

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

ABN 99 000 031 292

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

ABN 99 000 031 292

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR 31 DECEMBER 2021

CORPORATE DIRECTORY

Registered Office

Suite 1, 295 Rokeby Road
Perth WA 6008
Australia

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Securities Exchange Listing

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code: ODE

Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

ABN 99 000 031 292

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FOR THE HALF YEAR 31 DECEMBER 2021

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ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

ABN 99 000 031 292

INTERIM FINANCIAL REPORT 31 DECEMBER 2021

DIRECTORS' REPORT

The Directors of Odessa Minerals Limited (formerly Fargo Enterprises Limited) ("the Company") and controlled entities ("the Group" or "the Consolidated Entity") submit the following report for the half year ended 31 December 2021 ("Financial Period").

DIRECTORS

The names and the particulars of the Directors of the Company during the half year and to the date of this report are:

Name	Status	Appointed
Mr Zane Lewis	Non-Executive Chairman	Appointed 21 November 2019
Dr Darren Holden	Non-Executive Director	Appointed 17 January 2022
Ms Lisa Wells	Non-Executive Director	Appointed 17 January 2022
Dr Catriona Wallace	Non-Executive Director	Appointed 3 November 2016, resigned 17 January 2022
Mr Philip Coulson	Non-Executive Director	Appointed 29 January 2021, resigned 17 January 2022

COMPANY SECRETARY

The names and the particulars of the Company Secretary of the Company during the half year and to the date of this report are:

Name	Appointed
Mr Zane Lewis	Appointed 6 February 2017, resigned 3 September 2021
Mr Robbie Featherby	Appointed 3 September 2021

REVIEW AND RESULTS OF OPERATIONS

The net loss of the Group after income tax for the half year ended 31 December 2021 amounted to \$699,467 (31 December 2020: \$458,738).

As announced 23 August 2021, the Company entered into a binding Terms Sheet to acquire Odessa Minerals Limited. Odessa has a 90% interest in the Aries Project, plus 100% interest in the Calwynyardah Project and Aries Extension Project, as well as 11 applications for exploration licences, which are located in the Kimberley region of Western Australia and are highly prospective for diamonds. These applications are held over the Ellendale Diamond Field, the Calwynyardah Diamond Field and the Noonkanbah Diamond Field.

Odessa holds 2,000 square kilometres of tenure, including granted licenses and applications, the transaction positions the Company as one of Australia's only diamond explorers. The Aries Kimberlite field has had previous exploration indicating multiple diamond bearing pipes, with multiple alluvial diamond occurrences.

Applications in the Ellendale diamond field include known pipes, with multiple diamond occurrences bordering Burgundy Diamond Mines'(BDM.ASX) Ellendale operation, which "previously produced 50% of the worlds fancy yellow diamonds". Calwynyardah and Noonkanbah diamond field contain multiple diamond bearing pipes and alluvial potential.

As part of the transaction process, the Company consolidated the shares on issue on a 5 to 1 basis approved by shareholders at the Annual General Meeting on 26 November 2021. Acquisition consideration consisted of ~196m Ordinary Fargo shares and ~98m unquoted options with an exercise price of \$0.04 and a 4-year expiry date.

The Company issued a Prospectus and raised of \$6 million at \$0.02 per share.

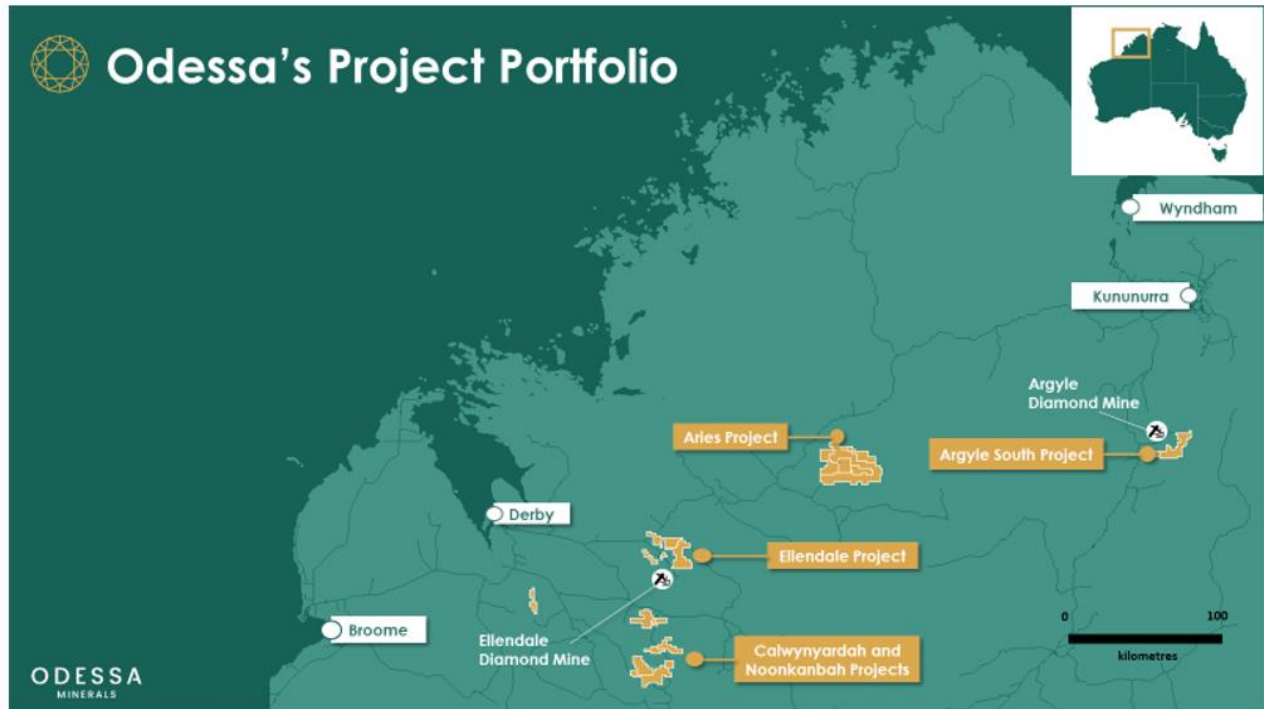
The Company appointed Dr Darren Holden and Ms Lisa Wells as Non-Executive Directors, with Dr Catriona Wallace and Phillip Coulson resigning as Directors, and Mr Zane Lewis remaining as a Director.

