

**Form 51-102F1**  
**Interim Management's Discussion and Analysis**  
**For**  
**Oro Gold Resources Ltd. ("Oro" or the "Company")**

Containing information up to and including October 23, 2007.

**Note to Reader**

The following information should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2006 together with the notes thereto, prepared by management in accordance with Canadian generally accepted accounting principles and expressed in Canadian Dollars and the related Management Discussion and Analysis dated March 26, 2007.

This interim MD&A should also be read in conjunction with the Company's unaudited consolidated financial statements for the nine months ended August 31, 2007 together with the notes thereto. The interim financial statements for the nine months ended August 31, 2007 have been prepared by management in accordance with Canadian generally accepted accounting principles. The management discussion and analysis have not been reviewed by the Company's auditors. This MD&A constitutes an update to the November 30, 2006 Annual MD&A.

**Forward-Looking Information**

When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

**Overall Performance**

Oro is a development stage company involved in the acquisition and exploration of mineral properties in Mexico and Central America. The Company does not have any producing mineral properties at this time. The Company directly and indirectly holds several mining concessions in Mexico. The level of operations has been determined by the availability of capital resources. To date equity financing, consisting of the Initial Public Offering, private placements, and subsequent warrant exercises have provided the main source of funding. The Company is a reporting issuer in British Columbia, Alberta and Ontario. Commencing April 18, 2005, the Company began trading on the TSX Venture Exchange under the symbol OGR.

Highlights of the Company's activities during the period ended August 31, 2007:

***Financing and Corporate***

- 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 in exchange for common shares and warrants of Oro Silver, which were then distributed to shareholders of Oro as a capital distribution.

- 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.
- On April 11, 2007, 18,000 share purchase warrants expired without exercise.
- 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.
- 701,110 share purchase warrants and 1,004,292 stock options have been exercised for net proceeds of \$1,232,421.

### ***Property Agreements***

- 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.
- 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 was granted exploration title to the 651 km<sup>2</sup> Trinidad property in Mexico, as well as obtain feasibility study data for the past-producing Trinidad mine located on the property.
- The Company has received title to six gold properties covering approximately 750km<sup>2</sup> in the Republic of Panama.

### ***Exploration***

- The Company received assay results for the first-phase diamond drill program completed on the San Isidro property. The results confirm San Isidro as being a new high-grade vein discovery in an area that has received no prior exploration.
- The Company has commenced diamond core drilling at its 100% owned Trinidad property. Trinidad is considered to be the company's top priority project in Mexico.
- The Company has released exploration results from reconnaissance sampling and mapping at its 100-per-cent-owned, 90-square-kilometre Sona gold project located approximately 220 km southwest of Panama City, Panama.

Highlights of the Company's activities subsequent to August 31, 2007:

- The Company completed its resource estimate for its Trinidad property using the historical drill data as well as surface work completed by the Company. The estimated resource totals 1,624,000 tonnes grading 1.76 g/t for a total of 91,915 ounces of gold.
- The Company has commenced a drill program at its Trinidad property. A 2,000 metre drill program is being conducted to validate and build upon the Company's announced resource estimate.

The Company will continue to carry out exploration of its mineral properties, and to evaluate new prospects and opportunities. The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing of the Company's properties to qualified mineral exploration companies.

The Company's net loss for the nine months ended August 31, 2007 totalled \$1,498,821, a loss of \$0.08 per share. Assets increased from \$4,502,341 as at November 30, 2006 to \$4,749,296 as at August 31, 2007. Capitalized resource property costs increased from \$1,224,965 as at November 30, 2006 to \$2,163,312 as at August 31, 2007. The Company's cash and cash equivalents decreased from \$1,832,409 as at November 30, 2006 to \$288,295 as at August 31, 2007, due primarily to the investment of funds raised from the proceeds of share capital issuance in the company's ongoing exploration activities, the company's investment in Oro Silver and the use of funds for ongoing operating activities.

