ODIN MINING AND EXPLORATION LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2014

ODIN MINING & EXPLORATION

Management's Discussion and Analysis
For the Year Ended December 31, 2014 **March 18, 2015**

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, an interest in the "Greater Cangrejos" project which is located in the foothills of the Andes in southwest Ecuador. 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 audited consolidated financial statements of the Company and the notes thereto for the years ended December 31, 2014 and 2013 and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto.

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 audited consolidated financial statements for the years ended December 31, 2014 and 2013 were prepared in accordance with IFRS.

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:

- the Company's expected timing for release of assay results, and results of the Company's scoping level metallurgical testing program, along with future development work on the Cangrejos project;
- Odin's ability to raise additional financing or seek alternative ways to advance its corporate objectives;
- 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 Greater Cangrejos project in Ecuador;
- the prospects for identifying and/or acquiring additional mining concessions in Ecuador with realistic discovery potential that could add value to the Company;
- permitting and regulatory requirements related to any exploration plans and related operations and any costs related thereto;
- the nature of any legislative or regulatory reform initiatives and their potential effects on Odin;
- Odin's exploration and possible acquisition of properties that are subject to option rights;
- the adequacy of the Company's working capital, the use of financing proceeds, and its ability to raise additional financing;
- expected 2015 expenditures on the Company's mineral concessions;
- the Company's ability to continue as a going concern; and,
- the impact to the Company of future accounting standards and 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 include, but are not limited to: assumptions concerning copper, base metal 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; 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 currency exchange fluctuations;
- risks relating to copper, base metal and precious metal price fluctuations;
- risks inherent in mineral resource estimation;
- risks relating to the Greater Cangrejos project being 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 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 regulatory or tax burdens or delays and changes of laws 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;
- competition inherent in the mining exploration industry;
- 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 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 rates and tax rates;
- and 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 may 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 be 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 to reflect the occurrence of unanticipated events, except as required by law.

Forward-looking statements and other information contained herein, and general expectations, concerning the mining industry are based on estimates prepared by the Company using 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 for the significant events, transactions and activities on mineral property interests which occurred during the year ended December 31, 2014 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 year ended December 31, 2014.

Cangrejos Project

Odin currently has one project, called "Greater Cangrejos", 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 in Machala). The project 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 Greater 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. Three of the mineral titles are owned directly by Odin and the other two are being acquired from Mr. Francisco Castro Sanchez through an agreement involving an "irrevocable right to purchase". This agreement was signed on May 8, 2007 and approved by the TSX-V on September 20, 2007, although the due dates and final quantum have been subject to amendments since that date. A payment of $460,000 was made under the agreement in July 2014, which leaves one final payment of $1.4 million due in July 2015.

Within the area of the mineral titles, Odin controls about 615 hectares of land / surface rights over various critical locations with respect to the conceptual targets at Greater Cangrejos. Odin owns about 455 hectares outright and is in the process of acquiring another 160 hectares through the above agreement with Mr. Castro.

In October 2014, Odin initiated Phase 1 of a 15,000 metre drilling program. A total of nine holes totalling 3,539.75 metres were drilled, consisting of step out holes targeting lateral and depth extensions of a known mineralized zone, testing of surface geochemical anomalies and confirmation of previous drill results for use in a future resource estimate. The Company is compiling final assay results from the Phase 1 drilling program. These results were subjected to additional quality assurance / quality control testing which caused a delay in their receipt. Once results are analysed further exploration planning will be completed.

The Company has initiated a scoping level metallurgical testing program consisting of four composite samples from the Phase 1 drilling program core. The samples were selected from seven of nine drill holes and are representative of gold and copper grades of known mineralized areas. The samples were received by the lab in early February 2015 and the testing program is underway at C.H. Plenge & Cia. S.A. (Laboratorio Plenge) of Lima, Peru. The program is anticipated to be completed in May 2015.

