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**GOLD-ORE RESOURCES LTD.  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
NOVEMBER 30, 2007 AND 2006**

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MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

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To the Shareholders of  
Gold-Ore Resources Ltd.

We have audited the consolidated balance sheets of Gold-Ore Resources Ltd. as at November 30, 2007 and 2006 and the consolidated statements of operations and deficit, comprehensive loss 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, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

*/s/ Manning Elliott LLP*

Chartered Accountants  
Vancouver, British Columbia  
March 14, 2008

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**GOLD-ORE RESOURCES LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
**AS AT NOVEMBER 30, 2007 AND 2006**

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	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,049,902	\$ 1,611,309
Accounts receivable	28,667	97,809
Due from a related party (Note 15)	10,107	–
Prepaid expenses	11,316	3,670
	<hr/> 4,099,992	<hr/> 1,712,788
RESTRICTED CASH	15,721	16,710
EQUIPMENT (Note 4)	12,953	15,939
MINERAL PROPERTIES (Note 5)	313,281	–
OPTION TO ACQUIRE MINING OPERATIONS (Note 6)	11,686,402	6,003,103
	<hr/> \$ 16,128,349	<hr/> \$ 7,748,540
<hr/>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 1,769,647	\$ 79,551
Loan payable (Note 2(a))	15,140	15,140
	<hr/> 1,784,787	<hr/> 94,691
<hr/>		
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 7)	17,741,202	11,340,621
CONTRIBUTED SURPLUS (Note 8)	2,325,848	693,041
ACCUMULATED OTHER COMPREHENSIVE INCOME (Note 9)	550	1,492
DEFICIT	(5,724,038)	(4,381,305)
	<hr/> 14,343,562	<hr/> 7,653,849
	<hr/> \$ 16,128,349	<hr/> \$ 7,748,540

COMMITMENTS (Notes 5, 6 and 18)  
SUBSEQUENT EVENTS (Note 19)

*See accompanying notes to the consolidated financial statements*

Approved on Behalf of the Board of Directors:

(signed) "Robert Wasylshyn"  
Bob Wasylshyn, Director

(signed) "Glen Dickson"  
Glen Dickson, Director

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**GOLD-ORE RESOURCES LTD.****CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****FOR THE YEARS ENDED NOVEMBER 30, 2007 AND 2006**

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	<b>2007</b>	<b>2006</b>
REVENUES	\$ -	\$ -
EXPENSES		
Accounting and legal	36,983	64,469
Amortization	4,321	4,452
Bank charges and interest	1,945	2,150
Investor relations	70,169	42,500
Management and consulting fees	295,000	235,000
Office and rent	84,914	75,180
Regional exploration expenses (Note 11)	50,271	6,878
Salaries and wages	72,964	54,756
Stock-based compensation (Note 10)	849,782	499,160
Transfer agent and regulatory fees	27,183	19,755
Travel and promotion	69,135	29,672
	<hr/> 1,562,667	<hr/> 1,033,972
LOSS BEFORE OTHER ITEMS	(1,562,667)	(1,033,972)
OTHER ITEMS		
Foreign exchange gain (loss)	(18,219)	56,053
Interest income	232,858	65,359
Other income (Note 5(a))	5,295	-
LOSS FOR THE YEAR	(1,342,733)	(912,560)
DEFICIT, BEGINNING OF YEAR	(4,381,305)	(3,468,745)
DEFICIT, END OF YEAR	<hr/> \$ (5,724,038)	<hr/> \$ (4,381,305)
LOSS PER SHARE (Note 13)		
Basic and diluted	\$ (0.02)	\$ (0.02)

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*See accompanying notes to the consolidated financial statements*

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**GOLD-ORE RESOURCES LTD.****CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED NOVEMBER 30, 2007 AND 2006**

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	<b>2007</b>	<b>2006</b>
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	\$ (1,342,733)	\$ (912,560)
Items not involving cash and cash equivalents:		
Amortization	4,321	4,452
Stock-based compensation	849,782	499,160
Unrealized foreign exchange gain	–	(57,429)
	(488,630)	(466,377)
Changes in operating assets and liabilities:		
Accounts receivable	69,142	(76,025)
Due from related party	(10,107)	–
Prepaid expenses	(7,646)	(535)
Restricted cash	989	(16,710)
Accounts payable and accrued liabilities (Note 6)	106,326	(6,309)
	(329,926)	(565,956)
FINANCING ACTIVITIES		
Proceeds from common shares issued, net of cash issuance costs	6,123,762	5,252,768
Proceeds from warrants issued in a private placement	759,486	282,800
	6,883,248	5,535,568
INVESTING ACTIVITIES		
Purchase of equipment	(1,335)	(6,494)
Proceeds on sale of mineral property	–	11,050
Advances and corporate transaction costs deferred during the year (Note 6)	(4,099,529)	(3,452,815)
Capitalized mineral property expenditures	(12,923)	–
	(4,113,787)	(3,448,259)
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(942)	1,492
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	2,438,593	1,522,845
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,611,309	88,464
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,049,902	\$ 1,611,309
Cash and cash equivalents consist of:		
Demand deposits	\$ 1,146,485	\$ 63,636
Bankers' acceptances	2,730,439	1,547,673
Treasury bills	172,978	–
	\$ 4,049,902	\$ 1,611,309

**SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 14)***See accompanying notes to the consolidated financial statements*

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**GOLD-ORE RESOURCES LTD.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****FOR THE YEARS ENDED NOVEMBER 30, 2007 AND 2006**6

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	<b>2007</b>	<b>2006</b>
Loss for the year	\$ (1,342,733)	\$ (912,560)
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on translation of financial statements of self-sustaining foreign subsidiary	(942)	1,492
<b>Comprehensive loss for the year</b>	<b>\$ (1,343,675)</b>	<b>\$ (911,068)</b>

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*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 activities include the acquisition, exploration and development of mineral properties domiciled in Sweden. The Company is in the exploration stage and has not yet determined whether any of these properties contain ore reserves that are economically recoverable.

As at November 30, 2007, the Company had working capital of \$2,315,205 and accumulated losses since inception of \$5,724,038. The continuance of the Company's operations is dependent on obtaining sufficient additional financing when necessary in order to realize the recoverability of the Company's investments in mineral properties and option to acquire mining operations, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying metals.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

**2. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a consolidated basis and include the accounts of the Company, its wholly-owned U.S. subsidiary La Plata Minerals Limited, its wholly-owned Honduran subsidiary, Recursos Santana S.A. de C.V. and its wholly-owned Swedish subsidiary, Bjorkdal Exploration AB ("Bjorkdal AB"). All significant inter-company balances and transactions have been eliminated upon consolidation.

