



## **Interim Consolidated Financial Statements**

For the nine month periods ended August 31, 2008 and August 31, 2007

*(Unaudited)*

- Notice to Reader
- Consolidated Balance Sheets
- Consolidated Statements of Shareholders' Equity
- Consolidated Statements of Loss and Deficit
- Consolidated Statements of Other Comprehensive Income
- Consolidated Statements of Cash Flows
- Notes to the Consolidated Financial Statements
- Schedule 1 – Resource Property Costs
- Schedule 2 – Exploration Expenses

## Notice to Reader

---

The accompanying interim consolidated financial statements and notes of Oro Gold Resources Ltd. (“the Company”) for the nine months ended August 31, 2008 and August 31, 2007, have been prepared by management in accordance with Canadian generally accepted accounting principles and are the responsibility of the management of the Company. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

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

The Company’s independent auditors, PricewaterhouseCoopers LLP, have not performed a review of these interim consolidated financial statements.

**Oro Gold Resources Ltd.**  
(An Exploration Stage Company)  
**CONSOLIDATED BALANCE SHEETS**  
As at August 31, 2008  
(Canadian dollars)

	<b>August 31,</b> <b>2008</b> <b>(Unaudited)</b>	November 30, 2007 (Audited)
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 702,078	\$ 1,153,037
Term deposits	-	1,000,000
Accounts receivable and refundable taxes	716,218	222,392
Due from related parties (Note 8)	70,661	125,009
Prepaid expenses	51,930	46,582
Current portion of investments and others (Note 5)	174,750	555,500
	<b>1,715,637</b>	<b>3,102,520</b>
Restricted cash	\$ 111,950	\$ -
Investments and others (Note 5)	36,899	473,736
Equipment	148,333	175,887
Resource property costs - (Note 6 and Schedule 1)	5,402,979	2,979,607
	<b>\$ 7,415,798</b>	<b>\$ 6,731,751</b>
<b>LIABILITIES</b>		
Current		
Accounts payables and accrued liabilities	\$ 826,744	\$ 496,235
Due to related parties (Note 8)	16,520	154,623
	<b>843,264</b>	<b>650,858</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7 (a))	10,682,023	7,006,450
Shares subscription	-	1,784,002
Fair value of warrants	677,321	290,008
Fair value of options	1,063,021	898,243
Accumulated other comprehensive income	(265,000)	760,000
Deficit	(5,584,831)	(4,657,810)
	<b>6,572,534</b>	<b>6,080,893</b>
	<b>\$ 7,415,798</b>	<b>\$ 6,731,751</b>

Commitments (Note 11)

**APPROVED BY THE BOARD**

"Darren Bahrey"  
\_\_\_\_\_  
Director

" Peter Kendrick"  
\_\_\_\_\_  
Director

See accompanying notes to the consolidated financial statements

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited – in Canadian dollars)

	August 31, 2008	November 30, 2007
<b>Share Capital</b>		
Balance at beginning of year	\$ 7,006,450	\$ 5,431,835
Private placement	4,231,694	-
Share issuance costs	(168,807)	-
Allocated to fair value of warrants issued	(387,314)	-
Exercise of warrants	-	651,950
Fair value of warrants	-	172,970
Exercise of options	-	649,790
Fair value of options	-	169,224
Transferred to Oro Silver (Note 2)	-	(69,319)
Balance at end of period	<b>10,682,023</b>	7,006,450
<b>Fair value of options</b>		
Balance at beginning of year	898,243	409,578
Stock-based compensation	164,778	657,889
Options exercised	-	(169,224)
Balance at end of period	<b>1,063,021</b>	898,243
<b>Fair value of warrants</b>		
Balance at beginning of year	290,008	462,978
Warrant portion of private placement offering	387,313	-
Warrants exercised	-	(172,970)
Balance at end of period	<b>677,321</b>	290,008
<b>Share Subscription</b>		
Balance at beginning of year	1,784,002	-
Share subscription received	(1,814,999)	1,814,999
Share subscription costs	30,997	(30,997)
Balance at end of period	-	1,784,002
<b>Accumulated other comprehensive income (loss)</b>		
Balance at beginning of year	760,000	-
Transitional adjustment on implementation	-	10,000
Unrealized gain (loss) on investments	(1,025,000)	760,000
Realized gain on sale of investments	-	(10,000)
Balance at end of period	<b>(265,000)</b>	760,000
<b>Retained Earnings (Deficit)</b>		
Balance at beginning of year	(4,657,810)	(2,289,802)
Equity adjustment due to spin-off transaction (Note 2)	-	(161,825)
Net loss	(927,021)	(2,206,183)
Balance at end of period	<b>(5,584,831)</b>	(4,657,810)
<b>Shareholder's equity at end of period</b>	<b>\$ 6,572,534</b>	<b>\$ 6,080,893</b>

