



IncreMentalAdvantage

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September 19, 2006

CDNX: GOE.V
C\$0.28

Rating: Speculative
Buy

GOLDEN ODYSSEY MINING INC.

Corporate Overview

Golden Odyssey Mining Inc. was founded in April 2004, launched its initial public offering in December 2004 and its shares began trading in January 2005. Golden Odyssey Mining—through its wholly owned subsidiary, Golden Odyssey Exploration Inc.—is engaged in the identification, evaluation, acquisition and development of high potential mineral properties in the State of Nevada. Golden Odyssey's management has extensive experience in the discovery and development of economically viable gold deposits and the building of strong, well funded mining companies.

The Company's project portfolio is dynamic and evolving with a focus on near-term discovery of world class gold deposits. Golden Odyssey currently has five active projects—all situated on major gold trends. On the Walker Lane Belt in Esmeralda County, Nevada, the Company has the Morningstar and Palmetto projects. (This highly mineralized trend has hosted some of the most important mining districts in North America including the famous Comstock, Tonopah, Goldfield, Bullfrog and Aurora districts. The region is currently being actively explored by Barrick Gold/Kinross Gold at the Round Mountain Mine, Gryphon Gold at the Borealis Mine, and Newcrest at the Redlich project.) In the Cortez Trend in Eureka County, the Company holds the Anchor and JDS projects, which is situated on trend with Barrick Gold Corporation's East Archimedes mine and US Gold Corporation's Tonkin Springs Mine. On the Carlin Trend in Elko County, the Company is exploring the Mexican Hill project which is southeast of Newmont Gold's Rain and Emigrant Springs mines.

Company Highlights

- Golden Odyssey is positioned to benefit from the strong underpinnings supporting elevated gold prices.
- The Company's gold prospecting is concentrated in the State of Nevada—one of the world's most prolific and promising sources of gold reserves as well as a very mining friendly environment.
- In late August 2006, the Company announced that anomalous gold was encountered in several intervals on its Morningstar property.
- According to a recent report, Golden Odyssey's Anchor Property exhibits multiple characteristics of numerous sediment-hosted gold deposits within the Battle Mountain-Eureka Trend.
- Positive geological results such as those at the Morningstar properties increase the likelihood of Golden Odyssey eventually finding gold and decrease the risks for investors holding shares of Golden Odyssey.
- Golden Odyssey has a letter agreement with Lincoln Gold Corp. for a joint venture exploration program on Lincoln's JDS property. Under these terms, Golden Odyssey may ultimately earn 75% of the joint-venture for a \$3.5 million total investment.
- The Company's management team and its advisers have over 100 years of experience in locating gold reserves as well as building and managing successful gold exploration companies.
- Management believes that its \$2 million in cash reserves is sufficient to pursue its most promising exploration activities over the next year.
- Insiders and world-class institutional gold investors directly own some 50% of Golden Odyssey's shares.
- In light of its attractive property portfolio and the active acquisitions environment, Golden Odyssey could be an enticing takeover candidate, especially if additional positive geological results are delivered.

Financial Highlights

Valuation Metrics

Market Capitalization	C\$8.8 mn
Shares Outstanding	31.5 million

Other Investment Metrics

52-week range	C\$0.12– C\$0.48
Avg. Trading Vol.	28,903

See important notes, disclosures and disclaimers on page 13 before making investment decisions.

Gold Prices Have Been On An Uptrend Due To A Variety Of Factors

The Attraction of Gold

There are many factors contributing to the growing interest in, and demand for, gold. Among these reasons are global political instability; the attractiveness of gold as an asset diversifier; gold's ability to provide a hedge against inflation; restrained selling of gold by central banks; rising demand for gold for jewelry; and, greater demand for gold by the industrial sector.

Gold as a Safe Haven

Since gold is the only real form of money that has existed throughout recorded human history, gold is the only safe haven from political, currency and credit risks. Today the world is beset with a multitude of potentially cataclysmic geopolitical risks. North Korea and Iran are determined to develop nuclear weapons and Iran has made its intent to use such weapons (against Israel) very clear.

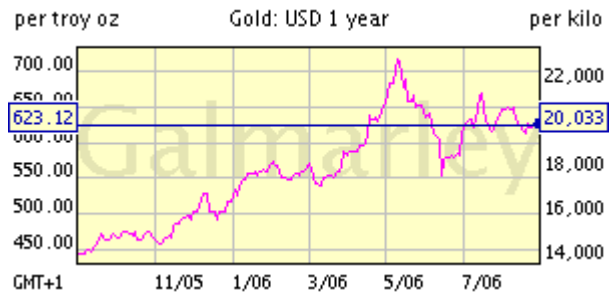
China's aggressive weapons procurement program is alarming its neighbors as well as the United States. More localized conflicts such as those in Iraq, Lebanon and India are incited by terrorists and are poised to trigger regional confrontations. The fear and uncertainty that this constellation of events presents should drive demand for gold higher.

Recent Gold Price Performance

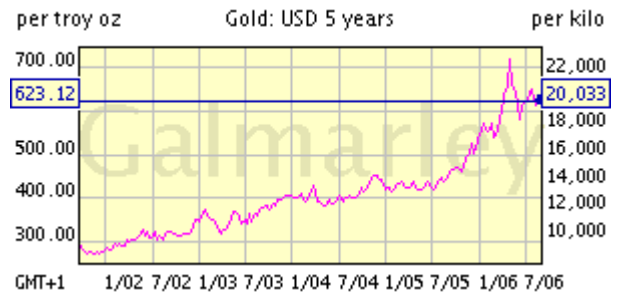
Gold prices have risen impressively over the past 18 months. Spot gold prices are currently \$586, up 32% from \$444 at the beginning of 2005. Gold prices reached a 26-year high of \$732 an ounce on May 12, 2006.

According to Seeking Alpha, as of July 13, 2006, year-to-date price performance of stocks covered in the gold sector ranged from 116.4% down to -55.9%, with a median year-to-date price change of 23.8%. The past 52-week price performance of stocks covered in the gold sector ranged from 589.2% down to -24.7%, with a median price change over the 52 weeks ending on July 13, 2006 of 66.3%.

