

Form 51-102F1

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

Q3 – September 30, 2006

General

The following information, prepared as of November 26, 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, used in relation to the Company or its management, are statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Important factors are identified in this 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 September 2006 are summarized in Table 1 below.

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

Table 1: Summary of Odin's concession holdings

In June 2006 the Company engaged a senior Ecuadorian geologist who is well known to the Company, initially on a 3 month contract, but with a view to extending onto a full time basis to carry out the exploration planned for the above properties. The same geologist is currently working for the Company and a 12-month contract effective November 1st is expected to be finalized within the next 7 days.

During 2004 the Company carried out fieldwork on the Los Planes prospect in the Plateado South area in south-east 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. However, the Company is planning to restart work on the Plateado North properties as a priority for 2006/7, provided that certain access issues with local indigenous people can be resolved, which are subject to ongoing negotiations. Similar negotiations are taking place by the Company's negotiator on behalf of at least one other Canadian mining group.

From November 2005 to February 2006 a 50 m x 50 m soil sampling programme was carried out in the Dos Bocas area of the Cangrejos property to better define the anomaly identified from the results of the work carried out by Newmont from 1996-1999, during the period that Newmont was operator of the, now-defunct, El Joven joint venture (Odin 40% / Newmont 60%). A similar soil-sampling programme has been completed in the Trinchera/Paloma area which was drilled by Newmont in 1999/2000. The objective of the soil sampling program is to assist the targeting for any future drilling through better definition of the surface expression of the mineralisation intercepted at depth. The results of this programme are presented below (see paragraph "Trinchera/Paloma targets", Table 4).

Plateado Interest

1. South Plateado

The fieldwork carried out in 2004 on the Los Planes target located anomalous gold and arsenic 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. A reconnaissance trip was made to the site in mid-September to check on current conditions on the ground, and field crews mobilised to the area immediately after the first round of presidential elections on 15 October.

Reconnaissance fieldwork, consisting of detailed stream sediment sampling, geological mapping and rock sampling, is also planned to improve our database on the target identified as “Sangola”, which is still an early stage exploration target.

2. North Plateado

In the northern part of the Plateado project area, the Company holds mineral title over two potential porphyry-style targets at Shamataka (Au-Cu) and Las Orquideas (Cu-Mo). 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.

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 (virtually all of North Plateado) to recommence exploration activities. The assembly unanimously voted to deny access to their ground to all mining and exploration companies. The Company is engaged in further negotiations to have this decision reversed, at least insofar as the Company is concerned.

Cangrejos

This property lays 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.

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 prior to committing significant funds to a major exploration programme on the property. To this end various meetings were held in Ecuador in June between certain directors of the Company and the principals of the most important of the adjacent mineral rights holders and are continuing. No agreement has yet been reached and there can be no guarantee that a satisfactory outcome will eventually be achieved.

Nevertheless, the Company is carrying out low-key exploration work on the property in order to provide information that will be of value in the detailed planning of a major exploration programme, if and when these negotiations are brought to a successful conclusion. A number of informal meetings were held between representatives of the Company and various concession holders and landowners during Q3, which are continuing.

Dos Bocas Prospect

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 the results for any other metal.

Fieldwork began on November 18, 2005 and was completed at the end of February 2006. Just under 600 sites were sampled (Table 2) over an area of 2300 m x 900 m located in steeply mountainous, generally heavily forested terrain. The work was focused on providing additional information on the Dos Bocas anomaly as interpreted from geochemical work undertaken on a 200 m x 100 m grid over the same area by Newmont in 1997-1999 while it was operator of the, now defunct, El Joven joint venture (Odin 40% / Newmont 60%).

Sample Type	Field Samples	Field Duplicates	Field Checks
Soils	583	20	20
Rocks	52	1	nil

Table 2: Dos Bocas: summary of samples taken

It was only possible to collect soil samples at the correct level in 65% of the sites planned, mainly because the presence of a wedge of clast-rich colluvial and landslide material, with blocks up to 10 m across, prevented the auger reaching the top of bedrock.

