INTERNATIONAL MONTORO RESOURCES INC.
(An Exploration Stage Company)

Financial Statements

November 30, 2008
Unaudited

(with comparative unaudited figures for November 30, 2007)

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.
(An Exploration Stage Company)

Balance Sheets

		November 30 2008		August 31 2008
ASSETS				
Current				
Cash	$	16,431	$	27,193
Goods and services tax receivable		4,092		27,154
Marketable securities (Note 3)		4,250		14,500
Prepaid expenses		11,271		22,542
		36,044		91,389
Equipment (Note 4)		1,352		1,462
Mineral Interests and Deferred Exploration Costs (Note 5)		2,130,004		2,129,906
	$	2,167,400	$	2,222,757
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	26,526	$	25,773
Owing to related parties (Note 6)		402,029		385,704
		428,555		411,477
SHAREHOLDERS' EQUITY				
Share capital (Note 7)		7,589,567		7,571,263
Share subscription (Note 7)		5,000		11,250
Contributed surplus (Note 7)		365,197		331,302
Accumulated other comprehensive loss		(45,250)		(35,000)
Deficit		(6,175,669)		(6,067,535)
		1,733,845		1,811,280
	$	2,167,400	$	2,222,757

Going Concern (Note 1)
Subsequent Events (Note 10)
Commitments (Note 5 i)

Approved by the Directors: *"Gary Musil"* Director *"Roger Agyagos"* Director

INTERNATIONAL MONTORO RESOURCES INC.
(An Exploration Stage Company)

Statements of Operations and Deficit

Three months ended November 30,		2008		2007
Administrative expenses				
Amortization	$	110	$	-
Bank charges and interest		111		216
Consulting and finder's fees		10,500		8,500
Filing fees and transfer agent		4,002		3,293
Management fees (Note 6)		13,500		10,500
Office and miscellaneous		2,172		4,268
Professional fees		3,395		1,600
Property maintenance costs		2,740		-
Rent		2,475		2,385
Salaries and benefits		7,429		7,833
Stock based compensation (Note 7e)		33,849		24,622
Telephone		220		508
Travel and promotion		27,667		42,776
Loss from operations		108,170		106,501
Other Items				
Interest income		(36)		(4,543)
Net loss for the period		108,134		101,958
Deficit, beginning of the period		6,067,535		3,789,709
Deficit, end of the period	$	6,175,669	$	3,891,667
Loss per share – basic and diluted	$	(0.005)	$	(0.006)
Weighted average number of shares outstanding		23,752,042		17,339,075

INTERNATIONAL MONTORO RESOURCES INC.
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Statements of Comprehensive Loss

Three months ended November 30,		**2008**		**2007**
NET LOSS FOR THE PERIOD BEFORE OTHER COMPREHENSIVE LOSS	$	(108,134)		(101,958)
Unrealized (loss) gain on available for sale investment (Note 3)		(10,250)		12,500
COMPREHENSIVE LOSS FOR THE PERIOD	$	(118,384)	$	(89,458)

INTERNATIONAL MONTORO RESOURCES INC.
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Statements of Accumulated Other Comprehensive Loss

Three months ended November 30,		**2008**		**2007**
ACCUMULATED OTHER COMPREHENSIVE LOSS	$	(35,000)	$	-
Unrealized (loss) gain on available for sale investment for the year (Note 3)		(10,250)		12,500
ACCUMULATED OTHER COMPREHENSIVE (LOSS) GAIN – END OF PERIOD BALANCE	$	(45,250)	$	12,500

INTERNATIONAL MONTORO RESOURCES INC.
(An Exploration Stage Company)

Statements of Cash Flows

Three months ended November 30,	**2008**	**2007**
CASH PROVIDED (USED) BY		
Operating activities		
Net loss for the period	$ (108,134)	$ (101,958)
Items no requiring an outlay of cash		
Amortization	110	-
Stock-based compensation	33,849	24,622
	(74,175)	(77,336)
Changes in non-cash working capital items		
Goods and services tax receivable	23,061	(12,636)
Prepaid expenses	11,271	(24,968)
Accounts payable	753	(13,792)
	(39,090)	(128,731)
Financing activities		
Owing to related parties	16,326	(552)
Share capital issued for cash	19,250	6,250
Share issuance costs	(900)	
Share subscription advances	(6,250)	-
	28,426	5,698
Investing activities		
Accounts payable and amounts owing to related parties related to exploration	-	(29)
Mineral property interests and deferred exploration costs	(98)	(366,153)
	(98)	(366,182)
Change in cash for the year	(10,762)	(489,216)
Cash, beginning of year	27,193	878,710
Cash, end of year	$ 16,431	$ 389,494
Supplemental Information		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

