

**ORO GOLD RESOURCES LTD.**

*(An Exploration Stage Company)*

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED FEBRUARY 28, 2007**

**In Canadian Funds**

**Unaudited – Prepared by Management**

## **Notice of Non-review of Interim Financial Statements**

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The attached interim consolidated financial statements for the three month period ended February 28, 2007 have not been reviewed by the company's auditors.

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**Oro Gold Resources Ltd.**  
(An Exploration Stage Company)  
**Consolidated Balance Sheets**  
Canadian Funds

Statement 1

	<b>As at February 28, 2007</b> (Unaudited – Prepared by Management)	As at November 30, 2006 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,331,401	\$ 1,832,409
Short-term investments	1,035,159	1,025,050
Cash calls receivable	332,818	213,170
Consumption taxes receivable	92,897	47,406
Marketable securities (Note 5)	695,000	40,000
Prepaid expenses	116,195	50,664
	<b>3,603,470</b>	<b>3,208,699</b>
<b>Equipment</b> (Note 6)	<b>145,391</b>	<b>68,677</b>
<b>Resource Property Costs</b> – Schedule (Note 7)	<b>1,417,326</b>	<b>1,224,965</b>
	<b>\$ 5,166,187</b>	<b>\$ 4,502,341</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accruals		
- Trade	\$ 118,673	347,262
- Related party (Note 9)	-	20,290
	<b>118,673</b>	<b>367,552</b>
<b>Future Income Taxes Liability</b> (Note 11)	<b>120,200</b>	<b>120,200</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 8)	<b>6,518,203</b>	<b>5,431,835</b>
<b>Share Purchase Warrants</b> (Note 8d)	<b>353,298</b>	<b>462,978</b>
<b>Contributed Surplus</b> (Note 8f)	<b>300,974</b>	<b>409,578</b>
<b>Deficit</b> – Statement 2	<b>(2,650,161)</b>	<b>(2,289,802)</b>
<b>Accumulated other comprehensive income</b> – Statement 4 (Note 3)	<b>405,000</b>	<b>-</b>
	<b>4,927,314</b>	<b>4,014,589</b>
	<b>\$ 5,166,187</b>	<b>\$ 4,502,341</b>

ON BEHALF OF THE BOARD:

/s/“Darren Bahrey”, President & CEO , Director

/s/“John Williamson”, CFO , Director

- See Accompanying Notes -

**Oro Gold Resources Ltd.**

Statement 2

(An Exploration Stage Company)

**Consolidated Statements of Loss and Deficit**

Canadian Funds

Unaudited – Prepared by Management

	For the Period Ended February 28, 2007	For the Period Ended February 28, 2006
<b>Expenses</b>		
Amortization	\$ 8,005	\$ 505
Bank charges and interest	827	1,000
Foreign exchange loss	30,212	2,614
Investor relations	17,523	22,115
Legal, corporate secretary and accounting	48,660	52,025
Listing and filing fees	6,733	4,600
Office and sundry	21,830	1,637
Rent	18,689	5,625
Salaries and benefits	79,032	34,701
Stock-based compensation (Note 8e)	30,105	-
Telephone	10,413	853
Transfer agent	13,787	14,444
Travel and conferences	9,529	11,024
<b>Loss before the following</b>	<b>(295,345)</b>	<b>(151,143)</b>
Interest income	15,627	2,023
Operator's fees	-	-
Write-off of resource property costs	(80,641)	(61,026)
<b>Net loss for the period</b>	<b>(360,359)</b>	<b>(210,146)</b>
Deficit – beginning of period	(2,289,802)	(725,569)
<b>Deficit – end of period</b>	<b>\$ (2,650,161)</b>	<b>\$ (935,715)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>18,624,407</b>	<b>11,300,911</b>

