

Form 51-102F1

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

Quarter Ending – June 30, 2007

General

The following information, prepared as of August 23, 2007, should be read in conjunction with the unaudited consolidated financial statements of Odin Mining and Exploration Ltd. (the "Company") for the year ended June 30, 2007, as well as the audited consolidated financial statements for the year ended December 31, 2006 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, 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. Company management has used its discretion to include what it reasonably considers to be the most important such factors in this Quarterly MD&A.

Description of Business, Operations and Financial Condition

The Company's business continues to be focused on exploration opportunities and to carry out early-stage mineral exploration. Sources of possible properties include those offered to Odin and identified by management and/or its shareholders with appropriate expertise 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, to add partners' expertise, or whether to proceed to development without reliance on partners.

The Company's exploration activities currently consist of three projects.

The first two, South Plateado and North Plateado projects in southeastern Ecuador target epithermal/mesothermal gold mineralisation and porphyry-style copper-gold-molybdenum mineralisation respectively.

The third is the Cangrejos project in southwest Ecuador, targeting porphyry-style gold-copper mineralisation.

There has been no change during the quarter in the concessions Odin holds under title through its two Ecuadorian operating companies. Consequently, the title holding remains as summarized in Table 1 below.

However, on 08 May 07 Odin announced that it had signed a binding letter of agreement over two concessions covering approximately 500 ha at Cangrejos. By infilling a critical gap on the eastern side of Odin’s current Cangrejos concession holding block, the acquisition of these two concessions considerably strengthens Odin’s effort to rebuild part of Newmont’s previous concession coverage (known at the time as the El Joven JV) into a new “Greater Cangrejos” project area.

| Project Area | Concessions Held | Area (ha) |
|---------------------|-------------------------|------------------|
| Plateado South | 8 | 7,495 |
| Plateado North | 6 | 19,710 |
| Cangrejos | 11 | 7,799 |
| TOTALS | 24 | 35,004 |

Table 1: Summary of Odin’s concession holdings at end June 2007

At the start of the quarter fieldwork was being carried out on the Los Planes target in the South Plateado project area. However, as a result of the signing of the heads of agreement with Castro regarding the additional concession holding block at Cangrejos, the emphasis for fieldwork was refocused in early June on the “Greater Cangrejos” project area. The North Plateado project remains on standby, and the restarting of fieldwork here depends on the resolution of access issues with the local indigenous communities.

Mr Armando Carvajal, a senior Ecuadorian geologist, who is very well known to the Company, remains in direct charge of all Odin’s fieldwork. He is working under the direction of Mr Michael Potter, MSc, MBA, MAusIMM, MIMMM, an independent geological consultant. Mr Potter acts as the “qualified person” in terms of NI 41-101 for the geological work described.

1. South Plateado Project Area

1a. Los Planes Target

The fieldwork carried out in 2004 at Los Planes located anomalous gold and arsenic soil values on nearly all lines in two relatively small (32 ha and 64 ha) gridded areas located 1.5 km apart. These grids are located within a NNE trending, 4000m x 700m (approx 300ha), +15 ppb gold anomaly as interpreted from the results of reconnaissance, ridge and spur soil sampling carried out in 1997 by Cambior Inc. (“Cambior”). At that time Cambior was Odin’s joint venture partner in the project. This large, low-value soil anomaly contains several, abandoned, artisanal gold workings, where narrow, low-sulphide, epithermal/mesothermal quartz veins hosted by andesites of the Misahualli formation have historically given localized spot grades up to 105 g/t.

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 were low-grade (5.5 g/t Au max.),

rather variable in thickness and lacking in lateral continuity. The associated alteration tends to be weak and sporadically developed. However, while the exposures so far seen do not themselves constitute a significant body of mineralization, they may represent geochemical leakage from something more substantial at depth.

