

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE ENTERPRISE)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2008 AND 2007**

The interim consolidated financial statements have not been reviewed by the Company's auditors.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE ENTERPRISE)**

**CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**JUNE 30, 2008 AND 2007**

<b>INDEX</b>	<b>PAGE</b>
Consolidated Balance Sheets	1
Consolidated Statements of Operations, Comprehensive Loss and Deficit	2
Consolidated Statements of Deferred Exploration and Development Expenditures	3
Consolidated Statements of Cash Flows	4
Notes to the Consolidated Financial Statements	5 - 16

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2008 AND DECEMBER 31, 2007**

(Unaudited)	2008	2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 1,429,761	\$ 1,872,318
Sundry receivables	82,596	95,627
Prepaid expenses	848	929
	1,513,205	1,968,874
<b>FIXED ASSETS (Note 3)</b>	44,875	90,725
<b>INVESTMENTS (Note 4d)</b>	598,750	598,750
<b>INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Note 4 and Statement)</b>	778,392	666,901
	\$ 2,935,222	\$ 3,325,250
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 9,650	\$ 226,433
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK (Note 5b)</b>	6,740,220	6,740,220
<b>WARRANTS (Note 5c)</b>	491,299	491,299
<b>CONTRIBUTED SURPLUS (Note 5e)</b>	1,271,809	1,229,535
<b>DEFICIT</b>	(5,577,756)	(5,362,237)
	2,925,572	3,098,817
	\$ 2,935,222	\$ 3,325,250

APPROVED ON BEHALF OF THE BOARD:

"Bruce E Cottingham", Director

"Grant A. Simpson", Director

See accompanying notes to the consolidated financial statements

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT**  
**FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2008 AND 2007**  
(Unaudited)

	2008 three months	2007 three months	2008 six months	2007 six months
<b>OPERATING EXPENSES</b>				
Public relations and promotion	\$ 4,482	46,926	\$ 13,080	\$ 100,640
Office and general	46,837	88,066	73,670	140,129
Management and consulting fees	36,002	51,353	81,073	84,666
Travel expenses	10,594	30,953	15,245	53,704
Transfer agent and filing fees	3,357	8,468	11,575	20,632
Stock based compensation (Notes 5d & 5e)	21,137	64,972	42,274	75,402
Rent	1,800	(2,138)	3,150	6,112
Professional fees	1,359	88,747	12,940	91,095
Bad debt	-	-	-	2,333
Interest and bank charges	713	1,310	1,420	2,290
Amortization	3,819	5,344	9,424	11,873
<b>LOSS, BEFORE OTHER ITEMS</b>	<b>130,100</b>	<b>384,001</b>	<b>263,851</b>	<b>588,876</b>
<b>OTHER ITEMS</b>				
Interest income	(3,818)	(7,407)	(12,768)	(18,313)
Foreign exchange loss (gain)	10,231	23,775	(28,000)	(7,245)
Loss (gain) on disposal	(7,564)	981	(7,564)	981
	(1,151)	17,349	(48,332)	(24,577)
<b>NET LOSS AND OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>128,949</b>	<b>401,350</b>	<b>215,519</b>	<b>564,299</b>
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>5,448,807</b>	<b>2,340,985</b>	<b>5,362,237</b>	<b>2,178,036</b>
<b>DEFICIT, END OF PERIOD</b>	<b>\$ 5,577,756</b>	<b>\$ 2,742,335</b>	<b>\$ 5,577,756</b>	<b>\$ 2,742,335</b>
<b>NET LOSS PER SHARE</b>				
Basic and diluted	\$ 0.004	\$ 0.013	\$ 0.007	\$ 0.018
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>				
	30,703,553	30,703,553	30,703,553	30,703,553

See accompanying notes to the consolidated financial statements

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF DEFERRED EXPLORATION  
AND DEVELOPMENT EXPENDITURES**

**FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND DECEMBER 31, 2007**

(Unaudited)

