



**GOLD-ORE RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
MAY 31, 2008
(Unaudited)**

GOLD-ORE RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

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	May 31, 2008	November 30, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,652,117	\$ 4,049,902
Accounts receivable	2,477,597	28,667
Inventories (Note 5)	1,972,184	–
Due from a related party (Note 14)	–	10,107
Prepaid expenses	553,740	11,316
	7,655,638	4,099,992
RESTRICTED CASH	33,083	15,721
RECLAMATION BOND	767,403	–
MINERAL PROPERTIES, PLANT AND EQUIPMENT (Note 6)	17,049,823	326,234
OPTION TO ACQUIRE MINING OPERATIONS (Note 4)	–	11,686,402
	\$ 25,505,947	\$ 16,128,349
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 5,119,956	\$ 1,769,647
Loan payable	–	15,140
	5,119,956	1,784,787
ASSET RETIREMENT OBLIGATION	1,578,567	–
	6,698,523	1,784,787
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 8)	21,486,076	17,741,202
CONTRIBUTED SURPLUS (Note 9)	2,240,575	2,325,848
ACCUMULATED OTHER COMPREHENSIVE INCOME (Note 10)	1,341,084	550
DEFICIT	(6,260,311)	(5,724,038)
	18,807,424	14,343,562
	\$ 25,505,947	\$ 16,128,349

COMMITMENTS (Notes 4 and 6)
SUBSEQUENT EVENTS (Note 16)

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

GOLD-ORE RESOURCES LTD.**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****(Unaudited)****3**

	Three Months Ended May 31		Six Months Ended May 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
REVENUES	-	-	-	-
EXPENSES				
Accounting and legal	88,045	14,248	107,545	17,143
Amortization	1,058	1,080	1,939	2,085
Bank charges and interest	88	383	203	1,480
Investor relations	19,165	17,772	33,258	32,511
Management and consulting fees	75,000	70,000	150,000	130,000
Office and rent	27,654	18,981	53,592	34,666
Regional exploration expenses	28,668	-	34,971	(1,709)
Salaries and wages	20,373	21,077	37,406	40,238
Stock-based compensation (Note 11)	49,023	71,342	99,493	102,334
Transfer agent and regulatory fees	26,612	9,341	30,590	20,151
Travel and promotion	16,452	6,830	16,982	16,363
	352,138	231,055	565,979	395,263
LOSS BEFORE OTHER ITEMS	(352,138)	(231,055)	(565,979)	(395,263)
OTHER ITEMS				
Foreign exchange gain (loss)	(5,489)	(405,399)	1,985	(308,085)
Interest income	8,460	75,984	27,721	115,443
NET LOSS FOR THE PERIOD	(349,176)	(560,470)	(536,273)	(587,905)
DEFICIT, BEGINNING OF PERIOD	(5,911,135)	(4,408,740)	(5,724,038)	(4,381,305)
DEFICIT, END OF PERIOD	(6,260,311)	(4,969,210)	(6,260,311)	(4,969,210)
LOSS PER SHARE (Note 12)				
Basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)