1 Year Gold Chart



5 Year Gold Price Chart



Source: USA Gold

Gold Prices Have Risen Consistently and Impressively in All Major Currencies

Gold Price Performance			
	2004-2005	2002-2005	2000-2005
Euro	8.87%	9.20%	18.37%
UK£	9.62%	18.75%	32.80%
US\$	8.62%	43.52%	59.24%
Yen	10.92%	26.74%	63.23%

“The fear and uncertainty presented by global instability should spur demand for gold higher.”

The Supply of Gold is Relatively Constrained

Overview The primary sources of gold supply are new production; scrap; and, gold held for sale by central banks and government bodies such as the Monetary Authority of Singapore and supranational organizations such as the International Monetary Fund, Bank for International Settlements and the European Central Bank.

During the first quarter of 2006, total gold supply declined by 15%, to 868 tons, versus the first quarter of 2005. Constricted supply was the result of substantial de-hedging and a period of low central bank sales, only partly offset by a sharp rise in scrap supply. At 160 tons, de-hedging by producers was significantly higher than a year earlier; indeed higher than the total de-hedging figure for 2005. The net effect of this, combined with a 5% increase in mine output, resulted in a 20% reduction in mine supply compared to the first quarter of 2005.

Trends in Production Gold is produced from mines on every continent with the exception of Antarctica (where mining is forbidden). The total volume of gold mined over history is approximately 155,500 tons, of which around 64% has been mined since 1950. The upward trend in annual production is now leveling off, largely due to a considerable slowdown in exploration spending in the late 1990s. Independent analysts are of the belief that mine output will remain flat for the next few years and may even drop slightly. Indeed, worldwide mine production rose merely 2% in 2005 over 2004 levels.

The dominant producing country for much of the 20th century was South Africa. In the early 1970s, South Africa was producing 1,000 tons per annum, or over 70% of the world total at that time. This position has been eroded in the past several decades as South African production has dropped (due in part to aging mines and reduced flexibility). Despite South Africa remaining the world's largest producing nation, with just over 296 tons and 12% of the total, South African production in 2005 fell to its lowest levels since 1925. In Canada, another major producer of gold, output also fell significantly in 2005.

Nevada Gold Mines The Nevada gold mines account for about 64% of the gold production in the United States, and 9% of the gold in the entire world. Nevada is the world's third-largest gold producer behind South Africa and Australia and in 2004, produced nearly 7 million ounces of gold worth more than \$2.8 billion.

While gold production is rising robustly in a few isolated countries, such production increases are coming off of very small bases. For instance, Indonesia's gold production soared from two tons in 1992 to 167 tons in 2005, predominantly from the Grasberg mine, which is the world's largest gold producer. Also, gold production has risen from

18 tons in 1992 to 207 tons in 2005 in Peru.

Scrap Gold Gold is virtually indestructible so virtually all the gold ever mined still exists. It is also easily recoverable from most of its uses and is capable of being melted down, re-refined and reused. Thus, the supply of recycled gold, or scrap, is an important part of the dynamics of the gold market.

Scrap is defined as gold that has been sourced from old fabricated products that have been recovered and refined back into bars. It does not include jewelry that has simply been traded in and resold without being re-refined, or resold investment bars and coins. Most recycled gold generated originates from jewelry. Smaller amounts come from recuperated electronics components and, at times, from investment bars and coins. In fact, this secondary supply forms a smaller proportion of total annual supply flows than is the case, for example, with aluminum and lead.

The supply of scrap depends largely on economic circumstances and on the behavior of the gold price. It is common practice in the Middle East and Asia for customers to trade in one piece of jewelry in exchange for another, and the piece traded in may be melted down rather than simply being resold. But gold can also be sold for cash either if the owner has the need for money or if the owner wants to cash in a profit following a rise in the gold price. It follows that scrap supply typically rises in times of economic distress or following a price rise.

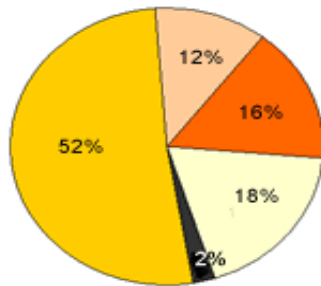
Central Banks Gold continues to play a key role as a reserve asset for central money institutions throughout the world and some institutions are actively building up the level of gold in their reserves. Central banks and other official institutions' holdings of gold stand at 30,815 tons, or nearly 20% of all the gold that has ever been mined. That is the equivalent of just over 12 years' new mine production at the current rate.

The Central Bank Gold Agreements (CBGA) of 1999 and 2004 have stabilized sales from 15 of the world's biggest holders of gold at a rate that the signatories felt the market could absorb without undue disruption. Other countries and institutions that have declared themselves non-sellers bring the total of official sector gold that will only come onto the market in regulated form to roughly 75%. Sales from outside this group amount to little more than a trickle, offset by purchase by other governments.

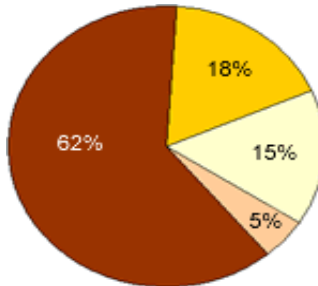
Thus, central bank sales dropped 57% to 116 tons in the first quarter of 2006 due partly to the timing of sales under the second Central Bank Gold Agreement (CBGA2) and partly to a probable small amount of net purchasing by non-CBGA entities.

