

**ASX ANNOUNCEMENT**

14 January 2022

## PRE-QUOTATION DISCLOSURE

Odessa Minerals Limited (ASX:ODE) (formerly "Fargo Enterprises Limited") (**Company**) makes the following pre-quotations disclosures. Capitalised terms not defined have the meaning given in the Company's prospectus dated 18 November 2021 (**Prospectus**).

### 1 Issue of securities

The Company confirms the issue of:

- (a) 300,000,000 Shares at an issue price of \$0.02 each under the Public Offer;
- (b) 196,322,384 Shares to the shareholders of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") (**Odessa**) (or their nominees) and 98,161,192 Options exercisable at \$0.04 each on or before 11 January 2026 to the option holders of Odessa (or their nominees) under the Consideration Offer;
- (c) 32,500,000 Options exercisable at \$0.04 each on or before 11 January 2026 to Mr Zane Lewis, Mr Alistair Stephens, Dr Darren Holden and Ms Lisa Wells (or their nominees) under the KMP Offer; and
- (d) 20,000,000 Options exercisable at \$0.04 each on or before 11 January 2026 to Pursuit Capital Pty Ltd (or its nominees) under the Lead Manager Offer.

### 2 Pro forma statement of financial position

An updated pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus (\$6 million) is set out in Schedule 1.

### 3 Statement of commitments

An updated statement of commitments based on the actual amount of funds raised under the Prospectus (\$6 million) is set out below:

	Year 1 (\$)	Year 2 (\$)	Total (\$)
Exploration expenditure – EL 80/5027 (Aries)	885,000	1,598,000	2,483,000
Exploration expenditure – EL 04/2364 (Calwynyardah)	282,000	645,000	927,000
Acquisition assessment	400,000	700,000	1,100,000
General administration fees and working capital	664,000	645,000	1,309,000
Estimated expenses of the Public Offer	581,000	-	581,000
<b>Total</b>	<b>2,812,000</b>	<b>3,588,000</b>	<b>6,400,000</b>

### 4 Restricted securities

The Company confirms the following securities will be subject to restrictions pursuant to the ASX Listing Rules for the period outlined below:

Security	Number	Restriction Period
Shares	96,170,712	24 months from the date of official quotation
Shares	100,151,672	12 months from the date of issue (until 11 January 2023)
Options exercisable at \$0.04 each on or before 11 January 2026	100,585,352	24 months from the date of official quotation
Options exercisable at \$0.04 each on or before 11 January 2026	50,075,840	12 months from the date of issue (until 11 January 2023)

## 5 Capital structure

The Company's capital structure at the date of re-admission is:

Security	Number
Shares	733,473,492
Options <sup>1</sup>	153,212,100

### Notes:

1. Comprising:
  - (a) 150,661,192 unquoted Options exercisable at \$0.04 each on or before 11 January 2026;
  - (b) 823,072 unquoted Options exercisable at \$0.20 each on or before 22 May 2022;
  - (c) 130,000 unquoted Options exercisable at \$0.20 each on or before 22 March 2023;
  - (d) 797,836 unquoted Options exercisable at \$0.04 each on or before 28 February 2022; and
  - (e) 800,000 unquoted Options exercisable at \$0.035 each on or before 11 July 2022.

## 6 Completion of agreements

The Company confirms:

- (a) satisfaction of all conditions precedent (not waived) under the terms sheet between the Company, Odessa and certain key shareholders of Odessa designated as majority shareholders (**Terms Sheet**);
- (b) completion of:
  - (i) the Terms Sheet;
  - (ii) each Minority Shareholder Agreement between the minority shareholders of Odessa, the Company and Odessa; and
  - (iii) each Option Cancellation Deed between the option holders of Odessa, the Company and Odessa; and
- (c) the issue of the Consideration Shares to the shareholders of Odessa and the Consideration Options to the option holders of Odessa (or their respective nominees) under the Consideration Offer.

## 7 No legal impediments

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering its tenements in order to carry out its exploration activities, such that the Company will be able to spend its cash in accordance with the Company's commitments for the purpose of Listing Rule 1.3.2(b).

## **8 ASX Listing Rule Waivers**

The terms and conditions of the waivers granted by ASX to the Company from Listing Rules 1.1 Condition 12, 2.1 Condition 2 and 10.13.5 are set out in Schedule 2.

This announcement is approved for release by the Board of the Company.