See accompanying notes to the consolidated financial statements

GOLD-ORE RESOURCES LTD.**CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

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	Three Months Ended May 31		Six Months Ended May 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
CASH FROM (USED IN):				
OPERATING ACTIVITIES				
Loss for the period	(349,176)	(560,470)	(536,273)	(587,905)
Items not involving cash and cash equivalents:				
Amortization	1,058	1,080	1,939	2,085
Stock-based compensation	49,023	71,342	99,493	102,334
Unrealized foreign exchange (gain) loss	–	405,399	–	308,085
	(299,095)	(82,649)	(434,841)	(175,401)
Changes in operating assets and liabilities:				
Accounts receivable	(657,563)	26,706	(491,650)	64,188
Inventories	(416,995)	–	(237,399)	–
Due from related party	–	–	10,107	–
Prepaid expenses	(212,916)	250	(316,273)	291
Restricted cash	(16,242)	–	(16,247)	1,248
Reclamation bond	(4,911)	–	(4,911)	–
Accounts payable and accrued liabilities	1,273,076	(26,246)	1,671,300	(43,116)
	(334,646)	(81,939)	180,086	(152,790)
FINANCING ACTIVITIES				
Proceeds from common shares issued, net of cash share issuance costs	26,000	79,977	336,108	6,831,336
	26,000	79,977	336,108	6,831,336
INVESTING ACTIVITIES				
Purchase of mineral properties, plant and equipment	(1,474,928)	(1,335)	(2,358,554)	(1,335)
Net earnings from Bjorkdal mineral property activities prior to substantial completion	798,751	–	1,292,527	–
Advances and corporate cost deferred during the period	–	(831,107)	(491,590)	(1,512,998)
Net cash paid in acquisition of Björkdalsgruvan AB	–	–	(481,811)	–
	(676,177)	(832,442)	(2,039,428)	(1,514,333)
EFFECT OF EXCHANGE RATES ON CASH	109,571	(927)	125,449	(920)
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(875,252)	(834,070)	(1,397,785)	5,163,294
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,527,369	7,608,673	4,049,902	1,611,309
CASH AND CASH EQUIVALENTS, END OF PERIOD	2,652,117	6,774,603	2,562,117	6,774,603
Cash and cash equivalents consist of:				
Demand deposit			1,852,175	224,395
Banker's acceptance			709,942	4,548,735
Treasury bills			–	2,001,473
			2,562,117	6,774,603

SUPPLEMENTAL CASH FLOW INFORMATION (Note 13)

See accompanying notes to the consolidated financial statements

GOLD-ORE RESOURCES LTD.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(Unaudited)**5

	Three Months Ended May 31		Six Months Ended May 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
LOSS FOR THE PERIOD	(349,176)	(560,470)	(536,273)	(587,905)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:				
Unrealized gain (loss) on translation of financial statements of self-sustaining foreign subsidiary	753,146	(927)	1,340,534	(920)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	403,970	(561,397)	804,261	(588,825)

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 development stage and has not yet determined whether any of these properties contain ore reserves that are economically recoverable.

As at May 31, 2008, the Company had working capital of \$2,535,682 and accumulated losses since inception of \$6,260,311. 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, 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 interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles using standards for interim financial statements and do not contain all of the information required for annual financial statements. These statements are expressed in Canadian dollars 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"). They also include the accounts of its wholly-owned Swedish subsidiary, Bjorkdalsgruvan AB ("Bjorkdalsgruvan"), acquired on December 31, 2007 (see Note 4), from January 1, 2008 to May 31, 2008. All significant inter-company balances and transactions have been eliminated upon consolidation.

(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, finished and in process inventory quantities, property, plant and equipment lives, the utilization of future income taxes, tax rates, 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) 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 material stockpiled at the plant for crushing and crushed material in preparation for processing by the plant and are valued at the average cost.

Finished goods inventory consists of gold concentrates and are valued at the 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.

(e) 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 related asset. 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.

(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 will be amortized on a units-of-production basis over the estimated proven and probable reserves to which they relate. Development costs associated with each distinct section of the mine will be amortized over the reserves to which they relate.

(iii) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) 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.

(g) Revenues

Revenues will be recognized when title transfers and the rights and obligations of ownership pass to the customer. 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(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 subsidiaries are 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 period.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS**(a) CICA 3862, "Financial Instruments – Disclosures" and CICA 3863, "Financial Instruments – Presentation"**

Effective December 1, 2007, the Company adopted CICA 3862, "Financial Instruments – Disclosures" and CICA 3863, "Financial Instruments – Presentation". These standards relate to the disclosure of financial instruments. The adoption of these standards has no effect on the Company's interim financial statements.

(b) CICA 1535, "Capital Disclosures"

Effective December 1, 2007, the Company adopted CICA 1535, "Capital Disclosures". This standard relates to the disclosure of capital management strategies. The adoption of this standard has no effect on the Company's interim financial statements.

(c) CICA 3031, "Inventories"

Effective December 1, 2007, the Company adopted CICA 3031, "Inventories". This standard relates to the measurement and disclosure of inventories. The adoption of this standard did not have a significant impact on the Company's financial statements.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS (continued)

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

Effective December 1, 2007, the Company adopted the amendments to CICA 1400, "General Standards of Financial Statement Presentation". The amendments provide revised guidance related to management's responsibility to assess and disclose the ability of an entity to continue as a going concern. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.