- See Accompanying Notes -

**Oro Gold Resources Ltd.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Cash Flows**

Statement 3

Canadian Funds  
 Unaudited – Prepared by Management

<b>Cash Resources Provided By (Used In)</b>	<b>For the Period Ended February 28, 2007</b>	<b>For the Period Ended February 28, 2006</b>
<b>Operating Activities</b>		
Net loss for the year	\$ (360,359)	\$ (210,146)
Items not affected by cash:		
Stock based compensation	30,105	-
Amortization	8,005	505
Write-off of resource property costs	80,641	61,026
	<u>(241,608)</u>	<u>(148,615)</u>
Changes in working capital		
Cash calls receivable	(119,648)	-
Consumption taxes receivable	(45,491)	(13,260)
Prepaid expenses	(65,531)	(15,000)
Accounts payable and accruals	(221,513)	34,151
	<u>(693,791)</u>	<u>(142,724)</u>
<b>Investing Activities</b>		
Increase in short-term investments	(10,109)	-
Purchase of marketable securities	(250,000)	-
Resource property costs	(471,779)	(231,363)
Purchase of equipment	(84,719)	(3,611)
	<u>(816,607)</u>	<u>(234,974)</u>
<b>Financing Activities</b>		
Issuance of share capital	1,029,680	76,985
Repayment of due to related party	(20,290)	-
	<u>1,009,390</u>	<u>76,985</u>
<b>Net Increase (Decrease) in cash for the year</b>	<b>(501,008)</b>	<b>(300,713)</b>
<b>Cash and cash equivalents – beginning of the year</b>	<b>1,832,409</b>	<b>1,076,245</b>
<b>Cash and cash equivalents – end of the year</b>	<b>\$ 1,331,401</b>	<b>\$ 775,532</b>
<b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b>		
Resource property costs in cash call receivable, gst and iva receivable, prepaid expenses, accounts payable and due to related parties	\$ 7,076	\$ 2,582
Fair value of Oro Silver spun out	\$ 191,701	\$ -
Fair value of warrants exercised	\$ 109,680	\$ -
Fair value of options issued	\$ 30,105	\$ -
Fair value of options exercised	\$ 138,709	\$ -
Future income tax liability	\$ -	\$ 34,800

**Oro Gold Resources Ltd.**  
**(An Exploration Stage Company)**

Statement 4

**Consolidated Statement of Comprehensive Income**

*Canadian Funds*

*Unaudited – Prepared by Management*

	<b>For the Period Ended February 28, 2007</b>
<b>Net income for the period before comprehensive income</b>	<b>\$ (368,412)</b>
Unrealized gain/loss on available for sale investments	<b>405,000</b>
<b>Comprehensive income</b>	<b>\$ 36,588</b>

**Oro Gold Resources Ltd.**  
**(An Exploration Stage Company)**

Statement 4

**Consolidated Statement of Changes in Shareholders' Equity**

*Canadian Funds*

*Unaudited – Prepared by Management*

	<b>For the Period Ended February 28, 2007</b>
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<b>Share capital</b>	
Balance – beginning of period	\$ 5,446,327
Issued during the period	96,861
Balance – end of period	<u>\$ 6,423,015</u>
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<b>Contributed surplus</b>	
Balance – beginning of period	\$ 409,578
Fair value of stock-based compensation on options vested	30,105
Fair value of stock option recognized on exercise	(138,709)
Balance – end of period	<u>\$ 300,974</u>
<hr/>	
<b>Deficit</b>	
Balance – beginning of period	\$ (2,289,802)
Net loss for the period	(360,359)
Balance – end of period	<u>\$ (2,650,161)</u>
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<b>Accumulated other comprehensive income (loss)</b>	
Transitional adjustment to opening balance	\$ 10,000
Unrealized gain/loss on available for sale investments	395,000
Balance – end of period	<u>\$ 405,000</u>
<hr/>	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u><b>\$ 4,927,314</b></u>

- See Accompanying Notes -

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Consolidated Schedules of Resource Property Costs