Trends in Supply and Demand for Gold

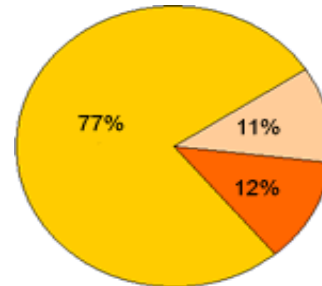
Above ground stocks
end 2005



Supply flows 5 year
average
(2001-2005)



Demand flows 5 year
average
(2001-2005)



Source: The World Gold Council

Central Banks Industrial Investment Jewellery Mine Production* Unaccounted For

Consumer Demand for Gold Remains Strong Despite Rising Gold Prices

Overview Demand for gold rose in 2005—by 5% in volume terms and by 14% in value terms—even in the face of a gold price that reached 25 year highs in late 2005. Annual demand for gold falls into three main categories, the largest of which is the jewelry market, which was worth \$40 billion in 2005. Industrial demand for gold is dominated by the electronics sector, but also includes dentistry and other industrial and decorative applications.

The third component of demand is investment. Because a significant portion of investment demand is transacted in the over-the-counter market, it does not lend itself to ease of measurement. Nevertheless, identifiable investment demand increased strongly in 2005, up 25% on the previous year.

Jewelry and Consumer Demand Jewelry consistently accounts for the largest share of demand for gold at around 70% of total demand which was valued at around \$40 billion at the annual average gold price in 2005. Markets in Asia and the Middle East—which account for nearly two-thirds of global gold jewelry demand—are also those that are the most sensitive to gold price volatility. In tonnage terms, in the first three months of 2006, demand dropped by 38% in India, 25% in the Middle East and 43% in Turkey compared to the first quarter of 2005.

The flip side to the sensitivity to the price of gold for jewelry applications is that the pent-up physical demand in price-sensitive Asian markets will be a source of resistance to any catastrophic sell-off.

There is ample evidence of this demand. There was a 2% rise in demand for jewelry in China in 2005. Despite the general downturn in tonnage demand, global demand in dollar terms for jewelry rose 2% to \$9.5 billion. First quarter 2006 results are broadly comparable to jewelry demand

levels reported in the first quarter of 2003 and 2004 when the gold price was \$352 and \$408, respectively. This underscores the fact that demand has steadily overcome the impact of rising prices. Further, jewelry volume rose 4% in 2005 and gold jewelry demand reached a quarterly record of \$11.4 billion in the first quarter of 2006.

Demand Remains for Gold Jewelry Rising gold prices will inevitably push some jewelry buyers out of the market over the near-term. However, signs of fundamentally strong demand for gold for jewelry can be found all over the world. For instance:

India India is the world's largest gold jewelry market by volume accounting for roughly 590 tons of consumption demand in 2005. Gold in India is typically 22 carat. Gold jewelry buying is associated with a number of festivals and weddings.

During the first quarter of 2006, jewelry demand reacted sharply to price volatility, falling 38% compared to the previous year which was an exceptionally strong performing quarter. However, the belief in India, in part fanned by the media, that gold prices will continue to rise lent support to consumer demand in the jewelry market. Also, demand during the key festival of *Akshaya Thrithiya*, on April 30, appears to have been higher than in 2005.

Despite an overall decline in demand, net retail investment boomed, rising 32% compared to the same period in 2005, itself 90% higher than that of 2004. Two factors propelled demand higher: increased promotions by banks and the general belief that prices will continue to rise. Thus, individuals in India have been actively purchasing gold coins and small bars with the view of turning them into jewelry at a future date.

Demand for Gold is Rising in Asia and the Middle East

Greater China Mainland China was an exception to the general experience among Asian countries in the first quarter of 2006, delivering a 2% increase, to 64.3 tons, in jewelry consumption compared to the same period one year earlier. The Chinese view of traditional chuk kam (24 carat) jewelry as an investment partly explains this result. Sales of commemorative bars were also strong around the Chinese New Year and Valentine's Day periods while the limited edition Olympic bars have also proved popular.

There are several reasons why China may prove to be a source of growing gold demand for consumer and jewelry. First, the Chinese began deregulating gold sales (which were particularly restrictive to foreigners) in 2002. This deregulation has allowed a growing influence from outside China which has ushered in innovative products such as K-gold. K-gold—18 carat gold that is often inspired with Italian design—is attracting the urban cosmopolitan market.

Sales of K-gold remain on an upward trajectory as consumers are seeking to update their wardrobes with spring fashion designs. K-gold, since its launch in 2003, already accounts for over 15% of the market. Over half of K-gold is sold as white gold, a manifestation of the popularity of white metal among many younger consumers.

Another reason that China could become a growing source of demand for gold is simply its voracious appetite for commodities. China's awakening demand for commodities has triggered price spikes in many commodity markets including oil, coal, steel and paper. Currently, China's demand for gold is muted. According to GFMS's latest Gold Survey, China accounted for only 8% of world demand for the metal for fabrication last year—little more than the 7% of a decade before. Further, China accounts for very little of the growing investment demand for gold. Identified bar hoarding in China is tiny compared to Japan, Vietnam, even Thailand. We view this situation as a source of tremendous dormant demand for gold.

Middle East and Turkey

Many Middle Eastern markets have a strong affinity to gold and 21 carat gold is the traditional cartage in Saudi Arabia and the Gulf region.

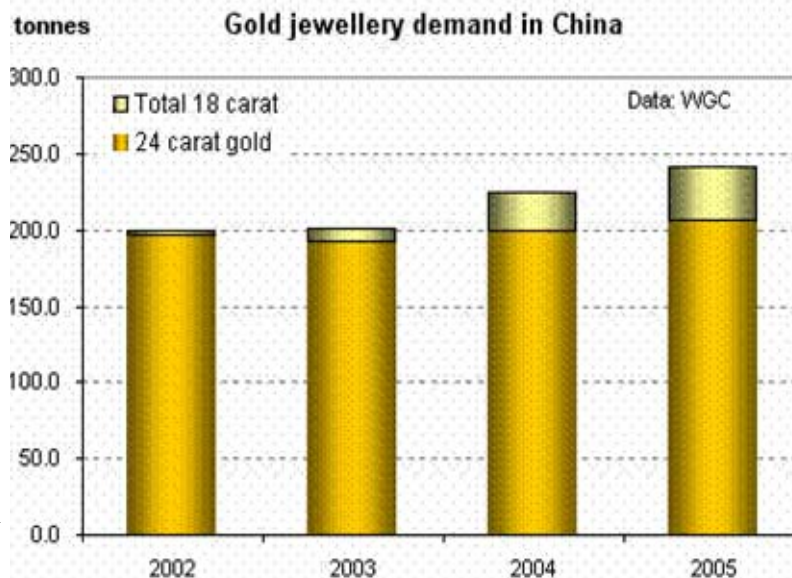
In the first quarter of 2006, consumer demand for gold across the Middle East and Turkey declined by 25% and 35%, respectively, compared to an exceptional period in 2005. However, there are a few factors that indicate these declines in demand were exaggerated by non-recurring events.

