ODIN MINING & EXPLORATION LTD.
Management's Discussion and Analysis
For the Six Months Ending June 30, 2012

General

The following information, prepared as of August 24, 2012 should be read in conjunction with the following financial statements of Odin Mining and Exploration Ltd. (the "Company"):

1. Unaudited consolidated financial statements for the six month period ended June 30, 2012, and related notes attached thereto; and
2. Audited consolidated financial statements for the year ended December 31, 2011, and related notes attached thereto,

which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are expressed in US dollars unless otherwise indicated.

Caution on Forward-Looking Information

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to the Company that are based on the reasonable beliefs of its management as well as assumptions made by and information currently available to the Company. If used in this document, the words "anticipate", "believe", "estimate", "expect", and similar expressions, used in relation to the Company or its management, are statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Important factors are identified in this MD&A. These statements are prepared as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements pertaining to the following:

1. The Ecuadorian legislative and regulatory environment,
2. The impact of increasing competition,
3. Unpredictable changes to the market prices for minerals,
4. Anticipated results of exploration activities, and
5. The Company's ability to obtain additional financing on satisfactory terms.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, amount other things:

1. Volatility in market prices for minerals,
2. Uncertainty associated with estimating resources,
3. Geological, technical, drilling and processing problems,
4. Incorrect assessments of the value of acquisitions,
5. Unanticipated results of exploration activities, and
6. Unpredictable weather conditions, and
7. Unpredictable natural occurrences, such as landslides, volcanic activity, etc.

1. *Nature of Operations and Overall Performance*

Description of Business, Operations and Financial Condition

The Company's business continues to be to focus on the maintenance of its existing prospective mining properties and the examination of alternative exploration opportunities in Ecuador. The carrying out of early-stage mineral exploration on properties offered to Odin is only undertaken on those having realistic discovery potential. If early stage exploration proves fruitful, the Company policy is to decide at what stage in that project's development it should seek joint venture partners to fund further exploration, add partners' expertise, and/or whether to proceed to development and production without reliance on partners (which has been the case in the past).

Odin currently has one project, called "Greater Cangrejos", located in the foothills of the Andes in the southwest of Ecuador. The project lies 40 km southeast of Machala, the capital of El Oro Province, and 200 km south of Guayaquil, Ecuador's largest city and most important economic centre The project has potential for the discovery for both high-tonnage, low-grade, gold-copper mineralization in a porphyry environment and for lower-tonnage, higher-grade, gold (± copper) mineralization in structurally focused settings above and peripheral to the porphyry mineralization.

Greater Cangrejos Project Area

Odin started its Phase I diamond drilling program on the Greater Cangrejos property with hole C11-30 on 04 October 2011 and finished with the completion of hole C12-46 on 05 April 2012. During the Phase I diamond drill program Odin drilled 17 holes for a total advance of 4,698.13 m.

The first four holes of the Phase 1 program (C11-30 to C11-33) were drilled into the porphyry-style targets at Trinchera and Paloma. The results of these holes were presented in Odin's press release of January 26, 2012. These results are summarized in Tables 1.

From (m)	To (m)	Advance (m)	Au (g/t)	Cu (%)	Notes
Hole C11-30					
14.5	**151.8**	**137.3**	**1.27**	**0.11**	Base of weathering = 58m
End of hole = 154m (Hole abandoned in mineralization – last 3.2 m of core not recovered – hole replaced by C11-31)					
Hole C11-31 (*to 151.8 m hole C11-31 duplicates hole C11-30*)					
14.5	**352**	**337.5**	**0.68**	**0.12**	Base of weathering = 56m
Including					
14.5	*132*	*117.5*	*1.10*	*0.09*	*Weathered zone + bedrock*
End of hole = 406m					
Hole C11-32					
22	**128**	**106**	**0.27**	**0.08**	Base of weathering = 42m
Including					
86	*94*	*8*	*1.00*	*0.14*	*Weathered zone + bedrock*
End of hole = 427m					
Hole C11-33					
10	**374**	**364**	**0.59**	**0.08**	Base of weathering = 56m
Including					
70	*140*	*70*	*1.06*	*0.11*	*Bedrock*
End of hole = 415m					

(Nb. The geological structure is too poorly known to allow estimation of true intersection thicknesses at this stage)

Table 1: Intersections of Total Porphyry-Style Gold/Copper Mineralization in Holes C11-30, 31, 32, 33

All subsequent holes were drilled into the more localized, structurally controlled targets in the Casique area. The results for holes C11-34, C11-35, and C12-36 to C12-40 were presented in Odin's press release of January 26, 2012. These results are summarized in Table 2. The analytical results from holes C12-41 to C12-46 were presented in Odin's press release of June 19, 2012. These results are summarized in Table 3.

