



OLIVUT RESOURCES LTD.

FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTHS ENDED JANUARY 31, 2025

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The attached condensed interim financial statements have been approved by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor

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

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	January 31, 2025 \$	October 31, 2024 \$
ASSETS		
CURRENT		
Cash (Note 4)	519,559	690,418
Amounts receivable	4,208	25,261
Prepaid expenses and deposits (Note 5)	<u>13,961</u>	<u>11,983</u>
TOTAL CURRENT ASSETS	537,728	727,662
EQUIPMENT (Note 7)	<u>4,224</u>	<u>4,446</u>
TOTAL ASSETS	<u>541,952</u>	<u>732,108</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 8 and 9)	<u>38,073</u>	<u>98,157</u>
TOTAL LIABILITIES	<u>38,073</u>	<u>98,157</u>
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 10(b))	21,257,989	21,257,989
EQUITY RESERVES		
Share options (Note 11)	184,280	292,664
DEFICIT	<u>(20,938,390)</u>	<u>(20,916,702)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>503,879</u>	<u>633,951</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>541,952</u>	<u>732,108</u>
COMMITMENTS AND CONTINGENCIES (Notes 6, 9 and 12)		
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.

UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME AND LOSS

(expressed in Canadian dollars)

For the three months ended January 31,	2025 \$	2024 \$
Exploration expenses (Note 6)	24,237	41,309
Administrative and general expenses (Note 9)	109,063	124,319
Share-option amortization expense (Notes 9 and 11)	616	3,329
Other amortization (Note 7)	<u>222</u>	<u>279</u>
Loss before the under-noted	(134,138)	(169,236)
Gain on forgiveness of promissory note (Note 9)	-	1,331,003
Interest income	<u>3,450</u>	<u>7,252</u>
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>(130,688)</u>	<u>1,169,019</u>
NET INCOME (LOSS) PER SHARE - basic and Diluted	<u>\$0.00</u>	<u>\$0.02</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
- basic and diluted	<u>82,403,111</u>	<u>75,960,078</u>

See accompanying notes to the financial statements.

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

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For the three months ended January 31,	2025 \$	2024 \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income (loss)	(130,688)	1,169,019
Interest income from loan receivable	-	(4,077)
Adjustments for charges not involving cash:		
Gain on forgiveness of promissory note (Note 9)	-	(1,331,003)
Share-option amortization expense	616	3,329
Other amortization	<u>222</u>	<u>279</u>
	(129,850)	(162,453)
Changes in non-cash working capital balances:		
Amounts receivable	21,053	8,304
Prepaid expenses and deposits	(1,978)	(2,096)
Accounts payable and accrued liabilities	<u>(60,084)</u>	<u>36,082</u>
Cash flows used in operating activities	<u>(170,859)</u>	<u>(120,163)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income from loan receivable	-	4,077
Loan receivable	<u>-</u>	<u>423</u>
Cash flows from investing activities	<u>-</u>	<u>4,500</u>
Decrease in cash	(170,859)	(115,663)
Cash, beginning of period	<u>690,418</u>	<u>478,203</u>
Cash, end of period (Note 4)	<u>519,559</u>	<u>362,540</u>

See accompanying notes to the financial statements

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves - Share Options	Deficit	Total
	#	\$	\$	\$	\$
	(Note 10(b))	(Note 10(b))	(Note 11)		
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
Options expired	-	-	(109,000)	109,000	-
Share-option amortization expense	-	-	616	-	616
Net loss for the period	-	-	-	(130,688)	(130,688)
Balance January 31, 2025	82,403,111	21,257,989	184,280	(20,938,390)	503,879

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 March 19, 2025.

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 9), 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 14(a)).

2. BASIS OF PRESENTATION

These unaudited condensed interim 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").

The accounting policies followed in these unaudited condensed interim financial statements are the same as those applied in the Company's most recent audited annual financial statements for the year ended October 31, 2024 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 audited annual financial statements for the year ended October 31, 2024.