Post re-listing, the Company also changed its name to "Odessa Minerals Limited".

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Project Location Map, Kimberley Region, Western Australia

Odessa Minerals Transaction

Under the name Odessa Minerals Limited (ASX code: ODE), the Company was officially reinstated to official quotation on ASX on 18 January 2022, following satisfactory compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company's Public Offer attracted very strong demand resulting in A\$6 million being raised (before costs), the maximum capacity under the Prospectus. As part of the Public Offer, the Company offered 300,000,000 new Shares at an offer price of \$0.02 per Share, which included a Priority Offer to Eligible Shareholders of Fargo (**Offer**).

Funds raised will be applied to diamond exploration activities across the Company's portfolio of projects in the Kimberley diamond district of Western Australia.. Importantly, the Company is one step closer to becoming Australia's newest ethically-sourced diamond exploration company, at a time when rough diamond prices are surging.

Upon relisting, Odessa had an enterprise value of approximately \$7.7 million and will be one of just four ASX-listed diamond companies.s.

Exploration Planning

Work has commenced on the compilation of all historical non-digital exploration data into a single digital database. The Company will use this to develop spatial models of both alluvial targets and specifically the Aries diamond pipe. These models will be important to determine targeted exploration programs including passive seismic geophysics and drill programs.

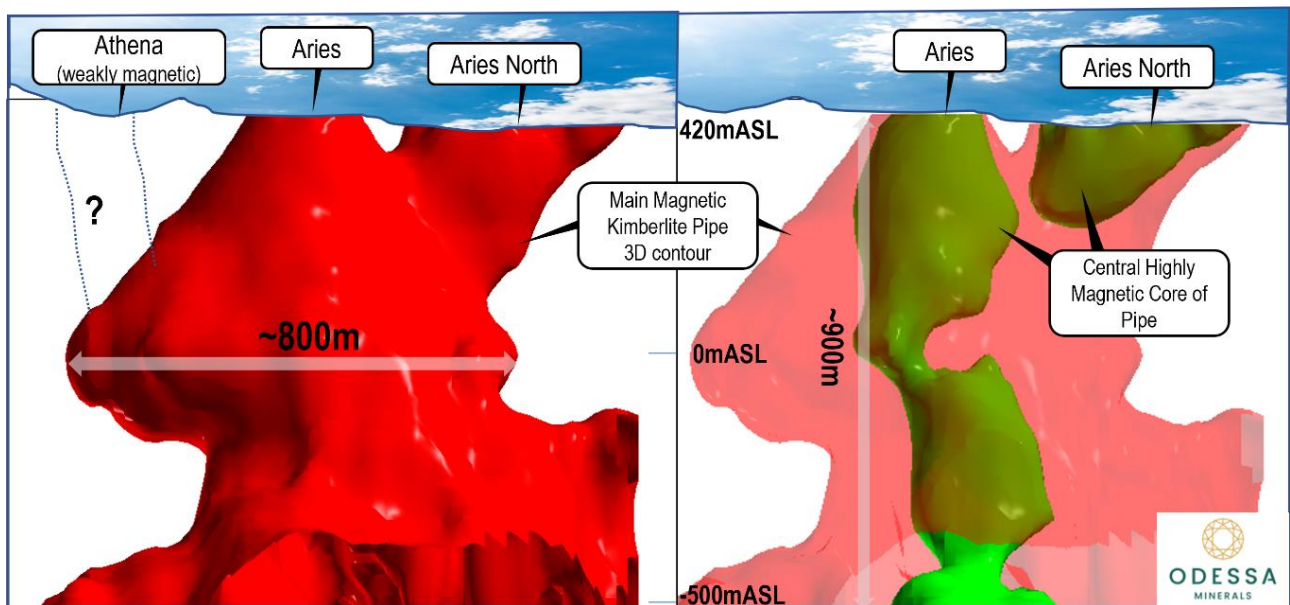
The Aries diamond pipe, located on a granted license, will need a program of works (POW) approved before groundwork can commence after the Kimberley wet season. Odessa anticipates the POW will be submitted and approved during the second quarter of his year. Once approval is received, mobilization of contractors will occur to commence groundwork.

In February 2022, Odessa Minerals Limited presented results from the new 3D modelling of airborne magnetic data at the Aries Diamond Project (**Aries**), located in the Central Kimberley of Western Australia, which indicates the expansion of the Aries Pipe footprint at depth and implies a potential geometry of 800m x 350m at 400m below surface. Aries represents a significant diamond exploration target and will be the Company's priority focus for the upcoming 2022 drilling program.