From October 2006 Odin to January 2007 Odin carried out a top-of bedrock soil sampling programme on a 320 m x 10 m grid cut to infill the area between the two grids sampled in 2004. The minus 80 mesh (sub 180 micron) fraction of each soil sample was analysed by ACME Analytical Services Limited in Vancouver for gold, arsenic and 34 other elements using the ICP-MS (inductively coupled plasma-mass spectrometry) technique after an aqua-regia leach on a 30 gm aliquot. Table 2 below summarizes the results obtained for gold and arsenic for all the systematic samples collected during this campaign.

| AREA Element | percentile | | | | |
|--|------------|-----|-----|-----|------|
| | min | 10% | 50% | 90% | Max |
| TOTAL RECCE GRID (1057 samples) | | | | | |
| Au (ppb) | <0.5 | 3 | 14 | 100 | 5444 |
| As (ppm) | <0.5 | 3 | 23 | 193 | 6153 |

Table 2 Los Planes: Summary of top-of-bedrock soil sampling results (-80 mesh fraction)

Anomalous gold (>100 ppb Au) and anomalous arsenic (>100 ppm As) occur on all lines sampled over a strike length of 3500 m. The anomalous arsenic values correlate closely in space with the anomalous gold values. However, the arsenic values tend to have a more consistent and extensive distribution than the gold values. At the wide spacing used detailed correlation of anomalies from line to line for both gold and arsenic is uncertain. Hill creep on the steep (to 45°), often forested terrain, and the narrow widths of the quartz veins and veinlets targeted further complicate the situation.

In February 2007, the field crews started a programme of geological mapping, rock sampling and stream sediment sampling along the creeks around the main soil anomalies. All samples were sent for analysis to Acme Analytical Services Limited in Vancouver. The minus 80 mesh (sub 180 micron) fraction of the stream sediments were analysed in the same manner as the soil samples above. However, after crushing and pulverizing the rock samples were analysed for gold by fire assay on a 30 gm sub-sample and for 29 other elements by ICP-ES on a 0.5 gm sub-sample.

The rock results obtained so far this year from the sampling of creek exposures around the northern Los Planes anomaly are consistent with those obtained during the 2004 sampling exercise along the grid lines. Nevertheless, this years sampling, in contrast to that of 2004, did give three values greater than 10 g/t gold, namely 16.3 g/t (check = 20.6 g/t) from ODN 3549, 17.6 g/t (check = 21.2 g/t) from ODN 3532 and a spectacular 920 g/t (check =813 g/t) from ODN 3498. The results from the two streams in the area to the north and northeast of the northern Los Planes anomaly are poorer than those from the main anomaly. However, sporadic values to about 1 g/t (over 0.4 m) are still being obtained over 1 km away from that anomaly. These results are still considered to be consistent with the hypothesis that the gold-arsenic mineralisation exposed at the surface at Los Planes may represent geochemical leakage from a more substantial body of higher-grade, vein-type mineralisation at depth.

The field crews continued with the geological mapping, rock sampling and stream sediment sampling until early June, when the emphasis for fieldwork was switched to Cangrejos following Mr M Potter's

field visit to Los Planes on 1-3 June. One hundred and ten stream sediment samples and 263 rocks were collected at Los Planes during the quarter and sent to ACME Analytical Services Limited in Vancouver for analysis.

In order to optimize the fieldwork at Los Planes and on the other South Plateado targets, in April 2007 Odin contracted Encom Technology Pty Ltd of Australia to carry out a review of all the information obtained so far on the South Plateado project area to be superimposed onto a base of satellite imagery interpretation. Completion of this work is being delayed by problems encountered in obtaining new, cloud-free, high –resolution satellite imagery over the Los Planes area.

