



**GOLD-ORE**  
RESOURCES LTD.

## **SECOND QUARTER REPORT**

For the six months period ended May 31, 2005 and 2004

(Canadian \$)

- Notice to Reader
- Interim Consolidated Balance Sheets
- Interim Consolidated Statements of Operations and Deficit
- Interim Consolidated Statements of Cash Flows
- Notes to the Interim Consolidated Financial Statements



**GOLD-ORE**  
RESOURCES LTD.

## Notice to Reader

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The accompanying unaudited interim consolidated financial statements and all information in the Quarter Report have been prepared by and are the responsibility of the management of the Company.

The Audit Committee of the Board of Directors, consisting of three members, has reviewed the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company's independent auditors, Manning Elliott, Chartered Accountants, have not performed a review of these consolidated financial statements.

"Robert Wasylyshyn"

Robert Wasylyshyn, President

"Glen Dickson"

Glen Dickson, Chairman

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**GOLD-ORE RESOURCES LTD.****INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)****AS AT MAY 31, 2005**

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	<b>May 31, 2005</b> Unaudited	<b>Nov.30, 2004</b> Audited
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 451,469	\$ 28,098
Marketable securities (Bankers' Acceptance Notes)	-	729,465
Accounts receivable and refundable taxes	29,284	25,743
Prepaid expenses	3,135	6,446
	<b>483,888</b>	<b>789,752</b>
PROPERTY AND EQUIPMENT (Note 3)	13,517	5,675
MINERAL PROPERTY COSTS (Note 4)	290,785	65,998
	<b>\$ 788,190</b>	<b>\$ 861,425</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 8,808	\$ 66,007
<b>SHAREHOLDERS' EQUITY</b>		
CAPITAL STOCK (Note 5)	3,618,684	3,432,002
STOCK-BASED COMPENSATION	54,900	24,000
DEFICIT	(2,894,202)	(2,660,584)
	<b>779,382</b>	<b>795,418</b>
	<b>\$ 788,190</b>	<b>\$ 861,425</b>

*See accompanying notes*

On behalf of the Board:

"Bob Wasylyshyn"  
Bob Wasylyshyn, Director

"Glen Dickson"  
Glen Dickson, Director

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**GOLD-ORE RESOURCES LTD.****INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT (Unaudited)****FOR THE SIX MONTHS ENDED MAY 31, 2005 AND MAY 31, 2004**

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	Three Months Ended May 31		Six Months Ended May 31	
	2005	2004	2005	2004
	\$	\$	\$	\$
INCOME	-	-	-	-
EXPLORATION EXPENSES				
Assaying	127	6,508	223	8,993
Consulting	17,196	2,338	50,139	11,182
Field Equipment and Supplies	57	9	628	10
Field Labour	-	6,251	83	6,251
Field Office	2,797	7,729	3,329	8,351
Surveying and Mapping	-	46	-	46
Travel and Accommodation	5,640	1,169	15,877	4,460
Vehicles and Fuel	1,114	539	3,271	978
Licenses, Taxes and Permits	278	-	387	-
	<b>27,209</b>	<b>24,589</b>	<b>73,937</b>	<b>40,271</b>
ADMINISTRATION EXPENSES				
Accounting and Legal	22,680	8,610	24,631	14,452
Amortization	644	2,002	1,288	4,003
Bank Charges and Commissions	624	200	761	429
Compensation expense	30,900	-	30,900	-
Foreign Exchange (Gain) Loss	873	(608)	221	(3,611)
Insurance	1,568	-	3,135	-
Filing and Transfer Agent Fees	2,495	8,193	6,294	8,939
Management Fees	30,975	18,589	59,385	35,914
Office, Rent, and Printing	18,440	12,662	33,576	23,485
Salaries	3,566	-	6,445	-
Travel and Accommodation	883	82	978	556
Less: Interest and other income	(3,211)	(7,358)	(7,933)	(13,476)
	<b>110,436</b>	<b>42,372</b>	<b>159,681</b>	<b>70,691</b>
NET LOSS FOR THE PERIOD	<b>137,645</b>	<b>66,961</b>	<b>233,618</b>	<b>110,962</b>
DEFICIT – BEGINNING OF PERIOD	<b>2,756,557</b>	<b>1,054,450</b>	<b>2,660,584</b>	<b>1,010,449</b>
DEFICIT – END OF PERIOD	<b>2,894,202</b>	<b>1,121,411</b>	<b>2,894,202</b>	<b>1,121,411</b>
Basic and Diluted Loss per Share	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.01)</b>
Weighted Average Number of Shares Outstanding for the Period	<b>22,666,979</b>	<b>22,469,636</b>	<b>22,666,157</b>	<b>21,003,250</b>

