ODIN MINING AND EXPLORATION LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016

ODIN MINING & EXPLORATION

Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2016 August 25, 2016

INTRODUCTION

Odin Mining and Exploration Ltd. ("Odin" or the "Company") is a resource exploration company with a focus on the exploration and development of mining projects in Ecuador. The Company currently holds, through its two 100% owned subsidiaries, the Cangrejos project, which is located in the foothills of the Andes in southwest Ecuador. On August 3, 2016, Odin announced that it had entered into a definitive arrangement agreement, whereby Odin will acquire all of the outstanding securities of Ecuador Gold and Copper Corp. ("EGX") in exchange for common shares of the Company.

Odin's head office is in Vancouver, Canada. The Company was incorporated on March 22, 1988 and its shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "ODN".

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Odin and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the three and six months ended June 30, 2016 and 2015, and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto. This MD&A should also be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2015.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.odinmining.com.

The Company reports its financial information in United States dollars and all monetary amounts set forth herein are expressed in U.S. dollars unless specifically stated otherwise. The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). The Company's unaudited condensed consolidated interim financial statements for the periods ended June 30, 2016 and 2015 were prepared in accordance with IAS 34 *Interim Financial Reporting*.

Marshall Koval, P.G., is a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Koval is a director of the Company and also its President and Chief Executive Officer.

FORWARD-LOOKING INFORMATION

Information and statements contained in this MD&A that are not historical facts are forward-looking information or forward-looking statements within the meaning of Canadian securities legislation and the *U.S. Private Securities Litigation Reform Act of 1995* (hereinafter collectively referred to as "forward-looking statements") that involve risks and uncertainties. This MD&A contains forward-looking statements such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- Odin's acquisition of EGX by way of plan of arrangement;
- future development work on the Cangrejos project;
- the Company's estimates of mineral resources, plans to continue its exploration and drilling program, and possible related discoveries or extensions of new mineralization or increases or upgrades to reported mineral resource estimates at the Cangrejos project;
- the prospects for identifying and/or acquiring additional mining concessions or projects, within or outside of Ecuador, with realistic discovery potential that could add value to the Company;
- permitting and regulatory requirements related to any exploration and development plans and related operations and any costs related thereto;
- the nature of any legislative, regulatory or fiscal regime reform initiatives and their potential effects on Odin, including the anticipated reforms in Ecuador;
- the impact and financial benefits anticipated from new mining projects in Ecuador;
- the Government of Ecuador's auction process for exploration concessions and the expected timing for implementation of this process;
- the adequacy of the Company's working capital, the Company's ability to raise additional financing or find alternative ways to advance its corporate objectives, and the use of financing proceeds;
- projected expenditures on the Company's mineral concessions;
- the Company's ability to continue as a going concern;
- the impact to the Company of future accounting standards; and,
- the discussion of risks and uncertainties around the Company's business.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "goal", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". These forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning gold, copper and other base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated reforms in Ecuador; and, ability to successfully raise additional capital.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation:

- risks relating to the Company's working capital and requirements for additional capital;
- risks relating to the closing of the transaction with EGX;
- risks relating to currency exchange fluctuations or change in national currency;
- risks relating to gold, copper and other precious and base metal price fluctuations;
- risks inherent in mineral resource estimation;
- risks relating to the Cangrejos project and EGX assets being located in Ecuador, including political, social, economic, security and regulatory instability;
- risks relating to local social unrest, including opposition to mining or pressure for employment, access to land for agricultural or artisanal or illegal mining purposes, or other demands;
- risks relating to Odin's operations being subject to environmental and remediation requirements;
- risks relating to Odin's ability to source qualified human resources, including sub-contractor engagements;
- risks of title disputes or claims affecting mining concessions or surface ownership rights;
- risks relating to being adversely affected by environmental, safety and regulatory risks, including increased tax or regulatory burdens or delays and changes to laws, regulations or other norms;
- risks relating to failure of plant, equipment or processes to operate as anticipated;
- risks relating to performance of human resources, including accidents and labour disputes;
- risks relating to competition inherent in the mining exploration industry;
- risks relating to delays in obtaining governmental approvals or financing for the execution of exploration, development or construction activities;
- risks of unpredictable natural occurrences such as adverse weather conditions, landslides, earthquakes and volcanic activity;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that Odin's properties are not yet in commercial production;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- other risks of the mining industry;

as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to occur as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Forward-looking statements and other information contained herein, including general expectations concerning the mining industry, are based on estimates prepared by the Company employing data from publicly available industry sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and the data is subject to change based on various factors.

OVERVIEW OF SIGNIFICANT EVENTS AND REVIEW OF ACTIVITIES

In order to better understand the Company's financial results, it is important to gain an appreciation of the significant events, transactions and activities involving mineral property interests which occurred during the three and six months ended June 30, 2016 and to the date of this MD&A. This overview should be read in conjunction with the remainder of this MD&A to more fully appreciate the Company's results and activities for the three and six months ended June 30, 2016.

Proposed Acquisition of Ecuador Gold and Copper Corp.

