ODESSA MINERALS LIMITED
ABN 99 000 031 292

ANNUAL REPORT
30 JUNE 2023

ODESSA MINERALS LIMITED

ABN 99 000 031 292

ANNUAL REPORT 30 JUNE 2023

CONTENTS

CORPORATE DIRECTORY

Directors
Mr Zane Lewis– Non-Executive Chairman
Ms Lisa Wells– Non-Executive Director
Mr David Lenigas – Executive Director

Company Secretary
Mr Robbie Featherby

Registered Office
Suite 1, 295 Rokeby Road
Perth WA 6008
Australia
Ph: +61 (08) 6555 2950

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

Share Registry
Automic Registry Services
Level 5, 191 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

Website
https://odessaminerals.com.au

CHAIRMAN'S LETTER

Dear Shareholders,

The Directors of Odessa Minerals Limited ("the Company") and controlled entities ("the Group" or "the Consolidated Entity") submit the following report for the year ended 30 June 2023 ("Financial Period").

The past year to June 2023 has seen a significant shift of exploration effort from diamonds in the Kimberley region to battery and critical metals exploration in the Gascoyne.

As I reported in the last Annual Report, Odessa started the move in 2022 to create an exploration portfolio of exciting tenements looking for lithium, rare earths, and base metals. The Company had already taken a position with the Lyndon tenements in the Gascoyne region of Western Australia.

The past 12 months has seen a big push by Odessa into the Gascoyne resulting in pegging and acquiring a vast tenement holding of over 3,000 square kilometres of highly prospective land, over three project being Lockier Range, Lyndon and Gascoyne East Projects.

At Lockier Range, our most advanced exploration project, we have already highlighted the significant lithium potential from our geochem work and mapping having only recently announcing the identification of over 56,000 metres of mapped pegmatites. In addition, we are also seeing the potential for rare earths with highly encouraging results already reported.

It is very encouraging that our immediate neighbours at Lockier Range are having very good success with their lithium projects; Delta Lithium with their Jamerson Project and Minerals 260 with their new Aston Lithium Project just along strike from our Robinson Bore Lithium anomaly.

With a new emphasis on lithium and rare earth exploration in the Gascoyne, Odessa raised $2.25 million (gross) in June to spend in the Gascoyne. This financing significant boosted our cash at bank at year end to $4.5 million and put the Company in to a very solid financial position going forward.

I see a bright future for Odessa going forward. We have some excellent assets and are hopeful of delivering a lithium or Rare Earth discovery in the Gascoyne this year.

In conclusion, I want to express my gratitude to you, our shareholders, for your ongoing support. We are building an exciting future and look forward to you joining us on the rest of the journey.

Yours Sincerely,

Zane Lewis
Chairman

DIRECTOR'S REPORT

The Directors of Odessa Minerals Limited ("the Company") present their report, together with the financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2023.

Directors

The names and the particulars of the Directors of the Company during or since the end of the financial year are:

Name	Status	Appointment/Resignation date
Mr Zane Lewis	Non-Executive Chairman	Appointed 21 November 2019
Ms Lisa Wells	Non-Executive Director	Appointed 17 January 2022
Mr David Lenigas	Executive Director	Appointed 26 April 2022

Principal activities

Odessa Minerals Limited is a mineral exploration company focussed on mineral exploration in Western Australia.

Dividends

There were no dividends paid or recommended during the financial year ended 30 June 2023 (2022: Nil).

Review of operations

The net loss of the Group after income tax for the year ended 30 June 2023 amounted to $2,213,617 (30 June 2022: $5,689,303).

Odessa holds 14 granted and application exploration licences in the Gascoyne Region of Western Australia covering more than 3,200 km^2 of ground that it considers are prime areas for lithium, rare earth element, copper, nickel, and graphite mineralisation.

Exploration efforts have swung from diamonds in the Kimberleys to lithium and rare earths around mid-financial year when an early wet season put an abrupt halt to a planned drilling program at our Aries diamond pipe. The wet season in the Kimberleys always stops exploration for about half of the year and this year was no exception. All of our granted diamond tenements are up-to-date on our expenditure commitments with the DMIRS, and the Gascoyne Region quickly became our new exploration focus at the request of the majority of our significant shareholders. We do however continue to monitor our shareholder's appetite for renewed diamond exploration activity and will resume the appropriate expenditure at Aries when the conditions are considered right.

Our early work at Lockier Range in the Gascoyne is already showing promise with over 46,000 metres of mapped pegmatites already being identified by on-ground mapping, as announced on 7 September 2023, with over 16,500 metres of mapped pegmatites at our Robinsons Bore prospect alone.

GASCOYNE LITHIUM/REE PROJECT

The Company's decision to enter the Gascoyne Region saw it acquire and apply for tenements that totalling over 3,000 km^2 in three main project areas: Lockier Range, Lyndon and Gascoyne East. See Figure 1.

The overwhelming majority of our exploration was centred around Lockier Range as our immediate neighbours at Minerals 260 and Delta Lithium were have excellent success identifying new lithium discoveries on their ground to the east and north-east.

DIRECTOR'S REPORT

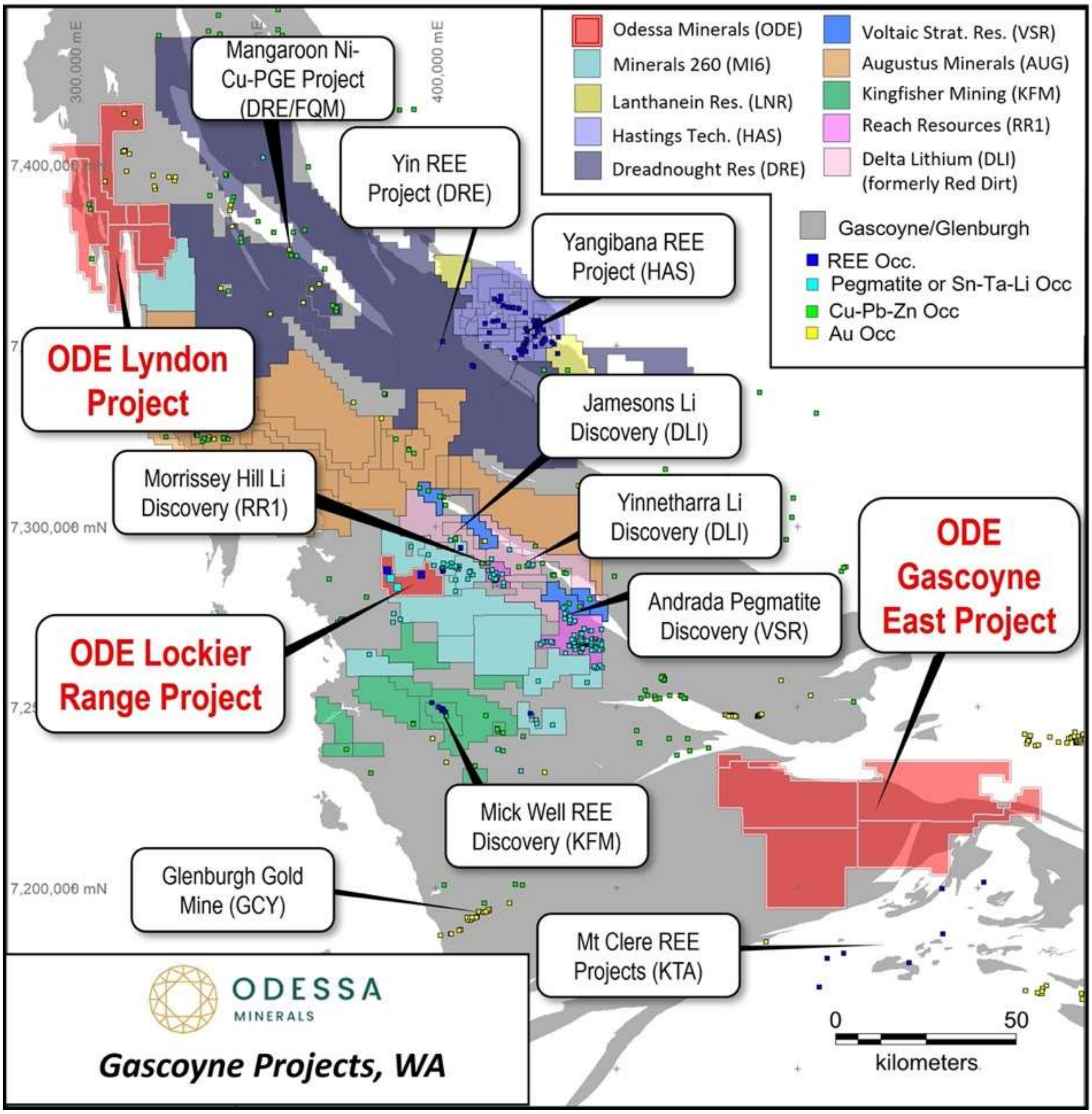

Figure 1: Odessa Minerals regional Gascoyne Project location map with Geological Survey WA Minedex Occurrences

Odessa's Lockier Range Lithium and Rare Earth Element ("REE") Project covers a large area of 125km^2 within its substantial Gascoyne tenement package of +3,000 km^2; and is ideally located:

- ~8.5km southwest of Delta Lithium's "Jameson" lithium pegmatite discovery
- ~15km west of Reach Resources' "Morrissey Hill" lithium pegmatite discovery
- ~25km west of Delta Lithium's "Yinnetharra" lithium pegmatite discovery
- ~40km west of Voltaic Strategic Resources' pegmatite discovery
- ~60-70km south of Hastings Technologies' and Dreadnought Resources' rare earth projects

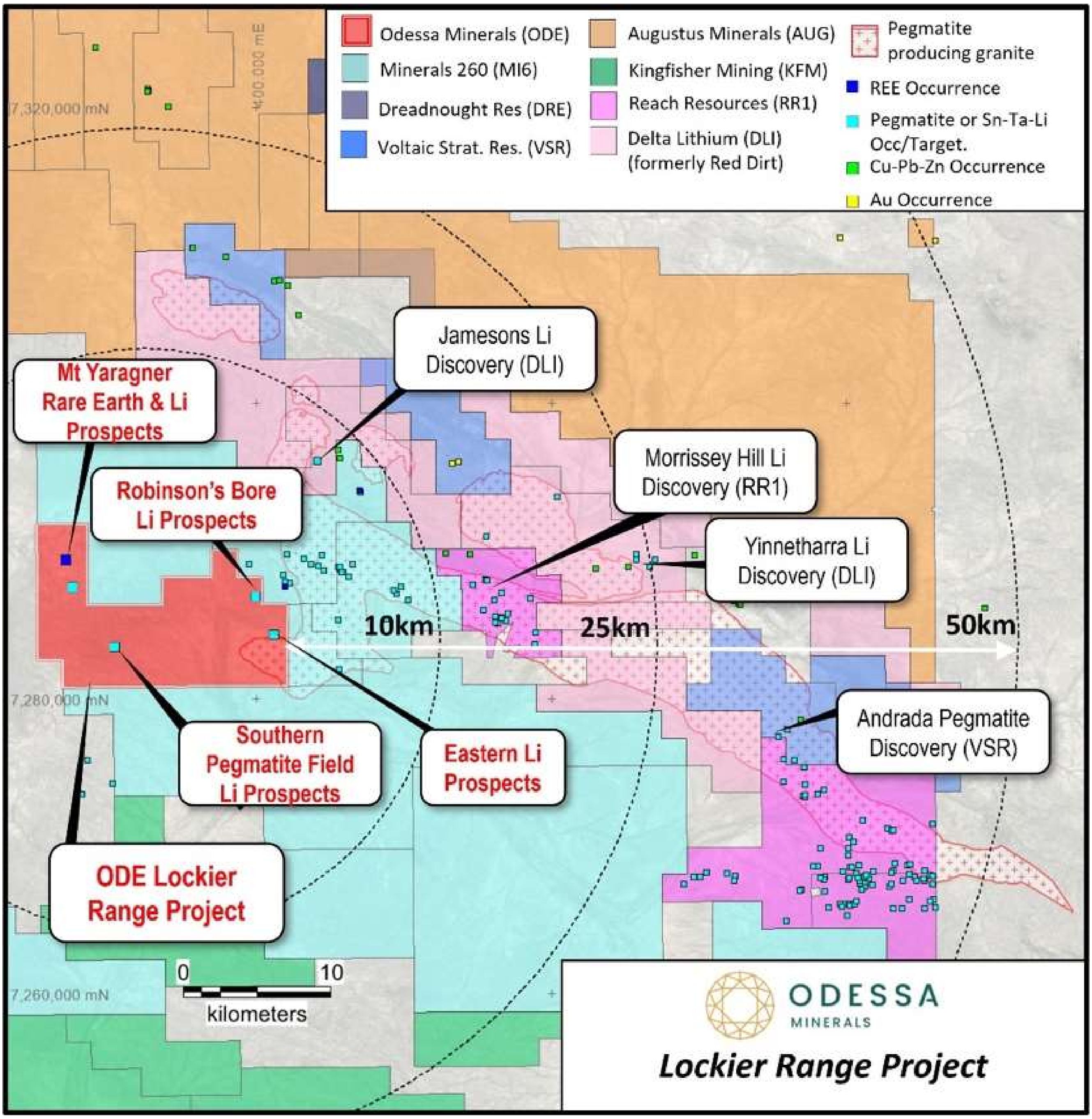

Figure 2: Lockier Range Project, proximal to the emergent Gascoyne lithium pegmatite province.

