

JUNE 2022 QUARTERLY ACTIVITIES REPORT

Odessa Minerals Limited (ASX: ODE) (Odessa or the Company) is pleased to report on its activities for the quarter ending 30 June 2022 (the “Quarter”) and highlight planned activities ahead of the upcoming field season.

The majority of the workstream at Odessa during the Quarter centred around the detailed planning, permitting and approvals to conduct the first real on-site work on our Aries Kimberlite Pipes (“Aries Kimberlite Complex”, or the “AKC”) since the Company re-listed in January this year.

In addition, Odessa signed an exciting deal to acquire a number of highly prospective tenements (the Lyndon Project) in the Gascoyne Region of Western Australia that adds strategic battery metals to Odessa’s mineral portfolio.

Odessa’s CEO, Alistair Stephens, commented:

“The Quarter saw significant advances in Odessa’s efforts to commence ground exploration at Aries. I’m pleased to say that a major drilling programme has just now been approved by the DMIRS and a substantial gravity survey is currently underway and drilling is planned during the coming period right through to year end. And subject to shareholder approval, the Company’s option to acquire the Lyndon Project, that is prospective for rare earths, lithium and nickel-copper, could add significant value to shareholders with exposure to the high-growth, high-value, battery-metals sector.”

HIGHLIGHTS

- The Aries Kimberlite Pipe, in the Kimberley Region of Western Australia, is the largest known diamondiferous kimberlite pipe complex in Australia with a footprint of over 20 Ha, and magnetics show extends to at least 900m vertical depth, and has significant potential for unique and valuable gem quality diamonds
- Aries gravity geophysical survey underway for the identification of additional kimberlite pipes around Aries
- Aries advanced planning for drilling underway
- Diamond market outlook remains strong: prices and demand increasing and supply reducing
- Odessa successful in \$180,000 from an EIS co-funded Government Industry drilling grant
- Odessa enters into agreement to acquire Lyndon Project, Gascoyne Region
- Lyndon Project is highly prospective for rare earths, lithium, nickel and copper
- Strong balance sheet: end of Quarter cash at \$5.0 million.

PROJECTS

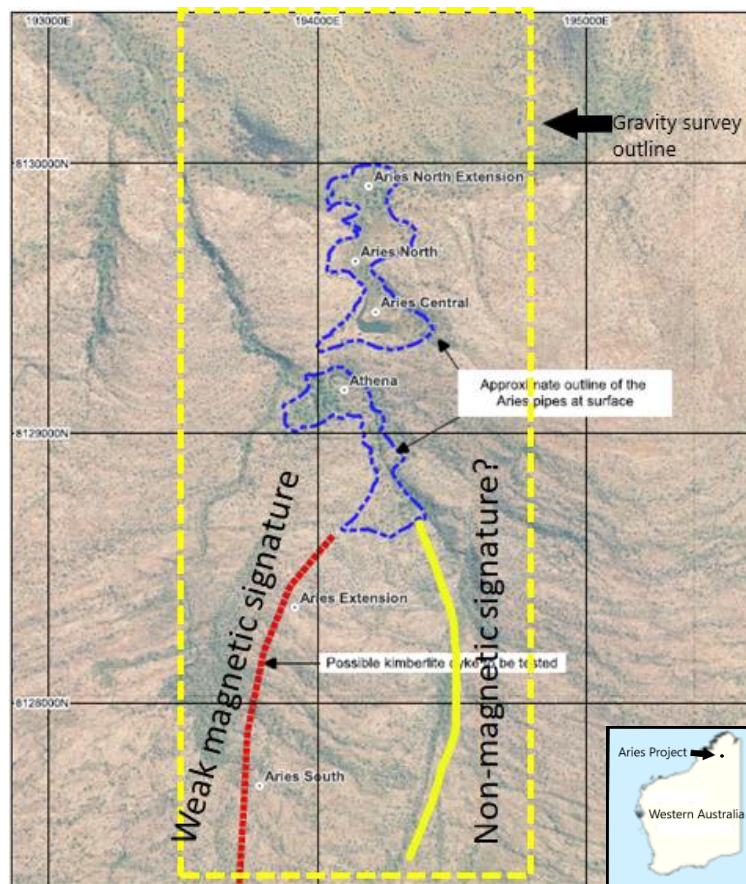
Aries Diamond Project

The Aries Diamond Project is located approximately 30 kilometres southeast of the Mt Barnett Roadhouse in the Central Kimberley, and approximately 250km east of Derby. Tenement E80/5027, a fully granted tenement, is the focus of exploration for the next two quarters.

