



ODYSSEY

RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2013 and 2012

In United States dollars



Raymond Chabot Grant Thornton

Independent Auditor's Report

To the Shareholders of
Odyssey Resources Limited

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We have audited the accompanying consolidated financial statements of Odyssey Resources Limited, which comprise the consolidated statements of financial position as at December 31, 2013 and 2012 and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Odyssey Resources Limited as at December 31, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Raymond Chabot Grant Thornton LLP¹

Montréal
April 24, 2014

¹ CPA auditor, CA public accountancy permit no. A126822

Odyssey Resources Limited

Consolidated Statements of Financial Position

(Audited - in U.S. dollars)

	December 31, 2013	December 31, 2012
	\$	\$
ASSETS		
Current		
Cash	1,121,842	1,474,903
Accounts receivable	6,092	15,846
Prepaid expenses	12,056	3,960
	1,139,990	1,494,709
Non-current		
Marketable securities (Note 3)	59,662	57,074
TOTAL ASSETS	1,199,652	1,551,783
LIABILITIES		
Current		
Accounts payable and accrued liabilities	494	14,863
TOTAL LIABILITIES	494	14,863
SHAREHOLDERS' EQUITY		
Share capital	15,022,596	15,022,596
Contributed surplus	2,257,387	2,257,387
Deficit	(16,193,007)	(15,946,642)
Cumulative translation adjustment	112,182	203,579
TOTAL EQUITY	1,199,158	1,536,920
TOTAL LIABILITIES AND EQUITY	1,199,652	1,551,783

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

On behalf of the Board,

/s/ James Crombie

James Crombie, Director

/s/ Carmelo Marrelli

Carmelo Marrelli, Director

Odyssey Resources Limited
Consolidated Statements of Comprehensive Income
(Audited - in U.S. dollars)

	Year ended December 31,	
	2013	2012
	\$	\$
Expenses and other items		
Management and administration (Note 6)	233,772	350,940
Business development	33,517	137,676
Fair value adjustment of marketable securities	(6,480)	168,457
Finance income	(14,444)	(19,242)
Net loss for the year	(246,365)	(637,831)
Other comprehensive income		
Item that will not be subsequently reclassified to income		
Foreign currency translation adjustment	(91,397)	46,261
Comprehensive loss for the year	(337,762)	(591,570)
Basic and diluted loss per share (Note 8)	(0.01)	(0.02)
Weighted average number of shares - basic and diluted	36,231,486	36,231,486

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

Odyssey Resources Limited

Consolidated Statements of Shareholders' Equity

(Audited - in U.S. dollars)

	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Cumulative translation adjustment	Shareholders' equity
		\$	\$	\$	\$	\$
Balance at December 31, 2012	36,231,486	15,022,596	2,257,387	(15,946,642)	203,579	1,536,920
Net loss for the year	-	-	-	(246,365)	-	(246,365)
Other comprehensive income						
Foreign currency translation adjustment	-	-	-	-	(91,397)	(91,397)
Balance at December 31, 2013	36,231,486	15,022,596	2,257,387	(16,193,007)	112,182	1,199,158
Balance at December 31, 2011	36,231,486	15,022,596	2,257,387	(15,308,811)	157,318	2,128,490
Net loss for the year	-	-	-	(637,831)	-	(637,831)
Other comprehensive income						
Foreign currency translation adjustment	-	-	-	-	46,261	46,261
Balance at December 31, 2012	36,231,486	15,022,596	2,257,387	(15,946,642)	203,579	1,536,920

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

Odyssey Resources Limited
Consolidated Statements of Cash Flows
(Audited - in U.S. dollars)

	Year ended December 31,	
	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(246,365)	(637,831)
Adjustment		
Fair value adjustment of marketable securities	(6,480)	168,457
Changes in working capital items		
Accounts receivable	9,018	(3,830)
Refundable mining tax credits	-	77,636
Prepaid expenses	(8,626)	(768)
Accounts payable and accrued liabilities	(13,850)	(21,532)
	(266,303)	(417,868)
Effect of exchange rate changes on cash held in foreign currencies	(86,758)	41,106
Net change in cash	(353,061)	(376,762)
Cash, beginning of year	1,474,903	1,851,665
Cash, end of year	1,121,842	1,474,903
Finance income received included in operating activities	14,829	19,527