	Pangui	Virgen del Cisne	Chimbuza	Nambija	Total
	\$	\$	\$	\$	\$
<b>ACQUISITION COSTS</b>					
Balance, December 31, 2006	173,170	175,094	59,626	300,052	707,942
Additions	66,402	-	161,100	-	227,502
Gold sales net of expenses	-	-	-	(140,774)	(140,774)
Dispositions	-	-	-	(159,278)	(159,278)
Write-down	-	(3,840)	(220,726)	-	(224,566)
Balance, December 31, 2007	239,572	171,254	-	-	410,826
<b>DEFERRED EXPLORATION COSTS</b>					
Balance, December 31, 2006	-	-	-	1,533,067	1,533,067
Additions	450,646	112,662	38,222	-	601,530
Dispositions	-	-	-	(1,533,067)	(1,533,067)
Write-down	(194,571)	(112,662)	(38,222)	-	(345,455)
Balance, December 31, 2007	256,075	-	-	-	256,075
Balance, December 31, 2007	495,647	171,254	-	-	666,901
<b>ACQUISITION COSTS</b>					
Balance, December 31, 2007	239,572	171,254	-	-	410,826
Balance, JUNE 30, 2008	239,572	171,254	-	-	410,826
<b>DEFERRED EXPLORATION COSTS</b>					
Balance, December 31, 2007	256,075	-	-	-	256,075
Additions	67,168	44,323	-	-	111,491
Balance, JUNE 30, 2008	323,243	44,323	-	-	367,566
Balance, JUNE 30, 2008	562,815	215,577	-	-	778,392

See accompanying notes to the consolidated financial statements

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS AND SIX MONTHS  
ENDED JUNE 30, 2008 AND 2007**

(Unaudited)

	2008 three months	2007 three months	2008 six months	2007 six months
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss for the period	\$ (128,949)	\$ (401,350)	\$(215,519)	\$(564,299)
Operating activities not involving cash:				
Stock based compensation	21,137	64,972	42,274	75,402
Amortization	3,819	5,344	9,424	11,873
Changes in non cash working capital balances:				
Decrease (increase) in sundry receivables	(1,830)	(8,966)	13,031	(21,990)
Decrease (increase) in prepaid expenses	(848)	(54,225)	81	(129,877)
(Decrease) in due to related parties	-	99,675	-	(61,901)
Increase (decrease) in accounts payable and accrued liabilities	(56,809)	36,419	(216,783)	48,345
	<u>(163,480)</u>	<u>(258,131)</u>	<u>(367,492)</u>	<u>(642,447)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest in mineral properties and deferred exploration expenses	(90)	(365,057)	(111,491)	(548,564)
(Purchase) of fixed assets	(885)	(7,909)	(885)	(48,840)
Proceeds from disposal of fixed assets	-	-	37,311	-
	<u>(975)</u>	<u>(372,966)</u>	<u>(75,065)</u>	<u>(597,404)</u>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>(164,455)</b>	<b>(631,097)</b>	<b>(442,557)</b>	<b>(1,239,851)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>1,594,216</b>	<b>3,321,867</b>	<b>1,872,318</b>	<b>3,930,621</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 1,429,761</b>	<b>\$ 2,690,770</b>	<b>\$ 1,429,761</b>	<b>\$ 2,690,770</b>

See accompanying notes to the consolidated financial statements

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Oromonte Resources Inc. (the “Company” or “Oromonte”) was incorporated under the Canada Business Corporations Act on April 14, 2003. The Company is in the process of exploring its resource properties in Ecuador and British Columbia, Canada for mineral reserves and is considered to be in the development stage, as defined by the Canadian Institute of Chartered Accountants (“CICA”) Accounting Guideline 11 “Enterprises in the Development Stage”. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the carrying values of mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain financing necessary to complete development of the properties, and the future profitable production therefrom or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The assets of the Company that are located outside of North America are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, legislative changes and political uncertainty. Subsequent to year end, the Ecuadorian Constitutional Assembly approved a new mining mandate (the “Mining Mandate”) under which the government is re-evaluating mining concessions previously granted. These changes in the political environment in Ecuador create uncertainty regarding the future of mining in Ecuador. See Note 9.

