

**Odessa Minerals Limited and Controlled Entities**

**93 646 595 799**

**Financial Report for the Year Ended 30 June 2021**



## Odessa Minerals Limited and Controlled Entities

93 646 595 799

### DIRECTORS' REPORT

Directors present their report on Odessa Minerals Limited, the company, and its controlled entities for the financial period ended 30 June 2021. The consolidated entity is referred to as "the Group".

#### Directors

The names of the directors in office at any time during, or since the end of, the year are:

Darren Holden (Chair)	(appointed 14 December 2020)
Nigel Brand	(appointed 14 December 2020)
Colwin Llyod	(appointed 14 December 2020)

Directors have been in office since the start since 14 December 2020 (incorporation date) to the date of this report unless otherwise stated.

#### Principal Activities

During the financial period the principal continuing activities of the consolidated entity consisted of mineral exploration.

#### Review of Operations

The consolidated loss of the Group and the individual entity for the period amounted to \$43,877, and the loss during the period of the Company was \$40,217.

During the period the Company incorporated the following wholly owned subsidiaries:

Subsidiary	Date of incorporation
OD3 Aries Pty Ltd	7/05/2021
OD3 Cedric Pty Ltd	24/03/2021
OD3 Ellenex Pty Ltd	24/03/2021
OD3 Liverniga Pty Ltd	24/03/2021
OD3 Whiterock Pty Ltd	24/03/2021
OD3 Wynne Pty Ltd	24/03/2021

On 24 May 2021, the Company issued 16,140,297 shares at a price of \$0.0005 per share to raise \$8,070.

On 24 May 2021, the Company issued 1,500,000 shares at a price of \$0.001 per share to raise \$1,500.

On 24 May 2021, the Company issued 8,820,149 options, as 1 option for every two shares subscribed for in the separate raises completed on 24 May 2021. The Options have a strike price of \$0.20 and an expiry date of 31 July 2024.

On the 25<sup>th</sup> Of May 2021, the Company, OD3 Aries Pty Ltd, and Jindalee Resources Limited executed an Asset Sales Agreement to purchase the Aries Diamond Project. Subject to meeting the conditions precedent, the buyer (OD3 Aries Pty Ltd) will acquire 90% interest in the Aries Project (Acquisition).

In consideration for the purchase, OD3 Aries Pty Ltd is required to pay \$50,000, and the Company will issue 1,000,000 fully paid ordinary shares in the Company (Odessa Minerals Limited).

As at 30 June 2021, the conditions precedent had not been met.

#### Significant Changes in the State of Affairs

No significant changes in the company's or Group's state of affairs occurred during the period.

## **Odessa Minerals Limited and Controlled Entities**

**93 646 595 799**

### **DIRECTORS' REPORT**

#### **Events Subsequent to the End of the Reporting Period**

The Company notes the following subsequent events:

- On 27 July 2021, OD3 Pty Ltd, and the Company, signed an agreement for the purchase of tenements by Celcius Resources Limited to OD3 Aries Pty Ltd. \$20,000 execution fee and \$30,000 completion fee.
- Sale of tenements by Milford Resources Pty Ltd to OD3 Cedric Pty Ltd. \$20,000 payable. Agreement is signed. Tenement was relinquished by Milford and applied for by OD3 Wynne Pty Ltd on 5th July 2021.
- On 27 July the directors approved the allotment of 5,400,000 ordinary shares at \$0.05 per share for a total raise of \$270,000. The shares are fully paid.
- On 23 August 2021 a binding term sheet was signed with Fargo Enterprises Limited to acquire 100% of the shares an options in Odessa Mineral Limited in exchange for shares in Fargo Enterprises Limited

#### **Likely Developments and Expected Results of Operations**

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

#### **Dividends**

No dividends were declared or recommended but not paid during the financial year.

#### **Environmental Regulation**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

#### **Options**

The company issued 8,820,149 options during the period. All remain unexercised as at 30 June 2021.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

#### **Indemnification of Officers**

The company has not paid premiums to insure directors under a Directors and Officers Insurance policy.

No indemnification has been obtained for the auditors of the company or the Group.