Saudi Arabia's stock market crash in February 2006 negatively impacted both consumer sentiment and the purchasing power of high-income individuals for the first quarter. The deaths of the Emir of Kuwait and the Ruler of Dubai in the first quarter of 2006 were followed by prolonged periods of mourning which dampened gold purchases. The Dubai Shopping Festival, a key period for gold sales in the region, took place over this period and as a result was scaled down.

Turkey proved to be a source of strength in demand for gold. The rising price encouraged gold investment during the second quarter, producing the second highest quarter ever recorded for gold investment in Turkey.

The United States In terms of consumption demand, the US is the world's second largest gold jewelry market by volume (around 350 tons) and the largest by retail value (around \$16 billion). While the US economy started 2006 in robust form, signs of emerging weakness resulted in tighter consumer spending on luxury goods. Combined with the rising price of gold, this resulted in a 5% decrease in jewelry demand in tonnage terms compared to the same period in 2005. Nevertheless, this still equates to a 23% increase in underlying gold value.

In contrast to jewelry, buying of coins and small bars has been strong in the US, rising 41% above year-earlier levels in the second quarter of 2006. The introduction—and surrounding promotion—of American Buffalo Gold Bullion Coins began in the summer of 2006 and could spur demand for retail gold coins further. These American Buffalo coins are the first .9999 fine 24-karat gold coins ever struck by the United States Mint and their content and purity is guaranteed by the United States Government.



Investment Demand for Gold Is Boosted By Exchange Traded Funds

Overview Gold and silver are the only real form of money that has existed throughout recorded human history. Gold's use as an investment derives from its roles as a safe haven, a store of value and a monetary asset. Since gold is not a liability of any government or corporation it does not—unlike currencies, bonds and equities—run any risk of becoming worthless through the default of the issuer.

Gold is a hedge against inflation since the price of gold has kept pace with inflation for at least 200 years. In more recent times gold has become an excellent portfolio diversifier as a result of the gold price's lack of correlation with mainstream investments. Recently, pension funds have expressed a growing interest in investing in gold. Indeed, sustained interest from different groups of institutional investors drove the gold price to new 26-year highs in the first quarter of 2006.

Gold is an especially attractive investment in countries which are facing devaluing currencies. When the value of a nation's currency declines, the price of gold invariably rises in that nation.

Since gold is virtually indestructible, all the gold that has ever been mined still exists above ground. As a result, any upward spike in price is often met by the resale of above-ground stock. Thus, the price of gold has historically been less volatile than the majority of other commodity prices.

Recent Investment Trends Investment holdings account for 16% of the total stocks of gold. Over the last five years, identifiable investment demand accounted for 12% of total demand flows, worth around \$6 billion. Over the past five years, identifiable investment demand quadrupled from a

low of 4% of total end-use demand in 2000 to 16% in 2005. When over-the-counter flows that are less readily measured are taken into account, a total of \$10.5 billion of investor money found its way into gold in 2005.

Net investment demand in 2005 was 11.6 million ounces versus net liquidation by investors in 2004 of 1.9 million ounces. Mining companies bought back a net 4 million ounces of pre-sold gold contracts in 2005. While this was a significant decline from more than 12 million ounces "de-hedged" in 2004, it still showed the overall judgment of the mining companies that gold prices were likely to be higher in the future than they were in 2005.

More recently, investment demand for gold increased 19% in tonnage terms and 75% in value terms in the second quarter of 2006 compared to the second quarter of 2005. Overall, identifiable investment, which excludes much institutional investment which is not statistically measurable, was 6% lower in tonnage terms but 22% higher in dollar terms in the second quarter of 2006.

Exchange Traded Funds Exchange Traded Funds (ETFs)—stock exchange-listed securities giving direct ownership of physical gold—have been a major factor in investors' interest in gold. While much of the increasing investment in "gold" is really in paper via gold price-indexed derivatives that generate little additional demand for the metal itself, ETFs do boost demand. For every extra certificate sold, issuers provide 100% backing, buying bars to lock away in bank vaults. According to GFMS, the world's five ETFs accounted for 203 tons of investment demand in 2005.

Industrial Demand for Gold Is Driven By New Technology

End Markets for Gold Industrial and dental uses account for approximately 11% of gold demand, or an annual average of nearly 400 tons from 2001 to 2005 inclusive. Over half of industrial and dental demand—around 7% of total demand—is the use of gold in electronic components due to gold's high thermal and electrical conductivity and its outstanding resistance to corrosion. The share of electronics in total gold demand has grown over the past decade but it also fluctuates according to global GDP and the fortunes of the electronic industry.

Gold even has medical applications. Gold's biocompatibility, resistance to bacterial colonization and to corrosion as well as its malleability mean that it can be used successfully inside the human body. Today various

biomedical applications include the use of gold wires in heart transplants and gold-plated stents to support weak blood vessels. However, gold's most common medical application is for dental use. Dental use currently accounts for nearly 2% of gold demand, a share which is essentially stable.

Gold is also used in a number of other industrial and decorative purposes such as gold plating and coating and in gold thread (such as jari in India). Various techniques are used to enable gold to be used in decorative finishes. Other applications take advantages of gold's reflectivity of heat and lasers and its optical properties. Overall these uses of gold account for 2-3% of total demand.

Research over the last decade has uncovered a number of

possible new practical uses for gold. These uses include the use of gold as a catalyst in fuel cells, chemical processing and controlling pollution. In nanotechnology there are many possible uses including improved LCD displays using gold nanorods, for example in mobile phones and laptops. The use of gold in coated superconductors could also create significant new industrial demand for gold.