## Schedule 1 - Pro forma statement of financial position

	Odessa Minerals Limited (formerly 'Fargo Enterprises Limited') 30 June 2021 \$	Odessa Australia Pty Ltd (formerly 'Odessa Minerals Limited') 30 June 2021 \$	Subsequent Events \$	Pro forma Adjustments \$	Total Pro forma Adjustments \$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	649,519	216,971	(633,490)	5,418,924	5,651,924
Trade and other receivables	20,103	-	500,000	-	520,103
Other current assets	6,795	5,827	-	-	12,622
Asset held for sale	49,434	-	(49,434)	-	-
<b>Total current assets</b>	<b>725,851</b>	<b>222,798</b>	<b>(182,924)</b>	<b>5,418,924</b>	<b>6,184,649</b>
<b>Non-current assets</b>					
Trade and other receivables	-	-	200,000	-	200,000
Exploration asset	-	152,350	-	-	152,350
Plant and equipment	7,650	-	-	-	7,650
<b>Total non-current assets</b>	<b>7,650</b>	<b>152,350</b>	<b>200,000</b>	<b>-</b>	<b>360,000</b>
<b>Total Assets</b>	<b>733,501</b>	<b>375,148</b>	<b>17,076</b>	<b>5,418,924</b>	<b>6,544,649</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	50,003	97,136	-	-	147,139
Borrowings	-	104,400	-	-	104,400
Liabilities classified as held for sale	23,061	-	(23,061)	-	-
<b>Total current liabilities</b>	<b>73,064</b>	<b>201,536</b>	<b>(23,061)</b>	<b>-</b>	<b>251,539</b>
<b>Total Liabilities</b>	<b>73,064</b>	<b>201,536</b>	<b>(23,061)</b>	<b>-</b>	<b>251,539</b>
<b>Net Assets/(Liabilities)</b>	<b>660,437</b>	<b>173,612</b>	<b>40,137</b>	<b>5,418,924</b>	<b>6,293,110</b>

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**EQUITY**

Issued Capital	34,997,148	217,489	-	(24,842,389)	10,372,248
Reserves	259,995	-	(259,995)	599,203	599,203
Accumulated Losses	(34,596,706)	(43,877)	300,132	29,662,110	(4,678,341)
<b>Total equity/(deficiency)</b>	<b>660,437</b>	<b>173,612</b>	<b>40,137</b>	<b>5,418,924</b>	<b>6,293,110</b>

**Notes:**

- 1 The cash and cash equivalents balance above does not account for working capital movements from the date of the Prospectus until the date of reinstatement.
- 2 The pro forma Statement of Financial Position is to be read in conjunction with the financial information contained in Section 5 of the Prospectus, and the Independent Limited Assurance Report set out in Schedule 1 of the Prospectus.

## Schedule 2 – Terms and conditions of ASX Listing Rule waivers

### Waiver Decision - Listing Rule 1.1 Condition 12

1. Based solely on the information provided, ASX Limited ('ASX') grants Fargo Enterprises Limited (the 'Company') in connection with the acquisition of 100% of the issued capital in Odessa Minerals Limited ('Odessa') (the 'Proposed Acquisition') and a proposed capital raising via a public offer at AUD\$0.02 per fully paid ordinary share to raise a minimum of \$5,000,000 and up to \$8,000,000 on a post-consolidation basis ('Capital Raising') (together the 'Proposed Transaction'), a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to issue up to 98,161,192 options to the option holders of Odessa ('Odessa Option Holders') exercisable at \$0.04 and with an expiry date of 4 years from the date of issue (the 'Consideration Options'), 20,000,000 options to Pursuit Capital Pty Ltd (the 'Lead Manager') exercisable at \$0.04 with an expiry date of 4 years from the date of issue (the 'Lead Manager Options') and 7,500,000 options to Mr Zane Lewis, 7,500,000 options to Dr Darren Holden and 7,500,000 options to Ms Lisa Wells (a total of 22,500,000) with an exercise price of \$0.04 and expiring 4 years from the date of issue (the 'Incentive Options'), (together the 'Transaction Options') subject to the following conditions:

1.1 The exercise price of the Transaction options is not less than \$0.02;

1.2 The terms of this waiver are disclosed to the market and, along with the terms and conditions of the Consideration Options, the Lead Manager Options and the Incentive Options, are clearly disclosed in the notice of meeting pursuant to which the Company will seek approval required under Listing Rule 11.1.2 for the Proposed Transaction and in the prospectus to be issued in respect of the Capital Raising; and

1.3 The Company's shareholders approve the issue of the Transaction Options in conjunction with the approval obtained under Listing Rule 11.1.2 for the Proposed Transaction.

2. ASX has considered Listing Rule 1.1 condition 12 only and makes no statement as to the Company's compliance with other listing rules.