On August 3, 2016, Odin announced that it had entered into a definitive arrangement agreement (the "Agreement") whereby Odin will acquire all of the outstanding securities of EGX in exchange for common shares of Odin by way of a statutory plan of arrangement (the "Arrangement"). The transaction will result in Odin being owned approximately 65% and 35% by Odin and EGX's existing shareholders, respectively. The Agreement calls for the conversion of EGX's outstanding debentures and warrants prior to the effective date of the Arrangement. At the conclusion of the Arrangement there will be approximately 204.6 million shares of Odin issued and outstanding.

The statutory plan of arrangement is executed under the *Business Corporations Act* (British Columbia), and must be approved by the Supreme Court of British Columbia and the affirmative vote of $66^{2/3}$% of EGX shareholders. In addition, pursuant to the rules of the TSX Venture Exchange, a simple majority of Odin shareholders will approve the transaction by way of written consent resolution. Each debenture or warrant to acquire EGX shares that is not converted into an EGX share prior to the effective date of the Arrangement will be terminated. Holders of stock options of EGX will receive replacement stock options of Odin.

Completion of the Arrangement is conditional on, in addition to the shareholder approval of EGX and Odin as noted above, voting agreements representing an aggregate of 60% of the outstanding EGX shares and satisfaction of other customary approvals, including regulatory and stock exchange.

The Agreement contains standard deal protections, including a commitment by EGX not to solicit alternative transactions, a right for Odin to match any superior proposal received by EGX and payment by EGX of a termination fee of $500,000 if the transaction is not completed, under certain circumstances. The Agreement was negotiated at arm's length between EGX and Odin.

Cangrejos Project

Odin currently has one project, called "Cangrejos", which is located in the foothills of the Andes in the southwest of Ecuador. The project lies 30 kilometres ("km") southeast of Machala, the capital of El Oro Province, and 150 km south of Guayaquil, Ecuador's largest city. The project is approximately 40 km from the port of Puerto Bolivar (located near Machala). Cangrejos has potential for the discovery of both high-tonnage, low-grade, gold-copper mineralization in a porphyry environment and of lower-tonnage, higher-grade, gold / copper mineralization in structurally focused settings above and peripheral to the porphyry mineralization.

The Cangrejos project consists of five consolidated mineral titles (or concessions) covering a total area of 5,594 hectares. All the mineral titles were confirmed under Ecuador's mining law as enacted in May 2010. Within the area of the mineral titles, Odin currently controls about 615 hectares of land / surface rights over various important locations with respect to the known and potential targets at Cangrejos.

To the date of this MD&A, the Company has continued to keep reduced overheads in Ecuador and Canada by, among other measures, containing headcount and controlling overall levels of activity. Further details can be found in the "Outlook" section of this MD&A.

Government of Ecuador

Since the final quarter of 2015 and to the date of this MD&A, the Government of Ecuador (the "Government") has taken significant measures that have effected an improvement in the investment climate for mining in Ecuador. A number of mining companies have recognized the improved scenario and their announcements of concrete progress towards project development reflect improved industry sentiment.

In December 2015, the Government enacted legislation promoting public-private investment associations, a provision of which extends the recovery of the 12% Value Added Tax ("VAT") to the mining industry after January 1, 2018. Under the terms of the law, all VAT incurred by mining companies after the effective date will be recovered after they start to receive revenues from exports of production. In addition, the law opens up the small mining regime to foreign investment. The Government also informed mining companies in Ecuador that it had instructed Wood Mackenzie to work with the sector to get a better understanding of projects in addition to the very high grade deposits modeled previously.

In mid-January 2016, Lundin Gold Inc. announced it had negotiated the definitive form of the Exploitation Agreement for the Fruta del Norte Project with the Government. This agreement provided some important clarifications on the application of mining laws and regulations to major projects, including: royalty of 5% of net smelter revenues from production; delimitation of the application of windfall taxes ensuring it does not apply until the investor has recovered all capital investments up to the start of production; delimitation of the application of the sovereign adjustment to ensure the calculation of the Government's benefit takes into consideration the present value of the cumulative sum of taxes paid, which includes corporate income taxes, royalties, windfall taxes, previous sovereign adjustment payments, and others; and, a mechanism for correcting any economic imbalance to key terms owing to modification of taxes, and laws and regulations.

On March 1, 2016, the Government of Ecuador enacted Ministerial Agreement No.2016-002, which called for the opening of Ecuador's Cadastral System via an auction process for initial and advanced exploration concessions, following which the Ministry of Mines began to accept preliminary applications. Management reviewed and evaluated several gold and copper properties included in the auction, and the Company is participating in this process. If the Company is awarded concessions, it will be obligated to execute investments offered in the respective applications. The Ministry of Mines commenced the process of awarding concessions by region on May 23, 2016, beginning with concessions in the north of Ecuador. The Process is expected to last several months and conclude before the end of 2016.

On August 5, 2016, Lundin Gold Inc. announced that it had concluded the negotiation of the definitive form of investment protection agreement (the "IPA") for Fruta del Norte, which provides further legal and tax stability in conjunction with the Exploitation Agreement. Key benefits reported under the IPA include (i) income tax rate fixed at 22%; (ii) exemption from the capital outflow tax of 5% on payments of principal and interest to financial institutions outside of Ecuador; (iii) the ability to obtain benefits granted by the Government through future investment protection agreements with other investors in similar projects in Ecuador; (iv) no restrictions to transfer or assign all or part of the investment, including the right to assign its rights to any financing parties; and (v) other benefits including no restriction to (a) produce and sell minerals; (b) import and export goods; and (c) establish, maintain, control, or transfer funds abroad, provided statutory remittances and obligations have been met.