Core recovery in the hard bedrock was generally good at 95-100%. However, in the soft, weathered zone core recovery was usually much poorer (often in the range 25% - 75%).

All core was cut in half – with a knife for the soft clays of the weathered zone and with a diamond saw for the hard rock at depth. One half of the core was archived for later reference. The other half was sampled over 2 m intervals as standard, except within the weathered zone where the sample intervals had to be fitted to the poorer recoveries.

The samples of half core were crushed in their entirety to less than 2 mm by LAC y Associados Cia. Ltda. in Cuenca, Ecuador, and a representative 1 kg sub-sample of chips split out and pulverized. A representative 150 gm split of the pulp from each sample was sent to Acme Analytical Laboratories (Vancouver) Limited in Canada for analysis for gold by 30 g fire assay with ICP-ES finish and for 36 multi-elements, including copper, by ICP-ES with a hot (95^{0}C) aqua regia leach of a 0.5 gm aliquot.

In addition to the laboratories own program of analysis of standards, blanks, and pulp duplicates, Odin submitted its own standards (supplied by Rocklabs, New Zealand), blanks and duplicates of rock chips. The results of the quality control are considered satisfactory.

As described in Odin's NI 43-101 technical report of December 2010, gold anomalism defined by stream sediment and deep, top-of-bedrock, soil sampling in the northeast sector of the Greater Cangrejos concession block can be traced over a 5km long, northeast-trending corridor from the Trinchera/Paloma area in the southwest, through the central Casique area and into the Dos Bocas area in the northeast.

In 1992/2000 Newmont Overseas Exploration Limited ("Newmont") drilled 12 diamond drill holes in the Trinchera/Paloma area during its time as operator of the El Joven JV (Odin 40%/Newmont 60%). The results of this drilling defined two NE-SW trending zones (the Trinchera and Paloma Mineralized Trends) of disseminated, porphyry-style, gold-copper mineralization with several intersections of at least 70m at a minimum of 0.5g/t gold within a mixed sequence of diorites, breccias and andesites with a pervasive hydrothermal alteration of chlorite ± biotite accompanied locally by pronounced silicification.

From (m)	To (m)	Advance (m)	Au (g/t)	Cu (%)	Notes
C11-34					
80	82	2	0.30	0.05	Silicified diorite
End hole = 401.8 m					
C11-35					
13	16	3	0.60	0.04	Silicified diorite – weathered
22.2	30	7.8	0.55	0.03	Silicified diorite – partly weathered
50	52	2	0.67	0.08	Silicified diorite
End hole = 108.7 m					
C12-36					
0	2.1	2.1	0.36	0.02	Colluvium
26.5	34	7.5	1.10	0.03	Silicified diorite – partly weathered
60	62	2	0.52	0.02	Fault zone
End hole = 247.7 m					
C12-37					
212	214	2	0.40	0.01	Tourmaline breccia / silicified diorite
252	254	2	0.76	0.00	Intensely silicified zone
276	282	6	8.96	0.23	Intensely silicified zone with sulphide
286	288	2	0.49	0.01	Silicified diorite
End hole = 351.13 m					
C12-38					
0	8	8	0.61	0.05	Colluvium and weathered diorite
48	56	8	0.63	0.05	Hydrothermal breccia - partly weathered
164	166	2	0.54	0.00	Silicified diorite with limonitic fractures
End hole = 200.6 m					
C12-39					
2.5	10	7.5	0.66	0.06	Colluvium and partly weathered diorite
12	16	4	0.30	0.03	Silicified diorite – partly weathered
40	42	2	0.31	0.04	Silicified hydrothermal breccia
62	80	18	2.55	0.18	Silicified hydrothermal breccia
92	94	2	0.30	0.21	Silicified hydrothermal breccia
130	134	4	1.03	0.10	Silicified hydrothermal breccia
212	214	2	1.20	0.00	Silicified diorite
End hole = 252.5 m					
C12-40					
2	12	10	0.88	0.06	Silicified diorite
38	46	8	1.39	0.06	Hydrothermal breccia / silicified diorite
64	88	24	1.65	0.08	Silicified hydrothermal breccia
108	116	8	0.56	0.04	Hydrothermal breccia / silicified andesite
152	154	2	0.30	0.04	Silicified diorite
End hole = 200.0 m					

