MINING & EXPLORATION LTD.

CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS

June 30, 2014

(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended June 30, 2014 and 2013 have not been reviewed by the Company's external auditors.

ODIN MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

Unaudited

(expressed in U.S. dollars)

	Note	June 30, 2014	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 83,803	$ 141,338
Receivables	4	6,394	8,000
Prepaid expenses		1,961	8,082
Total current assets		92,158	157,420
Non-current assets			
Environmental deposit		84,963	84,963
Property and equipment	5	271,559	275,831
Exploration and evaluation assets	6	1	1
Total assets		$ 448,681	$ 518,215
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 94,476	$ 114,940
Loans payable	7	402,996	115,497
Bank indebtedness		-	15,000
Total liabilities		497,472	245,437
EQUITY			
Share capital	8	14,772,375	14,753,759
Shares to be issued		-	7,334
Share-based payment reserve		278,304	278,304
Accumulated deficit		(15,099,470)	(14,766,619)
Total equity		(48,791)	272,778
Total liabilities and equity		$ 448,681	$ 518,215

Post-reporting date events (Note 16)

APPROVED BY THE DIRECTORS

"Stephen W. C. Stow"
Director

"Donald Shumka"
Director

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

ODIN MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

For the three and six months ended June 30, 2014 and 2013

Unaudited

(expressed in U.S. dollars)

	Note	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Expenses					
Fees, salaries and other employee benefits		$ 26,801	$ 21,660	$ 40,685	$ 40,386
General and administration		29,429	12,005	41,330	24,666
Professional fees		18,583	503	26,383	21,643
Insurance		3,077	3,404	6,120	6,771
Depreciation		151	213	302	426
Interest		9,493	-	14,679	-
		87,534	37,785	129,499	93,892
Other income (expenses)					
Interest and other income		383	1,146	383	2,931
Foreign exchange loss		(12,194)	(13,854)	(11,232)	(25,009)
Impairment expense		(110,542)	-	(192,503)	-
		(122,353)	(12,708)	(203,352)	(22,078)
Net loss and comprehensive loss for the period attributable to owners of the parent entity		$ 209,887	$ 50,493	$ 332,851	$ 115,970
Loss per share – basic and diluted	10	$ 0.01	$ 0.00	$ 0.02	$ 0.01
Weighted average number of shares outstanding – basic and diluted	10	19,758,251	19,494,251	19,729,079	19,494,251

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

ODIN MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2014 and 2013

Unaudited

(expressed in U.S. dollars)

	Note	Six months ended June 30, 2014	2013
Operating activities			
(Loss) for the period		$ (332,851)	$ (115,970)
Adjustment for non-cash items:			
Depreciation		302	426
Foreign exchange impact on cash		160	1,385
Impairment expense		192,503	-
Deduct: interest income		(383)	(2,931)
Net changes in non-cash working capital items:			
Receivables		1,606	(1,743)
Prepaid expenses		6,121	6,771
Accounts payable and accrued liabilities		(20,464)	(39,601)
Net cash utilized in operating activities		(153,006)	(151,663)
Investing activities			
Expenditures on exploration and evaluation asset		(188,533)	(367,753)
Interest received		383	2,931
Net cash utilized in investing activities		(188,150)	(364,822)
Financing activities			
Proceeds from loans		298,781	-
Reduction of bank indebtedness		(15,000)	-
Net cash provided by financing activities		283,781	-
(Decrease) in cash and cash equivalents		(57,375)	(516,485)
Foreign exchange impact on cash		(160)	(1,385)
Cash and cash equivalents, beginning of period		141,338	1,000,140
Cash and cash equivalents, end of period	3	$ 83,803	$ 482,270

Non-cash investing activities:

The Company's exploration and evaluation asset included $3,970 of depreciation from equipment for the six months ended June 30, 2014 (six months ended June 30, 2013 - $6,425). These amounts are not reflected in the statement of cash flows.