On August 11, 2016, the Government of Ecuador announced the start of construction of the Rio Blanco gold and silver mine. This medium-size mining project, owned by Junefield Mineral Resources Holdings Ltd., a Chinese company, is located in the southern highlands of Ecuador and contains resources of approximately 605,000 oz of gold and 4.3 billion oz of silver. The mine is anticipated to require US$90 million of investment over the projected life of mine and to create 400 direct and 1,100 indirect jobs. The Government has stated that over the eleven-year mine life, the project will generate about US$191 million in direct benefits for the State by way of income tax, royalties, and other tributes.

Corporate Matters

On August 7, 2015, the Company announced a non-brokered private placement of up to 13,636,364 common shares for gross proceeds of CAD$3,000,000, the proceeds to be used for the payment of obligations for mineral concessions and for general working capital purposes. The private placement closed on August 24, 2015 and the Company used a portion of these proceeds to make the final payments due under an agreement to acquire two of the Cangrejos concessions and certain surface rights in the amount of $710,000. The balance of the private placement proceeds were used to fund the Company's ongoing operations through until additional funding was required, as described below.

On June 29, 2016, the Company announced a loan of $1,000,000 from Ross J. Beaty. The loan accrues interest at a rate of 12% per annum, and will be compounded yearly and not in advance. The loan is repayable on or before the earlier of June 30, 2017 and two business days after the date on which the Company undertakes any financing greater than the total owed on the loan (principal plus accrued interest). The loan cannot be converted into, exchanged for or otherwise modified to create any obligation on the Company to issue, directly or indirectly, any equity or voting securities of the Company or any subsidiary of the Company, including with respect to the repayment of either principal or interest accruing in respect of the loan. The Company will use the proceeds of the loan for working capital, to further its business objectives and for general corporate purposes.

OUTLOOK

In light of the global downturn in metals prices, and while continuing to monitor the Government's ongoing reforms to the legal, regulatory and fiscal framework for mining, the Company about a year ago opted for prudence, scaling back operations at Cangrejos and reducing overheads.

Since that time, the Government has reaffirmed and continued to take actions that confirm its intention to position Ecuador as an attractive mining jurisdiction that can compete for significant foreign investment. The most recent manifestation of this commitment has been the start of implementation of the auction process for mining concessions discussed above in the section "Government of Ecuador". The Company remains actively engaged with the mining community and Government to collaborate towards further positive reform.

The Company recognizes that the gold sector has improved, however the copper market continues to lag. Given this dynamic, the Company will continue to monitor market conditions (both globally and in Ecuador), while it continues to evaluate additional exploration project opportunities in Ecuador and elsewhere. In the meantime, Company operations will continue with limited expenditures over the near term. As discussed later in this MD&A in the section "Liquidity and Capital Resources", the Company has renewed its concession licenses and anticipates spending approximately $369,000 in exploration for 2016. In the event that additional projects are obtained, through the EGX acquisition, the auction process or otherwise, or Ecuador further improves its fiscal regime as needed to improve the long-term viability of lower grade, high tonnage gold and copper projects, the Company will initiate advanced exploration, project engineering and development studies for its different assets on a case by case basis.

REVIEW OF FINANCIAL RESULTS

This review of the results of operations should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2016 and 2015 along with other public disclosure documents of the Company.

For the three and six months ended June 30, 2016, the Company reported net losses of $818,236 and $1,322,170, respectively, compared to $862,136 and $2,018,883 for each of the three and six months ended June 30, 2015. The overall reduction in expenditures reflects the Company's decision, during the second half of 2015, to reduce overheads as discussed in the "Outlook" section above. Further details and discussion of the Company's significant expenses are described below.

Exploration and Evaluation Asset (Mineral Property) - Cangrejos Project

The Company's primary asset is the Cangrejos project which is an exploration and evaluation asset for accounting purposes. The Company capitalizes costs incurred in connection with the acquisition of its exploration and evaluation interests and any required licenses related thereto with a life of more than one year. At June 30, 2016, the carrying value of the exploration and evaluation asset related to Cangrejos was $1,701,100 (December 31, 2015 - $1,701,100). Exploration and evaluation ("E&E") expenditures are expensed to profit and loss as incurred. These are discussed below and are disclosed in Note 6(b) of the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016.

Operating Expenses

Exploration and evaluation expenditures: The Company's E&E expenditures on Cangrejos were as follows for the three and six months ended June 30, 2016 and 2015:

	Three months ended June 30, 2016	2015	Increased (decreased) Expenditure
Mineral rights	$ -	$ 67	$ (67)
Legal fees	12,787	23,322	(10,535)
Assays	-	(6,395)	6,395
Camp	28,728	61,608	(32,880)
Camp access and improvements	2,590	4,895	(2,305)
Engineering	-	9,990	(9,990)
Environmental	7,283	8,960	(1,677)
Field office	43,362	48,323	(4,961)
Geological consulting	-	7,657	(7,657)
Geological staff	41,843	84,702	(42,859)
Metallurgical	-	33,525	(33,525)
Project management	38,953	50,108	(11,155)
Social and community	34,195	43,858	(9,663)
Share-based payment	33,773	72,926	(39,153)
Transportation and accommodation	3,703	10,530	(6,827)
	$ 247,217	$ 454,076	$ (206,859)

