GOLD-ORE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

NOVEMBER 30, 2010 AND 2009

MANNING ELLIOTT
CHARTERED ACCOUNTANTS
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AUDITORS' REPORT

To the Shareholders of
Gold-Ore Resources Ltd.

We have audited the consolidated balance sheets of Gold-Ore Resources Ltd. as at November 30, 2010 and 2009 and the consolidated statements of operations and retained earnings (deficit), comprehensive income and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

February 28, 2011

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	$ 6,645,331	$ 3,441,248
Short-term investments	–	228,194
Accounts receivable (Note 4)	7,061,542	5,669,016
Inventories (Note 5)	3,719,679	3,258,161
Prepaid expenses and deposits	348,052	123,364
	17,774,604	12,719,983
RECLAMATION BONDS	2,345,097	745,213
MINERAL PROPERTIES, PLANT AND EQUIPMENT (Note 6)	26,701,839	24,366,503
	$ 46,821,540	$ 37,831,699
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	$ 6,085,325	$ 7,183,031
Income tax payable	2,151,992	318,557
Current portion of long-term debt (Note 8)	450,014	–
	8,687,331	7,501,588
ASSET RETIREMENT OBLIGATION (Note 9)	2,051,292	1,811,520
FUTURE INCOME TAX LIABILITY (Note 14(a))	1,940,741	1,321,653
LONG-TERM DEBT (Note 8)	733,200	–
	13,412,564	10,634,761
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 10)	26,181,042	25,984,059
CONTRIBUTED SURPLUS (Note 11)	2,960,758	2,686,452
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (Note 12)	(740,663)	169,554
RETAINED EARNINGS (DEFICIT)	5,007,839	(1,643,127)
	33,408,976	27,196,938
	$ 46,821,540	$ 37,831,699

COMMITMENTS (Notes 6 and 21)
SUBSEQUENT EVENTS (Note 22)

See accompanying notes to the consolidated financial statements

Approved on Behalf of the Board of Directors:

(signed) "Robert Wasylyshyn"	*(signed) "Glen Dickson"*
Bob Wasylyshyn, Director	Glen Dickson, Director

	2010	2009
REVENUES	$ 48,992,500	$ 39,767,574
OPERATING EXPENSES		
Mining costs	32,564,515	26,501,962
Accretion, depreciation and depletion	6,181,657	5,365,436
Royalties	–	205,891
	38,746,172	32,073,289
INCOME FROM MINING OPERATIONS	10,246,328	7,694,285
GENERAL AND ADMINISTRATIVE EXPENSES		
Corporate administration	1,232,141	768,311
Stock-based compensation (Note 13)	369,789	106,521
	1,601,930	874,832
INCOME BEFORE OTHER ITEMS	8,644,398	6,819,453
OTHER INCOME (EXPENSE)		
Foreign exchange loss	(269,650)	(16,427)
Interest expense	–	(57,097)
Interest income	591	30,111
Other income	102,230	32,958
Insurance recovery (Note 4(b))	594,494	–
Impairment of mineral property (Note 6(c))	–	(142,230)
INCOME BEFORE INCOME TAXES	9,072,063	6,666,768
INCOME TAXES (Note 14(c))		
Current income tax expense	(1,791,388)	(338,732)
Future income tax expense	(629,709)	(1,311,919)
	(2,421,097)	(1,650,651)
INCOME FOR THE YEAR	6,650,966	5,016,117
DEFICIT, BEGINNING OF YEAR	(1,643,127)	(6,659,244)
RETAINED EARNINGS (DEFICIT), END OF YEAR	$ 5,007,839	$ (1,643,127)
EARNINGS PER SHARE (Note 15)		
Basic and diluted	$ 0.08	$ 0.06

See accompanying notes to the consolidated financial statements

	2010	2009
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Income for the year	$ 6,650,966	$ 5,016,117
Items not involving cash:		
Depreciation and depletion	6,055,021	5,242,621
Accretion	126,636	122,815
Future income tax expense	629,709	1,311,919
Stock-based compensation	369,789	106,521
Impairment of mineral property	–	142,230
	13,832,121	11,942,223
Changes in operating assets and liabilities:		
Accounts receivable	(1,627,804)	(2,741,439)
Inventories	(596,310)	(696,079)
Prepaid expenses	(225,344)	68,972
Accounts payable and accrued liabilities	(756,315)	2,221,220
Income tax payable	1,812,373	312,723
	12,438,721	11,107,620
FINANCING ACTIVITIES		
Proceeds from common shares issued, net of cash issuance costs	101,500	84,700
	101,500	84,700
INVESTING ACTIVITIES		
Purchase of short-term investments	–	(428,000)
Sale of short term-investments	228,194	615,000
Increase in reclamation bonds	(1,602,183)	–
Mineral property acquisition and exploration costs	(93,532)	(1,451,739)
Mine development costs	(6,166,489)	(5,999,320)
Purchase of property plant and equipment	(1,642,581)	(2,311,299)
	(9,276,591)	(9,575,358)
EFFECT OF EXCHANGE RATES ON CASH	(59,547)	190,808
INCREASE IN CASH DURING THE YEAR	3,204,083	1,807,770
CASH, BEGINNING OF YEAR	3,441,248	1,633,478
CASH, END OF YEAR	$ 6,645,331	$ 3,441,248

SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 16)

See accompanying notes to the consolidated financial statements

	2010	2009
Income for the year	$ 6,650,966	$ 5,016,117
Other comprehensive gain (loss), net of tax:		
Unrealized gain (loss) on translation of financial statements of self-sustaining foreign subsidiary	(910,217)	277,275
Comprehensive income for the year	$ 5,740,749	$ 5,293,392

See accompanying notes to the consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold-Ore Resources Ltd. (the “Company”) was incorporated on October 22, 1996 under the laws of Alberta, Canada. On December 16, 1996, the Company was extra-provincially registered under the laws of British Columbia, Canada. The Company’s principal business activity is the production of gold concentrates from its Bjorkdal mine located in Sweden. The Company also engages in the acquisition and exploration of other mineral properties domiciled in Sweden, including the Ronnberget and Norrliden group of concessions.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, are expressed in Canadian dollars and include the accounts of the Company, its wholly-owned American subsidiary La Plata Minerals Limited (“La Plata”), its wholly-owned Honduran subsidiary Recursos Santana S.A. de C.V. (“Recursos”), and its wholly-owned Swedish subsidiaries, Bjorkdalsgruvan AB (“Bjorkdalsgruvan”), Bjorkdal Exploration AB (“Bjorkdal AB”) and Norrliden Mining AB (“Norrliden”). All significant inter-company balances and transactions have been eliminated upon consolidation.

Certain figures presented for comparative purposes have been reclassified to conform to the presentation adopted for the current period.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates relate to recoverability or valuation of accounts receivable, finished and in process inventory quantities, property, plant and equipment lives, ore reserves and resources used to determine amortization for certain property, plant and equipment, the utilization of future income taxes, tax rates, the valuation of asset retirement obligations, stock-based compensation and financial and derivative instrument valuations. Actual results may ultimately differ from those estimates.

(c) Cash Equivalents

The Company considers all highly liquid investments with a term to maturity of three months or less on the date of purchase to be cash equivalents. When applicable, cash equivalents are classified as held-for-trading and are recorded at their fair values using quoted market prices at the balance sheet date. Unrealized gains or losses on held-for-trading investments are recognized in the statement of operations. Investment transactions are recognized on the trade date. Transaction costs incurred to acquire cash equivalents are recognized in the statement of operations when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Short-Term Investments

Short-term investments consist of highly liquid short-term interest bearing securities with a term to maturity of greater than three months on the date of purchase. Short-term investments are classified as held-for-trading and are recorded at their fair values using quoted market prices at the balance sheet date. Unrealized gains or losses on held-for-trading investments are recognized in the statement of operations. Investment transactions are recognized on the trade date. Transaction costs incurred to acquire short-term investments are recognized in the statement of operations when incurred.

(e) Receivables and Payables

Trade receivables arising from sales of gold concentrates are non-interest bearing and are recorded on the balance sheet at fair value. Trade receivables are classified as held-for-trading with changes in fair value recorded in revenues (see Note 4). Where necessary, trade receivables are net of allowances for uncollectable amounts. Taxes recoverable and other receivables are classified as loans and receivables and are measured at amortized cost using the effective interest rate method. Trade payables are non-interest bearing and are stated at carrying value, which approximates fair value due to their short terms to maturity. Trade payables are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method.

(f) Derivative Instruments

Derivative instruments, including embedded derivatives, are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives held for trading are recorded in net earnings. Fair values for derivative instruments held for trading are determined using valuation techniques. These valuations use assumptions based on market conditions existing at the balance sheet date. Derivatives embedded in non-derivative contracts are recognized separately unless they are closely related to the host contract.

(g) Inventories

Supplies inventories are valued at the lower of average cost and replacement value. Cost includes acquisition, freight and other directly attributable costs. Work in process inventory consists of crushed material in preparation for delivery to the plant and is valued at the lower of average production cost and estimated net realizable value.

Gold concentrates are valued at the lower of average production cost and estimated net realizable value. Cost includes all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs at the balance sheet date.

(h) Mineral Properties, Plant and Equipment

(i) Plant and Equipment

Plant and equipment are recorded at cost. The cost of buildings, plant and processing equipment used in the Company's mining operations is amortized on a straight-line basis over the lesser of the estimated useful life of the asset and the estimated life of the mine. The cost of office equipment, furniture and fixtures and vehicles is amortized on a declining balance basis using rates commensurate with the estimated useful life of the related asset. If the Company incurs debt directly related to the construction of a new operation or major expansion, the interest and financing costs associated with such debt will be capitalized during the construction period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Mineral Properties, Plant and Equipment (continued)

(ii) Mineral Properties and Mine Development Costs

The cost of acquiring, exploring and developing mineral properties or property rights, including costs incurred during production to increase future output by providing access to additional sources of resources, are deferred. Net revenues or expenses derived from mining activities prior to the substantial completion of the mineral property are included in the cost of the related mineral property. Upon substantial completion, mineral properties and mine development costs are amortized on a units-of-production basis over the estimated recoverable reserves to which they relate. Development costs associated with each distinct unit of the mine are amortized over the estimated recoverable reserves to which they relate.

(iii) Stripping Costs

Stripping costs represent the cost incurred to remove overburden and other waste materials to access ore. Stripping costs incurred prior to the production phase of a mine are capitalized and included as part of mineral property costs. During the production phase, stripping costs, which represent a betterment of the mineral property, are capitalized. Capitalized stripping costs are amortized on a unit-of-production basis over the estimated recoverable reserves to which they relate. All other stripping costs incurred during the production phase of a property are accounted for as variable production costs and are included in the cost of inventory produced during the period in which the cost is incurred.