| AREA / sample type element | <u>Mean</u> | | <u>Min</u> | | <u>Max</u> | |
|---|-------------|-------------|------------|-------|------------|------------|
| | 2004 | 2007 | 2004 | 2007 | 2004 | 2007 |
| <u>A. ROCKS FROM STREAMS IN NORTH LOS PLANES ANOMALY</u> | | | | | | |
| Quartz veins | | | | | | |
| <i>number of samples</i> | <i>16</i> | <i>31</i> | | | | |
| Au (g/t) | 1.0 | 2.1 | 0.1 | 0.1 | 5.5 | 10.0 (cut) |
| Ag (g/t) | 1.5 | 2.3 | 0.1 | <0.3 | 4.7 | 10.0 (cut) |
| As ppm | 1600 | 1900 | 200 | 71 | 5100 | 8700 |
| <u>Altered wallrock</u> | | | | | | |
| <i>number of samples</i> | <i>34</i> | <i>67</i> | | | | |
| Au (g/t) | 0.3 | 0.3 | 0.01 | <0.01 | 1.2 | 1.4 |
| Ag (g/t) | 0.5 | 0.6 | 0.1 | <0.3 | 2.3 | 3.4 |
| As ppm | 840 | 880 | 130 | 80 | 2200 | 3300 |
| <u>B. ROCKS FROM STREAMS TO NORTH-EAST OF NORTH LOS PLANES ANOMALY</u> | | | | | | |
| Altered wallrock | | | | | | |
| <i>number of samples</i> | <i>nil</i> | <i>22</i> | | | | |
| Au (g/t) | | 0.4 | | <0.01 | | 1.5 |
| Ag (g/t) | | 1 | | <0.3 | | 4.7 |
| As ppm | | 740 | | 2 | | 4200 |

Table 3: Initial rock sample results along stream beds from Los Planes

The Company has engaged Terrambiente Consultores Compania Limitada to prepare environmental reports now required for the area, as soon as they have finished the corresponding reports for the Cangrejos area.

1b. Sangola Target

The start of detailed stream sediment sampling, geological mapping and rock sampling scheduled for the Sangola gold anomaly located 20 km to the NNE of the Los Planes anomaly has now been postponed to later in the year following the switch in fieldwork focus from South Plateado to Cangrejos.

2. North Plateado Project Area

The North Plateado project area lies about 50 km to the NNE of the South Plateado project area. North Plateado contains two potential porphyry-style targets at Shamataka (Au-Cu) in the south and Las Orquideas (Cu-Mo) in the north. No fieldwork was carried out on either of these properties during 2004, 2005 or 2006 because of uncertainties about access and environmental issues resulting from the inclusion of all the Shamataka target and much of the Las Orquideas target within the Nangaritza Protected Forest on ground controlled by indigenous peoples.

The Company had regarded North Plateado as its priority area for fieldwork in 2006/7. However, in July 2006 a company representative attended a meeting with delegates of the local indigenous communities in the area to seek permission to enter the ground under their control in order to recommence exploration activities. The assembly unanimously voted to deny access to their ground to all mining and exploration companies. Due to the uncertainty of timing to reach any new agreement with the local communities, the North Plateado opportunity can no longer be the Company's priority.

3. Cangrejos Project Area

This property lies in the western foothills of the Andes of south-western 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.

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 carried out low-key exploration work on the property during 2006 in order to provide information that will be of value in the detailed planning of a major exploration programme, if and when the negotiations with the neighbouring concession holders are brought to a successful conclusion. The Company also rehabilitated most of the major elements of the base camp that it took over when Newmont left the El Joven joint venture in 2001.

On 08 May 2007 Odin announced that it had signed a “binding letter of Agreement with Mr Francisco Castro Sanchez to purchase a 100% ownership interest in certain mineral concessions in south-western Ecuador comprising approximately 500 hectares, including surface rights to some 268 hectares.” The two concessions involved, Las Cañarias (380 ha) and Casique (342 ha) infill the gap along the eastern boundary of Odin’s Los Cangrejos concession between the Paloma/Trinchera mineralised trend drilled by Newmont in 1999/2000 and the Dos Bocas anomaly resampled by Odin in 2006. The Castro area was an important part of the original El Joven joint venture concession package with Newmont and is therefore a key element in reconstructing the “Greater Cangrejos” concession.

As a result of this agreement Odin has further instructed Encom Technology Pty Ltd of Australia to prepare a review study of all available information over the expanded Cangrejos project area as soon as the similar study currently being carried out at South Plateado has been completed. In the meantime, following a field visit by Mr M Potter to the property on 6 June, it was decided to make an immediate start on the detailed geological mapping, stream sediment sampling and rock chip sampling along the creek beds on the eastern side of the Greater Cangrejos area including the newly acquired Castro area.