The Company acquired all of the common shares of Bjorkdal AB on December 1, 2005 by issuing a loan payable to Bjorkdalsgruvan AB, the vendor, for 100,000 Swedish Krona ("SEK"), which translated into \$15,140 Canadian dollars at the acquisition date. The loan payable is non-interest bearing, unsecured and repayable upon demand. As at November 30, 2007, the full loan payable remains outstanding. Bjorkdalsgruvan AB maintains an option to repurchase Bjorkdal AB from the Company for SEK100,000 should the Company's option to acquire Bjorkdalsgruvan AB, as disclosed in Note 6, expire unexercised. Subsequent to year-end, the Company exercised its option to acquire Bjorkdalsgruvan AB (see Note 19(a)).

**(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 reported period. Significant areas requiring the use of estimates relate to recoverability or valuation of accounts receivable, mineral properties and option to acquire mining operations, the utilization of future income tax assets, the valuation of asset retirement obligations and stock-based compensation. 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.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(d) Equipment**

Equipment is initially recorded at cost. Amortization is provided using the declining balance basis at a rate of 30% per annum.

**(e) Mineral Properties**

Mineral property acquisition, exploration and development costs are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include cash consideration and the fair market value of common shares issued for mineral property interests based on the trading price of the shares. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

Once commercial production has commenced, the net costs of the applicable property will be charged to operations using the unit-of-production method based on reserves. On an ongoing basis, the Company evaluates each property based on results to date to determine the nature of exploration work that is warranted in the future.

Impairment may occur in the carrying value of mineral interests when one of the following conditions exists:

- (i) the Company's work program on a property has significantly changed, so that previously identified resource targets or work programs are no longer being pursued;
- (ii) exploration results are not promising and no more work is being planned in the foreseeable future; or
- (iii) the remaining lease terms are insufficient to conduct necessary studies or exploration work.

Once impairment has been determined then a portion of the carrying value will be written-down to net realizable value. Amounts shown for mineral properties reflect costs incurred to date, less write-downs, and are not intended to reflect present or future values.

**(f) Long-Lived Assets**

The recoverability of long-lived assets, which includes equipment and mineral properties, is assessed when an event occurs indicating impairment. Recoverability is based on factors such as future asset utilization and the future undiscounted cash flows expected to result from the use or sale of the related assets. An impairment loss is recognized in the period when it is determined that the carrying amount of the asset will not be recoverable. At that time the carrying amount is written down to fair value.

**(g) Asset Retirement Obligations**

The Company accounts for asset retirement obligations under CICA Handbook section 3110, "Asset Retirement Obligations". Under the standard, a liability is recognized for the future retirement obligations associated with the Company's mineral properties. The fair value of the obligation is recorded on a discounted basis. This amount is capitalized as part of the cost of the related property and subject to depletion. At November 30, 2007, the Company has not incurred any asset retirement obligations.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(h) Stock-Based Compensation**

The Company has a plan for granting stock options to management, directors, employees and consultants. The Company recognizes compensation expense for this plan under the fair value based method in accordance with CICA Handbook section 3870 "Stock-Based Compensation and Other Stock-Based Payments". Under this method, the fair value of each option grant is estimated on the date of the grant and amortized over the vesting period, with the resulting amortization credited to contributed surplus. The Company estimates the fair value of each grant using the Black-Scholes option-pricing model. Consideration paid by employees on the exercise of stock options is recorded as share capital.

**(i) 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.

**(j) 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, warrants, agent share warrants and agent unit warrants.

**(k) 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 Canadian dollars 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 U.S. and Honduran foreign subsidiaries 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.

The Company's wholly-owned Swedish subsidiary is financially independent from the Company. The Company uses the current rate method to translate the accounts of its self-sustaining operations 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 income.

**(l) Comparative Figures**

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

**3. ADOPTION OF NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS****(a) Accounting Changes**

Effective December 1, 2006, the Company adopted the revised CICA 1506, "Accounting Changes", which requires that: (i) a voluntary change in accounting principles can be made if, and only if, the changes result in more reliable and relevant information, (ii) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change, and (iii) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting principles since the adoption of the revised standard.

**(b) Financial Instruments**

Effective December 1, 2006, the Company adopted the three new accounting standards and related amendments to other standards on financial instruments issued by the CICA. Prior periods have not been restated.

**(i) CICA 3855, "Financial Instruments – Recognition and Measurement"**

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. Effective December 1, 2006, the Company's cash equivalents have been classified as held-for-trading and are recorded at fair value on the balance sheet. Fair values are determined directly by reference to published price quotations in an active market. Changes in the fair value of these instruments are reflected in net income in the statement of operations. Derivatives that are linked to and must be settled by delivery of equity instruments of another entity whose fair value cannot be reliably measured are recorded on the balance sheet at cost. All other derivatives are recorded on the balance sheet at fair value. Gains and losses on derivatives recorded at fair value are included in net earnings. In accordance with the transitional provisions of the standard, the Company will recognize as separate assets and liabilities, embedded derivatives acquired or substantively modified on or after December 1, 2002.

All other financial instruments were recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing an other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance. Regular-way purchases and sales of financial assets are accounted for on the trade date. There was no impact on deficit upon adoption of this standard.

**(ii) CICA 3865, "Hedges"**

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG-13, "Hedging Relationships", and CICA 1650, "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company had no hedging relationships as at December 1, 2006. There was no impact on the Company's financial statements upon adoption of this standard.

**(iii) CICA 1530, "Comprehensive Income"**

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income may include holding gains and losses on available-for-sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. As a result of adopting this standard, at December 1, 2006, cumulative translation adjustments was reclassified to accumulated other comprehensive income.

**3. ADOPTION OF NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS**

(continued)

**(b) Financial Instruments (continued)****(iv) CICA 3862, "Financial Instruments – Disclosures"**

This standard relates to the disclosure of financial instruments. It applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2007. Early adoption is permitted. CICA 3863, "Financial Instruments – Presentation" must be adopted at the same time, replacing CICA 3861, "Financial Instruments – Disclosure and Presentation". The Company will adopt the standard commencing for its interim and annual financial statements for the fiscal year ending November 30, 2008.

**(v) CICA 3863, "Financial Instruments – Presentation"**

This standard relates to the presentation of financial instruments. It applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2007. Early adoption is permitted. CICA 3862, "Financial Instruments – Presentation" must be adopted at the same time, replacing CICA 3861, "Financial Instruments – Disclosure and Presentation". The Company will adopt the standard commencing for its interim and annual financial statements for the fiscal year ending November 30, 2008.

**(c) CICA 1535, "Capital Disclosures"**

This standard relates to the disclosure of capital management strategies. It applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2007. Early adoption is permitted. The Company will early adopt the standard commencing for its interim and annual financial statements for the fiscal year ending November 30, 2008.