ODIN MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2014 and 2013

Unaudited

(expressed in U.S. dollars)

		Share Capital					
	Note	Number of shares	Amount	Shares to be Issued	Share-based Payment Reserve	Accumulated Deficit	Total
Balance, January 1, 2013		97,471,243	$ 14,753,759	$ -	$ 278,304	$ (11,187,398)	$ 3,844,665
Comprehensive loss		-	-	-	-	(115,970)	(115,970)
Balance, June 30, 2013		97,471,243	14,753,759	-	278,304	(11,303,368)	3,728,695
Shares to be issued		-	-	7,334	-	-	7,334
Comprehensive loss		-	-	-	-	(3,463,251)	(3,463,251)
Balance, December 31, 2013		97,471,243	14,753,759	7,334	278,304	(14,766,619)	272,778
Shares issued as bonus for loan	8	1,320,000	18,616	(7,334)	-	-	11,282
Consolidation of issued shares on a one for five basis	8	(79,032,992)	-	-	-	-	-
Comprehensive income		-	-	-	-	(332,851)	(332,851)
Balance, June 30, 2014		19,758,251	$ 14,772,375	$ -	$ 278,304	$ (15,099,470)	$ (48,791)

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

1. NATURE OF OPERATIONS

Odin Mining and Exploration Ltd. ("Odin" or the "Company") is a publicly listed company incorporated under the Business Corporation Company Act of British Columbia on March 22, 1988. The Company is listed on the TSX-Venture Exchange, having the symbol ODN.V. Odin and its wholly-owned subsidiaries (collectively referred to as the "Group") are engaged in the acquisition, exploration and development of mineral resources in Ecuador. The Group is considered to be in the exploration stage as it has not placed any of its mineral properties into production.

The Company's head office and principal business address is Suite 410, 625 Howe Street, Vancouver, British Columbia, V6C 2T6. The Company's registered and records office is located at 10^{th} Floor – 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These condensed consolidated interim financial statements for the six months ended June 30, 2014, have been prepared in accordance with IAS 34 *Interim Financial Reporting.* They do not include all of the information and disclosures required in full annual financial statements and should be read in conjunction with the Group's annual financial statements as at December 31, 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in U.S. dollars, except as specifically noted for Canadian dollar amounts shown as "C$".

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on August 26, 2014.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on the going concern basis which assumes that the Group will be able to realize, into the foreseeable future, its assets and liabilities in the normal course of business as they come due. The Group has incurred cumulative losses of $15,099,470 as at June 30, 2014 and has reported a net loss of $332,851 for the six months ended June 30, 2014. The ability of the Group to continue as a going concern is dependent upon successfully obtaining additional financing, a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Group's assets, the outright sale of the Company or a combination thereof. Subsequent to June 30, 2014, the Company completed a financing for gross proceeds of $5 million (see Note 16).

Management has taken steps to reduce cash expenditures to a level that will enable operations to continue and meet its minimum mineral property commitments for a minimum of twelve months from the date of these financial statements. There can be no assurance that management's plans will be successful. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

(c) Significant accounting policies

The significant accounting policies that have been applied, on a consistent basis, in the preparation of these condensed consolidated interim financial statements are included in the Group's audited consolidated financial statements for the year ended December 31, 2013. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements except for the application of new standards or amendments to IFRS effective January 1, 2014, as described below:

IAS 32 – Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32):

IAS 32 *Financial Instruments: Presentation* was amended to address inconsistencies in current practice when applying the offsetting criteria. The amendments clarify the meaning of "currently has a legally enforceable right to set-off." The amendments had no impact on the Group's consolidated financial statements.

IFRIC 21 – Levies

IFRIC 21, *Levies,* is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* which sets out criteria for the recognition of a liability, one of which is the requirement for an entity to have a present obligation as a result of a past event. The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation did not have a material impact on the Group's consolidated financial statements.

2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements in accordance with IFRS requires management to make certain judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results are likely to differ from these estimates. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses in these consolidated financial statements are discussed below.

Judgments

Determination of functional currency: The determination of functional currency for each company in the Group requires an analysis of various indicators which IFRS splits between primary and additional indicators. The primary factors include analyzing (a) the currency that mainly influences sales prices for goods and services, (b) the currency of the country whose competitive forces and regulations mainly determine the sales price of its goods and services and (c) the currency that mainly influences labour, material and other costs of providing goods or services. The additional factors for consideration under IFRS include examining (a) the currency of financing activities, (b) the currency in which receipts from operating activities are usually retained, (c) whether the activities of foreign operations are carried out as an extension of the Company or operate with a large degree of autonomy, (d) whether transactions between entities is a high or low proportion of the foreign operation's activities, (e) whether cash flows from activities of a foreign operation directly affect the cash flows of the Company and (f) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations.

