

Form 51-102F1

Management's Discussion and Analysis of Financial Position and Results of Operations

Q1 – March 31, 2006

General

The following information, prepared as of April 13, 2006, should be read in conjunction with the un-audited consolidated financial statements of Odin Mining and Exploration Ltd. (the "Company") for the year ended December 31, 2005, as well as the audited consolidated financial statements for the year ended December 31, 2004 and the related management's discussion and analysis (the "Annual MD&A"). All amounts are expressed in US dollars unless otherwise indicated.

Forward-Looking Information

This quarterly management discussion and analysis ("Quarterly MD&A") contains certain forward-looking statements and information relating to the Company that are based on the 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, relate 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 Quarterly MD&A.

Description of Business, Operations and Financial Condition

The Company's business continues to be to focus on exploration opportunities, and to carry out early-stage mineral exploration on properties offered to Odin and identified by management as having realistic discovery potential. If early stage exploration proves fruitful, the Company will then decide at what stage in project development to seek joint venture partners to fund further exploration and add partners' expertise, or whether to proceed to development without reliance on partners.

Currently, the Company's exploration activities are concentrated on two projects, both in Ecuador, South America. The two areas are named Cangrejos and Plateado and are located in the south-west and south-east of the country respectively. They had been held on a care and maintenance basis since the Company ceased full field activities at the end of 1997. The concessions held under title as of the end of 2005 are summarized in the following table.

Project Area	Concessions Held	Area (ha)
Plateado South	7	7,015
Plateado North	7	19,845
Cangrejos	11	7,799
TOTALS	25	34,659

Environmental Impact Studies for reduction of the areas in the north of the Plateado project have been filed with the relevant Ecuador authorities, but no response has been received as yet.

During 2004 the Company had carried out fieldwork on the Los Planes prospect in the Plateado South area in southeast Ecuador. However, the Company did not undertake any additional work there in 2005 beyond that required to maintain the cut lines. The Company did not carry out any work on the Shamataka and Las Orquideas prospects in the Plateado North area during 2004 or 2005.

Towards the end of 2005 the Board authorized the expenditure of up to US\$65,000 on a 50 m x 50 m soil sampling programme to better define the anomaly identified by Newmont in the Dos Bocas area of the Cangrejos property. Fieldwork began on November 18, 2005 and by the end of 2005 the first batches of samples had been dispatched to Canada for analysis. Fieldwork recommenced at the end of January 2006 and continued until the end of February. At that time the remainder of the samples were dispatched to Canada for analysis.

South Plateado

The fieldwork carried out in 2004 located anomalous Au and As soil values on nearly all lines in the two gridded areas. However, the anomalous values are difficult to correlate between lines, and soil creep in the steep terrain has almost certainly complicated the situation. The exposed veins found to date are low grade, rather variable in thickness and lacking in lateral continuity. The associated alteration tends to be weak, sporadically developed and of low tenure. While the exposures so far seen do not themselves constitute a significant body of mineralization, they may represent leakage from something more substantial at depth. Drilling, with or without the prior use of geophysics, will be required to test this hypothesis. Prior to reaching that decision point, in-fill soil sampling, geological mapping and rock sampling will be required in the area between the two grids to determine whether the indications of mineralization are confined to the areas already gridded or are continuous from one grid to the other. As yet the Board has not committed funds to this work.

North Plateado

In the northern part of the Plateado project area, the Company holds mineral title over two potential porphyry-style Cu-Mo-Au targets at Las Orquideas and Shamataka. No systematic fieldwork was carried out on either of these areas during 2004 or 2005 because of uncertainties about access and environmental issues resulting from the inclusion of all the Shamataka target and part of the Las Orquideas target within the Nangaritza Protected Forest on ground controlled by indigenous peoples. At year-end the Company was preparing the necessary environmental documentation for presentation and filing to the Mining Authorities. These have now been filed to allow it to reduce the size of the concessions held in North Plateado to focus on the cores of the mineralised systems.