As at June 30, 2008, the Company had working capital of \$1,503,555 (\$1,742,441 at December 31, 2007) and an accumulated deficit of \$5,577,756 (\$5,362,237 at December 31, 2007).

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing year as they fall due. The Company is in the development stage with no history of profitability. There is no guarantee that the Company’s exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its properties. If the “going concern” assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. Such adjustments could be material.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The unaudited interim consolidated financial statements have been prepared by and are the responsibility of the Company’s management in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly they do not contain all the information and footnotes required by Canadian generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included. These unaudited interim consolidated financial statements follow the accounting policies set out in the Company’s year end audited consolidated financial statements, as at December 31, 2007 and should be read in conjunction with the year end consolidated financial statements. Operating results for the three month period and six month period ended June 30, 2008 are not necessarily indicative of the results that can be expected for the year ended December 31, 2008.

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year except as outlined below.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries, Ecuaro Resources S.A., Oromonte Resources S.A., Marissaoro Minerals S.A, Monteminerals S.A. and Orosources Minerals S.A., all incorporated in Ecuador. All inter-company balances and transactions have been eliminated on consolidation.

**Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash on hand and short-term investments, which mature within three months from the date of acquisition. Surplus cash is invested in GIC investments with maturities of less than one year, which can be cashed at any time. The GIC investments are held in a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank.

**Investments**

Investments in Canuc Resources Corporation ("Canuc") consist of warrants and common shares and are carried at cost and are reviewed annually for impairment as Canuc's shares are not trading and no market value is available. These investments are classified as available for sale.

Canuc explores resource properties in Ecuador. If the Mining Mandate is applied as it is now, the Company could experience difficulty recovering the full value of these investments. This would represent an impairment which could be material to the Company (See Note 9).

**Stock-Based Compensation**

The fair value for each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model. These fair value costs are recognized as an expense with a corresponding increase to contributed surplus over the vesting period of the grant. As the options are exercised, the consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The Company's stock option plan is described in Note 5(d).

**Asset Retirement Obligations**

The fair values of asset retirement obligations are recorded as liabilities on a discounted basis when they are incurred. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities will be accreted for the change in their present value and the initial capitalized costs will be depleted and amortized over the useful lives of the related assets. The Company did not have any asset retirement obligations as at June 30, 2008 and December 31, 2007.

**Interest in Mineral Properties and Deferred Exploration Expenditures**

Interest in mineral properties and deferred exploration expenditures, net of pre-production revenues are carried at cost until they are brought into production, at which time they are depleted on a unit-of-production method based on proven and probable reserves. If a property is subsequently determined to be significantly impaired in value, the property and related deferred costs are written down to net realizable value. Other general exploration expenses are charged to operations as incurred. The cost of mineral properties abandoned or sold and their related deferred exploration costs are charged to operations in the current year.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The Company reviews capitalized costs on its property interests on a periodic basis and recognizes impairment in value, based on a review of exploration results, whether the Company has significant exploration plans in the immediate future and upon management's assessment of the future probability of profitable revenues from the property or from the sale of the property. The recoverability of costs incurred on the mineral properties is dependent on numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. Management's assessment of the property's estimated current fair value may also be based upon a review of other property transactions in the same geographic area as that of the property under review.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of the mineral properties. The carrying value is reduced by option proceeds received until such time as the property cost is reduced to nominal amounts. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for certain problems arising from the frequently ambiguous conveyance history characteristic of many mining properties. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title (See Notes 1 and 9). Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defect. Titles may also be affected by government legislation.