The Aries Kimberlite Complex (“AKC”) is a ~800 Ma diamondiferous kimberlite pipe complex located in the Kimberley region of Western Australia. Historical works on the AKC has resulted in the confirmation of diamond bearing kimberlite pipes that contain up to 95% gem and near gem quality. The AKC is the largest known kimberlite pipe complex in Australia and historical exploration which has identified significant quantities of gem and semi-gem quality diamonds.

Gravity Survey

A detailed gravity survey has commenced (as announced on 11 July 2022) over all the known kimberlite pipes and dykes at Aries and this survey will help refine and define the outlines of existing and the presence of new kimberlite pipes. Gravity survey results are likely to be received in early August 2022 and the Company is working on exploration drill plans to follow up gravity survey targets. At the time of this report, about 60% of the survey has been completed.



Plan view of the gravity survey outline (Yellow dash) and the location of known kimberlite pipes.

Aries Drilling Plans

On the 20 July 2022, Odessa announced that a significant Programme of Works (“PoW”) permit for the Aries Kimberlite Complex (“Aries” or “AKC”), has been approved by the Western Australian Government’s Department of Mines Industry and Safety (“DMIRS”). The proposed exploration programme has taken a significant period of time to formulate, and the approval marks an important step for the commencement of drilling programmes at the Company’s flagship project at Aries.

A 10,000m drill slim-line RC programme has been approved to cover the possible lateral extensions of the Aries Kimberlite Complex from those that are known to occur at surface. Never before has the AKC been drilled in a systematic way that demonstrates the outer limits of the kimberlite occurrences. Drill holes will be spaced in a grid pattern and drilled to depths of kimberlite intersection, up to 100m in depth. The programme also includes drilling of selected prospective targets generated from historical report investigations.

Aries – Deep Diamond Drill Plans

The deepest drillhole previously drilled (AN15) was only drilled to a depth of ~300m in 1994 and terminated in diamond-bearing kimberlite rock that returned a 12-fold increase in microdiamond count compared to the surface. Six new drill holes, down to depths of between 300m and 600m, are designed to test the occurrence of kimberlite at depth within the current surface expression of the kimberlite pipes, as well as the potential southern dyke extension, not previously tested. These depth extensions have been designed to validate the potential distribution of grade with rock type in areas of the pipe not previously explored.

EIS Co-Funder Government Drilling Grant

As announced on 12 May 2022, Odessa was successful in its application with a Western Australian Government Exploration Incentive Scheme (EIS) Grant. The grant will fund diamond drilling up to \$180,000 and will be used to drill 5 x 300m drill holes and 1 x 600m drill hole at the Aries Kimberlite Complex.

Application Tenements - Diamonds

The Company has maintained the process of progressing application tenements in a logical manner relative to prospectivity with consideration for natural cultural heritage and environmental matters.

DIAMOND MARKET OVERVIEW

The Bain & Company report for The Global Diamond Industry 2021-2022 highlights market changes for the diamond market. Key points include:

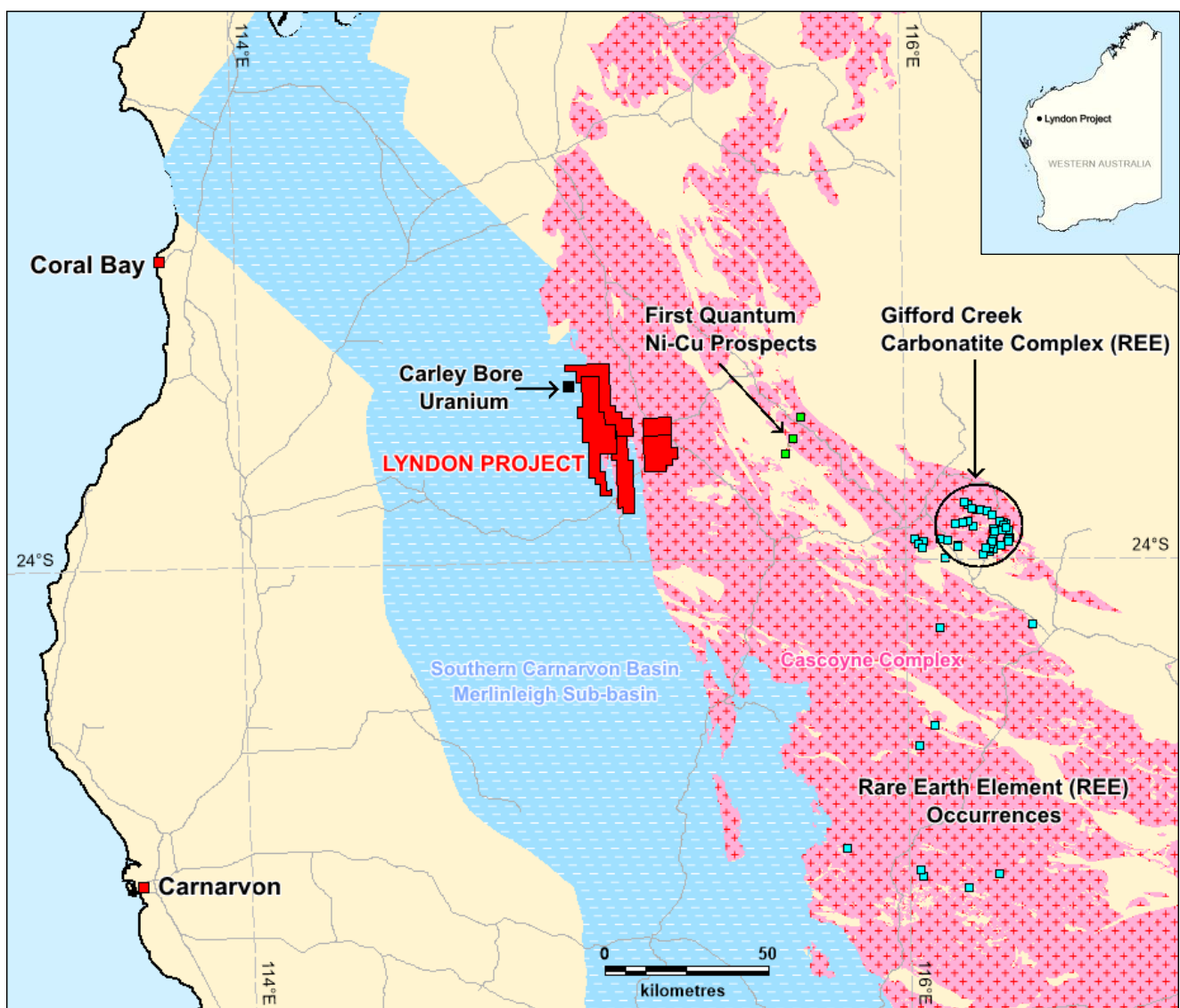
1. Demand for natural diamonds remains strong
2. Prices are increasing while inventories are decreasing
3. Rough diamond prices grew 21% between 2020 and 2021
4. Revenue increased 62% in the diamond mining segment between 2020 and 2021
5. ESG has become a vitally important requirement in customer purchases
6. Lab-grown diamonds are not impacting natural diamond value



From the Company's stance, the market outlook for natural diamonds remains strong in the near and long term as natural diamond mine output reduces. Since 2019, the total production of natural diamonds has decreased by 23 million carats (including the closure of 11 million carats from the Argyle Diamond Mine) with a further decline of 6 million almost certain in the next 5 years all due to the depletion of natural resources and reserves in operating mines. Further supply stress is anticipated from the impact of sanctions on Russian diamonds that currently produce 30% of global supply.