Corporate Matters

On July 22, 2014, the Company completed a non-brokered private placement of 95,386,667 common shares for gross proceeds of $5,000,000. A comparison of the Company's intended use of proceeds with respect to the above-noted private placement and the actual use of such proceeds is set forth below:

Disclosed Use of Proceeds	Actual Use of Proceeds
To drill a minimum of 15,000 metres on the Company's mineral properties, reasonably budgeted at an all-inclusive cost of $3 million.	Odin initiated its Phase 1 drilling program in October 2014 which consisted of a total of 3,539.75 metres. Exploration and evaluation expenditures during the three months ended December 31, 2014 (excluding share-based payment expense) amounted to $1,031,626, at which time 3,188.5 metres of drilling had been completed.
Approximately CAD$200,000 to repay outstanding indebtedness.	Paid CAD$210,915 including accrued interest.
$460,000 to meet certain of Odin's payment obligations pursuant to an existing property agreement.	Paid $460,000.
The balance for general corporate working capital purposes.	Funds from the financing have been utilized to assist the Company's working capital needs.

Concurrent with closing the private placement, 4,205,433 common shares were issued in consideration for settlement of outstanding loans in the amount of CAD$ 236,556 (including accrued interest of CAD$6,556). Accordingly, the Company has now satisfied repayment of all its outstanding loans.

Following completion of the private placement, Levi Giesbrecht, Mauricio Ledesma and Daniel Noone resigned as directors of the Company and were replaced by Donald Shumka, Lyle Braaten, Marshall Koval and Michael Steinmann. Marshall Koval was appointed as Odin's Chief Executive Officer, Martin Rip was appointed Chief Financial Officer, Lyle Braaten was appointed VP

Legal Counsel, Leo Hathaway was appointed VP Exploration, John Youle was appointed VP Corporate Affairs and Diego Benalcazar was appointed VP Corporate Development. Stephen Stow remained a director of the Company and Mauricio Ledesma will continue to act as a consultant to the Company.

OUTLOOK

The Company's business remains focused on the exploration, assessment and maintenance of its existing prospective mining properties. Current activities include analysis of drilling results of Phase 1 of a 15,000 metre diamond drill testing program at the Company's Greater Cangrejos Project. The drilling program was completed in January 2015. A scoping level metallurgical testing program is underway along with a conceptual project siting and environmental studies. Further exploration and project development, as well as payment of the final instalment of $1.4 million to Mr. Castro, will be dependent on positive results from the drilling program and the Government of Ecuador's ongoing mining law reform to position Ecuador as an attractive mining jurisdiction with a view to attracting significant foreign investment. In the event that early stage exploration proves fruitful, and Ecuador continues to improve its mining laws as anticipated, the Company will look to initiate advanced exploration, preliminary engineering and development work at the Cangrejos Project. The Company has also signed several Confidentiality Agreements and is evaluating additional gold/copper exploration opportunities in Ecuador.

The Company will require additional financing to enable it to undertake the activities as described in this Outlook section. Further details can be viewed in this MD&A in the section "Liquidity and Capital Resources."

CHANGE IN ACCOUNTING POLICY

Effective September 30, 2014, with the change of new management and directors, the Company voluntarily changed its accounting policy for exploration and evaluation expenditures ("E&E") to recognize these costs in the statement of loss in the period incurred, as permitted under IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Previously, these expenditures were capitalized as exploration and evaluation assets on the Company's balance sheet. The Company changed its accounting policy as it believes that the new policy is more in line with the IFRS framework with respect to what constitutes an asset. The Company also believes that showing exploration and evaluation expenses separately on the statement of loss and in the operating activities section of the statement of cash flows more clearly represents the Company's activities during the periods presented. The change in accounting policy has been applied retrospectively. No change in accounting policy was made with regard to costs of acquiring mineral property licenses or rights. Accordingly, the Company's accounting policies for these costs are:

<u>Exploration and evaluation licenses</u>: All direct costs related to the acquisition of mineral property interests are capitalized into intangible assets on a property by property basis. License costs paid in connection with a right to explore in an exploration area, for a period in excess of one year, are capitalized and amortized over the term of the license.

<u>Exploration and evaluation expenditures</u>: Exploration and evaluation activities prior to acquiring an interest in a mineral concession area are charged to operations as pre exploration and evaluation expenditures. Exploration costs, net of incidental revenues, are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

The change in accounting policy resulted in the following changes to the Company's consolidated financial statements. Additional details can be viewed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2014.