(iv) Asset Impairment

The Company performs impairment tests on its property, plant and equipment when events or changes in circumstances occur that indicate the carrying value of an asset may not be recoverable. Estimated future cash flows are calculated using estimated future prices, mineral resources, and operating and capital costs on an undiscounted basis. When the carrying value of the development project exceeds estimated future cash flows, the asset is impaired. Write-downs are recorded to the extent the carrying value exceeds the discounted value of the estimated future cash flows based on the Company’s average cost of borrowing.

(i) Asset Retirement Obligations

Future obligations to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are initially recognized and recorded as a liability at fair value, based on estimated future cash flows, the Company’s current credit adjusted risk-free discount rate and an estimated inflation factor. The liability is adjusted for changes in the expected amounts and timing of cash flows required to discharge the liability and accreted to full value over time through periodic charges to earnings. For operating properties, the amount of the asset retirement liability initially recognized and any subsequent adjustments are capitalized as part of the asset’s carrying value and amortized over the asset’s estimated useful life. Asset retirement obligations are only recorded when the timing or amount of remediation costs can be reasonably estimated.

(j) Long-Term Debt

Long-term debt is designated as other financial liabilities and initially recorded at total proceeds received less direct issuance costs. Long-term debt is subsequently measured at amortized cost calculated using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenues

Sales are recognized when title transfers, the rights and obligations of ownership pass to the customer and the price is reasonably determinable. The Company's metal concentrates are sold under pricing arrangements where final prices are determined by quoted market prices during a period subsequent to the date of sale. In these circumstances, revenues are recorded at the time of sale based on estimated forward prices during the expected quotational period for the final settlement. As a result, the value of the Company's concentrate receivables changes as the underlying commodity market prices vary. This component of the contract is an embedded derivative, which is recorded at fair value with changes in fair value recorded in revenues.

(l) Stock-Based Compensation

The Company has a plan for granting stock options to management, directors, employees and consultants as described in Note 10(c). The Company recognizes compensation expense under this plan using the fair value method in accordance with CICA Handbook section 3870 "Stock-Based Compensation and Other Stock-Based Payments". Under this method, the fair value of stock options granted to employees is recognized as stock-based compensation expense over the vesting period and credited to contributed surplus. Stock options granted to non-employees are measured at their fair value on the vesting date. Prior to the vesting date, the then-current fair value of stock options granted to non-employees is recognized as stock-based compensation expense from the date of grant to the reporting date and credited to contributed surplus. Upon the exercise of stock options, consideration paid and the fair value amounts previously credited to contributed surplus are recorded as share capital. The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options granted.

(m) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and taxes bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized.

(n) Earnings/Loss per Share

Basic earnings/loss per share is computed by dividing net earnings/loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of "in-the-money" stock options and warrants.

(o) Translation of Foreign Currencies and Foreign Subsidiaries

Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary balance sheet items expressed in foreign currencies are translated into the currency of measurement at the exchange rates in effect at the balance sheet date. The resulting exchange gains and losses are recognized in income.

The Company's integrated foreign subsidiaries including La Plata, Recursos, Bjorkdal AB and Norrliden are financially or operationally dependent on the Company. The Company uses the temporal method to translate the accounts of its integrated operations into Canadian dollars. Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. The resulting exchange gains or losses are recognized in income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Translation of Foreign Currencies and Foreign Subsidiaries (continued)

The Company's wholly-owned Swedish subsidiary Bjorkdalsgruvan is financially and operationally independent from the Company. The Company uses the current rate method to translate the accounts of this self-sustaining operation into Canadian dollars. Under this method, assets and liabilities are translated at the exchange rates in effect at the balance sheet date, and revenues and expenses are translated at average rates for the period. The unrealized translation gains and losses on the Company's net investment, including long-term inter-company advances, are accumulated in a separate component of shareholders' equity, reported in the consolidated balance sheet as other accumulated comprehensive loss.

(p) Recent Accounting Pronouncements

Recent Canadian accounting pronouncements that have been announced but are not yet effective are as follows:

(i) CICA 1582, "Business Combinations", CICA 1601, "Consolidated Financial Statements" and CICA 1602, "Non-Controlling Interests"

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." The Company is currently assessing the impact of adopting these standards and has not yet determined its effect on its financial statements.

(ii) CICA 3251, "Equity"

In August 2009, Section 3251 Equity was issued in response to issuing Section 1602 Non-controlling Interests. The amendments require non-controlling interests to be recognized as a separate component of equity. The amendments apply only to entities that have adopted Section 1602. The Company does not expect the adoption of this section to have a material impact on its financial statements.

(iii) CICA 1625, "Comprehensive Revaluation of Assets and Liabilities"

In August 2009, Section 1625 Comprehensive Revaluation of Assets and Liabilities was issued for consistency with new Section 1582 Business Combinations. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Company does not expect the adoption of this section to have a material impact on its financial statements.

(iv) International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under IFRS for fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of adopting IFRS and has not yet determined its effect on its financial statements. The Company's first reporting period under IFRS will be the period ending February 29, 2012.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

CICA 3855, "Financial Instruments – Recognition and Measurement"

During the year, the CICA amended Section 3855 to bring greater consistency between Canadian GAAP, IFRS and US GAAP regarding the timing of impairment recognition for debt instruments. The amendments allow more debt instruments to be classified as loans and receivables. In addition, the amendments require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances and require that loans and receivables that an entity intends to sell immediately or in the near term be classified as held for trading. The transitional provisions are complex and are accompanied by disclosure requirements to explain any reclassifications made on adopting the amendments.

4. ACCOUNTS RECEIVABLE

		2010		2009
Trade receivables (a)	$	5,119,017	$	4,413,879
Taxes recoverable		1,345,987		1,094,483
Insurance recovery receivable (b)		594,494		–
Other receivables		2,044		160,654
	$	7,061,542	$	5,669,016

(a) Trade receivables are due from the Company's two major customers for sales of gold concentrates under pricing arrangements where final prices are determined by quoted market prices during a period subsequent to the date of sale. Trade receivables are valued based on the estimated gold content of concentrates delivered and the estimated forward prices of gold during the expected quotation period for final settlement. As a result, the values of the Company's trade receivables change as the underlying commodity market prices vary. This component of the contract is an embedded derivative, which is recorded at fair value with changes in fair value recorded in revenues.

(b) On December 15, 2010, the Company received an insurance recovery in the amount of SEK 4,071,877 ($594,494) derived from a business interruption claim related to a faulty motor at the Bjorkdal mine processing plant.

5. INVENTORIES

		2010		2009
Supplies	$	524,345	$	544,149
Gold concentrates		3,195,334		2,714,012
	$	3,719,679	$	3,258,161

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

2010	Mineral Property Acquisition and Exploration Costs	Mine Development Costs	Property, Plant and Equipment Costs	Total Cost	Accumulated Depreciation and Depletion	Net Book Value
Producing:						
Bjorkdal	$ 1,840,760	$ 16,561,546	$ 19,365,898	$ 37,768,204	$ 13,765,786	$ 24,002,418
Non-Producing:						
Ronnberget (a)	441,177	–	–	441,177	–	441,177
Norrliden (b)	2,237,119	–	–	2,237,119	–	2,237,119
Corporate	–	–	66,944	66,944	45,819	21,125
	$ 4,519,056	$ 16,561,546	$ 19,432,842	$ 40,513,444	$ 13,811,605	$ 26,701,839

2009	Mineral Property Acquisition and Exploration Costs	Mine Development Costs	Property, Plant and Equipment Costs	Total Cost	Accumulated Depreciation and Depletion	Net Book Value
Producing:						
Bjorkdal	$ 1,758,948	$ 10,562,673	$ 17,312,356	$ 29,633,977	$ 7,981.905	$ 21,652,072
Non-Producing:						
Ronnberget (a)	448,931	–	–	448,931	–	448,931
Norrliden (b)	2,237,119	–	–	2,237,119	–	2,237,119
Corporate	–	–	62,924	62,924	34,543	28,381
	$ 4,444,998	$ 10,562,673	$ 17,375,280	$ 32,382,951	$ 8,016,448	$ 24,366,503

As at November 30, 2010 included in Bjorkdal mine development costs are $926,433 (SEK 6,345,433) of expenditures made to strip overburden from certain areas of interest in the property's open pit mine and $1,264,532 (SEK 8,661,175) of expenditures made to develop tunnels in the property's underground mine to obtain access to sources of estimated recoverable reserves that will be produced in future periods. The following table summarizes changes to capitalized stripping costs during the years ended November 30, 2010 and 2009:

	2010	2009
Balance, beginning of year	$ 2,510,000	$ –
Capitalized during the year	1,802,191	2,510,000
Amortization	(2,004,113)	–
Change in foreign exchange rates	(117,113)	–
Balance, end of year	$ 2,190,965	$ 2,510,000

Capitalized stripping costs are amortized on a unit-of-production basis over the estimated recoverable reserves to which they relate.

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT (continued)

(a) Ronnberget, Sweden

On September 28, 2007, the Company entered into an agreement to purchase 9 exploration permits covering 35 square kilometres from North Atlantic Natural Resources AB (“North Atlantic”), a Swedish company owned by Lundin Mining Corporation. The permits are contiguous with the east and south boundaries of the Bjorkdal mineral properties.

As consideration for the permits, the Company issued 250,000 units to North Atlantic. Each unit consists of one common share and one share purchase warrant. Each warrant can be exercised to purchase one additional common share of the Company at a price of $1.10 until September 28, 2008. A value of $232,500 was assigned to the shares based on the market price of the Company’s common shares on the measurement date, September 28, 2007. A value of $44,608 was assigned to the warrants representing their fair value on September 28, 2007, computed using the Black-Scholes option-pricing model. During the year ended November 30, 2008, the 250,000 warrants were cancelled.

Under the agreement, North Atlantic retains a 2% net smelter royalty on any metal produced from the permits. The Company has a right of first refusal to purchase the royalty should North Atlantic wish to sell it.

(b) Norrliden, Sweden

On April 30, 2008, the Company entered into an agreement to purchase a 90% interest in the Norrliden poly-metallic deposit from North Atlantic Natural Resources AB ("NAN"), a subsidiary of Lundin Mining Corp. Norrliden is a near-term production, base and precious metals deposit, located approximately 45 kilometres west of the Company’s Bjorkdal mine.