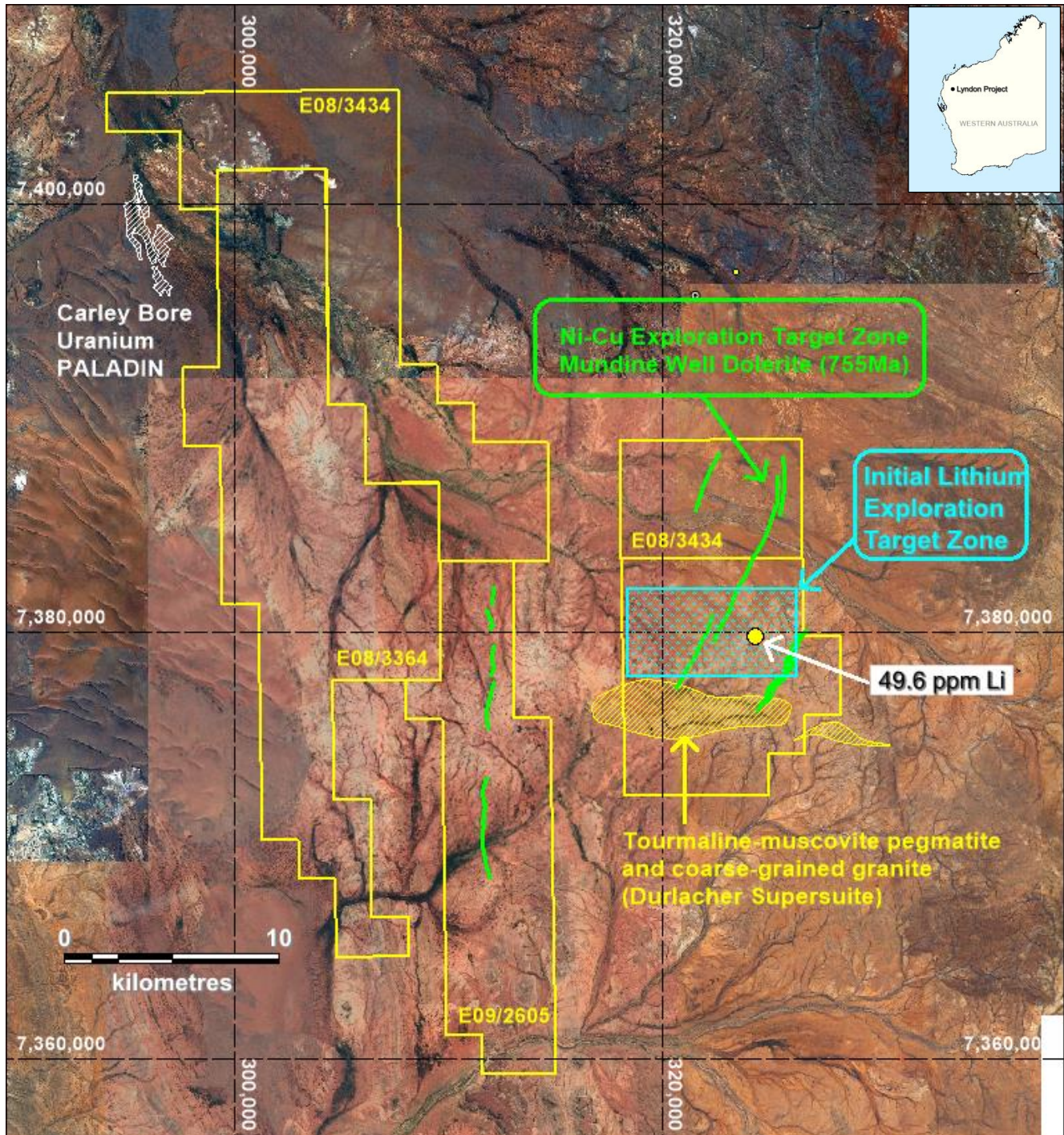
PROPOSED NEW TENEMENT ACQUISITION - LYNDON PROJECT

On 26th April 2022 the Company announced it has signed a binding agreement to acquire three (3) Exploration Licence Applications referred to as the "Lyndon Project" ("Tenements") from CRC Minerals Pty Ltd that covers 606 km² in the Gascoyne Complex of Western Australia¹.



The Lyndon Project tenements are primarily prospective for **Lithium, Rare Earths and Nickel-Copper Sulphide mineralisation**. The Lyndon Project contains excellent potential for the discovery of new Lithium-rich pegmatites, Rare Earth Carbonatites and Magmatic Nickel-Copper Sulphide deposits in what is becoming a

significant, emerging metallogenic province that has recently seen the discovery of a number of highly promising Lithium-bearing Pegmatites, REE-rich Carbonatites and Magmatic Nickel-Copper sulphide deposits.



Lyndon Project. Location of the Government (GSWA) Lithium geochemistry and key target areas for Lithium, REE, Nickel and Copper.