Canadian Funds

Unaudited – Prepared by Management

Schedule

	For the Three Months Ended February 28, 2007				For the Year Ended November 30, 2006			
	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total
<b>Mexico Properties</b>								
<i>Cimarron Property</i>								
Acquisition – cash payment	\$ 22,611	\$ -	\$ -	\$ 22,611	\$ -	\$ -	\$ -	\$ -
Claim maintenance	6,197	-	-	6,197	43,767	-	-	43,767
Staking and recording	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Assays and sampling	-	-	-	-	-	48,269	-	48,269
Field expenses	-	-	-	-	-	13,157	-	13,157
Food and accommodations	-	-	-	-	-	4,637	-	4,637
Salaries and wages	-	-	-	-	-	61,943	-	61,943
Travel	-	-	-	-	-	13,842	-	13,842
Future income taxes	-	-	-	-	-	-	-	-
	28,808	-	-	28,808	43,767	141,848	-	185,615
<i>Ixtapan del Oro Gold Property</i>								
Claim maintenance	3,025	-	-	3,025	8,588	-	-	8,588
Option receipt	-	-	-	-	(33,150)	(6,850)	-	(40,000)
Staking and recording	-	-	-	-	-	-	-	-
Assays and sampling	-	-	-	-	-	3,121	-	3,121
Food and accommodations	-	458	-	458	-	2,089	-	2,089
Field expenses	-	1,836	-	1,836	-	12,345	-	12,345
Reports	-	-	-	-	-	-	-	-
Salaries and wages	-	1,359	-	1,359	-	32,250	-	32,250
Travel	-	2,220	-	2,220	-	-	-	-
Future income taxes	-	-	-	-	-	-	-	-
Historical Ixtapan Costs reclassified to Mihuatlan	-	-	-	-	(13,534)	(88,489)	(29,876)	(131,899)
	3,025	5,873	-	8,898	(38,096)	(45,534)	(29,876)	(113,506)
<i>Mihuatlan Silver Property</i>								
Acquisition costs – cash	-	-	-	-	23,247	-	-	23,247
Claim maintenance	-	-	-	-	3,663	-	-	3,663
Assays and sampling	-	-	-	-	-	5,206	-	5,206
Field expenses	-	-	-	-	-	16,967	-	16,967
Food and accommodations	-	-	-	-	-	3,673	-	3,673
Salaries and wages	-	-	-	-	-	6,136	-	6,136
Travel	-	-	-	-	-	910	-	910
Future income taxes	-	-	-	-	-	-	-	-
Historical Ixtapan Costs reclassified to Mihuatlan	-	-	-	-	13,534	88,489	29,876	131,899
Costs recovered on spin out of Oro Silver (Note 2)	(40,444)	(121,381)	(29,876)	(191,701)	-	-	-	-
	(40,444)	(121,381)	(29,876)	(191,701)	40,444	121,381	29,876	191,701
<b>Carried Forward</b>	\$ (8,611)	\$ (115,508)	\$ (29,876)	\$ (153,995)	\$ 46,115	\$ 217,695	\$ -	\$ 263,810