Lithium Pegmatite Targets at Lockier Range

in July 2023 (after year end) the Company received and reviewed the multi-element analysis results for the first program of systematic soil sampling from the Lockier Range. Using lithium and lithium pegmatite pathfinder elements this work has revealed four well-defined and compelling drill targets for lithium including:

- Robinson Bore - Pegmatite Targets
  - ~4km by ~2km target zone
  - High lithium in soils coincident with high pegmatite pathfinder elements (Be-Bi-Cs-Rb-Ta)
  - Coincident potassium radiometric anomalies
  - Immediately SW of the Cairn Hill historic pegmatite workings (Minerals 260 Ltd)

DIRECTOR'S REPORT

    - Only 2.5km from the contact of the fertile Thirty-Three Supersuite granitoids
    - 8.5km SW of Delta Lithium's recent Jamesons Lithium Pegmatite discovery
- Eastern Pegmatite Targets
    - ~2km by ~1km target area
    - Coincident potassium radiometric anomalies
    - High lithium in soils with high pegmatite pathfinder elements (Cs-Bi-Be-Rb)
    - Directly on the margin of the fertile Thirty-Three Supersuite granitoids

Two additional targets demanding further investigation include:

- Southern Pegmatite Field
    - ~3km x ~2km target area
    - Coincident potassium radiometric anomalies
    - Anomalous pegmatite pathfinders elements including Nb-Ta-Sn-Rb-Be
    - Numerous mapped pegmatites with previous results up to 207ppm Li_2O in rock sampling
- Mt Yaragner Pegmatite
    - Anomalous pegmatite pathfinders elements including Be-Sn-Ta
    - Proximal to the mica pegmatite which returned 407ppm Li_2O in rock sampling

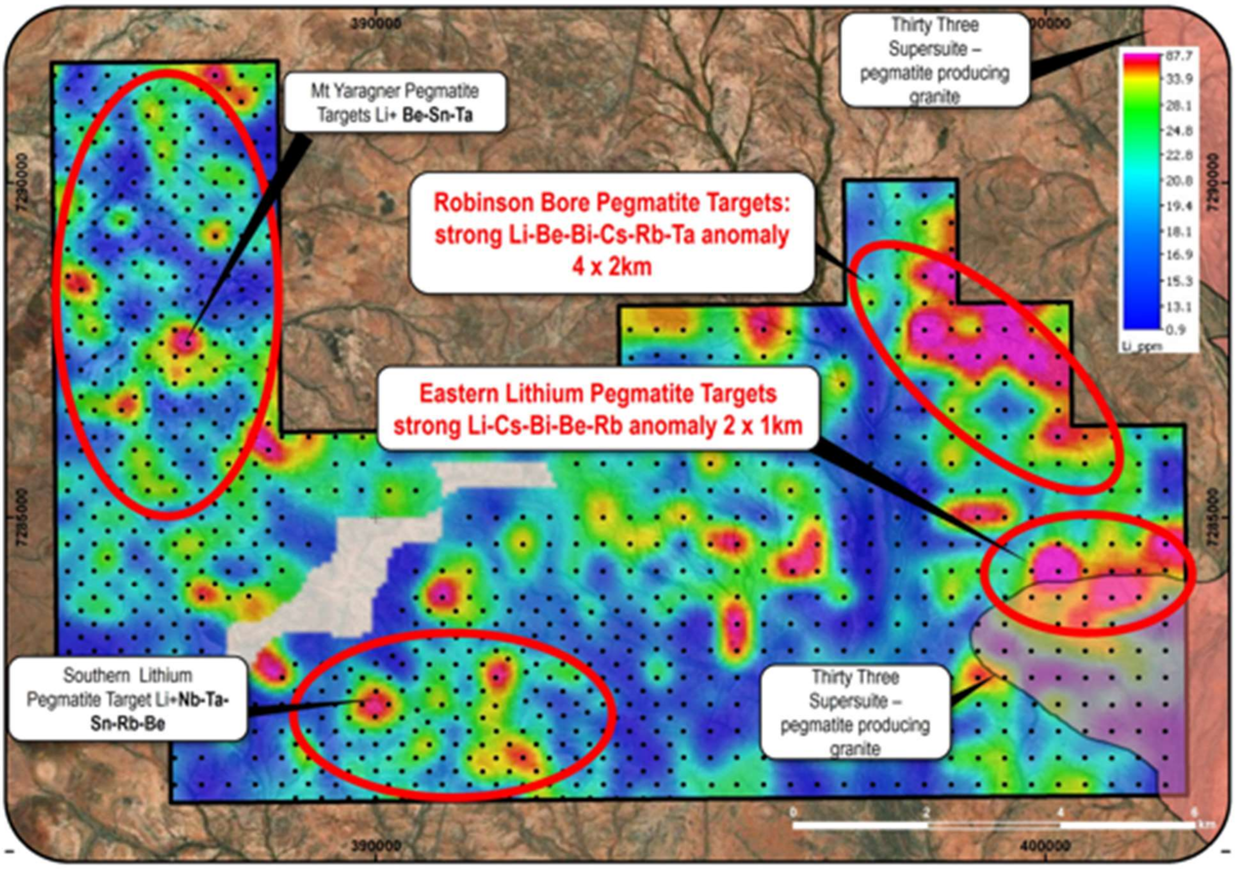

Figure 3 - Gridded lithium in soils data for the Lockier Range Project (MGA94 Zone 50).

Rare Earth Targeting at Lockier Range

The Gascoyne Province of Western Australia is emergent with the discovery of significant critical rare earth element resources and occurrences by Hastings Technology Metals (ASX:HAS), Dreadnought Resources (ASX:DRE) and Kingfisher Mining (ASX:KFM), along with other REE-focused explorers such as Augustus Minerals (ASX:AUG) and Minerals 260 (ASX:MI6).

In July 2023 (after year end) the Company received and reviewed the rare earth element ("REE") analysis results from the tenement-wide systematic soil sampling program over the Lockier Range project.

Well-defined and standout drill targets for REE have been identified at Lockier Range and include:

- Mt Yaragner West REE
  - ~2.5km x 1.5km target zone with very high cerium (Ce) + lanthanum (La) in systematic soil analysis
  - >2,400ppm Ce+La ppm peak soil value
  - Coincident thorium radiometric anomalies
  - Proximity to historic HMC stream sediment results up to 14% total REE (3.36% Nd+Pr)
  - Several other anomalies warranting follow up work

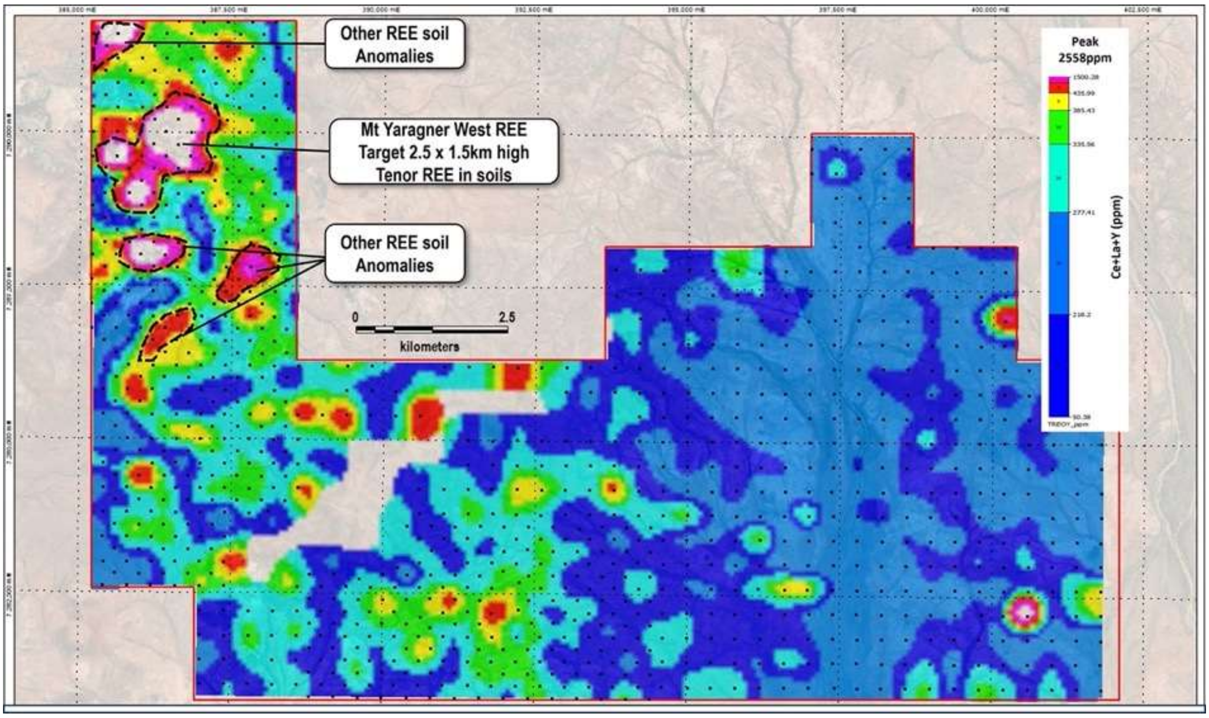

Figure 6 - Soil sampling grid by TREE (Ce+La+Y). Black dots = sample points. MGA94 Zone 50

The Lockier Range Project consists of Durlacher Supersuite granitoids and Moogie Metamorphics intruded by Thirty Three Supersuite granitoids. The Durlacher Supersuite granitoids are a preferential host of the REE-bearing ironstone carbonatites at Hastings Technology's Yangibana Project and Dreadnought Resources' Yin Project. Whereas the Thirty Three Supersuite granites are considered the source granite of nearby lithium pegmatite discoveries (e.g. Delta Lithium Ltd (ASX:DLI)).

In 2013, IGO Ltd reported very high REE results in heavy media separation stream sediment samples from the Lockier Range Project. In 2022, Odessa completed airborne magnetics and radiometrics which revealed high thorium (an important indicator of REE carbonatites) in the Mt Yaragner area.

Geological reconnaissance by Odessa has revealed that the Mt Yaragner West area consists predominantly of iron-rich weathered cover (ferricrete) and iron rich overbank gravel deposits. As yet, no ironstone carbonatites have been discovered at surface and, due to the weathering profile, drilling is considered the best way to determine the presence of a discovery.