**Fixed Assets**

Equipment is recorded at cost. Amortization is provided over the related assets' estimated useful lives using the following methods and annual rates.

Vehicles	20% declining balance
Computer equipment	30% to 45% declining balance
Office equipment	10% to 20% declining balance

**Income Taxes**

Income taxes are calculated using the asset and liability method of accounting. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and on unclaimed losses carried forward and are measured using the substantially enacted tax rates that will be in effect when the differences are expected to reverse or losses are expected to be utilized. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in income in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential benefit is taken and no asset is recognized.

Continued

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Loss Per Common Share**

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options or warrants that would increase earnings per share or decrease loss per share. As the Company had losses for the periods ended June 30, 2008 and 2007, basic and diluted loss per share are the same as the exercise of all options and warrants would be anti-dilutive.

**Foreign Currency Translation**

The Canadian dollar is the functional currency of all of the Company's operations, which are classified as integrated for foreign currency translation purposes. Under this method translation gains or losses are included in the determination of net income or loss.

Monetary assets and liabilities of the Company's integrated foreign operations are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Revenues and expenses are translated at the average exchange rates for the period, except for amortization which is translated at historical rates.

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed and affect estimates for asset retirement obligations and reclamation costs. The Company's most significant areas of estimation are in relation to recoverability of exploration property expenditures and possible impairment, valuation of the investment in common shares and warrants of Canuc Resources Corporation, stock-based compensation, warrant valuation, royalties and future tax assets and liabilities. Actual results could differ from those estimates.

**Comparative Figures**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Financial Instruments**

**Section 3855 – “Financial instruments – Recognition and Measurement”** prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet as well as its measurement amount. All financial instruments are required to be measured at fair value on recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods is dependent on whether the financial instrument has been classified as “held for trading”, “available for sale”, “held to maturity”, “loans and receivables”, or “other financial liabilities” as defined by the standard.

Financial assets and financial liabilities “held for trading” are measured at fair value with changes in those fair values recognized in net income. Financial assets “available for sale” are measured at fair value, with changes in those fair values measured in other comprehensive income. Financial assets “held to maturity”, “loans and receivables” and “other financial liabilities” are measured at amortized cost using the effective interest method of amortization. The methods used by the Company in determining the fair value of financial instruments is unchanged as a result of implementing the new standard.

**Hedges**

**Section 3865 – “Hedges”** specifies how hedge accounting is to be applied and what disclosures are necessary when it is applied.

**Comprehensive Income**

**Section 1530 – “Comprehensive income”** introduced new standards for reporting and disclosure of comprehensive income. Comprehensive income is the change in equity of the Company during the period as a result of transactions and other events and circumstances from non-owner sources. There was no comprehensive income or loss during the period ended June 30, 2008; accordingly, no consolidated statement of comprehensive income or loss has been presented.

**Accounting changes**

Effective January 1, 2007, the Company adopted the revised CICA section 1506, “Accounting Changes”. Under the revised section, voluntary changes in accounting policy are permitted only if they result in financial statements that provide more reliable and relevant information to the reader. Changes in accounting policy must be applied retrospectively, while changes in accounting estimates are to be applied prospectively. The revised section also outlines additional disclosure required when accounting changes are applied, including the justification for the change, a complete description of the policy, the primary source of GAAP and the detailed effect on the financial statement line items. There was no impact on the Company’s consolidated financial statements resulting from the adoption of the revised standard.

**Adoption of new accounting policies**

As of January 1, 2008, the Company adopted two new CICA standards, Section 3862 “Financial Instruments – Disclosures” and Section 3863 “Financial Instruments – Presentation”. The new disclosure standard increases the emphasis on the risks associated with both recognized and unrecognized financial instruments and how those risks are managed.