Terrambiente Consultores Compania Limitada have started the preparation of the required environmental reports and their staff were in the field in mid-July.

General Performance

As at June 30, 2007, the Company had total assets of \$2,908,661 which was a decrease of \$91,133 from December 31, 2006. The decrease in assets is primarily attributable to the net operating loss recorded for the first two quarters of 2007.

On April 26th 2007, the Company granted 25,000 stock options and recognized a stock-based compensation expense of \$7,979. The fair value of the compensation is calculated by using the Black Scholes option pricing model with the following weighted average assumptions:

| | |
|---|---------|
| Risk free interest rate | 4.30% |
| Expected life | 5 years |
| Expected volatility in the market price of the shares | 100% |
| Expected dividend yield | 0% |
| Weighted average exercise price | C\$0.30 |
| Fair value of options | C\$0.40 |

On balance sheet date, the Company has the following stock options outstanding:

| Exercisable on | No. of Options | Exercise Price | Remaining Life |
|-----------------------|-----------------------|-----------------------|-----------------------|
| August 24, 2005 | 630,000 | C\$0.25 | 3 years 2 months |
| November 24, 2005 | 630,000 | C\$0.25 | 3 years 2 months |
| February 24, 2006 | 630,000 | C\$0.25 | 3 years 2 months |
| May 24, 2006 | 630,000 | C\$0.25 | 3 years 2 months |
| April 26, 2007 | 25,000 | C\$0.30 | 4 years 10 months |
| Total | <u>2,545,000</u> | | |

Results of Operations

The Company has not generated any operating revenues for the past 5 years. The operating losses recorded for the first two quarters of 2007 and 2006 are:

| | 2007 | 2006 |
|--|------------------|------------------|
| Normal operating expenses, 1 st quarter | 91,914 | 49,573 |
| Normal operating expenses, 2 nd quarter | <u>97,233</u> | <u>81,012</u> |
| Sub-total | 189,147 | 130,585 |
| Interest income | (28,444) | (1,552) |
| US exchange gain | (125,732) | (4,939) |
| Stock-based non cash stock option expense | <u>7,979</u> | <u>70,209</u> |
| Operating losses | <u>\$ 42,950</u> | <u>\$194,303</u> |

The 2007's operating expense increase of \$59,000 is represented by increase in management fee of \$27,000, director fees of \$13,000, wages and benefits of \$5,000, occupancy costs of \$6,000 and general and administration of \$8,000. The substantial increase in cash reserve on deposit on June 30, 2007 (US\$1,759,168 vs. \$166,761 on June 30, 2006) which is maintained in Canadian funds, has yielded the significant exchange gain and interest income for the current reporting period.

Selected Annual Information

| Years | 2006 | 2005 | 2004 | 2003 |
|---|-------------|-------------|-------------|-------------|
| Total revenues | \$nil | \$nil | \$nil | \$nil |
| Net (loss) | (\$450,076) | (\$326,056) | (\$396,100) | (\$341,899) |
| Net (loss) per share (Basic and fully diluted) ⁽¹⁾ | (\$0.01) | (\$0.01) | (\$0.01) | (\$0.01) |
| Total Assets | \$2,999,794 | \$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 | June 30, 2007 | March 31, 2007 | Dec. 31, 2006 | Sept. 30, 2006 | June 30, 2006 | March 31, 2006 | Dec. 31, 2005 | Sept. 30, 2005 |
|--|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| Total revenues | \$nil | \$nil | \$nil | \$nil | \$nil | \$nil | \$nil | \$nil |
| Net income/(loss) | \$24,411 | (\$67,361) | (\$204,384) | (\$51,389) | (\$109,281) | (\$85,022) | (\$122,626) | (\$85,089) |
| Net (loss) per share (Basic and fully diluted) | 0.00 | (0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |

Financing Activities

There have been no financing activities during the two quarters of 2007.