- See Accompanying Notes -

**Oro Gold Resources Ltd.**  
**(An Exploration Stage Company)**

Schedule

**Consolidated Schedules of Resource Property Costs**

Canadian Funds

Unaudited – Prepared by Management

	For the Three Months Ended February 28, 2007				For the Year Ended November 30, 2006			
	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total
<b>Carried Forward</b>	\$ (8,611)	\$ (115,508)	\$ (29,876)	\$ (153,995)	\$ 46,115	\$ 217,695	\$ -	\$ 263,810
<b>Mexico Properties Continued</b>								
<i>San Isidro, Mexico</i>								
Acquisition costs – cash	-	-	-	-	16,386	-	-	16,386
Claim maintenance	3,331	-	-	3,331	4,114	-	-	4,114
Assays	-	6,086	-	6,086	-	3,299	-	3,299
Field expenses	-	89,311	-	89,311	-	141,414	-	141,414
Food and accommodations	-	3,304	-	3,304	-	7,988	-	7,988
Salaries and wages	-	39,800	-	39,800	-	48,950	-	48,980
Travel	-	11,156	-	11,156	-	12,204	-	12,204
	3,331	149,657	-	152,988	20,500	213,855	-	234,355
<i>Trinidad, Mexico</i>								
Acquisition costs - cash	-	-	-	-	39,659	-	-	39,659
Claim maintenance	42,781	-	-	42,781	568	-	-	568
Assays	-	565	-	565	-	31,988	-	31,988
Salaries and wages	-	30,217	-	30,217	-	56,155	-	56,155
Food and accommodations	-	3,048	-	3,048	-	7,325	-	7,325
Field expenses	-	52,259	-	52,259	-	35,281	-	35,281
Travel	-	3,327	-	3,327	-	13,226	-	13,226
	42,781	89,416	-	132,197	40,227	143,975	-	184,202
<i>General Exploration - Mexico</i>								
Claim maintenance	-	-	-	-	3,853	-	-	3,853
Recording and staking	-	-	-	-	40,152	-	-	40,152
Assays and sampling	-	6,118	-	6,118	-	1,154	-	1,154
Field expenses	-	7,379	-	7,379	-	29,561	-	29,561
Food and accommodations	-	-	-	-	-	9,934	-	9,934
Salaries and wages	-	959	-	959	-	38,553	-	38,553
Travel	-	877	-	877	-	20,511	-	20,511
Write-off of resource property costs	-	(15,333)	-	(15,333)	(44,005)	(99,713)	-	(143,718)
	-	-	-	-	-	-	-	-
<b>Carried Forward</b>	\$ 37,501	\$ 123,565	\$ (29,876)	\$ 131,190	\$ 106,842	\$ 575,525	\$ -	\$ 682,367

- See Accompanying Notes -

**Oro Gold Resources Ltd.**  
**(An Exploration Stage Company)**  
**Consolidated Schedules of Resource Property Costs**

Schedule

Canadian Funds  
 Unaudited – Prepared by Management

	For the Three Months Ended February 28, 2007				For the Year Ended November 30, 2006			
	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total
<b>Carried Forward</b>	\$ 37,501	\$ 123,565	\$ (29,876)	\$ 131,190	\$ 106,842	\$ 575,525	\$ -	\$ 682,367
<i>Sona, Panama</i>								
Assays	-	3,123	-	3,123	-	-	-	-
Salaries and wages	-	13,852	-	13,852	-	-	-	-
Food and accommodations	-	7,945	-	7,945	-	-	-	-
Field expenses	-	7,250	-	7,250	-	-	-	-
Travel	-	10,245	-	10,245	-	-	-	-
	-	42,415	-	42,415	-	-	-	-
<i>Ambroya, Panama</i>								
Assays	-	366	-	366	-	-	-	-
Salaries and wages	-	5,934	-	5,934	-	-	-	-
Food and accommodations	-	2,046	-	2,046	-	-	-	-
Field expenses	-	9,017	-	9,017	-	-	-	-
Travel	-	1,392	-	1,392	-	-	-	-
	-	18,756	-	18,756	-	-	-	-
<i>General Exploration – Panama and Central America</i>								
Recording and staking	-	-	-	-	52,624	-	-	52,624
Claim maintenance	-	-	-	-	2,180	-	-	2,180
Assays and sampling	-	7,601	-	7,601	-	11,082	-	11,082
Field expenses	-	6,935	-	6,935	-	31,692	-	31,692
Food and accommodations	-	-	-	-	-	27,110	-	27,110
Salaries and wages	-	47,952	-	47,952	-	148,751	-	148,751
Travel	-	2,820	-	2,820	-	29,542	-	29,542
Write-off of resource property costs	-	(65,308)	-	(65,308)	(54,804)	(248,177)	-	(302,981)
	-	-	-	-	-	-	-	-
<b>Costs for the Period</b>	37,501	184,736	(29,876)	192,361	99,992	582,375	-	682,367
Balance – Beginning of the period	217,245	887,520	120,200	1,224,965	110,403	311,995	120,200	542,598
<b>Balance – End of Period</b>	\$ 254,746	\$ 1,072,256	\$ 90,324	\$ 1,417,326	\$ 217,245	\$ 887,520	\$ 120,200	\$ 1,224,965