4. ACQUISITION OF BJORKDALSGRUVAN AB

Effective December 31, 2007, the Company exercised an option (the "Exclusive Option") to acquire from Minmet plc ("Minmet"), 100% of the share capital of Bjorkdalsgruvan and advances due to Minmet from Bjorkdalsgruvan. The Company has determined 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. Total estimated consideration of \$7,727,836 is comprised of cash, shares and incremental corporate transaction costs summarized as follows:

Cash paid to Minmet for the Exclusive Option	\$ 59,035
Cash paid to Minmet on exercise of the Exclusive Option	2,014,800
Shares issued to Minmet for the Exclusive Option	2,277,600
Shares issued to Minmet on exercise of the Exclusive Option	3,224,000
Deferred transaction costs	152,401
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Total consideration given	7,727,836
Less: amount allocated to debt obligation purchased from Minmet	(3,268,304)
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Purchase price of shares	\$ 4,459,532

The Company's allocation of the purchase cost to the assets acquired and liabilities assumed is based upon their estimated fair values at the time of acquisition. The Company has substantially completed the process of determining fair values for the assets and liabilities acquired. Matters still under review principally relate to income and resource taxes and could affect values assigned to future income tax liabilities. As a result, the purchase price allocation is subject to change in 2008 as the valuation process is completed. The Company's current allocation of the purchase price to the estimated fair values of the assets and liabilities of Bjorkdalsgruvan is as follows:

Cash	\$ 1,532,989
Accounts receivable	1,809,807
Inventories	1,605,763
Prepaid expenses	207,006
Reclamation bond	706,571
Mineral properties, plant and equipment	14,452,208
Accounts payable and accrued liabilities	(3,007,093)
Debt to Gold-Ore (including debt obligation purchased from Minmet)	(11,427,279)
Asset retirement obligation	(1,420,440)
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	\$ 4,459,532

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED MAY 31, 2008****(Unaudited)**

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4. ACQUISITION OF BJORKDALSGRUVAN AB (continued)

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.

5. INVENTORIES

	May 31, 2008	November 30, 2007
Supplies	\$ 558,693	\$ –
Finished goods	1,413,491	–
	\$ 1,972,184	\$ –

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

May 31, 2008	Mineral Property Acquisition and Exploration Costs	Mine Development Costs	Property, Plant and Equipment Costs	Total Cost	Accumulated Depreciation and Depletion	Net Book Value
Pre-Substantial Completion:						
Bjorkdal (a)	\$ 9,696,132	\$ 2,024,661	\$ 4,983,059	\$ 16,904,974	\$ –	\$ 16,703,854
Non-Producing:						
Ronnberget (b)	277,109	–	–	277,109	–	277,109
Vallberget (c)	39,152	–	–	39,152	–	39,152
Corporate	–	–	35,848	35,848	19,936	15,912
	\$ 10,012,393	\$ 2,024,661	\$ 5,018,907	\$ 17,272,849	\$ 18,878	\$ 17,049,823

(a) Bjorkdal, Sweden

The Bjorkdal mine is in the development stage and is not substantially complete and ready for productive use. The mine will be considered substantially complete when production from the underground mine is approximately 1,500 tonnes per day on a consistent basis. Prior to substantial completion, net revenues or expenses derived from Bjorkdal mining activities will be included in Bjorkdal mineral property acquisition and exploration costs. During the six months ended May 31, 2008, the Company offset SEK 6,388,237 (\$1,054,697) of net earnings against these costs.

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT (continued)**(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).

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:

<u>Date</u>	<u>Amount</u>
November 7, 2008	\$200,000
November 7, 2009	\$500,000

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT (continued)

(b) Norrleden, Sweden

During the quarter the Company entered into an agreement to purchase a 90% interest in the Norrleden poly-metallic deposit from North Atlantic Natural Resources AB ("NAN"), a subsidiary of Lundin Mining Corp. Norrleden is a near-term production, base and precious metals deposit, located approximately 45 kilometres west of Gold-Ore's Bjorkdal gold mine.

