

# **ODYSSEY RESOURCES LIMITED**

## **FINANCIAL STATEMENTS**

**Years ended December 31, 2023 and 2022**

In United States dollars

## Independent Auditor's Report

---

Raymond Chabot  
Grant Thornton LLP  
Suite 2000  
National Bank Tower  
600 De La Gauchetière Street West  
Montréal, Quebec  
H3B 4L8

T 514-878-2691

To the Shareholders of  
Odyssey Resources Limited

### Opinion

We have audited the financial statements of Odyssey Resources Limited (hereafter the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income (loss), the statements of shareholders' equity (deficiency) and the statements of cash flows for the years then ended, and notes to 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 December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

### 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, and 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 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about 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 judgment, 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 are no other key audit matters to communicate in our report.

### **Information other than the financial statements and the auditor’s report thereon**

Management is responsible for the other information. The other information comprises the information included in 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. 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 Accounting Standards, 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 to 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 risk 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 on the audit resulting in this independent auditor's report is Nancy Wolfe.

*Raymond Cholet Grant Thornton LLP<sup>1</sup>*

Montréal  
April 5, 2024

# Odyssey Resources Limited

## Statements of Financial Position

<i>(audited, in US dollars)</i>	December 31, 2023	December 31, 2022
	\$	\$
<b>ASSETS</b>		
Current		
Cash	19,973	55,188
Sales taxes receivable	142	1,092
Prepaid expenses and others	3,698	3,612
<b>TOTAL ASSETS</b>	<b>23,813</b>	<b>59,892</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	726	1,001
Payable to a related party (Note 14)	1,269	611
Loan from a director (Note 5)	-	559,436
<b>TOTAL LIABILITIES</b>	<b>1,995</b>	<b>561,048</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 6)	15,022,596	15,022,596
Contributed surplus	2,257,387	2,257,387
Deficit	(17,194,114)	(17,716,433)
Cumulative translation adjustment	(64,051)	(64,706)
<b>TOTAL EQUITY (DEFICIENCY)</b>	<b>21,818</b>	<b>(501,156)</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>	<b>23,813</b>	<b>59,892</b>

Going concern (Note 2) and Event after the reporting date (Note 15).

The accompanying notes are an integral part of these financial statements.

On behalf of the Board,

/s/ James Crombie  
James Crombie, Director

/s/ Gérald Riverin  
Gérald Riverin, Director

# Odyssey Resources Limited

## Statements of Comprehensive Income (Loss)

<i>(audited, in US dollars)</i>	Years ended December 31,	
	2023	2022
	\$	\$
<b>Expenses and other items</b>		
Management and administration (Note 8)	54,122	62,765
Finance expense on loan from a director (Note 5)	67,688	56,452
Loan loss allowance (Note 4)	-	250,000
Gain on loan forgiveness from a director (Note 5)	(659,354)	-
Loss (gain) on foreign exchange	15,225	(16,781)
<b>Net income (loss) for the year</b>	<b>522,319</b>	<b>(352,436)</b>
Other comprehensive income		
Item that will not be subsequently reclassified to income		
Foreign currency translation adjustment	655	14,488
<b>Comprehensive income (loss) for the year</b>	<b>522,974</b>	<b>(337,948)</b>
Basic and diluted earnings (loss) per share	0.01	(0.01)
Weighted average number of shares - basic and diluted	36,231,486	36,231,486

*The accompanying notes are an integral part of these financial statements.*

# Odyssey Resources Limited

## Statements of Shareholders' Equity (Deficiency)

<i>(audited, in US dollars)</i>	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Cumulative translation adjustment	Shareholders' equity (deficiency)
		\$	\$	\$	\$	\$
Balance at December 31, 2022	36,231,486	15,022,596	2,257,387	(17,716,433)	(64,706)	(501,156)
Net income for the year	-	-	-	522,319	-	522,319
Other comprehensive income						
Foreign currency translation adjustment	-	-	-	-	655	655
<b>Balance at December 31, 2023</b>	<b>36,231,486</b>	<b>15,022,596</b>	<b>2,257,387</b>	<b>(17,194,114)</b>	<b>(64,051)</b>	<b>21,818</b>
Balance at December 31, 2021	36,231,486	15,022,596	2,257,387	(17,363,997)	(79,194)	(163,208)
Net loss for the year	-	-	-	(352,436)	-	(352,436)
Other comprehensive loss						
Foreign currency translation adjustment	-	-	-	-	14,488	14,488
Balance at December 31, 2022	36,231,486	15,022,596	2,257,387	(17,716,433)	(64,706)	(501,156)

The accompanying notes are an integral part of these financial statements.