As of January 1, 2008, the Company adopted CICA Section 1535 “Capital Disclosures” which requires additional disclosures of objectives, policies and processes for managing capital. In addition, disclosures include whether companies have complied with externally imposed capital requirements.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

In June 2007, the CICA amended Handbook Section 1400, "General Standards for financial statement presentation". These standards became effective for interim and annual financial statements for the Company's reporting periods beginning on January 1, 2008.

In January 2006, the CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS.

**3. FIXED ASSETS**

	2008			2007		
	Cost \$	Accumulated Amortization \$	Net \$	Cost \$	Accumulated Amortization \$	Net \$
Vehicles	-	-	-	57,137	17,052	40,085
Computer equipment	26,356	13,449	12,907	26,356	9,640	16,716
Office equipment	36,849	4,481	32,266	36,747	2,823	33,924
	63,205	18,330	44,875	120,240	29,515	90,725

**4. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES**

The Company has three early stage development properties in Ecuador, namely the Pangui, Virgen del Cisne and Chimbuza Properties. Exploration of the Company's properties in Ecuador is currently in abeyance due to the Ecuadorian government's mining moratorium (See Note 9). The properties and terms of the acquisition agreements are described below as well as the transfer agreement of all the Company's Nambija interests:

**a) Pangui Property**

The Company acquired a 100% interest in the Pangui Property, located in Southern Ecuador, in September, 2006 for consideration of US\$150,000 (\$174,810 Canadian). In April 2007, the Company acquired a 100% ownership of an additional mining concession (San Andres) which is contiguous with and located on the southwest corner of the main Pangui property. The concession was purchased for US\$60,000 (\$66,402 Canadian). The San Andres concession was subsequently cancelled by the Ecuadorian government.

See Note 4(f) and Note 10.

**b) Virgen del Cisne Property**

In 2006, the Company entered into an agreement to acquire a 100% interest in the Virgen del Cisne Property comprised of nineteen claims situated southeast of Cuenca, Ecuador for US\$150,000 (\$174,810 Canadian). The Ecuadorian government has subsequently cancelled seven concessions totalling 17,787.3 hectares. The remaining twelve claims have been transferred to the Company.

See Note 4(f) and Note 10.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**4. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)**

**c) Chimbuza Property**

The Company entered into an agreement to acquire a 100% interest in the Chimbuza Project for US\$250,000 (\$291,350 Canadian). Included in the US\$250,000 is a schedule of payments of US\$50,000 to be made semi-annually. US\$150,000 was paid to December 31, 2007 and US\$50,000 was paid in January 2008. The Company has notified the seller that the final payment will not be made and the property will revert to the seller.

See Note 4(f) and Note 10.

**d) Nambija Property**

The Company entered into a mining lease and share purchase agreement dated September 3, 2003 with Canuc Resources Corporation ("Canuc") and Compania Minera Andos S.A. ("Andos"), a wholly owned subsidiary of Canuc, to lease certain mining rights on property in the Nambija area of Ecuador (the "Mining Rights") owned by Andos, for a five-year term. During the lease term, the Company was obligated to carry out sufficient assessment work to maintain the Nambija Property in good standing and pay all taxes, assessments and other charges lawfully levied or assessed against the Property. The Company was to pay to Andos, as rent for the Mining Rights, an amount equal to 2.5% of the value of the minerals mined from the property.

In May 2006, the Company entered into a purchase agreement for 8 mining rights: 4 rights within Condominio Norte and 4 rights within Condominio Sur, as well as the Goldstar Mine and its related buildings, equipment and property, from an officer of the Company for total cash consideration of US\$320,000 of which US\$120,000 is due upon transfer of the mining rights (paid), US\$80,000 due within one year following the transfer of mining rights (paid), with the balance of US\$120,000 payable in monthly instalments of US\$10,000 (US\$120,000 paid), following signing of the agreement. The Goldstar Mine consists of four mining rights, located in the Nambija region.

