

INTERNATIONAL MONTORO RESOURCES INC.
(A Development Stage Company)

Financial Statements

February 28, 2007

Unaudited
(with comparative unaudited figures for February 28, 2006)

Notice to Reader:

The attached financial statements have been prepared by the Management of International Montoro Resources Inc. and have not been reviewed by the auditors of International Montoro Resources Inc.

INTERNATIONAL MONTORO RESOURCES INC.
(Formerly Montoro Resources Inc.)
(A Development Stage Company)

Balance Sheets
February 28, 2007 and August 31, 2006
(Unaudited)

	<u>February 28 2007</u>	<u>August 31 2006</u>
ASSETS		
Current		
Cash	\$ 443,419	\$ 116,708
Accounts receivable	<u>35,822</u>	<u>30,908</u>
	479,241	147,616
Mineral Interests and Deferred Exploration Costs (Note 3)	<u>991,493</u>	<u>706,013</u>
	<u>\$ 1,470,734</u>	<u>\$ 853,629</u>
LIABILITIES		
Current		
Accounts payable	\$ 17,376	10,398
Owing to related parties (Note 4)	<u>19,141</u>	<u>10,005</u>
	<u>36,517</u>	<u>20,403</u>
SHARE CAPITAL AND DEFICIT		
Share capital (Note 6)	4,672,722	3,911,022
Contributed surplus (Note 6)	104,028	65,663
Deficit	<u>(3,342,533)</u>	<u>(3,143,459)</u>
	1,434,217	833,226
	<u>\$ 1,470,734</u>	<u>\$ 853,629</u>

Approved by the Directors: _____
Director

Director

INTERNATIONAL MONTORO RESOURCES INC.
(Formerly Montoro Resources Inc.)
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Statements of Operations and Deficit
Three and six month periods ended February 28, 2007 and 2006
(Unaudited)

	<u>2007</u>		<u>2006</u>	
	Three months ended February 28	Six months ended February 28	Three months ended February 28	Six months ended February 28
Administrative expenses				
Bank charges and interest	61	267	1,343	1,859
Consulting	21,125	29,500	-	-
Filing fees and transfer agent	9,581	12,852	8,244	14,890
Management fees	10,500	21,000	10,500	21,000
Office and miscellaneous	8,886	19,208	1,164	2,106
Professional services	480	2,975	10,915	16,391
Rent	2,385	4,770	1,350	2,700
Stock based compensation	-	50,304	42,068	42,068
Telephone	(206)	(24)	-	175
Travel and promotion	35,982	58,222	3,947	4,360
	<u>88,794</u>	<u>199,074</u>	<u>79,531</u>	<u>105,549</u>
Net loss for the period	(88,794)	(199,074)	(79,531)	(105,549)
Deficit, beginning of period	(3,253,739)	(3,143,459)	(2,935,524)	(2,909,506)
Deficit, end of period	<u>\$ (3,342,533)</u>	<u>\$ (3,342,533)</u>	<u>\$ (3,015,055)</u>	<u>\$ (3,015,055)</u>
Loss per share	<u>\$ 0.008</u>	<u>\$ 0.019</u>	<u>\$ 0.009</u>	<u>\$ 0.015</u>

INTERNATIONAL MONTORO RESOURCES INC.
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Statements of Cash Flow

Three and six month periods ended February 28, 2007 and 2006

(Unaudited)

CASH PROVIDED (USED) BY	2007		2006	
	Three months ended February 28	Six months ended February 28	Three months ended February 28	Six months ended February 28
Operating activities				
Net loss for the period	\$ (88,794)	\$ (199,074)	\$ (79,531)	\$ (105,549)
Item not requiring an outlay of cash				
Stock based compensation	-	50,304	42,068	42,068
	<u>(88,794)</u>	<u>(148,770)</u>	<u>(37,463)</u>	<u>(63,481)</u>
Changes in non-cash working capital items				
Accounts receivable	(14,688)	(1,673)	(24,165)	(19,918)
Accounts payable	5,704	12,872	(13,296)	1,769
	<u>(97,778)</u>	<u>(137,571)</u>	<u>(74,924)</u>	<u>(81,630)</u>
Financing activities				
Owing to related parties	-	-	(18,775)	(7,745)
Share capital issued for cash	659,762	705,762	-	-
Share subscription	-	-	405,100	405,100
	<u>659,762</u>	<u>705,762</u>	<u>386,325</u>	<u>397,355</u>
Investing activities				
Mineral interests and deferred exploration	(165,349)	(241,480)	(14,712)	(14,764)
	<u>(165,349)</u>	<u>(241,480)</u>	<u>(14,712)</u>	<u>(14,764)</u>
Change in cash for the period	396,635	326,711	291,689	300,961
Cash, beginning of period	<u>46,784</u>	<u>116,708</u>	<u>5,048</u>	<u>776</u>
Cash, end of period	<u>\$ 443,419</u>	<u>\$ 443,419</u>	<u>\$ 301,737</u>	<u>\$ 301,737</u>