**(d) CICA 3031, "Inventories"**

This standard relates to the measurement and disclosure of inventories. It applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2008. Early adoption is permitted. The Company will early adopt the standard commencing for its interim and annual financial statements for the fiscal year ending November 30, 2008. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

**(e) CICA 3064, "Goodwill and Intangible Assets"**

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2008. Early adoption is permitted. The Company will early adopt the standard commencing for its interim and annual financial statements for the fiscal year ending November 30, 2008. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

**(f) CICA 1400, "General Standards of Financial Statement Presentation"**

In May 2007, the CICA issued amended Handbook Section 1400, "General Standards of Financial Statement Presentation". The section provides revised guidance related to management's responsibility to assess and disclose the ability of an entity to continue as a going concern. This amended standard applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2008. Early adoption is permitted. The Company will early adopt the standard commencing for its interim and annual financial statements for the fiscal year ending November 30, 2008. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

## 4. EQUIPMENT

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Office equipment	\$ 30,950	\$ 17,997	\$ 12,953	\$ 15,939

## 5. MINERAL PROPERTIES

	Vallberget Sweden	Ronnberget Sweden	2007 Total	2006 Total
Acquisition costs	\$ 36,173	\$ 277,108	\$ 313,281	\$ -

## (a) La Plata - United States

During the year ended November 30, 2005, the Company determined that further work on its La Plata mineral property was not warranted. The Company wrote down the value of the property to its estimated net realizable value of \$11,050. On December 28, 2005, certain claims comprising 12 unpatented claims and one patented claim were sold for US\$9,500 (\$11,050).

On July 20, 2007, the Company granted an exclusive option to Deep Creek Exploration Company ("Deep Creek") to earn a 100% interest in the remaining seven patented claims held by the Company in La Plata County, Colorado (the "La Plata property") for US\$5,000 (\$5,295).

In order to earn the 100% interest in the property, Deep Creek may:

- (i) Pay to the Company US\$25,000 (the "Assignment Payment"); and
- (ii) At the time a decision is made to place any portion of the property into production, pay to the Company US\$175,000, subject to an adjustment (the "Adjustment") based on the percentage change of copper prices between a base price of US\$3.55 and the price on the date of payment (the "Acquisition Payment").

In order to keep the option in good standing, the Assignment Payment must be paid if the option is assigned to a third party. Deep Creek must also make the following payments to the Company to maintain the option:

Date	Amount
July 20, 2008	US\$10,000
July 20, 2009	US\$15,000
July 20, 2010	US\$20,000
July 20, 2011	US\$25,000
On subsequent anniversaries up to the acquisition date	US\$10,000

Deep Creek may exercise the option prior to the decision is made to place any portion of the property into production by paying the Company US\$175,000, without reference to the Adjustment, and by making the Assignment Payment, if not already paid.

The property is subject to a 1.5% royalty in favour of Phelps Dodge Corp.

## (b) 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 mineral properties of Bjorkdalsgruvan AB (see Note 6).

**5. MINERAL PROPERTIES (continued)****(b) Ronnberget - Sweden (continued)**

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.

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.

**(c) Vallberget - Sweden**

On November 7, 2007, the Company acquired an exclusive option to purchase a 100% interest in four contiguous exploration permits covering 29 square kilometres in the Bergslagen mining district in southern Sweden for \$10,000 and 25,000 common shares of the Company from a private company (the "Optionor"). A value of \$23,250 was assigned to the shares based on the market price of the Company's common shares on the measurement date, November 7, 2007. In order to earn the 100% interest, the Company must:

- (i) Incur minimum aggregate exploration costs on the property of \$1,000,000 on or before November 7, 2010;
- (ii) Pay to the Optionor \$70,000 cash, or \$20,000 cash and 50,000 common shares of the Company, on or before November 7, 2008. The shares are subject to a minimum market value of \$1 per share. In the event the share price falls below \$1 at the payment date, additional cash and shares is to be paid to make up the price differential;
- (iii) Pay to the Optionor \$130,000 cash, or \$30,000 cash and 100,000 common shares of the Company, on or before November 7, 2009. The shares are subject to a minimum market value of \$1 per share. In the event the share price falls below \$1 at the payment date, additional cash and shares is to be paid to make up the price differential; and
- (iv) Pay to the Optionor a final payment equal to \$350,000 in cash or common shares of the Company on or before November 7, 2010 (the "Final Payment"). The ratio of cash and shares paid is at the discretion of the Company subject to a minimum of \$150,000 cash. The value of the shares is to be determined by averaging the closing price of the Company's common shares on the most senior stock exchange in Canada upon which the shares are listed and trading for the 20 days preceding the Final Payment.

In order to keep the option in good standing, the Company must incur minimum aggregate exploration costs on the property by the following dates:

Date	Amount
November 7, 2008	\$200,000
November 7, 2009	\$500,000

**6. OPTION TO ACQUIRE MINING OPERATIONS**

On November 14, 2005, the Company signed a Heads of Agreement ("HOA") to acquire an exclusive option (the "Exclusive Option") to purchase from Minmet plc of Dublin, Ireland ("Minmet"), 100% of the share capital of Bjorkdalsgruvan AB of Sweden ("Bjorkdalsgruvan"), and promissory notes of SEK 21,361,465, due from Bjorkdalsgruvan to Minmet. The acquisition of the Exclusive Option was completed on January 20, 2006 upon the execution of a formal agreement (the "Exclusive Option Agreement"). The option was set to expire on December 31, 2007. Subsequent to year-end, the Company exercised the Exclusive Option (see Note 19(a)).

**6. OPTION TO ACQUIRE MINING OPERATIONS (continued)**

The assets of Bjorkdalsgruvan include an operating plant, reserves/resources and exploration properties of the Bjorkdal gold mine ("Bjorkdal") located in northern Sweden. Bjorkdal is located 30 kilometres northwest of the city of Skelleftea and 750 kilometres north of Stockholm, Sweden.

In consideration for the Exclusive Option, on February 17, 2006, the Company issued 5,840,000 common shares of the Company to Minmet valued at \$2,277,600. Pursuant to the terms of the Exclusive Option Agreement, the Company was required to advance the equivalent of US\$1,500,000 to Bjorkdalsgruvan by way of an unsecured loan by June 30, 2006 to be directed towards exploration activities conducted on the Bjorkdal mineral properties. During the year ended November 30, 2006, the Company satisfied this commitment by advancing the equivalent of US\$1,500,000. As at November 30, 2007, the Company has advanced a total of \$7,365,719 and accrued \$1,583,770 in advances payable towards exploration activities conducted on the Bjorkdal mineral property. All advances were forgivable should the Exclusive Option expire unexercised.

Pursuant to the terms of the Exclusive Option Agreement, the Company and Minmet were to make available a standby loan facility to Bjorkdalsgruvan equivalent to US\$1,500,000 to finance any operating shortfalls. Under the terms of the loan facility, the initial US\$500,000 was to be advanced by the Company, while the remaining US\$1,000,000 was to be advanced equally by the Company and Minmet. As at November 30, 2007, the Company has advanced \$250,000 under this loan facility. The amount of the loan advanced by the Company was forgivable should the Exclusive Option expire unexercised.