DIRECTOR'S REPORT

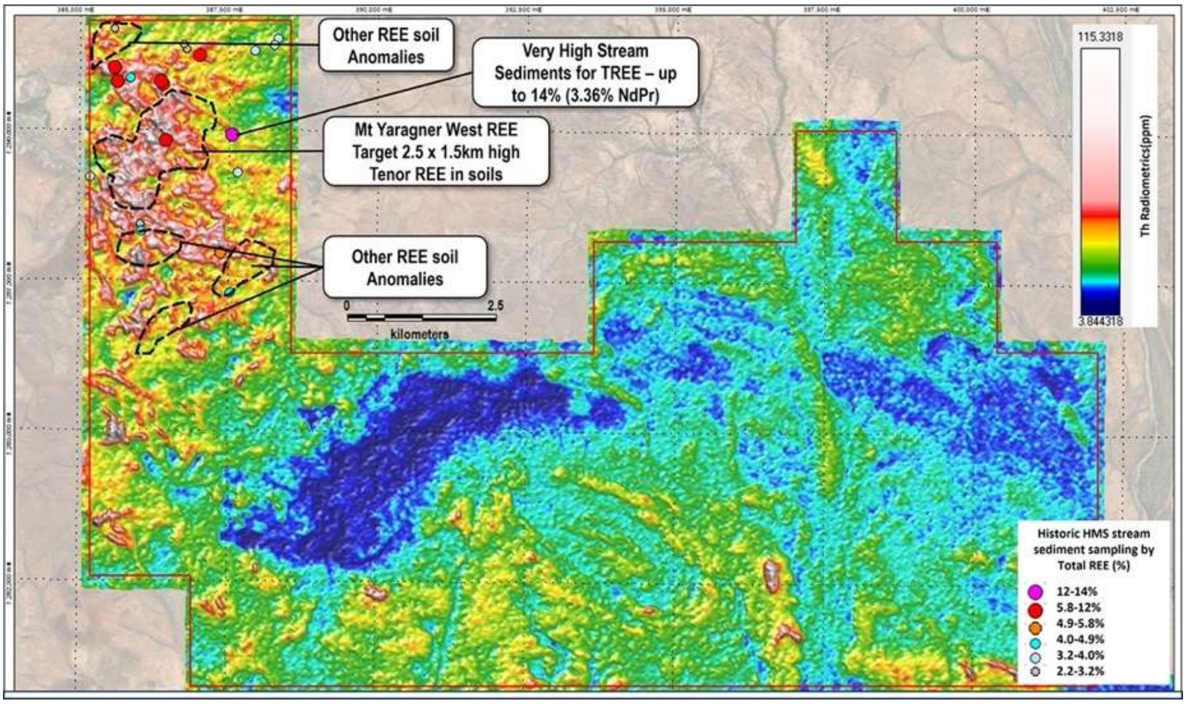

Figure 7 - Thorium radiometric with historic HMC stream sediment sampling results (total REE)

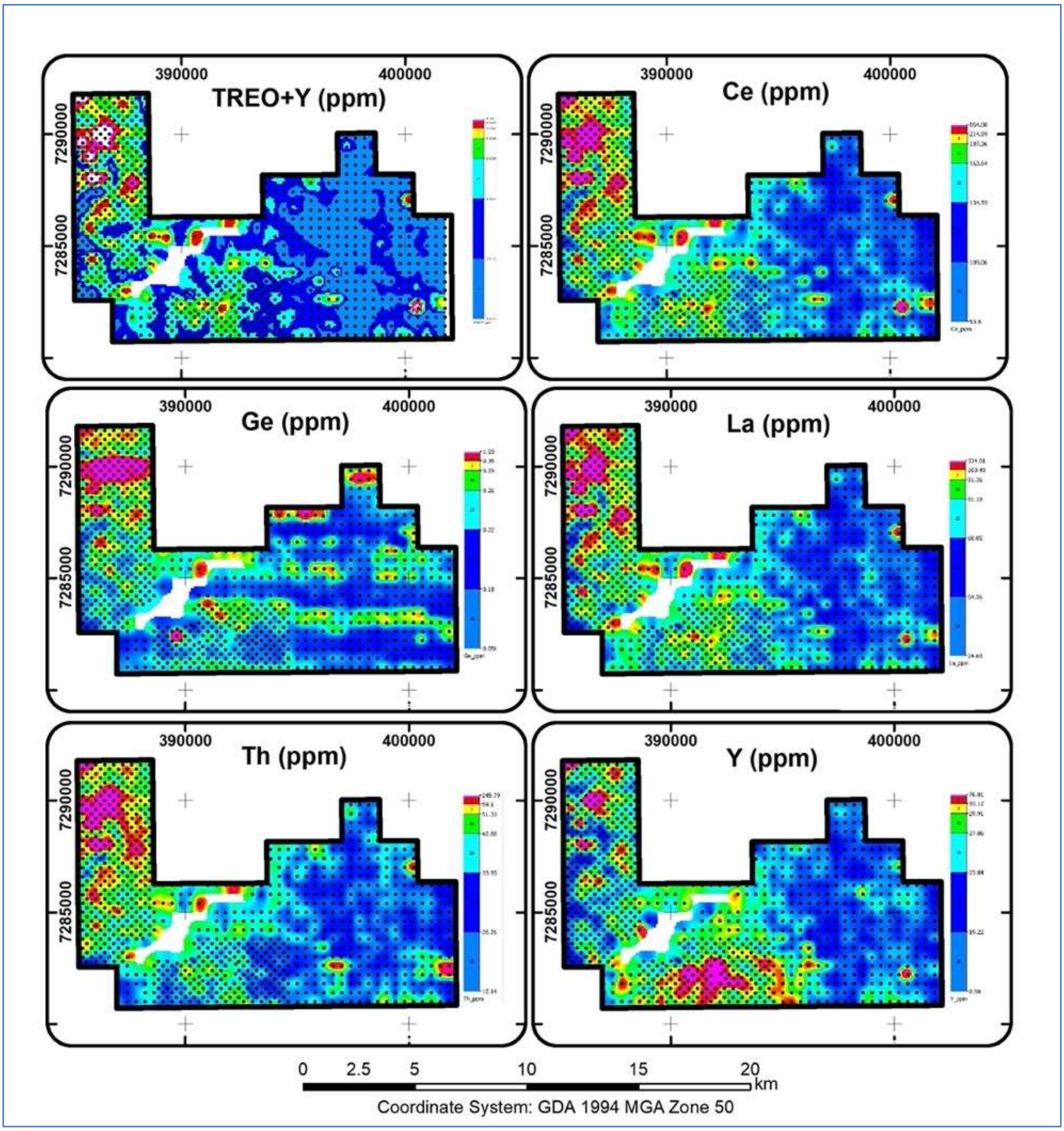

Figure 8 - Gridded soil data for REE pathfinders for Lockier Range Project. Hotter colours - red->purple are the highest order results.

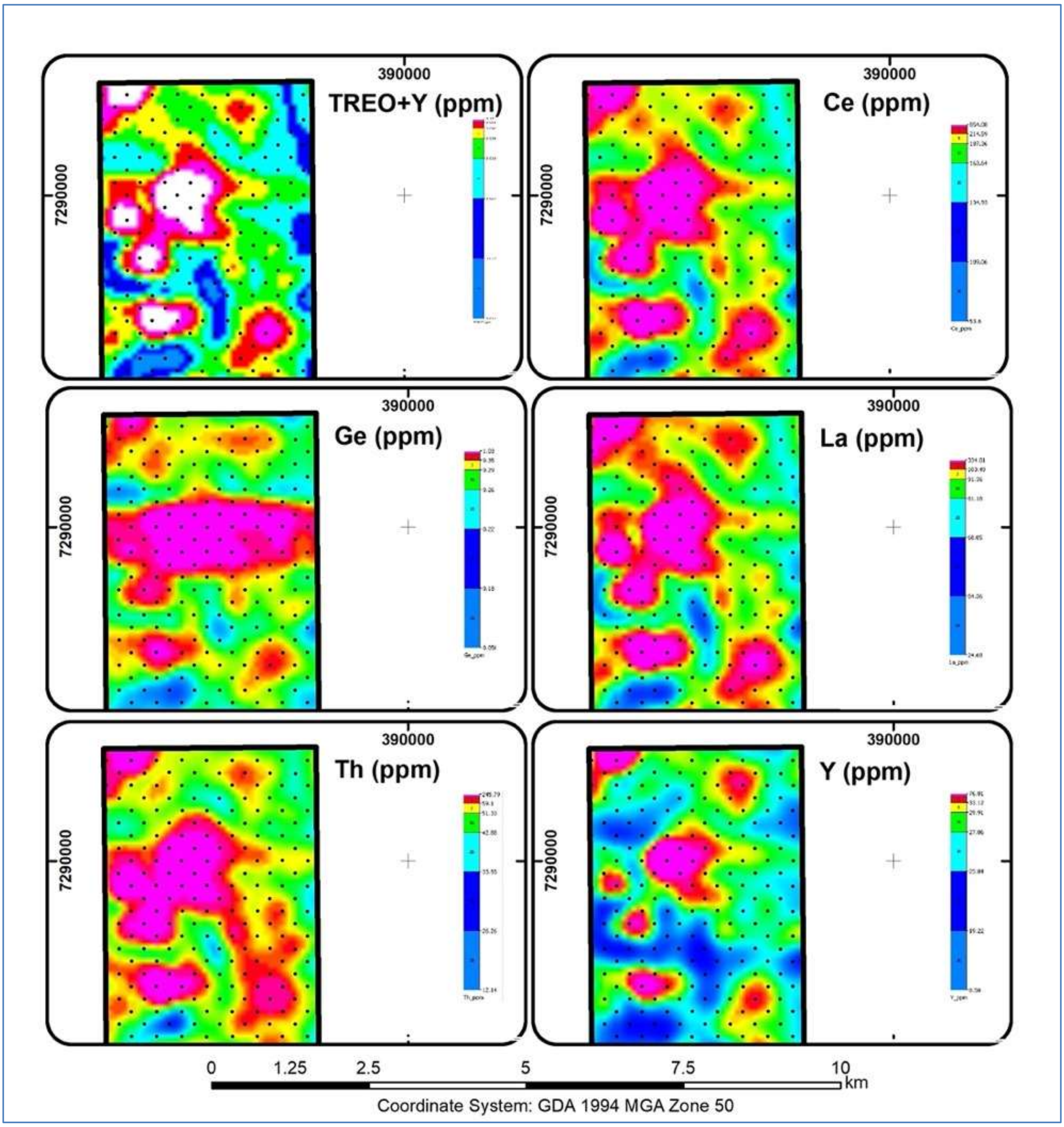

Figure 9 - Gridded soil data for REE pathfinders for Mt Yaragner West Target at Lockier Range. Hotter colours - red->purple->white are the highest order results.

Lyndon Lithium/REE Project

In April 2023, The Company completed the acquisition of the Lyndon Project tenements from CRC Minerals Pty Ltd.

During the year, Aboriginal Heritage Surveys were conducted in the southern half of the Lyndon Project and exploration efforts will now commence. The processing of newly acquired high-resolution airborne magnetics and radiometrics has now been completed and targets are being generated for REE and Lithium ground-truthing.

Exploratio at Lyndon will commence in earnest this year.

Gascoyne East Project

The Gascoyne East Project area consists of 2,108 km^2 of exploration licenses. The project area is at the intersection of major regional fault structures through the Gascoyne and Glennburgh terrains. Geologically, the area is interpreted to be underlain by Gascoyne and Glenburgh meta-granitoids, with an on-lap of Edmund Basin to the north.

The Project is located between Spartan Resources (Formerly Gascoyne Resources) Glenburgh and Mt Egerton gold deposits, and is along strike of the major Ti-Tree and Errabiddy Shear Zones. The Project is considered prospective for LCT-pegmatites, REEs, gold, copper and graphite. Due to >90% of the Gascoyne East tenure being concealed under transported cover, minimal exploration work has been conducted across the Project area to date.