On October 5, 2007 the Company completed an agreement in accordance with a Letter of Intent, dated August 22, 2007, to transfer all of the Company's interest in the Nambija, Ecuador gold mining property to Canuc. In exchange for the transfer and quit claim of its interests to Canuc, Oromonte received a total of 15,000,000 common shares of Canuc valued at \$450,000 (representing 14% of Canuc's outstanding capital at October 5, 2007) and 3,750,000 warrants for the purchase of additional common shares of Canuc, exercisable for a period of 18 months at \$0.05 per share valued at \$48,750 (increasing to \$0.07 per share if Canuc shares trade in excess of \$0.07 for a period of 20 days). In addition, Canuc has granted Oromonte a 2.5% gross royalty on the Nambija property, subject to a US \$2,000,000 cumulative cap on royalty payments. Canuc has also assumed responsibility for certain payments made or to be made relating to the property in the aggregate of up to approximately US \$110,000 (including the reimbursement of a portion of amounts already paid by Oromonte of \$76,000) and the responsibility for certain former senior employees of Oromonte in Ecuador.

Oromonte also subscribed for 3,300,000 common shares of Canuc at \$0.03 per common share (for gross proceeds of \$100,000), as part of the transaction.

The Canuc warrants were valued using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk free interest rate of 4.3%; expected life of 18 months; and expected volatility of 120%.

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**4. INTEREST IN MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)**

The loss on disposition of the Nambija Property was valued as follows:

Proceeds from disposition:		
15,000,000 common shares of Canuc	\$	450,000
3,750,000 warrants of Canuc		48,750
Cash		76,000
Payables assumed by Canuc		<u>23,129</u>
	\$	597,879
Carrying value of property		<u>1,692,345</u>
Loss on disposition	\$	<u>1,094,466</u>

As of June 30, 2008, 5,625,000 of the Canuc common shares were subject to trading restrictions (1,875,000 were released on April 5, 2008) and the remaining common shares will be released as follows: 1,875,000 on each of the 3, 6 and 9 month anniversaries of the date the common shares of Canuc commence trading on a recognized stock exchange.

- e) During the three months ended June 30, 2008, the Company staked nine mining claims encompassing 215 contiguous units in the Tillicum Mountain area in the West Kootenay region of south-eastern British Columbia. The Company's claims are within the Caribou Creek drainage system about 17 km east of the village of Burton. The claims were acquired for the nominal cost of registering and transferring the claims approximating \$2,000.
- f) As a result of the Mining Mandate discussed in Notes 1 and 9, management had reviewed its existing mineral property claims as at December 31, 2007 and decided to abandon certain claims that comprise portions of the Pangui, Virgen del Cisne and Chimbuza properties. As a result, the Company recorded writedowns for these properties of \$194,571, \$116,502 and \$258,948, respectively.

**5. CAPITAL STOCK, WARRANTS, AND OPTIONS**

The capital stock is as follows:

- a) **Authorized**  
Unlimited number of common shares
- b) **Issued**  
30,703,553 common shares

	Common Shares #	Amount \$
Balance, June 30, 2008 and December 31, 2007	30,703,553	6,740,220

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

**5. CAPITAL STOCK, WARRANTS, AND OPTIONS (Continued)**

**c) Share Purchase Warrants**

Transactions during the six months ended June 30, 2008 and year ended December 31, 2007 were as follows:

	<u>Warrants</u> #	<u>Weighted Average</u> <u>Exercise Price</u> \$	<u>Value</u> \$
Balance, December 31, 2006	7,491,000	0.62	861,104
Expired	(4,491,000)	0.53	(369,805)
Balance, June 30, 2008 and December 31, 2007	3,000,000	0.75	491,299

As at June 30, 2008, the following warrants were outstanding:

<u>Date of Grant</u>	<u>Warrants</u> <u>Issued</u> #	<u>Exercise</u> <u>Price</u> \$	<u>Expiry Date</u>
November 17, 2006	3,000,000	0.75	November 17, 2008