The Company capitalizes all acquisition and exploration costs until the property to which those costs are related is placed into production, sold, or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of the Company's write-offs of capitalized resource property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance. During the nine months ended August 31, 2007 a total of \$1,442,989 of resource property costs were capitalized, before netting \$191,701 of resource property costs spun out to Oro Silver as part of the plan of arrangement completed in February 8, 2007 and \$312,941 of resource property costs on outside property examinations were written-off. Details of the cost break-down are contained in the Schedule of Resource Property Costs in the financial statements.

## **Results of Operations**

### Nine months ended August 31, 2007

Net loss for the nine months ended August 31, 2007 was \$1,498,821 (2006 - \$1,016,905) or \$0.08 loss per share (2006 - \$0.07). These results include interest income of \$39,427 (2006 - \$57,068), gain on the sale of marketable securities of \$217,519 (2006 - Nil), a reduction of future income taxes of \$29,876 (2006 - Nil) and a write-off of resource property costs of \$312,941 (2006 - \$246,707).

Operating expenses for the nine months ended August 31, 2007 totalled \$1,472,702 (2006 - \$831,266), including stock based compensation expense of \$550,684 (2006 - \$305,845). Not including stock based compensation, operating expenses increased by 75% as compared to the nine months ended August 31, 2006. Reasons for the increase include the fact the Company's current operations which now reflect the full impact of an operating public company with its infrastructure and governance in place. Significant expenses other than Stock Based Compensation, for this period are as follows:

- Wages and consulting fees - \$326,541 (2006 - \$136,840). Salaries and benefits relate to time spent on corporate matters by the Company's CEO, Vice-President, Chief Geologist, Investor Relations Personnel, Corporate Secretary, and Mapping Personnel as well as payments towards statutory payroll requirements (CPP/EI).
- Professional and corporate secretarial fees totalled \$123,001 (2006 - \$102,107), resulting from the costs associated with the completion of the Plan of Arrangement for Oro Silver, legal expenses incurred in Mexico for the finalization and documentation of various agreements, accounting support towards the completion of the 2006 year-end audit and the 1<sup>st</sup> quarter, corporate secretarial work, corporate accounting support and audit services, and corporate legal support. A brief breakdown is as follows: corporate secretarial costs - \$2,030; corporate accounting and audit - \$66,910, and corporate legal - \$54,061.
- Foreign exchange losses totalling \$165,486 (2006 - \$45,971). The costs relate to the Company's on going exploration activities on its properties located in both Mexico and Panama.
- Office and administration expenses totalled \$75,399 (2006 - \$41,053). During the period this included the costs associated with the company's relocation to its own premises and the costs associated with the set up of that office including \$7,190 spent to set up the company's new computer servers.
- Investor relations expenses, which includes costs of investor dissemination and consulting expenses for marketing and strategy were \$49,710 (2006 - \$93,008). During the current period this included costs associated with a new booth for promotional activities at investor and technical conferences.

All other costs, excluding amortization and stock based compensation during the period were comparable to the 2006 period, and totalled \$151,586 (2006 - \$101,613) representing 10% (2006 - 12%) of total operating expenses and includes conference and meetings expenses, corporate listing and filing fees, rent and transfer agent fees.

#### Three Months Ended August 31, 2007

Net loss for the three months ended August 31, 2007 was \$376,187 (2006 - \$606,455) or \$0.02 loss per share (2006 - \$0.04). These results include interest income of \$8,458 (2006 - \$50,526), and a write-off of resource property costs of \$137,461 (2006 - \$158,996).

Operating expenses for the three months ended August 31, 2007 totalled \$247,184 (2006 - \$506,985), including stock based compensation expense of \$16,664 (2006 - \$301,425). Not including stock based compensation, operating expenses increased by only 12% as compared to the three months ended August 31, 2006. Significant expenses other than Stock Based Compensation, for this period are as follows:

- Wages and consulting fees - \$101,220 (2006 - \$45,797). Salaries and benefits relate to time spent on corporate matters by the Company's CEO, Vice-President, Chief Geologist, Investor Relations Personnel, Corporate Secretary, and Mapping Personnel as well as payments towards statutory payroll requirements (CPP/EI).
- Conference and meeting expenses totalling \$32,466 (2006 - \$23,100). The costs relate to the Company's on going participation in and attendance at several technical and investor relations conferences.