Consolidated Balance Sheet as at January 1, 2013	Note	As previously reported	Effect of change in accounting policy	As restated under new policy
Exploration and evaluation asset	(i)	$ 2,581,286	$ (2,301,286)	$ 280,000
Accumulated deficit	(i)	$ (11,187,398)	$ (2,301,286)	$ (13,488,684)

(i) All E&E expenditures have been expensed to deficit rather than capitalized on the balance sheet. $280,000 relates to the net book value of concession acquisition payments as at January 1, 2013.

Consolidated Balance Sheet as at December 31, 2013	Note	As previously reported	Effect of change in accounting policy	As restated under new policy
Exploration and evaluation asset	(ii)	$ 1	$ (1)	$ -
Accumulated deficit	(ii)	$ (14,766,619)	$ (1)	$ (14,766,620)

(ii) All E&E expenditures have been expensed to deficit rather than capitalized on the balance sheet.

			Effect of change	

Consolidated Statement of Comprehensive Loss – year ended December 31, 2013	Note	As previously reported	in accounting policy	As restated under new policy
Expenses				
Exploration and evaluation expenditures	(iii)	$ -	$ 686,080	$ 686,080
Fees, salaries and other employee benefits	(iii)	87,439	(14,052)	73,387
General and administration	(iii)	50,537	(14,365)	36,172
Professional fees	(iii)	81,217	(8,904)	72,313
Insurance		13,255	-	13,255
Depreciation		852	-	852
		(233,300)	(648,759)	(882,059)
Other income (expenses)				
Interest and other income		13,285	-	13,285
Foreign exchange loss		(29,162)	-	(29,162)
Impairment expense	(iv)	(3,330,044)	2,950,044	(380,000)
		(3,345,921)	2,950,044	(395,877)
Comprehensive loss for the year		$ (3,579,221)	$ 2,301,285	$ (1,277,936)
Loss per share – basic and diluted		$ (0.18)	$ 0.11	$ (0.07)

(iii) Costs incurred during the year on E&E expenditures are disclosed in the statement of comprehensive loss rather than on the balance sheet. Certain costs totaling $37,321 have been reclassified from categories in the profit and loss to E&E expenditures representing field office costs incurred in Ecuador. Management believes these are directly related to the E&E activities so are more appropriately disclosed as part of the cost of E&E operations.

(iv) As previous E&E costs have been restated through accumulated deficit the impairment expense in the year relates to the concession acquisition carrying value at December 31, 2013.

Consolidated Statement of Cash Flows – year ended December 31, 2013	Note	As previously reported	Effect of change in accounting policy	As restated under new policy
Operating activities				
(Loss) for the year	(v)	$ (3,579,221)	$ 2,301,285	$ (1,277,936)
Adjustment for non-cash items:				
Depreciation	(vi)	852	10,621	11,473
Environmental deposit interest earned		(9,963)	-	(9,963)
Financing fee on loans		460	-	460
Impairment expense	(v)	3,330,044	(2,950,044)	380,000
Deduct: interest income		(13,285)	-	(13,285)
Net changes in non-cash working capital items:				
Receivables		3,254	-	3,254
Prepaid expenses	(vi)	58,985	-	58,985
Accounts payable and accrued liabilities	(vi)	(62,446)	-	(62,446)
Net cash utilized in operating activities		(271,320)	(638,138)	(909,458)
Investing activities				
Expenditures on exploration and evaluation asset	(vi)	(738,138)	638,138	(100,000)
Interest received		13,285	-	13,285
Net cash utilized in investing activities		(724,853)	638,138	(86,715)
Financing activities				
Proceeds from loans		122,371	-	122,371
Proceeds from bank indebtedness		15,000	-	15,000
Net cash provided by financing activities		137,371	-	137,371
(Decrease) in cash and cash equivalents		(858,802)	-	(858,802)
Cash and cash equivalents, beginning of year		1,000,140	-	1,000,140
Cash and cash equivalents, end of year		$ 141,338	$ -	$ 141,338

(v) See notes above regarding the consolidated statement of comprehensive loss for the year ended December 31, 2013.

(vi) Expenditures on E&E along with related prepaid expenses and payables were previously disclosed as investing activities to the extent they related to mineral property costs. These are now expensed as operating activities.

SELECTED ANNUAL FINANCIAL INFORMATION

The following summary financial information has been derived from the financial statements of the Company, which have been prepared in accordance with IFRS. The Company's significant accounting policies are outlined within Note 4 to the audited consolidated financial statements of the Company for the fiscal years ended December 31, 2014 and 2013.