The Norrleden deposit consists of two near-surface lenses of massive sulphide mineralization containing copper, zinc, lead, gold and silver hosted by a volcanic package of rocks. This is the classic setting for poly-metallic mines in the Skelleftea camp. The deeper of the two lenses has been drilled to 300 metres below surface. Mineralization in the camp commonly extends to below 1000 metres.

To acquire the interest the Company will make a one-time payment of 3,000,000 common shares for the 90% interest in Norrleden and will be operator of all work programs. 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.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2008	November 30, 2007
Trade accounts payable	\$ 3,920,382	\$ 129,597
Payroll liabilities	773,537	18,075
Other liabilities	426,037	1,621,975
	<hr/> \$ 5,119,956	<hr/> \$ 1,769,647

8. 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, 2007	70,490,602	\$ 17,741,202
Issued during the period:		
Exercise of stock options	490,000	106,800
Exercise of agent stock warrants	583,080	213,528
Exercise of agent unit warrants	78,900	15,780
For acquisition of Bjorkdalsgruvan AB (Note 4)	4,000,000	3,224,000
Transfer from contributed surplus:		
Exercise of stock options	–	48,678
Exercise of agent stock warrants	–	126,217
Exercise of agent unit warrants	–	9,871
Balance, May 31, 2008	<hr/> 75,642,282	<hr/> \$ 21,486,076

8. 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, 2007	3,895,000	0.52
Granted	300,000	0.82
Exercised	(490,000)	0.22
Forfeited	(50,000)	0.82
Balance, May 31, 2008	3,655,000	0.58

(c) Stock Options (continued)

The following table summarizes stock options outstanding at May 31, 2008:

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 \$		
0.23	350,000	1.8	0.23	350,000	0.23		
0.34	1,590,000	2.8	0.34	1,590,000	0.34		
0.44	200,000	0.9	0.44	200,000	0.44		
0.51	100,000	1.4	0.51	150,000	0.51		
0.82	200,000	1.8	0.82	200,000	0.82		
1.02	965,000	4.1	1.02	965,000	1.02		
0.82	250,000	2.6	0.82	125,000	0.82		
0.23-1.02	3,655,000	2.4	0.58	3,455,000	0.54		

Stock options outstanding at May 31, 2008 expire between April 19, 2009 and July 20, 2012.

(d) Warrants

	Number of Warrants	Purchase Price per Share \$
Balance, November 30, 2007 and May 31, 2008	6,300,017	1.00

Warrants outstanding at May 31, 2008 expire between July 19, 2008 and September 28, 2008. Subsequent to May 31, 2008, the expiry date of 6,050,016 warrants was amended from July 19, 2008, to January 19, 2009 (see Note 16(c)).

GOLD-ORE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MAY 31, 2008
(Unaudited)

15

8. SHARE CAPITAL (continued)

(e) Agent Stock Warrants

	Number of Agent Stock Warrants	Purchase Price per Share \$
Balance, November 30, 2007	583,080	0.37
Exercised	(583,080)	0.37
Balance, May 31, 2008	–	–

(f) Agent Unit Warrants

	Number of Agent Unit Warrants	Purchase Price per Unit \$
Balance, November 30, 2007	78,900	0.20
Exercised	(78,900)	0.20
Balance, May 31, 2008	–	–

9. CONTRIBUTED SURPLUS

	Amount
Balance, November 30, 2007	\$ 2,325,848
Stock-based compensation (Note 11)	99,493
Transferred to share capital upon exercise of stock options	(48,678)
Transferred to share capital upon exercise of agent stock warrants	(126,217)
Transferred to share capital upon exercise of agent unit warrants	(9,871)
Balance, May 31, 2008	\$ 2,240,575

10. ACCUMULATED OTHER COMPREHENSIVE INCOME

	May 31, 2008	November 30, 2007
Unrealized gain on translation of financial statements of self-sustaining foreign subsidiary	\$1,341,084	\$ 550

11. STOCK-BASED COMPENSATION

During the period ended May 31, 2008, the Company recognized compensation cost of \$99,493 (Six months ended May 31, 2007 – \$102,334) as stock-based compensation expense.

