

**ORO GOLD RESOURCES LTD.**

**(An Exploration Stage Company)**

**INTERIM FINANCIAL STATEMENTS**

**NINE MONTHS ENDED AUGUST 31, 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 nine month period ended August 31, 2007 have not been reviewed by the company's auditors.

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

Statement 1

Canadian Funds

<b>ASSETS</b>	<b>As at August 31, 2007 (Unaudited – Prepared by Management)</b>	<b>As at November 30, 2006 (Audited)</b>
<b>Current</b>		
Cash and cash equivalents	\$ 288,295	\$ 1,832,409
Short-term investments	1,008,180	1,025,050
Cash calls receivable	168,109	213,170
Consumption taxes receivable	150,195	47,406
Marketable securities	690,000	40,000
Prepaid expenses	80,391	50,664
	<b>2,385,170</b>	<b>3,208,699</b>
<b>Equipment</b>	<b>200,814</b>	<b>68,677</b>
<b>Resource Property Costs</b> (Note 5) – Schedule	<b>2,163,312</b>	<b>1,224,965</b>
	<b>\$ 4,749,296</b>	<b>\$ 4,502,341</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 101,800	\$ 347,262
Due to related parties	-	20,290
	<b>101,800</b>	<b>367,552</b>
<b>Future Income Taxes Liability</b>	<b>90,324</b>	<b>120,200</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 6)	<b>6,818,074</b>	<b>5,431,835</b>
<b>Share Purchase Warrants</b>	<b>226,789</b>	<b>462,978</b>
<b>Contributed Surplus</b> (Note 6f)	<b>850,932</b>	<b>409,578</b>
<b>Deficit</b> - Statement 2	<b>(3,778,623)</b>	<b>(2,289,802)</b>
<b>Accumulated other comprehensive income</b> (Note 3c)	<b>440,000</b>	<b>-</b>
	<b>4,557,172</b>	<b>4,014,589</b>
	<b>\$ 4,749,296</b>	<b>\$ 4,502,341</b>

ON BEHALF OF THE BOARD:

"Darren Bahrey", President & CEO, Director

"Peter Kendrick" CFO, Director

**Oro Gold Resources Ltd.**  
**(An Exploration Stage Company)**  
**Interim Statements of Loss and Deficit**

Statement 2

*Unaudited – Prepared by Management  
Canadian Funds*

	<b>For the Three Months Ended August 31, 2007</b>	<b>For the Three Months Ended August 31, 2006</b>	<b>For the Nine Months Ended August 31, 2007</b>	<b>For the Nine Months Ended August 31, 2006</b>
<b>Expenses</b>				
Amortization	\$ 10,407	\$ 3,266	\$ 30,295	\$ 4,829
Conference and meetings	32,466	23,100	68,771	53,204
Corporate listing and filing fees	-	-	5,849	18,812
Foreign exchange loss	28,293	58,084	165,486	45,971
Investor relations	8,084	26,528	49,710	93,008
Office and administration	12,286	28,599	75,399	41,053
Professional and corporate secretarial fees	20,173	16,283	123,001	102,107
Rent	7,591	3,903	52,121	15,153
Stock-based compensation	16,664	301,425	550,684	305,845
Transfer agent fees	10,000	-	24,845	14,444
Wages and consulting fees	101,220	45,797	326,541	136,840
<b>Loss before the undernoted</b>	<b>(247,184)</b>	<b>(506,985)</b>	<b>(1,472,702)</b>	<b>(831,266)</b>
<b>Other Income (Expenses)</b>				
Reduction of future income taxes on spin-out	-	-	29,876	-
Interest	8,458	50,526	39,427	57,068
Gain on sale of marketable securities	-	-	217,519	-
Operator's fees	-	20,000	-	20,000
Write down of marketable securities	-	(11,000)	-	(16,000)
Write-off of resource property costs	(137,461)	(158,996)	(312,941)	(246,707)
	<b>(129,003)</b>	<b>(99,470)</b>	<b>(26,119)</b>	<b>(185,639)</b>
<b>Net Loss For The Period</b>	<b>(376,187)</b>	<b>(606,455)</b>	<b>(1,498,821)</b>	<b>(1,016,905)</b>
<b>Loss allocated to spin-off assets (Note 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transition adjustment to opening balance – other comprehensive income (Note 3c)</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>
Deficit - Beginning of period	(3,402,436)	(1,136,019)	(2,289,802)	(725,569)
<b>Deficit - End of Period</b>	<b>\$ (3,778,623)</b>	<b>\$ (1,742,474)</b>	<b>\$ (3,778,623)</b>	<b>\$ (1,742,474)</b>
<b>Basic and Diluted Loss per Share</b>	<b>\$ (0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.08)</b>	<b>\$ (0.07)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>19,031,107</b>	<b>17,230,399</b>	<b>18,257,050</b>	<b>14,338,911</b>