	Year Ended December 31, 2014	Year Ended December 31, 2013[(1)]	Year Ended December 31, 2012[(1)]
Consolidated Statements of Comprehensive Loss			
Revenue	$ -	$ -	$ -
Expenses	(3,181,287)	(882,059)	(2,032,104)
Other (expenses) income	(13,190)	(395,877)	491,915
Comprehensive loss for the year	$ (3,194,477)	$ (1,277,936)	$ (1,540,189)
Loss per share – basic and diluted[(2)]	$ (0.05)	$ (0.07)	$ (0.09)
Consolidated Balance Sheets			
Cash and cash equivalents	$ 2,733,464	$ 141,338	$ 1,000,140
Exploration and evaluation asset	460,000	-	280,000
Property and equipment	286,955	275,831	287,304
Total assets	3,621,610	518,214	1,720,765
Total liabilities	385,680	245,437	177,386
Equity:			
Share capital	21,075,643	14,753,759	14,753,759
Shares to be issued	-	7,334	-
Share option reserve	1,270,652	278,304	278,304
Accumulated deficit	$ (19,110,365)	$ (14,766,620)	$ (13,488,684)

(1) Prior year statements of comprehensive loss have been amended for change in accounting policy as described above in this MD&A.
(2) After giving effect to one for five share consolidation on June 4, 2014.

A review of the results of operations for the years ended December 31, 2014 and 2013 is presented below in the "Review of Financial Results" section of this MD&A. The Company's operations and levels of expenditure vary from year to year as exploration activity is carried out or curtailed. A drilling program was carried out in 2012 but operations were limited to care and maintenance in 2013. Expenditures increased for 2014 following additional financing and the restart of a drilling program.

REVIEW OF FINANCIAL RESULTS

This review of the results of operations should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2014 and 2013 along with other public disclosure documents of the Company. All balances and results are reported after taking into account the effect of the change of accounting policy for E&E as noted earlier in this MD&A (including comparatives).

For the year ended December 31, 2014, the Company reported a net loss of $3,194,477 compared to $1,277,936 for the year ended December 31, 2013. During 2013 through until the completion of private placement financing in July 2014, the Company operated under a care and maintenance approach due to insufficient available funding to proceed with an active drilling program. In October 2014, the Company commenced a planned 15,000 metre drilling program. Further details and discussion of the Company's significant expenses in 2014 and 2013 are described below.

Operating Expenses

Exploration and evaluation expenditures: The Company's E&E expenditures on the Greater Cangrejos Project were as follows for the years ended December 31, 2014 and 2013:

	Year ended December 31, 2014	Year ended December 31, 2013	Increased (decreased) Expenditure
Mineral rights	$ 46,926	$ 90,401	$ (43,475)
Legal fees	42,131	52,965	(10,834)
Assays	76,808	8,885	67,923
Camp	99,819	111,906	(12,087)
Camp access and improvements	8,440	11,975	(3,535)
Consultant database	12,069	-	12,069
Drilling	474,754	-	474,754
Environmental	31,096	1,344	29,752
Field office	66,462	37,321	29,141
Geological consulting	139,712	51,441	88,271
Geological staff	225,515	298,559	(73,044)
Project management	112,232	-	112,232
Reports	8,680	-	8,680
Social and community	86,268	-	86,268
Share-based payment	297,897	-	297,897
Transportation and accommodation	97,885	21,283	76,602
	$ 1,826,694	$ 686,080	$ 1,140,614

The E&E expenditures included non-cash expenses for share-based payment expense recorded in the period relating to the vesting of stock options granted under the Company's stock option plan of $297,897 for the year ended December 31, 2014. No stock option expense was recorded in 2013. The overall increase in cash E&E expenditures for 2014 (compared to 2013) primarily related to the Company's drilling program which commenced in October 2014. Accordingly, additional costs were incurred on drilling, assays and personnel working on the project.