Central Plateado

The Company holds 15 applications covering 50,600 hectares of roadless, inhospitable terrain totally within the Nangaritza Protected Forest in an area controlled by indigenous peoples. The reconnaissance work to date carried out in the 1990's did not return any significant results from this area.

Cangrejos

This property lies in the western foothills of the Andes of southwest Ecuador 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 successful application for four new concessions in the vicinity during 2004 increased the size of the mineral rights package to 7,799 ha.

On June 30, 2004 the Company filed a NI 43-101 report with respect to the original 4,756 ha property. This report was prepared by an independent geological consultant, Mr Michael Potter, MSc, MBA, MIMMM, MAusIMM, a "qualified person" for the purposes of NI 43-101. The summary of the report is produced below.

"The 4756 ha Cangrejos property of Odin Mining in south-western Ecuador is considered to be highly prospective for porphyry-type Au-Cu mineralization related to Miocene age intrusives.

From 1994 to 2001 the property was part of a larger exploration project, the El Joven Joint Venture, formed between the Company (40%) and Newmont Overseas Exploration Limited (60%). The objective of the joint venture was to locate the hard-rock source of the alluvial gold produced by the Company from the Biron mine (69 000 oz Au recovered). Newmont, who had acted as operator, withdrew from the joint venture in 2001 and transferred the concessions described here to the Company.

The Cangrejos prospect covers parts of a large Au-Cu porphyry system located by the El Joven Joint Venture. Newmont tested the mineralization on the Company's ground with thirteen diamond drill holes. Seven of these holes returned intersections greater than 70 m at a 0.5 g/t Au cut-off. The best hole gave 192 m at 1.6 g/t Au (plus 0.2% Cu).

The gold and copper mineralization is associated with 1-2 % sulphides (usually chalcopyrite), pervasive hydrothermal alteration (most notably silica flooding), brecciation and minor multi-directional quartz veinlets in an area of structural intersections and intrusive andesites within a Miocene quartz-diorite.

The mineralization within the drilled area when combined with what may be found under other anomalies on the property, especially that at Dos Bocas, may be sufficient to support a large-scale (5-15Mt/y), multi-pit, open-cut mining and milling operation.

A programme of check soil sampling and geological mapping followed by 20 scout diamond drill holes totalling 5000 metres is proposed to test the potential of the geochemical anomalies away from the area already drilled. One rig would be expected to complete the drilling in about 5 months. However, the total work programme could take 10 months and cost about CND\$ 2.0 million (US\$ 1.6 million).

The Company continues to pursue actively a successful outcome to the long term negotiations with a number of adjacent mineral rights holders to enlarge the area under the Company's control before endorsing the exploration programme recommended in the NI 43-101 report. However, there can be no guarantee that such a satisfactory outcome will be achieved. Consequently, the Company will not commit any funding to the proposed exploration programme until some or all of these negotiations have been brought to a satisfactory conclusion.

Towards the end of 2005 the Board authorized the expenditure of US\$ 65,000 on a 50 m x 50 m soil sampling programme to better define the +250 ppb gold anomaly identified from Newmont's 100 m x 100 m soil sampling grid in the Dos Bocas area of the Cangrejos property. The anomaly lies close to the northern contact of the Miocene age quartz diorite batholith that underlies the bulk of the Cangrejos area and the enclosing fine-grained metasediments of the El Oro Metamorphic Complex. It seems to take the form of a discontinuous annulus with an outer diameter of about 1200 m and an inner diameter of about 600 m but with a strong linear component on the north-west side. The anomalous gold values do not seem to be supported by any other metal.

Fieldwork began on November 18, 2005 under the immediate supervision of a senior Ecuadorian geologist, who had been a long-term employee of Odin prior to the closure of field operations at the end of 1997. Mr Michael Potter, MSc, MBA, MAusIMM, MIMMM, an independent geological consultant, is directing the programme and will act as the "qualified person" under NI 43-101. By the end of December 2005 the first batches of samples comprising 376 soils, 10 rocks and 8 stream sediments, inclusive of duplicate and checks, had been dispatched for analysis by ACME Analytical Laboratories in Vancouver, Canada.