(Nb. The structure is too poorly known to allow estimation of true intersection thicknesses)

Table 2: Intersections with >0.3 g/t Gold in Holes C11-34, 35 and C12-36, 37, 38, 39, 40

Odin's first four holes C11-30 to C11-33 (with C11-31 being a replacement for C11-30 which was abandoned for technical reasons) were drilled to check the gold-copper mineralization on the Trinchera and Paloma Mineralized Trends as defined by the Newmont drilling. In each case the mineralization was confirmed by new intersections of 70m and more of over 1 g/t gold and over 0.1% copper. Furthermore the mineralization on the Paloma Mineralized Trend was extended by about another 100m to the northeast. On each of these trends scope remains for additional drilling to extend the observed mineralization both laterally and in depth.

Odin's subsequent 13 holes (C11-34, C11-35 and C12-32 to C12-46) were focused on the Casique area, which lies about 1.5 km to the northeast of, and at an elevation 300m-400m higher than, the area of the Paloma/Trinchera drilling. Newmont had drilled one hole in this area in 2000, and this had given an intersection of 2.56g/t gold and about 0.2% copper over 22m starting from a borehole depth of about 130m.

From (m)	To (m)	Advance (m)	Au (g/t)	Cu (%)	Notes
C12-41					
62	64	2	4.22	0.10	Silicified diorite + fault zone
94	96	2	1.09	0.00	Silicified diorite
100	118	18	0.96	0.02	Hydrothermal breccia + silicified diorite
136	138	2	0.31	0.00	Silicified hydrothermal breccia
140	142	2	0.31	0.00	Silicified hydrothermal breccia
144	146	2	8.56	0.00	Silicified hydrothermal breccia
152	154	2	1.05	0.01	Silicified hydrothermal breccia
166	178	12	1.09	0.14	Silicified hydrothermal breccia
186	188	2	0.64	0.07	Silicified hydrothermal breccia
218	220	2	0.59	0.05	Silicified hydrothermal breccia
End of hole = 283.0 m					
C12-42					
0	4	4	1.03	0.00	Colluvium
12	14	2	0.38	0.03	Silicified diorite – partially weathered
110	112	2	0.86	0.05	Hydrothermal breccias
204.3	208	3.7	1.74	0.02	Fault zone in diorite
220	222	2	0.50	0.00	Silicified diorite
224	226	2	0.84	0.01	Silicified diorite
232	234	2	0.50	0.00	Silicified diorite
End of hole = 252.4 m					
C12-43					
0	4	4	0.33	0.00	Colluvium
12	16	4	0.49	0.00	Colluvium + weathered diorite
20	28	8	2.64	0.01	Weathered diorite
36	38	2	0.54	0.01	Weathered diorite
End hole = 254.5 m					
C12-44					
0	10	10	0.63	0.02	Colluvium
22	24	2	0.49	0.01	Weathered microdiorite
32	52	20	0.82	0.03	Silicified diorite – partially weathered
166	172	6	0.31	0.03	Silicified diorite
184	190	6	0.32	0.04	Silicified diorite
194	202	8	0.48	0.04	Silicified diorite – banded
216	246	30	0.58	0.02	Silicified diorite + fault zones + breccias
252	284	32	0.71	0.02	Silicified diorite + local breccias
End hole = 352.0 m					
C12-45					
62	64	2	0.86	0.03	Silicified diorite
82	84	2	1.99	0.00	Silicified diorite + fault zone
134	136	2	2.38	0.21	Quartz-tourmaline vein
144	146	2	0.33	0.00	Quartz tourmaline vein in silicified diorite
218	220	2	14.2	0.24	Tourmaline vein in silicified diorite
226	230	4	0.50	0.00	Silicified diorite + fault zone
End hole = 241.8 m					
C12-46					
106	108	2	4.50	0.02	Tourmaline vein in silicified diorite
End hole = 150.0 m					