The Company received approval from the Department of Mines for a 113-hole Aircore drilling program at Gascoyne East Project. Odessa is currently awaiting heritage approvals for this drill program.

The drilling program, coupled with a 100m resolution aeromagnetic survey aims to map the bedrock below transported cover.

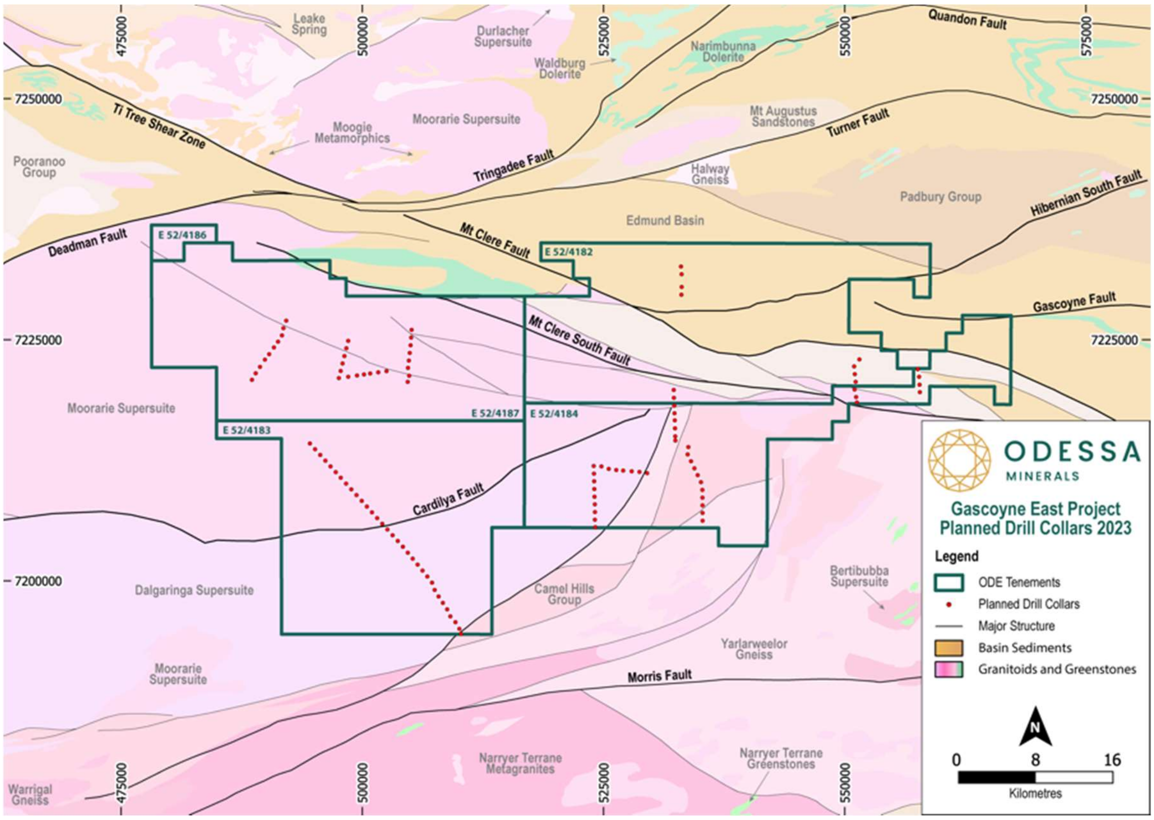

Figure 12 – Gascoyne East Project planned drilling underlain with 1:500k Bedrock geology and major structures.

DIRECTOR'S REPORT

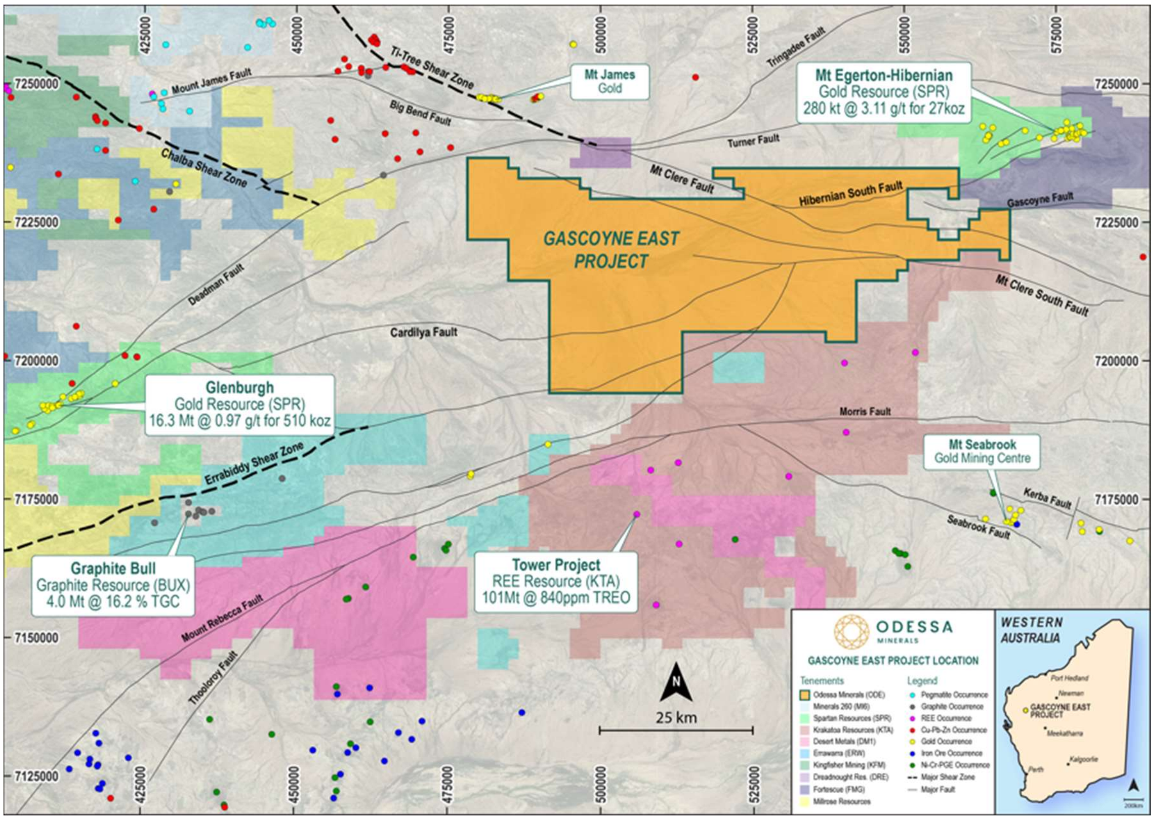

Figure 13 – Gascoyne East Project within a regional context compared to other known mineral occurrences.

ARIES DIAMOND PROJECT

Aries Location

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 was the focus of diamond exploration during the year.

Aries – The Largest Kimberlite Diamond Pipe in Australia

The Aries Kimberlite Pipe Complex has been the subject of historical exploration, including drilling, sampling, and bulk sampling, which identified significant quantities of gem and semi-gem quality diamonds. Relevant historic non-digital data has been progressively digitised into a data base and the majority of relevant drillhole locations are now entered. The digitisation and collation of the information is presenting vast opportunities for further analysis, with more than 30 years of exploration activity now recorded in a 3D digital database. Geophysical data historically focused on the Central Aries pipe and reprocessing of this data has demonstrated that the Aries Complex has a north-south strike with a likely feeder dyke or fissure with prominent kimberlitic features existing beyond the Southern Kimberlite Complex. The reprocessed data, combined with the drilling data which now can be viewed in 3D, has also indicated that a large underground footprint exists for the pipes, not seen before, which coalesce below surface, making it the largest known kimberlite pipe in Australia.

DIRECTOR'S REPORT

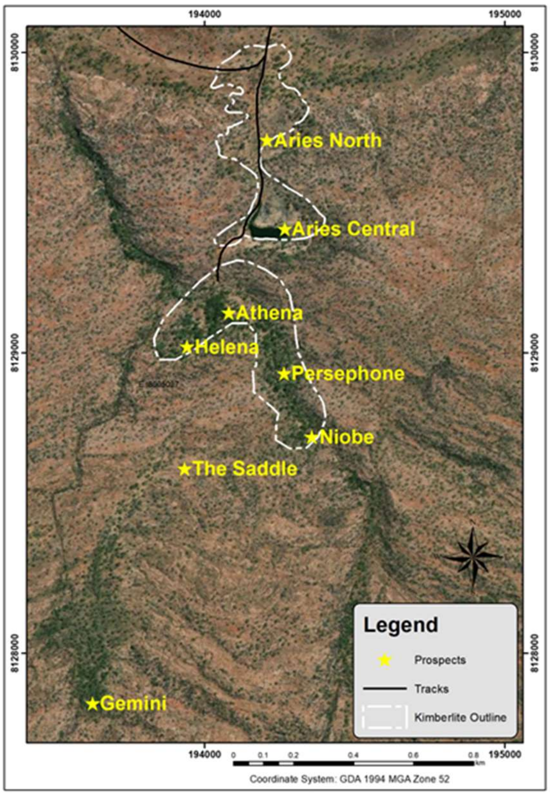

Figure 14 – Location of Kimberlite pipe at Aries

Aries Drilling Plans

In July 2022, Odessa received a Programme of Works ("PoW") permit for the Aries Kimberlite Complex ("Aries" or "AKC"), from the Western Australian Government's Department of Mines Industry and Safety ("DMIRS"). The proposed exploration programme had taken a significant period of time to formulate, and the approval of 2,100m of diamond drilling (with a $180,000 EIS grant) and 10,000m of RC drilling marked an important step for the commencement of drilling programmes at the Company's flagship project at Aries. The Company was ready to commence drilling and had mobilised a drill rig and crews but cancelled the drilling due to severely bad wet weather conditions in the Kimberley area around Aries. The wet season started early in the Kimberley region and continued to well beyond its normal season end.

Aries Gravity Survey

During the reporting period (10 August 2022) the Company announced the preliminary results of a detailed gravity survey that was conducted over all the known kimberlite pipes and dykes at Aries, and it showed:

- *Gravity Imagery Shows the Likelihood of a Significant Increase in the Footprint of Aries*
- *Additional Gravity anomalies Suggest Potential for 14 New Undiscovered Kimberlites*

As previously reported, the preliminary data indicates the presence of discrete, circular gravity lows scattered throughout the wider Aries area. It also shows the Aries footprint to be considerably larger than previously thought. As predicted, the data has identified the presence of a gravity low "ribbon" in the Carson Volcanics to the North. This ribbon could be host to additional new targets and further investigation is warranted. The figure below shows the gravity response of known pipes such as the Aries North, Aries Central and Athena pipes. Other features that are possible kimberlite pipes are annotated as "Gravity targets". Based on a preliminary assessment, the gravity survey appears to have identified:

- A substantially larger kimberlite system compared to the original magnetic modelling, and
- Additional features that appear to be discrete geophysical anomalies that could be kimberlite pipes

The "Ribbon" low gravity feature annotated as "host stratigraphy" is interpretated to be a geological unit that represents the contact between sandstone to the south and volcanic rock to the north and is NOT considered to be a kimberlite feature. There are features within this Ribbon geophysical anomaly that are suspected to be possible kimberlite pipes, but these requires additional investigation.