- See Accompanying Notes -

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Interim Statement of Comprehensive Income

*Unaudited – Prepared by Management  
Canadian Funds*

Statement 3

	For the Three Months Ended August 31, 2007	For the Nine Months Ended August 31, 2007
<b>Net loss for the period before comprehensive income</b>	\$ (376,187)	\$ (1,464,920)
Unrealized gain on available for sale investments	30,000	410,000
<b>Comprehensive loss</b>	<b>\$ (346,187)</b>	<b>\$ (1,054,920)</b>

- See Accompanying Notes -

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

Statement 4

Unaudited – Prepared by Management  
Canadian Funds

	For the Three Months Ended August 31, 2007	For the Three Months Ended August 31, 2006	For the Nine Months Ended August 31, 2007	For the Nine Months Ended August 31, 2006
<b>Cash Flows from Operating Activities</b>				
Net loss for the period	\$ (376,187)	\$ (606,455)	\$ (1,498,821)	\$ (1,016,905)
Items not affected by cash:				
Amortization	10,407	3,266	30,925	4,829
Stock-based compensation	16,664	301,425	550,684	305,845
Reduction of future income taxes	-	-	(29,876)	-
Write down of marketable securities	-	11,000	-	16,000
Write-off of resource property costs	137,461	158,996	312,941	246,707
	<b>(211,655)</b>	<b>(131,768)</b>	<b>(634,777)</b>	<b>(443,524)</b>
Change in non-cash working capital:				
Advance receivable	-	4,322	-	4,322
Cash calls receivable	(126,039)	-	45,061	-
Share subscriptions receivable	-	21,600	-	-
Consumption taxes receivable	(24,507)	(500)	(102,789)	(46,566)
Prepaid expenses	138,587	8,145	(29,727)	(6,663)
Accounts payable and accrued liabilities	(80,542)	31,654	(225,409)	13,766
	<b>(304,156)</b>	<b>(66,547)</b>	<b>(947,641)</b>	<b>(478,665)</b>
<b>Cash Flows from Investing Activities</b>				
Change in short-term investments	37,313	(3,115,740)	16,870	(3,115,740)
Increase in equipment, net	(21,894)	(31,793)	(162,432)	(42,521)
Change in marketable securities	50,000	-	(200,000)	-
Resource property costs	(518,877)	(512,721)	(1,474,465)	(930,566)
	<b>(453,458)</b>	<b>(3,660,254)</b>	<b>(1,820,027)</b>	<b>(4,088,827)</b>
<b>Cash Flows from Financing Activities</b>				
Issuance of share capital, net	-	(55,346)	1,232,421	3,680,716
Issuance of warrants	-	348,009	-	348,009
Share capital issuance costs	-	30,280	-	(189,748)
Warrant issuance costs	-	(30,402)	-	(30,402)
Repayment of related parties	11,423	-	(8,867)	-
	<b>11,423</b>	<b>292,541</b>	<b>1,223,554</b>	<b>3,808,578</b>
<b>Net Increase (Decrease) in Cash</b>	<b>(746,191)</b>	<b>(3,434,260)</b>	<b>(1,544,114)</b>	<b>(758,914)</b>
<b>Cash and Cash Equivalents - Beginning of period</b>	<b>1,034,486</b>	<b>3,751,591</b>	<b>1,832,409</b>	<b>1,076,245</b>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 288,295</b>	<b>\$ 317,331</b>	<b>\$ 288,295</b>	<b>\$ 317,331</b>
<b>Supplemental Schedule of Non-Cash Investing and Financial Activities</b>				
Accounts receivables, prepaid expenses, trade payables and amounts due to related parties included in resource property costs	\$ (2,053)	\$ 142,927	\$ 31,476	\$ 175,920
Fair value of Oro Silver properties on spin out	\$ -	\$ -	\$ 191,701	\$ -
Fair value of warrants exercised	\$ -	\$ 296,636	\$ 173,084	\$ 296,636
Fair value of options exercised	\$ -	\$ -	\$ 172,435	\$ -
Marketable securities received	\$ -	\$ -	\$ -	\$ 40,000