#### **Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

## Odessa Minerals Limited and Controlled Entities

93 646 595 799

### DIRECTORS' REPORT

#### Information on Directors and Company Secretary

##### **Darren Holden**

Dr Holden is an experienced explorer with over 25 years in the industry and a discovery history in Australia, Canada, USA and Mexico. He is a founder of noted project generator Marlee Minerals Group and advisory company GeoSpy. Previously Dr Holden was VP Geoscience for Fractal Geoscience/Geoinformatics Exploration and CEO of ABM Resources. He is currently a director of Aurumin Ltd, Marlee Minerals, and an alternate director of Todd River Resources Ltd (ASX:TRT). In addition, he provides advisory services to Silver Mines Ltd (ASX:SVL), MCA Nominees, Mining Investments Australia and Lion One Ltd (TSXV:LIO). Dr Holden holds a BSc(Hons) First Class in Geology, a PhD in Science History and is a long-standing member of the AusIMM.

##### **Dr Nigel Brand**

Dr Brand is a geochemist with over 30 years experience in Western Australia mineral systems. He worked for WMC Resources for eleven years until 1999. During his time at WMC he worked throughout the Norseman-Wiluna Greenstone belt on various regional Ni & Au exploitation programs and at WMC operations at Norseman, Kambalda, Kalgoorlie, Leinster and Mt Keith. He completed his PhD in 1997 on weathering process associated with nickel sulphides. On leaving WMC, Nigel joined Anglo American for four and a half years as their geochemist in the Asian-Pacific region, including India, Philippines and Australia exploring for Zn, Ni and Cu-Au PC/IOCG deposits. In 2004, Nigel co-founded ioGeochemistry, a global independent geochemical consulting group based in Perth, Western Australia. In January 2005 Nigel established an independent geochemical consulting Geochemical Services Pty Ltd, an independent consultancy providing hands-on and applied geochemical expertise to international mineral exploration.

##### **Colwin Lloyd**

Mr Lloyd has more than 27 years' experience in mining and exploration across a broad range of commodities and geological regions. He holds a Bachelor of Science Degree majoring in Geology from Curtin University of Technology, Australia. He is the Principal Geologist and Director of Geobase Australia Pty Ltd, a company he established which provides professional geological services to the international resource industry. Col commenced his geological career as a mine geologist progressing into resource estimation and then into exploration geoscience. This background provides a practical and unique perspective on the exploration, development and mining of minerals. Through his work with Geobase Australia Pty Ltd he has gained valuable international experience in commodities including Au, Ag, Zn, Cu, U, REE, Ni, Fe, W in many varying geological environments. Whilst based in Australia, Col has worked in or been involved in projects in many countries including Australia, Ghana, Togo, Zambia, Mozambique, Tanzania, Ethiopia, Mauritania, Armenia, Portugal, Indonesia, Morocco, USA, Canada, Chile, Guyana, Brazil and Mongolia.

##### **Company Secretary**

Mr Cavanagh has a Bachelor of Commerce degree, with majors in accounting and finance, from the University of Western Australia, is a qualified Chartered Accountant and a registered tax agent. He has 14 years of industry experience and is the managing director of LCP Group Chartered Accountants where he specialises in financial, taxation and business consultancy. He has experience in the resources sector and has assisted private companies with equity raising, business strategies and dealings with ASX listed companies.

##### **Directors' Meetings**

During the period, no meetings of directors (including committees of directors) were held. The Company passed 1 circular resolution during the period, and the parent entity Odette Geoscience Pty Ltd had three board meetings at which Odessa Minerals Limited was discussed.

## Odessa Minerals Limited and Controlled Entities

93 646 595 799

### DIRECTORS' REPORT

#### **Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

#### **Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

#### **Auditor**

Hall Chadwick WA Audit Pty Ltd was appointed as auditor on 14 July 2021 and remains in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Darren Holden  
Director

16 September 2021  
Perth

To the Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Odessa Minerals Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

  
**HALL CHADWICK WA AUDIT PTY LTD**

  
**MARK DELAURENTIS CA**  
**Partner**

Dated at Perth this 16<sup>th</sup> day of September 2021

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

	Consolidated 30 June 2021 \$	Parent 30 June 2021 \$
<b>Expenses</b>		
Finance costs	10,000	10,000
Exploration related expenditure	5,098	5,098
Consulting and accounting	9,750	9,750
General and administration expenditure	5,774	2,114
Legal fees	13,255	13,255
<b>Loss before income tax expense</b>	<b>43,877</b>	<b>40,217</b>
Income tax expense	-	-
<b>Loss after income tax expense for the year</b>	<b>43,877</b>	<b>40,217</b>
<b>Other comprehensive income</b>		
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive loss for the year</b>	<b>43,877</b>	<b>40,217</b>

The accompanying notes form part of these financial statements.