Other operating expenses: The Company's other operating expenses for the years ended December 31, 2014 and 2013 were as follows:

	Year ended December 31, 2014	Year ended December 31, 2013	Increased (decreased) Expenditure
Fees, salaries and other employee benefits	$ 1,021,150	$ 73,387	$ 947,763
General and administration	111,485	36,172	75,313
Property investigations	85,525	-	85,525
Professional fees	109,690	72,313	37,377
Insurance	14,627	13,255	1,372
Depreciation	2,100	852	1,248
Interest	10,016	-	10,016
	$ 1,354,593	$ 195,979	$ 1,158,614

Fees, salaries and other employee benefits for the year ended December 31, 2014 included $694,451 of share-based payment expense arising from stock options granted in September 2014. Excluding this non-cash expense, fees, salaries and other employee benefits were $326,699 for the year ended December 31, 2014 (2013 - $73,387). The increase in fees and salaries relates to the Company increasing its human resource complement as it expanded operations in the second half of 2014, leading to the initiation of a drilling program compared to the prior year when the Company was operating on a care and maintenance basis.

General and administration costs were $111,485 for the year ended December 31, 2014 compared to $36,172 for 2013 (increase of $75,313). The increase primarily relates to the transition by the Company from a care and maintenance approach to a corporate structure that includes professional office space and administrative support staff. In addition, $18,156 of financing costs incurred with the loans that the Company entered into in December 2013 and January 2014 were fully expensed during the year ended December 31, 2014.

During 2014, the Company incurred $85,525 in property investigation costs (described as pre exploration and evaluation expenditures in the consolidated financial statements) as it performs due diligence on possible additional copper/gold projects in Ecuador as described in the "Outlook" section of this MD&A.

The increase in costs related to professional fees arose as a result of growing corporate activity leading up to and following the completion of the Company's private placement in July 2014, including costs related to the Company's annual general meeting.

Exploration and Evaluation Asset (Mineral Property) - Greater Cangrejos Project

The Company's primary asset is the Greater 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 December 31, 2014, the carrying value of the exploration and evaluation asset related to the Greater Cangrejos Project was $460,000 (2013 - $Nil). This relates to the portion of the project that is being acquired from Mr. Castro. A total of $1,000,000 has been spent acquiring this interest. In prior years, management determined that there were indicators of impairment to the project and accordingly, recorded an impairment provision of $540,000 against the acquisition costs. A further $460,000 was incurred in July 2014 which remains capitalized on the balance sheet.

E&E expenditures are expensed to profit and loss as incurred. These have been discussed earlier in this MD&A and are disclosed in Note 8(b) of the audited consolidated financial statements for the year ended December 31, 2014. Additional details on the Greater Cangrejos Project can be seen in this MD&A in the sections entitled "Overview of Significant Events and Review of Activities" and "Outlook".

Related Party Transactions

For the year ended December 31, 2014, $177,169 was paid to four private companies controlled by directors and/or officers of the Company for management and technical consulting services (2013 - $Nil). The Company also paid $121,924 for the year ended December 31, 2014 (2013 - $Nil), 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.

The Company entered into loan agreements with four directors of Odin for a total of CAD$80,000 in December 2013 and an additional CAD$77,500 in June 2014. The initial loans incurred interest at a rate of 4% per annum until February 15, 2014 and 12% thereafter. The June 2014 loans did not bear any interest and were entered into to bridge the Company's operations pending completion of the equity financing in July 2014. All loans were repaid and/or settled in July 2014 concurrent with completion of the Company's private placement at that time. The loan transactions with related parties were at the amounts agreed between the parties and were, for the initial loans, identical to loans secured from third-party providers.

Additional details on related party transactions can be reviewed at Note 18 to the audited consolidated financial statements for the year ended December 31, 2014.

SUMMARY OF QUARTERLY RESULTS (UNAUDITED) AND FOURTH QUARTER

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters. All periods have been presented after effect of the change in accounting policy to expense mineral exploration costs as discussed earlier in this MD&A.

Three Months Ended:	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Revenue	$ -	$ -	$ -	$ -
Expenses	(1,592,706)	(1,266,580)	(197,835)	(124,166)
Other income (expenses)	984	(3,325)	(12,052)	1,203
Net loss for the period	(1,591,722)	(1,269,905)	(209,887)	(122,963)
Basic and diluted loss per share(1)	(0.015)	(0.01)	(0.01)	(0.005)

(1) After giving effect to share consolidation on June 4, 2014.

