

ODYSSEY RESOURCES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2018

In United States dollars

UNAUDITED

Notice to Reader

The accompanying unaudited condensed interim financial statements of Odyssey Resources Limited have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements.

Odyssey Resources Limited

Condensed Interim Statements of Financial Position

<i>(unaudited, in US dollars)</i>	March 31, 2018	December 31, 2017
	\$	\$
ASSETS		
Current		
Cash	37,122	44,442
Sales taxes receivable	3,081	5,886
Loan to LAI Corp., including accrued interest (Note 4)	320,000	312,500
Prepaid expenses and others	14,717	9,490
	374,920	372,318
Non-current		
Marketable securities (Note 5)	-	18,251
TOTAL ASSETS	374,920	390,569
LIABILITIES		
Current		
Accounts payable and accrued liabilities	14,579	1,618
Payable to a related party (Note 10)	13,853	17,914
Loan from a director, including accrued interest (Note 6)	168,735	168,704
TOTAL LIABILITIES	197,167	188,236
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	15,022,596	15,022,596
Contributed surplus	2,257,387	2,257,387
Deficit	(17,030,541)	(17,011,029)
Cumulative translation adjustment	(71,689)	(66,621)
TOTAL EQUITY	177,753	202,333
TOTAL LIABILITIES AND EQUITY	374,920	390,569

Going concern (Note 2).

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

On behalf of the Board,

/s/ James Crombie

James Crombie, Director

/s/ Carmelo Marrelli

Carmelo Marrelli, Director

Odyssey Resources Limited

Condensed Interim Statements of Comprehensive Loss

<i>(unaudited, in US dollars)</i>	Three months ended March 31,	
	2018	2017
	\$	\$
Expenses and other items		
Management and administration (Note 8)	30,604	48,852
Loss on sale of marketable securities (Note 5)	520	-
Fair value adjustment of marketable securities	-	(806)
Finance income (Note 4)	(7,500)	(7,505)
Finance expense on loan from a director (Note 6)	4,682	914
Loss (gain) on foreign exchange	(8,794)	2,199
Net loss for the period	(19,512)	(43,654)
Other comprehensive income		
Item that will not be subsequently reclassified to income		
Foreign currency translation adjustment	(5,068)	3,517
Comprehensive loss for the period	(24,580)	(40,137)
Basic and diluted loss per share	(0.00)	(0.00)
Weighted average number of shares - basic and diluted	36,231,486	36,231,486

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

Odyssey Resources Limited

Condensed Interim Statements of Shareholders' Equity

<i>(unaudited, in US dollars)</i>	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Cumulative translation adjustment	Shareholders' equity
		\$	\$	\$	\$	\$
Balance at December 31, 2017	36,231,486	15,022,596	2,257,387	(17,011,029)	(66,621)	202,333
Net loss for the period	-	-	-	(19,512)	-	(19,512)
Other comprehensive income						
Foreign currency translation adjustment	-	-	-	-	(5,068)	(5,068)
Balance at March 31, 2018	36,231,486	15,022,596	2,257,387	(17,030,541)	(71,689)	177,753
Balance at December 31, 2016	36,231,486	15,022,596	2,257,387	(16,851,163)	(85,416)	343,404
Net loss for the period	-	-	-	(43,654)	-	(43,654)
Other comprehensive loss						
Foreign currency translation adjustment	-	-	-	-	3,517	3,517
Balance at March 31, 2017	36,231,486	15,022,596	2,257,387	(16,894,817)	(81,899)	303,267

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

Odyssey Resources Limited

Condensed Interim Statements of Cash Flows

<i>(unaudited, in US dollars)</i>	Three months ended March 31,	
	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(19,512)	(43,654)
Adjustments		
Loss on sale of marketable securities	520	-
Fair value adjustment of marketable securities	-	(806)
Finance expense on loan from a director	4,682	914
Changes in working capital items		
Sales taxes receivable	2,697	(3,945)
Interest receivable on loan to LAI Corp.	(7,500)	(7,500)
Prepaid expenses and others	(5,590)	17,202
Accounts payable and accrued liabilities	13,256	9,170
Payable to a related party	(3,646)	1,580
	(15,093)	(27,039)
INVESTING ACTIVITIES		
Proceeds from the sale of marketable activities (Note 5)	17,115	-
FINANCING ACTIVITIES		
Loan from a director	-	56,390
Effect of exchange rate changes on cash held in foreign currencies	(9,342)	3,048
Net change in cash	(7,320)	32,399
Cash, beginning of period	44,442	43,352
Cash, end of period	37,122	75,751
Finance income received included in operating activities	-	5

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

Odyssey Resources Limited

Notes to Condensed Interim Financial Statements

March 31, 2018 *(unaudited - in US 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 March 31, 2018, the Company does not hold an interest in any mineral properties and during the three months ended March 31, 2018, the Company did not carry out any exploration programs. All amounts in these condensed interim 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 unaudited condensed interim financial statements on May 28, 2018.

Potential acquisition of a mineral project in Peru

The Company and LAI Corp S.A.C. ("LAI"), a Peruvian arm's length private company, initiated discussions in November 2015 regarding the potential acquisition of a mineral project in Peru, by entering into a non-binding letter of intent ("LOI"). In late 2016, the Company and LAI agreed not to extend the terms of the LOI but continued discussions regarding the potential acquisition of other mineral projects in Peru. In connection with the LOI, Odyssey had advanced to LAI \$250,000 under a bridge financing agreement.