The Group operates in multiple jurisdictions and transacts in multiple currencies. Being an exploration stage entity, the Company has no revenues from operations to date and therefore has based the determination of functional currency on expenditures, financial commitments and historical financing. Transactions related to all three of these criteria occur in more than one currency, however the US$ is the dominant currency and therefore the currency of the primary economic environment to which the Company is the most significantly exposed. As such, management determined the US$ to be the functional currency of the Company and its subsidiaries.

Exploration and evaluation assets: The application of the Group'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 reserves 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. The carrying value of these assets is detailed at Note 6.

Title to Mineral Property Interests: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates and assumptions

Deferred tax assets: The assessment of the probability of future taxable income against which deferred tax assets can be utilized is based on the Group'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 Group operates. Should there not be a forecast of taxable income that indicates the probable utilization of a deferred tax asset or any portion thereof, the Group does not recognize the deferred tax asset.

(e) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of authorization of these condensed consolidated interim financial statements are disclosed below. Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

(expressed in U.S. dollars)

2. BASIS OF PREPARATION, GOING CONCERN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Standards issued but not yet effective (continued)

IFRS 9 – Financial Instruments: The IASB intends to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9 – *Financial Instruments* which is intended to reduce the complexity in the classification and measurement of financial instruments. IFRS 9 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 Group's consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents at June 30, 2014, consisted of cash of $83,803 (December 31, 2013 – cash of $141,338). The Group's cash and cash equivalents are denominated in the following currencies and include the following components:

	June 30, 2014	December 31, 2013
Cash at bank and in hand – Canadian dollars	$ 50,032	$ 140,958
Cash at bank and in hand – U.S. dollars	33,771	380
Cash	$ 83,803	$ 141,338

4. RECEIVABLES

Receivables are broken down as follows:

	June 30, 2014	December 31, 2013
Goods and Services Tax ("GST")	$ 2,873	$ -
Expense advance to employees	3,521	8,000
Total receivables	$ 6,394	$ 8,000

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Group anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Group's receivables are all considered current and are not past due. The Group does not hold any collateral related to these assets.

5. PROPERTY AND EQUIPMENT

	Land[1]	Equipment	Motor Vehicles	Total
Cost				
June 30, 2014 and December 31, 2013	$ 250,000	$ 41,202	$ 90,512	$ 381,714
Depreciation				
January 1, 2013	-	37,052	57,358	94,410
Depreciation for the year	-	2,050	9,423	11,473
December 31, 2013	-	39,102	66,781	105,883
Depreciation for the period	-	302	3,970	4,272
June 30, 2014	-	39,404	70,751	110,155
Net book value				
December 31, 2013	$ 250,000	$ 2,100	$ 23,731	$ 275,831
June 30, 2014	$ 250,000	$ 1,798	$ 19,761	$ 271,559

[1]The Company has purchased various small local farm lands in the area of its mineral properties that are of strategic value representing important surface rights over which it has mineral rights and access.

6. EXPLORATION AND EVALUATION ASSETS

The Group has or has rights to 10 separate mineral titles located near Machala South West Ecuador, known as the "Cangrejos Concessions". In addition, on September 20, 2007, the Company entered into an option agreement to acquire two additional mineral titles via a mining right in the contiguous properties known as the "Castro Concessions". The agreement, as amended December 23, 2009 and July 13, 2012, calls for payments totalling $2,400,000 to complete the acquisition of the mineral rights, payable as follows: December 31, 2007 - $80,000 (paid); December 20, 2009 - $80,000 (paid); September 20, 2011 - $180,000 (paid); later of June 30, 2012 and completion of fund raising approved by the TSX-V - $100,000 (paid); July 30, 2013 - $100,000 (paid); July 30, 2014 - $460,000 (paid subsequent to June 30, 2014); and July 30, 2015 - $1,400,000.

Expenditures on the overall project are summarized below:

	Six months ended June 30, 2014	Six months ended June 30, 2013	Year ended December 31, 2013
Cost, beginning of period	$ 3,330,045	$ 2,581,286	$ 2,581,286
Additions:			
Exploration costs:			
Mineral rights	46,926	89,539	190,401
Legal fees	17,150	24,640	52,965
Assays	-	2,347	8,885
Camp	19,716	91,110	111,906
Camp access and improvements	162	8,816	11,975
Environmental	10,610	-	1,344
Geological consulting	-	16,444	51,441
Geological staff	91,699	143,865	298,559
Transportation and accommodation	6,240	13,509	21,283
Cost, end of period	3,522,548	2,971,556	3,330,045
Provision for impairment, beginning of period	3,330,044	-	-
Impairment charge	192,503	-	3,330,044
Provision for impairment, end of period	3,522,547	-	3,330,044
Net Book Value	$ 1	$ 2,971,556	$ 1