### Waiver Decision – Listing Rule 2.1 Condition 2

1. Based solely on the information provided, ASX Limited ('ASX') grants Fargo Enterprises Limited (the 'Company') in connection with the acquisition of 100% of the issued capital in Odessa Minerals Limited ('Odessa') (the 'Proposed Acquisition') and a proposed capital raising via a public offer at AUD\$0.02 per fully paid ordinary share to raise a minimum of \$5,000,000 and up to \$8,000,000 on a post-consolidation basis ('Capital Raising') (together the 'Proposed Transaction'), a waiver from Listing Rule 2.1 condition 2 to the extent necessary to permit the Company to issue ordinary shares at an issue price of \$0.02 ('Capital Raising Shares'), subject to the following conditions:

1.1 The issue price of the Capital Raising Shares is not less than AUD\$0.02 per share;

1.2 The terms of this waiver are disclosed to the market and, along with the terms and conditions of the Capital Raising Shares, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 for the Proposed Acquisition and in the prospectus to be issued in respect of the Capital Raising;

1.3 The Company's shareholders approve the issue price of the Capital Raising Shares in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Proposed Transaction; and

1.4 The Company completes a consolidation of its capital structure in conjunction with the Proposed Acquisition such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the suspension of the Company's securities from official quotation, to achieve a market value for its securities of not less than the offer price.

2. ASX has considered Listing Rule 2.1 condition 2 only and makes no statement as to the Company's compliance with other listing rules

### Waiver Decision – Listing Rule 10.13.5

1. Based solely on the information provided, ASX Limited ('ASX') grants Fargo Enterprises Limited (the 'Company') a waiver from listing rule 10.13.5 to the extent necessary to permit the Company's notice of meeting ('Notice'), seeking shareholder approval for the issue of:

1.1 7,000,000 shares to Mr Zane Lewis and Ms Lisa Wells (or their respective nominees) (the 'Related Party Shares') in connection with a proposed capital raising via a public offer at \$0.02 per fully paid ordinary shares to raise a minimum of \$5,000,000 and a maximum of \$8,000,000 ('Capital Raising'); and

1.2 A total of 22,500,000 options to be issued to Mr Zane Lewis (7,500,000), Dr Darren Holden (7,500,000), and Ms Lisa Wells (7,500,000) (the 'Incentive Options'),

not to state that the date by which the Company will issue the Related Party Shares and the Incentive Options will be no later than one month after the general meeting, on the following conditions:

1.2.1 The Notice must state that the Related Party Shares and the Incentive Options will be issued no later than three months after the date of the general meeting.

1.2.2 For any annual reporting period during which any of the Related Party Shares and the Incentive options are issued or remain to be issued, the Company's annual report must set out in detail the number of Related Party Shares and Incentive Options issued in that annual reporting period, the number of Related Party Shares and the Incentive Options that remain to be issued, and the basis on which the Related Party Shares and the Incentive Options may be issued.

1.2.3 In any half year or quarterly report for the period during which any of Related Party Shares and the Incentive Options have been issued or remain to be issued, the Company must include a summary statement of the number of Related Party Shares and the Incentive Options issued during the reporting period, and the number of Related Party Shares and the Incentive Options that remain to be issued and the basis on which the Related Party Shares and the Incentive Options may be issued.

1.2.4 The terms of the waiver are included in the Notice.

2. ASX has considered Listing Rule 10.13.5 only and makes no statement as to the Company's compliance with other Listing Rules.

#### **Waiver Decision – Listing Rule 1.1 Condition 12**

1. Based solely on the information provided, ASX Limited ('ASX') grants Fargo Enterprises Limited (the 'Company') in connection with the acquisition of 100% of the issued capital in Odessa Minerals Limited ('Odessa') (the 'Proposed Acquisition') and a proposed capital raising via a public offer at AUD\$0.02 per fully paid ordinary share to raise a minimum of \$5,000,000 and up to \$8,000,000 on a post-consolidation basis ('Capital Raising') (together the 'Proposed Transaction'), a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to issue up to 10,000,000 options to Mr Alistair Stephens ('CEO Options') exercisable at \$0.04 and expiring 4 years from the date of issue, subject to the following conditions:

1.1 The exercise price of the CEO Options is not less than \$0.02;

1.2 The terms of this waiver are disclosed to the market and, along with the terms and conditions of the CEO Options, are clearly disclosed in the notice of meeting pursuant to which the Company will seek approval required under Listing Rule 11.1.2 for the Proposed Transaction and in the prospectus to be issued in respect of the Capital Raising; and

1.3 The Company's shareholders approve the issue of the CEO Options in conjunction with the approval obtained under Listing Rule 11.1.2 for the Proposed Transaction.

2. ASX has considered Listing Rule 1.1 condition 12 only and makes no statement as to the Company's compliance with other listing rules