Because of difficulties in differentiating between weathered bedrock and the overlying colluvial, there are doubts at some sample sites, especially in the western half of the sampled area, whether the samples were truly taken at the top of bedrock or whether they were taken within the overlying colluvial, cover material. Moreover, check twinning of selected sample sites indicates that the reproducibility of the gold results can be poor. This is probably due to the erratic distribution of particulate gold at the top-of-bedrock horizon and in the overlying colluvial.

In spite of the uncertainties produced by the above problems, the present work broadly confirmed the presence of anomalous gold values (Table 3) in the same areas as those found by Newmont. However, it failed to support the suggestion made in the NI 43-101 report of 2004 that the Dos Bocas anomaly might be related to the possible presence of an annular, porphyry-style, ore shell related to some late minor intrusive near the northern limit of the Miocene age, quartz diorite batholith that hosts the other Cangrejos targets some 5 km to the south-west.

ppb Gold	Number	percent
>1000	3	0.5
500-999	8	1.4
250-499	33	5.7
100-249	101	17.3
50-99	93	16.0
<50	345	59.1
<u>Totals</u>	<u>583</u>	<u>100.0</u>

Table 3: Distribution of gold values in top-of-bedrock, soil samples
(maximum gold value = 1837 ppb)

The continuous, 18 ha, western part of the +250 ppb gold anomaly, as interpreted from Newmont data, has broken up, as a result of the more detailed sampling, into a string of anomalies of the order of 0.5-1.5 ha strung out across the property. The anomalies interpreted as defining the rest of the annular anomaly based on the wide-space Newmont data now appear to be smaller and more sporadic in the light of the new, closer spaced sampling.

As was the case with the Newmont data, there seems to be little support for the anomalous gold values from the presence of other elements. Nevertheless some obviously anomalous, individual copper values are present, although only 0.9 % of the copper values are above 500 ppm (maximum 834 ppm).

Of the 52 rock samples taken, mainly along the north-eastern boundary of the area, most gave gold values less than 0.2 g/t. However, sampling of local quartz –tourmaline mineralisation from two small workings on the boundaries of the property gave values about 10 g/t.

Additional soil sampling and pitting will be undertaken on selected anomalies to check whether the bulk of the gold giving rise to the anomalies is being sourced from the transported surficial cover or from the immediately underlying bedrock.

Trinchera/Paloma Target

In July and August 2006 Odin personnel cut a 50 m x 50 m grid over an area of about 600 m x 500 m in mountainous, rough pastureland to heavily forested terrain in the Trinchera/Paloma area of the Cangrejos property. One hundred and forty four sites were sampled, mainly by hand auger (Table 4). The objective of the work was to provide additional information on the surface expression of the Trinchera and Paloma mineralised zones as identified from diamond drilling carried out by Newmont in 1999-2000 with a view of improving the targeting of any future holes drilled on the property.

Sample Type	Field Samples	Field Duplicates	Field Checks
Soils – auger	130	4	10
Soils- pit	14	1	1
Rocks	7	Nil	Nil

Table 4: Trinchera/Paloma: summary of samples taken

The work was carried out 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, directed the programme. All samples were sieved by the ACME Analytical Laboratories' sample preparation facility in Cuenca, Ecuador and the –80 mesh fraction air freighted to ACME's main laboratory in Vancouver, Canada. There the –80 mesh material was pulverised and a 30 gm aliquot separated and subjected to an aqua regia leach ahead of analysis for gold and 35 other elements (including Cu, Pb, Zn, Ag, Mo and As) by ICP-MS.

The same difficulties with respect to differentiating between weathered bedrock and the overlying colluvial in some auger holes and relatively poor reproducibility of gold results found during the soil sampling at Dos Bocas were also encountered here. However, the percentage of planned sites sampled (95%) was very much higher than at Dos Bocas (65%).