Fieldwork recommenced at the end of January 2006 and continued to the end of February 2006. During this second phase an additional 239 soil samples, 43 rock samples and 4 stream sediment samples, inclusive of field duplicates, were taken and dispatched to Canada for analysis. The results of this work are currently being checked and interpreted. The results will be released as soon as this verification process is complete.

General Financial Information

During the first quarter of 2006, the Company reported a net loss of \$85,022 (\$0.00 per share) compared to a net loss of \$42,283 (\$0.00 per share) reported for the same quarter of 2005. The major components of the losses are:

	2006	2005
Normal operating expenses	\$ 49,820	\$ 42,283
Stock-based non cash stock option expense	<u>35,202</u>	<u> </u>
Total	<u>\$ 85,022</u>	<u>\$ 42,283</u>

Selected Annual Information

Years	2005	2004	2003
Total revenues	\$nil	\$nil	\$nil
Net (loss), audited	(\$326,056)	(\$396,100)	(\$341,899)
Net (loss) per share (Basic and fully diluted) ⁽¹⁾	(\$0.01)	(\$0.01)	(\$0.01)
Total Assets	\$919,833	\$1,129,254	\$1,319,299

⁽¹⁾ The basic and fully diluted calculations result in the same values due to the anti-dilutive effect of outstanding stock options and warrants.

Summary of Quarterly Results (unaudited)

Three months ended	March 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004
Total revenues	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Net income/ (loss)	(\$85,022)	(\$122,626)	(\$85,089)	(\$76,058)	(\$42,283)	\$197,873	(\$33,326)	(\$267,607)
Net (loss) per share (Basic and fully diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.01)

(1) The exceptional high operating loss reflects the recognition of the stock option plan re-evaluation and the issuance of new stock options.

(2) The net income reported was attributable to the retroactive capitalization of the deferred charges which had been charged to expense during the first three quarters.

(3) The exceptional high net loss reported was attributable to the retroactive recognition of the stock-based compensation expense in accordance to the new accounting standard for stock-based compensation.

(4) Quarterly results may vary significantly due to the variability in the amounts spent on claim costs in each quarter. The claims costs are affected by management's determination of the exploration programs to be

pursued following the results obtained from programs completed, the availability of prospective properties and the availability of funding to pursue the programs.

Financing Activities

During the quarter ended March 31, 2006 and to the current date, the Company did not raise any funds from the issue of securities.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities during the three months ended March 31, 2006 consumed cash of \$163,371 in the following activities:

Working capital for operating activities	\$ 60,210
Mineral properties capitalized	<u>103,161</u>
Total	<u>\$ 163,371</u>

As at March 31, 2006, the Company has cash and cash equivalents of \$243,354 and working capital of \$191,231.

Management of the Company has planned activities for the coming year with respect to its preliminary exploration programs, budgeted on funds available. Should these plans change, and unexpected budget overruns take place, the Company may be required to seek additional funds from the issue of equity or from other sources. There is no assurance that these funds will be available to the Company.

Investing activities

The company has capitalized mineral expenses of \$565,470 as follows:

ITEM	Project		Project		TOTAL
	CANGREJOS		PLATEADO		
	Office	Field	Office	Field	
Expenditures capitalized 12/31/2005	\$ 169,301	\$ 51,647	\$ 134,590	\$ 106,771	\$ 462,309
Add: Expenditures capitalized in 2006					
Mineral Rights	12,560		33,385		45,945
Legal Fees - Quito	2,296				2,296
General Expenses - Quito	7,039	4,706	605		12,350
Geological Consulting		(407)			(407)
Geological Staff - Ecuador		37,207			37,207
Assay		5,770			5,770
2006's Expenditures	21,895	47,276	33,990		103,161
Expenditures capitalized 03/31/2006	\$ 191,196	\$ 98,923	\$ 168,580	\$ 106,771	\$ 565,470

Liquidity

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, the Company is subject to many risks common to comparable companies, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues.