- Foreign exchange losses totalling \$28,293 (2006 – \$58,084). The costs relate to the Company's on going exploration activities on its properties located in both Mexico and Panama.
- Professional and corporate secretarial fees totalled \$20,173 (2006 - \$16,283), resulting from the costs associated with accounting support towards the completion of the 3<sup>rd</sup> quarter, corporate secretarial work, and corporate legal support. Brief breakdown as follows: corporate accounting - \$15,041, and corporate legal - \$5,132.

All other costs, excluding amortization and stock based compensation during the period were comparable to the 2006 period, and totalled \$37,961 (2006 - \$59,030) representing 15% (2006 – 12%) of total operating expenses and includes corporate listing and filing fees investor relations expenditures, rent and transfer agent fees.

### **Selected Annual Information:**

The following table summarizes selected financial data reported by the Company for the years ended November 30, 2006 and November 30, 2005 and for the 11 month period ended November 30, 2004. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with generally accepted accounting principles, and related notes.

	For the year ended or as at November 30, 2006	For the year ended or as at November 30, 2005	For the period ended or as at November 30, 2004
Revenues	Nil	Nil	Nil
Interest and other income	\$ 87,531	\$ 15,143	Nil
Loss	\$ 1,564,233	\$ 586,791	\$ 138,778
Basic and diluted loss per share	\$ 0.10	\$ 0.06	\$ 2.09
Total assets	\$ 4,502,341	\$ 1,633,206	\$ 369,440
Future income tax liability	\$ 120,200	\$ 120,200	Nil
Total long term debt	Nil	Nil	Nil
Shareholders' equity	\$ 4,014,589	\$ 1,459,020	\$ 356,228
Share capital	\$ 5,431,835	\$ 2,085,276	\$ 495,006
Share purchase warrants	\$ 462,978	Nil	Nil
Contributed surplus	\$ 409,578	\$ 99,313	Nil
Deficit	\$ 2,289,802	\$ 725,569	\$ 138,778
Cash dividends declared per share	Nil	Nil	Nil

## Summary of Quarterly Results

The following table summarizes selected financial data reported by the Issuer for the quarters ended August 31, 2007, May 31, 2007, February 28, 2007, November 30, 2006, August 31, 2006, May 31, 2006, February 28, 2006, November 30, 2005.

	For the Quarter Ended or as at August 31, 2007 (Unaudited)	For the Quarter Ended or as at May 31, 2007 (Unaudited)	For the Quarter Ended or as at February 28, 2007 (unaudited)	For the Quarter Ended or as at November 30, 2006 (audited)	For the Quarter Ended or as at August 31, 2006 (unaudited)	For the Quarter Ended or as at May 31, 2006 (unaudited)	For the Quarter Ended or as at February 28, 2006 (unaudited)	For the Quarter Ended or as at November 30, 2005 (audited)
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest and other income	\$ 8,458	\$ 15,342	\$ 15,627	\$ 33,502	\$50,526	\$4,519	\$2,023	\$6,897
Loss	\$ 376,187	\$ 717,160	\$ 360,359	\$ 547,328	\$606,455	\$200,304	\$210,146	\$153,691
Basic loss per share	\$ 0.02	\$ 0.04	\$ 0.02	\$ 0.04	\$0.04	\$0.02	\$0.02	\$0.01
Total assets	\$4,749,296	\$5,208,058	\$5,166,187	\$4,502,341	\$4,840,490	\$4,815,883	\$1,569,256	\$1,633,206
Future income tax liability	\$ 90,324	\$ 90,324	\$ 120,200	\$ 120,200	\$199,727	\$182,087	\$155,000	\$120,200
Total long term debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders' equity	\$4,557,172	\$4,931,810	\$4,927,314	\$4,014,589	\$4,556,538	\$4,569,027	\$1,325,859	\$1,459,020
Share capital	\$6,818,074	\$6,818,074	\$6,518,203	\$5,431,835	\$5,715,816	\$5,601,313	\$2,162,261	\$2,085,276
Share purchase warrants	\$ 226,789	\$ 226,789	\$ 353,298	\$ 462,978	Nil	Nil	Nil	Nil
Contributed surplus	\$ 850,932	\$ 834,268	\$ 300,974	\$ 409,578	\$583,196	\$103,733	\$99,313	\$99,313
Deficit	\$3,778,623	\$3,357,321	\$2,650,161	\$2,289,802	\$1,742,474	\$1,136,019	\$935,715	\$725,569
Cash dividends declared per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no regular cash flow. At August 31, 2007, the Company had working capital of \$2,283,370 (November 30, 2006 - \$2,841,147).