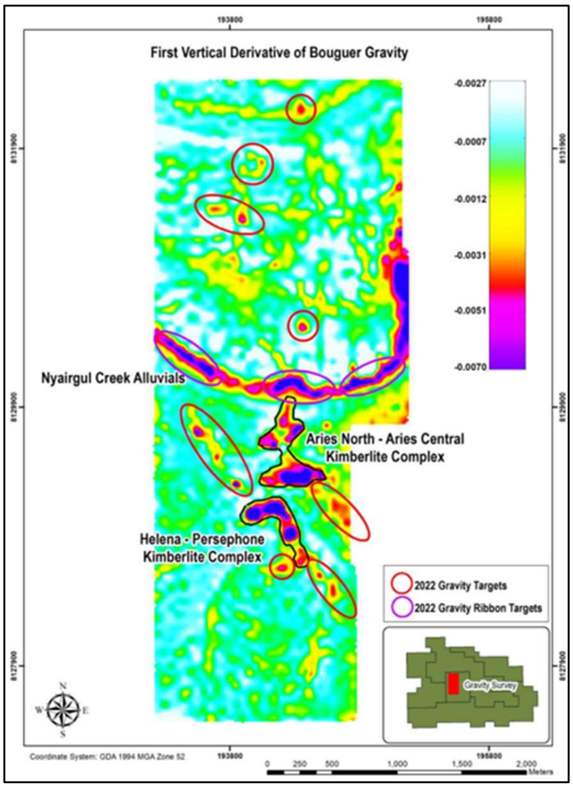

Figure 15 – Image of the preliminary Ground Gravity data, first vertical derivative of Bouguer gravity data shown, using a Colour table that shows gravity lows as being RED. No shading has been applied to the data in the generation of this image. The gravity lows of interest are circled. There are 14 new features of interest, some clustered together. The location of the gravity survey with respect to the wider tenement package is shown as the inset bottom right.

ASX Announcement references

Over 56,000m of mapped pegmatites at Yinnetharra	26 September 2023
Exploration Update at Lockier Range Project	7 September 2023
ODE ACCELERATES EXPLORATION AT GASCOYNE LI & REE TARGETS	21 August 2023
EXTENSIVE PEGMATITES CONFIRMED AT ROBINSON BORE	27 July 2023
STRONG RARE EARTHS IN SOILS CONFIRM SIGNIFICANCE OF 14% REE	20 July 2023
EXCELLENT LITHIUM DRILL TARGETS EMERGE AT LOCKIER RANGE	14 July 2023
Li Pegmatite Targeting Reveals Extensive Pegmatite Fields	25 May 2023
CRITICAL RARE EARTHS AND OUTCROPPING PEGMATITES DISCOVERY	16 May 2023
Ministerial Approval Granted - Lyndon REE/Lithium Project	15 May 2023
Lockier Range REE/Li Project - Tenements Granted	27 April 2023
REE/Li Tenement Granted - Lyndon Project	24 April 2023
Gascoyne East REE/Lithium Project - Licenses Granted	18 January 2023
Rare Earth Carbonatite Targets Highlighted at Lockier Range	17 January 2023
Odessa Focuses Exploration Efforts on REE/Lithium Targets	10 October 2022
Updated-REE Exploration Targets Identified at Lyndon Project	5 October 2022

DIRECTOR'S REPORT

REE Exploration Targets Identified at Lyndon Project	4 October 2022
Lithium/REE Tenement Acquisition – Lyndon Project	20 September 2022
Lyndon Li/REE Transaction Moved Ahead	12 September 2022
Aries Gravity Preliminary Results	10 August 2022
Major Drilling Programme Approved for Aries Kimberlites	20 July 2022
Aries Kimberlite Complex Geophysical Gravity Survey Underway	11 July 2022

Competent Persons Statement

The information in this report that relates to Exploration Results for the Lyndon, Lockier Range and Aries Projects extracted from the Company's market releases dated 20 July 2022, 10 August 2022, 5 October 2022, 17 January 2023, 16 May 2023, 25 May 2023, 14 July 2023, 20 July 2023, 27 July 2023, 21 August, 7 September 2023 and 26 September 2023 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.

Significant changes in the state of affairs

Other than the changes described in the Review of Operations, there have been no other significant changes in the state of affairs.

Information on Directors

Mr David Lenigas	Executive Director (appointed 26 April 2022)
Qualifications	Bachelor of Applied Science (Mining Engineering)
Experience	Mr Lenigas is a mining engineer with a Western Australia First Class Mine Managers Certificate. He has extensive corporate experience at chairman and chief executive officer level on many of the world's leading stock exchanges overseeing multiple business sectors. her has extensive exploration, development and corporate experience at a very senior level in the diamond industry, in particular his role in founding what is today known as the Lucapa Diamond Company Ltd (ASX:LOM).
Interest in shares and options at the date of this report	9,277,468 ordinary shares
Directorships held in other listed entities (last 3 years)	Riversgold Ltd (Appointed 10 March 2022) Odessa Minerals limited (Appointed 26 April 2022) Rincon Resources Limited (Appointed 13 September 2022)

Mr Zane Lewis	Non-Executive Chairman (appointed 21 November 2019)
Qualifications	Bachelor of Economics, Fellow of the Governance Institute of Australia
Experience	Mr Lewis is a principal and founder of corporate advisory firm SmallCap Corporate which specialises in corporate advisory services to ASX listed companies. Mr Lewis has been instrumental in the early stage development of several ASX companies and provides the Board with a wealth of knowledge obtained from his diverse financial and corporate experience in previous appointments. Mr Lewis is also a fellow of the Governance Institute of Australia. Mr Lewis is also non-executive director of ASX-listed Kingsland Global Limited and Lion Energy Limited.
Interest in shares and options at the date of this report	35,734,275 ordinary shares 8,283,000 unlisted options
Directorships held in other listed entities (last 3 years)	Lion Energy Limited (current) Kingsland Global Limited (current) Kairos Minerals Limited (current) Tap Oil Limited (resigned 18 December 2020)

Ms Lisa Wells	Non-Executive Director (appointed 17 January 2022)
Qualifications	Bachelor of Applied Science (Geology)
Experience	Ms Wells has 26 years' experience as an exploration geologist working across various commodities including diamonds, bulk commodities, gold and base metals. Ms Wells was a Senior Geologist at United Kimberley Diamonds where the Phillips Range diamond bulk sampling program at Aries South in the Central Kimberley was undertaken. Ms Wells has significant experience with environmental and permitting approvals as well as on-ground coordination of the trial mining operation, feasibility studies and project management in a range of commodities including diamonds, gold, phosphate and base metals.
Interest in shares and options at the date of this report	7,500,000 unlisted options
Directorships held in other listed entities (last 3 years)	N/A

Company Secretary

Mr Robbie Featherby was appointed as Company Secretary of the Company on 3 September 2021. Robbie Featherby is a Corporate Advisory Executive who holds a Bachelor of Commerce Degree majoring in Finance and Economics. Mr Featherby has an extensive number of years' experience in the financial services industry, more recently spending 4 years in London working at a leading investment research provider in the private equity sector.

Mr Featherby now provides company secretary services for a number of private and public companies.

Meetings of Directors

The number of formal meetings of Directors held during the year and the number of meetings attended by each director was as follows:

Director	Appointment/Resignation date	Number eligible to attend	Number attended
Zane Lewis	Appointed 21 November 2019	3	3
Lisa Wells	Appointed 17 January 2022	3	3
David Lenigas	Appointed 26 April 2022	3	3

Options

Unissued shares under option

At the date of this report, the unissued ordinary shares of the Group under option are as follows:

Expiry date	Exercise price	Number under
11 January 2026	$0.04	140,661,192
27 April 2026	$0.02	2,000,000
27 April 2026	$0.03	2,000,000
27 April 2026	$0.04	4,000,000
14 October 2026	$0.02	10,000,000
14 October 2026	$0.03	10,000,000
14 October 2026	$0.05	20,000,000
Total		**188,661,192**

Proceedings on behalf of 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 year.

Indemnifying officers

The Company indemnifies each of its directors, officers and company secretary. The Company indemnifies each director or officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

Insurance premiums

During the year, the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Environmental regulations

In the normal course of business, there are no environmental regulations or requirements that the Group is subject to.

Likely developments and results

The Company continue to actively explore and evaluate its mineral exploration tenements in Western Australia.

The directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Group.

Matters subsequent to the end of the financial year

There were no significant events after the reporting date

Indemnification of auditors

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

Non-audit services

During the year, Hall Chadwick WA Audit Pty Ltd provided the Company with other non-audit services totalling $1,458, relating to tax services. Details of their remuneration can be found within the financial statements at note 5.

Where non-audit services are provided by Hall Chadwick WA Audit Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 23 of the financial report.

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (**Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to equity instruments
7. Loans to key management personnel (KMP) and their related parties
8. Other transactions and balances with KMP and their related parties
9. Voting of shareholders at last years AGM

1. Introduction

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the major activities of the Group. KMP comprise the directors of the Company and identified key management personnel.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparable companies both locally and internationally and the objectives of the Group's compensation strategy.

2. Remuneration governance

The Directors believe the Group is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with a remuneration committee charter.

During the financial year, the Group did not engage any remuneration consultants.

3. Executive remuneration arrangements

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages may include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds.

The Company has an executive services agreement with Executive Director Mr David Lenigas (appointed 26 April 2022). At the date of this report, the executive agreement with Mr Alistair Stephens (CEO from 10 January 2022 until 3 August 2022) has ended.

The terms of their Executive Employment Agreements are summarised in the following table.

3. Executive remuneration arrangements (continued)

Executive Name	Remuneration
David Lenigas (appointed 26 April 2022)	• $120,000 per annum • The following options: o 10,000,000 unlisted options with an exercise price of 2 cents each and expiry date of 4 years from date of issue; o 10,000,000 unlisted options with an exercise price of 3 cents each and expiry date of 4 years from date of issue; and o 20,000,000 unlisted options with an exercise price of 5 cents each and expiry date of 4 years from date of issue. o All the above options packages have a vesting conditional, with each series vesting when the Company's shares exceed the various exercise prices (on a 20-day VWAP) at any time between the issue date and the expiry date of the relevant Incentive Option. • A termination notice period of 2 months
Alistair Stephens (CEO from 10 January 2022, resigned 3 August 2022)	• $360,000 (excl. Super) • 10,000,000 Options to subscribe for one share in the Company with an exercise price of $0.04 and expiring 4 years from the date of issue • A termination notice period of 2 months

4. Director fee arrangements

The Board policy is to remunerate Directors at a level to comparable companies for time, commitment, and responsibilities. Directors may receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Directors.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is presently limited to an aggregate of $250,000 per annum and any change is subject to approval by shareholders at the General Meeting. Fees for Directors are not linked to the performance of the Company, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Total fees for the Non-Executive Directors for the financial year were $102,000 and cover main Board activities only. Directors may receive additional remuneration for other services provided to the Group.

5. Details of remuneration

The Key Management Personnel of Odessa Minerals Limited includes the current and former Directors of the Company and Key Management Personnel of the Consolidated Entity during the year ended 30 June 2023.

30-Jun-23	Short term salary, fees & commissions	Post-employment superannuation	Termination	Share-based payments	Total	Share based payment % of remuneration
	$	$	$	$	$	$
Directors:						
Zane Lewis	60,000	-	-	-	60,000	-%
Lisa Wells	42,000	-	-		42,000	-%
David Lenigas	120,000	-	-	136,910	256,910	53%
Key Management Personnel:						
Alistair Stephens	36,522	3,835	15,842	(17,615)	38,584	-%
Total	**258,522**	**3,835**	**15,842**	**119,295**	**397,494**	

30-Jun-22	Short term salary, fees & commissions	Post-employment superannuation	Termination	Share-based payments	Total	Share based payment % of remuneration
	$	$	$	$	$	$
Directors:						
Zane Lewis	30,000	-	-	85,600	115,600	74%
Darren Holden	11,500	1,150	-	85,600	98,250	87%
Lisa Wells	73,146	-	-	85,600	158,746	54%
David Lenigas	21,667	-	-	24,381	46,048	53%
Key Management Personnel:						
Alistair Stephens	172,857	17,286	-	17,615	207,758	8%
Total	**309,170**	**18,436**	**-**	**298,796**	**626,402**	

6. Additional disclosures relating to equity instruments

KMP ordinary shareholdings

The number of ordinary shares in the Company, held by each KMP of the Group during the financial year is as follows:

30-Jun-23	Balance at the start of the year / at appointment date	Issued on conversion of performance rights/shares	Acquired on market purchase	Other changes during the year	Balance at end of the year/ at resignation date
Directors:					
Zane Lewis	23,776,804	-	-	1,957,471	25,724,215
Lisa Wells	-	-	-	-	-
David Lenigas	277,468	-	4,000,000	-	4,277,468
Total	**24,054,272**	**-**	**4,000,000**	**1,957,471**	**30,001,743**

KMP options holdings

The number of options in the Company, held by each KMP of the Group during the financial year is as follows:

30-Jun-23	Balance at the start of the year / at appointment date	Options issued as part of remuneration	Other changes during the year	Balance at end of the year/ at resignation date
Directors:				
Zane Lewis	7,500,000	-	-	7,500,000
Lisa Wells	7,500,000	-	-	7,500,000
David Lenigas	40,000,000	-	-	40,000,000
	55,000,000	**-**	**-**	**55,000,000**

7. Loans to key management personnel and their related parties

There were no loans made to key management personnel during the financial year.

