



ODIN MINING AND EXPLORATION LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2013

UNAUDITED – PREPARED BY MANAGEMENT

ODIN MINING AND EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENED MARCH 31, 2013

Responsibility for financial statements

The accompanying condensed interim consolidated financial statements for Odin Mining and Exploration Ltd. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied. The most significant of these accounting principles have been set out in Note 3 to the attached financial statement. These interim statements have been presented on the accrual basis of accounting. Therefore estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the interim financial statements, management is satisfied that these interim consolidated financial statements have been fairly presented.

Auditor involvement

The Company's auditors, BDO Dunwoody LLP have not performed a review of the un-audited interim consolidated financial statements for the three month period ended March 31, 2013.

(signed) Stephen W.C. Stow
Director

ODIN MINING AND EXPLORTION LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2013
(Expressed in U.S. Dollars)
(Unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
Current		
Cash and equivalents	\$ 685,594	\$ 1,000,140
Other receivables (Note 5)	13,111	11,254
Prepaid expenses	5,628	67,067
Total current assets	704,333	1,078,461
Non-current assets		
Environmental deposit	75,000	75,000
Property & Equipment (Note 6)	282,869	287,305
Exploration and evaluation assets (Note 7)	2,849,080	2,581,286
Total non-current assets	3,206,949	2,943,591
TOTAL ASSETS	\$ 3,911,282	\$ 4,022,052
LIABILITIES		
Current liabilities		
Trade and other payables	\$ 132,094	\$ 177,390
SHAREHOLDERS' EQUITY		
Common shares (Note 8)	14,753,759	14,753,759
Share-based payment reserve (Note 9)	278,304	278,304
Accumulated deficit	(11,252,875)	(11,187,398)
Total shareholders' equity	3,779,188	3,844,665
TOTAL EQUITY AND LIABILITIES	\$ 3,911,282	\$ 4,022,052

Approved by the Board of Directors:

"Stephen W.C. Stow"

Stephen W.C. Stow, Director

"Levi Giesbrecht"

Levi Giesbrecht, Director

The accompanying notes are an integral part of these consolidated financial statements

ODIN MINING AND EXPLORTION LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS/INCOME

For the Three Months Ended March 31

(Expressed in U.S. Dollars)

(Unaudited)

	2013	2012
Interest and other income (Note 10)	\$ 1,785	\$ 26,934
Expenses		
Depreciation (Note 6)	213	194
Employee costs (Note 11)	12,726	39,165
Management fees (Note 11)	6,000	33,283
Other expenses (Note 10)	48,323	94,191
Total Expenses	67,262	166,833
Operating Loss	(65,477)	(139,899)
Fair value adjustment of derivative liabilities	-	49,000
Total comprehensive income (loss) for the period	\$ (65,477)	\$ (90,899)

The accompanying notes are an integral part of these consolidated financial statements

ODIN MINING AND EXPLORTION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Three Months Ended March 31
(Expressed in U.S. Dollars)
(Unaudited)

	Share Capital		Share-based Payment Reserve	Accumulated Deficit	TOTAL
	Number	Share Capital			
Balance, December 31, 2011	84,021,243	\$13,415,127	\$ 377,088	\$ (11,362,216)	\$2,429,999
Stock-based compensation (Note 9a)	-	-	16,081	-	16,081
Comprehensive loss for the period	-	-	-	(90,899)	(90,899)
Balance, March 31, 2012	84,021,243	\$13,415,127	\$ 393,169	\$ (11,453,115)	\$2,355,181
Balance, December 31, 2012	97,471,243	\$14,753,759	\$ 278,304	\$ (11,187,398)	3,844,665
Comprehensive loss for the period	-	-	-	(65,477)	(65,477)
Balance, March 31, 2013	97,471,243	\$14,753,759	\$ 278,304	\$ (11,252,875)	\$ 3,779,188

The accompanying notes are an integral part of these consolidated financial statements