INTERNATIONAL MONTORO RESOURCES INC.
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Statements of Mineral Interests and Exploration Costs
Six Months Ended February 28, 2007 and 2006
(Unaudited)

	<u>February 28, 2007</u>	<u>February 28, 2006</u>
PROPERTIES IN GOOD STANDING		
Malachite Project (New Brunswick)		
Acquisition costs	\$ -	\$ 11,212
	<u>-</u>	<u>11,212</u>
Red Lake Project (Ontario)		
Administration and travel	-	52
	<u>-</u>	<u>52</u>
Crackingstone Project (Saskatchewan)		
Administration and reports	10,750	-
Ground surveys	6,960	-
Linecutting	54,069	-
	<u>71,779</u>	<u>-</u>
Central Mineral Belt Project (Labrador)		
Airborne surveys	16,925	-
Administration and reports	5,230	-
Travel and accommodation	341	-
	<u>22,496</u>	<u>-</u>
Serpent River Project (Ontario)		
Acquisition costs	149,000	-
Administration and reports	10,000	-
	<u>159,000</u>	<u>-</u>
Orbit Lakes Project (Saskatchewan)		
Acquisition costs	32,205	-
	<u>32,205</u>	<u>-</u>
EXPENDITURES FOR THE PERIOD	285,480	11,264
DEFERRED COSTS BEGINNING OF PERIOD	706,013	374,081
DEFERRED COSTS END OF PERIOD	\$ 991,493	\$ 385,345
SUMMARY OF PROJECT COSTS		
MALACHITE PROJECT (NEW BRUNSWICK)	\$ 180,495	\$ 180,495
RED LAKE PROJECT (ONTARIO)	197,454	134,450
CRACKINGSTONE PROJECT (SASKATCHEWAN)	96,381	-
CENTRAL MINERAL BELT PROJECT (LABRADOR)	111,458	-
CUP LAKE PROJECT (BRITISH COLUMBIA)	214,500	-
ORBIT LAKES PROJECT (SASKATCHEWAN)	32,205	-
SERPENT RIVER PROJECT (ONTARIO)	159,000	-
UNGAVA/SOUTH TREND PROJECT (QUEBEC)	-	70,400
	<u>\$ 991,493</u>	<u>\$ 385,345</u>

INTERNATIONAL MONTORO RESOURCES INC.
(A Development Stage Company)
Notes to the Financial Statements
Unaudited

1. GOING CONCERN CONSIDERATIONS

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At February 28, 2007, the Company had not yet achieved profitable operations, has a working capital surplus of \$442,724 accumulated losses of \$3,342,533 since its inception, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. It is suggested that these financial statements be read in conjunction with the Company's August 31, 2006 annual audited financial statements.

2. ACCOUNTING POLICIES

a. Mineral Interests and Deferred Exploration Costs

The Company is engaged in the exploration and development of mineral resource properties and records mineral interests at cost or at an ascribed amount if the consideration is common shares. The Company includes in costs the lease and option payments made on properties that are held under lease and option agreements. Costs and recoveries relating to exploration and development projects are deferred when it is probable that those costs are recoverable from future operations.

The amounts shown for mineral interests and deferred exploration costs represent accumulated or minimal costs and do not represent present or future values. The properties and carrying values are subject to periodic review for permanent impairment. The recoverability of these amounts is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development and upon subsequent profitable production.

b. Estimates and Fair Values

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from the estimates.