8. Other transactions and balances with KMP and their related parties

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the current year, the Group incurred accounting and company secretarial fees of $125,150 (2022: $61,563) with Smallcap Corporate Pty Ltd, a company related to Mr Zane Lewis.

During the current year, the Group incurred rental expense of $29,076 (2022: $2,960) with Kairos Minerals Limited, a company that Mr Zane Lewis is a Director of.

9. Voting of shareholders at last year's annual general meeting

At the 2022 AGM, 99.31% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

THIS IS THE END OF THE AUDITED REMUNERATION REPORT

<u>Material Business Risk</u>

The proposed future activities of the Consolidated Entity are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the directors and management of the Company and cannot be mitigated. An investment in the Company is not risk free and should be considered speculative.

This section provides a non-exhaustive list of the risks faced by the Consolidated Entity or by investors in the Company. The risks should be considered in connection with forward looking statements in this Annual Report. Actual events may be materially different to those described and may therefore affect the Consolidated Entity in a different way.

Investors should be aware that the performance of the Consolidated Entity may be affected by these risk factors and the value of its Shares may rise or fall over any given period. None of the directors or any person associated with the Consolidated Entity guarantee the Consolidated Entity's performance.

Business risks	Mitigating actions
Exploration and evaluation	
- Geological, exploration and development: The exploration, development and mining of mineral resources is a high risk, high-cost exercise with no certainty of confirming economic viability of projects with high risk of project delays and unforeseen geological challenges. - Market Volatility, there are risks associated with fluctuations in rare earth element prices, market demand and global economic conditions. These factors could impact the Company's financial performance and stability.	- Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees. - The Company is entirely dependent upon the Projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.
Human Resources and Occupational Health and Safety	
- New operational commodity and lack of experience: The exploration and development of lithium and REE minerals is an emerging industry in Australia and there may be a lack of suitably trained professionals to conduct such activities. - Hazardous activities: The Company's exploration and evaluation activities may be hazardous, with potential to cause illness or injury.	- Strong human resources and employee relations framework. - Competitive remuneration structure focused on attracting diverse, engaged and suitably qualified employees and consultants. - Industry standard safety management system. - Embedded safety culture. - Regular review of safety management system.
Finance	
- The need to fund exploration and evaluation activities. - Future funding risk: Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets.	- The Company will need to source equity funding for continued exploration and evaluation prior to accessing equity and debt markets to undertake development funding. Any additional equity financing may be dilutive to Shareholders, as pricing of the Company's shares are dependent on endogenous and exogenous outcomes. - There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.
Regulatory Approvals and Social Licence to Operate	
- The Company's exploration activities and major projects depend on receipt of regulatory approvals (e.g. tenure, environmental licences and permits, heritage approvals, etc). There is a risk that required approvals may be delayed or declined.	- The Company will engage expert consultants to undertake required baseline environmental assessments and to prepare major approval application documents to ensure it meets regulatory requirements. The Company considers potential environmental impacts as a key factor in it project design and

Business risks	Mitigating actions
- Maintenance of positive relationships with stakeholders and the community, particularly traditional owners, is important in ensuring The Company retains its social licence to operate.	evaluation and will ensure impacts are reduced to as low as reasonably practicable.
- Potential risks arising from changes in government regulations, policies, or environmental standards that may affect the extraction, processing or export of rare earth elements. Such changes may impact the Company's operations, costs or market access.	- The Company has engaged legal support and specialised services for the negotiation and preparation of Land Access Agreements with Traditional Owners, to ensure we obtain prior and informed consent for our activities. - The Company will develop and implement a Stakeholder Engagement Plan to enable positive engagement with our stakeholders to ensure we retain our social licence to operate.
Changes in Federal and State Regulations	
- Changes in Federal or State Government policies or legislation may impact royalties, tenure, land access and labour relations.	- The Board regularly assesses developments in State and Federal legislation and policies and regularly engages with Government Departments.

Signed in accordance with a resolution of the Board of Directors.

Zane Lewis
Non-Executive Chaiman
27 September 2023

To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of Odessa Minerals Limited for the financial year ended 30 June 2023, 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

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 27th day of September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023	30 June 2022
		$	$
Other income		27,566	777
Administration expenses	2	(622,313)	(561,030)
Employee and Director benefits expenses		(408,271)	(301,460)
Depreciation expense		(4,007)	(701)
Exploration related expenditure		(71,085)	(6,467)
Impairment expense	9	(990,975)	-
Share based payments	14	(144,532)	(304,230)
Corporate transaction expenses		-	(4,516,192)
Loss before income tax		**(2,213,617)**	**(5,689,303)**
Income tax expense	3	-	-
Loss for the year		**(2,213,617)**	**(5,689,303)**
Other comprehensive income:		-	-
Total comprehensive loss for the year		**(2,213,617)**	**(5,689,303)**
Earnings Per Share			
Basic and diluted loss per share (cents per share)	6	(0.28)	(1.62)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	30 June 2023 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents	7(a)	4,523,553	4,996,898
Trade and other receivables	8	95,627	116,197
Other current assets		11,220	11,703
TOTAL CURRENT ASSETS		**4,630,400**	**5,124,798**
NON-CURRENT ASSETS			
Capitalised exploration and evaluation expenditure	9	2,861,096	621,284
Plant and equipment		7,513	20,208
TOTAL NON-CURRENT ASSETS		**2,868,609**	**641,492**
TOTAL ASSETS		**7,499,009**	**5,766,290**
CURRENT LIABILITIES			
Trade and other payables	10	322,661	498,596
TOTAL CURRENT LIABILITIES		**322,661**	**498,596**
TOTAL LIABILITIES		**322,661**	**498,596**
NET ASSETS		**7,176,348**	**5,267,694**
SHAREHOLDERS' EQUITY			
Issued capital	11	12,984,481	9,335,460
Reserves	12	2,138,664	1,665,414
Accumulated losses		(7,946,797)	(5,733,180)
SHAREHOLDERS' EQUITY		**7,176,348**	**5,267,694**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Option Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2021	**217,489**	**-**	**(43,877)**	**173,612**
Loss for the year	-	-	(5,689,303)	**(5,689,303)**
Other comprehensive income	-	-	-	**-**
Total comprehensive loss for the year	-	-	(5,689,303)	**(5,689,303)**
Transactions with owners, recognised directly in equity				
Issue of shares and options – acquisition of tenements	75,000	12,565	-	**87,565**
Issue of shares and options – acquisition of Odessa Minerals Limited	3,622,676	1,120,351	-	**4,743,027**
Capital raisings (net of costs)	5,420,295	228,268	-	**5,648,563**
Share based payments	-	304,230	-	**304,230**
Balance at 30 June 2022	**9,335,460**	**1,665,414**	**(5,733,180)**	**5,267,694**
Balance at 1 July 2022	**9,335,460**	**1,665,414**	**(5,733,180)**	**5,267,694**
Loss for the year	-	-	(2,213,617)	**(2,213,617)**
Other comprehensive income	-	-	-	**-**
Total comprehensive loss for the year	-	-	(2,213,617)	**(2,213,617)**
Transactions with owners, recognised directly in equity				
Issue of shares and options – acquisition of tenements	1,534,021	328,718	-	**1,862,739**
Capital raisings (net of costs)	2,115,000	-	-	**2,115,000**
Share based payments	-	167,816	-	**167,816**
Cancellation of share based payments	-	(23,284)	-	**(23,284)**
Balance at 30 June 2023	**12,984,481**	**2,138,664**	**(7,946,797)**	**7,176,348**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023	30 June 2022
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		27,566	777
Payments to suppliers and employees		(1,247,595)	(561,495)
Net cash used in operating activities	7(b)	**(1,220,029)**	**(560,718)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(1,368,047)	(406,428)
Payments for financial assets		-	(40,000)
Purchases of property, plant & equipment		(9,359)	(20,909)
Proceeds from sale of property, plant & equipment		9,091	299,475
Net cash used in investing activities		**(1,368,315)**	**(167,862)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		2,249,999	6,062,835
Payments of capital raising costs		(135,000)	(413,519)
Repayment of loans		-	(140,809)
Net cash from financing activities		**2,114,999**	**5,508,507**
Net increase / (decrease) in cash and cash equivalents		**(473,345)**	**4,779,927**
Cash and cash equivalents at the beginning of the financial year		4,996,898	216,971
Cash and cash equivalents at the end of the financial year	7(a)	**4,523,553**	**4,996,898**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

These consolidated financial statements cover Odessa Minerals Limited (the **Company,** or **Odessa**) and the entities it controlled for all or part of the financial year (also referred to as the **Consolidated Entity** or the **Group**). Odessa Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

The financial statements were issued by the board of directors on 27 September 2023.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. Where applicable, comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial report

a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (**AASB**), International Financial Reporting Standards (**IFRSs**), and the Corporations Act 2001.

b) Going concern

For the year ended 30 June 2023 the consolidated entity recorded a loss of $2,213,617 (30 June 2022: loss $5,689,303), net cash outflows from operating activities of $1,220,029 (30 June 2022: outflows $560,718), and net assets of $7,176,348 as at that date (30 June 2022: $5,267,694).

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 liabilities in the normal course of business.

The directors have prepared an estimated cash flow forecast for the 12 month period from the date of this report to determine if the Group will require additional funding during the period. Based on the cash flow forecast, the Directors are satisfied that there are reasonable grounds to believe that the Group will be able to operate as a going concern.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Odessa Minerals Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d) Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e) Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

f) Impairment of non-financial assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

g) Capitalised exploration and evaluation expenditure

Capitalised exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development 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.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The costs of restoration obligations are provided for in full at the time of the activities which give rise to the need of restoration. Restoration costs include reclamation, site closure and monitoring of those activities, and are based on undiscounted prospective current cost estimates which satisfy anticipated legal requirements. Estimates of future costs are measured at least annually.

Where part of a tenement/area of interest is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the farmor, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment, unless the terms of the farmout are excessive based on the diluted interest retained. A decision is then made to reduce exploration expenditure to its recoverable amount.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits available on demand with banks with original maturity of three months or less.

i) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as a operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

l) Revenue

Revenue recognition

The Group recognises revenue as follows:

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue relating to government grants and the receipt of R&D tax credits from the Australian Government are recorded on an accrual basis. It is accrued in the period relating to which the relevant authority has a definite legal obligation to provide the grant.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

m) Goods and Services Tax (GST)

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

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees during the reporting period.

Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. No employee benefits payable later than 12 months have been recognised in the current period.

o) Share-based payments

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance right options is determined using the satisfaction of certain performance criteria ('performance milestones').

The number of share options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using either a Black Scholes model (options) or by reference to the prevailing share price at the grant date, adjusted for management's best estimate of achieving the performance milestones attached to the issue (performance rights/shares).

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

p) Equity and reserves

Share capital represents the fair value of shares that have been issued. Any direct transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

The share based payment reserve records the value of share-based payments.

q) Segment information

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. There is currently one reportable segment.

r) Earnings per share

Basic earnings per share is calculated by dividing:

- the loss attributable to the members of the parent entity, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (if any).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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.