Supplemental Cash Flow Information (Note 8)

INTERNATIONAL MONTORO RESOURCES INC.
(An Exploration Stage Company)

Schedule of Mineral Property Interests and Exploration Costs

Three months ended November 30,	**2008**	**2007**
Crackingstone River Project (Saskatchewan)		
Administration and travel	$ -	$ 19,383
Assays and sampling	-	45,135
Airborne surveys	-	2,845
Geological and geophysical	-	7,200
	-	74,563
Cup Lake Project (British Columbia)		
Acquisition costs	-	989
	-	989
Serpent River Project (Ontario)		
Administration and travel	-	27,696
Assays and sampling	98	11,494
Airborne surveys	-	125
Drilling	-	248,786
Geological and geophysical	-	2,500
	98	290,601
EXPENDITURES FOR THE PERIOD	98	366,153
DEFERRED COSTS BEGINNING OF PERIOD	2,129,906	1,967,907
DEFERRED COSTS END OF PERIOD	**$ 2,130,004**	**$ 2,334,060**
SUMMARY OF PROJECT COSTS		
MALACHITE PROJECT (NEW BRUNSWICK)	$ 184,702	$ 184,702
RED LAKE PROJECT (ONTARIO)	197,719	197,719
CRACKINGSTONE RIVER PROJECT (SASKATCHEWAN)	837,421	181,084
CENTRAL MINERAL BELT PROJECT (LABRADOR)	47,042	47,317
CUP LAKE PROJECT (BRITISH COLUMBIA)	1	1,077,588
ORBIT LAKES PROJECT (SASKATCHEWAN)	(13,420)	(13,420)
SERPENT RIVER PROJECT (ONTARIO)	876,539	659,070
	$ **2,130,004**	$ **2,334,060**

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. At November 30, 2008, the Company had not yet achieved profitable operations, has a working capital deficit of $397,511, has accumulated losses of $6,175,669 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. 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.

2. ACCOUNTING POLICIES

Accounting changes

Effective September 1, 2007, the Company implemented the new CICA Handbook Section 1506 "accounting changes". Under these new recommendations, voluntary changes in accounting policies are permitted only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policies to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and requires enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements.

Changes in Accounting Policies

Effective September 1, 2007, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation and Section 3865, Hedges. These new Handbook Sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are initially measured in the balance sheet at fair value. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets and liabilities are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at their fair value with changes in fair value recorded in other comprehensive income. Loans and receivables, held-to-maturity instruments and other financial liabilities, are measured at amortized cost.

As a result of the adoption of these new standards, the Company has classified its marketable securities as available-for-sale. Cash is classified as held for trading. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities and amounts owing to related parties are classified as other liabilities, which are measured at amortized cost. There was no effect on the opening balances as a result of adopting these new standards.

Transactions costs on financial assets and financial liabilities classified as other than held for trading are expensed.

2. ACCOUNTING POLICIES (CONTINUED)

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 until the property is sold, abandoned or put into production.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Management reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results and upon management’s assessment of the future probability of profitable revenues from the property or sale of the property.

Exploration costs renounced due to Flow-through Share Subscription Agreements remain capitalized, however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses.

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. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.

Certain of the Company’s exploration activities related to mineral properties are conducted jointly with the others. The accounts reflect only the Company’s proportionate interest in such activities.

The Company records mineral exploration tax credits on an accrual basis.

b. Asset Retirement Obligations

Asset retirement obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. An asset retirement obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding asset retirement cost recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset’s useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value.

2. ACCOUNTING POLICIES (CONTINUED)

c. 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.

d. Flow-Through Common Shares

The Company provides certain share subscribers with a flow-through component for tax benefits available on qualifying Canadian exploration, development and related provincial grants. Upon renunciation forms being filed with the appropriate tax authorities, the Company will reduce share capital and record a temporary future income tax liability for the amount of the tax deduction renounced to shareholders. In instances where the Company has sufficient deductible temporary differences available to offset the renounced tax deductions, the realization of the deductible temporary differences will be credited to income in the period of renunciation.

e. Stock-Based Compensation Plans

The Company has adopted an incentive stock option plan which is described in Note 7d.