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1 3D modelling of Aries Kimberlite Complex showing the main pipe (L) and with transparency to highlight the central magnetic core (R)

Aries Geophysical Magnetic Modelling

Odessa recently contracted Fathom Geophysics Pty Ltd (**Fathom Geophysics**) to review and remodel archival airborne magnetic data using contemporary techniques. A 3D unconstrained inversion of the data was undertaken to estimate the subsurface distribution of magnetic rocks. The main kimberlites at Aries and Aries North are geologically mapped at surface over an area of approximately 18 hectares (Ha)), and this mapping correlates with distinct magnetic anomalies in the modelling.

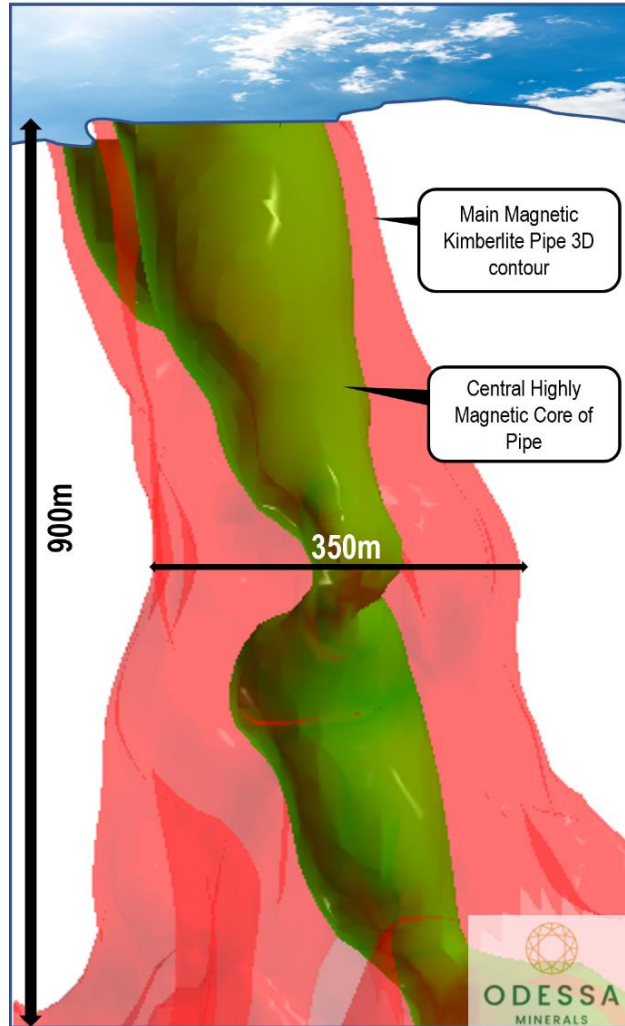
The model demonstrated that the Aries kimberlite pipes expand at depth

The key findings of the new modelling indicates:

- Aries extends **beyond 900 metres** vertical depth
- The pipes are elongate extending over **~800m north-south** and **>300metres east-west**
- The pipes plunge steeply to the south and south-east
- Aries and Aries north **coalesce into a single pipe** beyond 300 metres depth
- The footprint of the magnetic model, which best fits the expression of magnetic kimberlite pipes, expands from:
 - **10ha footprint** in the near surface
 - **13.4ha footprint** at 200 metres below the surface
 - **>20ha footprint** at 400 metres below the surface
- A central magnetic core, that is present inside the main mapped kimberlite has a footprint of **3.6ha at depth** and appears to represent a potential central feeder pipe.

The deepest borehole, AN15, drilled to a depth of 300 metres in 1994, terminated in 100% diamond bearing kimberlite rock and returned a 12-fold increase in microdiamond count compared to the surface, and importantly contained no wall-rock xenoliths or dilution.

The Athena Kimberlite, located south of Aries, does not have a comparable magnetic signature to Aries and this potentially represents a different phase of kimberlite rock with less magnetic mineral content. Previous explorers delineated the non-magnetic pipes using ground gravity. The magnetic signatures in the south prospects are different, most likely as a result of low-density clays and weathered kimberlite as well as infill sediments associated with the diatremes.



2 View north (cross-section) of the new 3D magnetic model

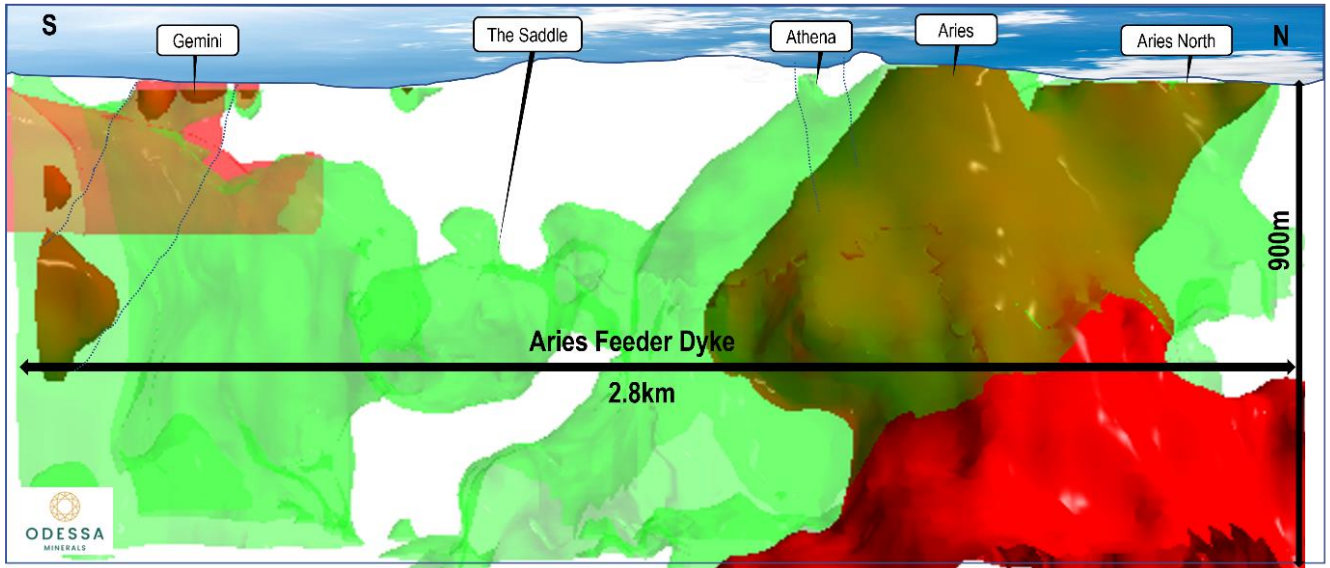
The current magnetic modelling demonstrates that a zone of magnetic material exists at depth and extends over 2.8 kilometres in strike length south of Aries. This dyke target expands into a potential kimberlite “blow” at about 300 metres below the surface in an area referred to as “The Saddle”.