Capitalised exploration and evaluation expenditure

One or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment (the list is not exhaustive):

a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where an impairment test is performed, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. The consolidated entity reviews intangible assets for impairment once a year, or more frequently if events or changes in circumstances indicate that there is impairment.

Share-based payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the adopted Accounting Standards and Interpretations had any material effect on the consolidated entity's accounting treatments. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Entity has considered it unlikely for there to be a material impact on the financial statements.

	30 June 2023	**30 June 2022**
	$	**$**
NOTE 2: LOSS FOR THE YEAR		
Administration expenses includes the following specific expenses:		
Legal fees	71,075	291,358
Corporate and compliance expenses	199,529	94,937
Consultancy expenses	126,894	88,554
Other administrative expenses	224,815	86,181
	622,313	**561,030**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: INCOME TAX

The financial accounts for the year ended 30 June 2023 comprise the results of Odessa Minerals Limited. The legal parent is incorporated and domiciled in Australia where the applicable tax rate for 30 June 2023 is 25%.

	30 June 2023	30 June 2022
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Income tax benefit on loss from continuing operations at 25% (2022: 25%)	(553,404)	(1,422,326)
Non-deductible items		
Non-deductible expenditure	36,133	1,205,105
Benefits from tax losses not brought to account	285,842	169,809
Temporary differences not recognised	231,429	47,412
Income tax attributable to operating income/(loss)	-	-
The applicable weighted average effective tax rates are as follows:		
Balance of franking account at year end		-
Deferred tax assets		
Tax losses	2,140,043	1,851,791
Black hole expenditure	63,527	48,703
Unrecognised deferred tax asset	2,203,570	1,900,494
Less deferred tax assets not recognised	(2,203,570)	(11,408)
Net deferred tax	-	-

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: RELATED PARTY TRANSACTIONS

a) Key management personnel compensation

The totals of remuneration paid to key management personnel during the year are as follows:

	30 June 2023	30 June 2022
	$	$
Short-term salary, fees and commissions	258,522	309,170
Post-employment superannuation	3,835	18,436
Termination payments	15,842	-
Share based-payments	119,295	298,796
	397,494	**626,402**

b) Other related party transactions

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the current year, the Group incurred accounting and company secretarial fees of $125,150 (2022: $61,563) with Smallcap Corporate Pty Ltd, a company related to Mr Zane Lewis.

During the current year, the Group incurred rental expense of $29,076 (2022: $2,960) with Kairos Minerals Limited, a company that Mr Zane Lewis is a Director of.

NOTE 5: AUDITOR'S REMUNERATION

	30 June 2023	30 June 2022
	$	$
Remuneration of the auditor of the Group for:		
- Audit and review services of the financial report	28,211	20,000
- Other services (investigating accountants report and tax services)	1,458	18,000
	29,669	**38,000**

NOTE 6: LOSS PER SHARE

	30 June 2023	30 June 2022
	$	$
Loss per share (EPS)		
Loss used in calculation of basic EPS and diluted EPS	(2,213,617)	(5,689,303)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	794,185,352	350,330,478

There are 227,123,998 potential ordinary shares (2022: 151,591,192) which were not included in the calculation of diluted earnings per share due to their anti-dilutive effect.

NOTE 7(a): CASH AND CASH EQUIVALENTS	**30 June 2023**	**30 June 2022**
	$	**$**
Cash at bank	4,523,553	4,996,898
	4,523,553	**4,996,898**

Refer to Note 17 which details the risk associated with cash and cash equivalents.

NOTE 7(b): CASH FLOW INFORMATION	**30 June 2023**	**30 June 2022**
	$	**$**
Loss after income tax	(2,213,617)	(5,689,303)
Non-cash flows in loss after income tax		
Depreciation	4,007	701
Share based payment expense	144,532	304,230
Corporate transaction expense	-	4,516,192
Exploration related expenditure	-	6,467
Impairment expense	990,975	-
Changes in assets and liabilities		
Decrease in trade and other receivables	21,052	4,545
Increase / (Decrease) in trade and other payables	(166,978)	296,450
Net cash used in operating activities	**(1,220,029)**	**(560,718)**

Credit standby facilities

The Group has no credit standby facilities at 30 June 2023 (30 June 2022: none).

Non-cash investing and financing activities

During the prior year, Odessa Minerals Limited issued 196,322,384 shares and 98,161,192 options to acquire Odessa Australia Pty Ltd (refer Note 1b and Note 14 for further details).

Additionally in the prior year, Odessa Australia Pty Ltd issued 1,500,000 shares and 750,000 options (prior to the reverse takeover with Odessa Minerals Limited) to acquire exploration tenements.

There were no non-cash investing and financing activities during the year ended 30 June 2023.

NOTE 8: TRADE AND OTHER RECEIVABLES	**30 June 2023**	**30 June 2022**
	$	**$**
CURRENT		
Other receivables	40,000	40,000
GST receivable	55,628	76,197
	95,628	**116,197**

All trade and other receivable amounts are short-term. The net carrying value is considered a reasonable approximation of fair value.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 9: CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE	30 June 2023	30 June 2022
	$	$
NON-CURRENT		
Exploration and evaluation expenditure	2,861,096	621,284
	2,861,096	**621,284**
MOVEMENT:		
Balance at the start of the year	621,284	152,350
Exploration expenditure capitalised during the year	3,230,787	468,934
Impairment of exploration expenditure	(990,975)	-
Total capitalised exploration expenditure	**2,861,096**	**621,284**

Due to changes in the circumstances at the Aries Diamond Project along with the relinquishment of the Calwnyardah Project tenements, the Company has recognised impairment totalling $990,975 during the year. The Company continues to maintain the Aries exploration tenements and will consider resume operations when the conditions are appropriate.

NOTE 10: TRADE AND OTHER PAYABLES	30 June 2023	30 June 2022
	$	$
CURRENT		
Trade payables	147,903	376,871
Accrued expenses	38,500	30,000
Other payables	136,258	91,725
	322,661	**498,596**

All trade and other payable amounts are short-term. The net carrying value is considered a reasonable approximation of fair value.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11: ISSUED CAPITAL	**30 June 2023** **$**	**30 June 2022** **$**
(a) Share capital		
Fully paid ordinary shares	12,984,481	9,335,460

	No.	**$**
(b) Movements in fully paid ordinary capital		
Opening balance at 1 July 2021	17,640,298	217,489
Acquisition of tenements – 25 July 2021	1,000,000	50,000
Shares issued for Pre-IPO placement – 27 July 2021 (funds received as at 30 June 2021)	4,158,360	-
Shares issued for Pre-IPO placement – 27 July 2021	1,241,640	62,082
Acquisition of tenements – 16 August 2021	500,000	25,000
Elimination of Odessa Australia Pty Limited's Issued Capital on acquisition	(24,540,298)	-
Shares of legal acquirer (Odessa Minerals Limited) at acquisition date	237,151,108	-
Share consideration – acquisition of Odessa Minerals Limited	196,322,384	3,622,676
Capital raising	300,000,000	6,000,000
Capital raising costs	-	(641,787)
Closing balance at 30 June 2022	**733,473,492**	**9,335,460**
Shares issued for acquisition of tenement - 26 October 2022	41,600,000	748,800
Shares issued for acquisition of tenement - 8 November 2022	5,000,000	85,000
Shares issued for acquisition of tenement - 1 December 2022	16,399,800	245,997
Shares issued for acquisition of tenement - 1 December 2022	652,490	9,787
Shares issued for acquisition of tenement - 11 January 2023	6,000,000	78,000
Shares issued for acquisition of tenement - 17 April 2023	34,104,580	272,837
Shares issued for acquisition of tenement - 17 May 2023	10,400,000	93,600
Placement - 14 June 2023	195,652,174	2,250,000
Capital raising costs	-	(135,000)
Closing balance at 30 June 2023	**1,043,282,536**	**12,984,481**

(c) Capital Management

Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12: RESERVES	**30 June 2023**	**30 June 2022**
	$	**$**
a) Reserves		
Share based payment reserve	2,138,664	1,665,414
	2,138,664	1,665,414

The share based payment reserve records the value of share-based payment transactions.

b) Movement in share based payment reserve	**No. of options**	**$**
Opening balance at 1 July 2021	8,820,153	-
Issue of options – acquisition of tenements – 25 July 2021	500,000	8,377
Options issued for Pre-IPO placement – 27 July 2021	2,700,005	-
Issue of options – acquisition of tenements – 27 July 2021	250,000	4,188
Elimination of Odessa Australia Pty Limited's options on acquisition	(12,270,158)	-
Options of legal acquirer (Odessa Minerals Limited) at acquisition date	2,550,908	-
Option consideration – acquisition of Odessa Minerals Limited	98,161,192	1,120,351
Issue and vesting of options to key management personnel, employees and consultants	41,500,000	304,230
Lead manager options issued	20,000,000	228,268
Expiry of options	(1,620,908)	-
Closing balance at 30 June 2022	**160,591,192**	**1,665,414**
Issue of options to key management personnel – 14 October 2022	40,000,000	-
Options issued for the acquisition of exploration assets – 26 October 2022	12,000,000	137,087
Options issued for the acquisition of exploration assets – 1 December 2022	20,462,806	167,480
Options issued for the acquisition of exploration assets – 11 January 2023	2,000,000	13,314
Options issued for the acquisition of exploration assets – 17 May 2023	3,000,000	10,837
Expiry of share based payments	(930,000)	-
Forfeiture of share based payments	(10,000,000)	(23,284)
Vesting of share based payments	-	167,816
Closing balance at 30 June 2023	**227,123,998**	**2,138,664**

NOTE 13: SHARE BASED PAYMENTS

On 14 October 2022, the Company issued 40,000,000 options with the following terms were issued to Mr David Lengias

- 10,000,000 options with an exercise price of $0.02 and an expiry date of 14 October 2026;
- 10,000,000 options with an exercise price of $0.03 and an expiry date of 14 October 2026; and
- 20,000,000 options with an exercise price of $0.05 and an expiry date of 14 October 2026.

The grant date of these options was 20 April 2022.

A summary of the inputs used in the valuation of the other options issued during the year is as follows:

Options	**Options issued to Executive Director**	**Options issued to Executive Director**	**Options issued to Executive Director**
Exercise price	$0.02	$0.03	$0.05
Grant date	26-Apr-22	26-Apr-22	26-Apr-22
Expected volatility	100%	100%	100%
Expiry date	26-Apr-26	26-Apr-26	26-Apr-26
Value per option	$0.0159	$0.0156	$0.0126
Number of options	10,000,000	10,000,000	20,000,000

Options	**Options issued as consideration for the acquisition of Exploration Assets**	**Options issued as consideration for the acquisition of Exploration Assets**	**Options issued as consideration for the acquisition of Exploration Assets**	**Options issued as consideration for the acquisition of Exploration Assets**
Exercise price	$0.04	$0.04	$0.04	$0.04
Grant date	14-Oct-22	30-Nov-22	11-Jan-23	17-May-23
Expected volatility	100%	100%	100%	100%
Expiry date	31-Dec-26	31-Dec-26	31-Dec-26	31-Dec-26
Value per option	$0.0106	$0.0082	$0.0067	$0.0036
Number of options	12,000,000	20,462,806	2,000,000	3,000,000
Vesting date	Immediate	Immediate	Immediately	Immediately

The share-based expense as at 30 June 2023 comprises of the following:

Description	**30 June 23** **$**
Issue of options to KMP's - vesting during the year	167,816
Reversal of share-based payments – non-vesting condition were not met	(23,284)
Total	**144,532**

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14: OPERATING SEGMENTS

The Group has identified its operating segment based on internal reports that are reviewed by the Board and management. The company has determined that it has one operating segment. The Board does not identify separate segments for internal management reporting hence no segment information has been reported.

NOTE 15: FINANCIAL INSTRUMENTS

Financial risk management policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for the Group's operations.