In spite of the uncertainties produced by the above problems, the present work broadly confirmed the presence of anomalous gold and copper values (Tables 5 and 6) in the same areas as those found by Newmont over the areas that they subsequently drilled.

ppb Gold	number	percent
>1000	6	4.6
500-999	10	7.7
250-499	19	14.6
100-249	26	20.0
50-100	39	30.0
<50	30	23.1
<u>Totals</u>	<u>130</u>	<u>100.0</u>

Table 5: Trinchera/Paloma - distribution of gold values in augered soil samples
(maximum gold value = 2569 ppb)

ppm Copper	number	Percent
>1000	17	13.1
500-999	33	25.4
250-499	31	23.8
125-249	27	20.8
<125	22	16.9
<u>Totals</u>	<u>130</u>	<u>100.0</u>

Table 6: Trinchera/Paloma - distribution of copper values in augered soil samples
(maximum copper value = 2725 ppm)

Of the 7 rock samples taken, two samples of narrow quartz –tourmaline veinlets from small workings on the property gave values over 10 g/t. However, this style of mineralisation is expected to be of very minor significance compared to the disseminated, bulk-mineable, porphyry mineralisation being targeted.

No additional work is planned in the Trinchera/Paloma area until successful agreements are achieved with the relevant landowners and the holders of adjacent mineral rights.

The technical portion of this MD&A release was prepared by M Potter, an independent mineral exploration consultant, who is a qualified person in terms of NI 43-101.

General Financial Information

During the first three quarters of 2006, the Company reported a net loss of \$245,692 (\$0.01 per share) compared to a net loss of \$203,430 (\$0.01 per share) reported for the same period last year. The major components of the losses are:

	2006	2005
Normal operating expenses	\$ 175,483	\$ 170,390
Stock-based non cash stock option expense	<u>70,209</u>	<u>33,040</u>
Total	<u>\$ 245,692</u>	<u>\$ 203,430</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	Sept. 30 2006	June 30, 2006	March 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	March 31, 2005	Dec. 31, 2004
Total revenues	\$nil	\$nil (1)	\$nil	\$nil (1)	\$nil	\$nil	\$nil	\$nil (2)
Net income/ (loss)	(\$51,389)	(\$109,281)	(\$85,022)	(\$122,626)	(\$85,089)	(\$76,058)	(\$42,283)	\$197,873
Net (loss) per share (Basic and fully diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$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) 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 Q3, the Company raised \$2,454,660 new capital with the issue of 12,981,642 new shares from private non-brokered placements. The issue costs, in the aggregate of \$65,030, have been netted against the \$2,454,660 new capital raised.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities during the nine months ended September 30, 2006 consumed cash of \$443,797 in the following activities;

Working capital for operating activities	\$ 201,884
Capital asset addition	5,843
Mineral properties capitalized	<u>236,070</u>
Total	<u>\$ 443,797</u>

As at September 30, 2006, the Company has cash and cash equivalents of \$2,365,093 and net working capital of \$2,331,191.

Investing activities

The company has capitalized mineral expenses of \$698,379 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	12,555		46,435		58,990
Legal Fees – Quito	12,358				12,358
General Expenses – Quito	19,548	33,466	6,751	1,337	61,102
Geological Consulting		25,331		8,285	33,616
Geological Staff – Ecuador		57,055			57,055
Assay		12,949			12,949
2006's Expenditures	44,461	128,801	53,186	9,622	236,070
Expenditures capitalized 09/30/2006	\$ 213,762	\$ 180,448	\$ 187,776	\$ 116,393	\$ 698,379

Business risks

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 junior mining companies with limitations with respect to personnel, financial and other resources and the lack of revenues.

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.

Transactions with Related Parties

During the nine months to September 30, 2006, the Company paid \$1,199 storage fee, and management fees of \$19,988 to Zen Capital & Mergers Ltd, which is a private company controlled by a director of the company. This amount is reflected in “occupancy costs”.

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 towards other shared direct costs. The amounts received in this respect have amounted to \$4,163.

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:

47,814,791 common shares as at September 30, 2006 for a net consideration of \$10,901,768. The weighted average number of shares outstanding for the nine months period is 36,275,553.