The Company accounts for stock options granted to directors, officers, employees and nonemployees using the fair value method of accounting. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and stock-based compensation is accrued and charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting periods. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon remeasurement. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

f. Income Taxes

The Company accounts for income taxes whereby the cost (benefit) of current and future income taxes is recognized as income tax expense in the determination of results of operations for the period. Future income tax liabilities (assets) are the amount of income taxes arising from taxable temporary differences between the tax bases of an asset or liability and losses carried forward and its carrying amount in the balance sheet. Income tax assets are recognized when they are more likely than not to be realized and are measured using the income tax rates and laws that are expected to apply at the time of settlement or realization.

g. Loss per Share

Basic loss per share is computed by dividing net loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

2. ACCOUNTING POLICIES (CONTINUED)

g. Loss per Share (continued)

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same.

h. Share Issue Costs

Share issue costs incurred on the issue of the Company's shares are charged directly to share capital.

i. Equipment

Equipment is amortized using the declining-balance method at a rate of 30% per annum for computer equipment.

j. Valuation of warrants

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

Recent accounting pronouncements

Assessing going concern

The Canadian Accounting Standards Board ("AcSB") amended CICA Handbook Section 1400 "General Standards of Financial Statement Presentation", to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008 and has been adopted by the Company effective September 1, 2008. This section relates to disclosures and will not have an impact on the Company's financial results.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008 and is not expected to have an impact on the Company's financial results at adoption on September 1, 2009.

2. ACCOUNTING POLICIES (CONTINUED)

Recent accounting pronouncements (continued)

Capital disclosures

The AcSB issued CICA Handbook Section 1535 "Capital disclosures" The section specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007 and will be adopted by the Company on September 1, 2008. This section relates to disclosures and will not have an impact on the Company's financial results.

Financial instruments

In December 2006, the CICA issued Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation" to replace Section 3861. These sections apply to interim and annual financial statements for fiscal periods beginning on or after October 1, 2007.

Section 3862 enhances standards for disclosures about financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Section 3863 carries forward from 3861 the standards for presentation of financial instruments and non-financial derivatives. These sections will be adopted by the Company on September 1, 2008. The effect on the Company's financial statements is not expected to be material.

International financial reporting standards ("IFRS")

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011. While the Company has begun assessing the adoption of IFRS for 2012, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. MARKETABLE SECURITIES

	November 30 2008	August 31 2008
Ultra Uranium Corp. (37,500 shares; cost of $20,625)	$ 1,500	$ 4,875
Crosshair Exploration and Mining Corp. (25,000 shares; cost of $69,750)	2,750	9,625
	$ 4,250	$ 14,500

The valuation of the above shares has been determined in whole by reference to the bid price of the shares on the appropriate exchange on November 30, 2008. At that date, the bid price of Ultra Uranium Corp. was $0.04 and Crosshair Exploration and Mining Corp. was $0.11.

4. EQUIPMENT

	Cost	Accumulated Amortization	November 30 2008 Net Book Value	August 31 2008 Net Book Value
Computer equipment	$ 1,720	$ 368	$ 1,352	$ 1,462

5. 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 $124,702 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 together with Belmont Resources Inc. (a public company with common directors) have entered into an option agreement with International Alliance Resources Inc. (“Alliance”), whereby Alliance can acquire a 51% interest in the aforementioned claims. The agreement with Alliance is in default and the parties are negotiating an extension to the agreement.

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 Belmont Resources Inc. (a public company with common directors) have entered into a 50:50 joint venture for all the Red Lake properties and mineral rights.

c. 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.

5. MINERAL INTERESTS AND DEFERRED EXPLORATION COSTS (CONTINUED)

d. Crackingstone River Project (Saskatchewan)

The Company and Belmont Resources Inc. (a public company with common directors) have entered into an agreement to acquire a 100% interest (50% interest for the Company) in a 750 hectare claim block in northern Saskatchewan near Uranium City. Terms of the agreement include cash payment of $15,000 (paid) and issuance of 50,000 shares (issued for $12,500). The property is subject to a 2% net smelter royalty.

The Company and Belmont Resources Inc. (a public company) have entered into a 50:50 joint venture for this project.

The Company together with Belmont Resources Inc. have entered into an additional agreement to acquire a 100% interest (50% interest for the Company) in an adjoining 232 hectare claim block for $5,000 ($2,500 paid by the Company).