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Consolidated 30-Jun-21 \$	Parent 30-Jun-21 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	216,971	216,971
Other current assets		5,827	5,827
<b>Total current assets</b>		<b>222,798</b>	<b>222,798</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	4	152,350	152,350
Investment in subsidiaries		-	6
Intercompany loans		-	3,654
<b>Total non-current assets</b>		<b>152,350</b>	<b>156,010</b>
<b>Total assets</b>		<b>375,148</b>	<b>378,808</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	97,136	97,136
Borrowings	6	104,400	104,400
<b>Total current liabilities</b>		<b>201,536</b>	<b>201,536</b>
<b>Total liabilities</b>		<b>201,536</b>	<b>201,536</b>
<b>Net Assets</b>		<b>173,612</b>	<b>177,272</b>
Shares to be issued	7	207,918	207,918
Issued capital	9	9,571	9,571
Accumulated losses		(43,877)	(40,217)
<b>Total</b>		<b>173,612</b>	<b>177,272</b>

The accompanying notes form part of these financial statements.



# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
<b>Consolidated</b>			
Balance at 14 December 2020	-	-	-
Loss for the year	-	(43,877)	(43,877)
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(43,877)</b>	<b>(43,877)</b>
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	217,489	-	217,489
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2021</b>	<b>217,489</b>	<b>(43,877)</b>	<b>173,612</b>
	<hr/>	<hr/>	<hr/>
	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
<b>Parent</b>			
Balance at 14 December 2020	-	-	-
Loss for the year	-	(40,217)	(40,217)
Other comprehensive income for the year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(40,217)</b>	<b>(40,217)</b>
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	217,489	-	217,489
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2021</b>	<b>217,489</b>	<b>(40,217)</b>	<b>177,272</b>
	<hr/>	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 30-Jun-21 \$	Parent 30-Jun-21 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(7,568)	(7,568)
Net cash used in operating activities	13	(7,568)	(7,568)
<b>Cash flows from investing activities</b>			
Payments for related to exploration and evaluation		(97,350)	(97,350)
Net cash used in investing activities		(97,350)	(97,350)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		9,571	9,571
Loan provided by Odette Geoscience		104,400	104,400
Proceeds from capital raise with no shares yet issued		207,918	207,918
Net cash provided by financing activities		321,889	321,889
Net increase in cash and cash equivalents		216,971	216,971
Cash and cash equivalents on incorporation		-	-
Cash and cash equivalents at the end of the financial year		216,971	216,971

The accompanying notes form part of these financial statements.

## Odessa Minerals Limited and Controlled Entities

93 646 595 799

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The consolidated financial statements and notes represent those of Odessa Minerals Limited and Controlled Entity (the Consolidated Group or Group). Odessa Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the Parent Entity, Odessa Minerals Limited have also been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 16 September 2021 by the directors of Odessa Minerals Limited.

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

##### **Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$43,877 and had net cash outflows from operating and investing activities of \$7,568 and \$97,350 respectively for the period ended 30 June 2021. As at that date, the Company has net liabilities of \$173,612.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast a significant doubt over the Company's ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The Director has prepared a cash flow forecast, which has allowances for further capital to be raised and indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report. The Director believes it is appropriate to prepare these accounts on a going concern basis:

- due to the binding term sheet with Fargo Enterprises Limited noted in the subsequent events.
- the proposed transaction will require the compliance with Chapters 1 and 2 of the ASX Listing Rules
- the Company plans to undertake a capital raising via the issue of a prospectus on the Australian Securities Commission;

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern

**Accounting Policies**

**a. Principles of Consolidation**

The general purpose consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Odessa Minerals Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

**b. Income Tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or that is not a business combination and that, at the time of the transaction, affects neither the ac
- When the taxable temporary difference is associated with interests in subsidiaries, associates the reversal can be controlled and it is probable that the temporary difference will not reverse in

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**c. Fair Value of Assets and Liabilities**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**d. Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**e. Exploration and Evaluation expenditure**

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

**f. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

**g. Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**h. Trade and Other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**i. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**j. Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**k. Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**l. Rounding of Amounts**

The Parent Entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, certain amounts in these financial statements (where specifically indicated) have been rounded to the nearest \$1,000.