### For the Nine months ended August 31, 2007

The Company's cash and cash equivalents decreased from \$1,832,409 as at November 30, 2006 to \$288,295 as at August 31, 2007, due to the Company's continued use of funds for the exploration of its resource properties, the company's ongoing operations and the purchase of Oro Silver shares.

Cash utilized in operating activities during the nine months ended August 31, 2007 was \$634,777 (2006 - \$443,524) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash used in operating activities was \$947,641 (2006 - \$478,665)

Cash used for investing activities during the nine months ended August 31, 2007 was \$1,820,027 (2006 - \$4,088,827); \$16,870 (2006 - invested \$3,115,740) was the use of short-term investments, \$200,000 (2006 - Nil) was the net used to purchase marketable securities, \$1,474,465 (2006 - \$930,566) was expended for the acquisition and exploration of resource properties and \$162,432 (2006 - \$45,521) for the acquisition of equipment.

During the nine months ended August 31, 2007, the Company generated \$1,223,554 from its financing activities (2006 - \$3,808,578), comprising of cash proceeds from stock option and share purchase warrant exercises less the repayment of related party debts.

At August 31, 2007, the Company's investment in resource properties aggregated \$2,163,312 (November 30, 2006 - \$1,224,965) comprised of \$290,752 (November 30, 2006 - \$217,245) of acquisition costs, \$1,505,735 (November 30, 2006 - \$887,520) of deferred exploration costs and \$90,324 (November 30, 2006 - \$120,200) of future income taxes capitalized. The Company's investment in equipment, net of amortization, was \$200,814 (November 30, 2006 - \$68,677).

At August 31, 2007, shareholders' equity comprised of share capital of \$6,818,074 which is comprised of 19,031,107 issued and outstanding common shares (November 30, 2006 - \$5,431,835, comprising 17,325,705 shares outstanding), contributed surplus of \$850,932, representing the fair value of stock options granted and vested in previous years less the fair value of stock options exercised, as well as \$226,789 representing the valuation of both regular and agents warrant issued and outstanding, \$440,000 of accumulated other comprehensive income resulting from the increase in market value of the companies short term investments, and as a result of the loss of \$1,498,821, which increased the deficit at August 31, 2007 to \$3,778,623 from \$2,289,802 at November 30, 2006 totalled \$4,557,172 (2006 - \$4,014,589)

As at August 31, 2007, the Company has 1,423,190 share purchase warrants (weighted average - \$1.25 per warrant) outstanding, which if exercised, would generate the Company gross proceeds of \$1,778,988. In addition, the Company has 1,425,708 share purchase options outstanding (weighted average - \$0.83 per share), granted pursuant to its February 1, 2005 share purchase option plan. If exercised, these options would generate \$1,189,410 of gross proceeds.

### For the Three months ended August 31, 2007

The Company's cash and cash equivalents decreased from \$1,034,486 as at May 31, 2007 to \$288,295 as at August 31, 2007, due to the continued funding of the company's exploration of resource properties and the company's ongoing operations.

Cash utilized in operating activities during the three months ended August 31, 2007 was \$211,655 (2006 - \$131,768) before any changes in non-cash working capital. After adjusting for cash flows applied to non-cash working capital, cash utilized in operating activities was \$304,156 (2006 - \$66,547)

Cash used for investing activities during the three months ended August 31, 2007 was \$453,458 (2006 - \$3,660,254); \$37,313 (2006 - increase of \$3,115,740) was the decrease in interest bearing short-term investments, \$50,000 for short-term investments, \$518,877 (2006 - \$512,721) was expended for the acquisition and exploration of resource properties and \$21,894 (2006 - \$31,793) for the acquisition of equipment.