7. LOANS PAYABLE

	June 30, 2014	December 31, 2013
Canadian dollar loans (a)	C$ 330,000	C$ 130,000
Additional Canadian dollar loans (b)	C$ 100,000	C$ -
Foreign exchange effect	C$ (27,004)	C$ (7,629)
Unamortized financing costs	$ -	$ (6,874)
	$ 402,996	$ 115,497

(a) The Company has entered into seven unsecured loan agreements payable in Canadian dollars, each due on June 30, 2014, with interest at 4% per annual until February 15, 2014 and 12% per annum thereafter. As additional consideration the Company issued 1,320,000 bonus shares valued at $18,616, based upon the quoted market price of the Company's common shares on the date of the loan agreements. The value of the bonus shares is recorded as financing costs deducted from the loan and is expensed to profit and loss on a straight-line basis over the term of the loans.

(b) During the period ended June 30, 2014 the Company entered into additional unsecured loan agreements to bridge the Company's operations until completion of a financing subsequent to June 30, 2014. The loans are without interest and were to be settled for shares as part of the subsequently closed financing.

Accrued interest on the loans at June 30, 2014 was $14,875 (and is included in accounts payable and accrued liabilities on the balance sheet). All outstanding loans were settled subsequent to June 30, 2014 (see Note 16).

(expressed in U.S. dollars)

8. SHARE CAPITAL

Authorized: 200,000,000 (December 31, 2013 – 200,000,000) common shares, without par value.

Issued and fully paid:	Number of Shares		Amount
Balance, December 31, 2012 and 2013	97,471,243	$	14,753,759
Shares issued as bonus for loan (a)	1,320,000		18,616
Consolidation of shares on 1 for 5 basis (b)	(79,032,992)		-
Balance, June 30, 2014	19,758,251	$	14,772,375

(a) See Note 7(a) regarding bonus shares issued for loan.

(b) Effective June 4, 2014 the Company's issued shares were consolidated on the basis of one post-consolidation share for every five pre-consolidation shares, resulting in the reduction of issued and outstanding shares from pre-consolidation shares 98,791,243 to 19,758,251 post-consolidation shares issued and outstanding.

9. SHARE-BASED PAYMENTS

(a) Stock option plan

The Company has established an Incentive Share Option Plan for directors, officers, employees and consultants, enabling them to purchase common shares. The total number of options outstanding at any time cannot exceed 10% of the total number of outstanding common shares. The number of options granted to any individual shall not exceed 5% of the issued and outstanding shares of the Company from time to time. The number of options granted to consultants or investor relations consultants shall not exceed 2% of the issued and outstanding shares of the Company from time to time. The number of options granted to insiders shall not exceed 10% of the issued and outstanding shares of the Company from time to time. Each option granted under the plan is for a maximum term of five years. The exercise price of the options granted under the plan is established by the Board of Directors of the Company and cannot be less than the Discounted Market Price as calculated and defined in accordance with the policies of the TSX Venture Exchange. The options vest 25% on the date of grant and 25% every three months thereafter, except for options issued to employees or consultants conducting investor relations which vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period.

No stock options have been granted since 2011.

(b) Outstanding stock options

Stock options and weighted average exercise prices are as follows for the reporting periods presented:

	Three months ended June 30,					
	2014			2013		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning and end of period	645,000	C$	1.24	645,000	C$	1.24

	Six months ended June 30,					
	2014			2013		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning and end of period	645,000	C$	1.24	645,000	C$	1.24

(expressed in U.S. dollars)

9. SHARE-BASED PAYMENTS (continued)

(b) Outstanding stock options (continued)

For each reporting period, the Company had outstanding stock options, including weighted average remaining contractual life, as follows:

June 30, 2014					
Options Outstanding				Options Exercisable	
Number of Shares	Expiry Date	Weighted average life (years)	Exercise Price	Number of Shares	Exercise Price
620,000	October 26, 2015	1.32	C$1.25	620,000	C$1.25
4,000	October 1, 2016	2.26	C$0.85	4,000	C$0.85
21,000	December 20, 2016	2.47	C$1.00	21,000	C$1.00
645,000		1.37	C$1.24	645,000	C$1.24