	Six months ended June 30, 2016	2015	Increased (decreased) Expenditure
Mineral rights	$ 44,608	$ 48,901	$ (4,293)
Legal fees	24,255	46,040	(21,785)
Assays	-	51,385	(51,385)
Camp	43,480	100,732	(57,252)
Camp access and improvements	4,359	9,399	(5,040)
Consultant database	-	525	(525)
Drilling	-	78,925	(78,925)
Engineering	-	25,085	(25,085)
Environmental	8,656	11,748	(3,092)
Field office	75,304	96,049	(20,745)
Geological consulting	-	29,974	(29,974)
Geological staff	82,904	153,119	(70,215)
Metallurgical	-	91,933	(91,933)
Project management	71,488	118,048	(46,560)
Social and community	63,470	85,765	(22,295)
Share-based payment	67,546	145,054	(77,508)
Transportation and accommodation	7,306	30,269	(22,963)
	$ 493,376	$ 1,122,951	$ (629,575)

E&E expenditures include non-cash expenses for share-based payment expense relating to the vesting of stock options granted under the Company's stock option plan of $33,773 and $67,546 for the three and six months ended June 30, 2016 (three and six months ended June 30, 2015 - $72,926 and $145,054). Excluding share-based payment expense, the overall decrease in E&E expenditures for the three and six months ended June 30, 2016 compared to the 2015 equivalent periods was $167,706 and $552,067, respectively. The decrease in expenditures reflects the Company's decision to reduce expenses to the extent possible since the second half of 2015 compared to the Phase 1 drilling program and metallurgical testing that was taking place during the first half of the 2015 period.

Other operating expenses: The Company's other operating expenses for the three and six months ended June 30, 2016 and 2015 were as follows:

	Three months ended June 30, 2016	2015	Increased (decreased) Expenditure
Fees, salaries and other employee benefits	$ 156,777	$ 305,262	$ (148,485)
General and administration	23,367	28,203	(4,836)
Property investigations	117,330	57,416	59,914
Professional fees	273,162	11,321	261,841
Insurance	1,330	4,366	(3,036)
	$ 571,966	$ 406,568	$ 165,398

	Six months ended June 30, 2016	2015	Increased (decreased) Expenditure
Fees, salaries and other employee benefits	$ 305,832	$ 624,117	$ (318,285)
General and administration	56,510	92,536	(36,026)
Property investigations	166,758	126,526	40,232
Professional fees	308,752	40,366	268,386
Insurance	3,698	9,070	(5,372)
	$ 841,550	$ 892,615	$ (51,065)

Fees, salaries and other employee benefits for the three and six months ended June 30, 2016 included $81,538 and $156,452, respectively, of share-based payment expense (three and six months ended June 30, 2015 - $172,019 and $342,149). Excluding this non-cash expense, fees, salaries and other employee benefits for the three and six months ended June 30, 2016 were $75,239 and $149,380 (three and six months ended June 30, 2015 - $133,243 and $281,968). The decrease in fees and salaries relates to the Company's decision during the second half of 2015 to reduce fees paid as part of its program to reduce operations to preserve cash pending policy changes in Ecuador and an overall improvement to the mining sector. These measures also resulted in a decrease in general and administration costs.

During the three and six months ended June 30, 2016, the Company incurred $117,330 and $166,758 in property investigation costs (described as pre-exploration and evaluation expenditures in the unaudited condensed consolidated interim financial statements) as it performed due diligence on possible additional gold/copper projects in Ecuador and elsewhere (three and six months ended June 30, 2015 - $57,416 and $126,526). These costs primarily relate to technical due diligence and reviews of target projects, including exploration areas included in the Government of Ecuador's auction process. The Company also incurred significant professional advisory costs (mostly legal expenses) in the three and six months ended June 30, 2016 ($273,162 and $308,752, respectively) compared to the prior year equivalent periods of $11,321 and $40,366. These costs, including the technical due diligence items, primarily related to the proposed acquisition of EGX, as discussed earlier in this MD&A. The Company will continue to evaluate opportunities to add further projects.

Related Party Transactions

For the three and six months ended June 30, 2016, $94,574 and $173,687 was paid to eight private companies controlled by directors and/or officers of the Company for management and technical consulting services (three and six months ended June 30, 2015 – five companies, $123,696 and $280,172). The Company also paid $44,804 and $83,973 for the three and six months ended June 30, 2016 (three and six months ended June 30, 2015 - $47,733 and $97,119), for the rental of office space (and related G&A costs) and shared personnel to a company related by virtue of common directors and significant shareholders. The costs for these transactions have all been recorded at the amounts agreed to between the parties.

As discussed earlier in this MD&A in the section "Corporate Matters", the Company obtained a loan of $1,000,000 from Ross Beaty on June 29, 2016. Mr. Beaty is a shareholder of the Company, holding approximately 20.75% of Odin's issued common shares. Accordingly, the loan is considered a related party transaction for disclosure purposes.

Additional details on related party transactions can be reviewed at Notes 7 and 16 to the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016.