# Odyssey Resources Limited

## Statements of Cash Flows

<i>(audited, in US dollars)</i>	Years ended December 31,	
	2023	2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the year	522,319	(352,436)
Adjustments		
Finance expense on loan from a director	67,688	56,452
Loan loss allowance	-	250,000
Gain on loan forgiveness from a director	(659,354)	-
Loss (gain) on foreign exchange	15,225	(16,781)
Changes in working capital items		
Sales taxes receivable	957	253
Prepaid expenses and others	1	-
Accounts payable and accrued liabilities	(294)	(1,150)
Payable to a related party	630	(3,078)
	<b>(52,828)</b>	<b>(66,740)</b>
<b>FINANCING ACTIVITIES</b>		
Loan from a director	17,065	110,647
Effect of exchange rate changes on cash held in foreign currencies	548	(2,333)
<b>Net change in cash</b>	<b>(35,215)</b>	<b>41,574</b>
Cash, beginning of year	55,188	13,614
<b>Cash, end of year</b>	<b>19,973</b>	<b>55,188</b>

*The accompanying notes are an integral part of these financial statements.*

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 1. NATURE OF OPERATIONS

Odyssey Resources Limited ("Odyssey" or the "Company") was incorporated under the laws of Barbados in December 1994 and continued in April 2008 under the laws of the province of Ontario. The address of Odyssey's registered office is Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. As at December 31, 2023 and 2022, the Company does not hold an interest in any mineral properties and during the years ended December 31, 2023 and 2022, the Company did not carry out any exploration programs. All amounts in these financial statements are expressed in United States dollars unless otherwise indicated. Odyssey's common shares are listed on the NEX board of the TSX Venture Exchange ("TSXV") and trade under the symbol 'ODX.H'. Dundee Corporation holds approximately 31.4% of the issued common shares of Odyssey.

The Board of Directors approved and authorized for issuance these financial statements on April 5, 2024.

### *Approval by shareholders of possible share consolidation*

At a special shareholder meeting held in November 2015, the Company's shareholders approved the consolidation of the Company's shares on the basis of one (1) post consolidation share for each ten (10) pre-consolidation shares currently issued and outstanding. The Company's board of directors intends to implement the share consolidation prior to completing the acquisition of a mineral project.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 *(audited - in US dollars)*

---

## 2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt about the Company's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classification that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

As at December 31, 2023, the Company had a working capital of \$21,818 (a working capital deficiency of \$501,156 as at December 31, 2022), had an accumulated deficit of \$17,194,114 (\$17,716,433 as at December 31, 2022) and realized net income of \$522,319 for the year ended December 31, 2023 (a loss of \$352,436 in 2022). The Company's ability to continue to meet its obligations, to provide for management and administration expenses for at least the next 12 months and to complete the acquisition of a mineral project is dependent upon the Company securing additional financing and the continued support of its shareholders. Such funding requirements may be met in the future in a number of ways, including the issuance of securities or other arrangements. However, there is no assurance that the Company will be successful in securing such additional financing. If the Company is not successful in raising additional funds, it could have a negative impact on the business, financial condition and results of operation of the Company.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 3. MATERIAL ACCOUNTING POLICIES

### a) *Statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The significant accounting policies that have been applied in the preparation of these financial statements are summarized below.

### b) *Basis of measurement*

These financial statements have been prepared on a historical cost basis.

### c) *Foreign currency translation*

These financial statements are presented in US dollars. The functional currency of Odyssey is the Canadian dollar which has remained unchanged during the reporting years.

Monetary assets and liabilities which are denominated in a foreign currency are translated at the exchange rate in effect at the reporting date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Revenues and expenses denominated in a foreign currency are translated at the average rate in effect during the period. Gains and losses on exchange arising from the translation of foreign operations are recorded in profit or loss.

The Company’s Canadian dollar financial statements are translated to US dollars as follows: assets and liabilities are translated at the closing rate in effect at the reporting date and income and expenses are translated at the average exchange rate for the period. The share capital and contributed surplus accounts are translated at rates in effect at the time of issuance. Exchange gains or losses resulting from the translation of the Company’s accounts into the reporting currency are reported as other comprehensive loss and presented as a separate component of shareholders’ equity.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### d) *Financial instruments*

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, FVPL or fair value through other comprehensive income ("FVOCI"), as appropriate.

#### Financial assets at amortized cost

Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash is classified as and measured at amortized cost.

#### Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. Accounts payable and accrued liabilities, payable to a related party and loan from a director are classified as and measured at amortized cost.

#### Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### e) *Income taxes*

Income tax on income for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or directly in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination which affects tax or accounting profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the underlying tax loss or deductible temporary difference can be utilized. Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right and intention to set-off current tax assets and liabilities from the same taxation authority.

### f) *Equity*

Share capital represent the amount received on the issue of shares, less issuance costs. Contributed surplus includes charges related to stock options and warrants until such equity instruments are exercised. Deficit includes all current and prior year losses. Cumulative translation adjustment includes the impact of converting the accounts of the Company into the reporting currency. All transactions with owners are recorded separately within equity.