See accompanying notes to the consolidated financial statements

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

For the three and nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars, except for shares and per share amounts)

	Three months		Nine months	
	ended August 31,		ended August 31,	
	2008	2007	2008	2007
<b>Operating and Administrative Expenses</b>				
Accounting, corporate secretary and legal	\$ 20,828	\$ 20,173	\$ 119,611	\$ 123,001
Depreciation	17,992	10,407	50,217	30,295
Generative exploration expenses (Schedule 2)	39,138	137,461	167,546	312,941
Investor relations	22,466	8,084	96,343	49,710
Office and communications	34,011	44,752	108,850	134,641
Rent	12,113	7,591	34,448	52,121
Salaries and consulting fees	134,050	101,220	367,289	326,541
Stock-based compensation	104,526	16,664	109,277	550,684
Transfer agent fees and regulatory fees	5,394	10,000	17,914	30,694
Travel	18,849	-	37,548	9,529
Loss before other items	409,367	356,352	1,109,043	1,620,157
Other Items				
Foreign exchange loss (gain)	(16,169)	28,293	(127,728)	165,486
Interest and other income	(25,635)	(8,458)	(54,294)	(39,427)
Gain on sale of marketable securities	-	-	-	(217,519)
Reduction of future income taxes on spin out	-	-	-	(29,876)
<b>Net loss for the period</b>	<b>367,564</b>	<b>376,187</b>	<b>927,021</b>	<b>1,498,821</b>
Transition adjustment to opening balance-other comprehensive income	-	-	-	(10,000)
Deficit - Beginning of period	5,217,267	3,402,436	4,657,810	2,289,802
<b>Deficit - End of period</b>	<b>\$ 5,584,831</b>	<b>\$ 3,778,623</b>	<b>\$ 5,584,831</b>	<b>\$ 3,778,623</b>
Basic loss per share	\$ 0.02	\$ 0.02	\$ 0.04	\$ 0.08
Weighted average number of shares outstanding	21,760,603	18,257,050	21,760,603	18,257,050

See accompanying notes to the consolidated financial statements

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the three and nine month periods ended August 31, 2008 and August 31, 2007

*(Unaudited – in Canadian dollars)*

	<b>Three months ended August 31,</b>		<b>Nine months ended August 31,</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
Net loss for the period	\$ 367,564	\$ 376,187	\$ 927,021	\$ 1,498,821
Unrealized loss (gain) on investments	1,310,000	(30,000)	1,025,000	(440,000)
<b>Comprehensive loss for the period</b>	<b>\$ 1,677,564</b>	<b>\$ 346,187</b>	<b>\$ 1,952,021</b>	<b>\$ 1,058,821</b>

See accompanying notes to the consolidated financial statements

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

	Three months ended August 31,		Nine months ended August 31,	
	2008	2007	2008	2007
<b>Cash provided by (used for):</b>				
<b>Operating Activities</b>				
Net Loss for the Year	\$ (367,564)	\$ (376,187)	\$ (927,021)	\$ (1,498,821)
Non-Cash Items				
Depreciation	17,992	10,407	50,217	30,295
Stock-based compensation	104,526	16,664	109,277	550,684
Reduction of future income taxes	-	-	-	(29,876)
	(245,046)	(349,116)	(767,527)	(947,718)
<b>Changes in non-cash working capital</b>				
Accounts receivable and refundable taxes	(213,730)	(150,546)	(493,826)	(57,728)
Prepaid expenses	119,853	138,587	(2,760)	(29,727)
Accounts payable and accrued liabilities	(368,495)	(80,542)	(166,640)	(225,409)
Due to related parties	(91,613)	-	(19,881)	-
	(799,031)	(441,617)	(1,450,634)	(1,260,582)
<b>Investing Activities</b>				
Change in short-term investments	-	37,313	1,000,000	16,870
Purchase of investments	-	50,000	-	(200,000)
Resource property costs	(424,227)	(381,416)	(2,138,921)	(1,161,524)
Purchase of equipment	(5,166)	(21,894)	(28,339)	(162,432)
Restricted cash	(111,950)	-	(111,950)	-
	(541,343)	(315,997)	(1,279,210)	(1,507,086)
<b>Financing Activities</b>				
Common shares issued for cash, net of issuance costs	1,700,893	-	2,278,885	1,232,421
Advance from related party	-	11,423	-	(8,867)
	1,700,893	11,423	2,278,885	1,223,554
<b>Increase (decrease) in cash and cash equivalents</b>	<b>360,519</b>	<b>(746,191)</b>	<b>(450,959)</b>	<b>(1,544,114)</b>
Cash and cash equivalents - beginning of period	341,559	1,034,486	1,153,037	1,832,409
<b>Cash and cash equivalents - end of period</b>	<b>\$ 702,078</b>	<b>\$ 288,295</b>	<b>\$ 702,078</b>	<b>\$ 288,295</b>