(Nb. The structure is too poorly known to allow the estimation of the true intersection thicknesses)

Table 3: Intersections with >0.3 g/t Gold in Holes C12-41, 42, 43, 44, 45, 46

The new subsurface data generated by Odin's Phase 1 drilling program is being combined with the subsurface data from Newmont's 1999/2000 drilling and the results of Odin's and Newmont's surface sampling, geological mapping, satellite studies and helicopter geophysical work in order to optimize new drill site locations for Odin's Phase II diamond drilling program. It is expected that Odin's second phase of diamond drilling will concentrate more on further testing of the porphyry style mineralization on the Trinchera and Paloma Mineralized Trends and on an initial test of the, as yet undrilled, Dos Bocas target rather than on additional testing of the Casique area. Although scheduled for the second half of this year, the actual date of the start of Odin's Phase 2 diamond drilling program will depend on the timing of the receipt of the required environmental permits for the new drill sites and the availability of adequate funding.

Since April 2012 Odin's field crews have been carrying out additional deep, top-of-bedrock, soil sampling and rock sampling within the Estero Zapato, Tadao and Las Canarias concessions to locate and define potential new drilling targets. To date approximately 600 top-of-bedrock soil samples and 230 rock samples have been

collected and sent to Canada for analysis.

The Greater Cangrejos project consists of 12 mineral titles (or concessions) covering a total area of 5,594 hectares (Table 4). All the mineral titles were confirmed under Ecuador's new mining law in May 2010. Ten of the mineral titles are owned directly by Odin Mining del Ecuador SA 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 08, 2007 and approved by the TSX-V on September 20, 2007.

Location	Number	Area (ha)
Cangrejos	10	4,872
Cangrejos (Castro)	2	722

Table 4: Summary of Odin Concessions at June 30, 2012

Within the area of the mineral titles Odin controls about 540 hectares of land / surface rights over various critical locations with respect to the conceptual targets at Greater Cangrejos. Odin owns about 380 hectares outright and is acquiring another 160 hectares through the agreement with Mr. Castro.

The technical part of this MD&A was prepared by Mike Potter, MSc, MIMMM, an independent mineral exploration consultant, as the Qualified Person in accordance with NI 43-101.

2. *Selected Annual Information*

The following table provides a brief summary of the Company's financial operations for each of the last three completed fiscal years. For more detailed information refer to the Company's audited financial statements for the specific periods.

	Year ended December 31, 2011[(1)]	Year ended December 31, 2010[(1)]	Year ended December 31, 2009[(2)]
Non-cash stock-based compensation	$ 141,400	$ 203,400	$ 12,500
Exploration expenditures	376,768	774,950	132,999
Other operating expenses	294,629	164,038	142,136
Total operating expenditures	(812,797)	(1,142,386)	(295,135)
Interest income	31,060	1,318	15
Foreign exchange gain	-	49,078	9,992
Fair value adjustment of derivative liabilities	1,029,506	234,871	-
Income (Loss) for the year	$ 247,769	$ (857,119)	$ (285,128)
Basic and diluted earnings (loss) per share	$(0.00)	$(0.01)	$(0.01)
Total assets	$ 3,015,369	$ 3,572,301	$ 1,639,693
Total long-term liabilities	$ NIL	$ NIL	$ NIL
Cash dividends declared	$ NIL	$ NIL	$ NIL

(1) Prepared under International Financial Reporting Standards
(2) Prepared under Canadian Generally Accepted Accounting Standards

3. *Results of Operations*

In the prior two years, the Company had adopted a care and maintenance approach to operating and exploration expenditures. During the year ended December 31, 2011 the Company resumed more normal levels of operating and exploration expenditures. Operating expenditures (loss before other item) during the six months ended June 30, 2012 decreased to $244,488 from $490,995 incurred during the six months ended June 30, 2011.