To the south of the Gemini prospect the modelling suggests the dyke comes close to surface. . Historic drilling was conducted with mostly vertical holes, which may not have been optimally oriented to intersect a dyke-like feature .

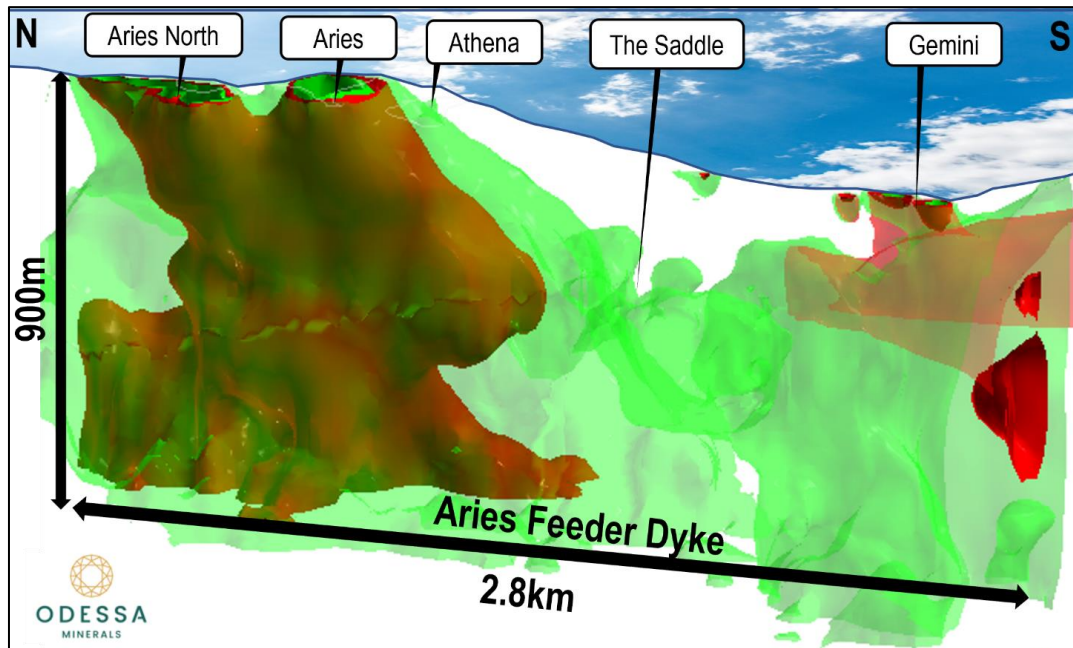
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3 Long section view west of the various magnetic models showing the target extent of the Aries Kimberlite Complex to the south