Total industrial and dental demand rose 5% in tonnage terms and 36% in dollar terms for the second quarter of

2006 compared to the second quarter of the previous year, enabling procurement in the quarter reach \$1.9 billion. A booming world economy maintained strong demand for electronic goods therefore driving the demand for gold-based components. Electronics rose 12% in tonnage terms and 45% in dollar terms, to \$1.2 billion, for the first quarter of 2006. Longer-term positive trends in this market should be supported by continued growth in the Far East.

Nevada Is a Very Mining-Friendly State

Overview Golden Odyssey's exploration projects are currently located exclusively in the state of Nevada. Nevada is an extremely prolific and accommodative area for gold mining. According to the United States Geological Survey, Nevada is one of the earth's primary gold-producing regions. The Nevada gold mines account for about 64% of the gold production in the United States, and 9% of the gold in the entire world. Nevada is the world's third-largest gold producer behind South Africa and Australia and in 2004, produced nearly 7 million ounces of gold worth more than \$2.8 billion. Nevada has the second largest gold legacy—total past production plus current reserves—in the world.

In March 2005, a survey of mining executives by the Fraser Institute of Canada reported that of 64 jurisdictions around the world that have significant mineral deposits, Nevada offered the best mix of industry-friendly regula-

tions, tax policy, government stability and infrastructure. In contrast, restrictive environmental regulations have made it extremely difficult to mine for gold in California. Similarly, Montana and Oregon have laws that forbid cyanide processing which is necessary to extract ore.

Nevada's gold deposits are concentrated in relatively small geographic mineral trends. According to industry reports, Nevada is the best place in the world for open-pit and underground mining.

An ancillary benefit of mining in Nevada is the near ubiquitous presence of other valuable metals such as silver that are found at the state's gold mines. In fact, Nevada produces more silver than any other state in the Union. Although only three mines in Nevada are currently being operated primarily for silver, most Nevada gold mining operations produce silver as well.

Golden Odyssey Adheres to Disciplined Mining Exploration Practices

Overview Golden Odyssey manages a dynamic portfolio of early stage properties suitable for gold exploration and constantly searches for new properties. Golden Odyssey's management often reviews hundreds of properties before identifying one that meets its rigorous standards for conducting further exploration. The current projects are located on major trends and the Company focuses its efforts on properties with potential to contain millions of ounces of gold deposits.

Management maintains strict criteria for exploration: its properties must have geologic characteristics consistent with other successful discoveries including indicators of mineralization such as hydrothermal alteration and anomalous geochemistry. Among the initiatives the Company takes to make such determinations include sophisticated mapping, sampling and drilling to determine if there is a large deposit potential.

The likelihood of finding large gold deposits is boosted by the Company's recent announcements of positive geological results at its Morningstar and Anchor properties.

Further increasing the likelihood of Golden Odyssey locating large gold reserves is the fact that the Company's CEO, David Shaddrick, has been involved in several mine discoveries. This is particularly impressive since most geologists never find even one gold mine. To the extent to which a project fails to meet management's expectations, Golden Odyssey's management has a number of alternatives including abandoning the project, joint-venturing it, or, selling it outright.

Current Portfolio The Company maintains a very dynamic and fast moving exploration program. Currently, Golden Odyssey controls a portfolio of five active properties: two in Esmeralda County, two in Eureka County, and one in Elko County, Nevada. The properties are situated within three of the major gold trends of Nevada. These trends are: The Walker Lane Structural Zone; the Battle Mountain-Eureka Trend; and, the Carlin Trend. These trends are host to some of the most prolific precious metal districts in the Western United States.

Two of Golden Odyssey's properties, Palmetto and Morningstar, are currently active exploration projects; three others, Anchor, JDS and Mexican Hill, have been evaluated and exploration will commence shortly. Morningstar is the first of three projects that Golden Odyssey plans to drill this year. It is important to note that Golden Odyssey's management is aggressively seeking additional projects as part of its normal course of business.

Golden Odyssey has 10 year mining leases on four of the

properties that are under active exploration (and can renew these leases for another 10 years) and a joint venture agreement on the fifth property. The leasehold costs are quite reasonable. Under the leaseholds, Golden Odyssey makes advance minimum royalty payments which allows the Company to explore and mine gold for a 3% royalty which is paid out when gold is produced. These advance royalties are a negotiated sum, typically ranging from a few thousand dollars to a few tens of thousands of dollars.

The Palmetto Property Offers Evidence of Multiple Areas of Gold Occurrences

Introduction The Palmetto property consists of 199 unpatented and 20 patented mining claims covering roughly six square miles. Eight of these patented mining claims were secured in mid-September as a result of Golden Odyssey completing a lease agreement with Metallic Goldfield Inc. The property includes an old mining district which was actively prospected at the turn of the 20th century. There has been no significant exploration on the property since that time.

The Palmetto property was acquired on the basis of the following four factors:

- Golden Odyssey determined that the property's geologic setting is analogous to that of productive mining districts elsewhere in the region;
- Significant alteration and mineralization is exposed at the surface and historic mining activity is widespread in the district;
- There has been no modern exploration on the property; and,
- Golden Odyssey's preliminary reconnaissance indicated significant areas of potential for additional gold occurrences.

Geology The geologic setting of the Palmetto Project exhibits many of the features characteristic of some of the most prolific mining districts in Nevada. These include:

- Widespread occurrence of both brittle and chemically reactive Paleozoic rocks
- Proximity to a large Mesozoic pluton
- Strong, polyphase structural setting
- Abundant younger felsic intrusives

- Broad geochemical signatures
- Strong mineralization in discrete polymetallic veins with high base and precious metal values
- Strong surface geochemical signatures, including gold, associated with broad zones of silica replacement in chemically reactive sedimentary units

Similar occurrences include the deposits at Battle Mountain, Gold Acres and Cove/McCoy in Northern Nevada and those at Silver Peak, Bullfrog and Tonapah in West Central Nevada. The deposit types expected at Palmetto are, therefore, structurally controlled vein and replacement deposits associated with both steep and low angle structures. These structures will be related, in part, to the intrusion of the Palmetto pluton and, in part, to the regional extensional regime. Vein deposits will occur in the more brittle, unreactive, sedimentary rock units and the intrusive rocks whereas the broad replacements will occur in and adjacent to structures cutting the reactive sedimentary rock units.