As consideration for the 90% interest in the Norrliden deposit, the Company issued 3,000,000 common shares and will be operator of all work programs. A value of $2,100,000 was assigned to the shares based on the market price of the Company’s common shares on measurement date, June 16, 2008. If a production decision is made, the Company will pay additional consideration of $2,500,000 cash and issue $2,000,000 cash equivalent in common shares based on the average closing price of the Company’s common shares for 20 days prior to the date of the production decision.

(c) Vallberget, Sweden

On November 7, 2009, the Company decided not to continue with the option to acquire the four contiguous exploration permits covering 29 square kilometres in the Bergslagen mining district in southern Sweden. The total amount of the investment of $142,230 was recognized as an impairment in mineral property during the year ended November 30, 2009.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2010		2009
Trade accounts payable	$	4,647,571	$	6,032,699
Payroll liabilities		1,144,704		838,595
Other liabilities		293,050		311,737
	$	6,085,325	$	7,183,031

8. LONG-TERM DEBT

	2010	2009
Equipment purchase loan (SEK 1,634,400), bearing variable interest at STIBOR three month fixing rate plus 0.5%, repayable in monthly instalments plus interest, maturing in October 2015, secured by the underlying equipment.	$ 238,622	$ –
Equipment purchase loan (SEK 2,018,250), bearing variable interest at STIBOR three month fixing rate plus 0.5%, repayable in monthly instalments plus interest, maturing in November 2015, secured by the underlying equipment.	294,665	–
Equipment purchase loan (SEK 3,760,500), bearing variable interest at STIBOR three month fixing rate plus 0.5%, repayable in monthly instalments plus interest, maturing in November 2015, secured by the underlying equipment.	549,033	–
Equipment purchase loan (SEK 691,060), bearing variable interest at STIBOR three month fixing rate plus 0.5%, repayable in monthly instalments plus interest, maturing in November 2014, secured by the underlying equipment.	100,894	
	1,183,214	–
Less: current portion of long-term debt	(450,014)	–
Long-term portion of long-term debt	$ 733,200	$ –

Excluding finance fees and discounting, the Company's future estimated principal repayments of long-term debt are as follows:

Fiscal Year	Amount
2011	$ 450,014
2012	188,818
2013	188,818
2014	188,818
2015	166,746
	$ 1,183,214

9. ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation relates to the ultimate restoration and closure of the Company's Bjorkdal mine and was initially recorded as a liability at fair value, using a credit adjusted risk-free discount rate range of 7.3% – 7.9% and an inflation factor of 2.5%. The amount of this obligation is subject to re-measurement during each reporting period. The total undiscounted amount of the estimated cash flows required to settle the obligations after inflation is SEK 23,390,000 ($3,415,000). The Company has estimated that the obligations will be settled commencing in the year ended November 30, 2017.

The following table summarizes changes to the Company's asset retirement obligation during the year:

	2010	2009
Balance, beginning of year	$ 1,811,520	$ 1,685,312
Accretion expense	126,636	122,815
Revision in estimates	192,409	–
Foreign currency translation adjustment	(79,273)	3,393
Balance, end of year	$ 2,051,292	$ 1,811,520

10. SHARE CAPITAL

(a) Authorized Share Capital

Unlimited common shares, voting, without par value
Unlimited preferred shares, non-voting, without par value

(b) Issued and Outstanding Share Capital

	Number of Common Shares	Amount
Balance, November 30, 2008	82,208,559	$ 25,796,651
Issued during the year:		
For cash:		
Exercise of stock options	280,000	78,000
Exercise of warrants	10,000	6,700
For Vallberget option	50,000	15,000
Transferred from contributed surplus:		
Exercise of stock options	–	86,578
Exercise of warrants	–	1,130
Balance, November 30, 2009	82,548,559	$ 25,984,059
Issued during the year:		
For cash:		
Exercise of stock options	490,000	101,500
Transferred from contributed surplus:		
Exercise of stock options	–	95,483
Balance, November 30, 2010	83,038,559	$ 26,181,042

(i) As at November 30, 2010 and 2009, there were no preferred shares issued and outstanding.

(ii) In December 2008, the Company issued 50,000 common shares to the optionor of the Vallberget property in relation to the anniversary payment due on November 7, 2008. A value of $15,000 was assigned to the shares based on the market price of the Company's common shares on the measurement date. During the year ended November 30, 2009, the Company reviewed the option agreement and decided to withdraw from the agreement (see Note 6(c)).

10. SHARE CAPITAL (continued)

(c) Stock Options

The Company has established a stock option plan whereby options may be granted to the Company's directors, officers, employees and consultants for up to 10% of the common shares issued and outstanding. The exercise price and term of each option is determined by the board of directors, each term not exceeding five years. Any consideration paid by option holders on the exercise of stock options is recorded as share capital.

	Number of Shares Under Option	Weighted Average Exercise Price
Balance, November 30, 2008	5,085,000	$0.48
Granted	275,000	0.28
Exercised	(280,000)	0.28
Expired	(200,000)	0.44
Balance, November 30, 2009	4,880,000	$0.48
Granted	1,725,000	0.50
Exercised	(490,000)	0.21
Expired	(130,000)	0.82
Forfeited	(10,000)	(0.50)
Balance, November 30, 2010	5,975,000	$0.50

The following table summarizes stock options outstanding at November 30, 2010:

		Options Outstanding		Options Exercisable	
Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 0.15	280,000	1.0	$0.15	280,000	$0.15
0.30	1,100,000	3.0	0.30	1,100,000	0.30
0.34	1,590,000	0.3	0.34	1,590,000	0.34
0.45	125,000	2.5	0.45	62,500	0.45
0.50	1,590,000	3.4	0.50	795,000	0.50
0.62	75,000	1.5	0.62	75,000	0.62
0.82	250,000	0.1	0.82	250,000	0.82
1.02	965,000	1.6	1.02	965,000	1.02
$0.15-1.02	5,975,000	1.9	$0.50	5,117,500	$0.50

Stock options outstanding at November 30, 2010 expire between January 14, 2011 and March 29, 2015.

10. SHARE CAPITAL (continued)

(d) Warrants

	Number of Warrants	Purchase Price per Share
Balance, November 30, 2008	7,910,438	$0.97
Exercised	(10,000)	0.67
Expired	(6,117,449)	1.00
Balance, November 30, 2009	1,782,989	0.90
Expired	(1,792,989)	0.90
Balance, November 30, 2010	–	$ –

11. CONTRIBUTED SURPLUS

	2010	2009
Balance, beginning of year	$ 2,686,452	$2,667,639
Stock-based compensation (Note 13)	369,789	106,521
Transferred to share capital upon exercise of stock options	(95,483)	(86,578)
Transferred to share capital upon exercise of warrants	–	(1,130)
Balance, end of year	$ 2,960,758	$2,686,452

12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	2010	2009
Balance, beginning of year	$ 169,554	$ (107,721)
Unrealized loss on translation of financial statements of self-sustaining foreign subsidiary	(910,217)	277,275
Balance, end of year	$ (740,663)	$ 169,554

13. STOCK-BASED COMPENSATION

During the year ended November 30, 2010, the Company granted 1,725,000 (2009 – 275,000) stock options to directors, officers, employees and consultants of the Company. The weighted average fair value of each option granted was $0.28 (2009 - $0.13) computed using the Black-Scholes option-pricing model on the date of each grant using the following weighted average assumptions:

	2010	2009
Risk-free interest rate (%)	2.6	1.8
Expected dividend yield (%)	–	–
Expected stock option lives (years)	4.0	3.0
Expected stock price volatility (%)	79	77

During the year ended November 30, 2010, the Company recognized compensation cost of $369,789 (2009 – $106,521) as stock-based compensation expense.

14. INCOME TAXES

In assessing the realization of the Company's future income tax assets, management considers whether it is more likely than not that some portion of all of the future income tax assets will not be realized. The ultimate realization of future income tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income and tax planning strategies in making this assessment. The amount of future income tax assets considered realizable could change materially in the near term based on future taxable income generated during the carry-forward period.

(a) Future Income Tax Assets and Liabilities

The significant components of the Company's future income tax assets and liabilities are as follows:

	2010	**2009**
Future income tax assets:		
Non-capital income tax losses carried forward	$ 670,658	$ 781,829
Mineral properties, plant and equipment	619,676	361,951
Share issuance costs	26,696	72,889
Future income tax assets	1,317,030	1,216,669
Valuation allowance	(1,317,030)	(1,216,669)
Net future income tax assets	–	–
Future income tax liabilities:		
Mineral properties, plant and equipment	(1,238,058)	(1,217,100)
Reserves	(702,683)	(104,553)
Net future income tax liabilities	$(1,940,741)	$(1,321,653)

(b) Losses Carried Forward and Expiration Dates

At November 30, 2010, the Company has non-capital losses carried forward for income tax purposes of $2,682,000 available to reduce taxable income in future years in Canada ($2,664,000) and Sweden ($18,000) expiring as follows:

2014	$ 153,000
2015	332,000
2026	690,000
2027	497,000
2028	546,000
2029	446,000
Unlimited	18,000
	$ 2,682,000

14. INCOME TAXES (continued)

(c) During the year ended November 30, 2010, the Company is subject to Canadian federal and provincial income taxes at an approximate rate of 28.6% (2009 – 30.1%) The reconciliation of income tax expense computed at statutory tax rates to income tax expense as reported is as follows:

	2010	2009
Income tax expense at statutory rates	$ 2,594,610	$ 2,005,364
Permanent differences	105,990	(69,954)
Change in tax rates	(20,618)	(92,032)
Foreign tax rate differences	(230,177)	(146,079)
Foreign exchange and other	(129,069)	369,683
Change in valuation allowance	100,361	(416,331)
Income tax expense	$ 2,421,097	$ 1,650,651

15. EARNINGS PER SHARE

The weighted average number of shares outstanding used in the computation of earnings per share is as follows:

2010	Income	Common Shares	Per Share Amount
Basic earnings per common share	$6,650,966	82,930,970	$0.08
Dilutive effect of stock options	–	1,544,297	–
Diluted earnings per common share	$6,650,966	84,475,267	$0.08

2009	Income	Common Shares	Per Share Amount
Basic earnings per common share	$5,016,117	82,309,929	$0.06
Dilutive effect of stock options	–	1,496,570	–
Diluted earnings per common share	$5,016,117	83,806,499	$0.06

Outstanding warrants were not considered in the computation of diluted earnings per share for the years ended November 30, 2010 and 2009 as the results were anti-dilutive.