**m. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

**Key estimates and judgements**

**(i) Exploration and evaluation expenditure**

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised

## Odessa Minerals Limited and Controlled Entities

93 646 595 799

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### n. **New and Amended Accounting Policies Adopted by the Group**

##### **Initial adoption of AASB 2020-04: *COVID-19-Related Rent Concessions***

AASB 108.28(a)–(d) AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

##### **Initial adoption of AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business***

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: *Business Combinations*, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 2: AUDITOR'S REMUNERATION

	<b>Consolidated</b>	<b>Parent</b>
	<b>30 June 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor is as follows:		
Auditing or reviewing the financial statements	3,000	3,000
<b>Total auditor's remuneration</b>	<b>3,000</b>	<b>3,000</b>

### NOTE 3: CASH AND CASH EQUIVALENTS

	<b>Consolidated</b>	<b>Parent</b>
	<b>30-Jun-21</b>	<b>30-Jun-21</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	216,971	216,971
<b>Total cash and equivalents</b>	<b>216,971</b>	<b>216,971</b>

### NOTE 4: EXPLORATION AND EVALUATION

	<b>Consolidated</b>	<b>Parent</b>
	<b>30-Jun-21</b>	<b>30-Jun-21</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation expenditure capitalised	152,350	152,350
<i>Reconciliation:</i>		
Opening Balance at incorporation	-	-
Additions	152,350	152,350
<b>Closing balance</b>	<b>152,350</b>	<b>152,350</b>



# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 5: TRADE AND OTHER PAYABLES

	<b>Consolidated 30-Jun-21 \$</b>	<b>Parent 30-Jun-21 \$</b>
Trade payables	92,136	92,136
Accrued expenses	5,000	5,000
	<b>97,136</b>	<b>97,136</b>

The average credit period on trade and other payables (excluding GST payable) is 1 month. No interest is payable on outstanding payables during this period.

### NOTE 6: BORROWINGS

	<b>Consolidated 30-Jun-21 \$</b>	<b>Parent 30-Jun-21 \$</b>
Loan from related entity	104,400	104,400
	<b>104,400</b>	<b>104,400</b>

Odessa received funding via a loan from Odette Geoscience Pty Ltd (Odette). Odette is a shareholder of Odessa. The loan is unsecured, there is no interest payable on the loan.

### NOTE 7: FUNDS RECEIVED FOR CAPITAL NOT ISSUED

	<b>Consolidated 30-Jun-21 \$</b>	<b>Parent 30-Jun-21 \$</b>
Funds received for shares not yet issued	207,918	207,918
	<b>207,918</b>	<b>207,918</b>

As at 30 June 2021, the Company had received subscriptions and funds of \$207,918 for fully paid ordinary shares in the Company. As at the date of this report the shares remain unissued.

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 8: INTERESTS IN SUBSIDIARIES

#### a. Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group
OD3 Cedric Pty Ltd	Australia	100%
OD3 Ellenex Pty Ltd	Australia	100%
OD3 Liverniga Pty Ltd	Australia	100%
OD3 Whiterock Pty Ltd	Australia	100%
OD3 Wynne Pty Ltd	Australia	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

#### b. Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

### NOTE 9: ISSUED CAPITAL

	Consolidated Group 2021 \$	Parent Entity 2021 \$
17,640,298 fully paid ordinary shares	9,571	9,571
<b>Total share capital</b>	<b>9,571</b>	<b>9,571</b>

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### Reconciliation

Share issues	Date	Number of shares issued	Price per share	\$
On incorporation	14/12/2020	1	\$1.0000	1
Shares issued to founders	24/05/2021	16,140,297	\$0.0005	8,070
Promoter share issue	24/05/2021	1,500,000	\$0.0010	1,500
		<b>17,640,298</b>		<b>9,571</b>

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

### b. Capital management

Management manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the capital structure or the objectives, policies, processes and strategy adopted by management to manage the capital of the Group from the previous year.

### NOTE 10: COMMITMENTS

	Consolidated Group 2021	Parent Entity 2021
	\$	\$
Capital expenditure commitments for:		
E 80/5027	30,000.00	-
	<u>30,000.00</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 11: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

On the 25<sup>th</sup> Of May 2021, the Company, OD3 Aries Pty Ltd, and Jindalee Resources Limited executed an Asset Sales Agreement to purchase the Aries Diamond Project. Subject to meeting the conditions precedent, the buyer (OD3 Aries Pty Ltd) will acquire 90% interest in the Aries Project (Acquisition).