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED MAY 31, 2008****(Unaudited)**16

12. LOSS PER SHARE

The weighted average number of shares outstanding used in the computation of loss per share for the six months ended May 31, 2008 was 74,980,174 (Six months ended May 31, 2007 – 65,670,720). 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.

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended		Six Months Ended	
	May 31, 2008	May 31, 2007	May 31, 2008	May 31, 2007
Cash paid for:				
Interest	\$ –	\$ –	\$ –	\$ –
Income taxes	–	–	–	–
Non-cash financing and investing activities:				
4,000,000 shares issued for option to acquire mining operations	\$ –	\$ –	\$3,224,000	\$ –

14. RELATED PARTY TRANSACTIONS AND BALANCES

During the six months ended May 31, 2008, \$10,107 due from a company at November 30, 2007 with a common director of the Company, was received.

15. 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 mineral properties, plant and equipment by geographic segment:

	May 31, 2008	November 30, 2007
Canada	\$ 15,912	\$ 12,953
Sweden	17,033,911	313,281
Total	\$ 17,049,823	\$ 326,234

16. SUBSEQUENT EVENTS

- (a) On June 16, 2008 the Company issued 3,000,000 common shares to North Atlantic Natural Resources AB (NAN) as part of the agreement to purchase a 90% interest in the Norrliden. The shares will be delivered to NAN upon formal closing of the agreement, expected to occur during the third quarter.
- (b) On July 10, 2007, the Company issued 3,565,977 units under a private placement at a price of \$0.67 per unit for gross proceeds of \$2,389,205 gross proceeds. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.90 per share for a period of 24 months from the closing of the financing.

In connection with the private placement, the Company paid cash finder's fees of \$62,255 and issued 77,432 agent stock warrants, each warrant entitling the holder to acquire one common share of the Company at a price of \$0.67 for a period of 12 months from closing.
- (c) On July 10, 2008, the TSX Venture Exchange approved a six-month extension for 6,050,016 warrants amending their original expiry date of July 19, 2008 to January 19, 2009. The exercise price of these warrants remains unchanged at a price of \$1.

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 unaudited consolidated financial statements and notes for the period ended May 31, 2008 (“Second Quarter 2008”), and should be read in conjunction with the annual audited consolidated financial statements and the related notes and schedules for the year ended November 30, 2007.

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 unaudited consolidated financial statements.

All information contained in this MD&A is as of July 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 primarily in Sweden. In 2006 the Company 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, which is now a wholly owned subsidiary of the Company. The assets of Bjorkdalsgruvan include cash, the fully-operational gold concentrating plant, all necessary environmental permits, the tailings management facility, the open pit and associated mineral resources.

As a result of gold sales from the operation of the plant at the mine, fed by stockpiled material, some newly mined open-pit material, and material from underground development operations, the Company is now generating cash flow. However, as the Company continues to carry out underground development at the Bjorkdal mine and is in the process of completing an optimization feasibility study on the underground operation of the mine, the net earnings associated with mining activities and operation of the plant at Bjorkdal are included in the Bjorkdal mineral property acquisition and exploration costs. This is in accordance with the Company’s current accounting policies, as detailed in the notes to the financial statements. For the five month period between the date of the acquisition of Bjorkdalsgruvan AB and the end of the Second Quarter 2008, a total of \$1,054,697 (\$1,292,527 less depreciation and non-cash items of \$237,830) was credited to the Bjorkdal mineral property acquisition and exploration costs. When a feasibility study and reserve statement has been