See accompanying notes to the consolidated financial statements

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

(Amounts are in Canadian dollars, except for price per share and per share amounts)

Page | 1

### 1. NATURE OF OPERATIONS

Oro Gold Resources Ltd. ("Oro Gold", or "the Company") was incorporated under British Columbia's Business Corporations Act on June 9, 2000 under the name of Nunamin Explorations Ltd. The Company commenced operation on January 1, 2004 and changed its name to Oro Gold Resources Ltd. on September 15, 2004.

Oro Gold commenced trading on the TSX Venture Exchange in April 2005 under the symbol OGR.

### 2. SPIN-OUT TRANSACTION

The Company completed an Arrangement Agreement ("Arrangement") with Oro Silver Resources Ltd. ("Oro Silver") on February 8, 2007. The Arrangement was conducted by way of a Statutory Plan of Arrangement under the *Business Corporations Act of British Columbia* whereby the Company spun out its interests in the Mihuatlan and Guasima silver properties to Oro Silver Resources Ltd. ("Oro Silver") in exchange for common shares and warrants of Oro Silver, which were then distributed to shareholders of Oro Gold as a capital distribution.

Under the Plan of Arrangement ("Arrangement"), Oro Gold shareholders received Oro Silver units on the basis of one unit of Oro Silver for every four common shares held in Oro Gold. Each Oro Silver unit consisted of one common share and one half-warrant. The warrants were exercisable at \$0.35 per share with an expiry date of June 8, 2007. As a result, Oro Gold shareholders received 4,633,086 common shares and 2,316,543 share purchase warrants in Oro Silver under the Arrangement. Also pursuant to the same Arrangement, upon exercise of an Oro Gold option or warrant outstanding at the date of the Arrangement, the holder or shareholder is entitled to receive an additional Oro Silver unit on the same one unit of Oro Silver for each four common shares of Oro Gold acquired on exercise of Oro Gold options or warrants. Oro Silver is then entitled to receive 25% of the proceeds of such option or warrant exercises from Oro Gold as its share of the proceeds of such exercises.

Also pursuant to the Arrangement, Oro Gold acquired 1,000,000 shares of Oro Silver at a price of \$0.25 per share for a total investment of \$250,000 (Note 5).

### 3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods of their application as the most recent annual financial statements except that the Company has adopted the following CICA guidelines effective for the Company's current fiscal year commencing December 1, 2007. The Company has determined that no adjustments are required for the adoption of these new standards.

These interim financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements and accordingly, these interim financial statements should be read in conjunction with the audited financial statements and notes thereto of the Company as at November 30, 2007.

#### (a) Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

(Amounts are in Canadian dollars, except for price per share and per share amounts)

Page | 2

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Financial Instruments – Recognition and Measurement (CICA Section 3855)

Effective December 1, 2006, the Company adopted CICA, Section 3855. This new standard requires that all financial instruments are classified as one of the following: held-to-maturity investments, loans and receivables, available-for-sale, held for trading or other financial liabilities. Financial assets and liabilities held for trading are measured at fair value with gains and losses recognized in net income. Financial assets held-to maturity, loans and receivables and financial liabilities other than those held for trading are measured at amortized cost, and interest is calculated using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. The standard also permits the designation of any financial instrument as held for trading upon initial recognition.

All derivative instruments, including certain embedded derivatives that are required to be separated from their host contracts, are recorded on the balance sheet at fair value and mark-to-market adjustments on these instruments are included in net income. Under the transitional provisions for the standard, only embedded derivatives in instruments acquired or substantively modified on or after January 1, 2003 are required to be considered for recognition and measurement.

All other financial instruments are recorded at cost or amortized cost, subject to impairment assessments. Interest is calculated using the effective interest method.

Transaction costs incurred to acquire or issue financial instruments are included in the initial carrying amount of the relevant financial instrument.

Where a financial asset classified as held-to-maturity or available-for-sale has a loss in value which is considered to be other than temporary, the financial asset is written down to recognize the loss by a charge to earnings.