Investing activities

On April 4, 2007, the Company has signed a Letter of Agreement to acquire 100% mineral concessions in South-Western Ecuador, referred to as the “Castro Interests” for \$2,000,000 (with an additional commitment to expenditure of US\$500,000 in the first 24 months of the Agreement period) over 42 months from the closing of the formal Agreement. On June 11th 2007, the TSX Venture Exchange accepted a filing by the Company of the Letter of Agreement.

The company has capitalized mineral expenses of \$1,090,334 which is an increase of \$ 337,281 from December 31, 2006. The mineral expenses are made up of:

| ITEM | Project CANGREJOS | | Project PLATEADO | | Project OTHERS | TOTAL \$ |
|--|-------------------|------------------|------------------|------------------|------------------|--------------------|
| | Office | Field | Office | Field | Field | |
| Expenditures capitalized 12/31/2006 | 211,625 | 211,462 | 142,667 | 187,299 | 0 | 753,053 |
| Add: Expenditures capitalized in 2007 | | | | | | |
| Land purchase | | | | | 81,000 | 81,000 |
| Deposit against additional purchase | | | | | 20,000 | 20,000 |
| Mineral Rights | | 16,342 | | 46,435 | | 62,777 |
| Legal Fees – Quito | 7,162 | | | | | 7,162 |
| General Expenses – Quito | 3,536 | 5,200 | 8,804 | 22,628 | | 40,168 |
| Geological Consulting | | 8,971 | | 35,490 | | 44,461 |
| Geological Staff - Ecuador | 7,263 | | | 63,963 | | 71,226 |
| Assay | | 10,487 | | | | 10,487 |
| 2007's Expenditures | 17,961 | 41,000 | 8,804 | 168,516 | 101,000 | 337,281 |
| Expenditures capitalized 06/30/2007 | \$229,586 | \$252,462 | \$151,471 | \$355,815 | \$101,000 | \$1,090,334 |

a) Cangrejos Project

The Company had 11 separate mineral titles as at June 30, 2007 covering 7,799 has. located near Machala South West Ecuador.

b) 54 has. of land at Cangrejos Project

The Company purchased 54 has. of land. It considered material to its project development at the Cangrejos Project for US\$81,000.

c) Castro interest (adjacent to the Company's Cangrejos Project)

On May 8th, 2007 the Company entered into a binding Letter of Agreement with Snr Francisco Castro Sánchez for an option over mineral rights and land at Cangrejos. This provides Odin with 2 additional mineral rights concessions, covering some 722 has. (Las Cañarias – 380 has. – Casique - 342 has.), and ownership of 268 has. Total consideration if the transaction completes will be US\$2,000,000 over 42 months from Closing of the final agreement. Closing is expected in Q3/Q4, 2007. Additionally, there is a commitment to US\$500,000 in exploration costs.

d) Plateado Project

The Company had 14 separate mineral titles as at June 30, 2007 in the two areas referred to as Plateado South and Plateado North respectively, both in Eastern Ecuador.

There are no major cities nearby.

The total area covered is 27,205 has.

Liquidity

The Company had a history of profitable operations until 1998, but since then none, and currently its retained mineral projects are at their early stage. Therefore, the Company is subject to many risks common to comparable exploration companies, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues.

On June 30, 2007, the company has a net working capital position of \$1,705,833 which is all made up of cash and cash equivalents on hand. The same position on December 31, 2006 was \$2,076,869. The consolidated financial statements for the current period 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.

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 concessions in Ecuador are held subject to annual concession payments aggregating approximately US\$25,000 for each year 2007 through 2009, US\$50,000 for each year 2010 through 2012, US\$100,000 for each year from 2013 to 2015 and US\$125,000 for each year thereafter. The company's interests in its El Plateado concessions are held subject to annual concession

payments aggregating approximately US\$54,000 in 2007, US\$94,000 in each of 2008 and 2009, US\$107,000 in 2010, US\$187, 000 in each of 2011 and 2012, US\$215,000 in 2013, US\$374,000 in 2014 and 2016 and US\$430,000 for each year thereafter. These figures will vary from time to time as the size and number of concessions changes.