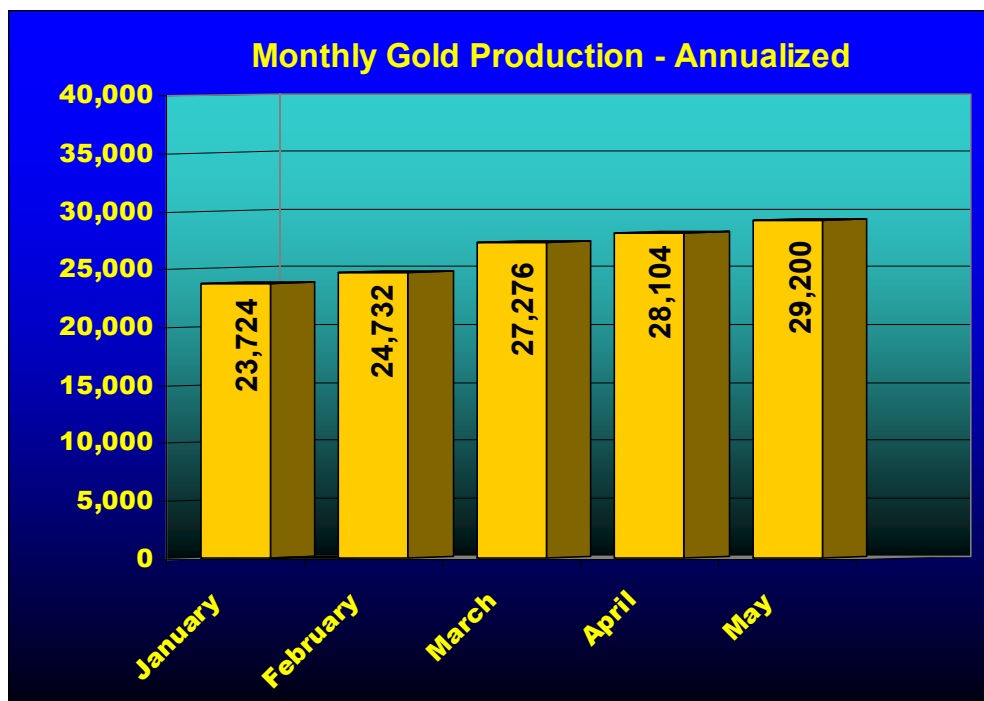
completed at the minesite, and production from underground mining is approximately 1,500 tonnes per day on a consistent basis, the Company will consider the mine to be substantially complete and ready for production. Operating revenues and expenses will then be included in the Consolidated Statements of Operations and Deficit. The Company anticipates that this will occur by late 2008.

MINE DEVELOPMENT AND EXPLORATION ACTIVITIES

Bjorkdal Property

Effective December 31, 2007 the Company owns 100% of the Bjorkdal Gold Mine, located in northern Sweden, 750 kilometres north of Stockholm. The processing plant at the mine operates at a capacity of 3,400 tonnes per day. Feed material is sourced from underground, open pit and stockpiles. During 2007, the mine produced 19,200 ounces of gold from material primarily sourced from stockpiles. The Company successfully increased production during the first half of 2008 by processing more material sourced from underground, thereby increasing the head grade. The Corporate objective is to increase annualized gold production to between 60,000 and 70,000 ounces by the end of 2008.

From January 1, 2007 to May 31, 2008 the Bjorkdal mine processed 497,000 tonnes of material producing 11,087 ounces of gold. All gold produced is sold at spot prices. As specified above and in the notes to the accompanying financial statements, revenue from gold sales is currently being credited against the Bjorkdal mineral property operation, acquisition and exploration expenses.



The underground development has advanced well; however, technical problems completing the slot raises (the initial opening between levels) has delayed the production from the areas planned for stoping. The most recent slot raise was completed in a timely fashion and the Company is optimistic that the problems have been solved and stoping will now advance rapidly. Successful long-hole stoping is essential for completing the test underground mining.

Underground diamond drilling in the Central Tunnel area outlined broad zones of gold mineralization. Bulk mining techniques are being evaluated in this area.

Norrliden

During the quarter 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 Gold-Ore's Bjorkdal gold mine.

The Company will make a one-time payment of 3,000,000 common shares for the 90% interest in Norrliden and will be operator of all work programs. If a production decision is made, the Company will pay an additional consideration of \$2,500,000 cash and issue \$2,000,000 cash equivalent in common shares based on the average closing price of Gold-Ore common shares for 20 days prior to the date of the production decision.

The remaining 10% ownership in the Norrliden Project is held by IGE Nordic AB ("IGE Nordic") a Stockholm-based public company that trades on the Oslo Axess Stock Exchange.

The Norrliden deposit consists of two near-surface lenses of massive sulphide mineralization containing copper, zinc, lead, gold and silver hosted by a volcanic package of rocks. This is the classic setting for poly-metallic mines in the Skelleftea camp. The deeper of the two lenses has been drilled to 300 metres below surface. Mineralization in the camp commonly extends to below 1000 metres.