Upon exercising the option, the Company was required to pay Minmet US\$2,000,000 cash, issue to Minmet the greater of 4,000,000 common shares of the Company and the number of common shares of the Company equalling US\$2,000,000 computed based on the value of the closing price of the Company's common shares on the date of exercise, and take assignment of promissory notes due from Bjorkdalsgruvan to Minmet. Upon exercising the option, Minmet was granted a sliding-scale net smelter royalty ("NSR") in the Bjorkdal mineral properties at rates varying from 0.50% and 1.75%, which change based on gold prices. The Company may purchase the NSR at any time for US\$1,000,000 or by the issuance of an equivalent value of common shares of the Company.

As at November 30, 2007, the Company has incurred and deferred \$11,686,402 (2006 – \$6,003,103) of incremental costs related to this transaction summarized as follows:

	<b>2007</b>	<b>2006</b>
Advances to Bjorkdalsgruvan under an unsecured loan facility for exploration expenditures	\$ 7,365,719	\$ 3,255,494
Advances payable to Bjorkdalsgruvan under an unsecured loan facility for exploration expenditures	1,583,770	–
Advances to Bjorkdalsgruvan under an unsecured standby loan facility for operating shortfalls	250,000	260,144
Common shares issued to Minmet for the Exclusive Option	2,277,600	2,277,600
Cash payments to Minmet for the Exclusive Option	59,035	59,035
Other incremental costs incurred directly by the Company	150,278	150,830
	<b>\$ 11,686,402</b>	<b>\$ 6,003,103</b>

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## 7. 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 Shares	Amount
Balance, November 30, 2005	23,548,650	\$ 3,618,684
Issued during the year:		
For cash:		
Short form offering and private placement, net of share issuance costs (Note 7(b)(i))	20,000,000	3,127,269
Exercise of stock options	125,000	19,000
Exercise of warrants	5,910,050	1,738,640
Exercise of agent stock warrants	289,300	57,860
Exercise of agent unit warrants	496,100	99,220
For option to acquire Bjorkdalsgruvan	5,840,000	2,277,600
Transferred from contributed surplus:		
Exercise of stock options	–	7,865
Exercise of warrants	–	302,585
Exercise of agent stock and unit warrants	–	91,898
Balance, November 30, 2006	56,209,100	11,340,621
Issued during the year:		
For cash:		
Private placement, net of share issuance costs (Note 7(b)(ii))	12,100,032	5,619,551
Exercise of stock options	1,105,000	174,800
Exercise of warrants	362,500	108,750
Exercise of agent stock warrants	438,970	111,967
For purchase Ronnberget mineral property (Note 7(b)(iii))	250,000	232,500
For option to acquire Vallberget mineral property (Note 7(b)(iv))	25,000	23,250
Transferred from contributed surplus:		
Exercise of stock options	–	61,597
Exercise of warrants	–	–
Exercise of agent stock and unit warrants	–	68,166
Balance, November 30, 2007	70,490,602	\$ 17,741,202

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**7. SHARE CAPITAL (continued)****(b) Issued and Outstanding Share Capital (continued)**

- (i) On February 17, 2006, the Company issued 10,000,000 common shares of the Company at a price of \$0.20 and 10,000,000 units at a price of \$0.20 per unit for gross cash proceeds of \$4,000,000 in a short form offering and a private placement, respectively. Each unit consisted of one common share and one-half of one transferable share purchase warrant. Each whole share purchase warrant was exercisable to purchase one common share of the Company at a price of \$0.30 expiring February 17, 2008. Under the terms of the private placement, after a period of four months following the closing date, if the Company's share price closed trading on the TSX Venture Exchange at a price of \$0.45 per share or higher for 20 consecutive trading days, the Company could give notice to the warrant holders modifying the expiry date of the warrants from February 17, 2008 to 30 days from the date of such notice. On September 26, 2006, this criteria was met and the Company gave notice to the warrant holders modifying the expiry date of the warrants to October 30, 2006. Cash proceeds from the private placement of \$1,717,200 and \$282,800 were allocated to the common shares and warrants constituting the units issued in the private placement, respectively, based on their relative fair values at the closing date of the private placement. In connection with the short form offering and private placement, the Company paid commissions consisting of \$240,000 cash, 975,000 agent stock options with a fair value of \$121,838 exercisable at \$0.20 for a term of two years and 525,000 agent unit options with a fair value of \$88,941. The agent units under option carry terms similar to those units issued in the private placement. The Company also incurred other cash share issuance costs of \$139,153. The fair values of the stock options, agent stock options and agent unit options were computed using the Black-Scholes option-pricing model.
- (ii) On January 19, 2007 the Company issued 12,100,032 units at \$0.56 per unit for gross proceeds \$6,776,018 under a private placement. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$1.00 per share for a period of 18 months from the closing of the financing. Values of \$6,016,532 and \$759,486 were assigned to the common shares and warrants respectively, based on their relative fair values on the closing date of the private placement. Units sold under the private placement had a 4 month hold period expiring May 20, 2007.

In connection with the private placement the Company paid cash commissions of \$226,027 and issued 336,350 agent stock warrants to acquire 336,350 common shares of the Company. Each agent stock warrant may be exercised for one common share at a price of \$0.56 for a period of 12 months from closing. A value of \$108,694 was assigned to these warrants computed using the Black-Scholes option-pricing model. The Company incurred other cash issuance costs of \$62,260.

- (iii) On September 28, 2007, the Company issued 250,000 common shares for the purchase of a mineral property in Sweden as described in Note 5(b).
- (iv) On November 7, 2007, the Company issued 25,000 common shares to acquire an option to purchase a mineral property in Sweden as described in Note 5(c).

**(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.

7. SHARE CAPITAL (continued)

(c) Stock Options (continued)

	Number of Shares Under Option	Weighted Average Exercise Price
Balance, November 30, 2005	1,800,000	\$0.15
Granted	2,180,000	0.37
Exercised	(125,000)	0.15
Balance, November 30, 2006	3,855,000	0.27
Granted	1,180,000	0.99
Exercised	(1,105,000)	0.16
Expired	(35,000)	0.73
Balance, November 30, 2007	3,895,000	\$0.52

The following numbers of stock options had vested and were exercisable as at the end of the year:

November 30, 2005	1,800,000
November 30, 2006	3,533,333
November 30, 2007	3,857,500

The following table summarizes stock options outstanding at November 30, 2007:

	Exercise Price	Number of Shares	Options Outstanding		Options Exercisable	
			Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$	0.15	400,000	0.1	\$0.15	400,000	\$0.15
	0.23	350,000	2.3	0.23	350,000	0.23
	0.34	1,590,000	3.3	0.34	1,590,000	0.34
	0.44	200,000	1.4	0.44	200,000	0.44
	0.51-0.52	190,000	1.9	0.51	190,000	0.51
	0.82	200,000	2.3	0.82	200,000	0.82
	1.02	965,000	4.6	1.02	927,500	1.02
	\$0.15-1.02	3,895,000	3.0	\$0.52	3,857,500	\$0.51

Stock options outstanding at November 30, 2007 expire between January 16, 2008 and July 20, 2012.