The consolidated financial statements for the first quarter of 2006 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has incurred operating costs in the last fiscal year and has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company.

The Company's ability to continue as a going concern in the long term is dependent upon its ability to obtain financing whether by the issuance of share capital or through joint ventures or from the disposition of its mineral interests. The Company has no certainty of this or that the terms of such financing will be favorable.

Contractual Obligations

The Company's business is subject to various option and/or lease agreements in connection with the acquisition and exploration of mineral interests. These agreements generally require the Company to make periodic payments over a varying number of years to maintain its interests. The Company can cancel these agreements at any time without completing the remaining payments and without penalty.

The Company's interests in its Cangrejos and Plateado concessions in Ecuador are held subject to annual concession payments to the Ecuadorian government. Based on the current mineral rights holdings, these payments currently aggregate to approximately US\$80,000 for year 2007, US\$ 120,000 for each of year 2008 and 2009, US\$160,000 for year 2010, US\$ 240,000 for each of year 2011 and 2012, US\$ 320,000 for year 2013, US\$ 480,000 for each of year 2014 and 2015 and US\$ 550,000 for each year thereafter. These obligations will vary from time to time whenever Odin changes the size and/or number of its mineral rights holdings.

Transactions with Related Parties

The Company paid \$392 storage fee, and management fees of \$6,535 to Zen Capital & Mergers Ltd, which is a private company controlled by a director of the company. This amount included in occupancy cost.

The Company receives a contribution towards its lease commitments equivalent to 20% of all lease costs and telephone charges from related parties, as well as direct costs. These amounts received have amounted to \$1,349 recovered during the first three months of 2006.

Financial Instruments

The Company's financial instruments consist of highly liquid investments held in the form of high quality commercial paper, the investment terms of which are less than three months.

The Company is exposed to currency exchange rate risks to the extent of its foreign activities in Ecuador. The Company does not hedge its exposure to fluctuations in the related exchange rates.

Outstanding Share Data

Authorized Capital:

200,000,000 Common shares, no par value

Issued and outstanding:

34,833,149 common shares as at March 31, 2006 for a net consideration of \$8,512,139.

Other Information

Additional information related to the Company, including the Company's Annual Information Form, is available for viewing on SEDAR at www.sedar.com and on the Company's website of www.odinmining.com

ODIN MINING AND EXPLORATION LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2006
UNAUDITED – PREPARED BY MANAGEMENT

ODIN MINING AND EXPLORATION LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2006

Responsibility for financial statements

The accompany interim consolidated financial statements for Odin Mining and Exploration Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the annual December 31, 2005 audited financial statement. Only changes in accounting information have been disclosed in these interim consolidated financial statements. 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 auditors of Pricewaterhouse Coopers have not performed a review of the un-audited interim consolidated financial statements for the three months ended March 31, 2006 and March 31, 2005.

(signed) Stephen W. C. Stow
Director

ODIN MINING AND EXPLORATION LTD.
CONSOLIDATED BALANCE SHEETS
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

	March 31,	December 31,
	2006	2005
	\$	\$
ASSETS		
Current		
Cash and short term deposits	243,354	406,725
Accounts receivable	21,963	19,457
Prepaid & deposits	8,073	8,824
	273,390	435,006
Equipment (Note 3)	21,741	22,518
Mineral Properties (Note 4)	565,470	462,309
	860,601	919,833
LIABILITIES		
Trade Payables and Accrued Liabilities	82,159	91,569
SHAREHOLDERS' EQUITY		
Capital Stock (Note 5)	8,512,139	8,512,139
Contributed Surplus	15,067,252	15,032,050
Deficit	(22,800,949)	(22,715,925)
	778,442	828,264
	860,601	919,833

Approved by the Board of Directors

(signed) Stephen W.C. Stow Director
Stephen W.C. Stow

(signed) Levi Giesbrecht Director
Levi Giesbrecht

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ODIN MINING AND EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2006