Mapping and sampling on the Palmetto property has confirmed the presence of mineralization characteristic of both of these expected deposit types. The polymetallic veins occur primarily in the north and east of the property and the broad replacements occur primarily in the south and west. The current data has identified two areas of mineralization, the Kentucky Mine area and the Camp Zone, which merit further work. It is expected that additional areas will be identified through ongoing exploration.

Geochemistry Sixty one rock chip samples of altered and/or mineralized rocks and 1,117 soil samples were collected during the course of the work on the property. The rock chip samples have returned significant geochemical values for precious and base metals from several areas. The highest values are associated with the quartz veins but samples from broad zones of altered and silicified limestone also yield significant geochemical anomalies. The soil sampling has also yielded significant anomalies which tend to reflect vein geometries in the north and more widespread

mineralization in the south.

Mining Progress The Company has completed an extensive surface evaluation of the property including geologic mapping, rock chip sampling and a grid based geochemical survey. According to our conversations with management, Golden Odyssey completed 4,000 feet of reverse circulation rotary drilling in 2005. Results from this phase of the drilling targeted two distinct areas—the Camp Zone and

the Kentucky Mine. Results confirmed the presence of a strong, structurally controlled hydrothermal system capable of producing wide mineralized veins in the Kentucky Zone, and the presence of high grade copper in conjunction with very anomalous levels of gold and other pathfinder elements at the Camp Zone target. The Company already completed approximately 8,000 feet of drilling in 2006 and is expected to drill another 1,500 to 2,000 feet this year.

The Morningstar Project Is Located Where Leading Gold Mining Companies Are Exploring for Gold

Overview The Morningstar Property is an early stage exploration project located on the Walker Lane structural belt in Esmeralda County, Nevada. The Morningstar Property is approximately 30 miles to the east of the Company's Palmetto property. It is approximately midway between Las Vegas and Reno. The region is currently being actively explored by Barrick Gold/Kinross Gold at the Round Mountain Mine; Gryphon Gold at the Borealis Mine; and, Newcrest at the Redlich project.

The Morningstar project consists of 99 unpatented mining claims, covering roughly three square miles or 1,860 acres. The property consists of 77 unpatented mining claims located by Golden Odyssey and 22 leased unpatented claims. Golden Odyssey has mapped the entire area geologically and has collected over 700 soil samples across the project. The property includes an old mining district which was actively prospected for quartz veins at the turn of the 20th century. It is unexplored using modern concepts of ore genesis and this program is the first significant work to be done in 20 years.

Exploration Progress The initial drill program on Morningstar consisted of nine shallow reverse circulation drill holes for a total of 4,500 feet. The program was designed as an initial test, at depth, of the structural – stratigraphic setting as well as the geochemical and alteration patterns observed at the surface. Additionally, the work has verified, for the first time, that mineralization is locally disseminated into structurally prepared and chemically reac-

tive rocks rather than simply being confined to the small, discontinuous quartz veins prominently exposed at the surface.

In late August 2006, the Company announced that several intervals of anomalous gold were encountered in drilling on the Morningstar property. These intervals of anomalous gold ranged from 25 to 40 feet in width. The 40 foot zone consisted of eight five-foot samples ranging from a high of .195 g/t to a low of .025 g/t and averaging .081 g/t. In this system the threshold value for anomalous gold is considered to be .025 g/t and only values above this level are geochemically significant. The highest gold value encountered in this phase of the drill program was a single five-foot 1 of 2 sample that returned 1.371 g/t. Furthermore, locally high values of mercury, antimony, zinc and arsenic—all characteristic “pathfinder elements” of world class deposits currently being mined elsewhere in Nevada—were also found in several of the holes. These anomalous “pathfinders” also occur over significant widths often associated with the gold intervals.

The Company is currently working to define the unique controls of this mineralization in order to develop ore targets. To help with this work, a short program of offset and step-out drilling of some 7,000 feet is expected to commence by the end of September. This drilling will be designed to provide the additional data necessary for the ore target studies that will be carried out over the next few months.

Golden Odyssey's Mexican Hill Property Offers Promising Geochemical Indicators

Overview The Mexican Hill Property is a new acquisition for which Golden Odyssey has a 100% leasehold interest. Mexican Hill consists of 48 unpatented mining claims on the Carlin Trend of northeastern Nevada. The project is an early-stage concept that exhibits important alteration and

geochemical indicators in a permissive stratigraphic environment. Mapping and sampling is nearing completion and management has indicated that it will begin drilling on the Mexican Hill Property before the end of 2006.

The Anchor Property Offers An Extensive Database That Should Aid In The Identification Of More Drill Targets

Overview Golden Odyssey has a 100% leasehold interest in the Anchor Property. It is an early stage exploration project that consists of 56 unpatented mining claims totaling approximately 1,120 acres. Anchor is located on the Battle Mountain-Eureka Trend in Eureka County, NV. It is in a portion of this trend that is now being called the "Cortez Trend" due to the discovery of the large Cortez Hills gold deposit. The property was actively explored in the 1980s and 1990s by several major companies including Rio Algom, Kennecott and Western Mining. It is the extensive database developed by these companies that has allowed Golden Odyssey to identify the current targets.

Anchor contains one currently identified drill target. According to a recent report, Anchor exhibits multiple

characteristics of numerous sediment-hosted gold deposits within the Battle Mountain-Eureka Trend. The report's author states that similar occurrences include the deposits in the Rain district approximately 75 miles north of the Anchor Project and the Archimedes deposit about three miles southeast of the project area.

The report recommends a two phase drilling program with the initial phase consisting of approximately 8,000 feet of reverse circulation drilling scheduled for October or November of this year. The first phase of drilling is intended as an initial test of the targets identified by the data synthesis and interpretation. A second phase, if warranted, will consist of significant drilling to offset and further define the targets.