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

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

1. NATURE OF OPERATIONS

Odyssey Resources Limited ("Odyssey" or 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. At December 31, 2013, the Company does not hold an interest in any mineral properties and during the year ended December 31, 2013, the Company did not carry out any exploration programs. The Company continues to assess new properties and seeks to acquire an interest in mineral properties if the Company believes they have merit and if it has adequate financial resources to do so. All amounts in these consolidated financial statements are expressed in United States dollars unless otherwise indicated.

Since November 2012, Odyssey's common shares have been listed on the NEX board of the TSX Venture Exchange ("TSXV"), as it does not meet Tier 2 continued listing requirements. The Company's common shares trade under the symbol 'ODX.H'.

Odyssey 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.

Dundee Corporation and its affiliates hold approximately 36.9% of the issued common shares of Odyssey.

The Board of Directors approved and authorized for issuance these consolidated financial statements on April 24, 2014.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated 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 consolidated financial statements are summarized below.

Basis of evaluation

These consolidated financial statements have been prepared on a historical cost basis, except for the financial instruments presented at fair value through income. The Company has elected to present the statement of income and comprehensive income in a single statement.

Basis of consolidation

These consolidated financial statements include the accounts of Odyssey and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. The Company liquidated its two remaining wholly-owned subsidiaries in November 2012.

Foreign currency translation

These consolidated financial statements are presented in U.S. dollars, while the Canadian dollar is the functional currency of Odyssey and its subsidiaries. The functional currency of Odyssey and its subsidiaries has remained unchanged during the reporting years.

Monetary assets and liabilities of Odyssey and its subsidiaries which are denominated in a foreign currency are translated at the exchange rate in effect at the balance sheet 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 U.S. 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 income and presented as a separate component of shareholders’ equity.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Financial assets are recognized when the Company becomes a party to the contractual provision of a financial instrument. Financial assets held by the Company consist of cash, accounts receivable (excluding sales taxes receivable) and marketable securities. Cash and accounts receivable are classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Marketable securities are measured initially and subsequently at fair value with fair value adjustments presented separately on the consolidated statements of comprehensive income. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Income relating to financial assets that are recognized in profit or loss is presented as finance income.

The Company's financial liabilities consist of accounts payable and accrued liabilities. They are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are de-recognized when the obligations are extinguished, discharged, cancelled or expired.

All financial assets are assessed for indicators of impairment at the end of each reporting year. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. The carrying amount of financial assets is reduced by any impairment loss. If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is reversed through profit or loss.

Fair value of financial and non-financial items

Financial and non-financial items, recorded at fair value on the consolidated statements 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.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral properties and exploration and evaluation expenditures

The cost of acquiring licenses related to mineral properties and other expenditures associated with the acquisition of exploration and evaluation assets are capitalized as intangible assets under mineral properties on a property-by-property basis. Other exploration and evaluation expenditures are expensed as incurred. Once a project has been established as commercially viable and technically feasible, mineral properties are reclassified as tangible assets and related development expenditures are capitalized. An impairment test is performed before reclassification and any impairment loss is then recognized in profit or loss.

At the end of each reporting period, the Company reviews the carrying amounts of its mineral properties to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Value in use takes into account estimated future cash flows associated with the asset, such value being discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In the case of exploration and evaluation assets, impairment reviews are carried out on a property-by-property basis, with each property representing a potential cash generating unit. A previous impairment is reversed if the asset's recoverable amount exceeds its carrying amount.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset, as soon as the obligation to incur such costs arises and to the extent that such cost can be reasonably estimated. The Company had no material provisions at December 31, 2013 and December 31, 2012.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax on income for the periods presented comprises current and deferred tax. Income tax is recognized in income except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income 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. Deferred tax on temporary differences associated with investments in subsidiaries is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. 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 asset 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.