**d) Options**

The Company has a stock option plan for the purchase of common shares for its directors, officers, employees and other service providers. The aggregate number of common shares reserved for issuance under the plan will not exceed 10% of its issued and outstanding common shares. No one person shall be granted options representing more than 5% of the issued and outstanding common shares of the Company. The maximum number of shares which may be reserved for issuance to any consultant in any 12-month period shall be 2% of the shares issued and outstanding at the time of the grant. The maximum number of shares which may be reserved for issuance to investor relations employees in any 12-month period shall be 2% of the shares issued and outstanding at the time of the grant. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the board of directors of the Company and shall be determined on the basis of the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

	<u>Options</u> #	<u>Weighted Average</u> <u>Exercise Price</u> \$
Balance, December 31, 2006	1,390,000	0.54
Granted during the year	620,000	0.39
Expired during the year	(40,000)	(0.76)
Balance, December 31, 2007	1,970,000	0.49
Expired during the period	(400,000)	(0.46)
Balance June 30, 2008	1,570,000	0.52

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

**5. CAPITAL STOCK, WARRANTS, AND OPTIONS (Continued)**

No options were granted during the three months ended June 30, 2008. The weighted average fair value of options granted during the year ended December 31, 2007, amounted to \$0.28 per option. The fair value of these options at the date of grant was determined using the Black-Scholes option pricing model based on the following weighted average assumptions: expected dividend yield of 0%; risk-free interest rate of 4.1%; expected life of 3 years; and expected volatility of 133%.

As at June 30, 2008, the following options were outstanding:

Date of Grant	Options Outstanding #	Options Exercisable #	Exercise Price \$	Expiry Date
December 19, 2005 (i)	200,000	200,000	0.19	December 19, 2010
July 11, 2006 (i)	300,000	200,000	0.71	July 20, 2011
August 4, 2006 (iii)	200,000	200,000	0.60	July 31, 2011
October 25, 2006 (ii)	50,000	50,000	0.76	October 25, 2009
November 23, 2006 (i)	300,000	200,000	0.71	November 22, 2011
February 14, 2007(ii)	75,000	56,250	0.42	February 13, 2010
April 1, 2007(ii)	300,000	225,000	0.42	March 31, 2010
April 4, 2007(i)	45,000	30,000	0.36	April 3, 2012
May 29, 2007(i)	100,000	66,667	0.27	May 28, 2012
Balance June 30, 2008	1,570,000	1,227,917	0.51	

- (i) Options vest 1/3 on date of grant and 1/3 on each of the first and second anniversaries of the options.
- (ii) Options vest 1/4 on date of grant and 1/4 on each of the six, twelve and eighteen-month anniversaries of the options.
- (iii) Options vested immediately on date of grant.

**e) Contributed Surplus**

	Amount \$
Balance, December 31, 2006	536,095
Expiration of warrants (Note 5(c))	369,805
Stock-based compensation	323,635
Balance, December 31, 2007	1,229,535
Stock-based compensation	42,274
Balance, June 30, 2008	1,271,809

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**6. RELATED PARTY TRANSACTIONS**

- (i) During the six months ended June 30, 2008, \$Nil (year ended December 31, 2007 – \$13,114) was paid to a corporation controlled by a former director of the Company and \$4,375 (year ended December 31, 2007 – \$42,900) was paid to a director for 43-101 Qualified Person (QP) services in Ecuador.
- (ii) During the six months ended June 30, 2008, \$5,884 (year ended December 31, 2007 - \$114,732) was expensed for legal services provided by a law firm of which a director of the Company is a partner.
- (iii) During the year ended December 31, 2007, two directors of the Company purchased gold from the Company for \$6,954 of which \$Nil (year ended December 31, 2007 - \$3,375) was included in sundry receivables as of June 30, 2008.
- (iv) During the six months ended June 30, 2008, management and consulting fees of \$21,300 (year ended December 31, 2007 - \$61,672) were charged by officers, directors and the spouse of an officer and director of the Company.

