



ODYSSEY

RESOURCES LIMITED

Management's Discussion and Analysis

3rd Quarter ended September 30, 2014

ODYSSEY RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
FOR THE 3rd QUARTER ENDED SEPTEMBER 30, 2014

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Odyssey Resources Limited ("Odyssey" or the "Company"), dated November 19, 2014, covers the 3rd quarter ended September 30, 2014 and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the 3rd quarter ended September 30, 2014 (the "September 30, 2014 condensed interim financial statements"). Readers should also refer to the Company's MD&A for the year ended December 31, 2013, including the section describing risks and uncertainties, and the audited consolidated financial statements for the years ended December 31, 2013 and 2012.

The Company's September 30, 2014 condensed interim financial statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC").

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

Description of Business

Odyssey is a Canadian-based exploration company whose focus is the acquisition, exploration and development of mineral resource properties. At the present time, the Company does not own any exploration property and is not carrying out any exploration programs. However, the Company is actively assessing new properties and seeks to acquire an interest in exploration properties that have merit. There can be no assurance that the Company will acquire a new mineral property in the near term, or at all, and that if a mineral property is acquired, it will have adequate financial resources to explore and develop such property. At September 30, 2014, the Company had working capital of approximately \$940,000.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its financial year-end is December 31. Dundee Corporation holds, directly and indirectly, approximately 36.9% of the issued and outstanding common shares of the Company.

Odyssey's common shares are listed on the NEX board of the TSX Venture Exchange ("TSXV") and trade under the symbol ODX.H.



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Selected Financial Information (1)

	September 30,		December 31,	
	2014		2013	
Financial Position	\$		\$	
Cash	935,394		1,121,842	
Total assets	980,295		1,199,652	
Shareholders' equity	978,283		1,199,158	
	3rd quarter ended September 30,		Nine-months ended September 30,	
	2014	2013	2014	2013
Operations	\$	\$	\$	\$
Management and administration	30,919	46,299	150,900	193,625
Business development	-	16,170	-	33,154
Fair value adjustment of marketable securities	2,716	(2,951)	20,613	5,735
Finance income	(2,687)	(3,411)	(8,487)	(11,226)
Net loss for the period	(30,948)	(56,107)	(163,026)	(221,288)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Cash flows				
Operating activities			(131,774)	(231,611)
Investing activities			-	-
Financing activities			-	-

(1) The selected financial information was derived from the Company's September 30, 2014 condensed interim financial statements, prepared in accordance with IFRS.

Since its incorporation, the Company has not paid any cash dividend on its outstanding common shares. Any future dividend payment will depend on a number of factors including the Company being able to generate profit from future operations and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.



Results of Operations

The Company incurred a net loss of \$30,948 (nil per share) during the 3rd quarter ended September 30, 2014 and \$163,026 (\$0.01 per share) during the nine-month period ended September 30, 2014 (a net loss of \$56,107 (nil per share) during the 3rd quarter ended September 30, 2013 and \$221,288 (\$0.01 per share) during the nine-month period ended September 30, 2013). During the 2014 and 2013 periods, net losses consisted essentially of management and administration expenses as the Company did not conduct any field exploration work but continued to assess a number of mineral properties.

Management and administration expenses decreased during the 3rd quarter and the nine-month period ended September 30, 2014 when compared to the 2013 periods mainly due to lower administration and professional fees expenses.

The fair value adjustment of marketable securities is based on the 3,000,000 shares that the Company holds in Ariana Resources plc, a London-based mineral exploration company.

Management and administration expenses are summarized as follows:

	3 rd quarter ended September 30,		Nine-months ended September 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Employee benefits	6,697	6,352	18,914	18,112
Administrative and consultants	14,582	22,794	51,513	71,004
Office	9,542	14,593	39,595	40,286
Investor relations and travel	199	160	1,627	2,529
Professional fees	(3,281)	(874)	29,306	45,373
Reporting issuer costs	3,388	3,159	10,192	16,312
Loss (gain) on foreign exchange	(208)	115	(247)	9
	30,919	46,299	150,900	193,625

Liquidity and Capital Resources

At September 30, 2014, the Company had working capital of \$941,763 (including cash of \$935,394) compared to working capital of \$1,139,496 at December 31, 2013. Working capital is currently being used to pursue and evaluate new resource projects and for general corporate purposes.

The Company anticipates that based on current liquidities, it has sufficient funds to provide for general and administrative expenditures for at least the next 12 months, which are estimated at \$300,000 per annum. However, the Company has no cash flow generating operation and therefore manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Company's ability to acquire new projects and to fund subsequent



exploration programs 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 financing. The amount and timing of additional funding may be impacted by, among others, the strength of the capital markets.