16. SUPPLEMENTAL CASH FLOW INFORMATION

	2010	2009
Cash paid for:		
Interest	$ –	$ 57,097
Income taxes	29,257	30,285
Non-cash financing and investing activities:		
50,000 shares issued for option to acquire mineral property	$ –	$ 15,000
Long-term debt assumed upon purchase of equipment	1,160,523	–

17. FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS AND FINANCIAL RISKS

(a) Fair Value of Financial Instruments

The Company has various financial instruments including cash, accounts receivable and accounts payable. The carrying values of these financial instruments approximate their fair values due to their short terms to maturity. The carrying value of the Company's reclamation bonds approximates fair value as the bonds bear interest at variable market rates. The carrying value of the Company's long-term debt approximates fair value based on current market rates for similar financial instruments.

(b) Fair Value Measurements

CICA 3862 "Financial Instruments – Disclosures", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair values of cash and short-term investments are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of taxes recoverable, other receivables and accounts payable approximate their current fair values because of their nature and relatively short maturity dates or durations. The fair values of reclamation bonds and long-term debt are determined based on "Level 2" inputs, which consist of quoted prices for similar assets or liabilities in active markets. The fair value of trade receivables is determined using model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

17. FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS AND FINANCIAL RISKS (continued)

(b) Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as of November 30, 2010 and 2009 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	November 30, 2010 $
Assets:				
Cash	6,645,331	–	–	6,645,331
Trade receivables	–	5,119,017	–	5,119,017
	6,645,331	5,119,017	–	11,764,348

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	November 30, 2009 $
Assets:				
Cash	3,441,248	–	–	3,441,248
Short-term investments	228,194	–	–	228,194
Trade receivables	–	4,413,879	–	4,413,879
	3,669,442	4,413,879	–	8,083,321

There were no liabilities measured at fair value on a recurring basis presented on the Company's balance sheet as of November 30, 2010 and 2009.

(c) Financial Risks

(i) Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparties related to its cash and reclamation bonds carry investment grade ratings as assessed by external rating agencies. The Company maintains a majority of its cash with financial institutions domiciled in Canada and Sweden. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. There is ongoing review to evaluate the creditworthiness of these counterparties. The Company manages credit risk for trade and other receivables through established credit monitoring activities. As at November 30, 2010, the Company has trade accounts receivable of $5,119,017 due from two major customers. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, accounts receivable and reclamation bonds.

17. FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS AND FINANCIAL RISKS (continued)

(c) Financial Risks (continued)

(ii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash balances and purchasing short-term investments with early redemption features that may be sold into an active market. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

Contractual undiscounted cash flow requirements for financial liabilities as at November 30, 2010 are as follows:

	Less Than 1 Year $	Years 2 and 3 $	Years 4 and 5 $	More Than 5 Years $	Total $
Trade accounts payable	4,647,571	–	–	–	4,647,571
Payroll liabilities	1,144,704	–	–	–	1,144,704
Operating leases	112,082	72,427	8,905	–	193,414
Long-term debt	450,014	377,636	355,564	–	1,183,214

(iii) Currency Risk

As the Company operates in an international environment, some of the Company's transactions and balances are denominated in currencies other than the Canadian dollar. The Company's foreign exchange risk arises primarily with respect to the Swedish krona ("SEK"), the Euro and the United States dollar. The Company's sales are based on commodity prices denominated in the United States dollar. These amounts are translated to Euros and SEK during the related quotational periods. The Company also has an investment in a self-sustaining Swedish subsidiary, whose net assets are subject to foreign exchange currency risk. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at November 30, 2010, the Company's net investment in its self-sustaining Swedish subsidiary was SEK 184,869,800. A strengthening (weakening) of the Canadian dollar against the Swedish krona of 10% would result in a $2,700,000 decrease (increase) in other comprehensive income.

(iv) Interest Rate Risk

The Company's long-term debt and operating lease commitments are subject to interest rate cash flow risk as they carry variable rates of interest. The Company does not engage in any hedging activity to mitigate these risks. A plus or minus 1% change in market interest rates would not have a significant effect on the Company's income and comprehensive income for the year.

17. FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS AND FINANCIAL RISKS (continued)

(c) Financial Risks (continued)

(v) Commodity Price Risk

The Company is subject to price risk from fluctuations in market prices of the commodities that it produces. The Company's commodity price risk associated with financial instruments primarily relates to changes in fair value caused by settlement adjustments to trade accounts receivable. Sales of metals in concentrate are recognized in revenue on a provisional pricing basis when title transfers and the rights and obligations of ownership pass to the customer, which occurs upon delivery. However, final pricing is typically not determined until a subsequent date.

Accordingly, revenue in any period is based on current prices for sales occurring in the period and ongoing pricing adjustments from sales that are still subject to final pricing. These pricing adjustments result in additional revenues in a rising price environment and reductions to revenues in a declining price environment, taking into account the actual price participation terms in the concentrate sales agreements.

As at November 30, 2010, a 10% increase in the price of gold would result in an increase of $1,034,000 in the Company's accounts receivable and pre-tax net earnings.

18. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity and long-term debt. The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The board of directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

19. SEGMENT DISCLOSURES

The Company operates in the mining industry and derives substantially all of its revenues from the sale of gold concentrates. Management of the Company makes decisions about allocating resources based on the one operating segment. The following table summarizes mineral properties, plant and equipment by geographic segment:

		2010		2009
Canada	$	8,052	$	9,836
Sweden		26,693,787		24,356,667
Total	$	26,701,839	$	24,366,503

The following table summarizes revenues by geographic segment:

		2010		2009
Germany	$	40,670,374	$	33,566,045
Sweden		8,322,126		6,201,529
Total	$	48,992,500	$	39,767,574

20. MAJOR CUSTOMERS, SUPPLIERS AND ECONOMIC DEPENDENCE

During the years ended November 30, 2010 and 2009, the Company earned all of its revenues from two major customers. As at November 30, 2010, the Company does not consider itself to be economically dependent on these customers as transactions with these parties can be easily replaced by transactions with other parties on similar terms and conditions. The following table summarizes revenues by major customer:

	2010	2009
Customer 1	$ 40,670,374	$ 33,566,045
Customer 2	8,322,126	6,201,529
Total	$ 48,992,500	$ 39,767,574

A significant amount of the Company's mining costs are incurred from contractors. An interruption in their services would temporarily impact the Company's operations. As at November 30, 2010, the Company does not consider itself to be economically dependent on these contractors.

21. COMMITMENTS

The Company has entered into various operating leases for premises, vehicles and equipment. Minimum lease payments over the remaining terms of the leases are as follows:

2011	$ 112,082
2012	47,591
2013	24,836
2014	8,905
2015	–
	$ 193,414

22. SUBSEQUENT EVENTS

(a) Between December 1, 2010 and February 28, 2011, the Company issued 1,437,500 common shares of the Company upon the exercise of 1,437,500 stock options for gross proceeds of $602,050.

(b) On February 3, 2011, the Company assumed long-term debt of $873,080 (SEK 5,980,000) upon the purchase of equipment.

PRELIMINARY INFORMATION

The following Management Discussion and Analysis ("MD&A") of Gold-Ore Resources Ltd. (the "Company" or "Gold-Ore") is intended to supplement and complement the accompanying audited consolidated financial statements and notes for the year ended November 30, 2010 ("Year End 2010"), and should be read in conjunction with these statements.

All financial information in this MD&A is expressed in Canadian dollars unless otherwise indicated. Significant accounting policies are set out in Notes 2 and 3 of the audited consolidated financial statements.

All information contained in this MD&A is as of February 28th, 2011 unless otherwise indicated.

OVERVIEW

Gold-Ore is a mining, development, and mineral exploration company with all of its operations located in the Skelleftea mining district, Sweden. The Company operates the Bjorkdal gold mine in the district through a wholly owned Swedish subsidiary, Bjorkdalsgruvan AB. Bjorkdal first started operations in 1988 as an open-pit mine and in early September, 2010 produced its millionth ounce of gold. Gold-Ore purchased the mine as of December 31, 2007, and now operates it as a combined open-pit and underground operation. The Company also holds exploration concessions surrounding the Bjorkdal mine-site, as well as concessions containing a polymetallic deposit to the west of Bjorkdal in the Skelleftea belt.

The fiscal year 2009 was the first year that the Company included the operations of the Bjorkdal Mine in the Consolidated Statements of Operations and Deficit. Starting in the First Quarter 2009, management considered the Bjorkdal Mine to be substantially complete and declared commercial production, as effectively all of the feed for the plant was being sourced from newly-mined open pit and underground operations. A mineral resource and reserve estimate was released on March 5, 2010, which was subsequently updated on January 18, 2011. The estimates (see "NR-10-03 Gold-Ore Reports Increased Underground Resources at Bjorkdal Gold" and "NR-11-01 Gold-Ore Reports Significant Gold Resource Increase at Bjorkdal Gold Mine") when taken with the extensive operating history of the mine confirms management's estimate of the life of the mine and the appropriate rate of amortization.

On May 17, 2010 the shares of the Company started trading on the senior board of the Toronto Stock Exchange, and consequently they were delisted from the TSX Venture Exchange.

2010 Year End Highlights

- Revenues of $49.0 million
- Operating cash flow of $12.4 million or $0.15 per share
- Earnings for the year of $6.7 million or $0.08 per share
- EBITDA of $15.2 million
- Cash at year-end of $6.6 million and working capital of $9.1 million
- Gold production of 41,051 ounces (1,276.8 kilograms)
- Average realized gold price of US$ 1,203 per ounce; production remains un-hedged
- Total cash costs of US$812 per ounce sold
- Capital investments of $9.5 million

- Increased measured and indicated resources by 52% to 920,000 ounces of gold

Fourth Quarter 2010 Highlights

- Revenues of $11.4 million
- Operating cash flow of $2.4 million or $0.03 per share
- Earnings for the period of $1.5 million or $ 0.02 per share
- EBITDA of $4 million
- Gold production of 8,538 ounces (265.6 kilograms) and gold sales of 8,458 ounces (263.1 kilograms)

RESULTS OF OPERATIONS, MINE DEVELOPMENT AND EXPLORATION ACTIVITIES

Bjorkdal Gold Mine - Operations

Since production was first achieved in 1988, the Bjorkdal Gold Mine has operated primarily as an open pit mine. In 2009, Gold-Ore re-opened the mine by declaring commercial production and initiated mining as a combination open-pit/underground operation. During the last two years of production the Company has placed considerable emphasis on optimizing the operation through cost reduction measures and grade increase initiatives.

In 2010 Bjorkdal mine management commenced an economic analysis of purchasing heavy machinery to conduct some of the mining operations in-house, and transition from a 100% contract mining operation towards owner-operator status. Since 1988, all mining functions have been performed by independent contractors. Recent drilling in the mine area suggests that, at current gold prices, sufficient mine life exists to support in-house mining. The Bjorkdal staff concluded that significant savings could be attained through machinery purchase and the hiring of employees to operate the equipment. This conclusion became the foundation for a cost reduction initiative and all contractor activities are being scrutinized and replaced or modified where appropriate.