Golden Odyssey Could Own 75% Of Its JDS Joint-Venture

Overview Golden Odyssey has a letter agreement with Lincoln Gold Corp. for a joint venture exploration program on Lincoln's JDS property. The JDS property is located on the Cortez Trend in Eureka County, Nevada—approximately 17 miles southeast of Barrick Gold's Cortez Hills discovery and 8 miles northeast of US Gold's Tonkin Springs Mine. The recent Cortez Hills discovery (by Barrick Gold) is reported to have in excess of seven million ounces of proven and probable reserves.

The JDS property consists of 77 unpatented mining claims totaling 1,540 acres. The property is a "pediment play" where the gold target is covered by alluvial gravels. Initial drill targets, which have been defined by regional and detailed gravity surveys coupled with mercury soil gas geochemistry, are interpreted to be structurally controlled mineralized zones within favorable carbonate horizons

adjacent to a large intrusive body. The Company plans to drill these targets as soon as possible as well as to carry out additional geophysical and geochemical work to further define the geologic setting of the project area.

Under the terms of the letter agreement, Golden Odyssey may earn a 51% interest in the JDS property by drilling 6,000 feet of reverse-circulation drill hole within 18 months of signing a definitive agreement. Initial plans are to drill in late 2006. Golden Odyssey will have the option to increase its ownership by 14% by funding \$1.5 million in additional work and may increase its ownership by an additional 10% by funding an additional \$2.0 million in work for a total of \$3.5 million. Under these terms, Golden Odyssey may ultimately own 75% and Lincoln hold 25% in the joint-venture.

Management Has Extensive Experience In Building Successful Mining Companies

Overview Golden Odyssey's driving force is its President and Chief Executive Officer, David Shaddrick. Mr. Shaddrick has been involved in the mining industry for over thirty-five years. Before founding Golden Odyssey, Mr. Shaddrick was the principal of Shaddrick & Associates since April 1987, a firm providing mining and exploration consulting services to a wide range of clients. From August 1971 to April 1983, Mr. Shaddrick worked with Homestake Mining Co. in a variety of roles from Mine Geologist to Regional Exploration Geologist. From 1983

to April 1987, he worked with Atlas Precious Metals Inc. as Manager of Metals Exploration, Predevelopment Manager and Manager of Acquisitions. Mr. Shaddrick has been associated with a number of mine discoveries and has managed projects from initial discovery to production. Mr. Shaddrick has also served as an officer and director of several public and private companies.

Several other of the Company's Directors have significant experience in business development and gold mining. Michael Berns, the Company's Chairman, is a practicing

lawyer who has extensive experience with junior mining companies primarily in the areas of corporate structure, finance, and securities law. Another director is Ross Orr, who is currently President, CEO & Director of Bactech Mining Corporation, a public mining company listed on the TSX Venture Exchange. Another director is John Gingerich. Mr. Gingerich is a professional geophysicist (APGO) with over 25 years experience. Mr. Gingerich left Noranda/Falconbridge in October 2002, and formed Geo-

technical Business Solutions (GBS), a company focused on the development, financing and implementation of new or advanced technology.

Golden Odyssey's management team and Board of Directors are supported by a stable of highly skilled consultants. Collectively, the management team and these advisors have over 100 years of experience in virtually all aspects of gold mining including geology, geochemistry, drilling and interpretation of mineralization.

The Risks of Investing in Shares of Golden Odyssey Are Similar to Those of All Early Stage Mining Companies

Overview As with investing in any other small capitalization gold exploration company, there exist risks with which investors should be familiar before investing in shares of Golden Odyssey. Gold prospecting is an extremely risky business. Tremendous resources could be expended without any potential for return when exploration fails to reveal gold deposits. Also, Golden Odyssey has limited financial resources and may not be able to obtain further financing on acceptable terms should it need to raise additional capital.

Environmental Concerns As discussed earlier in this report, the Company's mining is currently exclusively located in Nevada. This should be comforting to investors as Nevada is the state that presents the least environmental and political risks to the gold mining industry.

However, environmentalists have several concerns regarding gold mining in Nevada. While few of the following concerns have percolated up to the Nevada's legislative or regulatory bodies, it is still important for investors to be aware of the environmentalists' agenda.

Gold often comes with mercury, which is naturally oc-

curing in ore harvested from many Nevada mines. Mercury is released into the air during roasting or other refining processes used to extract gold. Nevada's gold mines will bequeath more toxic mercury waste in their mountainous rock piles than any other industry, about 86% of the nation's total in 2003, according to the most recent figures from the Environmental Protection Agency.

Nevada is the driest state in the Union and the problems related to water scarcity are compounded by gold mining. The state's absence of water is compounded by at least 18 large mines working below the water table. These mines must dewater the mines by pumping out underground water at rapid rates.

The risk to gold mining companies operating in Nevada is that environmental concerns could result in the state enforcing more aggressive (and expensive) environmental regulations and/or could charge higher fees to the leaseholders. Of course, like all other companies exploring for gold, Golden Odyssey Mining is limited in its ability to explore for gold in historic areas and in the state's wilderness areas.

Golden Odyssey's Balance Sheet Is Strong Enough To Finance The Company's Near-Term Exploration Agenda

Overview We believe that Golden Odyssey's financial position is sufficiently strong to finance its exploration activities over the next year. The Company raised roughly C\$1 million in its December 2004 initial public offering. In April 2006, Golden Odyssey successfully completed a private placement of slightly more than 14.1 million units (each unit consisting of one common share of stock and one share purchase warrant with each warrant entitling the holder to purchase one common share at a price of \$0.22

per share for a period of two years). This private placement was facilitated by Toronto-based Dominick & Dominick and yielded the Company \$2.4 million in gross proceeds.

Currently, Golden Odyssey has roughly \$1.5 million in cash. According to our discussions with management, the Company's current monthly cash burn rate of between \$200,000 to \$300,000 will soon drop to a monthly cash burn rate of between \$60,000 and \$100,000.