- See Accompanying Notes -

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

Statement 5

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

*Unaudited – Prepared by Management  
Canadian Funds*

	For the Three Months Ended August 31, 2007	For the Three Months Ended August 31, 2006	For the Nine Months Ended August 31, 2007	For the Nine Months Ended August 31, 2006
<b>Share capital</b>				
Balance – beginning of period	\$ 6,818,074	\$ 5,601,313	\$ 5,431,835	\$ 2,085,276
Issued during the period, net of issuance costs	-	(155,945)	1,386,239	3,360,092
Balance – end of period	<b>6,818,074</b>	5,445,368	<b>6,818,074</b>	5,445,368
<b>Contributed surplus</b>				
Balance – beginning of period	834,268	103,733	409,578	99,313
Fair value of stock-based compensation on options vested	16,664	301,425	550,684	305,845
Fair value of stock-based compensation on warrants issued	-	448,486	-	448,486
Fair value of share purchase warrant recognized on expiry	-	-	63,105	-
Fair value of stock option recognized on exercise	-	-	(172,435)	-
Balance – end of period	<b>850,932</b>	853,644	<b>850,932</b>	853,644
<b>Share Purchase Warrants</b>				
Balance – beginning of period	226,789	-	462,978	-
Fair value of share purchase warrant recognized on exercise	-	-	(173,084)	-
Fair value of share purchase warrant recognized on expiry	-	-	(63,105)	-
Balance – end of period	<b>226,789</b>	-	<b>226,789</b>	-
<b>Deficit</b>				
Balance – beginning of period	(3,402,436)	(1,136,019)	(2,289,802)	(725,569)
Transitional adjustment to opening balance of other comprehensive income	-	-	10,000	-
Net loss for the period	(376,187)	(606,455)	(1,498,821)	(1,016,905)
Balance – end of period	<b>(3,778,623)</b>	(1,742,474)	<b>(3,778,623)</b>	(1,742,474)
<b>Accumulated other comprehensive income (loss)</b>				
Balance – beginning of period	410,000	-	-	-
Transitional adjustment to opening balance	-	-	10,000	-
Unrealized gain/loss on available for sale investments	30,000	-	430,000	-
Balance – end of period	<b>440,000</b>	-	<b>440,000</b>	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 4,557,172</b>	<b>\$ 4,556,538</b>	<b>\$ 4,557,172</b>	<b>\$ 4,556,538</b>

- 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 Nine Months Ended August 31, 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>								
<b>Cimarron Property</b>								
Option payment	\$ (142,101)	\$ -	\$ -	\$ (142,101)	\$ -	\$ -	\$ -	\$ -
Acquisition – cash payment	8,378	-	-	8,378	-	-	-	-
Claim maintenance	19,968	-	-	19,968	43,767	-	-	43,767
Assays and sampling	-	-	-	-	-	48,269	-	48,269
Field expenses	-	45,831	-	45,831	-	13,157	-	13,157
Food and accommodations	-	827	-	827	-	4,637	-	4,637
Salaries and wages	-	42	-	42	-	61,943	-	61,943
Travel	-	-	-	-	-	13,842	-	13,842
	(113,755)	46,700	-	(67,055)	43,767	141,848	-	185,615
<b>El Habal</b>								
Claim maintenance	214	-	-	214	-	-	-	-
Staking and recording	2,822	-	-	2,822	-	-	-	-
Field expenses	-	2,281	-	2,281	-	-	-	-
	3,036	2,281	-	5,317	-	-	-	-
<b>Guasima</b>								
Field expenses	-	5,155	-	5,155	-	-	-	-
	-	5,155	-	5,155	-	-	-	-
<b>Ixtapan del Oro Gold Property</b>								
Claim maintenance	-	-	-	-	8,588	-	-	8,588
Option receipt	-	-	-	-	(33,150)	(6,850)	-	(40,000)
Assays and sampling	-	-	-	-	-	3,121	-	3,121
Food and accommodations	-	-	-	-	-	2,089	-	2,089
Field expenses	-	410	-	410	-	12,345	-	12,345
Salaries and wages	-	-	-	-	-	32,250	-	32,250
<b>Historical Ixtapan Costs reclassified to Mihuatlan</b>	-	-	-	-	(13,534)	(88,489)	(29,876)	(131,899)
	-	410	-	410	(38,096)	(45,534)	(29,876)	(113,506)
<b>Carried Forward</b>	\$ (110,719)	\$ 54,546	\$ -	\$ (56,173)	\$ 5,671	\$ 96,314	\$ (29,876)	\$ 72,109