- See Accompanying Notes -

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Notes to Consolidated Financial Statements

February 28, 2007

Canadian Funds

Unaudited – Prepared by Management

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### 1. Nature of Operations

The Company (or “Oro Gold”) was incorporated under British Columbia’s Company 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. Shortly after completion of its Initial Public Offering in April 2005, the Company became listed on the TSX Venture Exchange (“TSX-V”) and trades under the symbol OGR.

The Company is an exploration stage enterprise and is currently exploring mineral interests in Mexico and Panama in order to bring the properties to the extraction and processing stage.

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### 2. Spin-Out Transaction

During the period ended February 28, 2007, the Company completed an Arrangement Agreement with Oro Silver Resources Ltd. (“Oro Silver”) (a fully owned subsidiary of the Company, incorporated on September 5, 2006). The Arrangement was conducted by way of a Statutory Plan of Arrangement under the *Business Corporations Act* whereby the Company spun-out its interests in the Mihuatlan and Guasima silver properties to Oro Silver in exchange for common shares and warrants of Oro Silver being distributed to the shareholders of the Company. The Company also subscribed for one million shares of Oro Silver in exchange for \$250,000, these shares are held marketable securities and are designated available for sale.

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### 3. Significant Accounting Policies

These interim consolidated 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 first quarter commencing December 1, 2006. These interim financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements and accordingly, the interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at November 30, 2006.

a) Section 3855 - Financial Instruments - Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Investments subject to significant influence are reported at cost and not adjusted to fair market value. All of the investments have been designated as available for sale.

b) Section 1530 - Comprehensive Income. 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 and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net income (loss) until realized.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Notes to Consolidated Financial Statements

February 28, 2007

Canadian Funds

Unaudited – Prepared by Management

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### 3. Significant Accounting Policies - Continued

c) Transition adjustment to opening balance: The adoption of Sections 1530 and 3855 impacts the opening equity and losses of the Company. The unrealized loss on the available for sale securities from purchase to November 30, 2006 was \$2,500 which is reported as an adjustment to the opening balance of accumulated other comprehensive income. There was no unrealized gain or loss on the available for sale securities for the three months ended February 28, 2007. There would be no tax impact resulting from adjustments arising from comprehensive income.

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### 4. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, advance to related party, cash call receivable, marketable securities, GST and IVA receivable, and accounts payable and related party payables. 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. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

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### 5. Marketable Securities

	February 28, 2007		
	Cost	Accumulated Unrealized Holding Gains	Carrying Value
Common shares in a public company received as property payments, representing less than a 5% interest	\$ 290,000	\$ 405,000	\$ 695,000

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### 6. Equipment

Details as at February 28, 2007 are as follows:

	Cost	Accumulated Amortization	Net Book Value February 28, 2007
Computer equipment	\$ 58,087	\$ 6,922	\$ 51,165
Computer software	5,638	2,037	3,601
Field equipment	3,789	550	3,239
Office furniture	28,680	3,822	24,858
Vehicles	70,399	7,871	62,528
	<u>\$ 166,593</u>	<u>\$ 21,202</u>	<u>\$ 145,391</u>

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Notes to Consolidated Financial Statements

February 28, 2007

Canadian Funds

Unaudited – Prepared by Management

### 7. Resource Property Costs

a) Details as at February 28, 2007 are as follows:

	Acquisition Costs	Deferred Exploration Costs	Future Income Taxes	February 28, 2007
<b>Mexican Properties</b>				
Ixtapan del Oro	\$ 3,025	\$ 118,014	\$ 26,684	\$ 147,723
Cimarron	144,882	296,168	63,640	504,690
San Isidro	23,831	363,512	-	387,343
Trinidad	83,008	233,391	-	316,399
<b>Panamanian Properties</b>				
Sona	-	42,415	-	42,415
Ambroya	-	18,756	-	18,756
	<u>\$ 217,245</u>	<u>\$ 1,072,256</u>	<u>\$ 90,324</u>	<u>\$ 1,417,326</u>

Details as at November 30, 2006 were as follows:

	Acquisition Costs	Deferred Exploration Costs	Future Income Taxes	November 30, 2006
Ixtapan del Oro	\$ -	\$ 112,141	\$ 26,684	\$ 138,825
Cimarron	116,074	296,168	63,640	475,882
Mihuatlan Silver	40,444	121,381	29,876	191,701
San Isidro	20,500	213,855	-	234,355
Trinidad	40,227	143,975	-	184,202
	<u>\$ 217,245</u>	<u>\$ 887,520</u>	<u>\$ 120,200</u>	<u>\$ 1,224,965</u>

#### b) Ixtapan del Oro, Mexico

The Company acquired a 100% interest in and to certain mining concessions situated in Mexico by staking. The property is 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"), a third party listed capital pool company, an option to explore a select area within the Company's 100% owned Ixtapan del Oro property. The area of interest is approximately 4,190 hectares in size and covers both the Ixtapan prospect and the Chilar exploration area, located in the southern and eastern portions of the Ixtapan del Oro claim block. The agreement does not include the right to explore or earn-in on the Mihuatlan silver project located within the remaining 4,540 hectares of the Ixtapan del Oro property. Rockgate can acquire an initial 51% interest in the gold project by incurring US\$200,000 in expenditures on the project within one year of regulatory acceptance of the agreement and 100,000 shares (received) to the Company. Rockgate has two further options to acquire in aggregate an additional 14% interest (for a total 65% interest) in the gold project by incurring an additional US\$800,000 on the project over a two-year period and issuing an additional 250,000 shares. The Company was operator on the project during the first year and received a US\$20,000 management fee. There is no NSR obligation.

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Notes to Consolidated Financial Statements

February 28, 2007

Canadian Funds

Unaudited – Prepared by Management

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### 7. Resource Property Costs - Continued

#### c) Cimarron, Mexico

The Company entered into a Letter of Agreement dated January 18, 2005 to acquire up to a 100% interest in the Cimarron Property in the State of Sinaloa, Mexico. A Formal Agreement was completed upon official mineral title granted to the property owner. The official mineral title was recorded in the Public Registry Bureau of Mining on July 1, 2005.

In order to earn a 51% interest, the Company at its option must perform the following:

i) Pay the following fees:

On the date of execution of formal agreement	US\$	10,000	(paid)
December 31, 2005	US\$	20,000	(paid)
December 31, 2006	US\$	20,000	(paid)

ii) Incur US\$150,000 (incurred) in exploration expenses during the first year of the formal agreement and incur additional US\$350,000 (incurred) in the second year.

In order to earn an additional 49% interest, the Company, at its option, must incur a total of US\$1,500,000 in exploration expenditures by December 31, 2008, with minimum annual expenditures of US\$250,000, and an additional one-time payment of US\$250,000.

The property is subject to a sliding scale Net Smelter Return based on the trading price of gold.

#### *Veteranos Property, Mexico*

The Company purchased the Veteranos property, a 252 hectare concession internal to the Cimarron property (i.e., the claims were located within the boundaries of the Cimarron Property) for US\$10,000 on June 24, 2005. All costs relating to Veteranos have been combined with Cimarron in the Schedule of Resource Property Costs.