Golden Odyssey Has More Than C\$2 Million in Current Assets

GOLDEN ODYSSEY MINING INC.		
Consolidated Balance Sheets		
As of April 30, 2006		
(Unaudited - in Canadian dollars)		
	April 30, 2006	July 31, 2005
Assets		
Current Assets		
Cash	468,978	72,564
Cash held in trust	84,124	
Temporary Investments	1,500,000	
Accounts receivable and prepaid expenses	15,883	7,441
	2,068,985	80,005
Mineral properties	374,558	276,778
Equipment	10,871	8,146
Reclamation deposit	24,930	28,063
	2,479,344	392,992
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	31,120	62,324
Non-current liabilities	24,014	25,674
Reclamation liability	55,134	87,998
Shareholders' Equity		
Share capital	2,458,996	968,750
Warrants	1,302,324	160,924
Contributed surplus capital	213,944	72,467
Deficit	(1,551,054)	(897,147)
	2,424,210	304,994
	2,479,344	392,992

**Golden Odyssey's Staff Is Extremely Lean And The
Company Is Very Conservative In Its Fiscal Management**

GOLDEN ODYSSEY MINING INC.				
Consolidated Income Statement				
For the Three and Nine Months Ended April 30, 2006				
(Unaudited - in Canadian dollars)				
	Three Months Ended		Nine Months Ended	
	April 30, 2006	April 30, 2005	April 30, 2006	April 30, 2005
Revenue				
Expenses				
General & Administrative	210,591	126,908	632,803	440,610
Exploration Expenses	68,444	80,487	17,536	38,682
	279,035	207,395	650,339	479,292
Loss from Operations	(279,035)	(207,395)	(650,339)	(479,292)
Interest Income	5,712		5,712	
Foreign Exchange Loss	(5,639)	(983)	(9,280)	(462)
Loss before income tax	(278,962)	(208,378)	(653,907)	(479,754)
Provision for income taxes				
Net loss for the period	(278,962)	(208,378)	(653,907)	(479,754)
Deficit, beginning of period	(1,272,092)	(417,045)	(897,147)	(145,669)
Deficit, end of period	(1,551,054)	(625,423)	(1,551,054)	(625,423)

Golden Odyssey's Shares Are Trading At Extremely Reasonable Levels Relative to The Company's Potential

Overview Gold exploration costs have soared 50% over the past three years. Major gold producers view small early stage companies such as Golden Odyssey as conducting R&D for them. Thus, it is economical and expedient for the larger gold producers to acquire companies such as Golden Odyssey.

The large gold mining companies have been so intent on acquiring gold reserves that they have been acquiring large gold producers. Earlier in 2006, Toronto-based Barrick Gold Corp. acquired Placer Dome for \$10.4 billion. Also, Canadian gold miner Gold Corp announced its plans to buy Reno-based rival Glamis Gold Ltd. in an \$8.6 billion stock deal. This new company will have proven and probable reserves of about 41.1 million ounces of gold, worth about \$25 billion at current prices.

Since Glamis had 16.1 million ounces of proven and provable reserves when Gold Corp. announced that it would acquire Glamis, Gold Corp. valued each of these ounces at \$534. Golden Odyssey Mining's management is dedicated to discovering multi-million ounce reserves. However, we will take an extremely conservative approach in estimating a value for shares of GOE.V. Using Gold Corp.'s valuation of Glamis' gold reserves, even if Golden Odyssey were to discover only 300,000 ounces of gold, it would deserve a valuation in excess of US\$ 160 million or

roughly 20 times its current valuation.

Further, the large gold producers have been extremely aggressive in acquiring small capitalization early stage gold exploration companies. We interviewed John Haigh, Executive Director of the Denver Gold Group about this issue. According to Mr. Haigh, the large gold companies have been making such acquisitions consistently for the past six years. Over the past year, between eight and ten such acquisitions occurred at an average premium ranging between 25% and 35%.

According to our conversations with John Dobra, an economist and mining analyst at the University of Nevada, the key criteria for valuing an early stage gold exploration company are: land position or the location of the company's leaseholds; how intensely the land has been mined in the past; and the track records of the people involved in the exploration. Since Golden Odyssey rates very high on all of these metrics, we believe the Company's shares deserve to trade at a rich multiple.

Finally, it is important to note that when small, early stage gold exploration companies are successful in discovering gold, their share prices often soar. For instance, shares of Aurelian Resources soared from C\$0.46 to C\$30.76 when that company announced the discovery of gold deposits in April 2006.

Management Is Incentivized To Ensure That The Company Reaches Its Potential

Overview We are assured that Golden Odyssey's management will remain energized to aggressively and prudently maintain its exploration program due to the fact that insiders own 10% of the Company's stock. Further, it is comforting to know that some of the most successful institutional gold investors—including Perritt Capital, Rab Capital, US Global and other US-based institutions—have

collectively accumulated 50% of the Company's shares. Another roughly 20% of the shares are owned by clients of large brokerage firms and money managers.

We believe that risk-tolerant investors would be well advised to gain exposure to the promising gold sector by accumulating shares of Golden Odyssey Mining at current levels.

Important Note About This Report

This report contains forward-looking statements, which involve risks and uncertainties. Actual results may differ materially from the projections described in the forward-looking statements. The material contained in this report is for informational purposes only and is not a solicitation, or an offer or recommendation, to buy or sell securities mentioned. Neither IncreMental Advantage nor any person involved in the preparation of this publication accepts any liability or responsibility for the accuracy or completeness of this publication and none of them makes any representation or warranty in relation thereto. Recipients of this report should conduct their own investigation, confirmation and analysis of the information contained in this publication. No recipient should act on the basis of any matter contained in this publication without considering and, if necessary, taking appropriate legal, financial, and other professional advice upon the recipient's own particular circumstances. Investors are advised to undertake their own investigation of the merits of investing in the Company profiled in this report. IncreMental Advantage was compensated by the Company in the amount of \$17,500 for this report plus reimbursement of expenses incurred in connection with this report's preparation. IncreMental Advantage can be contacted at 609-919-1895 ext. 104.