



May 2011

To Our Shareholders

The year 2010 was a year of growth and transition for Gold-Ore. During the year the Company continued to improve operations at the Bjorkdal Gold Mine in Sweden while increasing the annual gold output. Gold production increased from the previous year by 11% to over 41,000 ounces. During the year Gold-Ore also made the decision to transition from contract mining and move toward an owner-operator business model. This was accomplished by purchasing heavy equipment for some of the underground and surface operations. In addition, we changed underground mining contractors to reduce operating costs. After an initial startup period, the replacement contractor is operating at full capacity and our mining team has become proficient at operating the stoping equipment, while maintaining an excellent safety record. The plant is now regularly processing ore sourced from underground and open pit, and we will soon see the cost saving benefits of the in-house activities. A recently completed resource estimate resulted in an increase of the measured and indicated categories of 52%, to over 920,000 ounces. Based on that study, management is confident that, at current gold prices, the Bjorkdal mine has a long life ahead.

Corporate Strategy

Gold-Ore's corporate strategy is to optimize the Bjorkdal operation by reducing cash costs while increasing gold production. Cash flow from operations has been used to purchase equipment for our owner-operator activities and reduce reliance on contractors. The on-going drilling will not only improve the confidence of the resource, but also expand the deposit. The Company continues to incrementally grow production with improved head grades and increased plant capacity. As the treasury grows, the Company will evaluate other development or mining opportunities to further grow Gold-Ore's gold production. In addition, the Company will use its exploration expertise and continue to test targets close to the mine site. The Company has the resources to rapidly advance any success from this exploration.

2011 and beyond

Management will continue to seek to increase shareholder value by improving the profitability of the Bjorkdal mine and increasing production levels there. We believe that Bjorkdal's cash flow and the operational advantages of the mine can be used to expand the Company organically or by corporate actions. The Company has no gold hedge in place and is benefiting from the record high gold prices.

Gold-Ore is fortunate to be operating in Sweden, a safe secure country with a long history of mining. We would like to thank our employees and contractors who have worked diligently to expand and improve the economic performance of the mine. Also, we would like to take this opportunity to thank our loyal shareholders who continue to support Gold-Ore.

Signed "Robert S. Wasylshyn"

**Robert S. Wasylshyn,
President, Chief Operating Officer**

Signed "Glen D. Dickson"

**Glen D. Dickson,
Chairman, Chief Executive Officer**