#### (c) Comprehensive Income (CICA Section 1530)

Effective December 1, 2006, the Company adopted CICA Section 1530. This new standard requires the presentation of comprehensive income and its components and the inclusion of accumulated other comprehensive income as a component of shareholders' equity. Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders. Other comprehensive income includes items that would not normally be included in net earnings until realized, such as cumulative translation adjustments resulting from the translation of foreign currency denominated financial statements to US dollars using the current rate method and unrealized gains or losses on available-for-sale securities. Accumulated other comprehensive income is presented as a new category of shareholder's equity on the balance sheet and included a \$10,000 restatement of opening deficit and other accumulated comprehensive income related to a change in market value of marketable securities as at December 1, 2006.

#### (d) Accounting disclosures (CICA Section 1506)

In 2006, the CICA issued Handbook Section 1506 – Accounting Changes. The new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, disclosure of enacted but not yet effective accounting policies and correction of errors, replacing former CICA Handbook Section 1506.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

*(Amounts are in Canadian dollars, except for price per share and per share amounts)*

Page | 3

---

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Enacted but not yet Effective Accounting Standards

The following Sections which have been pronounced but not yet enacted are expected to have an impact on the Company in the coming year:

##### a. Capital Disclosures (CICA Section 1535)

This section establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the entity's key management personnel:

- i. Qualitative information about its objectives, policies and processes for managing capital;
- ii. Summary quantitative data about what is managed as capital;
- iii. Whether during the period it complied with any externally imposed capital requirements to which it is subject;
- iv. When the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

##### b. Goodwill and Intangible Assets (CICA Section 3064)

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace Section 3062, "Goodwill and Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Management is currently assessing the impact of these new accounting standards on its consolidated financial statements.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

(Amounts are in Canadian dollars, except for price per share and per share amounts)

Page | 4

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c. Financial Instruments – Disclosures (CICA Section 3862)

This section requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments.

This section requires specific disclosures to be made, including the criteria for:

- (i) designating financial assets and liabilities as held for trading;
- (ii) designating financial assets as available-for-sale; and
- (iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

#### d. CICA Emerging Issues Committee 172 Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain on an Available for Sale Financial Asset

Effective September 2008, this EIC requires a company which has prior year tax loss carryforwards that have not been recognized as future income tax assets, when there are future income tax liabilities related to unrealized gains from financial assets, to recognize such portion of losses in income in the period. The adoption of this EIC is not expected to have a material impact on the Company's financial position.

#### e. International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company has determined that there are no other recent pronouncements that impact its consolidated financial statements.

### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, short-term investments (consisting of Guaranteed Investment Certificates), accounts receivable and refundable taxes, due from related parties, investments, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. In accordance with the adoption of CICA 3855, the carrying values of investments are recorded at their respective fair values.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

(Amounts are in Canadian dollars, except for price per share and per share amounts)

Page | 5

### 5. INVESTMENTS AND OTHER

	<u>August 31, 2008</u>	<u>Nov. 30, 2007</u>
Available-for-sale securities		
Oro Silver Resources Ltd.	\$ 135,000	\$ 1,010,000
Mazorro Resources Ltd.	60,000	-
Other	16,649	19,236
	<u>211,649</u>	<u>1,029,236</u>
Less current portion (i)	(174,750)	(555,500)
	<u>\$ 36,899</u>	<u>\$ 473,736</u>

(i) Current fair value: 850,000 shares Oro Silver @ \$0.135 and 500,000 shares Mazorro @ \$0.12; (Nov. 30, 2007 - 550,000 shares Oro Silver @ \$1.01)

As per the Plan of Arrangement (Note 2), the Company received 1,000,000 common shares of Oro Silver Resources at \$0.25 per share for a total investment of \$250,000. As at August 31, 2008 the Company has recorded the 1,000,000 shares of Oro Silver Resources at a fair market price of \$0.135 per share for a total investment of \$135,000. As at August 31, 2008, 450,000 of these common shares remain in escrow and will be released at a rate of 150,000 common shares every six months; the next scheduled release date is February 22, 2009.

As per Agreement with Mazorro Resources Ltd. in regards to the Cimarron property (See Note 7(b)), the Company received 300,000 shares as of May 31, 2008 and 200,000 shares during the current quarter, for a total of 500,000 shares. As at August 31, 2008, the Company has recorded the 500,000 shares in Mazorro Resources at a fair market price of \$0.12 per share for a total investment of \$100,000.