Three Months Ended:	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Revenue	$ -	$ -	$ -	$ -
Expenses	(225,745)	(172,152)	(160,261)	(323,901)
Other income (expenses)	7,733	(381,532)	(12,708)	(9,370)
Net loss for the period	(218,012)	(553,684)	(172,969)	(333,271)
Basic and diluted loss per share(1)	(0.01)	(0.03)	(0.01)	(0.015)

(1) After giving effect to share consolidation on June 4, 2014.

As discussed in this MD&A, Odin's focus for 2013 and the first half of 2014 was to minimize costs as the Company sought longer-term financing to carry out a drilling program. With the completion of the Company's private placement for gross proceeds of $5 million in July 2014, the Company commenced plans for a 15,000 metre drilling program. The results for the three months ended September 30, 2014 include $744,966 of share-based payment expense which accounted for approximately 58% of the Company's loss for that period. The three months ended December 31, 2014 include costs of the Phase 1 drilling program which has increased operating costs compared to prior periods.

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 8 of the Company's audited consolidated financial statements for the years ended December 31, 2014 and 2013.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2014, the Company had cash and cash equivalents of $2,733,464 compared to cash and cash equivalents of $141,338 at December 31, 2013. The Company's working capital at December 31, 2014 was $2,398,844 compared to a deficit of $88,017 at December 31, 2013. The Company's cash and current assets, at December 31, 2014, are sufficient to meet the Company's current liabilities.

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 December 31, 2014, the majority of the Company's cash and cash equivalents was held at Scotiabank, a major chartered bank in Canada, and approximately $484,000 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 December 31, 2014.

As described earlier in this MD&A under "Overview of Significant Events and Review of Activities – Corporate Matters," the Company closed a private placement for gross proceeds of $5,000,000 in July 2014. Following the closing of the financing, the Company has eliminated all loan debt and made its committed $460,000 property option payment due in July 2014. The Company has commenced a drilling program and has a further option payment that is due on July 30, 2015 in the amount of $1,400,000.

The Company also has expenditures that are required to maintain its mineral concessions in good-standing. For 2015, these costs include:

(i) approximately $48,000 in annual concession fees (which have already been paid for 2015);
(ii) specific environmental and social management activities, budgeted as part of the Company's Environmental Management Plan for 2015 (the "EMP") at approximately $26,000. The EMP is filed with the Government of Ecuador and details activities such as remediation, monitoring, and reporting, as well as local stakeholder communications; and
(iii) an amount that the Company commits to spend on exploration through exploration plans submitted to the Government of Ecuador. The plan for 2015 is being prepared and is expected to total approximately $475,000 (which includes the $26,000 noted in (ii) above).

While the financing raised sufficient funds for the Company to commence the drilling program, additional capital will be required to ensure the continuance of operations to complete the planned 15,000 metre program and to secure the $1.4 million final option payment for the Castro concessions, due in July 2015. Accordingly, the Company will need to obtain additional financing in the future or will be required to 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(c) to the audited consolidated financial statements of the Company for the year ended December 31, 2014, the Company has incurred cumulative losses of $19,110,365 as at December 31, 2014. The Company's ability to continue as a going concern is dependent upon successfully obtaining additional financing. 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 is discussed in more detail in the "Risks and Uncertainties" section of this MD&A.

FINANCIAL INSTRUMENTS

At December 31, 2014, the Company's financial instruments consist of cash and cash equivalents, receivables and accounts payable and accrued liabilities. 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 term to maturity or capacity for prompt liquidation.

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

- Cash and cash equivalents: loans and receivables.
- Receivables: loans and receivables.
- Accounts payable and accrued liabilities: 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 16(a) to the audited consolidated financial statements for the year ended December 31, 2014.

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 loan advances.

At December 31, 2014, the Company's current liabilities consisted of accounts payable and accrued liabilities of $385,680 which are due primarily within the next quarter. The Company's cash and cash equivalents of $2,733,464 at December 31, 2014 were sufficient to pay these current liabilities.