See Subsequent Events (Note 10 d.)

e. Central Mineral Belt Project (Labrador)

The Company and Belmont Resources Inc. (a public company with common directors) have entered into an agreement to acquire a 100% interest (50% interest for the Company) in three claim blocks (128 units approximately 4,000 hectares) in the Central Mineral Belt Uranium District, Labrador. Terms of the agreement include cash payments totaling $30,000 (paid $15,000) 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 Belmont Resources Inc. (a public company have entered into a 50:50 joint venture for this project.

In April 2007 the Company and Belmont Resources Inc. staked an additional one claim block (11 units) adjacent to its eastern (Stormy Lake) group.

The Company, together with Belmont Resources Inc., entered into an option agreement with Crosshair Exploration & Mining Corp. ("Crosshair"), whereby Crosshair can acquire a 75% interest in the Central Mineral Belt Project (Stormy Lake & Partridge River) claims by incurring $800,000 in exploration expenditures, issuing to the Companies up to 175,000 common shares (received 25,000 shares) over a three-year period and assuming cash payments to the vendor. Crosshair has decided not to continue with this project and all interests reverted to the Company and Belmont Resources Inc..

The Company and Belmont Resources Inc. have decided not to earn any further interest in the CMB properties at this time and have earned a 75% (each as to 37-1/2%) interest in these claims.

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 warrants expired unexercised on June 28, 2008.

5. MINERAL INTERESTS AND DEFERRED EXPLORATION COSTS (CONTINUED)

f. Cup Lake Project (British Columbia) (continued)

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 (issued 4,000,000 for $1,200,000); staged cash payments of $1,000,000 (paid $500,000) to December 1, 2009; and minimum exploration expenditures of $800,000 over four years to December 1, 2010.

On April 24, 2008, the B.C. Government imposed a ban on uranium exploration and development, constructively halting the development of the Cup Lake uranium project. The ban has negatively impaired the property. Consequently, the capitalized mineral property acquisition costs and expenditures of $1,930,059 have been written down to a nominal value of $1.

On May 31, 2008 the Company notified the vendors of the property of initiating the force majeure clause and suspension of obligations including further cash, share payments, and exploration expenditures. In the interim, the Company will keep the Cup Lake claims in good standing until the Company can assess its legal recourse in the property.

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 Belmont Resources Inc. (a public company with common directors) have entered into a 50:50 joint venture for this project.

The Company and Belmont Resources Inc. (its joint venture partner) have entered into an option agreement with Ultra Uranium Corp. (“Ultra”), whereby Ultra can acquire a 65% interest in the Orbit Lake claims by making cash payments totaling $150,000 (received $25,000 each) , issuing 175,000 common shares of Ultra (received 37,500 shares each) and completing $2 million in exploration expenditures over three years, with a minimum of $300,000 (incurred by Ultra) in exploration to occur in the first year.

Upon earning its 65% interest, Ultra will also have the right to acquire an interest in the adjoining Crackingstone uranium property located in the Uranium City, Saskatchewan area.

As at November 30, 2008, Ultra had not paid the first anniversary property payment of $50,000 (the Company’s portion being $25,000) nor the 50,000 Ultra common shares (the Company’s portion being 25,000 shares), and the agreement is in default.

h. Serpent River Project (Ontario)

The Company has acquired 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 (200,000 issued for $80,000) and $500,000 in cash payments at prescribed intervals up to December 12, 2010 (paid $200,000). 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 25,000 common shares (10,000 issued for $4,000) and $25,000 cash (paid $5,000) is also payable.

5. MINERAL INTERESTS AND DEFERRED EXPLORATION COSTS (CONTINUED)

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
Cup Lake	$750,000	by December 1, 2009 (See Note 5(f) re Force Majeure in effect)
Serpent River	$300,000	by December 12, 2010

6. 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 $6,048 (2007 - $5,999) were made in the period by related companies.

The Company and Belmont Resources Inc. (a public company related through common directors), are 50:50 joint venture partners in the Crackingstone, Saskatchewan properties. Belmont Resources Inc. is acting as the operator and incurs the expenditures for the project and bills the Company 50% cost plus a 5% administration fee. Charges of $nil (2007 - $73,637) were incurred in the period. Amounts owing to related parties are unsecured, have no fixed terms of repayment and are non-interest bearing, accordingly, fair value cannot be determined.