### 6. RESOURCE PROPERTY COSTS

	Acquisition Costs	Deferred Exploration Costs	August 31, 2008
Cimarron	(8,057)	\$ 389,346	\$ 381,289
Ixtapan del Oro	(1,355)	153,185	151,830
San Isidro	61,984	489,428	551,412
Trinidad	126,156	4,059,456	4,185,612
Others	13,157	119,679	132,836
	<u>\$ 191,885</u>	<u>\$ 5,211,094</u>	<u>\$ 5,402,979</u>

	Acquisition Costs	Deferred Exploration Costs	November 30, 2007
Cimarron	\$ 145,122	\$ 359,195	\$ 504,317
Ixtapan del Oro	(1,355)	147,861	146,506
San Isidro	52,163	473,558	525,721
Trinidad	96,500	1,671,675	1,768,175
Others	3,157	31,731	34,888
	<u>\$ 295,587</u>	<u>\$ 2,684,020</u>	<u>\$ 2,979,607</u>

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended August 31, 2008 and August 31, 2007

*(Amounts are in Canadian dollars, except for price per share and per share amounts)*

Page | 6

### 6. RESOURCE PROPERTY COSTS (continued)

#### (a) Ixtapan del Oro, Mexico

The Company acquired a 100% interest in certain mining concessions situated in Mexico by staking, which concessions are held by the Company's wholly-owned subsidiary Oro Gold de Mexico, S.A. de C.V.

On January 6, 2006, the Company granted Rockgate Capital Corp. ("Rockgate"), an option to explore a select area within the Company's 100% owned Ixtapan del Oro property. The area of interest covers both the Ixtapan prospect and the Chilar exploration area but does not include the right to explore or earn-in on the Mihuatlan silver area located within the remaining area of the Ixtapan del Oro property.

Rockgate acquired an initial 51% interest in the gold project by incurring US\$200,000 in expenditures on the project and by issuing 100,000 shares (fair value \$40,000 received in 2006) to the Company.

#### (b) Cimarrón, Mexico

On April 28, 2008, Oro Gold completed the earn-in of 100% of the Cimarron property by making a one-time payment of \$250,000 + IVA to the underlying vendor. The underlying vendor retains a sliding scale NSR based on the price of gold.

On November 30, 2007 the Company entered into Formal Agreements with Mazorro Resources Inc. ("Mazorro") and its subsidiary, Minera Mazorro S.R.L. de C.V. with regard to the Cimarron Concession, and the Veteranos, Navidad I, Navidad II and Navidad II Concessions owned by the Company ("Oro Concessions"). Under the term of these agreements, the Company has granted Mazorro the exclusive option to acquire a 60% undivided interest in the Cimarron Concession and in the Oro Concessions by paying the Company \$135,000 (received) and by spending US\$2,652,500 on the properties in stages by June 30, 2011 and by issuing one million common shares of Mazorro to the Company in stages to June 30, 2010. These optional expenditures and share issuances include incurring a cumulative expenditure of US\$550,000 by March 31, 2008 (completed) and a cumulative expenditure of US\$1,392,500 by June 30, 2009 and the issuance of 500,000 shares (received) and a cumulative 700,000 common shares by June 30, 2009.

#### (c) Trinidad and San Isidro, Mexico

On February 9, 2006, the Company was granted an option to earn a 100% undivided interest in certain mineral claims in the Rosario Gold Belt in southern Sinaloa State, Mexico.

Under the agreement, the Company has right to explore the claims for up to four years, in exchange for annual payments of US\$25,000. Payments of US\$25,000 each were made in February 2007 and February 2008. The Company has the option to purchase, at any time during the four year period, a 100% interest in the claims according to the following schedule: Nancy for US\$200,000, San Isidro and El Porvenir combined for US\$200,000, and Santa Cecilia and La Poderosa combined for US\$200,000. Any payments made will be deducted from the purchase of the claims. A scaled net smelter royalty ("NSR") based on the price of gold is also payable to the owner. The Company can purchase the NSR for US\$1,000,000.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 1 - Resource Property Costs

For the nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 7

### 6. RESOURCE PROPERTY COSTS (continued)

#### c) Trinidad and San Isidro, Mexico (continued)

In April 2006, the Company was granted an option to earn a 100% interest in certain mineral claims in the Rosario Gold Belt, Sinaloa, Mexico, known as the San Miguel Property. This property is within the boundaries of the Trinidad claims staked by the Company.

