000	(10,000)
Change in benefit of tax assets not recognized	(210,000)	(259,000)
Deferred income tax (recovery)	-	-

b) Deductible Temporary Differences

The temporary differences that give rise to deferred income tax assets that have not been recognized at October 31 are as follows:

	2024 $	2023 $
Non-capital losses	267,000	1,882,000
Equipment	119,000	119,000
Share issue costs	24,000	16,000
Exploration properties	17,831,000	17,135,000
Total	18,241,000	19,152,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can use the benefits.

(expressed in Canadian dollars)

12. INCOME TAXES (Continued)

c) Tax Loss Carry-Forwards

As at October 31, 2024, the Company had approximately $200,000 of Canadian Development Expenditures, $16,203,000 of Canadian Exploration Expenditures and $949,000 of cumulative foreign resources expenses, which, under certain circumstances, may be utilized to reduce taxable income of future years. Also, as at October 31, 2024, the Company had approximately $220,000 of non-capital losses in Canada, which, under certain circumstances, may be utilized to reduce taxable income in future years.

These non-capital losses expire as follows:

Year of Expiry	Amount
2036	$39,000
2037	95,000
2038	66,000
2039	20,000
	$220,000

In addition, as at October 31, 2024, the Company had approximately $321,000 of federal input tax credits, which, under certain circumstances, may be utilized to reduce federal income taxes in future years.

13. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares without par value.

b) Issued

82,403,111 common shares

	Common Shares #	Amount $
October 31, 2022	62,840,611	20,089,029
Private placement of common shares	12,100,000	605,000
Share issue costs	-	(17,899)
October 31, 2023	74,940,611	20,676,130
Private placement of common shares	7,462,500	597,000
Share issue costs	-	(15,141)
October 31, 2024	82,403,111	21,257,989

(expressed in Canadian dollars)

13. CAPITAL STOCK (Continued)

On September 11, 2024 the Company issued a total of 7,462,500 common shares at a price of $0.08 per common share through a non-brokered private placement for aggregate gross proceeds of $597,000.

On August 22, 2023 the Company issued a total of 6,100,000 common shares at a price of $0.05 per common share through a non-brokered private placement for aggregate gross proceeds of $305,000.

On January 27, 2023 the Company issued a total of 6,000,000 common shares at a price of $0.05 per common share through a non-brokered private placement for aggregate gross proceeds of $300,000.

14. EQUITY RESERVES

Share options

	Number of Options #	Weighted Average Exercise Price $	Estimated Amortized Grant Date Fair Value of Options $
October 31, 2023	5,810,000	0.659	286,737
Share-option amortization expense on options granted			5,927
Total outstanding October 31, 2024	5,810,000		292,664

The Company's share option plan (the "Plan") provides for the granting of share options to independent directors (who receive no other compensation from the Company), officers, employees and consultants of the Company. Share 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, but not less than $0.05 in accordance with TSXV rules 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 fair value attributed to the options when granted is charged to share-option amortization expense and added to equity reserves over the period the options vest. $5,927 was charged to share-option amortization expense during the year ended October 31, 2024 (2023 - $37,620).

(expressed in Canadian dollars)

14. EQUITY RESERVES (Continued)

The following is a summary of share options outstanding at October 31, 2024:

Expiry Date	Outstanding Share Options #	Exercisable Share Options #	Estimated Grant Date Fair Value $	Exercise Price $
December 15, 2024	1,090,000	1,090,000	109,000	0.110
October 25, 2027	650,000	650,000	45,500	0.075
October 16, 2028	150,000	150,000	15,000	0.110
October 28, 2029	1,275,000	1,275,000	51,000	0.050
June 27, 2032	2,545,000	2,545,000	67,934	0.050
August 30, 2033(1)	100,000	33,333	5,361	0.065
Total October 31, 2024	5,810,000	5,743,333	293,795	

Note 1: Options vest in three installments: 1/3 vested August 30, 2024, 1/3 vest February 28, 2025 and 1/3 vest August 30, 2025.

The estimated grant date fair value is calculated using the Black-Scholes option pricing model. The most recent options were granted in the years ended October 31, 2022 and October 31, 2023, and were valued using the following assumptions:

	Year ended October 31, 2022	October 31, 2023
Expected dividend yield	0%	0%
Risk-free interest rate	3.29%	4.68%
Expected volatility	75.26%	76.94%
Expected life	10 years	10 years

The share price used in the 2022 calculation is \$0.05, the minimum price allowed by the TSXV (the market price on the day prior to the granting of the options was \$0.035). The share price used in the 2023 calculation is \$0.065, the share price on the day prior to the option grant. The volatility used in the calculation is based on the historic volatility of the Company's shares on the TSXV

The weighted average remaining contractual life of options as of October 31, 2024 is 5.1 years (October 31, 2023 – 6.1 years). The weighted average exercise price of options exercisable as at October 31, 2024 is \$0.066 (October 31, 2023 - \$0.069).

15. COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company 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. Upon the occurrence of certain events, prior to the expiry of the contract, such as: a change in control; termination without cause; the completion of financing of $15,000,000 or more from the effective date of the agreement or upon the death of the President and CEO, the contract requires payments of up to approximately $2,700,000. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. The expiry date of the contract is June 2, 2034 (see Note 11).

16. CAPITAL MANAGEMENT

There were no changes in the Company's approach to capital management during the year ended October 31, 2024. 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 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.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires a minimum activity level defined as exploration spending of $100,000 during the past two years and adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of October 31, 2024, the Company believes that it is compliant with these policies of the TSXV.

17. FINANCIAL RISK FACTORS

There were no changes in the year ended October 31, 2024 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) Liquidity Risk / Going Concern Risk

As at October 31, 2024, the Company had a cash balance of $690,418 to settle accounts payable and accrued liabilities of $95,157. As at October 31, 2024, all of the Company's accounts payable and accrued 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, the potential forgiveness or deferral of some or all of the President and CEO's salary (Note 11) and the health and well-being of its key employees and consultants. 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, or that the President and CEO will elect to forgive or defer some or all of her salary. The Company will need to rely on new sources of equity financing, if available, to meet its ongoing working capital requirements. Failure to obtain additional financing would result in delay or the indefinite postponement of further exploration and the development of the HOAM and/or Seahorse Projects, as well as the loss of prospecting permits and/or mineral claims and the risk of the Company failing to continue as a going concern.

b) Credit Risk

The Company's credit risk is primarily attributable to cash and amounts receivable. The Company has no significant credit risk arising from operations. Cash consists of bank deposits with a Canadian chartered bank.

c) Market Risk

(i) *Interest Rate Risk*

The Company may from time to time invest its cash 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. 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. The Company does not hold any balances in foreign currencies to give rise to foreign exchange risk.

(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 carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities on the statements of financial position approximate fair value because of the limited terms of these instruments.

e) Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal. 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 the cash held by the Company as at October 31, 2024, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $7,000 annually.