During the three months ended August 31, 2007, the Company generated \$11,423 from its financing activities (2006 - \$292,541), comprising of related party transactions.

At present, the Company's operations do not generate cash flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

The Company currently has sufficient financial resources to meet its administrative overhead and planned exploration expenditures for at least the next twelve months and is confident that it can raise additional funds to undertake all of its planned exploration activities.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity financing, from the exercise of convertible securities and from optioning out its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long-term, but recognizes there will be risks involved that may be beyond their control.

## **EXPLORATION OVERVIEW**

### **Mexico Projects**

#### *Rosario Gold Belt Properties*

#### Cimarron Property

The company recently acquired exploration data from Hecla Mining Company, who completed 25 drill holes on the Calerita prospect, located in the central part of the 79 km<sup>2</sup> Cimarron property. The data is currently under review.

Hecla's stream sediment and rock chip sampling conducted on the property outlined several gold anomalies, and identified the Calerita zone. In 1998, a short campaign of road building and channel sampling of the road cuts was completed to prepare the Calerita target for drilling. Rock channel samples from the road cuts returned up to 0.72 g/t Au over 93.3 meters and 0.61 g/t Au over 78.8 meters. Gold mineralization in the Calerita zone is hosted by quartz-epidote veinlets in a dioritic phase of a multi-phase intermediate to felsic intrusion.

A 1,610 meter reverse circulation drill program in 25 holes commenced in 1999, testing an area approximately 350 meters by 250 meters. The holes were predominantly drilled to a shallow depth of 50 meters.

To date, Oro Gold Resources has conducted soil, rock, and stream sediment sampling, and mapping. This work outlined a gold-in-soil anomaly above 30 ppb up to 655 ppb Au, about 1.3 kilometers long by about 500 meters wide, located in the easternmost part of the area drilled by Hecla and to the north. The area to the north of Calerita also corresponds to a 6 km<sup>2</sup> area of drainage basins with samples exceeding 50 ppb up to 2,245 ppb Au. Rock chip sampling collected by the company returned values up to 1,087 ppb Au from 21 samples, one of which also returned 2,154 ppm Cu. Oro Gold considers that there is good potential to expand the known mineralized area at Calerita.

The company intends to test for possible extension of the known Calerita mineralized zone, in prospective areas identified by rock and soil sediment sampling. The planned future work by the company will include (i) geologic modeling and resource evaluation of Hecla's drill data, (ii) a ground magnetic survey, (iii) additional soil sampling to define and extend the gold and copper geochemical anomalies, (iv) trenching, and (v) drilling to verify the Hecla data, expand the Calerita zone, and test additional targets.

The Cimarron property is under option to Mazorro Resources Inc., who can acquire a 60% interest by spending US \$2.5 million on the property and issuing one million common shares of Mazorro to Oro Gold over a four-year period. The transaction is subject to Mazorro completing a public offering and being listed on the TSX Venture Exchange. Oro Gold will be the operator on the property, and was advanced US\$135,000 to cover expenses related to the ongoing exploration program.

Michelle Robinson, MASc., P.Eng, is the qualified person as designated by NI 43-101, who supervised the sampling and quality control program at Cimarron, as reported in a NI 43-101 compliant technical report ("Exploration Results for the Cimarron gold property, Sinaloa state, Mexico"; October 22, 2006), filed on SEDAR.

#### San Isidro Property

A data package is being put together to complete a NI-43-101 report and the company plans to joint venture it out to a strategic partner.

#### Trinidad Property

The company completed an Inferred resource estimate for the Taunus pit and south Colinas areas. The results show 1,624,400 tonnes remain, at an average gold grade of 1.76 g/t for a total of 91,915 ounces of gold, using a gold cut-off grade of 0.5 g/t. The resource estimate was based on Oro Gold's interpretation and modelling of historic drill data, and surface work completed by the company.

