



November 22<sup>nd</sup>, 2012

## **OPEN LETTER TO ODIN SHAREHOLDERS**

Dear Shareholders:

Even though none of the data below is material, we have had a number of shareholder requests for an update of the status quo for Odin in Ecuador. Since our last announcement on August 27<sup>th</sup>, 2012, we have continued to prepare for our next full 10,000m drill program.

We have been challenged by the delay in Kinross having an opportunity to finalize their exploitation agreement in a workable format, and even the Ecuadorian Government announcing critical amendments to its windfall tax laws. This challenge is unfortunately still ongoing for Kinross and all mining juniors operating in Ecuador, other than Dynasty Metals & Mining Inc. ("Dynasty"), who had an exploitation license granted just before the new government rules were imposed in 2010.

We were unfortunately in the full application process for our own exploitation license at the time of announcement of the moratorium, which in itself did not qualify us for grandfathering our application, on the same basis as Dynasty.

On reflection, it is a positive sign of Ecuador's commitment to the rule of law that the pre-existing Dynasty exploitation license was honoured, in spite of the moratorium pending new rules for exploitation of Ecuador's mineral assets.

We understand that the revised windfall tax law is already drafted and has been before President Correa, for some time. It is a clear pre-requisite for us to justify further substantial Odin shareholder investment in the recommended next stage 10,000m R.C. drill program.

This has not meant inactivity, however on Odin's part. We have already invested in all necessary pre-drilling work, including detailed specific mapping rock chip and soil sampling pursuant to independent specialist porphyry geologist Simon Meldrum's recommendations, made in August 2012 to the Company.

Simon in fact reviewed the Cangrejos project for Newmont Mining Corporation, in 1999 / 2000, (then Cangrejos was a substantial part of a larger JV, "El Joven"), with Odin as the junior JV partner, and Simon knows the mineralogy at Odin's Cangrejos area very well.

In particular, since July 2012 and before Simon Meldrum's August 2012 recommendations, Odin field work completed to date has included Odin's own field crews' additional deep, top-of-bedrock, soil sampling and rock sampling, coupled with detailed geological mapping within the Estero Zapato, Tadao and Las Canarias concessions in an effort to locate and assist Simon in defining a number of potential new drilling targets.

Odin's crews have also identified and mapped numerous prospective adits which provide shallow subsurface exposure to the porphyry system.

To date approximately 697 top-of-bedrock soil samples and 402 rock samples have been collected and sent to independent labs in Canada for analysis.

Simon Meldrum has now identified 2 specific near term substantial targets for Odin. He has recommended 10,000m of RC drilling as soon as revised Ecuador Windfall tax laws are in force and when we can reasonably expect an exploitation license of our own.

These near term targets are 100% within our own geographic and legal control (including in Casique and Las Canarias).

His recommendations are based on the above Odin fieldwork, and on his own second detailed site visit, made after Simon Meldrum's first report on Odin's Cangrejos area, was filed on Odin's website on May 16<sup>th</sup>, 2012. In a more rapidly moving environment we would expect to be able to make more of that report, and how it ties in with our next stage works - please see especially p.11, ("Focus on the Cangrejos Porphyry Complex", Figure 12 (Palomera Porphyry Outline), p.19, ("Deposit modeling"), p.22 (paras 2 to 8) and p.24 ("Recommendations").

Regarding weather logistics, always a challenge in this region, completion of the last 2km of a local access road is necessary, to provide access to our proposed next stage drill sites. On completion, equipment and team access will be improved to all year round.

That 2km road build will commence (at an anticipated cost of some \$50,000 to Odin) and be completed during the same 30 day period we expect to need to close negotiations with our chosen provider of one or 2 RC drill rigs/ teams, once the Ecuadorian Government announces the necessary changes to the windfall tax laws, anticipated above.

Odin now has an Ecuadorian team of 17, (Odin has no full time employee expatriates) with 3 Ecuadorian geologists, headed by Jaime Aldaz. The 3 are based at our Cangrejos site, with 12 support staff and 2 at our Quito central administrative office. This we consider to be the minimum effective complement to maintain in country presence (Odin has been present in Ecuador for well over 20 years) and to comply with local land concession maintenance requirements, and be ready to begin drilling around Q1, next year.

It is in the Presidents power to send the draft laws to Congress to discuss and amend / implement at any time, so we must be prepared.

The majority of Company overhead in Canada is expended on fees and indirect costs of servicing the listing itself on the TSX-V, with only a single administrator employed by Odin.

Our Ecuadorian Executive Director, Mr. Mauricio Ledesma, who has been with us over 20 years, is convinced, from his own Ecuadorian contacts close to the Government and in the Chambers of Mines in Quito, that the Government truly intends to progress with the mining reforms required and encourage mining.

It has proved less than easy to predict when the office of President Correa will mandate Ecuador's Congress to review the draft windfall tax law amendments before him. However, this week nominations have already been made for the coming populist government elections due to be held on February 17<sup>th</sup>, 2013. Mr. Correa appears to hold a commanding lead in polls, currently.

But the delay in approving positive changes for exploration in Ecuador, has had consequences. Yesterday, International Minerals Corporation (TSX: IMZ) (SWISS: IMZ) ("IMZ"), announced it has reached outline Agreement to sell both of its mining assets in Ecuador. They have had interest it seems from a number of sources.

We gain some comfort from this 3rd party interest in mining assets in Ecuador, though sympathize with the IMZ decision. However, our "in country" holding costs fall far shy by some 80 to 90%, of the approx. US\$4m a year it was apparently costing IMZ (see their announcement of Nov 21<sup>st</sup>, 2012).

As soon as we have more accurate data regarding next steps in Ecuador, I will be pleased to update you all, at the same time by a further letter. This is to maintain as equal access to even non material information as we are able.

All material information will of course continue to be disseminated via the prescribed channels.

Finally, I would like to thank those shareholders who can and do still share your Board's vision, that the Company's Cangrejos asset, the fruit of some 20 years of exploration and following profitable alluvial gold production "up river" to its likely source, should prove financially worth the wait and patience required to date.

Yours sincerely,

*"Stephen Stow"*

Stephen Stow  
President and CEO  
Odin Mining and Exploration Ltd.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This release may include certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that management of the Company expect, are forward-looking statements.*

*Actual results or developments may differ materially from those in forward-looking statements.*

*Odin Mining and Exploration Ltd. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, save and except as may be required by applicable securities laws.*