ODIN MINING AND EXPLORTION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three Months Ended March 31
(Expressed in U.S. Dollars)
(Unaudited)

	2013	2012
Cash flows from operating activities		
Income (Loss) for the period	\$ (65,477)	\$ (90,899)
Adjustments for:		
Equity settled share-based compensation	-	16,081
Depreciation	213	194
Fair value adjustment of derivative liabilities	-	(49,000)
Foreign exchange impact on cash	7,811	(7,601)
	<u>(57,453)</u>	<u>(131,225)</u>
Change in working capital balances:		
Increase in trade and other receivables	(1,857)	(27,519)
Decrease in prepaid expenses	3,366	29,338
(Decrease) increase in trade and other payables	2,280	59,767
	<u>(53,664)</u>	<u>(69,639)</u>
Net cash outflows from operating activities	(53,664)	(69,639)
Cash flows used by investing activities		
Mineral property acquisition and expenditures capitalized	(253,071)	(705,725)
	<u>(253,071)</u>	<u>(702,725)</u>
Foreign exchange impact on cash	(7,811)	7,601
Net decrease in cash during the period	(314,546)	(767,763)
Cash and cash equivalents, beginning of period	1,000,140	1,550,273
Cash and cash equivalents, end of period	\$ 685,594	\$ 782,510
Cash and cash equivalents represented by:		
Cash	\$ 685,594	\$ 682,510
Term deposit	-	100,000
	<u>\$ 685,594</u>	<u>\$ 782,510</u>

The accompanying notes are an integral part of these consolidated financial statements

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

1. CORPORATE INFORMATION AND GOING CONCERN OF OPERATIONS

Odin Mining and Exploration Ltd's (the "Company") business activity is the exploration and evaluation of mineral properties in Ecuador. The Company was incorporated under the Business Corporation Company Act of British Columbia on March 22, 1988. The Company is listed on the TSX-Venture Exchange, having the symbol ODN.V and its primary business is the acquisition of exploration and evaluation of mineral properties in Ecuador.

The address of the Company's registered office and principal place of business is 1500 – 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9.

The Company has not generated revenue from operations. The Company had an operating loss of \$65,477 for the three months ended March 31, 2013, a history of prior year losses and, as of that date the Company's accumulated deficit was \$11,252,875. The Company is considered to be in the exploration stage as it has not placed any of its mineral properties into production. These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of asset and liquidation of liabilities in the normal course of business. 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. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise debt or equity financings and the attainment of profitable operations. Management has taken steps to reduce cash expenditures to a level that will enable operations to continue and meeting its minimum mineral property commitments for a minimum of twelve months from the date of these financial statements. There can be no assurance that management's plans will be successful. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These consolidated financial statements of the Company for the three months ending March 31, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements should be read in conjunction with the Company's 2012 annual consolidated financial statements.

The consolidated financial statements of the Company as at March 31, 2013 were authorised for issue by the Board of Directors on May 30, 2013.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in United States dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated. The Company operates in multiple jurisdictions and transacts in multiple currencies. Being an exploration stage company, the Company has no revenues from operations to date and therefore has based the determination of functional currency on expenditures, financial commitments and historical financing, the areas where the majority of the Company's transactions occur. Transactions related to all three of these criteria occur in more than one currency, however the US\$ is the dominant currency for each of these criteria and therefore the currency of the primary economic environment to which the Company is the most significantly exposed. As such, management has determined the US\$ to be the functional currency of the Company and all significant subsidiaries within the consolidated group.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 4.

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements have been prepared using accounting policies specified by those IFRSs that are in effect at the end of the reporting period, 31 March 2013. The standards that will be effective in the financial statements for the year ending December 31, 2013 are subject to change and may be affected by additional interpretations.

These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2012

Newly Adopted Standards

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. The Company adopted the standard, effective January 1, 2013, and determined adoption required no changes to the existing Company practices.

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. The Company adopted the standard, effective January 1, 2013, and determined adoption required no changes to the existing Company practices.