Highlights of the project are as follows:

- Mine Plan study completed in March 2007 for NAN by GijimaAst Americas Inc. of Calgary, Canada and work on a feasibility study to verify the Mine Plan will begin this year
- Resource is defined by over 100 diamond drill holes and remains open for expansion
- Measured and indicated resources of 1.48 million tonnes grading 0.63 g/t gold, 50.8 g/t silver, 0.74% copper and 3.54% zinc and inferred resources of 0.87 million tonnes grading 0.40 g/t gold, 30.9 g/t silver, 0.72% copper and 1.87% zinc. Resources were estimated for Gold-Ore by Adam Wheeler and are NI 43-101 compliant
- Initial starter pit permitted for extraction of 62,000 tonnes of mineralized material
- Excellent infrastructure including roads and hydropower
- Low capital expenditures required for production

Ronnberget Property

In 2007 the Company acquired a 100% interest in 9 exploration permits covering 35 square kilometres contiguous with the east and south boundaries of the Company's Bjorkdal Gold Project.

During the quarter, the Company continued to re-log core from 96 widely spaced shallow diamond drill holes that were archived by the previous operator. The Company is conducting an exploration program on the property that includes geological mapping and sampling, followed by a diamond drilling program later in the year.

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.

The Vallberget permits cover polymetallic volcanogenic massive sulphide mineral occurrences. An airborne geophysical survey over the property was completed during the quarter. The Company is reviewing the results and a follow up program will commence in the first week of August.

SELECTED FINANCIAL INFORMATION

Six Months ended May 31, 2008 compared to May 31, 2007

	May 31 2008	May 31 2007
	\$	\$
Interest and other Income	27,721	115,443
Loss before other items	565,979	395,263
Net loss for the period	536,273	587,905
Net loss per common share, basic and diluted	(0.01)	(0.00)

As at May 31, 2008 compared to Year End 2007

	May 31 2008	November 30 2007
	\$	\$
Total Assets	25,505,947	16,128,349
Share Capital	21,486,076	17,741,202
Working Capital	2,535,682	2,330,345

RESULTS OF OPERATIONS

Prior to the underground component of Bjorkdal mine being substantially complete and ready for production, the Company's Consolidated Statement of Operations and Deficit includes only corporate administration expenses and regional exploration expenses. Revenues and expenses from the operations at Bjorkdal are currently included in the Bjorkdal mineral property acquisition and exploration costs.

For the Second Quarter 2008, expenses increased from a total of \$395,263 in the Second Quarter 2007 to a total of \$565,979 due to increases in accounting and legal fees, management and consulting fees, office and rent expenses, regional exploration expenses and the non-cash stock-based compensation expense. The most significant increase was in accounting and legal fees, which can be attributed indirectly to the acquisition of Bjorkdalsgruvan AB and the related increase in the complexity of the Company's financial reporting. The increase is expected to continue to be reflected in subsequent quarters in 2008.

Foreign exchange gains and interest income had less of an impact on the net loss for the period. The foreign exchange loss decreased from \$308,085 in the Second Quarter 2007 to a gain of \$1,985 in the Second Quarter 2008, as the appreciation of the Canadian dollar relative to other currencies slowed. Interest income also decreased from \$115,443 in the Second Quarter 2007 to \$27,721 in the Second Quarter 2008, as rates decreased and the Company had less funds invested.

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 February 29, 2008:

	2008		2007				2006	
	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$
Interest and other income	8,460	19,261	53,308	69,402	75,984	39,459	75,887	18,435
Loss before write-offs	349,176	187,087	(122,997)	870,738	231,055	164,208	353,576	148,458
Net loss (gain)	349,176	187,087	(122,997)	877,825	560,470	27,435	232,164	148,458
Net loss (gain) per share, basic and diluted	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00

LIQUIDITY AND CAPITAL RESOURCES**Operating Activities**

The net operating cash outflow for the period of \$434,841, before allowing for changes in non-cash working capital accounts, was related to the Company's administration and regional exploration expenses. Accounts receivable are now primarily attributable to sales by Bjorkdalsgruvan to gold refineries and value added tax (VAT) receivable in Sweden. Inventories consist primarily of gold

concentrate produced (\$1,413,491) and consumable supplies (\$558,693) at Bjorkdal. The reclamation bond of \$767,403 is for the reclamation of the tailings pond at Bjorkdal. Accounts payable and accrued liabilities consist primarily of trade payables for suppliers and contractors, and payroll accruals at the project site.