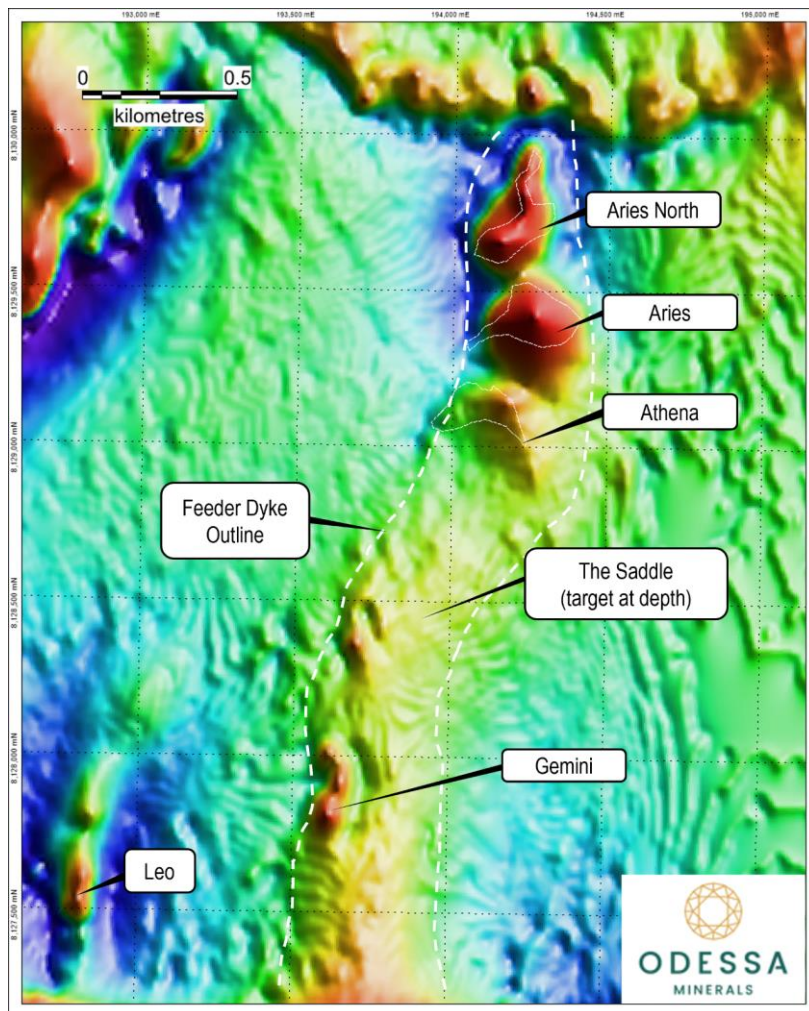


4 Oblique 3D view towards the northeast, showing the extent of the Aries Kimberlite Complex

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5 Residual airborne magnetics from the 1997 survey by Ragged Range NL, reprocessed by Fathom Geophysics.

Field Season Planning Underway

The Company is currently working on exploration plans, consents and permits for the 2022 field season. This new magnetic modelling will be incorporated into the Company's exploration drill program designs. The Company anticipates that detailed planning will be finalised in early Q2 2022, with field work to commence soon thereafter.

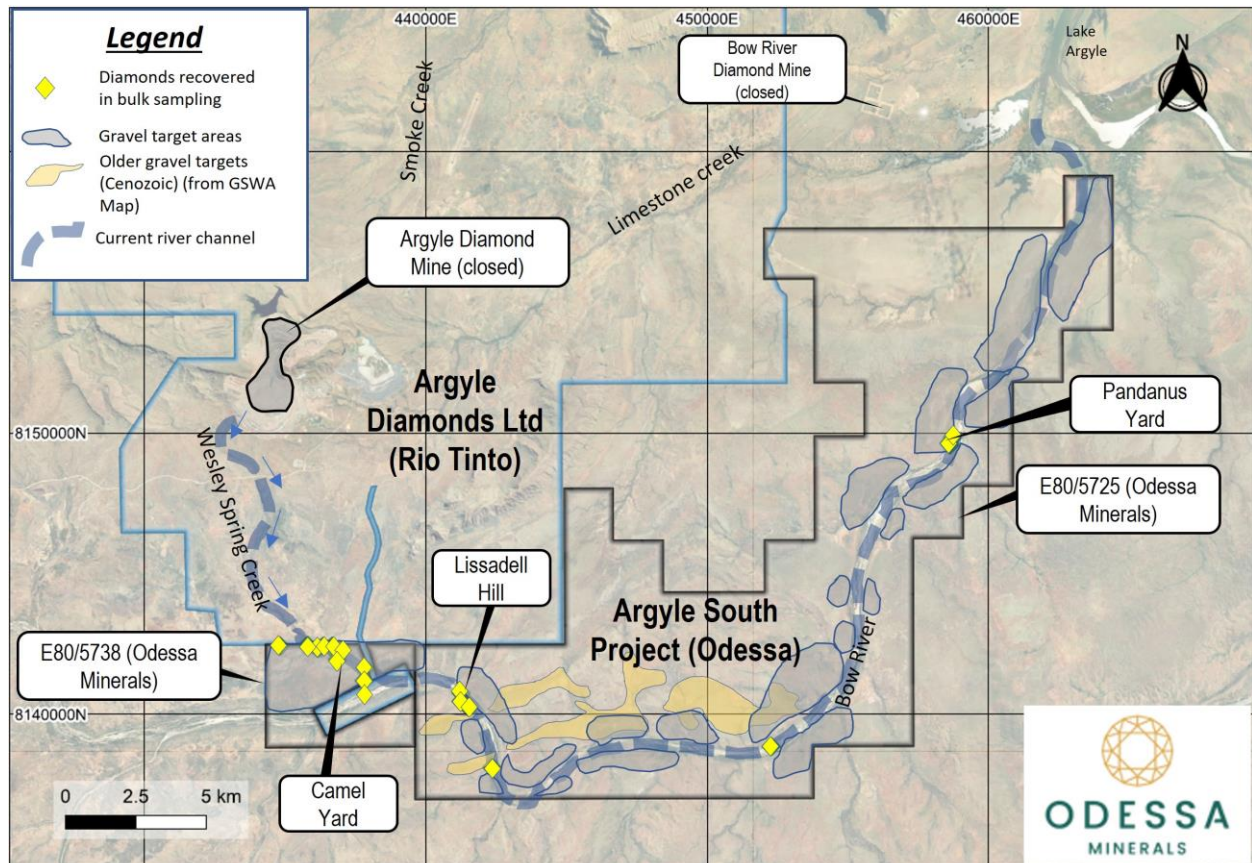
On 22 February 2022, the Company announced that it has applied for two exploration licenses over a major alluvial diamond-bearing channel that drains south from the Argyle Diamond Mine.

The Argyle Diamond Mine operated from 1985 until 2020 and produced over 850 million carats of diamonds until its closure in 2020. Argyle was ranked as the world's largest producer of pink, champagne and cognac diamonds.