SUMMARY OF QUARTERLY RESULTS

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters.

Three Months Ended:	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Revenue	$ -	$ -	$ -	$ -
Expenses	(819,183)	(515,743)	(587,287)	(761,046)
Other income (expenses)	947	11,809	(4,380)	35,578
Net loss for the period	(818,236)	(503,934)	(591,667)	(725,468)
Basic and diluted loss per share	(0.01)	(0.004)	(0.005)	(0.01)

Three Months Ended:	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Revenue	$ -	$ -	$ -	$ -
Expenses	(860,644)	(1,154,922)	(1,592,706)	(1,266,580)
Other (expenses) income	(1,492)	(1,825)	984	(3,325)
Net loss for the period	(862,136)	(1,156,747)	(1,591,722)	(1,269,905)
Basic and diluted loss per share	(0.01)	(0.01)	(0.015)	(0.01)

As discussed in this MD&A, Odin's focus since mid 2015 has been to seek to minimize costs. Expenditures in the quarter ended June 30, 2016 increased due to due diligence and legal advisory costs related to the proposed acquisition of EGX.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Odin's expenses and mineral property costs is provided earlier in this MD&A and in Note 6 of the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016 and 2015.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2016, the Company had cash and cash equivalents of $1,059,665 compared to cash and cash equivalents of $794,605 at December 31, 2015. The Company's working capital at June 30, 2016 was a deficit of $247,234 compared to positive working capital of $777,565 at December 31, 2015. The Company's cash and current assets, at June 30, 2016, were sufficient to meet the Company's current accounts payable and accrued liabilities but not to repay the loan from Ross Beaty, as described earlier in this MD&A in the section "Corporate Matters".

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings, under IFRS. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable. Management believes that disclosure of the Company's working capital is of value to assess the available capital resources of the Company at a reporting period end.

At June 30, 2016, the majority of the Company's cash and cash equivalents were held at Scotiabank, a major chartered bank in Canada, and approximately $23,900 was held at one bank in Ecuador. There are no known liquidity issues associated with any of the banks in which funds have been deposited.

The Company had no long-term debt obligations or off-balance sheet arrangements at June 30, 2016.

As noted in the "Outlook" section of this MD&A, the Company is continuing to seek to reduce expenditures in Ecuador and is currently carrying out a limited exploration and evaluation program. Steps to reduce costs are being implemented both in Canada and Ecuador. The Company has certain expenditures that are required to maintain its mineral concessions in good-standing. For 2016, these costs include:

(i) $41,950 in annual concession fees (paid);
(ii) specific environmental and social management activities, budgeted as part of the Company's Environmental Management Plan for 2016 (the "EMP") at approximately $24,000. The EMP is filed with the Government of Ecuador and details activities such as remediation, monitoring, and reporting, as well as local stakeholder relations; and,
(iii) an amount that the Company commits to spend on exploration through exploration plans submitted to the Government of Ecuador. The plan for 2016 has been submitted and totals $369,000 (which includes the $24,000 noted in (ii) above). Approximately $290,000 relating to the 2016 plan has already been incurred during the six months ended June 30, 2016.

The Company is, however, incurring significant expenditures related to its proposed acquisition of EGX, including but not limited to due diligence on EGX's properties and also legal expenses. The costs of closing the EGX acquisition and potential increased activity in Ecuador means that the Company will need to obtain additional financing in the future, renegotiate payment terms or be required to further curtail currently planned levels of activity. There can be no assurance that the Company will be successful in raising additional funding, or that such funding will be available on terms that are satisfactory to the Company.

To date, the capital requirements of Odin have been met by equity or loan proceeds. As noted in Note 2(b) to the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2016, the Company has incurred cumulative losses of $23,768,553 and has a working capital deficiency of $247,234 as at June 30, 2016. The Company's ability to continue as a going concern is dependent upon successfully obtaining additional financing in the near-term. Management is currently evaluating alternatives available to the Company. The ability to raise additional financing, for future activities beyond those contemplated by the afore-mentioned financing activity may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the control of the Company, such as uncertainty in the capital markets, depressed commodity prices or country risk factors. This exposure is discussed in more detail in the "Risks and Uncertainties" section of this MD&A.

FINANCIAL INSTRUMENTS

At June 30, 2016, the Company's financial instruments consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities and loan payable. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and may involve significant uncertainties in matters of judgment and, therefore, cannot be determined with precision. The fair values of the Company's financial instruments approximate their carrying values due to their short terms to maturity or capacity for prompt liquidation and the interest rates being charged or earned on these amounts.

The Company's financial instruments have been classified as follows under IFRS:

- Cash and cash equivalents: loans and receivables.
- Other receivables: loans and receivables.
- Accounts payable and accrued liabilities: other financial liabilities.
- Loan payable: other financial liabilities.

The types of financial risk exposure and the way in which such exposure is managed by the Company is as follows:

Credit Risk

It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments, as disclosed in Note 14(a) to the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016.

The Company's exposure to credit risk on its cash and cash equivalents is limited by maintaining these assets with high-credit quality financial institutions. The Company may be exposed to the credit risk of its bank in Ecuador which holds cash for the Company's Ecuadorian operations. The Company limits its exposure to this risk by maintaining minimal cash balances in Ecuador, normally sufficient to fund the next month's operations.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its obligations. The Company typically forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash on hand, disposition of assets, accessing capital markets and/or loan advances.