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 of the parent company are recorded separately within equity.

Finance income

Finance income consists of interest on funds invested. Finance income is accounted for in the statement of comprehensive income as it accrues, using the effective interest rate method.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Equity-settled share-based payments are made in exchange for services received. 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 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.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the 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 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 Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates

The preparation of these consolidated 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 consolidated financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates. These consolidated 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 consolidated 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.

Accounting standards issued but not yet applied

Standards, amendments and interpretations issued but not yet effective up to the date of the issuance of these consolidated financial statements that are expected to be relevant to the Company are listed below. Certain other standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 9, Financial Instruments: Classification and Measurement

The IASB aims to replace IAS 39, "Financial Instruments: Recognition and Measurement" in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and liabilities as well as the chapter dealing with hedge accounting have been issued. The chapter dealing with impairment methodology is still being developed. In November 2011, the IASB decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. In addition, in November 2013, the IASB decided to defer to a date to be announced the implementation of IFRS 9. The Company's management has yet to assess the impact of this new standard on the Company's consolidated financial statements. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting pronouncements

Certain pronouncements issued by the International Accounting Standards Board ("IASB") became mandatory for accounting periods beginning on January 1, 2013. The following new standards and amendments have been adopted by the Company in preparing these consolidated financial statements.

Amendments to IAS 1, Presentation of Financial Statements

The Amendments to IAS 1 became effective for annual periods beginning on or after July 1, 2012 and require entities to group items presented in other comprehensive income ("OCI") into those that, in accordance with other IFRSs, will not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met. The existing option to present items of OCI either before tax or net of tax remains unchanged; however, if the items are presented before tax, then the amendments to IAS 1 require the tax related to each of the two groups of OCI to be shown separately. These amendments have been applied retroactively and only the presentation of items under other comprehensive income has been modified to reflect the amendments.

IFRS 13, Fair Value Measurement

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. The scope of IFRS 13 applies for both financial and non-financial items for which other standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. The application of the new standard did not have any effect on fair value measurement.

3. MARKETABLE SECURITIES

At December 31, 2013 and December 31, 2012, the Company owned 3,000,000 shares of Ariana Resources plc, a London-based mineral exploration company. These shares are recorded at fair value using the last bid price and fair value adjustments are reported in profit or loss.

4. SHARE CAPITAL

Authorized and issued

Unlimited number of common shares without par value. At December 31, 2013 and 2012, the Company has 36,231,486 issued and outstanding common shares.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

5. 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.

At December 31, 2013 and December 31, 2012, the Company had 1,975,000 outstanding stock options at an exercise price of Can \$0.20 per share, expiring on June 25, 2014. All outstanding stock options are exercisable at December 31, 2013.

6. MANAGEMENT AND ADMINISTRATION EXPENSES

	Year ended December 31,	
	2013	2012
	\$	\$
Employee benefits	24,438	32,425
Administrative and consultants	90,753	144,191
Office	54,895	75,308
Investor relations and travel	2,758	6,509
Professional fees	43,087	76,137
Reporting issuer costs	18,007	15,813
Loss (gain) on foreign exchange	(166)	557
	233,772	350,940

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

7. INCOME TAXES

The reconciliation of the effective tax rate is as follows:

	Year ended December 31, 2013		Year ended December 31, 2012	
		\$		\$
Loss before income tax		(246,365)		(637,831)
Tax using the Company's domestic tax rate	26.90%	(66,272)	26.90%	(171,577)
Unrecognized tax assets	(25.31%)	62,359	(104.69%)	667,730
Deferred tax on liquidation of subsidiaries	-	-	82.66%	(527,197)
Non-deductible expenses	-	-	(3.61%)	23,000
Others	(1.59%)	3,913	(1.26%)	8,044
Deferred income tax	-	-	-	-