As part of the cost reducing initiative, several pieces of heavy machinery were ordered and most were delivered in the last month of the 2010 fiscal year. An additional ten personnel were hired to operate and maintain the new equipment. The mine has now begun utilizing the equipment, thereby displacing some contractor services. The associated lower costs will be realized in the first and second quarters of 2011.

The most significant cost related to re-structuring in 2010 took place in the underground unit of the mine. During the last few years of underground test mining and underground production at Bjorkdal all tunnelling, stope mining, ore transport and ground support were performed by one contractor under an exclusive arrangement. This structure was terminated in August, 2010 and a new tunnel contractor and a separate ore transport contractor were engaged. Stope mining and most ground support will now be performed by the Company. This transition between underground contractors created a temporary disruption in underground production during the Fourth Quarter, 2010 and, in particular, impacted the months of September and October. During November through January the contractor ramped up operations and underground ore production is now on target during February, 2011.

In August 2010, the Company ordered a stope production drill and took delivery of the unit on February 09, 2011. The drill will enable some in-house mining to commence. The stoping team will provide approximately 15% of the annual mill capacity. The first blasts for this production team are scheduled for mid-March.

During the five month period when underground mining was impacted by the change in contractor, the plant was continually run at capacity and ore was sourced from the open pit, underground and from the stockpiles. Gold production was lower due to lower grades from the pit and stockpiles, but costs were lower and profitability was maintained.

Production Statistics

During 2010 the Bjorkdal plant processed 1,158,072 tonnes of ore compared to 1,061,438 tonnes processed during 2009, representing an increase of 96,634 tonnes, or 9.1% year-over-year. During the fourth quarter 2010 the plant processed 286,083 tonnes of ore compared to 290,165 in the same period of 2009, representing a decrease of 4,082 tonnes or 1.4%.

In 2010 the ore for the Bjorkdal plant was sourced from underground (42.8%), the open pit (51.5%) and stockpiles (5.7%). In the fourth quarter the underground provided 17.6% of the ore, the open pit provided 59.2% and the stockpiles provided 23.2%. In the first three quarters of 2010, the underground made up just over 50% of the ore and the open pit just under 50%. The variance in the fourth quarter was related to the temporary slowdown of underground mining during the contractor conversion described above.

Plant throughput averaged 3,173 tonnes per day in 2010 and 3,144 tonnes per day in the fourth quarter. A planned maintenance shutdown in early September marginally reduced fourth quarter throughput. During 2010 the plant head grade (the blended average grade of ore from open pit, underground and stockpiles) averaged 1.24 grams per tonne gold compared to 1.23 grams per tonne in 2009. In the fourth quarter 2010 the plant head grade was 1.06 grams per tonne. This lower average grade is related to lower underground ore tonnages in the period as described above. Gold recoveries in the plant in 2010 averaged 88.8% compared to 88.4% in 2009. Fourth quarter recoveries were 87.4% and this lower recovery is a result of lower plant head grades.

	Year ended	**Year ended**	**Three months ended**	**Three months ended**
	Nov. 30, 2010	**Nov. 30, 2009**	**Nov. 30, 2010**	**Nov. 30, 2009**
Tonnes processed	1,158,072	1,061,438	286,083	290,165
Daily throughput – tonnes	3,173	2,908	3,144	3,189
Head Grade grams/tonne	1.24	1.23	1.06	1.25
Gold recovered – ounces	**41,051**	**37,032**	**8,538**	**10,194**
– kilograms	**1,276.8**	**1,151.8**	**265.6**	**317.1**
Average plant recovery	88.8%	88.4%	87.4%	87.1%

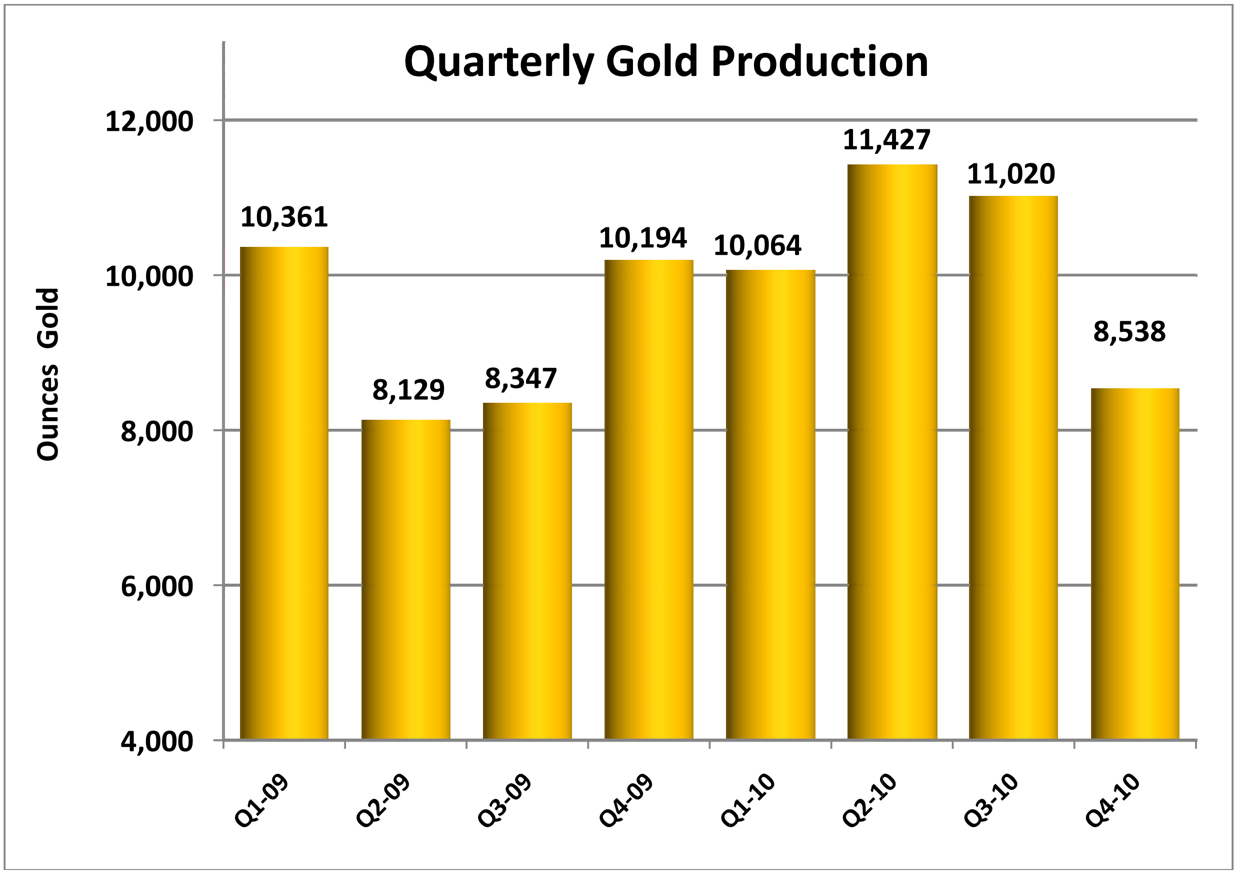
Production Costs

The following table is a breakdown of mining costs per tonne of ore for the years 2010 and 2009, and the fourth quarters of 2010 and 2009, using a weighted average of the costs for three sources of ore: open-pit, stock-piles and underground. Almost all costs at the Bjorkdal operation are incurred in Swedish kronor so it should be noted that the following costs reported in U.S. dollars are subject to variations in foreign currency exchange rates. For example, of the US$5.64 (25%) increase in total costs per tonne of ore, US$1.78 (8%) can be attributed to the strengthening of the Swedish kronor relative to the US dollar from 2009 to 2010. Average mining costs per tonne for the year 2010 increased over the year 2009 as the tonnage sourced from the higher cost underground unit increased. However, the mining costs in the fourth quarter 2010 were lower than the yearly costs and lower than the comparable period in 2009 as a result of the change-over in underground contractors during the period and the lower production levels from underground. Although mining costs are expected to be reduced going forward as a result of the change in contractors, this period should be considered anomalous. Crushing and processing costs have remained relatively consistent, although there was an increase in the fourth quarter of 2010 that can be attributed to lower production levels during the period. Mine administration and other costs have increased from 2009 to 2010 as the operation has continued to expand and more of the functions of the mine are being shifted from contractors to the company. The fourth quarter 2010 mine administration and other costs are significantly higher again, but this can be attributed to year-end adjustments, and is likely not representative of the trend going forward.

	Year ended Nov. 30, 2010 (US$)	**Year ended Nov. 30, 2009 (US$)**	**Three months ended Nov. 30, 2010 (US$)**	**Three months ended Nov. 30, 2009 (US$)**
Mining cost per tonne of ore	$18.19	$12.73	$14.24	$17.19
Crushing and processing cost per tonne of ore	$6.99	$7.53	$8.47	$ 7.88
Mine administration and other costs per tonne of ore	$2.53	$1.82	$3.44	$2.29
Total cost per tonne of ore	$27.71	$22.08	$26.15	$ 27.36

Gold Production

Gold production in 2010 exceeded the Company guidance of 40,000 ounces and reached 41,051 ounces (1,276.8 kg) compared to 37,032 ounces (1,151.8 kg) for 2009. This 11% increase in gold produced is related to increased plant throughput. Gold production in the fourth quarter reached 8,538 ounces as compared to 10,194 ounces in the corresponding period in 2009. The decrease is related to less underground ore being available during the contractor conversion. Gold production in November 2010 reached a new record level of 4,177 ounces due to higher underground grades.



Operating Costs and Margins

The following table provides a summary of the Bjorkdal Mine operating costs allocated to the ounces sold and the margins achieved based on the realized gold price during the periods. This per ounce non-GAAP measure of performance is affected by fluctuations in the exchange rate between the Swedish kronor and the US dollar. Over the past year the US dollar has weakened against the Swedish kronor, as it has against many other currencies. Of the $135 increase in the cash costs per ounce at Bjorkdal from 2009 to 2010, $51 can be attributed to the strengthening of the Swedish krona relative to the US dollar over the course of the year.