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. The Company adopted the standard, effective January 1, 2013, and determined adoption required no changes to the existing Company practices.

Standards, Amendments and Interpretations Not Yet Effective

IFRS 9 *Financial Instruments* ("IFRS 9")

On November 12, 2009, the IASB issued IFRS 9 *Financial Instruments* as the first step in its project to replace International Accounting Standard ("IAS") 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 amends some of the requirements of IFRS 7 *Financial Instruments: Disclosures* including additional disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and de-recognition of financial 16 instruments. Although early adoption is permitted, in December 2011, the IASB issued an amendment that adjusted the mandatory effective date of IFRS 9 from January 1, 2013 to January 1, 2015. The Company is currently determining the impact of adopting IFRS 9.

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carry amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

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.

Exploration and Evaluation Expenditure – The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether is likely that future economic benefits will flow to the Company.

If, after exploration and evaluation expenditure is capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash generating unit or group of cash generating units level in the year the new information becomes available. The Company has determined that there are currently no indicators of impairment.

Income Taxes – The Company has not recognized a deferred tax asset as management believe it is not probable that taxable profit will be available against which a deductible temporary differences can be utilized.

Share-based Payment and Warrant Valuation Transactions – The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes 8 and 9.

The Company measures the fair value of warrants determined to be financial instruments at the date they are granted. The fair value is calculated and recorded as a derivative liability as discussed above under derivative financial instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 9.

5. TRADE AND OTHER RECEIVABLES

	March 31, 2012	December 31, 2011
HST recoverable	\$ 1,748	\$ 2,554
Expense advances to employees	11,363	8,700
	<u>\$ 13,111</u>	<u>\$ 11,254</u>

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2013 (Unaudited) (Expressed in U.S. Dollars)

6. PROPERTY AND EQUIPMENT

	Land	Computers and Equipment	Automotive	Total
Cost				
Balance at December 31, 2011	\$ 250,000	\$ 40,024	\$ 90,512	\$ 380,536
Additions	-	1,178	-	1,178
Balance at December 31, 2012	250,000	41,202	90,512	381,714
Additions	-	-	-	-
Balance at March 31, 2013	\$ 250,000	\$ 41,202	\$ 90,512	\$ 381,714
Depreciation				
Balance at December 31, 2011	-	32,413	43,558	75,971
Depreciation for the year	-	4,639	13,800	18,439
Balance at December 31, 2012	-	37,052	57,358	94,410
Depreciation for the period	-	1,043	3,393	-
Balance at March 31, 2013	\$ -	\$ 38,095	\$ 60,751	\$ 98,846
Carrying amounts				
At December 31, 2012	\$ 250,000	\$ 4,150	\$ 33,154	\$ 287,304
At March 31, 2013	\$ 250,000	\$ 3,107	\$ 29,761	\$ 282,868

7. EXPLORATION AND EVALUATION ASSETS

The Company has entered into a number of agreements to acquire mining concessions or options to acquire mining concessions in Ecuador, as detailed below. On April 18, 2008 the government of Ecuador passed a Mining Mandate to draft and implement a new mining law. This Mining Mandate superseded the existing mining law and international investment agreements under which mineral concessions were granted and investment were made. In addition, the government cancelled certain mining concessions due to non-payment of patent taxes and indicated potential cancellation of certain mining concessions for late payment of patent taxes, including certain of the Company's concessions.

In January 2009, a new Mining Law for Ecuador was published in the State's Official Register, thereby becoming law. Uncertainties in the Law were clarified with the enactment of the Regulations in November 2009, cancelling the Mining Mandate and reinstating mining activities.

Despite the enactment of the new Mining Law, the lack of accompanying Regulations and formal notification to the Company to continue exploration efforts resulted in the Company suspending any exploration activities. Prior to the Company receiving approval for exploratory drilling in 2011, the Company charged all exploration and evaluation costs to the consolidated statement of comprehensive loss.