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6 The Argyle South Project area with area of diamond occurrences. The blue outline is Rio Tinto's Argyle Diamond Mine licence.

The Company believes that, while previous work successfully identified numerous diamond occurrences, the project was not pursued by explorers at the time due to subdued diamond prices. Previous work on near-surface gravels and basal gravels, where diamonds are most likely to accumulate, have had insufficient assessment.

Previous exploration focused on Camel Yard with just a few tests at locations such as Lissadell Hill and Pandanus Yard. The area is also host to channels of older Cenozoic gravels, which are likely to represent previous paths of the Bow River. These older gravel channels have not been tested and are potentially diamondiferous.

Odessa also believes that new technologies such as passive seismic, would better define alluvial gravel geometries, as well as identifying deep-leads where diamonds are most likely to accumulate.

The Company has applied for two exploration licenses under wholly owned subsidiary OD3 (Argyle) Pty Ltd. License E80/5725, is an exclusive application to Odessa and covers 230 square kilometres and covers 40 kilometres of alluvial channels. The smaller license, E80/5738, covers 18 square kilometres over the Camel Yard area and is a second application over the top of an existing, much larger exploration license application by a third party. This second application overlies a Mining and Miscellaneous License for construction sand related to the construction of the Argyle Diamond Mine. The main alluvial diamond occurrences at E80/5738 are outside of the small mining/miscellaneous license area. The Company notes that the exploration licenses are in the application stage, and there is no guarantee that the exploration licenses will be granted.

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DIRECTORS' REPORT (CONTINUED)

SUBSEQUENT EVENTS

On 18 January 2022, the Company successfully completed its reinstatement to official quotation on ASX following satisfactory compliance with Chapters 1 and 2 of the ASX Listing Rules and a Public Offer. As described in the Company's prospectus dated 18 November 2021, the Company completed the following:

- Issue of 300,000,000 shares at an issue price of \$0.02 each under the Public Offer;
- Issue of 196,322,384 shares to the shareholders of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") (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;
- Issue of 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
- 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

Following the above, the Company completed the acquisition of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited"), which hold a portfolio of projects in the Kimberley diamond district of Western Australia.

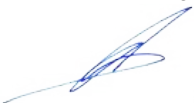
Under the terms of the acquisition, the acquisition of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") was assessed by management to be a reverse acquisition as described in AASB 3. Under this treatment for accounting purposes, Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") is the acquirer and Odessa Minerals Limited (formerly Fargo Enterprises Limited) is the acquiree.

Other than as already disclosed, there have been no matters or circumstances that have arisen since 31 December 2021 that has significantly affected, or may significantly affect the operations, the results of those operations, or the state of affairs in future financial years of the Company and Group.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Directors of the Consolidated Entity on page 23 forms part of the Directors' Report for the half year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors.



Zane Lewis
Non-Executive Chairman

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Half year ended 31 December 2021 \$	Half year ended 31 December 2020 \$
Other income		-	34,252
Amortisation and depreciation		-	(4,861)
Corporate expenses		(208,769)	(120,352)
Employee expenses		(86,725)	(56,946)
Office expenses		-	(2,474)
Public company expenses		(346,927)	(141,181)
Provision for impairment		(638,000)	-
Loss before income tax expense		(1,280,421)	(291,562)
Income tax expense		-	-
Loss after tax for the period from continuing operations		(1,280,421)	(291,562)
Loss for the period from discontinuing operations	3	580,954	(167,176)
Loss for the period		(699,467)	(458,738)
Other comprehensive loss for the period			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation differences		-	(9,589)
Foreign currency translation differences relating to subsidiaries disposed		254,104	-
Total comprehensive loss for the period net of tax		(455,363)	(468,327)
Total loss for the period attributable to:			
Continuing operations		(1,280,421)	(291,562)
Discontinued operations		580,954	(176,765)
		(699,467)	(468,327)
Other comprehensive loss for the period attributable to:			
Continuing operations		-	-
Discontinued operations		254,104	(9,589)
		254,104	(9,589)
Basic and diluted loss from continuing operation per share (cents)	8	(0.54)	(0.12)
Basic and diluted loss from discontinuing operation per share (cents)	8	0.24	(0.07)
Combined basic and diluted loss per share (cents)		(0.30)	(0.19)

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31 December 2021	30 June 2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		299,476	649,519
Trade and other receivables	4	46,180	20,103
Other current assets		33,232	6,795
Assets classified as held for sale	3	-	49,434
TOTAL CURRENT ASSETS		378,888	725,851
NON-CURRENT ASSETS			
Plant and equipment		-	7,650
TOTAL NON-CURRENT ASSETS		-	7,650
TOTAL ASSETS		378,888	733,501
CURRENT LIABILITIES			
Trade and other payables		163,814	50,003
Liabilities classified as held for sale	3	-	23,061
TOTAL CURRENT LIABILITIES		163,814	73,064
TOTAL LIABILITIES		163,814	73,064
NET ASSETS		215,074	660,437
EQUITY			
Issued capital	5	34,997,148	34,997,148
Reserves	6	221,232	259,995
Accumulated losses		(35,003,306)	(34,596,706)
TOTAL EQUITY		215,074	660,437

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Share Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance as at 1 July 2021	34,997,148	(34,596,706)	514,099	(254,104)	660,437
Loss after tax expense for the period	-	(699,467)	-	-	(699,467)
Other comprehensive income	-	-	-	254,104	254,104
Total comprehensive loss for the period	-	(699,467)	-	254,104	(455,363)
Transactions with owners in their capacity as owners:					
Expiry of share based payments	-	292,867	(292,867)	-	-
Balance as at 31 December 2021	34,997,148	(35,003,306)	221,232	-	215,074