INTERNATIONAL MONTORO RESOURCES INC.
(A Development Stage Company)
Notes to the Financial Statements
Unaudited

2. ACCOUNTING POLICIES CONT'D

c. Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements, together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise, only available information pertinent to fair value has been disclosed.

d. Environmental Issues

It is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

e. Flow-Through Common Shares

For income tax purposes, exploration expenditures funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Share capital is reduced and future income tax liability is increased by the estimated cost of the renounce exploration expenditures. Drawdowns of future income tax liabilities resulting from the timing differences on exploration expenditures renounced to investors are credited to share capital.

f. Stock-Based Compensation Plans

The Company grants to its directors, employees and consultants incentive stock options to acquire shares in the Company in accordance with the terms of its stock option plan. For options granted prior to August 31, 2003, no compensation expense is recognized for these options when issued. Any consideration received on the exercise of options is credited to share capital. For options granted after September 1, 2003, the Company has adopted the new recommendations of the CICA Handbook Section 3870 "Stock-based compensation and other stock-based payments."

INTERNATIONAL MONTORO RESOURCES INC.
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3. MINERAL INTERESTS AND DEFERRED EXPLORATION COSTS

The Company has acquired mineral interests in various properties located in Canada.

a. Malachite Project (New Brunswick)

The Company acquired a 100% interest in the project for \$27,000 and a contingent payment of \$40,000 should the Company dispose of any portion of the properties to a major producing mining company, 300,000 common shares (issued for \$33,000) and exploration and staking expenditures of \$111,280 on the properties.

b. Red Lake Project (Ontario)

The Company acquired a 50% interest in the project for \$15,500, 300,000 common treasury shares (issued for \$25,000) and exploration expenditures of \$15,000 on the property. The property is subject to a 2% net smelter royalty and a 1% buy-out for consideration of \$500,000.

The Company acquired a 50% interest in additional claim blocks in the project for \$5,000, 90,000 common shares (issued for \$7,000) and exploration expenditures of \$2,500. The property is subject to a 2% net smelter royalty.

The Company acquired a 50% interest in certain patented claim mineral rights for \$5,000 and 100,000 common shares (issued for \$10,000). The property is subject to a 3% net smelter royalty.

The Company and a public company with common directors have entered into a 50:50 joint venture for all the Red Lake properties and mineral rights.

c. Gamache – Ungava Project (Quebec)

The Company entered into an option agreement to acquire 25% interest in the project for \$160,400 (\$70,400 paid through the issuance of 704,000 common shares). Management has determined that the payment of the balance of the purchase consideration of \$90,000, due December 31, 2005 was not warranted and has abandoned its interest in the property in the year ended August 31, 2006.

d. South Trend – Ungava Project (Quebec)

The Company entered into an option agreement to acquire a 100% interest in the project. Subsequently, the Company has granted an option to a third party to acquire its interest in the property. The property is subject to a 3% net smelter royalty. The third party has incurred in excess of \$450,000 in exploration expenditures and is entitled to a 100% interest in the property. The Company has retained a 1% net smelter interest.

INTERNATIONAL MONTORO RESOURCES INC.
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3. MINERAL INTERESTS AND EXPLORATION COSTS (CONTINUED)

d. Crackingstone River Project (Saskatchewan)

The Company has entered into an agreement to acquire a 50% interest in a 750 hectare claim block in northern Saskatchewan near Uranium City. Terms of the agreement include cash payment of \$15,000 (paid \$5,000) and issuance of 50,000 shares (issued for \$12,500). The property is subject to a 2% net smelter royalty.

The Company and a public company with common directors have entered into a 50:50 joint venture for this project.

e. Central Mineral Belt Project (Labrador)

The Company has entered into an agreement to acquire a 50% interest in four claim blocks (126 units approximately 4,000 hectares) in the Central Mineral Belt Uranium District, Labrador. Terms of the agreement include cash payments totaling \$30,000 (paid \$7,500) and issuance of 100,000 shares (issued for \$25,000). The property is subject to a 2% net smelter royalty with a one percent buy-out for \$500,000.

The Company and a public company with common directors have entered into a 50:50 joint venture for this project.

f. Cup Lake Project (British Columbia)

The Company has entered into an agreement to acquire a 100% interest in two uranium prospect claims located in the Greenwood Mining District of British Columbia. Terms of the agreement include a cash payment of \$75,000 (paid) and issuance of 300,000 units (issued for \$120,000). Finder's fees in the amount of \$7,500 cash and 30,000 units (issued for \$12,000) have also been paid. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable for an additional share at an exercise price of \$0.40 in the first year and \$0.50 in the second year.