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 year ended December 31, 2014 is interest income earned on the Company's cash and cash equivalents. Based on the Company's cash and cash equivalents at December 31, 2014, and assuming that all other variables remain constant, a 1% increase or decrease in interest rates would result in a decrease or increase to the Company's interest income of approximately $27,300 (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 raises 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 December 31, 2014 the Company's cash and cash equivalents were primarily held in Canadian and U.S. dollars as disclosed in Note 5 of the audited consolidated financial statements for the year ended December 31, 2014. The Company estimates that a 1% fluctuation in foreign currency exchange rates compared to the U.S. dollar would have an impact of approximately $700 to the results of operations based upon the foreign currency financial instruments (including cash and cash equivalents) held at December 31, 2014.

SHARE CAPITAL

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

Common shares:	119,350,351	
Common share purchase options:	4,425,000	exercisable between CAD$0.62 - CAD$1.25 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 also be found at Note 4(r) in the Company's audited consolidated financial statements for the year ended December 31, 2014.

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 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, 2017 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 Group's consolidated financial statements, however, 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 Group's 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, 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 and are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

(1) 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 stages only, are without known bodies of commercial mineralization and have no ongoing mining 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.

(2) 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 operations 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 disruptions, the inability to obtain adequate power, water, labour, as well as suitable machinery and equipment and consultants or other experts. In addition, the Company may be unable to acquire or obtain such things as water rights and surface rights, which may be critical for the continued advancement of exploration activities on its mineral property rights.

(3) 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.

(4) 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 use and ownership;
- water;
- the environment;
- management and use of toxic substances and explosives;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports;
- taxation;
- mining royalties;
- development requirements;
- 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;
- transportation;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

The costs associated with compliance with these 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 those actions of 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 difficult 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.

(5) 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 right 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. Further, the increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

(6) 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 safety, mine development and protection of endangered and protected species, as well as reporting. 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 illegal miners affecting the environment, human health, and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals 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 Greater Cangrejos mineral properties have been subject to illegal mining activity, which has been reported and dealt with by the Company using procedures available to it under Ecuadorian law. However, the Company may be required to remediate impacted areas from the activities that were carried out. Future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's financial condition.

(7) 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 operation of a mine, which could adversely impact the Company's operations and profitability.

(8) 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 continuing expenses associated with the holding and exploration of the Company's mineral property interests. Additional financing will be required in order for the Company to make the final payment necessary for it to acquire mineral titles from Mr. Castro. There is no assurance that such financing will be available in time for the Company to make this payment, or at all. If the final payment is not made, possession and ownership of the related concessions will revert to Castro. Even if the Company is able to secure financing to make the payment to Mr. Castro, the Company will continue to have limited financial resources and its ability to achieve and maintain profitability and positive cash flow will continue to be dependent upon the Company being able to:

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

Additional funds raised by the Company through the issuance of equity or convertible debt securities will 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 would restrict the Company's operations.

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

The mineral exploration industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical abilities than itself 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.

In addition, 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, international economic and political trends, expectations of 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, 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 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.

(10) 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 grade 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 substantial 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 commercial 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 grade of mineral ultimately mined may differ from that 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.

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

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 of operations or financial condition.

(12) 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, labour disruptions, 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.

(13) 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 sources and water supply 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, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

(14) 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, mineral 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 insurance, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations.

(15) 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.

(16) The price of gold, copper, base and precious metals has fluctuated widely 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 precious and non-precious 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, copper, base and precious metals and therefore, the economic viability of any of the Company's mining properties, cannot be accurately predicted, but nonetheless may adversely impact the Company's operations and its ability to raise capital.

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

As the Company's mineral properties, and related subsidiaries, are located in Ecuador, a developing country, it is exposed to various levels of political, economic 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; the risks of war or civil unrest; creeping or outright expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining operations and the government's enforcement of norms restricting these activities; changes in taxation and mining, 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 citizens of, or purchase supplies from, a particular jurisdiction. The status of Ecuador as a developing country with a recent track record of measures viewed as contrary to attracting investment in the mining sector 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 attitude 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 regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittances; taxes, including income taxes, property taxes, windfall taxes, and the sovereign tax adjustment; royalties; expropriation of property; foreign investment; maintenance of claims; environmental legislation; land use; land claims or other demands of local people; illegal mining operations; 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.

(18) 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.

(19) The possible issuance of additional shares may impact the value of the Company's common shares.

The Company is authorized to issue up to 200,000,000 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.

(20) The Company's future performance is dependent on key personnel. The 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.

(21) 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.