#### d) San Isidro, Mexico

During the year ended November 30, 2006, the Company obtained drill permits and surface access agreements for the San Isidro claim to complete a first phase 10-hole 1,500 metre drill program.

# Oro Gold Resources Ltd.

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## Notes to Consolidated Financial Statements

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### 7. Resource Property Costs – *Continued*

#### f) **Trinidad Property, Mexico**

On February 9, 2006, the Company signed an option agreement with a third party that gives the Company the option to earn a 100% undivided interest in five separate mineral claims covering 604 hectares of highly prospective ground, namely the Nancy, Santa Cesilia, La Poderosa, San Isidro and El Porvenir in the emerging Rosario Gold Belt in southern Sinaloa State, Mexico. Under the agreement, the Company maintains the right to explore the claims for up to four years, in exchange for annual payments of US\$25,000 with the first payment due upon signing (paid). Any payments made will be deducted from the purchase of the claims. 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 Cesilia and La Poderosa combined for US\$200,000. A scaled NSR based on the price of gold is also payable to the owner. The Company can purchase the NSR for US\$1,000,000.

In April 2006, the Company was granted an option to earn a 100% interest in certain mineral claims covering approximately 400 hectares in the Rosario Gold Belt, Sinaloa, Mexico, known as the San Miguel Property. This property is internal to 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, 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 Nancy, Santa Cesilia, 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.

During the year the Company entered into an agreement to purchase the historical assay results on the Trinidad Property from Almaden Minerals Ltd. for a total of \$50,000, \$10,000 was paid on agreement and the balance of \$40,000 is due when the Company releases a first resource estimate by way of a public press release.

The Company has been granted exploration title to the 651 km<sup>2</sup> Trinidad property in Mexico, as well as feasibility study data for the past-producing Trinidad mine located on the property.

#### f) **Sona/Ambroya Properties, Panama**

The Company has received title to six gold properties covering approximately 750km<sup>2</sup> in the Republic of Panama.

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### 8. Share Capital

a) Details of share capital are as follows:

Authorized:

Unlimited common shares without par value

	Shares	Amount
Issued and fully paid:		
Balance – November 30, 2005	11,253,006	\$ 2,085,276
Shares issued by private placement – April 2006	3,500,000	2,159,598
Shares issued from warrant exercises	2,572,699	1,509,684
Share issuance costs	-	(322,723)
Balance – November 30, 2006	17,325,705	\$ 5,431,835
Shares issued from warrant exercises	539,410	526,890
Fair value allocation from contributed surplus on exercise of warrants	-	109,680
Shares issued from stock options exercises	759,292	502,790
Fair value allocation from contributed surplus on exercise of stock options	-	138,709
Fair value of Oro Silver on spin out to Oro Gold Shareholders	-	(191,701)
Balance – February 28, 2007	18,624,407	\$ 6,518,203

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### 8. Share Capital - Continued

#### b) Private Placements

##### 2006

On April 12, 2006, the Company closed a private placement of 3,500,000 units at a price of \$0.72 per unit for gross proceeds of \$2,520,000. 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 the Company 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. The lead agent and certain selling agents received a cash commission of 7% of gross proceeds on 2,750,000 units and non-transferable compensation warrants exercisable to acquire 275,000 units (valued at \$151,850) for a period of 12 months from the date of issuance at a price of \$0.80 per unit. Each such unit consists of one common share and one-half of one non-transferable common share purchase warrant, each whole warrant exercisable for one additional common share 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. On the non-brokered portion of 750,000 units, finders fees of 7% were paid out to the lead agent. The securities are subject to a hold period and may not be traded until August 12, 2006 except as permitted by Canadian securities legislation and the TSX Venture Exchange. The warrants attached have been valued at \$348,009 based upon average of the prorata method and the black scholes method, using the assumptions as follows. The agents warrants and share issuance costs disclosed in note 8d were valued using the same assumptions.