## 7. SHARE CAPITAL (continued)

## (d) Warrants

	Number of Warrants	Purchase Price per Share
Balance, November 30, 2005	1,000,000	\$0.25
Issued	5,273,050	0.30
Exercised	(5,910,050)	0.29
Expired	(500)	0.30
Balance, November 30, 2006	362,500	0.30
Issued	6,300,017	1.00
Exercised	(362,500)	0.30
Expired	—	—
Balance, November 30, 2007	6,300,017	\$1.00

Warrants outstanding at November 30, 2007 expire between July 19, 2008 and September 28, 2008.

## (e) Agent Stock Warrants

	Number of Agent Stock Warrants	Purchase Price per Share
Balance, November 30, 2005	—	\$ —
Issued	975,000	0.20
Exercised	(289,300)	0.20
Balance, November 30, 2006	685,700	0.20
Issued	336,350	0.56
Exercised	(438,970)	0.26
Balance, November 30, 2007	583,080	\$0.37

During the year ended November 30, 2007, the Company issued 336,350 non-transferable warrants to acquire 336,350 common shares of the Company at an exercise price of \$0.56 in connection with the financing described in Note 7(b)(ii). Agent stock warrants outstanding at November 30, 2007 expire between January 19, 2008 and February 17, 2008.

## (f) Agent Unit Warrants

	Number of Agent Unit Warrants	Purchase Price per Unit
Balance, November 30, 2005	50,000	\$0.20
Issued	525,000	0.20
Exercised	(496,100)	0.20
Balance, November 30, 2006	78,900	0.20
Issued	—	—
Exercised	—	—
Balance, November 30, 2007	78,900	\$0.20

During the year ended November 30, 2006, the Company issued 525,000 non-transferable warrants to acquire 525,000 units at an exercise price of \$0.20 with the characteristics described in Note 7(b)(i). As at November 30, 2007, 78,900 of these unit warrants were outstanding and exercisable. Agent unit warrants outstanding at November 30, 2007 expire on February 17, 2008.

**8. CONTRIBUTED SURPLUS**

	<b>2007</b>	<b>2006</b>
Balance, beginning of year	\$ 693,041	\$ 102,650
Stock-based compensation (Note 10)	849,782	499,160
Agent stock and unit warrants issued for services (Note 7(b)(i) and (ii))	108,694	210,779
Warrants issued for cash in a private placement (Note 7(b)(i) and (ii))	759,486	282,800
Fair value of warrants issued pursuant to property acquisition (Note 5(b))	44,608	–
Transferred to share capital upon exercise of stock options	(61,597)	(7,865)
Transferred to share capital upon exercise of warrants	–	(302,585)
Transferred to share capital upon exercise of agent stock and unit warrants	(68,166)	(91,898)
<b>Balance, end of year</b>	<b>\$2,325,848</b>	<b>\$ 693,041</b>

**9. ACCUMULATED OTHER COMPREHENSIVE INCOME**

	<b>2007</b>	<b>2006</b>
Unrealized gain on translation of financial statements of self-sustaining foreign subsidiary	\$ 550	\$ 1,492

**10. STOCK-BASED COMPENSATION**

During the year ended November 30, 2007, the Company granted 1,180,000 (2006 – 2,180,000) stock options to directors, officers, employees and consultants of the Company. The weighted average fair value of each option granted was \$0.69 (2006 – \$0.26) computed using the Black-Scholes option-pricing model on the date of each grant using the following weighted average assumptions:

	<b>2007</b>	<b>2006</b>
Risk-free interest rate (%)	4.4	4.1
Expected dividend yield (%)	–	–
Expected stock option lives (years)	4.7	4.4
Expected stock price volatility (%)	84	96

During the year ended November 30, 2007, the Company recognized compensation cost of \$849,782 (2006 – \$499,160) as stock-based compensation expense.

**11. REGIONAL EXPLORATION EXPENSES**

	<b>2007</b>	<b>2006</b>
Assaying	\$ 5,019	\$ 2,981
Consulting	26,265	7,988
Field equipment and supplies	282	592
Field labour	–	1,052
Field office	–	235
Surveying and mapping	–	243
Travel and accommodation	17,773	2,357
Vehicles and fuel	284	1,334
Licenses, taxes and permits	648	622
Recovery of exploration expenses	–	(10,526)
<b>Total</b>	<b>\$ 50,271</b>	<b>\$ 6,878</b>

**12. 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**

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

	<b>2007</b>	<b>2006</b>
Future income tax assets:		
Non-capital income tax losses carried forward	\$ 717,000	\$ 473,000
Share issuance costs	188,000	144,000
Equipment	2,000	-
Canadian exploration expenses	39,000	43,000
Canadian development expenses	16,000	17,000
Foreign exploration and development expenses	412,000	546,000
Gross future income tax assets	1,374,000	1,223,000
Valuation allowance	(1,374,000)	(1,223,000)
Net future income tax assets	\$ -	\$ -

**(b) Losses Carried Forward and Expiration Dates**

At November 30, 2007, the Company has non-capital losses carried forward for income tax purposes available to reduce taxable income in future years of \$2,208,000 expiring as follows:

2008	\$ 39,000
2009	58,000
2010	439,000
2014	153,000
2015	332,000
2026	690,000
2027	497,000
	<hr/> \$ 2,208,000

**13. LOSS PER SHARE**

The weighted average number of shares outstanding used in the computation of loss per share was 68,168,000 (2006 – 45,281,000). Outstanding stock options, warrants, agent stock warrants and agent unit warrants have not been considered in the computation of diluted loss per share as the result is anti-dilutive.

**14. SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>2007</b>		<b>2006</b>	
Cash paid for:				
Interest	\$	–	\$	–
Income taxes		–		–
Non-cash financing and investing activities:				
Loan payable issued on acquisition of Bjorkdal Exploration AB		–		15,140
5,840,000 shares issued for option to acquire mining operations		–		2,277,600
250,000 shares issued for acquisition of mineral property		232,500		–
250,000 warrants issued for acquisition of mineral property		44,608		–
25,000 shares issued for option to acquire mineral property	\$	23,250	\$	–

**15. RELATED PARTY TRANSACTIONS AND BALANCES**

During the year ended November 30, 2007, geological expenses of \$10,107 were paid on behalf of a company in which one director of the Company is also a director. At November 30, 2007, an amount of \$10,107 (2006 – \$nil) is receivable from this company. The amount is unsecured, non-interest bearing and due on demand. This transaction was not in the normal course of operations and is recorded at the exchange amount, which is the consideration agreed upon by the related parties.

**16. FINANCIAL INSTRUMENTS****(a) Fair Value of Financial Instruments**

The Company has various financial instruments including cash and cash equivalents, short-term investments, accounts receivable, due from a related party, restricted cash, accounts payable and accrued liabilities, and loan payable. The carrying values of these financial instruments approximate their fair values due to their short terms to maturity. The Company has an option to acquire mining operations. This financial instrument has been recorded at cost as its fair value cannot be reliably measured.