	Year ended Nov. 30, 2010	Year ended Nov. 30, 2009	Three months ended Nov. 30, 2010	Three months ended Nov. 30, 2009
Operating expenses per consolidated financial statements	$ 32,564,515	$ 26,501,962	$ 7,398,300	$ 6,525,470
Treatment and refining charges on concentrate sales	1,724,388	1,606,798	300,555	398,713
Inventory movements and adjustments[1]	500,478	619,085	608,251	1,841,009
2009 indexing adjustment[2]	(563,492)	-	-	-
Royalty[3]	-	205,891	-	-
Cash operating costs[4] – Cdn$	$ 34,225,889	$ 28,933,736	$ 8,307,106	$ 8,765,192
Divided by average Cdn$/US$ exchange rate	1.034	1.1565	1.0213	1.0654
Divided by ounces of gold sold	40,785	36,963	8,458	9,045
Total cash costs per ounce of gold[5] – US$	$ 812	$ 677	$ 962	$ 909
Realized gold price per ounce – US$	$ 1,203	$ 975	$ 1,356	$ 1,127
Operating cash margin per ounce – US$	$ 391	$ 298	$ 394	$ 218

1 Effects of inventory movements and adjustments to inventory accounting are being removed from the operating expenses for the period to more accurately reflect the cash costs of producing gold concentrate during the period.

2 During the year the company received an indexing invoice from the contractor adjusting costs related to 2009.

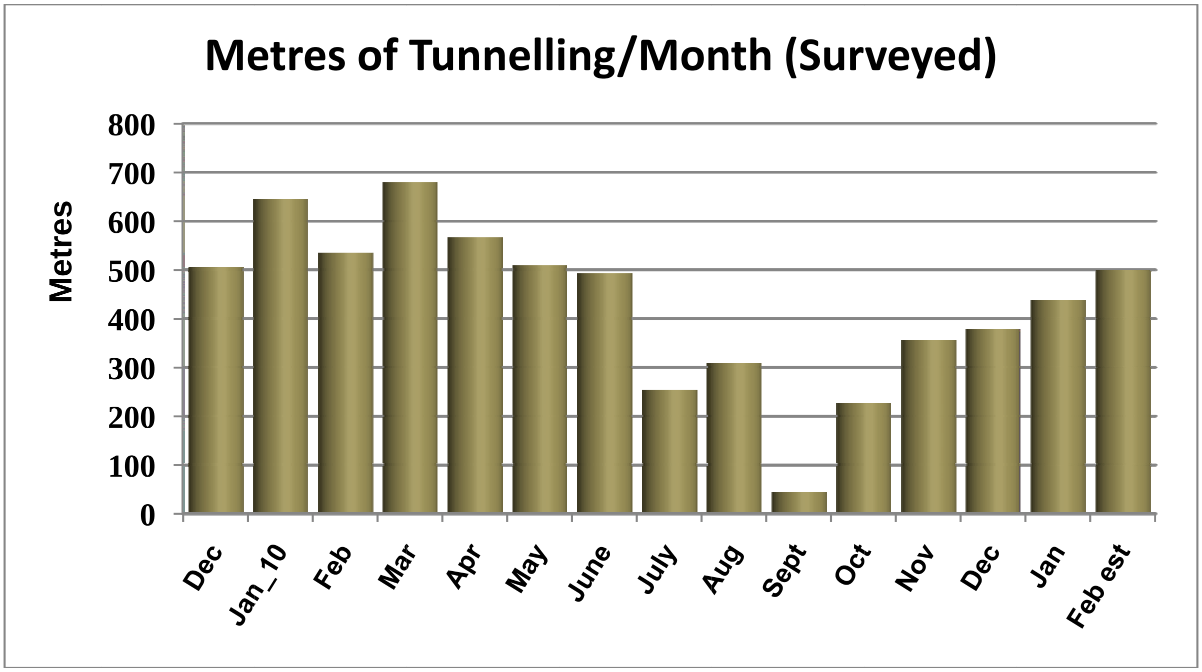
3 The royalty is a 1.75% net smelter royalty paid under the terms of the purchase agreement for Bjorkdalsgruvan AB. The royalty was purchased by the Company in the Third Quarter 2009.

4 "Cash operating costs" is a non-GAAP measure that includes all direct mining costs, treatment and refining, and transportation costs. "Cash operating costs" is equivalent to operating expenses as reported in the Company's financial statements plus treatment and refining, transportation and other charges.

5 "Total cash costs" is a non-GAAP measure that includes all "cash operating costs" and royalties. "Total cash costs" is equivalent to operating expenses and royalties as reported in the Company's financial statements, plus treatment and refining.

Underground and Open Pit Development

During 2010 a total of 5,120 metres of new development tunnelling was completed at Bjorkdal. In the fourth quarter only 625 metres of development tunnelling was completed (see chart below). This is due to the change in contractors described above. A normal tunnelling rate at Bjorkdal is 500 metres/month, but in the July vacation period less underground tunnelling is carried out. In August, 2010 the initial contractor left and the new contractor started in late September, but required four months to reach target capacity.



Underground mining at Bjorkdal has now taken place on 6 principal levels over a vertical distance of 100 metres. There are currently three active levels with a fourth level started in the last quarter of 2010. An exploration and access ramp is being driven down and will access two new levels for future mining.

The gold at Bjorkdal is hosted in vertical quartz veins and approximately 50 principal veins have been identified and targeted for mining. The underground workings are located over a footprint area 950 metres wide (across vein strike) by 250 metres long (along vein strike). This area is open to expansion and continues to grow with additional tunnelling and diamond drilling. The mining method employed is on-vein drifting, on levels with 15 to 20 metres separation, followed by long hole open stoping. A limited amount of room and pillar mining takes place in the Centrala area of the mine.

Stope mining has been temporarily suspended at Bjorkdal since August, 2010. At that time the existing mining contractor left and a new one was engaged, but stoping was not included in the new contract. The Company ordered a new stoping production drill in August, 2010 with a 28 week delivery time. The drill arrived on February 09, 2011 and is now working underground. This marks the first in-house mining (non-contractor) in the 23 year history of mining at Bjorkdal.

During the reporting period two areas of the open pit (SEE and South Wall) were mined. Soil stripping for an expansion of the SEE pit started in the second quarter. Further soil stripping is ongoing on the

South Wall to expand that pit. Average extraction rates from the open pit range from 1,600 to 1,700 tonnes per day or 50,000 tonnes per month. An additional 200,000 tonnes of internal waste per month are also extracted.

Reserves and Resources

A new mineral resource estimate was completed in January, 2011 and is shown in the tables below. The estimate was completed by the independent firm, Wardell Armstrong International Ltd. (WAI). WAI has completed several resource estimates on Bjorkdal in the past and are very familiar with the entire Bjorkdal operation. The resource estimation was calculated using the results of 1,766 drill holes and all underground chip samples. This estimate was generated using Datamine software and Indicator Kriging and is National Instrument Policy 43-101 compliant.

The updated estimate resulted in a 52% increase in underground measured and indicated ounces of gold. To reflect current mining practices at Bjorkdal, the resources for the open pit are reported using a 0.30 gram per tonne cut-off, resulting in a 50% increase in measured and indicated ounces of gold when compared to the totals previously reported using a 0.60 g/t cut-off. Surface and underground drilling is ongoing to develop additional resources and explore for new mineralization on the Company's mining leases and exploration concessions.

A reserve calculation is now underway and is anticipated to be ready during the second quarter of 2011. Annual updates to the reserve/resource estimation are planned and the goal is to bring this estimation process in-house using mine staff during the next year.

January 2011 Open Pit & Underground Mineral Resource Estimate (WAI January 2011)

Tonnages and Grades										
Resource Type	Cut-off	Measured		Indicated		Measured + Indicated		Inferred		
	Au (g/t)	Tonnage (000's t)	Au (g/t)	Tonnage (000's t)	Au (g/t)	Tonnage (000's t)	Au (g/t)	Tonnage (000's t)	Au (g/t)
Open Pit	0.30	349	1.47	9,932	1.18	10,281	1.19	10,435	1.07
Underground	1.00	1,943	2.75	4,248	2.60	6,191	2.65	2,736	2.91
Totals*		**2,292**	**2.56**	**14,180**	**1.61**	**16,472**	**1.74**	**13,171**	**1.45**

Ounces					
	Cut-off	Measured (ounces)	Indicated (ounces)	Measured + Indicated (oz)	Inferred (ounces)
Open Pit	0.30	16,500	376,800	393,400	359,000
Underground	1.00	171,800	355,100	527,500	256,000
Totals*		**188,300**	**731,900**	**920,900**	**615,000**

WAI –Wardell Armstrong International Ltd.
Evaluation (2.5 m Selectivity) Adjusted for a 91% Mining Recovery and 30% Mining Dilution
* Totals may differ due to rounding

Underground Drilling

Underground diamond drilling at Bjorkdal is conducted year round and during 2010 a total of 30 core holes (5,120 metres) were drilled. The drilling serves two purposes: infill drilling to guide production and exploration drilling to develop new veins or extensions of veins. The underground diamond drilling continues to define new veins and extensions of known veins at a rate that exceeds mining of known reserves and resources. Management is confident that resources/reserves have been expanded through diamond drilling and that, at current gold prices, the mine life has been extended.

The Company is aggressively driving new underground headings to give access for the diamond drill to further test the limits of the deposit. The 422 exploration heading is being extended and deepened to permit testing of a large on-strike area. An exploration tunnel is also being driven under the SEE open pit to test for the deeper extensions of veins being mined in the pit. A third exploration drive is testing the western limits of the deposit. These three tunnels have the potential to significantly add to the underground mine life.

Open Pit Drilling

The Company is in the process of designing a 2011 drill program of 6,000 metres to expand the open pit areas. The drilling will be a combination of diamond core drilling and reverse circulation drilling. The Company is also conducting reverse circulation grade control drilling in the two active pits to guide production.

Exploration Concessions Work Program

During 2009, the Company completed an overburden sampling program covering the 67 square kilometres of exploration concessions it holds surrounding the Bjorkdal mine site. The samples were processed to recover heavy mineral concentrates including gold grains. Several areas were outlined where samples returned highly anomalous gold grain counts in the till. In early 2010 additional land was acquired northwest of the Bjorkdal mine site covering a strongly anomalous area. During 2010 an additional 155 heavy mineral concentrate (HMC) samples and 118 rock-chip samples were collected on the exploration lands. The HMC sampling expanded the area cover in 2009 and included in-fill samples to further define targets.

In June 2010 a detailed, low level helicopter airborne magnetic survey was completed over the entire project area. Results were processed and, aided by the results of the HMC sampling program, three areas were selected for detailed airborne time domain electromagnetic (TDEM) survey. Several of the anomalies detected by TDEM survey with coincidental magnetic highs have been identified as drill targets. As of the date of this report, one target, 5 kilometres southeast of the mine site, has been tested with 2 holes. Final results are pending.