Specific financial risk exposures and management

The main risk the Group is exposed to through its financial instruments are market risk (including fair value and interest rate risk), cash flow interest rate risk, credit risk, foreign currency risk and liquidity risk.

(a) Interest Rate Risk

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity-raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates.

The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below:

	Floating interest rate	Non-interest bearing	2023 Total	Floating interest rate	Non-interest bearing	2022 Total
	$	$	$	$	$	$
Financial assets						
- Within one year						
Cash and cash equivalents	-	4,523,553	4,523,553	-	4,996,898	4,996,898
Trade and other receivables	-	40,000	40,000	-	40,000	40,000
Total financial assets	-	4,563,553	4,563,553	-	5,036,898	5,036,898
Weighted average interest rate	*0.01%*			*0.01%*		
Financial liabilities						
- Within one year						
Trade and other payables	-	322,661	322,661	-	498,596	498,596
Borrowings	-	-	-	-	-	-
Total financial liabilities	-	322,661	322,661	-	498,596	498,596
Weighted average interest rate	*n/a*			*n/a*		
Net financial assets	-	4,240,892	4,240,892	-	4,538,302	4,538,302

(b) Credit risk

The maximum exposure to credit risk is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	30 June 2023 $	30 June 2022 $
Cash and cash equivalents - AA Rated	7(a)	4,523,553	4,996,898

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

30 June 2023	Interest rate	Less than 6 months $	6-12 months $	1-2 years $	2-5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount liabilities $
Financial liabilities at amortised cost								
Trade and other payables	-	322,661	-	-	-	-	322,661	322,661
	-	322,661	-	-	-	-	322,661	322,661

30 June 2022	Interest rate	Less than 6 months $	6-12 months $	1-2 years $	2-5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount liabilities $
Financial liabilities at amortised cost								
Trade and other payables	-	498,596	-	-	-	-	498,596	498,596
	-	498,596	-	-	-	-	498,596	498,596

(d) Net fair value of financial assets and liabilities

Fair value estimation

Due to the short-term nature of the receivables and payables of the Group, the carrying value approximates fair value.

(e) Financial arrangements

The consolidated entity had no other financial arrangements in place at 30 June 2023 based on the information available to the current board (30 June 2022: none).

(f) Currency risk

The currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the consolidated entity's functional currency. The consolidated entity has no direct material exposure to foreign exchange.

NOTE 16: PARENT ENTITY FINANCIAL INFORMATION

The following information has been executed from the books and records of the legal parent Odessa Minerals Limited have been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1.

(a) Statement of financial position

	30 June 2023	30 June 2022
	$	$
ASSETS		
Current assets	4,618,379	5,112,838
Non-current assets	7,513	20,208
TOTAL ASSETS	**4,625,892**	**5,133,046**
LIABILITIES		
Current liabilities	316,996	492,931
TOTAL LIABILITIES	**316,996**	**492,931**
NET ASSETS	**4,308,896**	**4,640,115**
SHAREHOLDERS' EQUITY		
Issued capital	255,095,210	251,446,189
Reserves	2,046,169	1,652,849
Accumulated Losses	(252,832,482)	(248,458,923)
SHAREHOLDERS' EQUITY	**4,308,896**	**4,640,115**

(b) Statement of profit or loss and other comprehensive income

Loss for the year	(4,373,559)	(213,499,685)
Total comprehensive loss	**(4,373,559)**	**(213,499,685)**

Included in the parent entity's loss for the financial year ending 30 June 2023 is an impairment charge for all the intercompany loans, representing the remaining related party non-current loan receivables owed to the parent by its subsidiaries.

(c) Guarantees entered into by Odessa Minerals Limited for the debts of its subsidiaries

There are no guarantees entered into by Odessa Minerals Limited as at 30 June 2023 (30 June 2022: none).

(d) Contingent liabilities of Odessa Minerals Limited

There were no known contingent liabilities of the Company as at 30 June 2023 (30 June 2022: none).

(e) Commitments by Odessa Minerals Limited

The Company did not have any commitments or contractual obligations as at 30 June 2023 (30 June 2022: none).

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17: CONTROLLED ENTITIES

Controlled entity	Country of incorporation	Percentage ownership 30 June 2023	Percentage ownership 30 June 2022
Odessa Australia Pty Ltd	Australia	100%	100%
OD3 Cedric Pty Ltd	Australia	100%	100%
OD3 Ellenex Pty Ltd	Australia	100%	100%
OD3 Liverniga Pty Ltd	Australia	100%	100%
OD3 Whiterock Pty Ltd	Australia	100%	100%
OD3 Wynne Pty Ltd	Australia	100%	100%
OD3 Aries Pty Ltd	Australia	100%	100%
Odessa Lyndon Pty Ltd	Australia	100%	100%
OD4 Noonie Pty Ltd	Australia	100%	-

NOTE 18: COMMITMENTS	30 June 2023 $	30 June 2022 $
No longer than 1 year	829,000	82,452
Longer than 1 year and not longer than 5 years	2,961,337	118,521
Longer than 5 years	-	-
	3,790,337	200,973

Commitments represent minimum spend expenditure on the Group's exploration tenements.

NOTE 19: CONTINGENT LIABILITIES

The Group has no known contingent liabilities as at 30 June 2023 (30 June 2022: none).

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events after the reporting date.

In the Director's opinion:

- The consolidated financial statements and notes set out on pages 26 and 47 are in accordance with the Corporations Act 2001;
- The consolidated financial statements complying with Australian Accounting Standards and Corporations Regulations 2001, noting the matters documented in Note 1(a);
- the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1;
- The consolidated financial statements and notes give a true and fair view, the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Zane Lewis
Non-Executive Chairman
27 September 2023

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Odessa Minerals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation Expenditure As disclosed in note 9 to the financial statements, as at 30 June 2023, the Consolidated Entity's capitalised exploration and evaluation expenditure was carried at $2,861,096 with an impairment expense of $990,975. The recognition and recoverability of the exploration and evaluation expenditure was considered a key audit matter due to: • The significance of the balance to the Consolidated Entity's consolidated financial position. • The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. • The assessment of impairment of exploration and evaluation expenditure being inherently	Our audit procedures included but were not limited to: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6"); • Assessing the Consolidated Entity's rights to tenure; • Testing the Consolidated Entity's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB • By testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further exploration in the area of interest is not budgeted or planned; ○ Decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful

Key Audit Matter	How our audit addressed the Key Audit Matter
difficult.	development or sale. • We also assessed the appropriateness of the related disclosures in note 9 to the financial statements.
Accounting for Share Based Payments As disclosed in note 14 to the financial statements, during the year ended 30 June 2023 the Consolidated Entity incurred share based payments expense of $144,532. Share based payments are considered to be a key audit matter due to • the value of the transactions; • the complexities involved in the recognition and measurement of these instruments; and • the judgement involved in determining the inputs used in the valuations.	Our procedures amongst others included: • Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with *AASB 2 Share Based Payments*; • Evaluating valuation models and assessing the assumptions and inputs used; • Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; • Assessing the achievement of relevant milestones; and • Assessing the adequacy of the disclosures included in Note 14 to the financial statements.

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 2023, 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 Company 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Odessa Minerals Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 27th day of September 2023

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in the Annual Report. The information provided is current as at 31 August 2023.

REGISTERED OFFICE OF THE COMPANY

Suite 1, 295 Rokeby Road

Perth WA 6008

Australia

Ph: +61 (08) 6555 2950

STOCK EXCHANGE LISTING

Quotation has been granted for 1,043,282,536 ordinary shares and on the Australian Stock Exchange Ltd. The State Office of the Australian Stock Exchange Ltd in Perth, Western Australia has been designated the Home Branch of Odessa Minerals Limited.

There are no current on-market buy-back arrangements for the Company.

VOTING RIGHTS

For all ordinary shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

SHARE REGISTRY

The registers of shares and options of the Company are maintained by:
Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

COMPANY SECRETARY

The name of the Company Secretary is Robbie Featherby.

SUBSTANTIAL HOLDERS

There are currently no substantial shareholders.

CONSISTENCY WITH BUSINESS OBJECTIVES – ASX LISTING RULE 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that is has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 18 November 2021.

ADDITIONAL SHAREHOLDER INFORMATION

Holding Analysis

Holding Ranges	Ordinary Shares
1 - 1,000	82
1,001 - 5,000	153
5,001 - 10,000	191
10,001 - 100,000	1,045
100,001 - 9,999,999,999	938
Totals	**2,409**
Holders with an unmarketable parcel	1,166

EQUITY SECURITY HOLDERS

The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Position	Holder Name	Holding	% IC
1	CRC MINERALS PTY LTD	35,946,612	3.45%
2	GEOBASE AUSTRALIA PTY LTD <CW LLOYD FAMILY A/C>	32,006,717	3.07%
3	GOLDEN TRIANGLE CAPITAL PTY LTD	23,776,804	2.28%
4	LEIGH SINCLAIR <HOLDEN SINCLAIR FAMILY A/C>	22,999,760	2.20%
5	MILFORD RESOURCES PTY LTD	22,199,760	2.13%
6	TROCA ENTERPRISES PTY LTD <COULSON SUPER A/C>	16,074,936	1.54%
7	ODETTE GEOSCIENCE PTY LTD	15,312,248	1.47%
8	CROFTBANK PTY LTD <WATTS FAMILY SUPER FUND A/C>	11,195,719	1.07%
9	CITICORP NOMINEES PTY LIMITED	10,422,265	1.00%
10	10 BOLIVIANOS PTY LTD	10,252,334	0.98%
11	MR ZANE LEWIS <RLZ A/C>	10,000,000	0.96%
11	MR DANIEL FRANCISCO AUGUSTUS SPEHARS	10,000,000	0.96%
11	MUITO DINHEIRO PTY LTD	10,000,000	0.96%
11	MR BENJAMIN WECHSLER	10,000,000	0.96%
12	CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>	9,957,349	0.95%
13	MR DAVID LENIGAS	9,000,000	0.86%
14	MR BIN LIU	8,496,826	0.81%
15	MR JOHN VAN DER WIELEN	8,325,650	0.80%
16	MRS CHRISTABEL JAYNE BRAND <THE BRAND FAMILY A/C>	8,046,957	0.77%
16	MRS LEIGH SINCLAIR <HOLDEN SINCLAIR FAMILY A/C>	8,046,957	0.77%
17	HEELMO HOLDINGS PTY LTD <ROWBOTTAM SUPER FUND A/C>	8,000,000	0.77%
17	JINDALEE RESOURCES LIMITED	8,000,000	0.77%
18	MR CRAIG PAUL CUNNINGHAM <THE CUNNINGHAM A/C>	7,638,698	0.73%
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	7,134,325	0.68%
20	EUMARALEEK PTY LTD <WOLFCUB SUPERFUND A/C>	6,843,697	0.66%
	Total	**329,677,614**	**31.60%**
	Total Issued Capital	**1,043,282,536**	**100.00%**

Tenement information

Project	Tenement	Status	Area (Km²)
Lockier Range			
Noonie	E09/2732	Application	120
	E09/2649	Live	40
Lyndon			
Ebra Bore Lyndon	E08/3434	Application	183
	E09/2605	Live	207
	E08/3364	Live	210
Lyndon	E09/2435	Live	57
	E08/3217	Live	141
	E09/2787	Application	8
	E09/2794	Application	6
	E09/2938	Application	72
Ellendale			
Ellendale Air	E04/2832	Application	15
Ellendale East	E04/2830	Application	210
Ellendale North	E04/2834	Application	138
Ellendale West	E04/2833	Application	45
Gascoyne East			
Gascoyne	E52/4186	Live	18
	E52/4187	Live	175
	E52/4198	Application	15
	E52/4182	Live	573
	E52/4183	Live	516
	E52/4184	Live	426
Aries			
Aries East	E80/5818	Application	87
Aries Main	E80/5027	Live	90
Aries Northwest	E80/5815	Application	339
	E80/5816	Application	261

	E80/5819	Application	120
Aries West	E80/5817	Application	177
Total			**4189**