Significant expenditures and variations of expenditures incurred during the six months ended June 30, 2012, as compared to the six months ended June 30, 2011 include:

- **Employee costs – 2012: $76,168 / 2011: $163,514**

  Employee costs include cash payments and share-based compensation paid to directors, officers and employees of the Company and is comprised of the following:

  Directors' Compensation – Stock-based compensation 2012: $Nil / 2011: $127,191; Directors' compensation – Stock-based compensation relates solely to the fair value of stock options vested in the related period. Stock options that vested in 2011 were granted in 2010.

  Directors' Compensation – Directors' Fees 2012: $48,586 / $Nil; Director's fees were reinstated effective July 1, 2011.

  Other – 2012: $27,582 / 2011: $36,323; Other employee costs include salary, and related statutory employee benefits) paid to an employee of $21,318 ($ 2011: $27,224) and stock based compensation related to stock options that vested during the period of $5,288 (2011: $9,099).

- **Management fees – 2012: $67,348 / 2011: $Nil**

  Management fees are paid to two active managers of the Company. Management fees were paid $34,018 to a Company 100% owned by the President and a director of the Company and $33,330 to a director of the Company

- **Other expenses – 2012: $195,343 / 2011: $76,056**

  Professional Fees – 2012: $81,140 / 2011: $47,022; Professional fees are comprised of legal, audit and accounting fees paid and accrued. In 2012 legal fees related to general corporate matters were $5,644 (2011 - $2,474), audit fees $48,283 (2011 - $16,862) and accounting fees $27,212 (2011 - $27,686). The audit fee increase relates to amounts accrued for the 2012 audit plus amounts under accrued for the audit of the December 31, 2012 financial statements. The 2011 audit fees are comprised of accrual for the audit of the December 31, 2011. The increase was primarily due to the transition from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to International Financial Reporting Standards ("IFRS").

  General administration – 2012: $36,765 / 2011: $21,811; General administration expenses relate to office, travel, telephone, transfer agent and filing fees and insurance costs. The increase for the current year reflects an approximate $10,000 increase in travel, to $11,740 and an approximate $3,000 increase in insurance costs.

- **Exploration expenditures: 2012: $Nil / 2011: $362,534**

  In past years the Company entered into a number of agreements to acquire mining concessions or options to acquire mining concessions in Ecuador. To December 31, 2011 the Company had expended $3,325,679 on these mining concessions, for option payments, acquisition costs, property maintenance costs, environmental studies, geological work assay and other related exploration and development costs.

  On January 1, 2010, the date of transition from Canadian GAAP to IFRS the Company adopted the policy to expense exploration expenditures until such time as exploratory drilling permits are received. On September 8, 2011 the Company received the first three exploration permits it had been waiting for. Until that date the Company had continued to expense exploratory costs incurred.

  Therefore, the Company has expensed exploration costs incurred prior to September 8, 2011 of $372,534 and have commenced capitalization of costs incurred from September 8, 2011.

- **Fair value adjustment of derivative liabilities – 2012: $298,076 / 2011: $241,742;**

  As a result of conversion from Canadian GAAP to IFRS the Company has a derivative financial instrument related to warrants exercisable in Canadian dollars. Derivative financial instruments are initially measured at their fair value. For derivative financial instruments that are accounted for as liabilities, the derivative instruments is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. For warrant-based derivative financial instruments, the Company uses the Black-Scholes option pricing model to value the derivative instruments. To the extent that the initial fair values of the freestanding and/or bifurcated derivative instrument liabilities exceed the total proceeds received, an immediate charge to income is recognized, in order to initially record the derivative instrument liabilities at their fair value.

4. *Summary of Quarterly Results*

The following summary of quarterly results is presented under International Financial Reporting Standards.