An area with highly anomalous gold grain counts was defined southeast of the Bjorkdal gold mine. The source of the gold grains may be Bjorkdal, however the gold grain train is not continuous in the surface till to the mine site and may have a different source southeast of the mine. Mechanical trenching into the till was completed in an area between the mine site and the anomaly. The objective of the program was to test the gold grain train for continuity towards the mine site. A series of 25 trenches were excavated along a line approximately perpendicular to glacial ice movement. Samples were collected for heavy mineral concentration at regular intervals through the till profile. Results are pending.

The objective of the Company's exploration program is to locate satellite ore bodies within trucking distance to the Bjorkdal plant.

SELECTED FINANCIAL INFORMATION

	Year Ended		Three Months Ended	
	Nov. 30, 20010 $	Nov. 30, 2009 $	Nov. 30, 2010 $	Nov. 30, 2009 $
Revenues	48,992,500	39,767,574	11,413,749	10,474,558
Operating expenses	32,564,515	26,501,962	7,398,300	6,525,470
Earnings (losses) from mine operations	10,246,328	7,694,285	2,531,264	2,023,639
Earnings (losses) for the year	6,650,966	5,016,117	877,619	(26,935)
Earnings per share (basic)	0.08	0.06	0.01	(0.00)
EBITDA	15,253,720	12,089,301	3,956,117	3,624,122
Operating cash flow before changes in non-cash working capital	13,832,121	11,942,223	2,816,668	3,420,268
Cash flow per share before changes in non-cash working capital	0.17	0.14	0.03	0.04
Operating cash flow	12,428,721	11,107,620	2,357,958	3,305,560
Cash flow per share (basic)	0.15	0.13	0.03	0.04
Working Capital	9,087,273	5,218,395	9,087,273	5,218,395

Revenues

Revenues increased by 23% in 2010 from 2009, to $48,992,500. The increase in revenues was a result of a 10% increase in the ounces of gold sold and a 24% increase in the realized price of gold in 2010 (US$1,203 in 2010 as compared to US$975 in 2009). Reported revenues are net of treatment and refining charges and penalties. The Bjorkdal operation now produces four different concentrates, three of which are delivered to a smelter in Germany, while one concentrate product is sold locally to a smelter in Sweden. The Company is paid by the German smelter in Euros, based on the price of gold in US dollars converted to Euros, based on the daily US/Euro exchange rate over a 30 day quotational period. The Swedish smelter pays the Company based on the price of gold in US dollars, also over a 30 day quotational period. Gold-Ore has not entered into any forward sales contracts and is currently fully leveraged to the price of gold.

Operating Expenses

Operating expenses in 2010 increased by 23% over 2009 ($32,564,515 in 2010 as compared to $26,501,962 in 2009) at the Bjorkdal operation, as more ore was sourced from the higher cost underground unit of the mine. The most significant component of the increase in the operating costs was in mining costs, which increased by 40%. The increase reflects a gradual increase during the course of the period in the tonnage of ore produced from underground, which has a higher mining cost, and the tonnage of ore produced from the open pit areas of the mine that have a higher strip ratio. The Company expects that the operating costs at Bjorkdal will be reduced in 2011.

Corporate Administration

Corporate administrative expenses relate mostly to corporate overhead expenses at the Company's head office in Vancouver, B.C. The 62% increase in cost over the same period in 2009, ($1,232,141 in 2010 as compared to $768,311in 2009) relates mostly to the TSX registration fee (for the graduation to the senior board from the Toronto Venture Exchange) as well as an increase in investor relations activities, the appointment of financial advisors and directors' compensation.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Operating cash flow for the year ended November 30, 2010 totalled $12.4 million ($0.15 per share), after accounting for changes in working capital items. This was a 12% increase over the operating cash flow in 2009 ($11.1 million), which can be attributed to the higher gold price in 2010 as well as the increase in the amount of gold sold during the year. Accounts receivable are primarily from sales by Bjorkdalsgruvan to the refineries in Germany and Sweden, and value added tax (VAT) receivable in Sweden. Bjorkdalsgruvan receives 90% of the gold value from the smelters approximately 40 days after delivery and the remaining 10% is paid when the final metal weights and charges have been determined. Inventories consist primarily of gold concentrate produced, $3,195,334 ($2,714,012 in 2009) and consumable supplies, $524,345 ($544,149 in 2009) at Bjorkdal. Prepaid expenses of $348,052 ($123,364 in 2009) relates mostly to prepaid expenses paid in relation to the operation of the Bjorkdal mine. Accounts payable and accrued liabilities consist primarily of trade payables for mining, hauling and drilling contractors at Bjorkdal (some of which accrue for sixty days), and payroll accruals at the minesite. Accounts payable and accrued liabilities at the 2010 year end decreased by 15% from the 2009 year end ($6,085,323 in 2010 as compared to $7,183,031 in 2009) as a result of a reduced dependence in the fourth quarter on outside contractors for underground mining and services. In 2010 Bjorkdalsgruvan, used up the last of its tax loss carry-forwards and earnings at the mine-site were taxable at the Swedish corporate tax rate of 26.3% (a total of $1,940,741 was payable at year end). Corporate taxes in Sweden are paid on a monthly basis.

Financing Activities

The Company received a total of $101,500 in 2010 from the exercise of options during the year. There were no other financing activities during the year. Subsequent to the year end the Company received $602,020 from the exercise of an additional 1,437,500 options. Management believes that the currently expected level of expenditures for development at Bjorkdal, and additional exploration at and around the minesite, can be funded from operations or through equipment purchase financing with local banks, without having to seek additional equity financing. This policy is continually re-evaluated and may change if a corporate opportunity became available or if exploration results justified a sudden acceleration in expenditures.

Investing Activities

In addition to $1,602,183 invested in a reclamation bond for Bjorkdal, the Company invested a total of $7,902,602 in 2010 ($9,762,358 in 2009) on mine development, as well as property, plant and equipment at the mine-site, and additional concessions. The investments in the mine are detailed in the following table:

		INVESTMENTS For the Year Ended November 30, 2010		November 30, 2009
Building	$	169,581	$	-
Land, land improvements and tailings pond		313,499		1,032,637
Plant and Mine Equipment		1,154,329		1,265,884
Mine Development		6,166,489		5,999,320
Office Equipment		5,172		12,778
Property Acquisition and Exploration		93,532		1,451,739
	$	$ 7,902,602	$	9,762,358

A portion (5%) of the 17% reduction in the investments in Bjorkdal can be attributed to the weakening of the Swedish krona relative to the Canadian dollar.

Cash Resources and Liquidity

At the end of 2010 Gold-Ore had working capital of $9.1 million, compared to working capital of $5.2 million at the end of 2009. The 73% increase in working capital is a result of a $3.2 million increase in the cash position of the Company over 2009, a $1.4 million increase in receivables and a $1.1 million decrease in accounts payable and accrued liabilities. The increase in the Company's cash position and receivables is attributable to greater gold sales and the increase in the price of gold in 2010. The decrease in accounts payable and accrued liabilities can be attributed to less reliance at Bjorkdal on outside contractors. The improving factors in the Company's working capital position are somewhat offset by the $240,000 increase in income taxes payable in Sweden, as all tax loss carry forwards from previous years were utilized as a result of the profitability of the operation. The only longer term debt that the Company has is for equipment purchases financed through a local bank in Sweden. At current gold prices, the Company is generating positive cash flow by processing material from new open pit and underground operations, as well as stock pile material at Bjorkdal. The Company will continue to invest in developing additional resources at the minesite and access to those resources, while maintaining the processing plant to a high operating standard. Management believes that improvements to operations at Bjorkdal in 2010 will continue to improve profitability and cash flow at the mine.

Contractual obligations

Contractual undiscounted cash flow requirements for financial liabilities as at November 30, 2010 are as follows

	Less Than 1 Year $	Years 2 and 3 $	Years 4 and 5 $	More Than 5 Years $	Total $
Trade accounts payable	4,647,571	–	–	–	4,647,571
Payroll liabilities	1,144,704	–	–	–	1,144,704
Operating leases	112,082	72,427	8,905	–	193,414
Long-term debt	450,014	377,636	355,564	–	1,183,214

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information of the Company for each of the last eight quarters ending with the quarter ended November 30, 2010:

	2010				2009			
	Q4 $	**Q3 $**	**Q2 $**	**Q1 $**	**Q4 $**	**Q3 $**	**Q2 $**	**Q1 $**
Revenues	11,413,749	14,124,027	12,973,769	10,480,955	10,474,558	8,368,983	8,921,750	12,002,283
Mining costs	7,398,300	9,053,252	7,964,155	8,148,808	6,525,470	7,933,754	5,911,180	6,131,558
Earnings from mine operations	2,531,264	3,245,193	3,544,550	925,321	2,023,639	(832,364)	1,866,467	4,636,843
Earnings (loss)	1,472,113	2,342,150	2,401,863	434,840	(26,935)	(1,022,109)	1,632,446	4,432,715
Earnings (loss) per share, basic and diluted	0.02	0.03	0.03	0.00	(0.00)	(0.01)	0.02	0.05
Operating cash flow before changes in non-cash w/c items	3,411,162	4,359,359	4,098,134	1,963,466	3,420,268	219,043	2,819,781	5,483,131
Operating cash flow	2,357,958	5,168,300	2,030,670	2,881,793	3,305,560	(484,219)	3,073,782	5,212,497
Working capital	9,087,273	9,534,934	6,891,637	5,157,405	5,218,395	4,939,289	6,514,278	6,543,895

Table has been adjusted to reflect the quarterly effect of the year-end adjustments.

Fourth Quarter Results

In the fourth quarter of 2010 the Company reported revenues of $11.4 million, which was a significant improvement over revenues reported in the comparative period in 2009. However, as expected, the revenues were reduced from the third quarter of 2010 as a result of the drop in production during the quarter with the change-over in underground contractors. Operating expenses for the fourth quarter in 2010 were approximately $1.0 million higher than the comparable period in 2009, however, there was a reduction of approximately $1.6 million from the third quarter of 2010 as the Company spent less on underground mining contractors during the period. As a result, the earnings from mining operations in the fourth quarter of 2010 at Bjorkdal almost doubled as compared to the fourth quarter in 2009, and made the quarter the most profitable in 2010 at the mine-site.

Operating cash flow of $2.4 million during the fourth quarter in 2010 decreased over the comparable quarter in 2009 ($3.3 million) and the prior quarter in 2010 ($5.2 million) as a result of the lower production level. Working capital in the quarter increased by more than $3.8 million over the same quarter in 2009, but decreased by almost $0.5 million from the third quarter of 2010 as a result of reduced sales and investments in a reclamation bond and equipment. With continued strong gold prices and a return to previous production levels at the mine-site, the Company expects that the working capital position will continue to improve.