Selected Quarterly Financial Information

Period ended	Revenues	Net loss	Basic loss	Diluted loss
	(\$000)	(\$000)	per share	per share
			\$	\$
September 30, 2014	-	(31.0)	(0.00)	(0.00)
June 30, 2014	-	(67.0)	(0.00)	(0.00)
March 31, 2014	-	(65.1)	(0.00)	(0.00)
December 31, 2013	-	(25.1)	(0.00)	(0.00)
September 30, 2013	-	(56.1)	(0.00)	(0.00)
June 30, 2013	-	(107.0)	(0.00)	(0.00)
March 31, 2013	-	(58.2)	(0.00)	(0.00)
December 31, 2012	-	(131.8)	(0.00)	(0.00)

Capital Management

The Company defines capital that it manages as shareholders' equity. At September 30, 2014, managed capital was \$978,283 (\$1,199,158 at December 31, 2013). 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. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the 3rd quarter ended September 30, 2014. The Company is not subject to any externally imposed capital requirements at September 30, 2014.

Off-Balance Sheet Arrangements

As of September 30, 2014, the Company had no off-balance sheet arrangements.



Related Party Transactions

During the 3rd quarter and the nine-month period ended September 30, 2014, the Company paid or accrued administration expenses of \$21,102 and \$66,421, respectively to Reunion Gold Corporation, a related party by virtue of common directors and management (\$29,366 and \$80,619, respectively during the 3rd quarter and the nine-month period ended September 30, 2013). 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.

The remuneration awarded to directors and to senior key management, including the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer totalled \$7,652 and \$24,578, respectively during the 3rd quarter and the nine-month period ended September 30, 2014 (\$9,585 and \$28,957, respectively during the comparative periods in 2013).

Financial Instruments

The Company's financial instruments consist of cash, accounts 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 that they will mature shortly. At September 30, 2014, a plus or minus 10% change in the value of the marketable securities would affect shareholders' equity by approximately \$3,650 (\$6,000 at December 31, 2013).

Outstanding Share Data

As at November 19, 2014, the Company has 36,231,486 common shares issued and outstanding.

Financial Risk Factors

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk, credit risk, currency risk and interest rate risk. Where material, these risks are reviewed by the board of directors of the Company.

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 September 30, 2014, the Company's working capital totals \$941,763 (\$1,139,496 at December 31, 2013). Current liabilities of \$2,012 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 September 30, 2014, 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.

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 versus the US dollar exchange rate on the Company's marketable securities would be approximately \$3,650 at September 30, 2014 (approximately \$6,000 at December 31, 2013).

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 for the 3rd quarter and the nine-month period ended September 30, 2014 by approximately \$9,400.

Trends

The Company anticipates that it will continue to experience net losses until such time, if any, as revenue generating activity is commenced. The Company's future financial performance is dependent on many external factors. Both the price of, and the market for, precious and base metals are volatile, difficult to predict and subject to changes in domestic and international political, social and economic environments. Circumstances and events, such as the ongoing volatility in the capital markets and the difficulties for junior exploration companies to raise funds, could materially affect the future financial performance of the Company. Other factors and risks that have affected, and which in the future may affect the Company and its financial positions, are described in the following section.

Other Risks and Uncertainties

The identification, acquisition and financing of mineral properties is a highly competitive and speculative process which even a combination of careful evaluation, experience and knowledge may not eliminate. The Company currently has no interest, and no right to earn an interest, in a mineral property. There is no assurance that the Company will be acquiring any such interest in the short term or at all. The risks below are not the only ones the



Company may face. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Limited financial resources

To acquire, explore and develop mineral properties, the Company will need to obtain additional financing from external sources. There is no assurance that the Company will be able to obtain such financing on favourable terms, or at all. Failure to obtain financing could result in the Company being unable to complete an acquisition or may delay or indefinitely postpone further exploration and development of properties. Major expenses are generally required to acquire and develop mineral properties and there is no assurance that exploration and development programs on mineral properties will result in a profitable commercial mining operation.

Competition

The mineral exploration and mining business is competitive in all its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire a mineral property of merit, purchase required equipment, and hire qualified personnel in the future will depend on its ability to identify, arrange, negotiate, select or acquire suitable properties or prospects for mineral exploration, source suitable equipment and hire qualified people. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, sourcing equipment or hiring people.

Conflicts of interest

Certain directors of the Company are also directors, officers or shareholders of other natural resource companies. Situations may arise where the directors and officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' conflicts of interest. In the event that a conflict of interest arises at a meeting of the Company's directors, a director who has a conflict will abstain from voting on the matter in respect of which he is in a position of conflict. In accordance with applicable laws, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Cautionary Note Regarding Forward-Looking Information

Except for statements of historical facts relating to Odyssey, certain information contained in this 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 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

This MD&A has been prepared as at November 19, 2014. 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 web site (www.odysseyresources.com).