At June 30, 2016, the Company's current liabilities consisted of accounts payable and accrued liabilities of $334,801 which are due primarily within the next quarter and a loan payable of $1,000,658 due on June 30, 2017, or earlier as described above in the section "Corporate Matters". The Company's cash and cash equivalents of $1,059,665 at June 30, 2016 were sufficient to pay the accounts payable and accrued liabilities, but, as discussed in the "liquidity and capital resources" section of this MD&A, additional funding will be required in the near-term to ensure ongoing operations of the Company and to repay the loan payable.

Market Risks

The market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of the Company will fluctuate because of changes in market interest rates. Included in net loss for the three and six months ended June 30, 2016 is interest income earned on the Company's cash and cash equivalents. Based on the Company's cash and cash equivalents at June 30, 2016, and assuming that all other variables remain constant, a 1% increase or decrease in interest rates would result in an increase or decrease to the Company's interest income of approximately $10,600 (on an annualized basis).

Currency Risk

The functional currency of the Company and its subsidiaries is the U.S. dollar. The carrying amounts of monetary assets and liabilities denominated in currencies other than the U.S. dollar are subject to fluctuations in the underlying foreign currency exchange rates. Gains and losses on such items are included as a component of net loss for the period.

The Company is exposed to foreign exchange and currency risks arising from fluctuations in foreign exchange rates among the U.S. dollar and Canadian dollar and the degree of volatility of these rates. The Company has historically raised funds from equity financings primarily in U.S. dollars. Canadian G&A expenses are primarily paid in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange and currency risks.

At June 30, 2016, the Company's cash and cash equivalents were primarily held in U.S. dollars as disclosed in Note 3 of the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016. The Company estimates that a 1% fluctuation in foreign currency exchange rates compared to the U.S. dollar would have an impact of approximately $2,100 to the results of operations based upon the foreign currency financial instruments (including cash and cash equivalents) held at June 30, 2016.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

Common shares:	132,995,049	
Common share purchase options:	5,302,000	exercisable between CAD$0.315 - CAD$1.00 per option.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates.

The accounting policy estimates and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results. Further details, and a description of certain other areas of estimation and judgment, can be found at Note 3(r) in the Company's audited consolidated financial statements for the year ended December 31, 2015 and Note 2(d) to the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016.

Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. As disclosed in Note 2(b) of the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016, the Company has incurred cumulative losses of $23,768,553 and has a working capital deficiency of $247,234 as at June 30, 2016 and reported a net loss of $1,322,170 for the six months ended June 30, 2016. The ability of the Company to continue as a going concern is dependent upon successfully obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests or a combination thereof. Factors that the Company evaluates include forecasts, the ability to reduce expenditures if required, and indications of shareholder support.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available.

Share-based payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

Deferred tax assets

Management assesses the probability of future taxable income against which deferred tax assets can be utilized. Such information is based on the Company's future planned activities, supported by budgets that have been approved by the Board of Directors. Management also considers the tax rules of the various jurisdictions in which the Company and its subsidiaries operate. These assessments can change materially over time as a result of the Company's plans and activities as well as amended tax laws being enacted by relevant tax authorities.

CHANGES IN ACCOUNTING STANDARDS

The IASB, from time to time, issues new accounting standards that may impact the Company's future reported financial statements:

IFRS 15 – Revenue from Contracts with Customers

The IASB issued IFRS 15 in May 2014. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with early adoption permitted. Management is currently evaluating the impact the final standard is expected to have on the Company's consolidated financial statements, however, as the Company currently has no operating revenues this is not anticipated to be significant.

IFRS 9 – Financial Instruments

The IASB published the final version of IFRS 9 in July 2014. The final standard brings together the classification, measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a loss impairment model, amends the classification and measurement model for financial assets and provides additional guidance on how to apply the business model and contractual characteristics test. This final version of IFRS 9 supersedes all previous versions of IFRS 9 and is effective for annual periods commencing on or after January 1, 2018, with early adoption permitted. Management is currently evaluating the impact the final standard is expected to have on the Company's consolidated financial statements.

IFRS 16 – Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company is assessing the impact of adopting this standard on its consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, operational, environmental, metals pricing, social, political, security, financial and economic. Additionally, often due to factors that cannot be predicted or foreseen, few exploration projects successfully achieve development. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance, nor are they inclusive of all the risks and uncertainties the Company may be subject to, and therefore other risks may apply.

(1) Risks relating to Odin's current working capital.

The Company currently has a working capital deficit based on cash and cash equivalents on hand less current liabilities (which includes loan payable). The Company's cash and current assets are not sufficient to meet all of the Company's current liabilities without raising additional capital or maintaining, or extending or increasing the currently outstanding loan. If the Company is unable to raise additional capital or maintain, extend or increase its loan, it may have to cease its operations.