*See accompanying notes*

**GOLD-ORE RESOURCES LTD.****INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)****FOR THE SIX MONTHS ENDED MAY 31, 2005 AND MAY 31, 2004**

	Three Months Ended May 31		Six Months Ended May 31	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>CASH FROM (USED IN):</b>				
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	<b>(137,645)</b>	(66,961)	<b>(233,618)</b>	(110,962)
Items not involving cash				
Amortization	<b>644</b>	2,002	<b>1,288</b>	4,003
Stock-based compensation expense	<b>30,900</b>	-	<b>30,900</b>	-
	<b>(106,101)</b>	(64,959)	<b>(201,430)</b>	(106,959)
Change in non-cash working capital items				
Accounts Receivable and refundable taxes	<b>3,140</b>	8,750	<b>(3,541)</b>	13,236
Prepaid expenses and deposits	<b>1,748</b>	876	<b>3,311</b>	-
Accounts Payable and Accrued Liabilities	<b>(53,898)</b>	13,513	<b>(57,199)</b>	(38,947)
	<b>(155,111)</b>	(41,820)	<b>(258,859)</b>	(132,670)
<b>FINANCING ACTIVITIES</b>				
Capital Stock Issued	<b>200,000</b>	4,844	<b>200,000</b>	558,474
Financing costs	<b>(17,617)</b>	-	<b>(17,617)</b>	-
	<b>182,383</b>	4,844	<b>182,383</b>	558,474
<b>INVESTING ACTIVITIES</b>				
Proceeds on sale of Bankers' Acceptance	<b>584,100</b>	-	<b>729,465</b>	-
Purchase of property and equipment	-	-	<b>(9,131)</b>	-
Purchase of mineral claims and option payments	-	(8,479)	<b>(1,948)</b>	(13,479)
Exploration costs	<b>(203,199)</b>	(118,059)	<b>(218,539)</b>	(210,455)
	<b>380,901</b>	(126,538)	<b>499,847</b>	(223,934)
<b>INCREASE (DECREASE) IN CASH DURING THE PERIOD</b>	<b>408,173</b>	(163,514)	<b>423,371</b>	201,870
<b>CASH – BEGINNING OF PERIOD</b>	<b>43,296</b>	1,565,048	<b>28,098</b>	1,199,664
<b>CASH – END OF PERIOD</b>	<b>451,469</b>	1,401,534	<b>451,469</b>	1,401,534
<b>NON-CASH FINANCING ACTIVITIES</b>				
20,000 shares were issued for acquisition of Nicaraguan property	-	-	<b>4,300</b>	-
50,000 shares were issued in payment of commission	<b>10,000</b>	-	<b>10,000</b>	-
	<b>10,000</b>	-	<b>14,300</b>	-

*See accompanying notes*

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**GOLD-ORE RESOURCES LTD.****NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE SIX MONTHS ENDED MAY 31, 2005 AND MAY 31, 2004**

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**1. BASIS OF PRESENTATION**

These unaudited Interim Consolidated Financial Statements have been prepared pursuant to the accounting standards established by the Canadian Institute of Chartered Accountants (CICA) for "Interim Financial Statements".

The disclosures in these Interim Consolidated Financial Statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements and they should be read in conjunction with the most recent annual financial statements and notes included in the Company's annual report for the year ended November 30, 2004.

Except as otherwise disclosed in these notes, the Interim Consolidated Financial Statements follow the same accounting policies and methods as the most recent annual financial statements, and include all adjustments necessary to present fairly the results for the interim periods. The results of operations for the six months period ended May 31, 2005 are not necessarily indicative of results to be expected for the entire year ending November 30, 2005.

**2. NATURE OF OPERATIONS**

Gold-Ore Resources Ltd. ("the Company" or "Gold-Ore") was incorporated on October 22, 1996 under the Business Corporations Act (Alberta). On December 16, 1996 the Company was extra-provincially registered under the Company Act of British Columbia.