December 31, 2013					
Options Outstanding				Options Exercisable	
Number of Shares	Expiry Date	Weighted average life (years)	Exercise Price	Number of Shares	Exercise Price
620,000	October 26, 2015	1.82	C$1.25	620,000	C$1.25
4,000	October 1, 2016	2.75	C$0.85	4,000	C$0.85
21,000	December 20, 2016	2.96	C$1.00	21,000	C$1.00
645,000		1.86	C$1.24	645,000	C$1.24

10. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended June 30, 2014	2013
Net loss	$ 209,887	$ 50,493
Weighted average number of common shares outstanding (basic and diluted)	19,758,251	19,494,251
Loss per share – basic and diluted	$ 0.01	$ 0.00

	Six months ended June 30, 2014	2013
Net loss	$ 332,851	$ 115,970
Weighted average number of common shares outstanding (basic and diluted)	19,729,079	19,758,251
Loss per share – basic and diluted	$ 0.02	$ 0.01

Basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options, in the weighted average number of common shares outstanding during the period, if dilutive. All weighted average share numbers presented above have been adjusted for the one for five share consolidation that was effective on June 4, 2014, including prior periods.

All of the stock options currently issued (see Note 9) were anti-dilutive for the three and six month periods ended June 30, 2013.

(expressed in U.S. dollars)

11. CAPITAL RISK MANAGEMENT

It is the Group's objective when managing capital to safeguard its ability to continue as a going concern in order that it may continue to explore and develop its mineral properties and continue its operations for the benefit of its shareholders. The Group's objectives when managing capital are to:

(a) continue the exploration and development of its mineral properties;
(b) support any expansion plans; and
(c) maintain a capital structure which optimizes the cost of capital at acceptable risk.

The Group manages its equity (which includes common shares, share-based payment reserve and accumulated deficit) and loans payable as capital. The Group intends to expend existing working capital by carrying out its planned acquisition, exploration and development activities on mineral properties and continuing to pay administrative costs.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure the Group may issue new shares. In order to facilitate analysis and management of its capital requirements, the Group prepares and updates annual budgets (as needed) to ensure that its acquisition and exploration operations can continue to progress. Budgets, once finalized, are approved by the Board of Directors. There have not been any changes to the Group's capital management objective, policies and processes compared to the prior year. The Group is not subject to any externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

The Group's financial assets and financial liabilities are categorized as follows:

	Category		June 30, 2014		December 31, 2013
Cash and cash equivalents	Loans and receivables	$	83,803	$	141,338
Receivables	Loans and receivables		3,521		8,000
Accounts payable and accrued liabilities	Other financial liabilities		94,476		114,940
Bank indebtedness	Loans and receivables		-		15,000
Loans payable	Other financial liabilities		402,996		115,497

The recorded amounts for cash and cash equivalents, receivables, accounts payable and accrued liabilities, bank indebtedness and loan payable approximate their fair value due to their short-term nature. Income earned on the Group's cash and cash equivalents has been disclosed in the consolidated statements of comprehensive loss under the caption "interest and other income."

13. FINANCIAL INSTRUMENT RISKS

The Group is exposed to various risks in relation to financial instruments. The main types of risk are credit risk, liquidity risk and market risk. These risks arise from the normal course of the Group's operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on mitigation of such risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) Credit Risk

The Group considers that its cash and cash equivalents and receivables are exposed to credit risk, representing maximum exposure of $87,324 (December 31, 2013 - $149,338). Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk on its cash and cash equivalents is minimized by maintaining these assets with high-credit quality financial institutions. At June 30, 2014, the Group's cash and cash equivalents were invested in two financial institutions (December 31, 2013 – two financial institutions).

13. FINANCIAL INSTRUMENT RISKS (continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they become due. The Group manages liquidity risk by ensuring that it has sufficient cash available to meet its obligations. These requirements are met through a combination of cash on hand, disposition of assets, accessing capital markets and loans.

At June 30, 2014, the Group's current liabilities consisted of trade and other payables of $94,476 which are due primarily within three months from the period end and loans payable of $402,996 due June 30, 2014. The Group's cash of $83,803 at June 30, 2014, was not sufficient to pay for the current liabilities nor to continue operations. As a result, the Company was seeking additional financing and closed a private placement of common shares for gross proceeds of $5 million in July 2014 (see Note 16).