(Un-audited)

(Expressed in U.S. dollars)

	Three-months period ended	
	March 31,	
	2006	2005
	\$	\$
OPERATING EXPENSES		
Amortization	776	763
Consulting fees	5,000	
Directors fees	9,680	
Foreign exchange gain	1,415	8,081
General and administration	5,609	2,220
Geological expenses	1,240	1,454
Insurance	3,044	1,611
Investor relations	743	3,262
Management fees	6,535	6,108
Occupancy costs	4,910	5,651
Professional fees	1,325	6,800
Stock based compensation	35,202	
Travel	1,585	1,623
Wages & benefits	9,126	8,995
	86,190	46,568
OPERATING LOSS	(86,190)	(46,568)
Interest income	1,168	4,285
	(85,022)	(42,283)
LOSS FOR THE YEAR	(85,022)	(42,283)
DEFICIT - BEGINNING OF YEAR	(22,715,927)	(22,389,869)
DEFICIT - END OF YEAR	(22,800,949)	(22,432,152)
Basic and diluted loss per share (Note 2)	(0.00)	(0.00)
Weighted average number of shares outstanding	34,833,149	34,833,149

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ODIN MINING AND EXPLORATION LTD.
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

	Three-months period ended	
	March 31,	
	2006	2005
	\$	\$
OPERATING ACTIVITIES:		
Loss for the year	(85,022)	(42,283)
Less: Items not affecting funds		
Stock-based compensation	35,202	
Amortization	776	763
	(49,044)	(41,520)
FUNDS PROVIDED/(USED IN) WORKING CAPITAL		
Accounts receivable	(2,507)	(2,787)
Prepaid & deposits	751	1,611
Trade payables and accrued liabilities	(9,410)	(14,096)
	(60,210)	(56,792)
INVESTING ACTIVITIES:		
Mineral properties	(103,161)	(83,648)
	(103,161)	(83,648)
NET CHANGES IN CASH FLOW POSITION		
	(163,371)	(140,440)
Cash & equivalents, beginning of year	406,725	750,139
Cash & equivalents, end of period	243,354	609,699

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

1. OPERATIONS

The company was incorporated under the Company Act of British Columbia on March 22, 1988.

The company is focused on the business of exploration and development of mineral properties in South America, currently only in Ecuador, where it holds mineral rights in two areas; Cangrejos which also encompasses Las Orquedeas and Los Planes, and El Plateado. The rights, which have a 30 years lifetime, have been held since 1996 and are renewable annually on March 31.

The Company's ability to continue as a going concern is dependent upon its ability to obtain new financings necessary to complete its mineral projects, meet the commitments associated with its mineral property assets and meet its other financial obligations beyond 2006.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Management believes that current developments in other areas would have mitigated the condition that raises doubt about the validity of the going concern assumption used in preparing these financial statements.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of Odin and its wholly and partially owned subsidiaries. All inter-company transactions and balances have been eliminated on consolidation.

Foreign currency translation

All accounts are reported in United States dollars. The assets and liabilities of companies not reporting in U.S. dollars are translated using the temporal method as follows:

- a) monetary items are translated at the exchange rate prevailing at each balance sheet date;
- b) non-monetary items are translated at historical exchange rates; and
- c) revenue and expense items are translated at the actual rate of exchange for the year, except for amortization, which is translated at historical rates.

Any exchange gains or losses are charged to the consolidated statements of operations and deficit during the year.

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

Mineral properties and deferred exploration costs

Mineral properties include acquisition costs and option payments for mineral concessions. Mineral properties and deferred exploration costs are recorded at cost and deferred until production commences or the property is sold or abandoned or conditions for impairment are identified.

A property is abandoned when all claims related to the property have expired or management has determined that the property is not economically viable. When a property is abandoned or sold, all deferred costs related the property is charged to the consolidated statements of operations and deficit during the year. Management regularly assesses the carrying value of mineral properties and if impairment is evident, the property value is written down to estimated fair value.

Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year of 34,833,149 (2005 34,833,149).

Financial instruments

The company does not use any derivative financial instruments. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are reasonable estimates of fair values at the balance sheet dates.

Use of estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term deposits maturing within 90 days of the original date of acquisition.

Equipment

Equipment is recorded at cost and depreciated over its estimated useful life.

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

Stock-based compensation

The company has no formal stock-based compensation plan. Options are granted periodically by the directors. The Company uses the fair value method to record awards granted, modified or settled. Under this method, compensation expense for stock options granted is measured at fair value at the grant date, using the Black-Scholes valuation model. The stock-based compensation expense is recognized over the vesting periods of the respective options. See note 5b).

Income tax

Future income taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax bases. In view of the remote probability that the company will be in a position to utilize the future income tax assets, a valuation allowance has been applied to reduce the future income taxes to zero.

3. EQUIPMENT

The company has computer equipment with a cost of \$ 32,434, accumulated amortization of \$10,693 and a net book value of \$21,741.

4. MINERAL PROPERTIES

The mineral properties capitalize are made up of:

IEM	Project		Project		TOTAL
	CANGREJOS		PLATEADO		
	Office	Field	Office	Field	
Expenditures capitalized 12/31/2005	\$ 169,301	51,647	134,590	106,771	\$ 462,309
Add: Expenditures capitalized in 2006					
Mineral Rights	\$ 12,560	\$	\$ 33,385	\$	\$ 45,945
Legal Fees - Quito	2,296				2,296
General Expenses - Quito	7,039	4,706	605		12,350
Geological Consulting		(407)			(407)
Geological Staff - Ecuador		37,207			37,207
Assay		5,770			5,770
2005's Expenditures	21,895	47,276	33,990		103,161
Expenditures capitalized 03/31/2006	\$ 191,196	\$ 98,923	\$ 168,580	\$ 106,771	\$ 565,470

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

5. CAPITAL STOCK

a) Common shares

Authorized

The Company's authorized capital consisted of 200,000,000 common shares without par value

	No. of shares	Amount
Issued on March 31, 2006 and 2005	<u>34,833,149</u>	<u>\$ 8,512,139</u>

b) Share options plan

The company does not have a formal share option plan, but it is the policy of the Director's to grant options exceeding 10% of the issued shares provided that the number of options outstanding at any time does not exceed 10% of the outstanding shares in issue from time to time. The stock options have a one year resale restriction imposed on them.

The Company has the following stock options exercisable at 25 cents each on the following dates:

<u>Exercisable on</u>	<u>No. of Options</u>	<u>Stock Option Expense Recognized</u>	<u>Remaining Life</u>
August 24, 2005	630,000	\$ 42,561	4 yrs 9 months
November 24, 2005	630,000	44,349	4 yrs 6 months
February 24, 2006	630,000	35,202	4 yrs 3 months
May 24, 2006	<u>630,000</u>		<u>4 yrs</u>
Options outstanding and exercisable On December 31, 2005	<u>2,520,000</u>		

The fair value of the stock-based compensation expense recognized in 2006, by using the Black Scholes option pricing model, used the following weighted average assumptions:

Risk free interest rates	3.13%
Expected life	5 years
Expected volatility in the market price of the shares	110%
Expected dividend yield	0
Weighted average exercise price	\$ 0.25
Fair value of options	\$ 0.07

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(Un-audited)
(Expressed in U.S. dollars)

6. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2006, the following transactions occurred with related parties:

- a) Documentation storage fee of \$392 was paid to a company, which has one common director with the company and included in occupancy cost.
- b) Management fees of \$6,535 were paid to Zen Capital, which is a private company controlled by a director of the company.
- c) Telephone and rent recovery of \$1,349 were received from a company in which a director was the sole shareholder.

7. SEGMENT INFORMATION

The company has one operating segment, exploration and development of mineral properties. All mineral properties of the company are located in Ecuador.