	June 30, 2012	March 31, 2011	December 31, 2011	September 30, 2011
Total Revenue	$ -	$ -	$ -	$ -
Net Income (Loss)	$ 144,487	$ (90,899)	$ 317,529	$ 293,143
Basic income (loss) per common share	$ 0.00	($ 0.00)	$ 0.00	$ 0.00
Diluted income (loss) per common share	$ 0.00	($ 0.00)	$ 0.00	$ 0.00

	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Total Revenue	$ -	$ -	$ -	$ -
Net Income (Loss)	$ 1,452,576	$ (1,815,479)	$ (466,681)	$ (680,755)
Basic income (loss) per common share	$ 0.027	($ 0.02)	($ 0.01)	($ 0.01)
Diluted income (loss) per common share	$ 0.01	($ 0.02)	($ 0.01)	($ 0.01)

5. *Liquidity*

The Company's historical capital needs have been met by issuance of shares. As at June 30, 2012, the Company's working capital was $151,524 (December 31, 2011 – $1,599,538). The Company proposes to meet any additional financing requirements through equity financing.

The Company's cash and cash equivalents position (including short term deposits) as at June 30, 2012 was $301,397 (December 31, 2011 - $1,550,273). The net decrease in cash position resulted from cash expenditures for mineral property costs capitalized $1,029,979, purchase of equipment $1,176 and cash used in operating activities of $217,721 (net of foreign exchange impact).

The Company has no long-term debt.

The Company does not have operations which generate cash flow and it is unlikely that it will generate cash flow in the foreseeable future.

Future cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. At the date of this report, the Company has scaled back its exploration activities. It has ceased drilling activity and is currently reviewing results of its recent drilling and exploration activity and all historical exploration documentation available to it. The Company is sufficiently funded to maintain its current properties in the near term but will require additional financing or proceeds from sale or joint venture of properties to complete exploration programs.

Beyond its current working capital the Company is dependent on raising funds by the issuance of shares, loans from related parties or disposing of interests in its unproven mineral interests (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in raising additional financing when it is required.

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fully explore its existing properties. Failure to obtain financing could result in delays or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

The Company's consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations. 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.

6. *Capital Resources*

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, the Company's ability to achieve certain exploration milestones and its ability to acquire new properties.

Authorized Share Capital is 200,000,000 common shares without par value. Issued and outstanding common shares as at June 30, 2012 were 84,021,243 (December 31, 2011 - 84,021,243).

During the period ended June 30, 1012 no shares were issued.

During the year ended December 31, 2011, the following shares were issued:

- On June 21, 2011 the Company issued 437,500 common shares on the exercise of warrants for proceeds of $89,603.

As at June 30, 2012, there were 14,056,875 share purchase warrants outstanding, exercisable and expiring as follows:

Number of Warrants	Expiry Date	Exercise Price (Canadian $)
14,056,875	December 24, 2012	C$0.30

The following table summarizes stock option activity for the year ending December 31, 2011 and June 30, 2012:

	Number	Weighted Average Exercise Price (Canadian $)
Balance, December 31, 2010 and December 31, 2011	4,815,000	C$0.25
Options expired	(25,000)	C$0.30
Options issued	145,000	C$0.19
Balance, June 30, 2012	4,935,000	C$0.25

As at June 30, 2012 the Company had 4,935,000 share purchase options outstanding, all having vested. This number was comprised of:

Exercise Price per share (Canadian $)	Number Outstanding	Number unvested – not exercisable	Expiry	Weighted Average Remaining Contractual Life (Years)
C$0.17	40,000	-	October 2, 2015	4.3
C$0.20	170,000	-	December 10, 2012 to December 20, 2016	2.5
C$0.25	4,725,000	-	October 29, 2012 to October 26, 2015	3.2
	4,935,000	-		3.2

While there can be no guarantee that option or warrant holders will exercise their options or warrants, any such exercises that do occur would provide additional funding to the Company.

7. *Off-Balance Sheet Arrangements*

The Company had no off-balance sheet arrangements.

8. *Transactions with Related Parties*

The following table summarizes the Company's related party transactions for the six months ended June 30:

	2012	2011
Goods or services rendered by, or to, related parties:		
Share based payments to directors	**$ Nil**	$ 87,942
Management fees paid to a company controlled by the President and CEO	**$ 34,018**	$ -
Management fees paid to a director	**$ 33,330**	$ -
Directors' fees expensed	**$ 48,586** (1)	$ -

Transactions with related parties conducted in the normal course of operations are recorded at the exchange value, being the price agreed to between the parties.

