

**ODYSSEY RESOURCES LIMITED**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**– QUARTERLY HIGHLIGHTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018**

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 September 30, 2018 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, 2017 (“**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 nine months ended September 30, 2018 (the “**Interim Financial Statements**”), the Company's audited financial statements for the years ended December 31, 2017 and 2016 (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 November 23, 2018.

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

**Description of Business**

Odyssey is a publicly listed company whose 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 new properties and seeks to acquire an interest in mineral 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/or develop such property. At September 30, 2018, the Company had working capital of \$127,159.

Odyssey's common shares are listed on the NEX board of the TSX Venture Exchange and trade under the symbol 'ODX.H'. As of the date of this Interim MD&A, Odyssey has 36,231,486 common shares issued and outstanding of which 31.4% are indirectly held by Dundee Corporation.

*Update on potential acquisition of a mineral project in Peru*

The Company and LAI Corp S.A.C. (“**LAI**”), a Peruvian arm's length private company, are continuing discussions regarding the potential acquisition of a mineral project in Peru.

On October 25, 2018 (with an effective date of October 1, 2018), the Company and LAI agreed to further amend a November 2015 bridge financing agreement (whereby the Company advanced an amount of \$250,000 to LAI), 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) April 30, 2019 (was previously September 30, 2018), or such other date as the

parties may agree to. As part of the agreement, 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 April 30, 2019 (was previously September 30, 2018).

#### *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 \$248,720 has been advanced to the Company as at September 30, 2018. The loan bears interest at the rate of 1% per month.

On October 1, 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 April 30, 2019 (was previously September 30, 2018).

#### **Operating Activities**

The Company incurred a net loss of \$ 23,937 (nil per share) during the three months ended September 30, 2018 compared to a net loss of \$40,653 (nil per share) during the comparative period in 2017.

During the three months ended September 30, 2018 and 2017, the Company did not conduct any exploration work and hence did not incur any exploration expenses.

Management and administration expenses totalled \$19,760 during the three months ended September 30, 2018 compared to \$35,412 during the comparative period, due to lower administrative and office expenses.

Finance income of \$7,500 during the three months ended September 30, 2018 consists of accrued interest on the \$250,000 loan to LAI (\$7,500 during the comparative period in 2017).

Finance expense of \$5,773 incurred during the three months ended September 30, 2018 relates to accrued interest on advances of Can \$248,720 made to the Company by the Company's interim chairman, president and CEO in 2017.

#### **Liquidity and Capital Resources**

At September 30, 2018, the Company had working capital of \$127,159 (including cash of \$19,676) compared to working capital of \$184,082 at December 31, 2017. Working capital is currently being used to pursue and evaluate new resource projects and for general and administration expenses.

The Company requires additional financing to provide for general and administrative expenses for at least the next 12 months, which are estimated at \$200,000, and to acquire new projects. The Company's ability to fund the acquisition of new projects, to fund subsequent exploration programs, development studies 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 financing. The ability of the Company to arrange

the required financing depends in part upon the quality and potential of the mineral project being acquired and global economic and capital market conditions. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company and to continue as a going concern.

### **Other Related Party Transactions**

During the three and nine months ended September 30, 2018, the Company paid or accrued an amount of \$7,058 and \$21,500 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 \$95 and \$4,693 to Highland Copper Company Inc., a related party by virtue of common management, for administrative and legal services (\$9,423 and \$27,118 was paid or accrued to Reunion Gold Corporation and \$8,716 and \$24,282 was paid or accrued to Highland Copper Company Inc. during the three and nine months ended September 30, 2017). The remuneration awarded to key management personnel, including the president and CEO and the CFO, during the three and nine months ended September 30, 2018, totaled \$4,399 and \$13,381, respectively (\$8,402 and \$25,283 in 2017).

### **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.

### **Risk Factors**

An investment in the Company's common shares is highly speculative and subject to certain risks and uncertainties. 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 potential acquisition of a mineral project of merit in Peru or elsewhere, the Company's ability to finance such acquisition and to meet its corporate and administrative obligations and the recoverability of the loan to LAI. 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](http://www.sedar.com)) and on the Company's website ([www.odysseyresources.com](http://www.odysseyresources.com)).