	Share Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Balance as at 1 July 2020	34,893,595	(33,899,841)	575,271	(249,374)	1,319,651
Loss after tax expense for the period	-	(458,738)	-	-	(458,738)
Other comprehensive loss	-	-	-	(9,589)	(9,589)
Total comprehensive loss for the period	-	(458,738)	-	(9,589)	(468,327)
Transactions with owners in their capacity as owners:					
Issue of shares	103,553	-	-	-	103,553
Transactions involving options and performance rights	-	-	52,383	-	52,383
Expiry of share based payments	-	86,684	(86,684)	-	-
Balance as at 31 December 2020	34,997,148	(34,271,895)	540,970	(258,963)	1,007,260

The accompanying notes form part of these financial statements.

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)**ABN 99 000 031 292****INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS****FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Half year ended 31 December 2021 \$	Half year ended 31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	-	1,425
Receipts from government grants	257,659	74,480
Interest received	588	8,224
Payments to suppliers (inclusive of GST)	(539,559)	(542,810)
Payments to employees	(86,725)	(128,021)
Net cash used in operating activities	(368,037)	(586,702)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	-	2,200
Cash flows relating to the sale of the Flamingo AI business	17,414	(10,000)
Net cash used in investing activities	17,414	(7,800)
Net (decrease)/increase in cash and cash equivalents held	(350,623)	(594,502)
Cash and cash equivalents at the beginning of period	649,519	1,522,261
Exchange rate changes on the balance of cash held in foreign currencies	580	(4,165)
Cash and cash equivalents at the end of period	299,476	923,594

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 1: REPORTING ENTITY

The interim financial report ("the Report") of Odessa Minerals Limited (formerly Fargo Enterprises Limited) ("the Company") and its controlled entities ("the Group" or "the Consolidated Entity") for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 11 March 2022.

Odessa Minerals Limited (formerly Fargo Enterprises Limited) is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The Group's registered office and principal place of business is:

Suite 1, 295 Rokeby Road
Perth WA 6008
Australia

NOTE 2: BASIS OF PREPARATION

This Report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Report has been prepared on an accruals basis and is based on historical costs.

The same accounting policies and methods have been consistently applied by the Consolidated Entity in these interim financial statements as compared with the most recent annual financial statements, except as follows:

a) Adoption of new and revised accounting standards

In the financial period, the Consolidated Entity has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

No new accounting policies have been adopted since 30 June 2021 as a result of the review conducted.

b) Going concern

For the half year ended 31 December 2021, the Consolidated Entity recorded a loss after tax expense of \$699,467 (half year ended 31 December 2020: loss \$459,738), incurred net cash outflows from operating activities of \$368,037 (half year ended 31 December 2020: outflows \$586,702), and maintained net assets of \$215,074 as at that date (30 June 2021: \$660,437).

The financial statements have been prepared on the basis that the Consolidated Entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlements of liabilities in the normal course of business over the next 12 months period.

As described in Note 12, subsequent to year end the Company has completed a Public Offer issuing 300,000,000 shares at \$0.02 per share, raising \$6,000,000 before costs.

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)**ABN 99 000 031 292****INTERIM FINANCIAL REPORT****NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021****NOTE 3: DISCONTINUED OPERATIONS**

As announced on 26 August, 2020, the Company entered into a binding share purchase agreement with BDNM Investments Pty Ltd ("Purchaser", "BDNM") for the sale of the Company's subsidiaries Flamingo Customer Experience Inc and Flamingo Ventures Pty Ltd (the "Transaction").

On 27 September 2021, the Company entered into an amendment letter agreement to its binding share purchase agreement (SPA) with BDNM Investments Pty Ltd for the sale to BDNM of all of the issued capital in Flamingo Customer Experience Inc, a Company which owns 100% of the issued share capital of Flamingo Ventures Pty Ltd.

The sale of Flamingo Customer Experience Inc completed on 28 October 2021 and represents a sale of the Company's main undertaking to BDNM.

BDNM has agreed to pay the purchase price to the Company under the SPA in tranches as follows:

- (a) \$175,000 on or before 1 November 2021;
- (b) \$150,000 on or before 30 March 2022 (which may be offset by amounts received by Fargo from customer invoices issued prior to 1 October 2021);
- (c) \$100,000 on or before 15 January 2022;
- (d) \$75,000 on or before 1 July 2022; and
- (e) \$200,000 on or before 31 December 2022.

	31 December 2021	31 December 2020
	\$	\$
Results of discontinued operations		
Revenue	258,503	71,724
Employee Expenses	-	(78,558)
Other expenses	(52,334)	(158,341)
Loss before income tax	206,169	(165,176)
Gain on disposal	374,785	-
Income tax expense	-	-
Total Loss after tax attributable to the discontinued operations	580,954	(165,176)

	31 December 2021	30 June 2021
	\$	\$
Assets and liabilities of the discontinued operations		
Assets		
Trade and other receivables	-	3,032
Other current assets	-	27,973
Property, Plant and Equipment	-	18,429
Assets classified as held for sale	-	49,434
Liabilities		
Trade and other payables	-	23,061
Liabilities classified as held for sale	-	23,061

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3: DISCONTINUED OPERATIONS (CONTINUED)

Cash flow used in discontinued Operations

Net cash from / (used) in operating activities	198,601	(507,048)
Net cash from investing activities	17,414	-

NOTE 4: TRADE AND OTHER RECEIVABLES

	31 December 2021	30 June 2021
	\$	\$
CURRENT		
Consideration receivable	-	-
GST receivable	46,180	20,101
	<u>46,180</u>	<u>20,101</u>

As disclosed in Note 3, the Company sold its subsidiaries Flamingo Customer Experience Inc and Flamingo Ventures Pty Ltd to BDNM Pty Ltd for a total of \$700,000 to be received in tranches (refer Note 3 for further details). The Company has not received payments in line with the payment schedule in the Share Purchase Agreement. The Company is currently considering its legal options with regard to this matter. As a result of the above uncertainty, it has fully provided for the amount outstanding as at 31 December 2021 of \$638,000.