(2) Risks relating to the proposed transaction with EGX

The closing of the transaction agreed upon with EGX is contingent on the fulfillment of several conditions precedent, including approval by Odin and EGX's shareholders, as well as satisfaction of other customary approvals, including by regulators, the stock exchange and the court. If one or more of these conditions is not met in a timely manner, the transaction may not proceed. In addition, proceeding with the transaction will involve the investment of substantial executive management time to the arrangement, which may delay or prevent Odin from exploiting business opportunities that may arise pending completion of the arrangement. The transaction was agreed to based on customary representations and warranties of EGX (including with respect to its properties) given to Odin, and Odin is relying on the accuracy of those representations and warranties, but there is a risk of their inaccuracy. There is a risk that Odin may not be able to access the anticipated synergies or fully exploit the EGX projects in the manner it determines desirable, if at all, once the transaction is completed. Odin may also not be able to raise sufficient capital or obtain and maintain the necessary permits to proceed with its plans for EGX and the mineral properties it will acquire ownership of through its acquisition of EGX.

(3) The mineral property interests of the Company are in the exploration stage only and consequently, exploration of the Company's mineral property interests may not result in any discoveries of commercial bodies of mineralization.

The property interests owned by the Company are in the exploration stage only, are without known bodies of commercial mineralization and have no ongoing mining production operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

(4) The business of exploration for minerals involves a high degree of risk; as a result, few properties that are explored are ultimately developed into producing mines.

The exploration and development activities of the Company may be disrupted by a variety of risks and hazards, which may be beyond the control of the Company. These risks include, but are not limited to, labour stoppages, the inability to obtain adequate power, water, and labour, including consultants or other experts, as well as suitable machinery and equipment. In addition, the Company may be unable to acquire or obtain such necessities as water rights and surface rights, which may be critical for the continued advancement of exploration activities on its mineral property rights.

(5) Government expropriation may result in the total loss of the Company's mineral property interests.

Even if the Company's mineral property interests are proven to host economic mineral resources, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company. Similarly, expropriation or shutdown of financial institutions or other entities the Company does business with could impact operations.

(6) Governmental regulation may have negative impacts on the Company.

The Company's assets and activities are subject to extensive Canadian and Ecuadorian federal, state, provincial, territorial and local laws and regulations governing various matters, including, but not limited to:

- land access, use and ownership;
- water;
- the environment;
- management and use of toxic substances and explosives;
- management of natural resources;
- prospection, exploration, development and construction of mines, production and reclamation;
- exports;
- taxation;
- mining royalties;
- restrictions on the movement of capital into and out of Ecuador (which could impact the Company's ability to repatriate funds and therefore, pay dividends);
- importation of equipment and goods;
- transportation;
- labour standards and occupational health and safety, including mine safety;
- processes for preventing or halting illegal mining activities; and,
- historic and cultural preservation.

The costs associated with compliance with laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations or more stringent application and enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations, and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits against the Company based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even actions or inaction by parties from whom the Company acquired its properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is challenging to strictly comply with all regulations imposed on the Company. The Company retains competent and well trained individuals, attorneys and consultants in jurisdictions in which it does business; however, there is no certainty that the Company will continuously be compliant with all applicable laws. The failure to comply with all applicable laws could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

(7) Failure to comply strictly with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriations of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

(8) The exploration and future development of the Company's property interests are subject to extensive environmental laws and regulations.

The Company's exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker and community safety, mine development, and protection of endangered and protected species, as well as extensive reporting and community engagement requirements. The Company's ability to obtain permits and approvals and to successfully operate in particular locations may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies or associations, or illegal miners affecting the environment, human health, and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals, or evictions of illegal miners, may adversely affect the Company's ability to explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with such laws and regulations and to the extent reasonably possible, create social and economic benefit in nearby communities. From time to time, the Cangrejos mineral properties have been subject to illegal mining activity, and these incidents have been reported and dealt with by the Company using procedures available to it under Ecuadorian law. However, the Company may be required to remediate areas impacted by the activities of third parties on its concessions. Future changes to laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition.

(9) The Company may not be able to obtain or renew permits that are necessary to its operations.

In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing necessary governmental permits can be a complex and time-consuming process, which at times may involve several jurisdictions, and may require public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by permitting authorities. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the eventual operation of a mine, which could adversely impact the Company's operations and profitability.

(10) The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause the Company to go out of business.

The Company has no revenues from ongoing operations and has recorded significant accumulated losses. Based upon current plans, the Company expects to incur operating losses in future periods due to ongoing expenses associated with the holding and exploration of the Company's mineral property interests. The Company will likely continue to have limited financial resources and its ability to achieve and maintain profitability and positive cash flow will remain dependent upon the Company being able to:

- develop and/or locate a profitable mineral property;
- generate revenues in excess of expenditures; and,
- minimize exploration and administrative costs in the event revenues and/or financing availability are insufficient, in order to preserve available cash.

Additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the Company's common shareholders. There is no certainty the Company will be able to raise funds in the event it needs to do so.

The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain covenants, which likely would restrict the Company's operations.

(11) The mineral exploration industry is intensely competitive in all its phases and the Company competes with many companies, including those possessing greater financial resources and technical abilities.

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies, including those possessing greater financial resources and technical abilities, for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees, and contracting of attorneys, consultants and technical experts.

Furthermore, there is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include: market fluctuations; domestic and international economic trends and political events; inflation or deflation; currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies); interest rates and global or regional consumption patterns; speculative activities; and, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, labour, importing and exporting of minerals, and environmental protection. The exact effect of any of these factors cannot be accurately predicted, but a combination may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

(12) Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may either not discover minerals in sufficient quantities or grades or may not have the necessary required funds to develop the project.