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 www.odinmining.com

ODIN MINING AND EXPLORATION LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

UNAUDITED – PREPARED BY MANAGEMENT

ODIN MINING AND EXPLORATION LTD.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 2006 and September 30, 2005.

(signed) Stephen W.C. Stow
Director

ODIN MINING AND EXPLORATION LTD.
CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30, 2006
(Unaudited)

(Expressed in U.S. dollars)

	September 30, 2006	December 31, 2005
	\$	\$
ASSETS		
CURRENT		
Cash and short term deposits	2,365,093	406,725
Accounts receivable	23,983	19,457
Prepaid & deposits	18,748	8,824
	2,407,824	435,006
EQUIPMENT (Note 3)	25,375	22,518
MINERAL PROPERTIES (Note 4)	698,379	462,309
	3,131,578	919,833
LIABILITIES		
Trade Payables and Accrued Liabilities	89,169	91,569
SHAREHOLDERS' EQUITY		
Capital Stock (Note 5)	10,901,768	8,512,139
Contributed Surplus	15,102,259	15,032,050
Deficit	(22,961,618)	(22,715,925)
	3,042,409	828,264
	3,131,578	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 NINE MONTHS ENDED SEPTEMBER 30, 2006
(Unaudited)
(Expressed in U.S. dollars)

	Three-months period ended		Nine-months period ended	
	September 30,		September 30,	
	2006	2005	2006	2005
	\$	\$	\$	\$
OPERATING EXPENSES				
Amortization	994	806	2,985	2,421
Consulting fees	5,000	5,000	15,000	15,000
Directors fees	3,397	8,317	25,106	24,638
Foreign exchange gain	16,619	(21,889)	11,680	(5,092)
General and administration	3,602	25,428	16,746	33,501
Geological expenses	122	-	734	6,632
Insurance	4,436	2,435	10,535	8,518
Investor relations	-	820	1,027	6,938
Management fees	6,708	6,312	19,988	18,443
Occupancy costs	5,019	6,489	15,095	15,515
Professional fees	(4,735)	8,486	17,353	22,370
Stock based compensation	-	33,040	70,209	33,040
Travel	6,543	401	18,513	2,518
Wages & benefits	9,541	12,654	28,130	29,349
TOTAL Operating expenses	57,246	88,299	253,101	213,791
OPERATING LOSS	(57,246)	(88,299)	(253,101)	(213,791)
Interest income	5,857	3,210	7,409	10,361
LOSS FOR THE YEAR	(51,389)	(85,089)	(245,692)	(203,430)
DEFICIT - BEGINNING OF YEAR	(22,910,229)	(22,149,098)	(22,715,926)	(22,030,757)
DEFICIT - END OF YEAR	(22,961,618)	(22,234,187)	(22,961,618)	(22,234,187)
Basic and diluted loss per share (Note 2)	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of shares outstanding	39,160,363	34,833,149	36,275,553	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 NINE MONTHS ENDED SEPTEMBER 30, 2006
(Unaudited)
(Expressed in U.S. dollars)