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

	December 31, 2013		December 31, 2012	
	\$	\$	\$	\$
	Federal	Quebec	Federal	Quebec
Non-capital loss carry-forwards	6,491,511	6,491,511	6,656,376	6,656,376
Capital loss carry-forwards	3,666,587	3,666,587	3,919,684	3,919,684
Exploration expenses	196,601	2,029,992	210,172	2,170,118
Marketable securities	135,095	135,095	151,126	151,126
Plant and equipment	22,858	22,858	24,436	24,436
Share issue costs	-	-	32,056	32,056
	10,512,652	12,346,043	10,993,850	12,953,796

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

7. INCOME TAXES (continued)

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.

Non-capital losses expire as follows:

	Canada
	\$
2014	747,786
2015	876,445
2026	1,386,575
2027	863,054
2028	788,567
2029	389,000
2030	321,645
2031	404,997
2032	439,123
2033	274,319
	6,491,511

8. NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2013 was based on the loss attributable to common shareholders of \$246,365 (a loss of \$637,831 in 2012) and the weighted average number of common shares outstanding of 36,231,486 (36,231,486 in 2012).

Excluded from the calculation of the diluted loss per share for the year ended December 31, 2013 are 1,975,000 stock options (1,975,000 stock options in 2012) because to include them would be anti-dilutive.

9. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. At December 31, 2013 and 2012, the Company did not have an interest in any mineral property.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

10. 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.

At December 31, 2013, managed capital was \$1,199,158 (\$1,536,920 at December 31, 2012). 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 will reduce or eliminate 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, 2013. The Company is not subject to any externally imposed capital requirements at December 31, 2013.

11. 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 financial objectives, policies and processes during the year ended December 31, 2013.

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. At December 31, 2013, the Company's working capital totals \$1,139,496 (\$1,479,846 at December 31, 2012). Current liabilities of \$494 (\$14,863 at December 31, 2012) are due within the next 3 months. 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. At December 31, 2013, the Company's financial assets exposed to credit risk are primarily composed of cash. To mitigate exposure to credit risk, the Company has established a policy to ensure counterparties demonstrate minimum acceptable worthiness, and to ensure liquidity of available funds. The Company's cash is held with a large Canadian-based financial institution.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

11. FINANCIAL RISK MANAGEMENT (continued)

Currency risk

In the normal course of its operations, the Company has limited exposure to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates since most of the Company's business transactions are denominated in Canadian dollars, which is the Company's functional currency. The marketable securities held by the Company are denominated in British pounds. The impact on profit or loss and on equity of a 10% increase or decrease in the British Pound to the US dollar exchange rate on the Company's marketable securities would be approximately \$6,000 at December 31, 2013 (approximately \$5,700 at December 31, 2012).

Interest rate risk

The Company's interest rate risk relates to cash. The Company's current policy on its cash balances is to invest excess cash in guaranteed investment certificates or 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 affect the reported loss in 2013 by approximately \$11,200 (\$14,700 in 2012).

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable (excluding sales taxes receivable), marketable securities and accounts payable and accrued liabilities. Other than marketable securities, the fair value of these financial instruments approximates their carrying value, given the short-term maturity of these instruments. A plus or minus 10% change in the value of the marketable securities would affect shareholders' equity by approximately \$6,000 (\$5,700 at December 31, 2012). The marketable securities presented at fair value on the statements of financial position are classified as Level 1 of the hierarchy of fair value as the shares held are publicly traded.

Odyssey Resources Limited

Notes to Consolidated Financial Statements
December 31, 2013 (Audited - in U.S. dollars)

13. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2013, the Company paid or accrued administration expenses of \$106,984 to Reunion Gold Corporation, a related party by virtue of common directors and management (\$133,256 in 2012).

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

The remuneration awarded to directors and to senior key management, including the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer, is as follows:

	Year ended December 31,	
	2013	2012
	\$	\$
Employee benefits	24,438	32,425
Consulting fees	13,098	21,380
	37,536	53,805