**(b) Concentrations of Business Risk**

The Company maintains substantially all of its cash and cash equivalents with Canadian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

As the Company operates in an international environment, some of the Company's transactions and financial instruments are denominated in currencies other than the Canadian dollar. 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 also has an investment in a self-sustaining Swedish subsidiary, whose net assets are exposed to foreign currency translation risk. The Company elected to not actively manage foreign exchange and foreign currency translation risks during the year.

The Company's cash equivalents are subject to interest rate price risk and liquidity risk. The Company's interest rate and liquidity risk management policy is to purchase highly liquid investments with a term to maturity of three months or less on the date of purchase.

**17. SEGMENT DISCLOSURES**

The Company operates in the mining industry. Management of the Company makes decisions about allocating resources based on the one operating segment. The following table summarizes equipment and mineral properties by geographic segment:

	Mineral Properties		Equipment	
	2007	2006	2007	2006
Canada	\$ –	\$ –	\$ 12,953	\$ 15,939
Sweden	313,281	–	–	–
<b>Total</b>	<b>\$ 313,281</b>	<b>\$ –</b>	<b>\$ 12,953</b>	<b>\$ 15,939</b>

**18. COMMITMENTS**

The Company entered into an operating lease for premises commencing on January 1, 2005 for a term of four years expiring December 31, 2008. Minimum lease payments over the remaining term of the lease are as follows:

2008	\$ 45,155
2009	3,763
	<hr/>
	\$ 48,918

**19. SUBSEQUENT EVENTS****(a) Exercise of Option to Acquire Mining Operations**

Effective December 31, 2007, the Company exercised the Exclusive Option disclosed in Note 6, and acquired from Minmet, 100% of the share capital of Bjorkdalsgruvan and advances due to Minmet from Bjorkdalsgruvan. The Company has estimated the purchase price of 100% of the shares of Bjorkdalsgruvan to be \$4,459,532 and the advances of SEK21,361,465 to be \$3,268,304 (using the foreign exchange rate at December 31, 2007). Total estimated consideration of \$7,727,836 is comprised of cash, shares and incremental corporate transaction costs summarized as follows:

- (i) US\$2,000,000 cash (\$2,014,800) paid to Minmet on December 31, 2007;
- (ii) 4,000,000 common shares of the Company issued to Minmet on December 17, 2007. These common shares were valued at \$3,224,000 (\$0.806 per common share) based on an average of closing prices of the common shares of the Company on the TSX Venture Exchange for a period of two trading days before and after November 19, 2007, the date of the Company's announcement of its intention to exercise the Exclusive Option;
- (iii) US\$50,000 cash (\$59,035) paid to Minmet during the year ended November 30, 2005 in consideration for the Exclusive Option;
- (iv) 5,840,000 common shares of the Company issued to Minmet on February 17, 2006 in consideration for the Exclusive Option. These common shares were valued at \$2,277,600; and
- (v) Other incremental corporate transaction costs of \$152,401.

## 19. SUBSEQUENT EVENTS (continued)

## (a) Exercise of Option to Acquire Mining Operations (continued)

Advances of \$8,949,489 from the Company to Bjorkdalsgruvan under an unsecured loan facility for exploration expenditures and advances of \$250,000 from the Company to Bjorkdalsgruvan under an unsecured standby loan facility for operating shortfalls will not form part of the purchase price as, under the terms of the Exclusive Option Agreement, these advances are not forgiven upon the exercise of the Exclusive Option.

The results of the operations of Bjorkdalsgruvan will be included in the Company's consolidated financial statements commencing January 1, 2008. A preliminary purchase price allocation has not been included in these consolidated financial statements as reliable information relating to the fair values of the net assets acquired was unavailable at the date of completion of these statements. A preliminary purchase price allocation will be disclosed in the Company's consolidated financial statements for the three-month period ended February 29, 2008.

In accordance with the terms of the Exclusive Option Agreement, Bjorkdalsgruvan granted Minmet a sliding scale net smelter royalty ("NSR") in the Bjorkdal mineral properties commencing January 1, 2008, at rates varying from 0.5% to 1.75% based on gold prices as follows:

NSR Rate %	Gold Price US\$
0.50	< 400
1.00	400 – 450
1.25	450 – 500
1.50	500 – 550
1.75	> 550

The NSR can be purchased at any time by the Company for US\$1,000,000 cash or by the issuance of an equivalent value of common shares of the Company.

## (b) Issuance of Common Shares

From December 1, 2007, to March 14, 2008, the Company issued 1,101,980 common shares pursuant to the exercise of stock options, warrants, agent stock warrants and agents unit warrants for gross proceeds of \$310,108.

## (c) Grant of Stock Options

On January 14, 2008, the Company granted 300,000 stock options with an exercise price of \$0.82 to employees and consultants of the Company. The stock options have a term of three years expiring on January 14, 2011.

**PRELIMINARY INFORMATION**

The following Management Discussion and Analysis (“MD&A”) of Gold-Ore Resources Ltd. (the “Company”) is intended to supplement and complement the accompanying audited consolidated financial statements and notes for the year ended November 30, 2007 (“Year End 2007”), and should be read in conjunction with the annual audited consolidated financial statements and the related notes and schedules.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles, and all dollar amounts are expressed in Canadian dollars unless otherwise indicated. Significant accounting policies are set out in Note 2 of the audited consolidated financial statements.

All information contained in this MD&A is as of March 14, 2008 unless otherwise indicated.

*Forward-looking statements*

The following MD&A contains assumptions, estimates, and other forward-looking statements regarding future events. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company’s control that may cause actual results or performance to differ materially from those currently anticipated in such statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include among others metal price volatility, economic and political events effecting the awarding of concessions, mechanical and technical difficulties, and availability of financing on acceptable terms. Readers are cautioned not to put undue reliance on these forward-looking statements.

**OVERVIEW**

The Company was incorporated on October 22, 1996 under the Business Corporations Act (Alberta). On December 16, 1996 the Company was extra-provincially registered under the Company Act of British Columbia.

The Company is a mineral exploration and development company engaged in the acquisition, exploration and development of mineral properties. During 2005 the Company expanded its activities to northern Sweden and in 2006 acquired an option to purchase Bjorkdalsgruvan AB from Minmet plc of Dublin, Ireland. On December 31, 2007 the Company exercised its option and acquired all the shares of Bjorkdalsgruvan AB and it is now a wholly owned subsidiary of the Company. As of November 30, 2007 the Company had no other sources of revenue other than interest on cash and cash equivalents.

The Company has a wholly owned Honduran subsidiary, Recursos Santana SA de CV, that enables the Company to hold mining concessions in that country. In addition, the Company has a wholly owned American subsidiary, La Plata Minerals Limited and a wholly owned Swedish subsidiary Bjorkdal Exploration AB.