In consideration for the purchase, OD3 Aries Pty Ltd is required to pay \$50,000, and the Company will issue 1,000,000 fully paid ordinary shares in the Company (Odessa Minerals Limited).

As at 30 June 2021, the conditions precedent had not been met, and thus a contingent liability exists for the issue of the shares in Odessa Mineral Limited to Jindalee Resources Limited (or their nominees).

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 12: EVENTS AFTER THE REPORTING PERIOD

- On 27 July 2021, OD3 Pty Ltd, and the Company, signed an agreement for the purchase of tenements by Celcius Resources Limited to OD3 Aries Pty Ltd. \$20,000 execution fee and \$30,000 completion fee.
- Sale of tenements by Milford Resources Pty Ltd to OD3 Cedric Pty Ltd. \$20,000 payable. Agreement is signed. Tenement was relinquished by Milford and applied for by OD3 Wynne Pty Ltd on 5th July 2021.
- On 27 July the directors approved the allotment of 5,400,000 ordinary shares at \$0.05 per share for a total raise of \$270,000. The shares are fully paid.
- On 23 August 2021 a binding term sheet was signed with Fargo Enterprises Limited to acquire 100% of the shares an options in Odessa Mineral Limited in exchange for shares in Fargo Enterprises Limited

### NOTE 13: CASH FLOW INFORMATION

	<b>Consolidated 30-Jun-21 \$</b>	<b>Parent 30-Jun-21 \$</b>
Loss for the period	43,877	40,217
Adjustments for change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,827	5,827
Decrease/(increase) in intercompany loans	-	3,660
Increase/(decrease) in trade and other payables	(37,136)	(37,136)
Increase/(decrease) in accrued expenses	(5,000)	(5,000)
	<hr/>	<hr/>
Net cash used in operating activities	<u>7,568</u>	<u>7,568</u>

# Odessa Minerals Limited and Controlled Entities

93 646 595 799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 14: RELATED PARTY TRANSACTIONS

The Group's main related parties are as follows:

#### a. Entities that are subject to common control outside the Group

Entities that are subject to common control outside the Group are those entities over which the Group's immediate parent or ultimate parent exercises control. These entities are deemed "sister" entities (fellow subsidiaries) of the reporting entity.

#### b. Controlled entities

Controlled entities are entities over which Odessa Minerals Limited has the power to govern the financial and operating policies so as to obtain benefits from their activities. As intercompany transactions and balances involving controlled entities are eliminated on consolidation, controlled entities are considered related parties only in the case of the Parent Entity's separate financial statements. A list of controlled entities is provided in Note 8.

#### c. Key management personnel of the Group

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group or any of the Group's parent entities (as described in (a) above), directly or indirectly, including any director (whether executive or otherwise) of the entity, is considered key management personnel.

### Transactions and outstanding balances with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise. The following transactions occurred with related parties:

	Consolidated Group 2021 \$	Parent Entity 2021 \$
(i) <i>Entities exercising control over the Group</i>		
Outstanding balances:		
Loans – unsecured interest free Odette Geoscience Pty Ltd	104,400	104,400
(These loans are interest free – non-arm's length – loans made to the Parent Entity, repayable in full ("bullet payment") in July 2021.)		
(ii) <i>Entities subject to common control outside the Group</i>		
Transactions:		
Services rendered by Odette Geoscience Pty Ltd	33,760	33,760
Odette Geoscience Pty Ltd raised an invoice at 30 June 2021 to on-charge administrative and technical expenditure, this invoice is a creditor at 30 June 2021		
(iii) <i>Controlled entities</i>		
Outstanding balances:		
Loans – unsecured interest free	-	3,654
(The Parent Entity has made interest-free (non-arm's length) loans to its controlled entities, no repayment date has been set.)		

## Odessa Minerals Limited and Controlled Entities

93 646 595 799

### DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Odessa Minerals Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 21, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the period ended on that date of the Company and Consolidated Group.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Darren Holden (Director)

Dated this 16th day of September 2021

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODESSA MINERALS LIMITED AND CONTROLLED ENTITIES

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Odessa Minerals Limited and Controlled Entities ("the Company"), and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$43,877 during the year ended 30 June 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Consolidated Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.



## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*

**MARK DELAURENTIS CA**

**Partner**

Dated at Perth this 16<sup>th</sup> day of September 2021