Other than the Consideration Receivable, trade and other receivable amounts are short-term. The net carrying value is considered a reasonable approximation of fair value.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 5: ISSUED CAPITAL	31 December 2021	30 June 2021
	\$	\$
(a) Share capital		
237,151,341 (30 June 2021: 1,185,756,703) fully paid ordinary shares	34,997,148	34,997,148
	No.	\$
(b) Movement in ordinary capital		
Opening balance at 1 July 2020	1,120,127,703	34,893,595
Issue of shares	65,629,000	103,553
Closing balance at 30 June 2021	1,185,756,703	34,997,148
Opening balance at 1 July 2021	1,185,756,703	34,997,148
Share consolidation	(948,605,362)	-
Closing balance at 31 December 2021	237,151,341	34,997,148

As approved at the Company's Annual General Meeting on 26 November 2021, the Company completed a 5 to 1 share consolidation effective 8 December 2021.

NOTE 6: RESERVES	31 December 2021	30 June 2021
	\$	\$
(a) Reserves		
Share based payment reserve	221,232	514,099
Foreign currency translation reserve	-	(254,104)
	221,232	259,995
	No. of options and performance rights	\$
(b) Movement in share based payment reserve		
Opening balance at 1 July 2021	36,594,867	514,099
Vesting of share based payments	-	-
Expiry of share based payments	(19,855,756)	(292,867)
Share consolidation	(14,190,202)	-
Closing balance at 31 December 2021	2,550,909	221,232

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

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INTERIM FINANCIAL REPORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 7: DIVIDENDS

The Company did not pay or propose any dividends in the half year to 31 December 2021 (31 December 2020: nil).

NOTE 8: LOSS PER SHARE

The following reflects income and share data used in the calculation of basic and diluted loss per share.

	31 December 2021	31 December 2020
	\$	\$
Loss for the period after income tax expense from continuing operations	(1,280,422)	(291,562)
Profit for the period after income tax expense from discontinuing operations	580,954	(167,176)
	No.	No.
Weighted average number of ordinary shares in calculating basic and diluted loss per share	237,151,341	242,830,404

As at 31 December 2021, the Group had a total of 2,550,909 options on issue, which are considered to have a non-dilutive effect.

NOTE 9: COMMITMENTS

The Group has no commitments as at 31 December 2021 (30 June 2021: nil).

NOTE 10: SEGMENT INFORMATION

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed by the Board and management. The Consolidated Entity has one operating segment.

NOTE 11: CONTINGENT ASSET AND LIABILITIES

The Group has no known contingent assets or liabilities as at 31 December 2021 (30 June 2021: nil).

NOTE 12: SUBSEQUENT EVENTS

On 18 January 2022, the Company successfully completed its reinstatement to official quotation on ASX following satisfactory compliance with Chapters 1 and 2 of the ASX Listing Rules and a Public Offer. As described in the Company's prospectus dated 18 November 2021, the Company completed the following:

- Issue of 300,000,000 shares at an issue price of \$0.02 each under the Public Offer;
- Issue of 196,322,384 shares to the shareholders of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") (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;
- Issue of 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
- 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

Following the above, the Company completed the acquisition of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited"), which hold a portfolio of projects in the Kimberley diamond district of Western Australia.

Under the terms of the acquisition, the acquisition of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") was assessed by management to be a reverse acquisition as described in AASB 3. Under this treatment for accounting purposes, Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") is the acquirer and Odessa Minerals Limited (formerly Fargo Enterprises Limited) is the acquiree.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 12: SUBSEQUENT EVENTS (CONTINUED)

Other than as already disclosed, there have been no matters or circumstances that have arisen since 31 December 2021 that has significantly affected, or may significantly affect the operations, the results of those operations, or the state of affairs in future financial years of the Company and Group.

NOTE 13: RELATED PARTY TRANSACTIONS

There have been no material changes to the nature of related party transactions since 30 June 2021, other than as follows:

- Smallcap Corporate Pty Ltd, a Company which Mr Zane Lewis has a beneficial interest, provided services relating to the recompliance and acquisition of Odessa Australia Pty Ltd (formerly "Odessa Minerals Limited") of \$45,000 during the 6 month period to 31 December 2021.

ODESSA MINERALS LIMITED (FORMERLY FARGO ENTERPRISES LIMITED)

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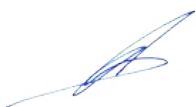
INTERIM FINANCIAL REPORT

DIRECTORS' DECLARATION

The Directors of Odessa Minerals Limited declare that:

1. The financial statements and notes, as set out on pages 12 to 21 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the period ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Zane Lewis
Non-Executive Chairman
11 March 2022

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Odessa Minerals Limited for the half year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 11th day of March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ODESSA MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Odessa Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Odessa Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Odessa Minerals Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Odessa Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA

Director

Dated Perth, Western Australia this 11th day of March 2022