Following the signing of the definitive agreement with Mr Castro concerning his mineral concessions and surface holdings at Cangrejos, Odin will be obligated to pay Mr Castro US\$160,000 and US\$180,000 within 12 months and 24 months respectively of the signature date with the balance of US\$2 million to be paid in two additional installments within 30 and 42 months of the signature date. In addition Odin will be obligated to spend a minimum of US\$500,000 on exploration on the property within 2 years of the signature date.

If the acquisition of the Castro interest materializes, the Company is obligated to make the following payments to the vendor of the interest:

| | |
|---------------|--|
| US\$60,000 | cash upon Closing of the Agreement (“Closing”) |
| US\$80,000 | 12 months from Closing |
| US\$180,000 | 24 months from Closing |
| US\$500,000 | exploration expenditures within 24 months from Closing |
| US\$660,000 | 30 months from Closing |
| US\$1,000,000 | 42 months from Closing |

Transactions with Related Parties

The Company paid fees of \$40,087 to management, officers, directors and a company controlled by an officer of the Company in the quarter ended June 30, 2007.

The Company paid \$962 storage fee to Zen Capital & Mergers Ltd, which is a private company controlled by a director of the company. This amount is 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 \$2,827 recovered during the current 2 quarters.

Transactions with related parties are described in note 7 to the consolidated financial statements for the quarter ended June 30, 2007.

Financial Instruments

The Company’s financial instruments consist of highly liquid investments held in the form of high quality commercial papers, 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:

47,814,791 common shares as at June 30, 2007 for a net consideration of \$10,401,513.

Outstanding Warrants

On September 15, 2006, the Company issued 6,490,821 warrants with strike price of 42 cents (Canadian) and expiry September 15, 2007. As at August 23, 2007 the TSX Venture Exchange issued a press release confirming they agreed to an extension of the date for exercise of those warrants to September 15, 2008, and a reduction in the exercise price to 25 cents (Canadian). This was at the written request of the Company.

Internal Controls over Financial Reporting

Management has designed, established and is maintaining a system of internal controls over financial reporting to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with Canadian generally accepted accounting principles.

Disclosure Controls

Management is responsible for the design, establishment and maintenance of disclosure controls and procedures. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes its disclosure controls and procedure are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

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 SIX MONTHS ENDED JUNE 30, 2007
UNAUDITED – PREPARED BY MANAGEMENT

ODIN MINING AND EXPLORATION LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007

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, 2006 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 PricewaterhouseCoopers have not performed a review of the un-audited interim consolidated financial statements for the six months ended June 30, 2007 and June 30, 2006.

(Signed) Stephen W.C. Stow
Director

ODIN MINING AND EXPLORATION LTD.
CONSOLIDATED BALANCE SHEETS
(UN-AUDITED)

(Expressed in U.S. dollars)

| | June 30, 2007 | December 31, 2006 |
|--|--------------------------|------------------------------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT | | |
| Cash and cash equivalents | 1,759,168 | 2,176,243 |
| Other receivables | 30,574 | 31,139 |
| Prepaid & deposits | 4,077 | 13,633 |
| | 1,793,819 | 2,221,015 |
| EQUIPMENT (Note 3) | 24,508 | 25,726 |
| MINERAL PROPERTIES (Note 4) | 1,090,334 | 753,053 |
| | 2,908,661 | 2,999,794 |
| LIABILITIES | | |
| CURRENT | | |
| Trade payables and accrued liabilities | 87,986 | 144,146 |
| | 87,986 | 144,146 |
| SHAREHOLDERS' EQUITY | | |
| Capital Stock (Note 5) | 10,401,513 | 10,401,513 |
| Contributed Surplus (Note 5b) | 15,628,115 | 15,620,136 |
| Deficit | (23,208,953) | (23,166,001) |
| | 2,820,675 | 2,855,648 |
| | 2,908,661 | 2,999,794 |

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 SIX MONTHS ENDED JUNE 30
(UN-AUDITED)