The Company has the option to purchase its interest in the property by paying US\$15,000 on signing (paid), making staged payments totaling US\$122,500 over five years (paid US\$55,000 to date), and a final payment of US\$262,500. An NSR of 0.5% to 1.5% is payable to the owner, based on the price of gold. The Company can purchase the NSR for US\$1,100,000.

All costs relating to the San Miguel, Nancy, Santa Cecilia, La Poderosa and El Porvenir are included in the Schedule of Resource Property Costs as costs of the Trinidad Property while costs for San Isidro is shown separately.

#### d) Panamanian Properties (Azuelo, Sona, Ambroya, Maje), Panama

During the year ended November 30, 2007, the Company applied for titles to certain gold properties in the Republic of Panama.

On June 4, 2007 the Company entered into a Letter of Agreement with Harbour Pacific Minerals Inc. ("Harbour") whereby Harbour could acquire a 65% interest in Azuelo properties. Harbour can earn this interest by spending US\$2,000,000 on the property, including incurring US\$500,000 in expenditures on the properties, within one year of the start date of the agreement, and paying the Company US\$250,000 over a three year period. Harbour will advance the Company US\$250,000 upon the initiation of a first phase exploration program. The Company will be the operator of the project and will be paid a 15% management fee. Harbour will not commence the program until title is received.

As at August 31, 2008 the title for those properties had not been received and the Company is expensing any costs related to these properties. Fieldwork has been put on hold until the concessions are officially granted. Harbour will not commence the program until title is received.

### 7. SHARE CAPITAL

(a) The authorized and issued share capital is as follows:

Authorized – unlimited number of common shares with no par value.

	Number of Shares	Amount
Balance at November 30, 2007	19,031,107	\$ 7,006,450
Private Placement (i)	3,236,599	2,427,449
Allocation of net proceeds to FV of warrants (i)	-	(240,101)
Private Placement (ii)	3,280,444	1,804,244
Allocation of net proceeds to FV of warrants (ii)	-	(147,213)
Share issuance costs	-	(168,806)
<b>Balance at August 31, 2008</b>	<b>25,548,150</b>	<b>\$ 10,682,023</b>

(i) On December 18, 2007, the Company completed a non-brokered private placement for gross proceeds of \$2,427,449.

The Company issued 3,236,599 units at \$0.75 per unit, with each unit consisting of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one additional common share of Oro Gold at a price of \$1.00 per share for the first year and \$1.25 per share for the second year after the date of issuance.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 1 - Resource Property Costs

For the nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 8

### 7. SHARE CAPITAL (continued)

The warrants attached to the units were valued at \$240,101, net of share issuance costs, based upon the average of the pro rata method and the Black-Scholes method, using a risk-free interest rate of 2.73%, expected stock price volatility of 80.26%, expected dividend yield of 0.0% and expected life of 2 years.

- (ii) On July 9, 2008, Oro Gold completed the first closing of a non-brokered private placement. Under the first closing, Oro Gold issued 2,885,444 units at a price of \$0.55 per unit, for gross proceeds of \$1,586,994. Each unit consists of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one additional common share of Oro Gold at a price of \$0.75 per share for the first year and \$1.00 per share for the second year after the date of issuance.

The warrants attached to the units were valued at \$129,487, net of share issuance costs, based upon the average of the pro rata method and the Black-Scholes method, using a risk-free interest rate of 3.18%, expected stock price volatility of 78.39%, expected dividend yield of 0.0% and expected life of 2 years.

On August 8, 2008, Oro Gold completed the second closing of above mentioned non-brokered private placement. Under the second closing, Oro Gold issued 395,000 units at a price of \$0.55 per unit, for gross proceeds of \$217,250 under terms similar to the first closing.

The warrants attached to the units of the second closing were valued at \$17,726, net of share issuance costs, based upon the average of the pro rata method and the Black-Scholes method, using a risk-free interest rate of 2.71%, expected stock price volatility of 83.00%, expected dividend yield of 0.0% and expected life of 2 years.

#### (b) Stock options

The continuity of incentive stock options issued and outstanding is as follows:

	Number of Options	Weighted average exercise price
Outstanding, November 30, 2007	1,902,708	\$ 0.78
Granted during the period	896,000	0.55
Cancelled during the period	(570,708)	0.79
<b>Outstanding, August 31, 2008</b>	<b>2,228,000</b>	<b>\$ 0.68</b>

On February 1, 2005, the Company established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option shall not be less than the discounted market price on the grant date.

During the period ended August 31, 2008 the Company granted 896,000 fully vested incentive stock options to directors, officers and employees at a price of \$0.55. The options expire on August 11, 2013.