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the Canadian Institute of Mining (CIM) Guidelines. Although significant benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify a commercial mining operation and the funds required for development may not be obtained on a timely basis. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grades of minerals ultimately mined may differ from those indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

(13) Risks relating to inaccurate estimates of mineral resources, production, purchases, costs, decommissioning or reclamation expenses.

Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. As a result, there can be no assurance that:

- mineral resource or other mineralization figures or estimates of costs (including initial capital costs and initial capital intensity) and expenses will be accurate; or that
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at any of its properties, nor defined or delineated any proven or probable reserves, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or at production scale. The mineral resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization.

The estimated parameters for the Company's projects may be changed as development and mining plans continue to be generated and refined. These parameters include estimates of how plants, equipment and processes may operate in the future at the Company's projects, which estimates may prove to be incorrect.

Any material alteration in the above noted estimates, or of the Company's ability to extract mineralization from its projects, could have a material adverse effect on the Company's results or financial condition.

(14) The inherent operational risks associated with mining, including mineral exploration, development, mine construction and operating activities, many of which are beyond the Company's control.

The Company's exploration activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated, or controlled. These risks include, but are not limited to, tectonic activity that may provoke landslides or other impacts, labour disruptions, crime, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights and surface rights, which may be critical for the continued advancement of exploration activities on its mineral concessions.

(15) Inadequate infrastructure may adversely affect the Company's operations and profitability.

Mining, development, exploration and production activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power and fuel sources, as well as water supplies are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's project will be commenced or completed on a timely basis, if at all. In addition, unusual or infrequent weather phenomena, tectonic activity, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

(16) The Company currently has limited insurance covering its assets and operations and, as a consequence, could incur considerable costs.

Mineral exploration involves risks, which, even with a combination of experience, knowledge and careful evaluation, mining exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has very limited commercial liability insurance and does not intend to increase its liability insurance. As a result of having limited liability insurance, the Company could incur significant costs that may have a materially adverse effect upon its financial condition and even cause the Company to cease operations.

(17) The Company's mineral property interests or surface property may be subject to prior unregistered agreements or transfers and therefore title to some of the Company's property interests may be affected.

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of, or options to acquire, an interest in its mining properties and surface rights, and has conducted limited investigations of legal title to each such property, the properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims, or it is possible that title may be affected by undetected defects.

(18) The price of gold, copper, and other base and precious metals has fluctuated significantly in recent years and may adversely affect the economic viability of any of the Company's mineral properties.

The Company's revenues, if any, are expected to be almost entirely derived from the mining and sale of gold, copper and other metals. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation; currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and, increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of gold and copper, as well as other precious and base metals and, therefore, on the economic viability of any of the Company's mining properties, cannot be accurately predicted, but nonetheless may adversely impact the Company's ability to raise capital and its operations.

(19) All of the Company's subsidiaries and its mineral properties are in foreign countries and, therefore, that portion of the Company's business may be exposed to various levels of political, economic, security, and other risks and uncertainties.

The Company's mineral properties, and related subsidiaries, are located in Ecuador. It may, therefore, be exposed to various levels of political, economic, security and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; military repression; high rates of inflation; labour unrest; war or civil unrest; creeping or outright expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; artisanal and illegal mining operations and the government's enforcement of norms restricting these activities; changes in taxation and mining-related laws and regulations; trade protectionism, including restrictions or tariffs on imports; changes to the foreign exchange regime; changes to the currency regime; restrictions on repatriation of funds; and changing political conditions, currency controls and governmental regulations that may favour or require the awarding of contracts to local contractors or require foreign contractors to employ residents of, or purchase supplies from, a particular jurisdiction. The reputation of Ecuador as a developing country perceived by many as having a track record of measures contrary to attracting investment in the mining sector, as well as other areas of the economy, may make it more difficult for the Company to obtain any required exploration financing for its projects.

Changes, if any, in mining or investment policies or shifts in political attitudes in Ecuador, El Oro Department or local political jurisdictions, may adversely affect the Company's operations or potential profitability. Operations may be affected in varying degrees by government legislation and regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittances; taxes, including income taxes, property taxes, value added taxes, capital gains taxes, windfall taxes, and the sovereign adjustment tax; royalties; expropriation of property; foreign investment; maintenance of claims; the environment; land use; land claims or other demands by local people; artisanal and illegal mining operations; labour; transportation; water use; and, mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The impact of one or more of these various factors and uncertainties, none of which can be accurately predicted, could have an adverse effect on the Company's operations or potential profitability.

(20) The Company's foreign subsidiary operations may impact the ability to fund operations efficiently, as well as the Company's valuation and stock price.

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

(21) The value of the Company's common shares may be impacted by future issuances of additional shares.

The Company is authorized to issue an unlimited number of common shares without par value. The Company may issue more common shares in the future. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

(22) The Company's future performance is dependent on key personnel. The temporary or permanent loss of the services of any of the Company's and its subsidiary's executives or directors could have a material adverse effect on the Company's business.

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its executives or directors. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

(23) The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar.

The Company's overseas expenditures are predominantly in U.S. dollars. The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.