The Company has entered into an agreement to acquire a 100% interest in nine additional claims in the Cup Lake area. Terms of the agreement include the issuance of a total of 6,000,000 common shares at prescribed intervals up to December 1, 2008; staged cash payments of \$1,000,000 to December 1, 2009; and minimum exploration expenditures of \$800,000 over four years to December 1, 2010. The agreement is subject to regulatory approval.

g. Orbit Lakes Project (Saskatchewan)

The Company has a 50% interest in 11,109 hectares staked in an adjoining claim block to the Crackingstone Project in northern Saskatchewan.

The Company and a public company with common directors have entered into a 50:50 joint venture for this project.

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3. MINERAL INTERESTS AND EXPLORATION COSTS (CONTINUED)

h. Serpent River Project (Ontario)

The Company has entered into an agreement to acquire a 100% interest in ten mining claims in the Sault Ste. Marie Mining Division, Elliot Lake area, in Northern Ontario. Terms of the agreement include the issuance of a total 500,000 common shares (100,000 issued for \$40,000) and \$500,000 in cash payments at prescribed intervals up to December 12, 2010 (paid \$100,000). In addition, there is a 2.0% net smelter return relating to the acquisition. The Company may at any time purchase 1.0% of the NSR for \$1.5 million. A finders fee of a total of 50,000 common shares (10,000 issued for \$4,000) and \$50,000 cash (paid \$5,000) is also payable.

i. Commitments

In order for the Company to maintain its interest in its mineral properties, it will be required to make the following option payments:

Malachite	\$40,000	Should the Company dispose of any portion of the property to a major producing mining company
Crackingstone	\$10,000	by April 11, 2008 (paid \$5,000 April 10, 2007)
Central Mineral Belt	\$22,500	by April 11, 2008 (Paid \$7,500 April 10, 2007)
Cup Lake	\$1,000,000	by December 1, 2009
Serpent River	\$400,000	by December 12, 2010

4. RELATED PARTY TRANSACTIONS AND MANAGEMENT

The Company shares office facilities and has common management and directorships with a number of public and private corporations. The Company is charged for office rentals and administrative services on a proportional cost basis. Charges of \$11,510 (2006 - \$4,500) were made in the period by related companies. Management believes that the methods of cost allocations and resultant costs are reasonable.

Amounts owing to related parties are unsecured and non-interest bearing.

The Company has entered into an agreement with a company with a common director to pay \$3,500 per month for management fees. The agreement expires on February 1, 2008.

5. INCOME TAXES

INTERNATIONAL MONTORO RESOURCES INC.
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As at August 31, 2006, the Company has operating losses of approximately \$692,000 and resource-related expenditures of approximately \$1,801,000 available for carry-forward to reduce future years' taxable income. No future income tax benefit has been recognized in the accounts.

6. SHARE CAPITAL

- a. Authorized: Unlimited common shares without par value
- b. Issued and Outstanding

	<u>SHARES</u>	<u>VALUE</u>
Balance August 31, 2005	21,687,624	\$ 3,186,499
Consolidation 5 old for 1 new	(17,350,099)	-
Shares for mineral interests	480,000	169,500
Shares issued for cash, private placement	3,000,000	360,000
Shares issued for cash, private placement (flowthrough shares)	1,036,667	155,500
Shares issued for cash, private placement of units	472,600	118,150
Shares issued for finders fees	72,000	-
Less share issue costs	-	(25,570)
Future income taxes on renounced resource- related expenditures (flow-through shares)	-	(53,057)
Balance August 31, 2006	<u>9,398,792</u>	<u>3,911,022</u>
Shares issued to the exercise of warrants	1,792,734	384,487
Shares issued for cash, private placement of units	1,220,000	305,000
Shares issued to the exercise of options	105,000	16,275
Shares for mineral interests	110,000	44,000
Shares issued for finders fees	72,000	-
Transfer from contributed surplus		11,938
Balance February 28, 2007	<u><u>12,698,526</u></u>	<u><u>\$ 4,672,722</u></u>