### g) *Finance income*

Finance income is accounted for in the statements of comprehensive income (loss) as it accrues, using the effective interest rate method.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### *h) Share-based payment transactions*

Equity-settled share-based payments are made in exchange for services received and are measured at fair value. The fair value of the services rendered is determined indirectly by reference to the fair value of the equity instruments granted when the fair value of services rendered cannot be reliably estimated. The fair value of share-based payments to directors, officers, employees and consultants with employee-related functions is recognized as an expense over the vesting period with a corresponding increase to contributed surplus. The fair value of stock options granted is measured at the grant date and recognized over the period during which the options vest using the Black-Scholes option pricing model and taking into account an estimated forfeiture rate and the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Upon the exercise of share-based payments, the proceeds received, net of any direct expenses, as well as the related compensation expense previously recorded as contributed surplus are credited to share capital.

### *i) Earnings (loss) per share*

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares. For the purpose of calculating diluted earnings (loss) per share, the Company assumes the exercise of its dilutive options and warrants. The assumed proceeds from these instruments are regarded as having been received from the issue of common shares at the average market price of its shares during the period.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 3. MATERIAL ACCOUNTING POLICIES (continued)

### *j) Significant accounting judgments and estimates*

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, judgments and assumptions are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates, judgments and assumptions are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to: i) whether a past event has led to a liability that should be recognized in the statements of financial position or disclosed as a contingent liability; and ii) the assessment of the Company's ability to execute its strategy by funding future working capital requirements.

### *k) Accounting standards issued but not yet applied*

Certain standards, amendments and interpretations have been issued but are not yet effective up to the date of the issuance of these financial statements. Such issued standards and interpretations are not expected to have a material impact on the Company's financial statements.

# Odyssey Resources Limited

Notes to Financial Statements

**December 31, 2023 and 2022** *(audited - in US dollars)*

---

## 4. LOAN

In connection with the potential acquisition of a mineral project in Peru, the Company had advanced to a Peruvian arm's length private company in November 2015 an amount of \$250,000 (the "Loan") under a bridge financing agreement. The Loan was subsequently assigned to another Peruvian arm's length private company ("Minera ORO"). The Loan bore interest at the rate of 12% per annum. As at December 31, 2022, following its assessment of the recoverability of the Loan, the Company determined that it was unlikely that it would recover the principal amount of the Loan and has thus recorded a loss allowance of \$250,000 related to the Loan. In 2021, the Company had recorded a loss allowance related to the then accumulated accrued interest on the Loan as the Company was doubtful of being able to recover this amount. As a result of the 2021 loan allowance, the Company did not record accrued interest on the Loan during the year ended December 31, 2022.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

## 5. LOAN FROM A DIRECTOR

In April 2017 and following subsequent amendments, the Company's CEO (the "Lender"), agreed to lend the Company an amount of up to C\$800,137 to fund short term working capital requirements of the Company (which includes an amendment dated April 28, 2023, to further increase the loan commitment by up to C\$110,000 to C\$800,137).

As at December 31, 2023, an amount of C\$707,303 (US\$534,782) plus accrued interest of C\$164,759 (US\$124,572) was owed to the Lender. At that date, the Lender has determined to forgive the loan balance of C\$872,062 (US\$659,354) in its entirety. The Company has presented the amount of the loan forgiveness of US\$659,354 on its statements of comprehensive income (loss) as a gain on loan forgiveness from a director. Prior to the loan forgiveness, the loan bore interest at a rate of 12% per year and was repayable (capital and accrued interest) on the earliest of the completion of a financing by the Company for a minimum amount of C\$3,000,000 or upon demand at any time after December 31, 2024.

The balance of the loan was determined as follows:

	Years ended December 31,	
	2023	2022
	\$	\$
Balance, at beginning	559,436	426,043
Additional advances	17,065	110,647
Accrued interest	67,688	56,452
Effect of exchange rate	15,165	(33,706)
Loan forgiveness	(659,354)	-
Balance, at end	-	559,436

## 6. SHARE CAPITAL

### Authorized and issued

Unlimited number of common shares without par value.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 7. STOCK OPTIONS

The shareholders of the Company have adopted and approved a stock option plan for certain employees, officers, directors and consultants to the Company. The Board of Directors has the responsibility to oversee the stock option plan. The Board of Directors may determine the time during which any options may vest. The Board of Directors determines the exercise price of each option granted at the time of grant, subject to the policies of the TSXV. The options are to be granted for such periods as the Board of Directors determines up to a maximum of five years. The maximum number of common shares issuable pursuant to the stock option plan must not exceed 10% of the total number of common shares outstanding from time to time.