**EXPLORATION AND MINE DEVELOPMENT ACTIVITIES****SWEDEN****Bjorkdal Property**

On January 20, 2006 the Company signed an Exclusive Option Agreement (Agreement) to purchase 100% of the share capital of Bjorkdalsgruvan AB of Sweden from Minmet plc of Dublin, Ireland. The assets of Bjorkdalsgruvan AB include a fully permitted and operating gold processing plant, mineral resources and exploration properties of the Bjorkdal gold mine located in northern Sweden. On November 13, 2007, the Company notified Minmet that it was exercising its Exclusive Option to purchase Bjorkdalsgruvan. The acquisition became effective December 31, 2007.

The Bjorkdal Property covers 4,300 hectares and is located 30 kilometres northwest of the city of Skelleftea and 750 kilometres north of Stockholm, Sweden. During the period from 1988 to 1999, 725,000 ounces of gold were produced from the open pit on the property. Operations ceased in 1999 due to depressed metal prices. In 2001, private investors re-activated milling operation by processing low grade surface stockpiles.

**Exploration and Development Activities**

In May 2007 the Company commenced a work program designed to test the feasibility of underground mining at Bjorkdal. The program involved diamond drilling, underground tunneling and test mining, all of which were to be completed by year-end, and documented in a feasibility study. Due to contractor delays in procuring machinery, the test mining was delayed and was not initiated until mid-December, but is currently advancing rapidly.

**Diamond Drilling**

Two diamond drill rigs operated on the property all year and 128 holes totalling 13,400 metres (compared to 91 holes and 7,950 metres in 2006) were completed. Late in 2007 the emphasis in the drilling shifted from a systematic resource drill pattern to a broader step-out pattern to demonstrate a larger target dimension.

Three deep holes drilled from surface tested the extension of the mineralization toward the northeast under the cap rock. The drilling successfully intersected quartz vein structures, these veins contain gold values comparable to known gold-bearing veins seen underground and suggest that the mineralized system extends at least 300 metres beyond the limits of the current underground development.

**Underground Excavations**

Underground tunnels totalling 1,400 metres in length were excavated on two levels during 2007 (compared to 1,100 metres in 2006). The rock excavated from the tunnels was principally low-grade development muck and was processed resulting in the production of 2,500 ounces of gold that were sold at spot prices generating C\$1.75 million. A 5 metre by 5 metre ramp joins the 205 level and the 185 level, a vertical distance of 20 metres. The 185 cross-cut was extended to provide access for the on-vein drives at that level. Production drives measuring 4 metres by 5 metres were completed on four veins from the 205 level and two veins from the 185 level. This is in preparation for longhole

stopping of the veins between the 205 and 185 levels. A production drill was mobilized to site for the longhole stopping. Testing of the bulk samples will continue throughout the first quarter of 2008.

#### Mining Activities (Pre Commercial Production Stage)

Bjorkdal currently produces gold from material sourced from underground (800 tonnes/day), selective areas within the historic open pit (1,300 tonnes/day) and surface stockpiles (1,200 tonnes/day). With the recent increases in gold prices, open pit mining has been re-activated. The Company is actively reviewing several areas with historic drilling that have demonstrated open pit potential to provide mill-feed at the rate of 1,300 to 1,700 tonnes per day. The corporate objective is to increase gold production to the 50,000 to 75,000 ounce per year level during 2008.

Gold production at Bjorkdal during 2007 totalled 19,500 ounces. Production during January 2008 increased to an annualized rate of 23,000 ounces and in February to 24,000 ounces. The Company will steadily increase gold production by increasing underground mining from 800 to 1500 tonnes per day thereby increasing the blended grade of rock mined from underground and open pit.

A feasibility study has been commissioned and is progressing satisfactorily. Completion of the study is contingent on completion of test mining which involves stopping of four veins. One vein is 40% complete while a second is 10% complete.

#### **Ronnberget Property**

During 2007 the Company acquired 100% interest in 9 exploration permits covering 35 square kilometres from North Atlantic Natural Resources AB, a Swedish company owned by Lundin Mining Corporation. The permits are contiguous with the east and south boundaries of the Company's Bjorkdal Gold Project.

Under terms of the purchase agreement, Gold-Ore issued 250,000 units to North Atlantic. Each unit consists of a common share and a share purchase warrant. Each warrant can be exercised to purchase an additional common share of Gold-Ore at \$1.10 until September 28<sup>th</sup>, 2008. In addition, North Atlantic retains a 2% net smelter royalty on any metal produced from the permits. Gold-Ore has a right of first refusal to purchase the royalty should North Atlantic wish to sell it.

Exploration programs conducted in the 1990's on the permits included soil and base of till geochemical sampling, prospecting, trenching, geological mapping and 96 widely spaced shallow diamond drill holes. The programs discovered several locations where gold grains were recovered from the till. Diamond drilling intersected Bjorkdal style quartz veining containing gold associated with bismuth and tellurium hosted by granodiorite.

As of November 30, 2007 the company has not performed any exploration activities in this area, however, an aggressive exploration program on the property is budgeted beginning the second quarter of 2008.

**Vallberget Property**

During the last quarter of 2007 the Company acquired an option to purchase 100% interest in four contiguous exploration permits covering 29 square kilometers in the Bergslagen mining district in southern Sweden.

Under the terms of the option to purchase agreement, Gold-Ore will acquire 100% of the permits from a private company by paying a combination of cash and shares equivalent over a four year period as well as CDN\$1,000,000 as exploration expenditures during the four year period. The first annual payment of CDN\$10,000 and 25,000 shares has been paid. The next option payments will be due on November 7, 2008 (CDN\$70,000, or CDN\$20,000 and 50,000 shares), November 7, 2009 (CDN\$130,000, or CDN\$30,000 and 100,000 shares), November 7, 2010 (a minimum of CDN\$150,000 and CDN\$200,000 value in shares). Annual minimum work expenditures required are CDN\$200,000, CDN\$300,000 and CDN\$500,000 on or before the first, second and third anniversary respectively, these expenditures are cumulative as explained in Note 5 (c) of the accompanying financial statements.

The Vallberget permits cover an area where previous work has located 13 volcanogenic massive sulphide style occurrences of Zn, Pb, Cu, Ag and Au within felsic volcanic rocks. Most of the occurrences have seen small scale mining during the 1800's and 1900's. Historic drill intersections dating back to the late 1930's include 22.9% Zn and 0.70% Pb over 9.8 metres and 17.1% Zn and 1.9% Pb over 3.8 metres. Little recent exploration work as been conducted on the property. The Company plans an initial program of airborne geophysical survey over the property during the second quarter of 2008 with follow up programs as warranted.

As of November 30, 2007 the company has not performed any exploration activities in this area.

**UNITED STATES**

In the first quarter of 2006, the Company sold its interest in one patented claim and 12 unpatented claims in Colorado for US\$9,500. In the first quarter of 2007, the Company re-acquired the patented claim at no cost.