The Company uses the fair value method of accounting for all stock-based payments to employees, directors and officers. Under this method, stock based compensation of \$ 160,026 was recorded by the Company, of which \$104,526 is included in expenses and \$55,500 is included in capitalized resource property costs, with a corresponding increase in contributed surplus. The fair value of the stock options granted at the date of the grant using the Black-Scholes pricing model assume risk-free interest rate of 3.11%, no dividend yield, expected life of 5 years and an expected price volatility of 83.94%.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 1 - Resource Property Costs

For the nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 9

### 7. SHARE CAPITAL (continued)

#### (b) Stock options (continued)

Range of exercise prices	Year of Expiry	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Number of Options Exercisable	Weighted Average Exercise Price
\$0.88	2011	350,000	3.0	350,000	0.88
\$0.61 - \$0.85	2012	982,000	3.8	964,500	0.74
\$0.55	2013	896,000	5.0	896,000	0.55
		2,228,000	4.2	2,210,500	\$ 0.68

Option pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

#### (c) Share Purchase Warrants

The continuity of share purchase warrants granted and outstanding is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, November 30, 2007	1,418,190	\$ 1.25
Granted during the period (i)	3,258,522	0.87
Expired during the period	(1,418,190)	1.25
<b>Outstanding, August 31, 2008</b>	<b>3,258,522</b>	<b>\$ 0.87</b>

Date of grant	Number of Warrants Issued	Exercise Price Year 1	Exercise Price Year 2	Date of Expiry	Weighted Average Remaining Contractual Life (Years)
19-Dec-08	1,618,300	1.00	1.25	19-Dec-10	1.3
09-Jul-08	1,442,722	0.75	1.00	09-Jul-11	1.8
08-Aug-08	197,500	0.75	1.00	09-Aug-11	1.8
	3,258,522				1.6

#### (i) Warrants granted during the period

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 1 - Resource Property Costs

For the nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 10

### 8. RELATED PARTY TRANSACTIONS

During the period ended August 31, 2008, the Company paid for certain expenditures on behalf of Oro Silver. At August 31, 2008, the Company has \$65,161 net receivable from Oro Silver. This balance is non-interest bearing, with no specific terms of repayment and is included in the Due from Related Parties balances.

During period ended August 31, 2008, the Company paid or accrued \$210,408 to directors and officers or companies controlled by directors and officers of the Company, for management and consulting services provided and related expense reimbursements. Included in Due to Related Parties is \$16,520 of amounts owing to the above mentioned related parties. The Company also has receivable from other related parties in the amount of \$5,500. These balances are non-interest bearing, with no specific terms of repayment.

The above related party transactions, occurring in the normal course of business, are measured at their exchange amount in these consolidated financial statements, which is the amount of consideration received as established and agreed upon by the Company and the aforementioned related party.

### 9. SUPPLEMENTAL INFORMATION

	Three months ended August 31,		Nine months ended August 31,	
	2008	2007	2008	2007
<b>Non-cash financing and investing activities</b>				
Resource property costs and equipment included in accounts payable and accrued liabilities and due to related parties	\$ 308,167	\$ -	\$ 438,950	\$ 33,529
Option receipt - shares in Mazorro Resources received pursuant to property agreement	210,000	-	210,000	191,701
Stock based compensation allocated to mineral properties	55,500	-	55,500	-
Fair value of warrants exercised	-	-	-	173,084
Fair value of options exercised	-	-	-	172,435

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 1 - Resource Property Costs

For the nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 11

### 10. SEGMENTED INFORMATION

The Company operates in one operating segment, the exploration and development of mineral properties. Management of the Company makes decisions about allocating resources based on the one operating segment. A geographic summary of mineral properties and capital expenditure by country is as follows:

	<u>Mexico</u>	<u>Panama</u>	<u>Canada</u>	<u>Consolidated</u>
<b>For the period ended August 31, 2008</b>				
Net loss for the year	\$ (430,541)	\$ (203,256)	\$ (293,224)	\$ (927,021)
Resource property costs	5,402,979	-	-	5,402,979
Capital expenditures	54,023	39,255	55,054	148,332
<b>For the year ended November 30, 2007</b>				
Net loss for the year	\$ (115,571)	\$ (776,453)	\$ (1,314,160)	\$ (2,206,183)
Resource property costs	2,979,607	-	-	2,979,607
Capital expenditures	60,562	45,823	69,501	175,887

### 11. COMMITMENTS

Lease Commitment:

On November 2, 2006, the Company entered into an operating lease for office premises to be effective December 1, 2006, for 60 months. The monthly lease payments include rent, operating costs and property taxes. These costs are shared equally with three other companies. Minimum payments are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 27,962
2009	111,847
2010	111,847
2011	111,847
	\$ 363,503