A 2,000 meter diamond drill program is currently being conducted to expand the existing resource, and verify the historic assay data. Interpretation of the historic drill data suggests the potential occurrence of high gold-grade chutes within the deposit, as well as untested targets adjacent to the historically drilled area. Prior drilling was predominantly completed by reverse circulation, and most holes were vertical and shallow, averaging 56 meters in length. Oro Gold considers that core drilling and angle holes are required to determine the geological controls of the deposit and the potential. Historical drilling did not completely close off mineralization at depth, across width, or along strike. These areas will be drill-tested in the current program.

By the end of the 1<sup>st</sup> quarter of 2008, the company plans to update its resource estimate for the Taunus and Colinas resource areas based on results of the drilling completed this year. The company has also initiated a review of the past mining operation by Eldorado Gold Corp., and will be soliciting recommendations from external sources on the potential for restarting the historical open-pit heap leach operation at Taunus.

Marc Jutras M.A.Sc., P.Eng., the qualified person as defined by National Instrument 43-101, was responsible for the mineral resource estimate and has reviewed the content of this news release. Mr. Jutras is an Independent person as defined under NI 43-101. The resource estimate is classified as an Inferred Mineral Resource, consistent with the CIM definitions referred to in NI 43-101. The estimate was calculated by ordinary kriging, using all sample data available to the company for 214 historic drill holes in the Taunus and Colinas areas. This estimate will be filed in a technical report, compliant with NI 43-101 on SEDAR within 45 days. Mineral resources, which are not mineral reserves, have not demonstrated economic viability.

### **Panama Generative**

The Company has been granted eligibility status to obtain title for six gold properties covering approximately 750 km<sup>2</sup> in the Republic of Panama. The final step to officially register the claims requires obtaining approval by the government's treasury department and published in the official government gazette. The contracts will give Oro 100% ownership in the mineral rights on the concessions. Exploration fieldwork has been put on hold until the concessions are officially granted.

### **Panama Projects**

#### Sona Property

The 90 km<sup>2</sup> Sona gold project is 100% owned by Oro Gold Resources and is located approximately 220 km southwest of Panama City, Panama.

Fieldwork at Sona is currently on-hold, pending the final granting of the exploration permit by the government. Results for 1,124 soil samples and 201 rock chip samples are currently being interpreted, along with the results of the completed ground-based magnetic survey. Results received to date appear to expand the anomalous areas.

#### Ambroya Property

An initial phase of reconnaissance mapping and stream sediment sampling was completed on the 100%-owned 12,842 Ha Ambroya property located approximately 120 km east of Panama City in the Darien province of Panama. Results were received for 240 stream sediment and 87 rock samples collected covering approximately 70% of the concession area, and are currently being interpreted.

### **Risks and Uncertainties**

The Company is in the business of acquiring, exploring and developing gold properties, and is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. The Company currently has no other source of revenue other than interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its resource properties.

The risks and uncertainties affecting the Company remain unchanged from those disclosed in its Annual MD&A.

### Proposed Transactions

At the present time, there are no proposed transactions that should be disclosed.

### Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Oro's general and administrative expenses and resource property costs is provided in the Company's Consolidated Statement of Loss and Deficit and Consolidated Schedule of Resource Property Costs contained in its Consolidated Financial Statements for November 30, 2006 and information concerning the mineral properties, directors and officers, corporate structure contained in the Company's Annual Report are available on Oro's website at [www.oroalresources.com](http://www.oroalresources.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

### Outstanding Share Data

Oro's authorized capital is unlimited common shares without par value. As at October 23, 2007, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding Common shares at October 23, 2007	19,031,107		
Warrants			
Share purchase warrants	1,423,190	\$1.25	April 11, 2008
Employee stock options	170,708	\$0.65	November 15, 2008
	440,000	\$0.88	June 2, 2011
	50,000	\$0.80	December 12, 2011
	765,000	\$0.85	March 1, 2012
Fully diluted at October 23, 2007	<u>21,880,005</u>		

### Transactions with Related Parties

Related party transactions are as follows:

During the nine months ended August 31, 2007 there were no related party transactions, which occurring other than those in the normal course of operations, which were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Commitments:

a) 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. Minimum payments are as follows:

2007		\$	26,698	
2008			106,793	
2009			106,793	
2010			106,793	
2011			106,793	
			\$	453,870

## Accounting Policies

The Company will continue to carry out exploration of its resource properties, and to evaluate new prospects and opportunities. The Company expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing of the Company's properties to qualified mineral exploration companies.