The Lyndon Project area has three (3) principal discovery opportunities;

1. **Lithium-bearing Pegmatites.** Sampling by the Geological Survey Western Australia has identified anomalous Lithium geochemistry (**49.6ppm Li**) in the vicinity of several outcropping pegmatites. The area is unexplored for lithium and represents an excellent opportunity for new lithium discoveries;
2. **Rare Earth Element Carbonatites:** The area contains several geophysical features similar to those associated with REE carbonatites on the neighbouring Mangaroon Project currently being explored by Dreadnought Resources Limited (ASX:DRE).
3. **Magmatic Nickel-Copper Sulphide** mineralisation in mafic intrusions of the Mundine Well Dolerite. An intrusion (the "Money Intrusion") that is part of the same mafic suite (age, rock-type) is currently being explored by Dreadnought (ASX:DRE) - First Quantum (TSX:FM) 30km to the west. The Money Intrusion is host to several significant and promising Nickel-Copper Sulphide occurrences. The mafic sills that outcrop at surface within the Lyndon Project area have never before been explored for magmatic sulphide mineralisation.

Tenement No. Name	E08/3364 Ebra Bore	E09/2605 Lyndon	E08/3434 Daylight Well
Mineral Targets	REE	Li, REE, Ni-Cu	Li, REE, Ni-Cu
Blocks	70	69	61
Area (sq. km.)	220	207	179
Application Date	31 May 2021	30 July 2021	9 September 2021
Grant Date	Pending	Pending	Pending

Lyndon Acquisition terms:

Odessa is proposing to acquire 100% of the Lyndon Project **Tenements** (Table 1) from CRC Minerals Pty Ltd. ("CRC") for the following consideration:

- \$10,000 non-refundable deposit payable by Odessa to CRC;
- The acquisition consideration comprises:
 - Cash payment of \$90,000 (excluding GST);
 - 52,000,000 shares in Odessa and 15,000,000 4-year unlisted options (exercisable at 4 cents), with 80% of the shares and options to be issued upon the grant of any two of the three Tenements and the remaining 20% to be issued on the grant of the final third Tenement ("Consideration Securities"); and
 - The grant of a 1.3% net smelter royalty in favour of CRC.



The acquisition of the Tenements (and payment of the acquisition consideration) is subject to conditions (which may be waived by Odessa), including:

- Grant of any two of the three Tenements;
- Receipt of Ministerial consent under the Mining Act 1978 (WA) to the transfer of the any two of the three Tenements from CRC to Odessa; and
- Odessa obtaining shareholder approval for the issue of the Consideration Securities. Odessa intends to obtain shareholder approval just prior to or following grant of the Tenements to CRC.

A break fee of \$200,000 will be payable to CRC in the event that Odessa's shareholders do not approve the acquisition of the Lyndon Project and the other conditions are satisfied.

The vendors of the Lyndon Project are unrelated parties of the Company.

COVID-19

Protocols and procedures are in place within the organisation to manage Covid. There has been disruption to face to face contact engagements but these have not prevented the Company progressing any of its activities. The Company is aware that remote and vulnerable communities, where serious concern with Covid exists, are reluctant to engage face to face. Electronic communication is being used effectively to manage these issues.

CORPORATE

DIRECTOR CHANGES

Mr David Lenigas joined the Company as an Executive Director and Dr Darren Holden resigned as a director – as announced on 26 April 2022.

Use of Funds

Pursuant to ASX listing rule 4.7C.2, the Company provides the following comparison of budgeted expenditures per the Company's prospectus dated 18 November 2021 against actuals to date.

	Prospectus Use of Funds \$A '000	Funds Used Total to Date \$A '000	Funds Used Jun 2022 Qtr \$A '000
Exploration expenditure – EL80/5027 (Aries)	2,452	182	108
Exploration expenditure – EL04/2364 (Calwynyardah)	899	56	36
Acquisition assessment	813	11	11
General administration fees and working capital	1,276	513	238
Estimated expenses of the Public Offer	560	409	



Related Party Payments

During quarter, the Company made payments of \$206,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the CEO, Executive Director and Non-Executive Directors, including geological consulting, company secretarial and accounting services provided by director related entities.

COMMUNITY

Odessa Board and personnel engaged in Aboriginal Cultural Awareness training and were counselled on the requirements of the new Aboriginal Cultural Heritage Act 2021, by Indigenous ESG Service Provider - Mala, Langton and Associates. Meetings with selected Community members and groups has been undertaken. The nature on the spread of Covid has impacted the timing and/or conduct of these meetings.