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral properties in Central America and United States. The Company has not yet determined whether any of these properties contain ore reserves that are economically recoverable.

These financial statements have been prepared on a consolidated basis and include the assets, liabilities and operations of the Company and its 100% owned U.S. subsidiary, La Plata Minerals Limited, and its 100% owned Honduran subsidiary, Recursos Santana S.A. de C.V. All material intercompany balances and transactions have been eliminated.

**3. PROPERTY AND EQUIPMENT**

			<b>May 31, 2005</b>	<b>Nov. 30, 2004</b>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 21,136	\$ 7,619	\$ 13,517	\$ 5,675
	<u>\$ 21,136</u>	<u>\$ 7,619</u>	<u>\$ 13,517</u>	<u>\$ 5,675</u>

**4. MINERAL PROPERTY ACQUISITION AND DEFERRED EXPLORATION COSTS****(a) Central America**

During the quarter, the Company conducted a diamond drill program on the Tatascame Property in Nicaragua. The Company has the option to acquire 51% of the Property from Glencairn Gold Corporation. The drill program tested the Cristalitos vein structure with 10 holes totalling 1067 metres. Two holes intersected economic gold grades. The Company is reviewing its strategy for the project.

On March 31, 2005 the Company announced that it signed a Letter of Understanding (the "LOU") with a private company, to acquire up to 85% interest in the Cerro Colorado Gold Property (the "Property"), located in northwestern El Salvador, Central America. Under terms of the LOU, the

**GOLD-ORE RESOURCES LTD.****NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE SIX MONTHS ENDED MAY 31, 2005 AND MAY 31, 2004**

Company will issue 100,000 common shares to the private company on signing a definitive agreement. Gold-Ore will then have the option to acquire up to 75% interest in the Property by issuing a total of 300,000 shares and incurring exploration expenditures on the Property of US\$2.25 million over the following 60 months. Under certain conditions Gold-Ore may elect to convert its interest into a net smelter royalty (NSR). The Company can increase its interest to 85% by completing a Feasibility Study. Thereafter, the private company retains the right to participate in a standard 85%-15% joint venture or convert its interest to a 3% NSR. Gold-Ore will have the right to purchase two of the three percent NSR for US\$1.0 million per percentage point.

The Company continued to evaluate favourable mineral exploration and development opportunities in Nicaragua, Guatemala, El Salvador and northern Europe.

<b>Period ended May 31, 2005</b>	<b>Nicaragua</b>	<b>Honduras</b>	<b>Total</b>
Exploration Costs - Beginning of Period	\$ 65,998	\$ –	\$ 65,998
Exploration Costs			
Assaying	5,080	–	5,080
Consulting	43,610	–	43,610
Drilling	160,160	–	160,160
Field equipment and supplies	718	–	718
Field office	68	–	68
Field wages	1,935	–	1,935
Travel and accommodation	5,631	–	5,631
Vehicles and fuel	1,338	–	1,338
	218,539	–	218,539
Exploration Costs - End of Period	284,537	–	284,537
Acquisition Costs - Beginning of Period	–	–	–
Acquisition During the Period	6,248	–	6,248
Acquisition and Exploration Costs - End of Period	\$ 290,785	\$ –	\$ 290,785

<b>Period ended May 31, 2004</b>	<b>Honduras</b>	<b>USA (La Plata)</b>	<b>Total</b>
Exploration Costs - Beginning of Period	\$ 357,482	\$ 134,921	\$ 492,403
Exploration Costs			
Assaying	20,385	–	20,385
Consulting	108,228	–	108,228
Drilling	35,008	–	35,008
Field equipment and supplies	1,746	–	1,746
Field office	10,176	–	10,176
Field wages	6,662	–	6,662
Licenses, taxes and permits	461	143	604
Surveying and mapping	3,215	–	3,215
Travel and accommodation	18,860	–	18,860
Vehicles and fuel	5,571	–	5,571
	210,312	143	210,455
Exploration Costs - End of Period	567,794	135,064	702,858
Acquisition Costs - Beginning of Period	15,226	304,687	319,913
Acquisition During the Period	13,479	–	13,479
Acquisition and Exploration Costs - End of Period	\$ 596,499	\$ 439,751	\$ 1,036,250