(Expressed in U.S. dollars)

| | Three-months period ended | | Six-months period ended | |
|--|---------------------------|---------------------|-------------------------|---------------------|
| | June 30, | | June 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| OPERATING EXPENSES | | | | |
| Amortization | 1,259 | 1,215 | 2,508 | 1,991 |
| Consulting fees | 5,730 | 5,000 | 11,459 | 10,000 |
| Directors fees | 17,161 | 12,029 | 34,323 | 21,709 |
| Foreign exchange loss (gain) | (118,278) | (6,354) | (125,732) | (4,939) |
| General and administration | 9,655 | 7,535 | 20,930 | 13,144 |
| Geological expenses | - | (628) | - | 612 |
| Insurance | 5,116 | 3,055 | 10,231 | 6,099 |
| Investor relations | - | 284 | - | 1,027 |
| Management fees | 20,808 | 6,745 | 40,087 | 13,280 |
| Occupancy costs | 8,816 | 5,166 | 16,002 | 10,076 |
| Professional fees | 14,371 | 20,763 | 24,905 | 22,088 |
| Stock based compensation | 7,979 | 35,007 | 7,979 | 70,209 |
| Travel | 1,636 | 10,385 | 4,200 | 11,970 |
| Wages & benefits | 12,681 | 9,463 | 24,502 | 18,589 |
| TOTAL Operating expenses | (13,066) | 109,665 | 71,394 | 195,855 |
| OPERATING LOSS | 13,066 | (109,665) | (71,394) | (195,855) |
| Interest income | 11,345 | 384 | 28,444 | 1,552 |
| LOSS FOR THE PERIOD | 24,411 | (109,281) | (42,950) | (194,303) |
| DEFICIT - BEGINNING OF PERIOD | (23,233,364) | (22,800,948) | (23,166,003) | (22,715,926) |
| DEFICIT - END OF PERIOD | (23,208,953) | (22,910,229) | (23,208,953) | (22,910,229) |
| Basic earning & diluted loss per share (Note 2) | 0.00 | (0.00) | (0.00) | (0.00) |
| Weighted average number of shares outstanding | 47,814,791 | 34,833,149 | 47,814,791 | 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 SIX MONTHS ENDED JUNE 30
(UN-AUDITED)
(Expressed in U.S. dollars)

| | Three-months period ended | | Six-months period ended | |
|---|---------------------------|-----------|-------------------------|-----------|
| | June 30, | | June 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| OPERATING ACTIVITIES: | | | | |
| Income/(Loss) for the period | 24,411 | (109,281) | (42,950) | (194,303) |
| Less: Items not affecting funds | | | | |
| Stock-based compensation | 7,979 | 35,007 | 7,979 | 70,209 |
| Amortization | 1,259 | 1,215 | 2,508 | 1,991 |
| | 33,649 | (73,059) | (32,463) | (122,103) |
| CASH PROVIDED/(USED IN) WORKING CAPITAL | | | | |
| Other receivables | 8,839 | 1,736 | 564 | (771) |
| Prepaid & deposits | 4,441 | 4,685 | 9,556 | 5,436 |
| Trade payables and accrued liabilities | (51,591) | 42,154 | (56,160) | 32,744 |
| | (4,662) | (24,484) | (78,503) | (84,694) |
| INVESTING ACTIVITIES: | | | | |
| Equipment | (189) | (5,843) | (1,289) | (5,843) |
| Mineral properties | (114,779) | (46,266) | (337,281) | (149,427) |
| | (114,968) | (52,109) | (338,570) | (155,270) |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | | | | |
| Cash and cash equivalents, beginning of period | 1,878,798 | 243,354 | 2,176,241 | 406,725 |
| Cash and cash equivalents, end of period | 1,759,168 | 166,761 | 1,759,168 | 166,761 |

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007
(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.

On April 4, 2007, the Company has signed a Letter of Agreement to acquire 100% mineral concessions in South-Western Ecuador, referred to as the "Castro Interests" for \$2,000,000 (with an additional commitment to expenditure of US\$500,000 in the first 24 months of the Agreement period) over 42 months from the closing of the formal Agreement. On June 11th 2007, the TSX Venture Exchange accepted a filing by the Company of the Letter of Agreement.

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.