On July 20, 2007 the Company signed a Purchase Option Agreement (the "Option") to sell to Deep Creek Exploration Company (Deep Creek) 100% of the Company's rights, title and interest in seven patented claims in the La Plata County, Colorado (the "Property") subject to an existing royalty in favour of Phelps Dodge Corp. In accordance with the Option Deep Creek will make the following payments to the Company: US\$5,000 (On July 20, 2007, received), US\$10,000 (July 20, 2008), US\$15,000 (July 20, 2009), US\$20,000 (July 20, 2010), US\$25,000 (July 20, 2011) and US\$10,000 on the next and all subsequent anniversaries up to the exercise date of the Option.

To exercise the Option Deep Creek will pay the Company the following milestone payments

- a) One time cash milestone payment of US\$25,000, in the event that Deep Creek assigns the Agreement or options the Property to a third party.
- b) One time cash milestone payment of US\$175,000 at the time that a decision is made to place any portion of the Property into production subject to adjustment based on any change in the price of copper from US\$3.55 per pound.

Provided that Deep Creek maintains the agreement it may exercise the Option at any time by making the payments as described in clauses (a) and (b) above.

**SELECTED FINANCIAL INFORMATION****Year ended November 30, 2007 compared to November 30, 2006**

	<b>November 30</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
Interest and other Income	238,153	65,359
Loss before other items	1,562,667	1,033,972
Net loss for the year	1,342,733	912,560
Net loss per common share, basic and diluted	0.02	0.02
Total Assets	16,128,349	7,748,540
Shareholder's Equity	14,343,562	7,653,849
Working Capital	2,315,205	1,618,097

**Expenses**

During the year ended November 30, 2007, the Company spent a total of \$1,562,667 (\$1,033,972 in 2006) for exploration and administration (exclusive of Bjorkdal activities). Exploration expenses increased from \$6,878 in 2006 to \$50,271 in 2007 as the Company expanded its search for new properties in Sweden. As a result of these exploration expenses, the Ronnbeget property (Note 5(b) of the accompanying financial statements) was acquired and the option to purchase the Vallberget property was finalized (Note 5(c) of the accompanying financial statements). The Company is concentrating its efforts on the Bjorkdal project in Sweden. Expenditures incurred in relation to this project are advanced by the Company by way of a loan to Bjorkdalsgruvan AB. These advances have been capitalized on the balance sheet under "Option to acquire mining operations" (see Note 6 of the accompanying financial statements) and are used for the activities disclosed under Exploration Activities. At December 31, 2007 the Company finalized the purchase of Björkdalsgruvan AB.

Administrative expenses increased from \$1,027,094 in 2006 to \$1,512,396 in 2007. This increase is mostly related to the inclusion of the non-cash item of stock-based compensation expense of \$849,782 (\$499,160 in 2006); Investor relations increased by \$27,669 and management and consulting fees increased by \$60,000. The balance of the increase is attributable to higher salaries, travel, accounting, and legal expenses.

As of November 30, 2007 the Company received \$232,858 (\$65,359 in 2006) as interest income from cash and cash equivalents, (which consisted of bankers' acceptances) as well as \$5,295 (US\$5,000) resulting from the first payment related to the option agreement signed with Deep Creek (see note 5(a) of the accompanying financial statements).

**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, 2007:

	2007				2006			
	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$
Interest and other income	53,308	69,402	75,984	39,459	75,887	18,435	28,449	2,387
Loss before write-offs	(122,997)	877,825	560,470	27,435	232,165	148,458	423,494	108,443
Net loss (gain)	(122,997)	877,825	560,470	27,435	232,165	148,458	423,494	108,443
Net loss (gain) per share, basic and diluted	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01

**LIQUIDITY AND CAPITAL RESOURCES****Operating Cash Flow**

The operating cash outflow after allowing for changes in non-cash working capital accounts was \$329,926 for the year ended 2007, as compared to the operating cash flow in the same period of 2006 of \$565,956. The difference between the two years is due mostly to the increase in accrued liabilities which includes a cash call from Björkdalsgruvan AB (CAD\$1,583,770). As of March 18, 2008 the company had advanced \$850,000 of the accrued advance request. There has also been an increase in management fees, salaries and transfer and regulatory fees.

**Investing Activities**

During 2007 the Company focused its efforts on the Bjorkdal Gold Mine in northern Sweden (see Note 6(a) in accompanying financial statements), advancing \$4,099,529 to Bjorkdalsgruvan for exploration activities as compared to \$3,452,815 in the same period of 2006.

**Financing Activities**

On January 19, 2007 the Company closed a non-brokered equity financing of \$6,776,018 gross proceeds. Twelve million, one hundred thousand and thirty two units ("Unit") were sold under private placement at \$0.56 per unit. Each Unit consists of one common share and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase an additional common share at a price of \$1.00 per share for a period of 18 months from the closing of the financing. Units sold under the private placement had a 4 month hold period expiring May 20, 2007.

The Company paid to arm's length third parties or registered dealers a finder's fee totalling \$226,027 and brokers' warrants to acquire 336,350 common shares of the Company. Each brokers' warrant may be exercised for one common share at a price of \$0.56 expiring January 19, 2008. As of March 14, 2008 all the warrants were exercised.

The proceeds from the placement has been used to conduct exploration and development work including test mining/bulk sampling, underground tunnelling, geological mapping, geophysical surveys and surface and underground drilling on the Company's Bjorkdal Gold project in Sweden as well as the acquisition of other mineral properties in Sweden.

### **Cash Resources and Liquidity**

As of Year End 2007, the Company had working capital of \$2,315,205 compared to working capital of \$1,618,097 at Year End 2006. Subsequent to the acquisition of Björkdalsgruvan AB the Company is supplementing its working capital by revenue derived from the sale of gold produced at the Bjorkdal Mine.

### **TRANSACTIONS WITH RELATED PARTIES**

As of Year End 2007 amounts paid or payable to related parties comprise balances owing to companies with certain common directors or officers.

The Company paid a total of \$280,000 (\$235,000 in 2006) in management and consulting fees to a Director and a company controlled by a Director as compensation for services performed.

### **OUTSTANDING SHARE DATA**

Authorized:

Unlimited common shares, voting, without par value

Unlimited preferred shares, non-voting, without par value

As of March 13, 2008 the Company had the following common shares, options, and warrants:

▪ Common Shares	75,592,582
▪ Share Purchase Options	3,755,000
▪ Warrants	6,050,017
▪ Warrants for property	250,000

### **DIRECTORS**

Glen D. Dickson – Chairman

Alvin W. Jackson

Ron A. Ewing – Secretary

Robert S. Wasylyshyn – President

Donald A. Sawyer

David F. Mullen

**OUTLOOK**

While the Company expects that increased gold sales in 2008 will result in substantially increased cash flows generated from operations and corresponding higher cash balances, the Company may be dependent on additional equity financing, as market conditions permit, to expand its exploration and development activities or to finance other opportunities. New opportunities continue to be sought in order to build a portfolio of high quality mineral properties.

**ADDITIONAL INFORMATION**

Additional information related to the Company can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) or on our website ([www.goldoreresources.com](http://www.goldoreresources.com)).

**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](http://www.sedar.com)). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.