	Three-months period ended		Nine-months period ended	
	September 30,		September 30,	
	2006	2005	2006	2005
	\$	\$	\$	\$
OPERATING ACTIVITIES:				
Loss for the year	(51,389)	(85,089)	(245,692)	(203,430)
Less: Items not affecting funds				
Stock-based compensation	-	33,040	70,209	33,040
Amortization	994	806	2,985	2,421
	<u>(50,395)</u>	<u>(51,243)</u>	<u>(172,498)</u>	<u>(167,969)</u>
FUNDS PROVIDED/(USED IN) WORKING CAPITAL				
Accounts receivable	(3,755)	16,243	(4,526)	4,455
Prepaid & deposits	(15,360)	2,910	(9,924)	8,462
Trade payables and accrued liabilities	<u>(35,144)</u>	<u>(33,164)</u>	<u>(2,400)</u>	<u>(16,859)</u>
FUNDS USED IN OPERATING ACTIVITIES	<u>(104,654)</u>	<u>(65,254)</u>	<u>(189,348)</u>	<u>(171,911)</u>
FINANCING ACTIVITIES:				
Share capital	<u>2,389,629</u>	-	<u>2,389,629</u>	-
FUNDS USED IN FINANCING ACTIVITIES	<u>2,389,629</u>	-	<u>2,389,629</u>	-
INVESTING ACTIVITIES:				
Equipment	-	-	(5,843)	(1,790)
Mineral properties	<u>(86,643)</u>	<u>(11,389)</u>	<u>(236,070)</u>	<u>(122,759)</u>
FUND USED IN INVESTING ACTIVITIES	<u>(86,643)</u>	<u>(11,389)</u>	<u>(241,913)</u>	<u>(124,549)</u>
NET CHANGES IN CASH FLOW POSITION	2,198,332	(76,643)	1,958,368	(296,460)
Cash & equivalents, beginning of year	<u>166,761</u>	<u>530,322</u>	<u>406,725</u>	<u>750,139</u>
Cash & equivalents, end of period	<u><u>2,365,093</u></u>	<u><u>453,679</u></u>	<u><u>2,365,093</u></u>	<u><u>453,679</u></u>

THE ATTACHED NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ODIN MINING AND EXPLORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 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 December 31.

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.

Foreign currency translation, continued

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.

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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 earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year of 36,275,553 (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.

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).

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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 \$38,277, accumulated amortization of \$12,902 and a net book value of \$25,375.

4. MINERAL PROPERTIES

The mineral properties capitalize are made up of:

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	12,555		46,435		58,990
Legal Fees - Quito	12,358				12,358
General Expenses - Quito	19,548	33,466	6,751	1,337	61,102
Geological Consulting		25,331		8,285	33,616
Geological Staff - Ecuador		57,055			57,055
Assay		12,949			12,949
2006's Expenditures	44,461	128,801	53,186	9,622	236,070
Expenditures capitalized 09/30/2006	\$ 213,762	\$ 180,448	\$ 187,776	\$ 116,393	\$ 698,379

5. CAPITAL STOCK

a) Common shares

Authorized

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

Issued

	No. of shares	Amount
as at September 30, 2006	<u>47,814,791</u>	<u>\$ 10,901,768</u>
as at September 30, 2005	<u>34,833,149</u>	<u>\$ 8,512,139</u>

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On September 15, 2006, the Company issued 12,981,642 additional common shares at \$0.189 (C\$0.21) each for \$2,454,660 from non-brokered private placements. Each new share issued carries a non-transferable one half of one warrant to purchase one common share in the Company at a price of C\$0.42 per share within one year from the issue date. The costs related to this issue, in the aggregate of \$65,030, have been netted against the new capital raised.

b) Share options plan

The Company has the following stock options exercisable at C\$0.25 each on the following dates. The options expire on August 24, 2010:

<u>Exercisable on</u>	<u>No. of Options</u>	<u>Stock Option Expense Recognized</u>
August 24, 2005	630,000	\$ 42,561
November 24, 2005	630,000	44,349
February 24, 2006	630,000	35,202
May 24, 2006	<u>630,000</u>	<u>35,007</u>
Options outstanding and exercisable on September 30, 2006	<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	4.25%
Expected life	4 years
Expected volatility in the market price of the shares	100%
Expected dividend yield	0
Weighted average exercise price	C\$ 0.25
Fair value of options	C\$ 0.10

c) Warrants

As of September 30, 2006, 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 LOSS PER SHARE

The existence of stock options and warrants would only decrease the net loss per share on a fully diluted basis. Conservatively, the basic and diluted net loss per share was calculated based on the weighted average number of shares outstanding for the nine months to September 30, 2006.

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7. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2006, the following transactions occurred with related parties:

- a) Documentation storage fee of \$1,199 was paid to a company, which has one common director with the company and included in occupancy cost.
- b) Management fees of \$19,988 were paid to Zen Capital, which is a private company controlled by a director of the company.
- c) Telephone and rent recovery of \$4,163 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.