At December 31, 2013, the Group's current liabilities consisted of trade and other payables of $114,940 which were due primarily within three months from the year end, loans payable of $115,497, due June 30, 2014 and a bank overdraft of $15,000 that was immediately due. The Group's cash and cash equivalents of $141,338 at December 31, 2013, were not sufficient to pay those current financial liabilities. Accordingly, the Company financed through additional loans until the closing of the above-noted private placement.

(c) Market Risks

The significant market risk exposures to which the Group is exposed are interest rate risk, currency risk and price risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows and fair values of the Group will fluctuate because of changes in market interest rates. Based on the Group's net exposure as at June 30, 2014 and December 31, 2013, and assuming that all other variables remained constant, a 1% increase or decrease in interest rates would result in an increase or decrease of approximately, $840 and $1,400 respectively, in the Group's interest income and equity on an annual basis.

Currency Risk

The functional currency of the Company and its subsidiaries is the U.S. dollar. The carrying amounts of financial assets and financial 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 Group is exposed to currency risks arising from fluctuations in foreign exchange rates primarily among the U.S. dollar and Canadian dollar and the degree of volatility of these rates. The Group raises funds from equity financings primarily in U.S. dollars. Canadian G&A expenses are primarily paid in Canadian dollars. The Group does not use derivative instruments to reduce its exposure to foreign exchange and currency risks. The Group's exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.

Each of the tables below shows the impact that a 1% fluctuation in foreign currency rates compared to the U.S. dollar would have on the Group's consolidated loss, comprehensive loss and equity based upon the assets held at each date disclosed.

The foreign exchange risk exposure of the Group's cash and cash equivalents and accounts payable and accrued liabilities, as at June 30, 2014 is as follows:

Financial Instrument Type		Canadian Dollar	Currency		+/- 1% Fluctuation	
Cash and cash equivalents	$	50,032	CAD dollar	$	500	(500)
Accounts payable and accrued liabilities		29,672	CAD dollar		(297)	297
Total	$	20,360		$	203	(203)

(expressed in U.S. dollars)

13. FINANCIAL INSTRUMENT RISKS (continued)

(c) Market Risks (continued)

Currency Risk (continued)

The foreign exchange risk exposure of the Group's cash and cash equivalents and accounts payable and accrued liabilities, as at December 31, 2013 is as follows:

Financial Instrument Type		Canadian Dollar	Currency		+/- 1% Fluctuation	
Cash and cash equivalents	$	140,958	CAD dollar	$	1,410	(1,410)
Accounts payable and accrued liabilities		51,459	CAD dollar		(515)	515
Total	$	89,499		$	895	(895)

Other Price Risk

The Group did not hold any financial instruments that had direct exposure to other price risks at June 30, 2014 and December 31, 2013.

14. SEGMENTED DISCLOSURE

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Ecuador.

15. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements include the financial statements of Odin and its subsidiaries. Transactions between Odin and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are discussed below.

Related party expenses and balances

For the six months ended June 30, 2014, the Company incurred interest expense of $3,404 on loans payable to directors (six months ended June 30, 2013 - $Nil). At June 30, 2014, $151,100 was owed to directors for loans advanced and accrued interest (December 31, 2013 - $65,814). Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. See Note 7 for details around the terms of the loans.

Key management personnel compensation

Key management of the Group are the directors and officers of Odin and their remuneration includes the following:

		Three months ended June 30, 2014		2013		Six months ended June 30, 2014		2013
Short-term benefits (i)	$	10,898	$	6,000	$	10,898	$	12,000
Share-based payments (ii)		-		-		-		-
Total remuneration	$	10,898	$	6,000	$	10,898	$	12,000

(i) Short-term benefits include fees and salaries.
(ii) Share-based payments are the fair value of options granted to key management personnel as at the grant date. No stock options were granted during the above-noted periods.
(iii) Key management personnel were not paid post-employment benefits, termination benefits, or long-term benefits during the periods ended June 30, 2014 and 2013.

16. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization of the consolidated financial statements except as noted below:

(a) The Company closed a non-brokered private placement of 95,386,667 common shares for gross cash proceeds of $5,000,000;

(b) Concurrently with closing the private placement, 4,205,433 common shares were issued in consideration for settlement of outstanding loans in the amount of C$236,556 (C$230,000 plus accrued interest of C$6,556); and

(c) Two loans totaling C$200,000 plus accrued interest of C$10,915 were repaid from proceeds of the private placement.