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**GOLD-ORE RESOURCES LTD.****NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE SIX MONTHS ENDED MAY 31, 2005 AND MAY 31, 2004**

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## 5. CAPITAL STOCK

Authorized:

Unlimited common shares, voting, without par value

Unlimited preferred shares, non-voting, without par value

Issued and Outstanding:

	Number of shares	Value
Balance, November 30, 2003	19,980,838	\$ 2,873,528
Shares issued during 2004:		
For cash		
Exercise of warrants	2,013,187	539,844
Exercise of agent options	484,625	18,630
Balance, November 30, 2004	22,478,650	\$ 3,432,002
Shares issued during 2005:		
For property		
Tatascame (Nicaragua) (a)	20,000	4,300
For Cash		
Private Placement (b)	1,000,000	200,000
Commission	50,000	(10,000)
Less commission and issue costs	-	(17,617)
Balance, May 31, 2005	23,548,650	3,618,684

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(a) On December 16, 2004, the Company issued 20,000 common shares to Glencairn Gold Corporation under the terms of the Definitive Agreement signed to explore the Tatascame Project in the northern portion of the La India Gold District, Nicaragua.

(b) On March 30, 2005 the Company closed a non-brokered private placement of 1,000,000 units at a price of \$0.20 to raise \$200,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will be exercisable for the purchase of one common share of the Company at a price of \$0.25 per share for a period of 12 months and thereafter at a price of \$0.30 for an additional 12 months from the closing of the financing. The Company paid a commission equaling 10% of the proceeds raised by registered dealers or agents, paid in common shares of the Company at a deemed price of \$0.20 per share, together with broker's warrants to acquire that number of units equaling 10% of the units sold, exercisable at a price of \$0.20 per unit for a period of 12 months. The Company paid a cash finder's fee equaling 10 % of the proceeds raised by non-registered third parties.

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**GOLD-ORE RESOURCES LTD.****NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE SIX MONTHS ENDED MAY 31, 2005 AND MAY 31, 2004**

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**STOCK OPTIONS, WARRANTS AND AGENT OPTIONS**

On March 18, 2005 the Company granted incentive stock options to one director of the Company and Company consultants, to purchase up to 500,000 common shares at an exercise price of \$0.23. The options are exercisable for a period of five years ending on March 18, 2010. The Company recognized a stock-based compensation expense of \$30,900 in the current period, which approximates its fair value. The fair value was determined using the Black-Scholes option-pricing model based on the following assumptions: expected life – 1.5 years; risk free interest rate – 3.3%; expected volatility – 52%; and no dividend yield. At May 31, 2005, the Company had the following options, warrants and agent options outstanding:

<b>Security</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Options	250,000	\$0.10	Feb 08, 2007
Options	650,000	\$0.10	Apr 12, 2007
Options	400,000	\$0.10	Jan 16, 2008
Options	500,000	\$0.23	Mar 18, 2010
Warrants	500,000	\$0.25/0.30	March 29, 2006/07
Agents Warrants	50,000	\$0.20	March 29, 2006

**6. RELATED PARTY TRANSACTIONS**

During the six months ended Mar 31, 2005, the Company paid \$90,000 (May 31, 2004: \$90,000) in management and consulting fees to two Directors as compensation for services performed.

**7. SEGMENTED INFORMATION**

In the opinion of management, the Company operates in one industry segment, the exploration and development of mineral properties. Management of the Company makes decisions about allocating resources based on the one operating segment. A geographic summary of mineral properties and property, plant and equipment by country is as follows:

	<b>Mineral Properties</b>		<b>Property and Equipment</b>	
	<b>May 31, 2005</b>	<b>Nov. 30 , 2004</b>	<b>May 31, 2005</b>	<b>Nov. 30 , 2004</b>
Honduras	\$ -	\$ -	\$ 129	\$ 130
Nicaragua	290,785	65,998	-	-
Canada	-	-	13,388	5,545
<b>TOTAL</b>	<b>\$ 290,785</b>	<b>\$ 65,998</b>	<b>\$ 13,517</b>	<b>\$ 5,675</b>

**8. SUBSEQUENT EVENTS**

On June 6, 2005 the Company terminated the Letter of Understanding with a private company, to acquire up to 85% interest in the Cerro Colorado Gold Property, located in northwestern El Salvador, Central America and retains no interest in the Property.