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.

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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 and diluted earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the six months period to June 30, 2007 of 47,814,791 (2006 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.

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).

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2007
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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 and equipment with a cost of \$40,992, accumulated amortization of \$16,484 and a net book value of \$24,508.

4. MINERAL PROPERTIES

The mineral properties capitalize are made up of:

| ITEM | Project | | Project | | Project | TOTAL \$ |
|--|------------------|------------------|------------------|-------------------|------------------|--------------------|
| | CANGREJOS | | PLATEADO | | OTHERS | |
| | Office | Field | Office | Field | Field | |
| Expenditures capitalized 12/31/2006 | 211,625 | 211,462 | 142,667 | 187,299 | 0 | 753,053 |
| Add: Expenditures capitalized in 2007 | | | | | | |
| Land purchase | | | | | 81,000 | 81,000 |
| Deposit against additional purchase | | | | | 20,000 | 20,000 |
| Mineral Rights | | 16,342 | | 46,435 | | 62,777 |
| Legal Fees – Quito | 7,162 | | | | | 7,162 |
| General Expenses – Quito | 3,536 | 5,200 | 8,804 | 22,628 | | 40,168 |
| Geological Consulting | | 8,971 | | 35,490 | | 44,461 |
| Geological Staff - Ecuador | 7,263 | | | 63,963 | | 71,226 |
| Assay | | 10,487 | | | | 10,487 |
| 2007's Expenditures | 17,961 | 41,000 | 8,804 | 168,516 | 101,000 | 337,281 |
| Expenditures capitalized 06/30/2007 | \$229,586 | \$252,462 | \$151,471 | \$ 355,815 | \$101,000 | \$1,090,334 |

5. CAPITAL STOCK

a) Common shares

Authorized

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

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| Issued | No. of shares | Amount |
|------------------|----------------------|----------------------|
| On June 30, 2007 | <u>47,814,791</u> | <u>\$ 10,401,513</u> |
| On June 30, 2006 | <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.

On April 26th 2007, the Company granted 25,000 stock options and recognized a stock-based compensation expense of \$7,979. The fair value of the compensation is calculated by using the Black Scholes option pricing model with the following weighted average assumptions:

| | |
|---|----------|
| Risk free interest rate | 4.30% |
| Expected life | 5 years |
| Expected volatility in the market price of the shares | 100% |
| Expected dividend yield | 0% |
| Weighted average exercise price | C\$ 0.30 |
| Fair value of options | C\$ 0.40 |

On balance sheet date, the Company has the following stock options outstanding:

| Exercisable on | No. of Options | Exercise Price | Remaining Life |
|-----------------------|-----------------------|-----------------------|-----------------------|
| August 24, 2005 | 630,000 | C\$0.25 | 3 years 2 months |
| November 24, 2005 | 630,000 | C\$0.25 | 3 years 2 months |
| February 24, 2006 | 630,000 | C\$0.25 | 3 years 2 months |
| May 24, 2006 | 630,000 | C\$0.25 | 3 years 2 months |
| April 26, 2007 | 25,000 | C\$0.30 | 4 years 10 months |

c) Warrants

As of June 30, 2007, the Company has 6,490,821 warrants outstanding entitling the holders to purchase 6,490,821 common shares at C\$0.42 per share. The warrants expire on September 15th 2007.

6. NET INCOME AND LOSS PER SHARE

The net income/loss per share was calculated based on the weighted average number of shares outstanding for the six months to June 30, 2007. The existence of stock options and warrants

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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would only increase the net loss per share on a fully diluted basis, therefore the basic and diluted loss per share are the same for the six months period.

7. RELATED PARTY TRANSACTIONS

During the three six months ended March 31June 30, 2007, the following transactions occurred with related parties:

- a) Documentation storage fee of \$962 was paid to a company, which has one common director with the company and included in occupancy cost.
- b) Management fees of \$40,087 were paid to Zen Capital, which is a private company controlled by a director of the company.
- c) Telephone and rent recovery of \$2,827 were received from a company in which a director was the sole shareholder

8. SEGMENT INFORMATION

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