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 1 - Resource Property Costs

For the nine month periods ended August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 12

### As at August 31, 2008

	Cimarron	Ixtapan	San Isidro	Trinidad	Others	Total
	\$	\$	\$	\$	\$	\$
<i>Deferred costs - beginning of period</i>	501,296	147,861	473,558	1,671,675	31,731	2,826,121
Assaying	129,979	0	-	259,034	-	389,012
Drilling	198,167	-	-	969,512	-	1,167,679
Field expenses	105,793	(0)	139	272,955	12,794	391,681
Field salaries and consulting	95,286	(90)	4,544	578,779	1,382	679,902
Environmental studies	3,082	-	714	25,116	-	28,912
Engineering studies	14,980	-	-	15,002	-	29,982
Food and accomodation	11,458	0	1,193	38,393	478	51,523
Travel	11,276	0	364	98,365	-	110,005
Permits, taxes and other	10,888	5,414	8,916	86,921	73,294	185,433
Stock based compensation	11,797	-	-	43,703	-	-
Cost recoveries	(704,656)	-	-	-	-	(704,656)
	(111,950)	5,324	15,870	2,387,781	87,948	2,329,473
Write-offs	-	-	-	-	-	-
<i>Deferred costs - end of period</i>	389,346	153,185	489,428	4,059,456	119,679	5,211,094
<i>Acquisition costs - beginning of year</i>	3,021	(1,355)	52,163	96,500	3,157	153,486
Acquisition during period	248,917	-	9,821	29,655	10,000	298,393
Option receipt -shares	(210,000)	-	-	-	-	(210,000)
Option receipt - cash	(49,995)	-	-	-	-	(49,995)
<i>Acquisition costs - end of period</i>	(8,057)	(1,355)	61,984	126,155	13,157	191,884
<b>Total Acquisition and Deferred costs - End of period</b>	<b>381,289</b>	<b>151,830</b>	<b>551,412</b>	<b>4,185,611</b>	<b>132,836</b>	<b>5,402,978</b>

### As at August 31, 2007

	Sona - Ambroya	Cimarron	Ixtapan	Mihuatlan	San Isidro	Trinidad	Others	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Deferred costs - beginning of year</i>	-	359,808	138,825	151,257	213,855	143,975	-	1,007,720
Assaying	88,420	-	-	-	11,143	10,268	-	109,831
Field expenses	65,561	45,831	410	-	84,942	262,211	35,428	494,383
Field salaries and consulting	140,440	42	-	-	85,651	173,918	-	400,051
Food and accomodation	21,732	827	-	-	4,447	24,908	-	51,914
Travel	40,150	-	-	-	13,607	51,428	-	105,185
Transfer assets to Oro Silver	-	-	-	(151,257)	-	-	-	(151,257)
	356,303	46,700	410	(151,257)	199,790	522,733	35,428	1,010,107
<i>Deferred costs - end of period</i>	356,303	406,508	139,235	-	413,645	666,708	35,428	2,017,827
<i>Acquisition costs - beginning of year</i>	-	116,074	-	40,444	20,500	40,227	-	217,245
Acquisition during period	-	28,346	-	-	30,505	48,898	3,036	110,785
Option receipt	-	(142,101)	-	-	-	-	-	(142,101)
Reclassification	-	-	-	(40,444)	-	-	-	(40,444)
<i>Acquisition costs - end of period</i>	-	2,319	-	-	51,005	89,125	3,036	145,485

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Schedule 2 – Exploration Expenses

For the nine month periods ending August 31, 2008 and August 31, 2007

(Unaudited – in Canadian dollars)

Page | 13

### As at August 31, 2008

	Panama Generative	Mexico Generative	Total
	\$	\$	\$
Field Expenses	14,630	6,424	21,054
Food & Accomodation	3,188	14,238	17,426
Salaries and Wages	1,544	5,509	7,053
Consulting, community relations	68,219	30,400	98,619
Travel	8,844	-	8,844
Licenses, taxes and permits	14,548	-	14,548
	110,973	56,571	167,544

### As at August 31, 2007

	Panama Generative	Mexico Generative	Total
	\$	\$	\$
Assaying	8,102	6,118	14,220
Claim maintenance	-	-	-
Field expenses	101,186	1,923	103,109
Food and accomodation	1,298	322	1,620
Salaries and Wages	170,529	-	170,529
Travel	14,827	8,636	23,463
	295,942	16,999	312,941