In September 2011 the Company received drilling and other permits required to commence further exploration of its properties. From that date the Company has capitalized all expenditures directly related to the exploration of its mineral properties.

The Company has or has rights to 12 separate mineral titles located near Machala South West Ecuador, known as the "Cangrejos Concessions". The mineral rights payments related to those concessions in 2012 amounted to \$183,859 (2011 - \$263,983).

During the year ended December 31, 2012, \$17,487 (2011 - \$9,612) depreciation was capitalized to exploration and evaluation assets.

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

The Company has purchased various small local farm lands (Note 6, Land) in the area of its Cangrejos properties that are of strategic value representing important surface rights over which it has mineral rights and access.

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

7. EXPLORATION AND EVALUATION ASSETS - Continued

.2013 Expenditures

Balance at December 31, 2012	\$ 2,581,286
Expenditures in the period ended March 31, 2013	
Mineral rights	89,539
Legal fees	11,200
Assays	1,544
Camp	76,547
Camp access and improvements	5,130
Geological consulting	3,943
Geological staff	71,761
Transportation	8,130
Total expenditures for the period ended March 31, 2013	<u>267,794</u>
Balance at March 31, 2013	<u>\$ 2,849,080</u>

2012 Expenditures

Balance at December 31, 2011	\$ 985,063
Expenditures in the period ended March 31, 2012	
Mineral rights	183,859
Legal fees	34,440
Assays	110,939
Camp	137,171
Camp access and improvements	34,649
Drilling	386,728
Environmental	20,160
Geological consulting	168,695
Geological staff	476,294
Transportation	43,288
Total expenditures for the period ended March 31, 2012	<u>1,596,223</u>
Balance at March 31, 2012	<u>\$ 2,581,286</u>

8. SHARE CAPITAL AND RESERVES

a) Authorized

The Company's authorized capital consists of 200,000,000 (December 31, 2012 – 200,000,000) common shares without par value.

The holders of common shares are entitled to receive dividends, which may be declared from time to time, and are entitle to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

b) Issued

Period ended March 31, 2013

There were no shares issued during the period.

Period ended March 31, 2012

There were no shares issued during the period.

c) Share Purchase Warrants

As at March 31, 2013 the Company had no outstanding share purchase warrants

d) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include 'Warrant Reserve', 'Share-based Payment Reserve', and 'Accumulated Deficit'.

- 'Warrant Reserve' is used to recognize the value of share warrants prior to exercise.
- 'Share-based Payment Reserve' is used to recognize the value of stock option grants prior to exercise.
- 'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

9. SHARE-BASED PAYMENTS

a) Option Plan Details

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

The following table summarizes stock option activity for the periods ending March 31, 2013 and December 31, 2012:

	Number	Weighted Average Exercise Price
Balance, December 31, 2011	4,815,000	C\$0.25
Stock options expired	(675,000)	C\$0.25
Stock options cancelled	(1,060,000)	C\$0.25
Stock options granted	145,000	C\$0.14
Balance March 31, 2013 and December 31, 2012	3,225,000	C\$0.25

b) Fair value of Options Issued

The following table summarizes information relating to stock options outstanding and exercisable at March 31, 2012:

Exercise Price per share	Number Outstanding	Expiry	Weighted Average Remaining Contractual Life (Years)	Number unvested - not exercisable	Number Vested - exercisable
C\$0.25	3,100,000	October 26, 2015	2.07	-	3,100,000
C\$0.17	20,000	October 1, 2016	3.74	-	20,000
C\$0.20	105,000	December 20, 2016	3.96	-	105,000
	3,225,000		2.85	-	3,225,000

c) Expenses Arising from Share-based Payment Transactions

Based on the estimated fair value of options at their grant dates and graded vesting, during of the period ended March 31, 2012 the Company recorded stock-based compensation expense totaling \$16,081 (\$14,908 as geological expenditures and \$4,183 as general and administration) in the statement of operations. and during the period ended March 31, 2011 the Company recorded stock-based compensation expense totaling \$93,701 (\$87,952 as director's fees, \$3,449 as wages and benefits and \$2,300 as general and administration) in the statement of operations.