	2012	2011
Amounts included in assets connected to related parties are as follows:		
Prepaid directors fees	**$ -**	$ 48,586 (1)

(1) Directors' fees paid during the year total $72,901 of which $24,315 relate to the year ending December 31, 2011 and $48,586 are prepaid for the period ending June 30, 2012

9. *Fourth Quarter*

Not applicable

10. *Proposed Transactions*

None

11. *Critical Accounting Estimates*

The Company's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based on its financial statements that have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the impairment of long-lived assets. Management bases its estimates and judgments on historical experience, contractual arrangements and commitments and on various other assumptions that it believes are reasonable

in the circumstances. Changes in these estimates and judgments will impact the amounts recognized in the consolidated financial statements, and the impact may be material. Management believes significant estimates and assumptions include those related to the recoverability of mineral properties and deferred exploration expenditures, estimated useful lives of capital assets, determination as to whether costs are expensed or deferred and asset retirement obligations.

Critical accounting estimates used in the preparation of the financial statements include the assumption the Company is a going concern, recoverable value of its mineral properties, asset retirement obligations, valuation of stock-based compensation and future income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

Going Concern

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company has not placed any of its mineral properties into production. The underlying value of the Company's mineral properties is dependent upon the existence and economic recovery of such reserves in the future and the ability of the Company to raise financing to complete the future exploration and development of the properties, including meeting option payment requirements as they fall due.

While these consolidated financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are conditions and events that cast significant doubt on the validity of that assumption. As at June 30, 2012, the Company has net working capital of $151,524, has an accumulated deficit of $11,298,628, incurred an operating loss of $244,488 for the six months ended June 30, 2012, net cash outflows used in operations of $217,605 for the six months ended June 30, 2012 and a history of losses from operations. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof. There is no assurance that such financing will be sufficient to sustain operations in the foreseeable future. The Company's 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.

Exploration and Evaluation Expenditures

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project, which due to political uncertainty in Ecuador include receipt of drilling permits, are expensed as incurred. Exploration and evaluation expenditures are defined as costs incurred after having obtained the legal right to explore the mineral property and before the technical and commercial viability of extracting resources are demonstrated. These expenditures are capitalized when it is probable that future economic benefits will flow to the company and when the amounts can be reliably measured. For properties which do not yet have proven reserves, the amounts shown represent costs to date and are not intended to represent present or future values. The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying mineral claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties. Subsequent to initial recognition, rights and licenses are assessed for impairment on an annual basis. When a project is deemed to no longer have commercially viable prospects to the company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets expenditures, in excess of estimated recovery, are written off to the statement of comprehensive loss or income.

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

Machinery and Equipment

Recognition and measurement

Machinery and equipment are recorded at historical cost less accumulated depreciation and impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of the reporting period.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of machinery and equipment have different useful lives, they are accounted for as a separate item of machinery and equipment.

Subsequent costs

The cost of replacing a component of an item of machinery and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company, and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing machinery and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation methods and rates are applied consistently within each asset except where significant individual assets have been identified which have different depreciation patterns. Depreciation is recognized in profit or loss. The following rates and method are used:

	Rate	Method
Computers and equipment	20% - 30%	Declining balance
Vehicles	20% - 30%	Straight-line balance

In the year of acquisition, depreciation is provided at one half (1/2) the declining balance rate. Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required. An item of machinery and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statements of income or loss.

Impairment of long-lived assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow.

Financial assets measured at amortized cost

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets carried at cost

An impairment loss of a financial asset carried at cost, where its fair value cannot be reliably measured, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of similar financial assets. Such impairment losses are not reversed.

Available-for-sale securities

An impairment loss of an available-for-sale investment security is recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. If, however, the fair value of an impaired available-for-sale equity security increases, the amount of reversal is recognized in other comprehensive income.

Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which it belongs.

Exploration and evaluation assets, however, are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its

carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

Share-based payments

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to those granted under the stock option plan are limited to 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under their stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by using the Black-Scholes option-pricing model.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to retained earnings / deficit.