<u>Assumption</u>	<u>1<sup>st</sup> Year</u>	<u>2<sup>nd</sup> Year</u>
Risk-free interest rate	1.63	1.63
Expected stock price volatility	61.38%	61.38%
Expected dividend yield	0.00%	0.00%
Expected life of options	1 year	1 year

#### c) Escrow Restrictions

5,560,006 of the shares issued during the period ended November 30, 2004 were held in escrow to be released in stages, every six months, over the 36 month period commencing April 18, 2005. As at November 30, 2006, 3,058,559 shares had been released, resulting in 2,502,003 shares still being held in escrow.

#### d) Share Purchase and Agents Warrants

At February 28, 2007, the following warrants were outstanding:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of Warrants</u>
April 11, 2007 – Agents compensation warrants	\$0.80	189,520
April 11, 2008	\$1.00/1.25	1,327,610
Weighted Average	\$0.98	1,517,130

Fair value of share purchase warrants is as follows:

Balance – November 30, 2006	<b>462,978</b>
Fair value of warrants exercised	<b>(109,680)</b>
Balance – February 28, 2007	<b>\$ 353,298</b>

# Oro Gold Resources Ltd.

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### 8. Share Capital - Continued

#### e) Stock Options

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. To February 28, 2007, the Company has the following outstanding share purchase options issued to directors, officers and consultants:

Grant Date	Number of Options	Exercise Price per share	Expiry Date
April 18, 2005	285,000	\$0.60	April 18, 2007
November 15, 2005	170,708	\$0.65	November 15, 2008
June 2, 2006	440,000	\$0.88	June 2, 2011
December 7, 2006	50,000	\$0.82	December 7, 2011
Total /Weighted Average	945,708	\$0.75	

On December 7, 2006 the Company granted 50,000 incentive stock options. The options are exercisable at \$0.82 per share and expire on December 7, 2011.

Average risk-free interest rate	4.19%
Expected dividend yield	0%
Expected stock price volatility	65.02%
Average expected option life in years	5 years

On June 2, 2006 the Company granted 590,000 incentive stock options, of which 375,000 were granted to directors and officers. The options are exercisable at \$0.88 per share and expire on June 2, 2011. The corresponding stock based compensation amounts to \$301,425. Calculated using the fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the stock options granted June 2, 2006:

Average risk-free interest rate	4.19%
Expected dividend yield	0%
Expected stock price volatility	65.02%
Average expected option life in years	5 years

At February 28, 2007, 1,542,500 options had vested. The 75,000 unvested options vest at 50% on May 15, 2007 and 50% on November 15, 2007.

The stock-based compensation for the period ended February 28, 2007 amounted to \$30,105 for the 50,000 options issued, with the offsetting entry to Contributed Surplus.

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## Notes to Consolidated Financial Statements

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### 8. Share Capital - Continued

f) **Contributed Surplus is as follows:**

Balance – November 30, 2005	\$	99,313
Fair value of stock-based compensation – options granted (Note 8e)		310,265
Balance – November 30, 2006		409,578
Fair value of stock-based compensation – options granted (Note 8e)		30,105
Fair value of stock options exercised		(138,709)
Balance – February 28, 2007	\$	300,974

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### 9. Subsequent Events

- a) On March 1, 2007, the Company granted a total of 765,000 incentive stock options. Of the options, 375,000 were granted to directors and officers of the company. The options are exercisable at a price of \$0.85 per share and expire on March 1, 2012.
- b) 120,100 share purchase warrants expiring on April 11, 2007 were exercised for proceeds of \$96,080 and the remaining 69,420 share purchase warrants expired without exercise.
- c) 41,600 share purchase warrants expiring on April 11, 2008 were exercised for proceeds of \$41,600.
- d) 245,000 incentive stock options expiring April 18, 2007 were exercised for proceeds of \$147,000 and the remaining 40,000 options expired without exercise.