- 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 Nine Months Ended August 31, 2007				For the Year Ended November 30, 2006			
	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total
<i>Carried Forward</i>	\$ (110,719)	\$ 54,546	\$ -	\$ (56,173)	\$ 5,671	\$ 96,314	\$ (29,876)	\$ 72,109
<b>Mexico Properties Continued</b>								
<b>Mihuatlan Silver Property</b>								
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	-	-	-	-	-	-	-	-
<b>Historical Ixtapan Costs reclassified to Mihuatlan Costs recovered on spin out of Oro Silver (Note 2)</b>	-	-	-	-	13,534	88,489	29,876	131,899
	(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>San Isidro, Mexico</b>								
Acquisition costs – cash	26,132	-	-	26,132	16,386	-	-	16,386
Claim maintenance	4,373	-	-	4,373	4,114	-	-	4,114
Assays	-	11,143	-	11,143	-	3,299	-	3,299
Field expenses	-	84,942	-	84,942	-	141,414	-	141,414
Food and accommodations	-	4,447	-	4,447	-	7,988	-	7,988
Salaries and wages	-	85,651	-	85,651	-	48,950	-	48,980
Travel	-	13,607	-	13,607	-	12,204	-	12,204
	30,505	199,790	-	230,295	20,500	213,855	-	234,355
<b>Trinidad, Mexico</b>								
Acquisition costs - cash	-	-	-	-	39,659	-	-	39,659
Claim maintenance	48,898	-	-	48,898	568	-	-	568
Assays	-	10,268	-	10,268	-	31,988	-	31,988
Salaries and wages	-	173,918	-	173,918	-	56,155	-	56,155
Food and accommodations	-	24,908	-	24,908	-	7,325	-	7,325
Field expenses	-	262,211	-	262,211	-	35,281	-	35,281
Travel	-	51,428	-	51,428	-	13,226	-	13,226
	48,898	522,733	-	571,631	40,227	143,975	-	184,202
<i>Carried Forward</i>	\$ (71,760)	\$ 655,688	\$ (29,876)	\$ 554,052	\$ 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 Nine Months Ended August 31, 2007				For the Year Ended November 30, 2006			
	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total
<i>Carried Forward</i>	\$ (71,760)	\$ 655,688	\$ (29,876)	\$ 554,052	\$ 106,842	\$ 575,525	\$ -	\$ 682,367
<b>Tigra Negra - Mexico</b>								
Field expenses	-	27,992	-	27,992	-	-	-	-
	-	27,992	-	27,992	-	-	-	-
<b>General Exploration - Mexico</b>								
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	-	1,923	-	1,923	-	29,561	-	29,561
Food and accommodations	-	322	-	322	-	9,934	-	9,934
Salaries and wages	-	-	-	-	-	38,553	-	38,553
Travel	-	8,636	-	8,636	-	20,511	-	20,511
	-	16,999	-	16,999	44,005	99,713	-	143,718
<b>Sona, Panama</b>								
Assays	-	85,396	-	85,396	-	-	-	-
Field expenses	-	49,435	-	49,435	-	-	-	-
Food and accommodations	-	12,115	-	12,115	-	-	-	-
Salaries and wages	-	94,792	-	94,792	-	-	-	-
Travel	-	30,504	-	30,504	-	-	-	-
	-	272,242	-	272,242	-	-	-	-
<b>Ambroya, Panama</b>								
Assays	-	3,024	-	3,024	-	-	-	-
Field expenses	-	16,126	-	16,126	-	-	-	-
Food and accommodations	-	9,617	-	9,617	-	-	-	-
Salaries and wages	-	45,648	-	45,648	-	-	-	-
Travel	-	9,646	-	9,646	-	-	-	-
	-	84,061	-	84,061	-	-	-	-
<i>Carried Forward</i>	\$ (71,760)	\$ 1,056,982	\$ (29,876)	\$ 955,346	\$ 150,847	\$ 675,238	\$ -	\$ 826,085