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Environmental rehabilitation provision

The company recognizes the fair value of a liability for environmental rehabilitation in the period in which the company is legally or constructively required to remediate, if reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The environmental rehabilitation cost is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectation of the amounts and timing of environmental rehabilitation cash flows. The company has assessed each of its exploration and evaluation assets and determined that no material environmental rehabilitations exist as the disturbance to date is minimal.

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred income tax

The Company uses the asset and liability method of accounting for income taxes whereby deferred income tax assets are recognized for deductible temporary differences and operating loss carry-forwards and future income tax liabilities are recognized for taxable temporary differences. Deferred income tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment or substantive enactment. The actual income tax rate that may be in effect at the time future income tax assets are realized or deferred income tax liabilities come due will depend upon the income tax rate(s) in effect at the time.

12. Changes in Accounting Policies. including initial adoption

Recently issued accounting pronouncements & Future Changes in Accounting Policies

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7")

IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the balance sheet or that are subject to enforceable master netting or similar arrangements. The Company is currently evaluating the impact of adopting this amendment on its financial statements.

IFRS 9 *Financial Instruments: Classification and measurement* ("IFRS 9")

IFRS 9 amends the classification and measurement criteria for financial instruments included within the scope of IAS 39 ''Financial Instruments: Recognition and Measurements'' (''IAS 39''). IFRS 9 will be published in three phases, of which the first phase has been published. The first phase addresses the accounting for financial assets and financial liabilities. The second phase will address the impairment of financial instruments, and the third phase will address hedge accounting. For financial assets, IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. For financial liabilities, although the classification criteria for financial liabilities will not change under IFRS 9, the approach to the fair value option for financial liabilities may require different accounting for changes to the fair value of a financial liability as a result of changes to an entity's own credit risk. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of adopting IFRS 9 on its financial statements.

International Financial Reporting Standard 11 - Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

International Financial Reporting Standard 12 - Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

International Financial Reporting Standard 13 - Fair Value Measurement ("IFRS 13")

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

International Financial Reporting Standard 19 – Employee Benefits ("IFRS 19")

IAS 19, "Employee Benefits" ("IAS 19") was amended to eliminate the option to defer the recognition of actuarial gains and losses, commonly known as the corridor approach and requires an entity to recognize actuarial gains and losses in Other Comprehensive Income ("OCI") immediately. In addition, the net change in the defined benefit liability or asset must be disaggregated into three components: service cost, net interest and

remeasurements. Service cost and net interest will continue to be recognized in net earnings while remeasurements, which include changes in estimates or the valuation of plan assets, will be recognized in OCI. Furthermore, entities will be required to calculate net interest on the net defined benefit liability or asset using the same discount rate used to measure the defined benefit obligation. The amendment also enhances financial statement disclosures. The adoption of this amendment will not have a material impact on the Company's financial statements.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including International Accounting Standard 27 - *Separate Financial Statements* ("IAS 27"), International Accounting Standard 28 - *Investments in Associates and Joint Ventures* ("IAS 28"). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS13 and International Accounting Standard 32 – *Financial Instruments: Presentation* ("IAS 32"). IAS 32 has been amended to clarify the requirements for offsetting financial assets and liabilities. The amendment clarifies that the right to offset must be available of the current date and cannot be contingent on a future event.

Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

13. Disclosure and Internal Controls and Risk Factors

Internal Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 *Certificate of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("CD&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representation relating to the establishment and maintenance of:

a. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annul filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
b. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting policies.

The Company's certifying officers are responsible for ensuring processes are in place to provide them with sufficient knowledge to support the representations they are making in their certification.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filing and other reports provided under securities legislation.

Risk Factors

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Exploration and Development - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title Risks - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Fluctuating Metal Prices - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Environmental Regulations, Permits and Licenses - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Operating in a foreign country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

Competition - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financings - The Company's continued operation will be dependent in part upon its ability to generate operating revenues and to procure additional financing. To date, the Company has done so through combination of equity financing and loans from directors. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that funds will be generated from the Company's current revenue sources or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities - During the past year, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

14. ***Approval***

The Board of Directors of Odin Mining and Exploration Ltd. have approved the disclosures contained in the Management Discussion and Analysis for the six months ended June 30, 2012, prepared as at August 24, 2012.

15. ***Other Information***

Additional information relating to the Company can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) database at www.sedar.com.