The Company has entered into an agreement with the Chief Executive Officer, a director to pay $4,500 per month for management fees. During the period a total of $13,500 (2007 - $10,500) was accrued. The agreement expires on February 1, 2010.

Management is of the opinion that these transactions were undertaken in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by related parties).

7. SHARE CAPITAL

a. Authorized: Unlimited common shares without par value

7. SHARE CAPITAL (CONTINUED)

b. Issued and Outstanding

	SHARES	VALUE
Balance August 31, 2007	17,338,526	$ 6,302,839
Shares issued for cash, private placement of units	3,130,000	490,750
Shares issued on the exercise of options	290,000	47,325
Shares issued on the exercise of warrants	800,000	240,000
Shares for mineral interests	2,100,000	640,000
Transfer from contributed surplus	-	34,018
Share issue costs	-	(35,843)
Fair value of brokers warrants	-	(1,680)
Tax benefits renounced	-	(146,146)
Balance August 31, 2008	23,658,526	$ 7,571,263
Shares issued for cash, private placement of units	115,000	19,250
Share issue costs	-	(900)
Fair value of brokers warrants	-	(46)
Balance November 30, 2008	23,773,526	$ 7,589,567

On September 17, 2008, the Company issued 75,000 units at $0.15 per unit for gross proceeds of $11,250. The unit financing consisted of one common share and one non-transferable common share purchase warrant. One warrant will entitle the holder to purchase one additional common share of the Company for a period of 180 days (March 16, 2009) at a price of $0.30 per share. For the following 365 days, two share purchase warrants will be required to purchase one additional share of the Company at a price of $0.30 per share. The warrants expire March 17, 2010.

On September 17, 2008, the Company issued 40,000 flow-through units at $0.20 per unit for gross proceeds of $8,000. The unit financing consisted of one flow-through common share and one non-transferable common share purchase warrant. The warrant terms and price are the same as those attached to the non flow-through units indicated above. The warrants expire March 17, 2010.

Finders fees of $900 in cash were paid in connection with the above private placements. and 4,000 broker's warrants with a fair value of $46 were issued on the above financing. The broker's warrants contain the same terms as the private placement warrants. Broker's warrants were valued using an expected volatility of 102.81%, a risk-free interest rate of 1.1%, an expected life of 1.5 years, and an expected dividend yield of 0.00%; resulting in a fair value of $0.0115 per warrant.

On June 3, 2008, the Company issued 2,705,000 units at $0.15 per unit for gross proceeds of $405,750. The unit financing consisted of one common share and one non-transferable common share purchase warrant. One warrant will entitle the holder to purchase one additional common share of the Company for a period of 180 days (December 3, 2008) at a price of $0.30 per share. For the following 365 days, two share purchase warrants will be required to purchase one additional share of the Company at a price of $0.30 per share. The warrants expire December 3, 2009.

On June 3, 2008, the Company issued 425,000 flow-through units at $0.20 per unit for gross proceeds of $85,000. The unit financing consisted of one flow-through common share and one non-transferable common share purchase warrant. The warrant terms and price are the same as those attached to the non flow-through units indicated above. The warrants expire December 3, 2009.

7. SHARE CAPITAL (CONTINUED)

c. Issued and Outstanding (continued)

Finders fees of $31,000 in cash were paid, $4,843 in share issue costs were incurred, and 48,000 broker's warrants with a fair value of $1,680 were issued on the above financing. The broker's warrants contain the same terms as the private placement warrants. Broker's warrants were valued using an expected volatility of 88.39%, a risk-free interest rate of 2.85%, an expected life of 1.5 years, and an expected dividend yield of 0.00%; resulting in a fair value of $0.035 per warrant.

On January 4, 2008, the Company issued a total of 2,000,000 shares at $0.30 per share pursuant to a property acquisition agreement for a value of $600,000 based on the trading price on the date of the issuance of the shares.