TRANSACTIONS WITH RELATED PARTIES

For the year ended November 30, 2010 the Company paid a total of $ 535,000 ($264,000 in 2009) in management fees and bonuses to two Directors and a company controlled by a Director as compensation for services performed.

OUTLOOK

Management expects that 2011 will be a year where there will be continued focus on improving the profitability and expanding the level of production at the Bjorkdal mine. The fourth quarter of 2010 was the transition period for the mine to start moving towards operating on more of an owner-operator basis for the first time since the mine first began operations in 1988. There was a drop in underground production levels during the transition period, but as of this report date underground production levels have returned to previous levels. It is expected that the changes made will result in lower operating costs that will be reflected in the first and second quarter financial results.

Bjorkdal received its new stoping machine in mid-February and blasting in the stopes will resume by mid-March after a seven month hiatus. This will provide more underground tonnage and decrease open pit tonnage, resulting in increased gold production levels. New stoping techniques are under review (cable bolting of the stopes) and management is assessing equipment requirements to implement the methods. These new techniques will result in improved underground grades later in 2011. Improved underground grades should also have a positive impact on the cash costs at the mine.

Management is pleased that the Bjorkdal operation was able to exceed the 40,000 ounce target for 2010, and in 2011 will be working to continue to expand production at the mine. Barring unforeseen increases in the grade of the deposit, the way to achieve an increase in production is to increase the capacity of the plant and processing facilities, which are currently running at capacity. Design work is currently in progress on minor modifications in the plant that will increase capacity by up to 12%. An independent engineering firm has been commissioned to compile conceptual designs for a 50% increase in plant capacity. More information on these initiatives will be released when available.

To support expanded plant capacity at Bjorkdal, the Company will continue to emphasize resource development at the mine site, both open pit and underground. The open pit development will be achieved through continued drilling in the southeast portion of the existing pit, and in the Nylunds area, a highly prospective gold target located 500 metres along strike of the open-pit's southeastern boundary. Underground resource expansion will be achieved by drilling from excavated exploration headings that provide large step-outs into on-strike, but untested areas.

The Company also plans to step-up its exploration efforts on the 67 square kilometres of exploration concessions held around the mining leases. As previously discussed, drilling is currently in progress on targets defined by airborne electromagnetic surveys completed during 2010 and till sampling. The drill program is expected to continue through the second quarter of 2011, and a follow-up program will be established once the results of the first drill program are received. Positive results from any of the defined targets will of course accelerate the drill program.

In addition to the continued development of the Bjorkdal mine and exploration in that area in 2011, Gold-Ore will also continue to pursue other corporate opportunities. With an experienced mining and exploration team in place, a cash-flowing mining operation in a very politically stable country like Sweden, and no hedge on its gold production, the Company has the flexibility to take on other projects either on its own or in a partnership. Management continues to place a high priority on identifying a suitable opportunity to grow the Company.

NEW ACCOUNTING STANDARDS ADOPTED

CICA 3855, "Financial Instruments – Recognition and Measurement"

During the year, the CICA amended Section 3855 to bring greater consistency between Canadian GAAP, IFRS and US GAAP regarding the timing of impairment recognition for debt instruments. The amendments allow more debt instruments to be classified as loans and receivables. In addition, the amendments require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances and require that loans and receivables that an entity intends to sell immediately or in the near term be classified as held for trading. The transitional provisions are complex and are accompanied by disclosure requirements to explain any reclassifications made on adopting the amendments.

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

International Financial Reporting (IFRS)

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under IFRS for fiscal years beginning on or after January 1, 2011. The Company's first reporting period under IFRS will be the period ending February 28, 2012. Currently the company is assessing the impact of adopting IFRS and has not yet determined its effect on its financial statements.

The Company has been in communication with IFRS related consultants and advisors regarding the steps and procedures required during the transition. The key individuals that will oversee and direct the conversion process have attended several IFRS updates and information sessions to become more conversant with the changes.

At this point the area that has been identified as being the most significant is the capital assets held at Bjorkdal Mine. As companies in Sweden have the advantage of reporting under IFRS for some time now, and Bjorkdalsgruvan's advisors have already been exposed to IFRS, the Company is confident that the change to IFRS will be done in a timely manner.

CICA Sections 1582, 1601 and 1602

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." The Company is currently assessing the impact of adopting these standards and has not yet determined its effect on its financial statements.

CICA 3251, "Equity"

In August 2009, Section 3251 Equity was issued in response to issuing Section 1602 Non-controlling Interests. The amendments require non-controlling interests to be recognized as a separate component of equity. The amendments apply only to entities that have adopted Section 1602. The Company does not expect the adoption of this section to have a material impact on its financial statements.

CICA 1625, "Comprehensive Revaluation of Assets and Liabilities"

In August 2009, Section 1625 Comprehensive Revaluation of Assets and Liabilities was issued for consistency with new Section 1582 Business Combinations. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Company does not expect the adoption of this section to have a material impact on its financial statements

RISK FACTORS AND UNCERTAINTIES

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparties related to its cash and cash equivalents and short-term investments carry investment grade ratings as assessed by external rating agencies. The Company maintains a majority of its cash and cash equivalents, and short-term investments with financial institutions domiciled in Canada and Sweden. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. There is ongoing review to evaluate the creditworthiness of these counterparties. The Company manages credit risk for trade and other receivables through established credit monitoring activities. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, short-term investments and accounts receivable. There are no cash equivalents or short term investments held at year end.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances and purchasing short-term investments with early redemption features or may be sold into an active market. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

Currency Risk

As the Company operates in an international environment, some of the Company's transactions and balances are denominated in currencies other than the Canadian dollar. The Company's foreign exchange risk arises primarily with respect to the Swedish krona ("SEK"), the Euro and United States dollar. The Company's sales are based on commodity prices denominated in the United States dollar. These amounts are translated to Euros and SEK during the related quotational periods. The Company also has an investment in a self-sustaining Swedish subsidiary, whose net assets are subject to foreign exchange currency risk. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

Interest Rate Price Risk

The Company's short-term investments are subject to interest rate price risk as they carry fixed rates of interest. The Company does not engage in any hedging activity to mitigate this risk. A plus or minus 1% change in market interest rates would not have a significant effect on the Company's loss and comprehensive loss for the year. There are no short term investments held at year end.

Commodity Price Risk

The Company is subject to price risk from fluctuations in market prices of the commodities that it produces. The Company's commodity price risk associated with financial instruments primarily relates to changes in fair value caused by settlement adjustments to receivables. Sales of metals in concentrate are recognized in revenue on a provisional pricing basis when title transfers and the rights and obligations of ownership pass to the customer, which usually occurs upon delivery.

However, final pricing is typically not determined until a subsequent date. Accordingly, revenue in any period is based on current prices for sales occurring in the period and ongoing pricing adjustments from sales that are still subject to final pricing. These pricing adjustments result in additional revenues in a rising price environment and reductions to revenue in a declining price environment, taking into account the actual price participation terms in the concentrate sales agreements.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, however management is confident in its ability to compete with other companies as well as its ability to recruit and retain qualified employees and other personnel.

Governmental regulations and processing licenses and permits

The Company's operations are in the foreign jurisdiction of Sweden. Sweden has a well established mining code and legislation under which the Company must operate. Delays in acquiring required permits and/or amendments to existing permits can negatively impact the Company's operations. Management is aware of the governmental requirements and uses its best efforts to prepare all licenses and permits in advance of when they are required, thereby mitigating the risk of operational disruption due to delays in receiving permits and/or licenses.

Environmental obligation

Future obligations to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are initially recognized and recorded as a liability at fair value, based on estimated future cash flows, the Company's current credit adjusted risk-free discount rate and an estimated inflation factor. The liability is adjusted for changes in the expected amounts and timing of cash flows required to discharge the liability and accreted to full value over time through periodic charges to earnings. For operating properties, the amount of the asset retirement liability initially recognized and any subsequent adjustments are capitalized as part of the asset's carrying value and amortized over the asset's estimated useful life. Asset retirement obligations are only recorded when the timing or amount of remediation costs can be reasonably estimated.

Dependence on key personnel

The Company is dependent upon its current executive and mine management team. While it has entered into contractual arrangements with the aim of securing the services of these personnel on a longer–term basis, the retention of their services cannot be guaranteed. While no management changes are anticipated, the loss of any key executive or mine managers of the Company could have an adverse effect on the future of the Company's business. The Company competes with numerous other companies for the recruitment and retention of qualified employees and contractors.

Dependence on major customers and suppliers

The Company's revenues currently come from two major customers; however, the Company does not consider itself to be dependent on these customers as the gold products produced can be sold to other parties. Also, a large portion of the Company's production costs are incurred with a limited number of contractors. The Company does not consider itself to be dependent on these contractors as they can be replaced by other contractors or the Company may elect over time to carry out the same functions on its own.

FORWARD-LOOKING STATEMENTS

Except for historical information contained in this management's discussion and analysis, disclosure statements contained herein contain "forward looking statements" within the meaning of "forward looking information" under applicable Canadian securities laws, concerning the business, operations and financial performance and condition of Gold-Ore Resources Ltd. ("Gold-Ore", "the Company"). Forward looking statements include, but are not limited to, statements with respect to the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, and limitations on insurance coverage. Forward looking statements can be identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Gold-Ore to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward looking statements and the forward looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: the impact of global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on future cash flows; changes in future prices of gold or certain other commodities (such as fuel, steel and electricity); fluctuations in currency markets; possible variations in ore resources and reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; delays in obtaining governmental approvals or financing on acceptable terms, or in the completion of development activities and other risks of the mining industry. Although Gold-Ore has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Gold-Ore does not undertake to update or revise any forward looking statements that are included in this document, except as required by applicable securities laws.

OUTSTANDING SHARE DATA

Authorized:

Unlimited common shares, voting, without par value

Unlimited preferred shares, non-voting, without par value

As of February 28th, 2011 the Company had the following common shares, options, and warrants:

▪ Common Shares Issued	84,476,059
▪ Share Purchase Options	4,520,000
▪ Warrants	NIL

DIRECTORS

Glen D. Dickson – Chairman	Robert S. Wasylyshyn – President
Ron A. Ewing – VP Corporate Affairs	Alvin W. Jackson
Donald A. Sawyer	David F. Mullen

ADDITIONAL INFORMATION

Additional information related to the Company can be found on SEDAR (www.sedar.com) or on our website (www.goldore.ca).

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.