

ODYSSEY RESOURCES LIMITED

Management's Discussion and Analysis – Quarterly Highlights

2nd Quarter ended June 30, 2016

ODYSSEY RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE 2nd QUARTER ENDED June 30, 2016

The following interim management's discussion and analysis – quarterly highlights ("**Interim MD&A**") of Odyssey Resources Limited ("**Odyssey**" or the "**Company**") for the three months ended June 30, 2016 provides material information about the Company's business activities during the interim period and updates disclosure previously provided in the Company's management's discussion and analysis for the year ended December 31, 2015 ("**Annual MD&A**").

This Interim MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the three and six months ended June 30, 2016 (the "**Interim Financial Statements**"), the Company's audited financial statements for the years ended December 31, 2015 and 2014 (the "**Annual Financial Statements**"), and the Company's Annual MD&A, including the section describing risks and uncertainties.

The effective date of this Interim MD&A is August 22, 2016.

All financial results presented in this Interim MD&A are expressed in US dollars unless otherwise indicated.

Description of Business

Odyssey's focus is the acquisition, exploration and development of mineral resource properties. As of the date of this Interim MD&A the Company does not own any exploration property and is not carrying out any exploration programs. However, the Company is actively assessing mineral projects and seeks to acquire an interest in exploration properties that have merit. Odyssey's common shares are listed on the NEX board of the TSX Venture Exchange and trade under the symbol 'ODX.H'. Dundee Corporation holds approximately 31.4% of the issued and outstanding common shares of the Company.

Proposed Acquisition of the Ishihuinca Project

In November 2015, the Company had entered into a non-binding letter of intent with LAI Corp S.A.C. ("**LAI**"), a Peruvian arm's length private company, setting out the terms of a proposed transaction to acquire the Ishihuinca gold tailings project located in southern Peru (the "**Ishihuinca Project**"). In April 2016, the Company and LAI agreed to extend the period to complete the proposed transaction and the exclusivity period to June 30, 2016. These were then extended to August 31, 2016.

In connection with the proposed transaction, the Company had advanced to LAI in November 2015 an amount of \$250,000 under a bridge financing agreement. In April 2016, the Company agreed to extend the term of the advance to June 30, 2016, which was subsequently extended to August 31, 2016.

The proposed transaction with LAI is subject to Odyssey having completed a financing and raised a minimum of \$7.5 million and having obtained a satisfactory title opinion in respect of the Ishihuinca Project. The proposed transaction is also subject to the parties satisfying various conditions including completion of due diligence, execution of a definitive agreement, and receipt of all required regulatory, stock exchange and shareholder approvals.

The Company expects that a further extension will be required to complete the proposed transaction. There is no assurance that the transaction will be completed as proposed or at all or that the loan to LAI will be reimbursed if the transaction is not completed.

Operating Activities

The Company incurred a net loss of \$54,347 (\$0.00 per share) during the three months ended June 30, 2016 compared to a net loss of \$29,631 (\$0.00 per share) during the comparative period in 2015.

During the three months ended June 30, 2016 and 2015, the Company did not conduct any exploration work and hence did not incur any exploration expenses.

Higher management and administration expenses of \$19,799 during the three months ended June 30, 2016 compared to 2015 reflects increased activities related to the potential acquisition of the Ishihuinca Project in Peru.

The unrealized gain adjustment of marketable securities of \$8,433 during the three months ended June 30, 2016 (an unrealized gain adjustment of \$16,387 during the three months ended June 30, 2015) is based on the 3,000,000 shares that the Company holds in Ariana Resources plc (“Ariana”), a London-based mineral exploration company, at June 30, 2016. In early July 2016, the Company sold 2,000,000 of the Ariana shares for proceeds of approximately \$44,000.

Finance income of \$7,686 during the three months ended June 30, 2016 consists mostly in accrued interest on the \$250,000 loan to LAI (nil during the comparative period in 2015).

Liquidity and Capital Resources

At June 30, 2016, the Company had working capital of \$326,347 (including cash of \$28,579) compared to working capital of \$477,550 at December 31, 2015. In July 2016, the Company sold some of the marketable securities held for proceeds of approximately \$44,000. Working capital is currently being used to pursue and evaluate new resource projects and for general corporate purposes.

The Company requires additional funds to complete the acquisition of the Ishihuinca Project and to provide for general and administrative expenditures for at least the next 12 months. The Company has no cash flow generating operation and therefore manages its liquidity needs by carefully monitoring cash outflows in day-to-day business. The Company’s ability to acquire new projects, including the proposed acquisition of the Ishihuinca Project in Peru, to

fund subsequent development activities and/or capital investment, and to meet its corporate and administrative obligations is dependent on the Company's ability to obtain additional financing, when required, through various means, including but not limited to equity and debt financing. The amount and timing of additional funding may be impacted by, among others, the strength of the capital markets.

Related Party Transactions

On January 1, 2016, the Company entered into a management services agreement with Highland Copper Company Inc., a related party by virtue of common management for the provision of administrative and legal services which were previously rendered under a management services agreement with Reunion Gold Corporation. Amounts of \$16,318 and \$29,592, respectively, were paid to Highland Copper Company Inc. during the three and six months ended June 30, 2016.

During the three and six months ended June 30, 2016, the Company also paid or accrued amounts of \$18,255 and \$30,400, respectively, to Reunion Gold Corporation, a related party by virtue of common management, for the rental of office space, for the use of office equipment and supplies. During the comparative periods, amounts of \$17,498 and \$35,097 were paid or accrued to Reunion Gold Corporation for administrative and legal services, the rental of office space, the use of office equipment and supplies.

Risk Factors

Refer to the risk factors described in the Annual MD&A.

Cautionary Note Regarding Forward-Looking Information

Except for statements of historical facts relating to Odyssey, certain information contained in this Interim MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the acquisition of the Ishihuinca project or other new mineral properties and the ability to finance such acquisition, and other statements relating to the financial and business prospects of the Company. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Additional Information and Continuous Disclosure

Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com) and on the Company's website (www.odysseyresources.com).