INTERNATIONAL MONTORO RESOURCES INC.
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7. SHARE CAPITAL CONT'D

c. Share Issue Commitments - Share Purchase Warrants

<u>Aug 31</u> <u>2006</u>	<u>Issued</u>	<u>(Exercised)</u>	<u>Feb 28</u> <u>2007</u>	<u>Terms</u>
2,018,334	-	(1,533,334)	485,000	\$.20 and 2 warrants to March 3, 2007 \$.30 and 2 warrants to March 3, 2008
300,000	-	-	300,000	\$.40 and 1 warrant to June 28, 2007 \$.50 and 1 warrant to June 28, 2008
482,600	-	(259,400)	223,200	\$.30 and 1 warrant to July 21, 2007 \$.40 and 1 warrant to July 21, 2008
-	1,292,000	-	1,292,000	\$.30 and 1 warrant to July 21, 2007 \$.40 and 1 warrant to July 21, 2008
<hr/> 2,800,934	<hr/> 1,292,000	<hr/> (1,792,734)	<hr/> 2,300,200	

d. Incentive Stock Options

The Company has an incentive stock option plan for which options granted have a maximum term of four years. The exercise price of each option equals the market price of the Company's shares on the date of the grant.

Details of directors, employee and consultant share purchase options are as follows:

	<u>Number of</u> <u>Shares</u>	<u>Weighted</u> <u>Average</u> <u>Exercise Price</u>
Balance August 31, 2006	430,000	\$.11
Granted	500,000	.25
Exercised or expired	(165,000)	.28
Balance February 28, 2007	<hr/> 765,000	<hr/> \$.217

<u>Aug 31</u> <u>2006</u>	<u>Issued</u>	<u>(Expired)</u> <u>(Exercised)</u>	<u>Nov 30</u> <u>2007</u>	<u>Terms</u>
60,000	-	(60,000)	-	\$.50 to January 30, 2007
370,000	-	(105,000)	265,000	\$.155 to January 31, 2008
-	500,000	-	500,000	\$.25 to October 31, 2007
<hr/> 430,000	<hr/> 500,000	<hr/> (165,000)	<hr/> 765,000	

7. SHARE CAPITAL CONT'D

INTERNATIONAL MONTORO RESOURCES INC.
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e. Stock-Based Compensation

The Company has elected to measure compensation costs using the fair value-based method for employee and non-employee stock options. Compensation costs are determined based on the fair value of the options at the grant date using the Black-Scholes option-pricing model.

f. Contributed surplus

	Nov 30 2007	Aug 31 2006
Arising on cancellation of escrow shares	\$ 3,518	\$ 3,518
Arising from stock-based compensation	100,510	62,145
	<u>\$ 104,028</u>	<u>\$ 65,663</u>

8. SUPPLEMENTAL INFORMATION

Disaggregation of certain administration expenses for the periods ended February 28, 2007 and 2006 is:

	<u>2007</u>	<u>2006</u>
Office and Miscellaneous		
Related party administration charges	\$ 6,740	\$ 1,800
Office supplies, courier and miscellaneous	12,468	306
	<u>\$ 19,208</u>	<u>\$ 2,106</u>
Professional Fees		
Accounting and audit	\$ 795	\$ 400
Legal	2,000	15,991
	<u>\$ 2,795</u>	<u>\$ 16,391</u>
Travel and Promotion		
Promotion	\$ 46,674	\$ 2,045
Shareholder communication	8,854	1,856
Travel	2,694	459
	<u>\$ 58,222</u>	<u>\$ 4,360</u>

9. SUBSEQUENT EVENTS

INTERNATIONAL MONTORO RESOURCES INC.
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a. Exercise of Warrants

Subsequent to February 28, 2007, the Company issued 380,000 shares pursuant to the exercise of share purchase warrants at \$0.20 for total proceeds of \$76,000.

b. Property Payments

Subsequent to February 28, 2007 the Company paid the April 11, 2007 property payments of \$5,000 regarding the Crackingstone – Sask. Property; and \$7,500 regarding the Central Mineral Belt – Labrador property.

c. Property Dispositions:

On April 16,2007 the Company together with Belmont Resources Inc. (50/50 j.v.) entered into an option agreement with Ultra Uranium Corp. (“Ultra”), whereby Ultra can acquire a 65% interest in the Orbit Lake claims. Upon earning a 65% interest in the Orbit, Ultra will then have the right to also acquire an interest in the adjoining Crackingstone uranium property located in the Uranium City, Saskatchewan area. The agreement is subject to regulatory approval.

On April 19,2007 the Company together with Belmont Resources Inc. (50/50 j.v.) entered into an option agreement with International Alliance Resources Inc. (“Alliance”), whereby Alliance can acquire a 51% interest in the Shaver Lake claims, Red Lake Mining Division, Ontario. The agreement is subject to regulatory approval.