On April 4, 2018, the Company and LAI agreed to further amend the November 2015 bridge financing agreement to extend the repayment date of the advances and accrued interest to the earlier of a) the date of closing of a transaction between Odyssey and LAI; and b) September 30, 2018 (was previously June 30, 2018), or such other date as the parties may agree to. As part of the amendment, LAI also agreed to extend the period to deal exclusively with the Company in respect of the potential acquisition of mineral projects in Peru, until September 30, 2018.

Approval by shareholders of possible share consolidation

In November 2015, the Company's shareholders approved the consolidation of the Company's common 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 a transaction with LAI.

Odyssey Resources Limited

Notes to Condensed Interim Financial Statements

March 31, 2018 *(unaudited - in US dollars)*

2. GOING CONCERN

These unaudited condensed interim consolidated 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 unaudited condensed interim consolidated 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.

At March 31, 2018, the Company had a working capital of \$177,753 (\$184,082 at December 31, 2017), had an accumulated deficit of \$17,030,541 (\$17,011,029 at December 31, 2017) and incurred a loss of \$19,512 for the three months ended March 31, 2018 (\$43,654 in 2017). 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 interim chairman, president and CEO and its shareholders. Funding requirements may be met in the future in a number of ways, including the issuance of securities, loans 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 Condensed Interim Financial Statements

March 31, 2018 *(unaudited - in US dollars)*

3. BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY

Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies as the Company's most recent annual financial statements. These unaudited condensed interim financial statements do not contain all of the information and disclosures required for annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the years ended December 31, 2017 and 2016 which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Change in accounting policy

The Company has adopted IFRS 9, *Financial Instruments*, effective January 1, 2018. The adoption of this standard did not have an impact on the Company's financial statements. There was no impact on carrying values and equity as at January 1, 2018, as a result of the adoption of the standard, and no measurement differences on the Company's financial instruments.

The classification of financial instruments in accordance with IFRS 9 is based on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. Also, IFRS 9 introduced a single expected credit loss impairment model, based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

Cash: Amortized cost under IFRS 9 (loans and receivables, measured at amortized cost under IAS 39).

Loan to LAI Corp., including accrued interest: Amortized cost under IFRS 9 (loans and receivables, measured at amortized cost under IAS 39).

Marketable securities: Fair value through profit and loss under IFRS 9 (fair value through profit and loss under IAS 39).

Accounts payable and accrued liabilities: Amortized cost under IFRS 9 (financial liabilities measured at amortized cost under IAS 39).

Odyssey Resources Limited

Notes to Condensed Interim Financial Statements

March 31, 2018 (unaudited - in US dollars)

4. LOAN TO LAI CORP.

In connection with the potential acquisition of mineral projects described in Note 1, the Company advanced in November 2015 a total amount of \$250,000 to LAI under a bridge financing agreement. The advances bear interest at the rate of 12% per annum from the date of advancement. The advances and the accrued interest are repayable by LAI on the earlier of the date of closing of a transaction between Odyssey and LAI and September 30, 2018 or such other date as the parties may agree to.

5. MARKETABLE SECURITIES

In March 2018, the Company sold the remaining shares held in Ariana Resources plc, a London-based mineral exploration company (1,000,000 shares), for net proceeds of \$17,115 resulting in a loss of \$520 on the sale of these shares.

6. LOAN FROM A DIRECTOR

In April 2017, the Company's interim chairman, president and CEO agreed to lend the Company an amount of up to Can \$300,000 to fund short term working capital requirements of the Company, of which an amount of Can \$200,058 has been advanced to the Company as at March 31, 2018. The loan bears interest at the rate of 1% per month.

On April 4, 2018, the Company and its interim chairman, president and CEO agreed to extend the repayment date of the loan to the earliest of the completion of a financing by the Company for a minimum amount of Can \$3,000,000 or upon demand at any time after September 30, 2018 (was previously June 30, 2018).

7. SHARE CAPITAL

At March 31, 2018 and December 31, 2017, the Company had 36,231,486 issued and outstanding common shares.

8. MANAGEMENT AND ADMINISTRATION EXPENSES

	Three months ended March 31,	
	2018	2017
	\$	\$
Employee benefits	3,559	4,600
Administrative and consultants	4,225	15,075
Office	10,960	13,365
Investor relations and travel	365	2,283
Professional fees	7,909	12,000
Reporting issuer costs	3,586	1,529
	30,604	48,852

Odyssey Resources Limited

Notes to Condensed Interim Financial Statements

March 31, 2018 (unaudited - in US dollars)

9. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. At March 31, 2018 and December 31, 2017, the Company did not have an interest in any mineral properties.

10. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2018, the Company paid or accrued an amount of \$7,296 to Reunion Gold Corporation, a related party by virtue of common management, for the rental of office space and for the use of office equipment and supplies, and paid or accrued an amount of \$2,228 to Highland Copper Company Inc., a related party by virtue of common management, for administrative and legal services (\$8,919 and \$7,449 were paid or accrued to Reunion Gold Corporation and to Highland Copper Company Inc., respectively during the three months ended March 31, 2017). 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 Chief Executive Officer and the Chief Financial Officer, is as follows:

	Three months ended March 31,	
	2018	2017
	\$	\$
Employee benefits	3,559	4,536
Consulting fees	-	4,536
	3,559	9,072