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2013 (Unaudited) (Expressed in U.S. Dollars)

10. OTHER INCOME AND EXPENSES

	March 31, 2013	March 31, 2012
Interest and other income include:		
Interest income	\$ 1,785	\$ 2,195
Foreign exchange gain	-	24,749
	\$ 1,785	\$ 26,943
Other expenses include:		
Foreign exchange loss	\$ 11,155	\$ -
General and administration	12,661	18,203
Insurance	3,367	5,045
Professional fees	21,140	70,943
	\$ 48,323	\$ 94,191

11. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors (executive and non-executive) and senior management (CEO and acting CFO). The compensation paid or payable to key management for employee services is disclosed in the table below.

Except as disclosed elsewhere in the consolidated financial statements, the Company had the following general and administrative costs with related parties during 2013 and 2012:

	Periods ended March 31	
	2013	2011
Short-term employee benefits		
Executive salaries and remuneration ⁽¹⁾	\$ 6,000	\$ 32,984
Directors' fees	-	24,293
	6,000	57,277
Share-based payments	-	-
	\$ 6,000	\$ 57,277

(1) Management fees were paid \$6,000 (2012 - \$16,330) to a director of the Company and Nil (2012 - \$16,654) to a Company 100% owned by the President and a director of the Company.

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Amounts due from (to) related parties:

	2013	2011
Due from Directors related to directors' fees paid in advance.	\$ 6,000	\$ 24,293

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is present throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Continued

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk as follows:

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the US dollar and the Canadian dollar or other foreign currencies will affect the Company's operations and financial results. The Company could have exposure to foreign currency risk. The Company's functional currency is US dollars but it raises some of its capital in Canadian dollars. The Company has not hedged its exposure to currency fluctuations.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash, cash equivalents and short-term deposits held with Canadian financial institutions. The Company considers this risk to be immaterial.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and equivalents, short-term deposits, other receivables and environmental deposit. Cash and equivalents and short-term deposits are maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2012 and December 31, 2011 relating to cash and equivalents and short-term deposits of \$1,000,140 and \$1,550,273 respectively. All cash, cash equivalents and short-term deposits are held at HSBC Canada. The Company considers this risk to be minimal for all cash and cash equivalent assets.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

iii) Liquidity Risk - continued

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 180 days. To achieve this objective, the Company prepares annual operating and capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on explorations projects to further manage expenditures.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities

ODIN MINING AND EXPLORTION LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in U.S. Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - Continued

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Consolidated Statement of Financial Position carrying amounts for cash and cash equivalents and trade and other payables approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

13. CAPITAL MANAGEMENT

The Company monitors its cash, common shares, warrants and stock options as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements.

14. SEGMENTAL REPORTING

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

15. LOSS PER SHARE

Income (loss) per Share

Basic loss per share amounts are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2013	2012
Loss attributable to ordinary shareholders	\$ (65,477)	\$ (90,899)
Weighted average number of common shares	97,471,243 ⁽¹⁾	84,021,243 ⁽¹⁾
Basic income (loss) per share	\$ \$0.00	\$ (\$0.00)
Fully diluted number of common shares	97,471,243 ⁽¹⁾	84,021,243 ⁽¹⁾
Basic income (loss) per share	\$ \$0.00	\$ (\$0.00)

(1) The basic and diluted number of common shares are the same as there are no instruments that have a dilutive effect on the basic loss per share.

Weighted Average Number of Common Shares

	2013	2012
Issued common shares, December 31,	97,471,243	84,021,243
Effect of shares issued (none issued in either period)	-	-
Weighted average issued common shares	97,471,243	84,021,243
Outstanding vested stock options	3,225,000	4,887,500
Outstanding share purchase warrants	-	14,056,875
Weighted average issued common shares	100,696,243	102,965,618