As at December 31, 2023 and 2022, the Company had no outstanding stock options.

## 8. MANAGEMENT AND ADMINISTRATION EXPENSES

	Years ended December 31,	
	2023	2022
	\$	\$
Employee benefits	13,340	13,839
Administrative and general	3,253	4,735
Office	10,280	12,746
Corporate development and travel	666	2,580
Professional fees	17,686	17,930
Reporting issuer costs	8,897	10,935
	<b>54,122</b>	<b>62,765</b>

## 9. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. As at December 31, 2023 and 2022, the Company did not have an interest in any mineral property.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

## 10. INCOME TAXES

The reconciliation of the effective tax rate is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	\$		\$	
Income (loss) before income tax		522,319		(352,436)
Tax using the Company's domestic tax rate	26.50%	138,415	26.50%	(93,396)
Changes in unrecognized tax assets	(27.3%)	(142,517)	17.00%	59,930
Non-deductible expenses	-	-	9.39%	33,108
Others	0.08%	4,102	0.11%	358
Deferred income tax	-	-	-	-

Unrecognized deductible temporary differences for which no deferred tax assets have been recognized are as follows:

	December 31, 2023		December 31, 2022	
	\$		\$	
	Federal	Quebec	Federal	Quebec
Non-capital loss carry-forwards	3,899,410	3,898,404	4,865,119	4,864,136
Capital loss carry-forwards	3,045,683	3,045,683	3,094,141	3,094,141
Exploration expenses	158,105	1,632,501	154,390	1,594,143
Plant and equipment	18,382	18,382	17,950	17,950
	7,121,580	8,594,970	8,131,600	9,570,370

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

The Company has non-capital loss carry-forwards in Canada of \$3,899,410, available to reduce taxable income in future years, expiring starting in 2026 until 2043.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 11. CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity. When managing capital, the Company's objectives are a) to ensure the entity continues as a going concern; b) to increase the value of the entity's assets; and c) to achieve optimal returns to shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal.

As at December 31, 2023, the Company had a capital of \$21,818 (a capital deficiency of \$501,156 as at December 31, 2022). The Company currently does not hold an interest in any mineral properties but continues to assess new mineral properties and seeks to acquire an interest in properties if the Company believes that they have merit and if it has adequate financial resources to do so. As such, the Company is dependent on external financing to fund its activities. Until such time as the Company enters into an agreement to acquire a mineral property, the Company will minimize discretionary disbursements and expenditures that are of limited strategic value. There were no changes in the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to any externally imposed capital requirements as at December 31, 2023.

## 12. FINANCIAL RISK MANAGEMENT

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the Company's financial objectives, policies and processes during the year ended December 31, 2023.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2023, the Company's working capital totals \$21,818 (a working capital deficit of \$501,156 as at December 31, 2022). Current liabilities of \$1,995 are due within the next 3 months (\$561,048 due as at December 31, 2022). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

### *Credit risk*

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets held. As at December 31, 2023, the Company's financial assets exposed to credit risk are primarily composed of cash. The Company's cash is held with a large Canadian-based financial institution.

# Odyssey Resources Limited

Notes to Financial Statements

December 31, 2023 and 2022 (audited - in US dollars)

---

## 12. FINANCIAL RISK MANAGEMENT (continued)

### *Interest rate risk*

The Company's interest rate risk relates to cash. The loan from a director bears interest at a fixed rate of 12% per annum, therefore exposing the Company to a risk of change in fair value arising from interest rate fluctuations. Because these financial instruments are recognized at amortized cost, the fair value variation has no impact on profit or loss. The Company's current policy on its cash balances is to invest excess cash in interest bearing accounts with a major Canadian-based chartered bank. The Company regularly monitors compliance to its cash management policy. Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in rates would not have been significant in 2023 and 2022.

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, loan, accounts payable and accrued liabilities, payable to a related party and loan from a director. The fair value of these financial instruments approximates their carrying value, given the short-term maturity of these instruments.

## 14. RELATED PARTY TRANSACTIONS

Details of a loan from a director are described in Note 5.

During the year ended December 31, 2023, the Company paid or accrued an amount of \$4,447 to Reunion Gold Corporation (\$4,613 in 2022), a related party by virtue of common management, for the rental of office space and for the use of office equipment and supplies. Unless otherwise stated, none of the transactions provided for special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

### **Remuneration of directors and key management of the Company**

During the year ended December 31, 2023, the Company paid a housing allowance of \$13,340 to the Company's CEO (\$13,840 in 2022). During the years ended December 31, 2023 and 2022, no other remuneration was paid to directors, the CEO and the CFO.

## 15. EVENT AFTER THE REPORTING DATE

On January 17, 2024, the Company's CEO advanced to the Company an amount of C\$25,000 (US\$18,902). This advance bears no interest and is without repayment terms.