The above transactions were in the normal course of operations and were recorded at the exchange amount, which is the amount agreed to by the related parties.

**7. CONTINGENCY**

**Environmental Contingencies**

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations based upon environmental studies completed and subsequently approved by the Ecuadorian government.

**8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT**

**Fair Value**

Canadian generally accepted accounting principles require that the Company discloses information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. Cash and cash equivalents are classified as "held for trading", sundry receivables are classified as "loans and receivables", accounts payable and accrued liabilities are designated as "other liabilities" and investments are classified as "available for sale". The carrying amounts for cash and cash equivalents, sundry receivables, and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of these instruments.

**Foreign Exchange Risk**

Certain of the Company's transactions are incurred in United States and Ecuadorian currencies and are therefore subject to gains or losses due to fluctuations in that currency. At June 30, 2008 the Company held cash in US dollars of \$15,998 (\$16,303 CDN) (December 31, 2007 - \$28,693US; 28,693 CDN).

**OROMONTE RESOURCES INC.**  
**(A DEVELOPMENT STAGE COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
JUNE 30, 2008 AND 2007

---

**8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)**

**Commodity Price Risk**

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

**Capital management**

The Company's policy is to maintain a capital base sufficient to manage its cash flow and development plans. The Company monitors its working capital and issues share capital to manage its development plans. There are no external restrictions on the Company's capital.

**9. MATERIAL UNCERTAINTY**

On April 18, 2008 the Constitutional Assembly and the Government of Ecuador issued a Constituent Mandate pertaining to mining (the "Mining Mandate") that could have an adverse affect on the Company's exploration properties in Ecuador, if and when the Mining Mandate is fully implemented. Most of the Mining Mandate's provisions require further government implementation measures, but Article 6 declares an immediate moratorium on the issuance of new concessions and other mining rights until the new rights contemplated in the Mining Law go into effect sometime within the next 180 days. All mining exploration activities have also been declared suspended by Article 8 of the Mining Mandate. Except for the 350 hectare San Andres concession, none of the Company's mineral concessions for which it has paid the 2008 annual patents have been cancelled to date, but the Mining Mandate appears to require the renegotiation of concessions when the new mining laws are brought into effect within the 180 day moratorium period. If the Mining Mandate is applied as it is now, the Company could experience difficulties upholding title to its mineral properties. This would represent an impairment event for its mineral properties and the resulting impairment would be material to the Company. The Company has cut back its operations in Ecuador until there is greater certainty about its ability to proceed with its exploration plans there.

The value of the investment in Canuc described in Note 4(d) may also be impacted by the Mining Mandate as Canuc is focused on mineral exploration in Ecuador. An impairment in the investment could be material to the Company.

**10. SUBSEQUENT EVENTS**

At the Company's annual general meeting, held on June 30, 2008, the Company's shareholders approved the consolidation of the Company's common shares on an up to three for one basis and the change of the Company's name to Georox Resources Inc. The Company is now in the process of completing the consolidation and name change subject to TSX Venture Exchange approval.

Subsequent to June 30, 2008, the Company's lawyers in Ecuador received notice that the Ecuadorian government has cancelled the Company's 350 hectare "San Andreas" concession that is part of the Company's Pangui property due to a previous owner allegedly not paying the required annual patent on time. The Company lost its initial appeal of the government's cancellation of the concession and is not appealing further. The Company had paid US\$60,000 (\$66,402 Canadian) for the concession.

As well, the Company's lawyers in Ecuador received notice that the Ecuadorean Government has cancelled seven concessions forming part of the Virgen del Cisne property because the official transfer of title to these seven concessions was still in progress when the Government's April 18, 2008 Mining Mandate was declared. These seven concessions had been written down to \$Nil as at December 31, 2007 and the final \$50,000 payment that was due to the seller for the seven concessions has not been paid.