During the quarter, the Company adopted the new accounting recommendations of the Canadian Institute of Chartered Accountants for the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income effective for the current fiscal year. This requires that all non-derivative financial assets be measured at fair value with changes in fair value of available-for-sale marketable securities disclosed in other comprehensive income. Since this is the first year in which this policy has been applied, the opening balance of accumulated other comprehensive income includes the difference between cost and fair value for marketable securities at the end of the previous fiscal year. The current quarter's gains or losses in value are recognized in other comprehensive income.

When securities are sold and gains or losses are realized, these gains or losses will be removed from other comprehensive income and reported in the Statement of Loss and Deficit. The transition provisions do not require restatement of previous financial statements. The fair values of securities which are traded on a recognized exchange are reported at the closing price on the balance sheet date or the last date on which the shares traded. When the Company's holdings exceed 20 days of average trading volume, appropriate discounts from closing price will be applied to reflect the net realizable market value. The effect of the new accounting pronouncement is not expected to be material.

## Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

## **Financial Instruments and Other 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.

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. It is the opinion of management, however, that the foreign exchange risk to which the Company is exposed is minimal.

## **Critical Accounting Estimates**

The Company's accounting policies are presented in note 3 of the November 30, 2006 audited financial statements. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the carrying values of mineral properties; and
- the valuation of stock-based compensation expense.

## ***Mineral properties and deferred exploration costs***

The Company records its interest in mineral properties at cost. Resource exploration and development costs are capitalized on an individual area of interest basis until such time as an economic resource body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the reserves, while costs for the prospects abandoned are written off.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. When it is determined that a mineral property is impaired, it is written down to its estimated fair value.

Management's estimates of mineral prices, mineral resources, and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of deferred mineral property costs. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to continue operations and to complete the development and upon future profitable production or proceeds from the disposition thereof. The discovery or establishment of adequate reserves is dependent on successful exploration. Competition for exploration resources at all levels is currently very intense, particularly affecting availability of manpower, drill rigs and helicopters. As a result of this, and other factors inherent in exploration, the Company has uncertainty that it will be able to carry out its planned exploration programs.

### ***Stock-based compensation expense***

From time to time, the Company may grant share purchase options to directors, employees, and service providers. The Company uses the Black-Scholes option pricing model to estimate a value for these options. This model, and other models which are used to value options, require inputs such as expected volatility, expected life to exercise, and interest rates. Changes in any of these inputs could cause a significant change in the stock-based compensation recorded in a period.

### **Disclosure Controls and Procedures**

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, is made known to management by others within those entities, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the nine months ended August 31, 2007 in accordance with Canadian Generally Accepted Accounting Principles. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at August 31, 2007. Based on this evaluation, it was determined that certain weaknesses existed in internal controls over financial reporting. In addition, the Company has not fully completed its review and evaluation of the design of internal control over financial reporting as envisioned under 52-109. The Company expects to complete its assessment in Fiscal 2007. As is indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring which exists. The Company is taking steps to augment and improve the design of procedure and controls impacting these areas of weakness over internal control over financial reporting.

### **Approval**

The Board of Directors of Oro has approved the disclosure contained in this interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.

### **Additional Information**

Additional information relating to Oro is on SEDAR at [www.sedar.com](http://www.sedar.com) or

By contacting:

**Oro Gold Resources Ltd.**

Suite 1400 - 625 Howe Street

Vancouver, BC

CANADA

V6C 2T6

Telephone: (604) 646-4530, Fax: (604) 646-4526

**Attention: Darren Bahrey**

/s/ "Darren Bahrey"

Darren Bahrey

President and Chief Executive Officer

/s/ "Peter Kendrick"

Peter Kendrick

Chief Financial Officer