- 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 Nine Months Ended August 31, 2007				For the Year Ended November 30, 2006			
	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total	Acquisition Costs	Deferred Exploration	Future Income Taxes	Total
<i>Carried Forward</i>	\$ (71,760)	\$ 1,056,982	\$ (29,876)	\$ 955,346	\$ 150,847	\$ 675,238	\$ -	\$ 826,085
<b>General Exploration – Panama and Central America</b>								
Recording and staking	-	-	-	-	52,624	-	-	52,624
Claim maintenance	-	-	-	-	2,180	-	-	2,180
Assays and sampling	-	8,102	-	8,102	-	11,082	-	11,082
Field expenses	-	101,186	-	101,186	-	31,692	-	31,692
Food and accommodations	-	1,298	-	1,298	-	27,110	-	27,110
Salaries and wages	-	170,529	-	170,529	-	148,751	-	148,751
Travel	-	14,827	-	14,827	-	29,542	-	29,542
	-	295,942	-	295,942	54,804	248,177	-	302,981
<b>Costs for the Period</b>	(71,760)	787,689	(29,876)	1,251,288	205,651	923,355	-	1,129,066
Balance – Beginning of the period	217,245	887,4	120,200	1,224,965	110,403	311,995	120,200	542,598
Write off of resource property Costs	-	(312,94	-	(312,941)	(98,809)	(347,890)	-	(446,699)
<b>Balance – End of Period</b>	\$ 290,752	\$ 1,505,735	\$ 90,324	\$ 2,163,312	\$ 217,245	\$ 887,520	\$ 120,200	\$ 1,224,965

- See Accompanying Notes -

# Oro Gold Resources Ltd.

(An Exploration Stage Company)

## Notes to Interim Financial Statements

August 31, 2007

Unaudited – Prepared by Management  
Canadian Funds

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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 August 31, 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. At August 31, 2007 these shares had a market value of \$690,000.

The Company’s Statement of Loss and Deficit includes an allocation of General and Administrative Expenses as Loss allocated to spin-off assets. The allocation was calculated on the basis of the ratio of the specific assets transferred to assets retained.

### 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 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 financial statements should be read in conjunction with the audited financial statements and notes thereto of the Company as at November 30, 2006.

#### New Accounting Policies

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.

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**3. Significant Accounting Policies - Continued**

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.

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. The unrealized gain on the available for sale securities for the nine months ended August 31, 2007 amounted to \$440,000. There is no tax impact resulting from adjustments arising from comprehensive income.

**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.

**5. Resource Property Costs**

a) Details as at August 31, 2007 are as follows:

	Acquisition Costs	Deferred Exploration Costs	Future Income Taxes	August 31, 2007
<b>Mexican Properties</b>				
Cimarron	\$ 2,319	\$ 342,868	\$ 63,640	\$ 408,827
El Habal	3,036	2,281	-	5,317
Guasima	-	5,155	-	5,155
Ixtapan del Oro	-	112,551	26,684	139,235
San Isidro	51,005	413,645	-	464,650
Trinidad	89,125	666,708	-	755,833
Tigra Negra	-	27,992	-	27,992
<b>Panamanian Properties</b>				
Sona	-	272,242	-	272,242
Ambroya	-	84,061	-	84,061
	<u>\$ 145,485</u>	<u>\$ 1,927,503</u>	<u>\$ 90,324</u>	<u>\$ 2,163,312</u>

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**5. Resource Property Costs - Continued**

b) Details as at November 30, 2006 were as follows:

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

c) **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.

d) **Cimarron, Mexico**

On May 23, 2007 the Company entered into a Letter of Agreement with Mazorro Resources Inc. ("Mazorro") whereby Mazorro can acquire a 60% interest in the Cimarron property by spending US\$2.5 Million on the property and issuing one million common shares of Mazorro to the Company over a four year period, including incurring US\$400,000 in expenditures on the property and issuing 500,000 common shares to the Company, within one year of Mazorro obtaining their listing on the TSX Venture Exchange. The Company will be the operator of the project and will be paid a 15% management fee.

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.