2. BASIS OF PRESENTATION (Continued)

These unaudited condensed interim 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. 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 IAS 1 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.

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.

4. CASH

	January 31, 2025 \$	October 31, 2024 \$
Cash in accounts at Canadian chartered banks	519,559	690,418

5. PREPAID EXPENSES AND DEPOSITS

	January 31, 2025 \$	October 31, 2024 \$
Insurance premiums	13,961	11,983

6. 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.

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

	HOAM	Seahorse Project ⁽¹⁾⁽²⁾	Other ⁽³⁾	Total
	\$	\$	\$	\$
Total to October 31, 2024	15,159,180	1,659,942	949,088	17,768,210
Three months ended January 31, 2025	-	24,237	-	24,237
Total to January 31, 2025	15,159,180	1,684,179	949,088	17,792,447

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.

7. EQUIPMENT

Drill rig cost as at October 31, 2024, and at January 31, 2025	91,288
Accumulated amortization October 31, 2024	86,842
Charge for the period	222
Accumulated amortization as at January 31, 2025	87,064
Net book value as at January 31, 2025	4,224
Net book value as at October 31, 2024	4,446

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2025 \$	October 31, 2024 \$
Corporate payables and accrued liabilities	34,660	82,693
Exploration expense payables	3,413	15,464
	<u>38,073</u>	<u>98,157</u>

9. RELATED PARTY TRANSACTIONS

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

	Three months ended January 31, 2025 \$	2024 \$
Included in expenses:		
Salaries and remuneration expense	55,000	57,270
Benefits and insurance	8,443	12,690
Share-option amortization expense	616	2,908
Total remuneration	<u>64,059</u>	<u>72,868</u>

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 three months ended January 31, 2025 and 2024. 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 three months ended January 31, 2025 a total of \$3,000 (2024 - \$2,600) 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
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In addition, there is a management contract with the President and CEO (Note 12(b)) and an NSR agreement (Note 6).

9. 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:	
	January 31, 2025	October 31, 2024
	\$	\$
Officers and directors	16,559	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 of \$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 quarter ended January 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 12(b)).

As a result of the forgiveness of the promissory note the Company recognized a gain of \$1,331,003 in the quarter ended January 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 and January 31, 2025	Nil

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

10. 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, 2024 and January 31, 2025	82,403,111	21,257,989

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.

11. EQUITY RESERVES

Share options

	Number of Options #	Weighted Average Exercise Price \$	Estimated Amortized Grant Date Fair Value of Options \$
October 31, 2024	5,810,000	0.659	292,664
Expiry of options granted	(1,090,000)	0.110	(109,000)
Share-option amortization expense on options granted			616
Total outstanding January 31, 2025	4,720,000		184,280

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. \$616 was charged to share-option amortization expense during the three months ended January 31, 2025 (2023 - \$3,329).

11. EQUITY RESERVES (Continued)

The following is a summary of share options outstanding at January 31, 2025:

Expiry Date	Outstanding Share Options #	Exercisable Share Options #	Estimated Grant Date Fair Value \$	Exercise Price \$
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 January 31, 2025	4,720,000	4,653,333	184,795	

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 January 31, 2025 is 6.0 years (October 31, 2024 – 5.1 years). The weighted average exercise price of options exercisable as at January 31, 2025 is \$0.055 (October 31, 2024 - \$0.066).

12. 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 9).

13. CAPITAL MANAGEMENT

There were no changes in the Company's approach to capital management during the three months ended January 31, 2025. 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 January 31, 2025, the Company believes that it is compliant with these policies of the TSXV.

14. FINANCIAL RISK FACTORS

There were no changes in the three months ended January 31, 2025 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 January 31, 2025, the Company had a cash balance of \$519,559 to settle accounts payable and accrued liabilities of \$38,073. As at January 31, 2025, 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 9) 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.

14. 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 January 31, 2025, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately \$5,000 annually.