LIST OF TENEMENTS

Lease	Project	Location	Blocks	Application	Grant	Expiry
E04/2364	Calwynyardah	WA	12	13/08/2014	10/03/2015	09/03/2025
E04/2693	Liveringa	WA	20	13/01/2021		
E04/2694	Mt Cedric (Noreen)	WA	45	13/01/2021		
E04/2695	Mt Wynne	WA	43	13/01/2021		
E04/2696	Ellendale west	WA	15	13/01/2021		
E04/2697	Ellendale East	WA	70	13/01/2021		
E04/2698	Ellendale North	WA	46	13/01/2021		
E04/2699	Ellendale Air	WA	5	13/01/2021		
E07/2704	White Rocks East	WA	32	19/02/2021		
E04/2705	Mt Cedric (Abbott)	WA	70	19/02/2021		
E04/2707	White Rocks West	WA	16	10/03/2021		
E04/2714	Calwynyardah West	WA	4	31/05/2021		
E04/2719	Walgidee	WA	12	30/06/2021		
E80/5027	Aries Main	WA	30	27/05/2021	10/10/2017	09/10/2022
E80/5117	Aries Celcius	WA	200	15/06/2016		
E80/5685	Aries West	WA	59	26/08/2021		
E80/5686	Aries East	WA	29	26/08/2021		
E80/5687	Aries North West	WA	40	26/08/2021		
E80/5725	Argyle South	WA	70	08/12/2021		
E80/5738	Argyle South Etn	WA	6	18/01/2022		



ETHICS AND CULTURAL ACKNOWLEDGMENT

Odessa acknowledges the Traditional Owners of the Lands that we explore and recognise their connection to the Lands and Waters of the Kimberley region of Western Australia. We pay our respects to their Elders and Leaders—past, present and emerging.

This announcement has been approved for release by the Board of Odessa Minerals.

ENQUIRIES

Alistair Stephens | CEO

astephens@odessaminerals.com.au

M: +61 488 992 544

Investor & Media Relations

dannika@investability.com.au

M: +61 401 094 261

General Enquiries

info@odessaminerals.com.au

www.odessaminerals.com.au

ABOUT ODESSA MINERALS

Odessa Minerals Limited (ASX: ODE) (Odessa) is a diamond mineral exploration company based in Perth, Western Australia with strategic intent to become a producer of ethically sourced, low environmental impact, gem quality diamonds.

Odessa holds 20 granted and application exploration licences which constitute the Aries, Ellendale, Calwinyardah and Noonkanbah Projects in a portfolio of 2,600km² in the Kimberley region of Western Australia. All are prospective for diamonds. The Aries Project is located in the central Kimberley region of Western Australia, approximately 300 kilometres east of Derby, and has gem quality diamonds identified from exploration since 1986.

Please visit our website for more information and to sign up to receive corporate news alerts:

www.odessaminerals.com.au

The information in this report that relates to Exploration Results for the Aries Project is extracted from the Company's Prospectus released on 19 November 2021 which is available at www.odessaminerals.com.au/asx-announcements/ and subsequent market releases to the Australian Stock Exchange. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.





Odessa's Project Portfolio

- Aries - the largest and most diamondiferous known kimberlite in Australia
- 2 granted tenements and 18 applications for >2,600km²
- >150 individual diamond occurrences
- Identified extensions beyond the known pipe at Ellendale
- New application to cover alluvial diamonds down stream of Argyle diamond mine



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Odessa Minerals Limited

ABN

99 000 031 292

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(4)	(4)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(118)	(234)
	(e) administration and corporate costs	(116)	(318)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	(11)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(237)	(566)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(23)	(23)
	(d) exploration & evaluation	(155)	(403)
	(e) investments	-	-
	(f) other non-current assets	(40)	(40)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Net cash inflow as a result of reverse acquisition	-	297
2.6	Net cash from / (used in) investing activities	(218)	(169)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,063
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(409)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(139)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	5,515

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,452	217
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(237)	(566)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(218)	(169)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,515
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,997	4,997

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,997	5,452
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,997	5,452

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

161

45

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(237)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(155)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(392)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,997
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,997
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	12.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2022.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.