Financing Activities

During the Second Quarter 2008 the Company received a total of \$26,000 from the exercise of share purchase options. At July 14, 2008, a total of 3,655,000 share purchase options and 8,083,006 share purchase warrants (exercisable between \$0.90 and \$1.10 per share) remain outstanding. A total of 77,432 Agents' share purchase warrants (exercisable at \$0.67 per share) are outstanding.

Subsequent to the end of the quarter, on July 10, 2008, the Company issued 3,565,977 units under a private placement at a price of \$0.67 per unit for gross proceeds of \$2,389,205 gross proceeds. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.90 per share for a period of 24 months from the closing of the financing.

Also subsequent to the end of the quarter, the TSX Venture Exchange approved a six-month extension for 6,050,016 warrants amending their original expiry date of July 19, 2008 to January 19, 2009. The exercise price of these warrants remains unchanged at a price of \$1.

Investing Activities

Investing activities during the period were primarily related to the acquisition of Bjorkdalsgruvan AB and the Bjorkdal mine. Almost the entire net cash outflow amount of \$2,039,428 was related to the acquisition of the assets at Bjorkdal as well as the acquisition of new equipment and mine development activities. The net earnings of \$1,292,527 are from the operation of the Bjorkdal mine for five months from the date of the acquisition of Bjorkdalsgruvan to the end of the quarter. The net cash amount of \$481,811 paid for the acquisition was the \$2,014,800 (US\$ 2,000,000) cash component of the payment price less cash of \$1,532,989 on hand at Bjorkdalsgruvan AB as of the December 31, 2007 acquisition date.

Cash Resources and Liquidity

As of the end of the Second Quarter 2008, the Company had working capital of \$2,535,682 compared to working capital of \$2,315,205 at Year End 2007. The now wholly-owned subsidiary, Bjorkdalsgruvan AB, had \$1,888,770 in cash on hand as of the end of the period, wholly-owned subsidiary, Bjorkdal Exploration AB, had \$4,953 in cash on hand as of the end of the period and the parent, Gold-Ore Resources, had \$758,394 in cash as of the period end. Accounts receivable of \$2,477,597 at the end of the period is almost all related to short term receivables (30 to 90 days) for gold sales at Bjorkdalsgruvan AB. Also, a significant portion of the inventory (\$1,413,491) is processed gold concentrate awaiting delivery to the refineries. Accounts payable and accrued liabilities of \$5,119,955 is almost all related to trade payables at Bjorkdalsgruvan AB---including contract miners, drillers, and truckers---and payroll accruals, also at the minesite. The Company has no other debt.

At current gold prices, the Company is generating cash flow by processing ore from existing stockpiles, new open pit operations, and underground tunnels. The Company feels that it has completed enough underground development to be able to focus on mining developed veins and

maintain a positive cash flow for the remainder of the year. As a result, it is not expected that cash resources will have to be utilized for the development and operation of the Bjorkdal mine. The purpose of the equity financing completed subsequent to the end of the quarter was to allow the Company to explore and develop its other properties more aggressively. The Company may seek additional equity or debt financing to fund work programs on these other projects.

TRANSACTIONS WITH RELATED PARTIES

During the period ended May 31, 2007 the Company paid a total of \$150,000 (\$130,000 in 2007) 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 July 14 the Company had the following common shares, options, and warrants:

▪ Common Shares	82,208,559
▪ Share Purchase Options	3,655,000
▪ Warrants	8,083,006
▪ Agent warrants	77,432

DIRECTORS

Glen D. Dickson – Chairman

Ron A. Ewing – VP Corporate Affairs

Donald A. Sawyer

Robert S. Wasylyshyn – President

Alvin W. Jackson

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, this will be very dependent on gold prices. Also, 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) or on our website (www.goldorerresources.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). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.