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**5. Resource Property Costs - Continued**

d) **Cimarron, Mexico - Continued**

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.

e) **San Isidro, Mexico**

During the year ended November 30, 2006, the Company obtained drill permits and surface access agreements for the San Isidro claim and completed in 2007 a first phase 11-hole 1,656 metre drill program.

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 Cecilia, 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 Cecilia 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.

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**5. Resource Property Costs - Continued**

**f) Trinidad Property, Mexico - Continued**

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 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.

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.

**g) Sona/Ambroya Properties, Panama**

The Company has received title eligibility to six gold properties covering approximately 750km<sup>2</sup> 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 can acquire a 65% interest in the Company's Azuero Belt, Panamanian properties by spending US\$2.0 Million on the property and paying the Company US\$250,000 over a three year period, including incurring US\$500,000 in expenditures on the properties, within one year of the start date of the agreement which is to be published in the Panamanian Government Gazette. 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.

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**6. Share Capital**

a) Details are as follows:

	Number		Amount
Authorized:			
Unlimited number of common voting shares without par value			
Issued:			
Balance - November 30, 2005	11,235,006	\$	2,058,276
Exercise of share purchase warrants	2,572,699		1,509,684
Shares issued by private placement – April 2006	3,500,000		2,159,598
Share issuance costs	-		(322,723)
Balance – November 30, 2006	17,325,705		5,431,835
Exercise of share purchase warrants	701,110		651,950
Fair value allocation from contributed surplus on exercise of warrants	-		173,084
Allocation of proceeds from exercise of share purchase warrants to Oro Silver	-		(36,668)
Exercise of stock options	1,004,292		649,790
Fair value allocation from contributed surplus on exercise of stock options	-		172,434
Allocation of proceeds from exercise of stock options to Oro Silver	-		(32,650)
Fair value of Oro Silver on spin out to Oro Gold Shareholders	-		(191,701)
Balance – August 31, 2007	<b>19,031,107</b>	<b>\$</b>	<b>6,818,074</b>

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 agent warrants and share issuance costs disclosed in note 6d were valued using the same assumptions.

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**6. Share Capital - Continued**

b) **Private Placements - Continued**

<b>Assumption</b>	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>
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 August 31, 2007, 3,892,560 shares had been released, resulting in 1,668,002 shares still being held in escrow.

d) **Share Purchase and Agents Warrants**

At August 31, 2007, the following warrants were outstanding:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Warrants</b>
April 11, 2008	\$1.25	1,423,190
Weighted Average	\$1.25	1,423,190

Fair value of share purchase warrants is as follows:

Balance – November 30, 2006	<b>462,978</b>
Fair value of warrants exercised	<b>(173,084)</b>
Fair value of warrants expired (transferred to contributed surplus)	<b>(63,105)</b>
Balance – August 31, 2007	<b>\$ 226,789</b>

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 August 31, 2007, the Company has the following outstanding share purchase options issued to directors, officers and consultants:

<b>Grant Date</b>	<b>Number of Options</b>	<b>Exercise Price per share</b>	<b>Expiry Date</b>
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
March 1, 2007	765,000	\$0.85	March 1, 2012
Total/Weighted Average	1,425,708	\$0.83	

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**6. Share Capital - Continued**

On March 1, 2007 the Company granted 765,000 incentive stock options. The options are exercisable at \$0.85 per share and expire on March 1, 2012.

Average risk-free interest rate	3.93%
Expected dividend yield	0%
Expected stock price volatility	103.14%
Average expected option life in years	5 years

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 August 31, 2007, 2,347,500 options had vested. Of the unvested options 37,500 vest on November 15, 2007, and the remaining 85,000 vest 25% each on September 1, 2007, March 1, 2008, September 1, 2008 and March 1, 2009.

The stock-based compensation for the period ended August 31, 2007 amounted to \$534,020 for the options vesting during the period with the offsetting entry to Contributed Surplus.

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

Balance – November 30, 2005	\$	99,313
Fair value of stock-based compensation – options granted (Note 6e)		310,265
Balance – November 30, 2006		409,578
Fair value of stock-based compensation – options granted (Note 6e)		550,684
Fair value of warrants expired		63,105
Fair value of stock options exercised		(172,435)
<b>Balance – August 31, 2007</b>	<b>\$</b>	<b>850,932</b>