On December 12, 2007, the Company issued a total of 100,000 shares at $0.40 per share pursuant to a property acquisition agreement for a total value of $40,000 based on the trading price on the date of the issuance of the shares.

d. Share Issue Commitments - Share Purchase Warrants

August 31 2008	Issued	(Expired)	(Exercised)	November 30 2008	Terms
492,000	-	-	-	492,000	$.40 and 1 warrant to January 19, 2009
478,878	-	-	-	478,878	$.35 and 1 warrant to June 26, 2009
440,922	-	-	-	440,922	$.35 and 1 warrant to July 14, 2009
122,300	-	-	-	122,300	$.35 and 1 warrant to August 1, 2009
3,178,000	-	-	-	3,178,000	$.30 and 1 warrant to December 3, 2009
-	119,000	-	-	119,000	$.30 and 1 warrant to March 16, 2010
4,712,100	119,000	-	-	4,831,100	

e. Incentive Stock Options

The Company has an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to the options granted under the Plan may not exceed 10% of the number of issued shares of the Company at the time of granting of the options. Options granted under the Plan will not be less than the discounted market price of the common shares (defined as the last closing market price per share of the Company's common shares on the trading day immediately preceding the day on which the Company announces the grant of the options, less the maximum discount permitted under TSX Venture Exchange policies), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted under the plan vest immediately, except for consultants conducting investor relations activities which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three month period subsequent to the date of the grant of the option.

7. SHARE CAPITAL (CONTINUED)

e. Incentive Stock Options (continued)

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

	Number of Shares	Weighted Average Exercise Price
Outstanding and exercisable August 31, 2007	1,395,000	.28
Granted	1,110,000	.27
Exercised	(290,000)	.16
Expired	(25,000)	.25
Outstanding August 31, 2008	2,190,000	$ .29
Exercised	-	
Expired	(350,000)	.25
Outstanding November 30, 2008	1,840,000	$ .30
Exercisable November 30, 2008	1,714,000	$ .29

August 31, 2008	Granted	(Expired)	(Exercised)	November 30, 2008	Terms
350,000	-	(350,000)	-	-	$.25 to October 31, 2008
730,000	-	-	-	730,000	$.35 to July 31, 2009
100,000	-	-	-	100,000	$.35 to October 22, 2009
130,000	-	-	-	130,000	$.40 to November 15, 2009
130,000	-	-	-	130,000	$.50 to November 15, 2009
550,000	-	-	-	550,000	$.20 to April 16, 2010
200,000	-	-	-	200,000	$.20 to July 16, 2011
2,190,000	-	(350,000)	-	1,840,000	

f. Stock-Based Compensation

The fair values of options granted during the current period was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	November 30 2008	August 31 2008
Expected volatility	102.81 %	107.49 %
Risk-free interest rate	1.11 %	3.33 %
Expected life	1.5 years	2.18 years
Expected dividend yield	0.00 %	0.00 %
Fair value of options granted to employees	$ 0.00	$ 0.08
Fair value of options granted to non-employees	$ 0.02	$ 0.15

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

7. SHARE CAPITAL (CONTINUED)

g. Contributed surplus

	November 30 2008	August 31 2007
Opening balance	$ 331,302	$ 294,224
Value of agents warrants	46	1,680
Exercise of options	-	(34,018)
Arising from stock-based compensation	33,849	69,416
	$ 365,197	$ 331,302

8. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities during the three months ended November 30, 2008 and 2007 as follows:

	2008	**2007**
Non-cash financing activities:		
Items affecting share capital:		
Transfer from contributed surplus	$ -	3,889
Fair value of brokers warrants	(46)	-
Share issue costs	-	-
Contributed surplus	46	(3,889)
	$ -	$ -

9. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern largely through equity financing. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record, and the experience of management. The capital structure of the Company consists of shareholder's equity, comprising issued capital and deficit.

Financial risk management

The Company monitors and manages the financial risks relating to operations through analysis of exposures by degree and magnitude of risks. These risks include credit risk, market risk and liquidity risk.

Credit risk
Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company.

Market risk
Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of resources. The Company does not currently hold any financial instruments that mitigate this risk.

9. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk
Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost.

10. SUBSEQUENT EVENTS

a. Subsequent to November 30, 2008, a total of 1,589,000 share purchase warrants expired on December 3, 2008.

b. On December 12, 2008, the Company issued 100,000 common treasury shares at a deemed price of $0.40 to the vendors of the Serpent River property as per the 2nd anniversary property payment. A finder's fee of 5,000 common shares were also issued.

c. Subsequent to November 30, 2008, a total of 492,000 share purchase warrants exercisable at $0.40 expired on January 19, 2009.

d. On December 29, 2008 the Company and Belmont Resources Inc. ("Belmont") entered into an Option Agreement with Merrex Gold Inc. ("Merrex") to option 50% interest in their jointly owned Crackingstone Property. Pursuant to the terms of the option agreement, Merrex will issue the Company and Belmont 1,200,000 common shares of Merrex (600,000 shares to each of Montoro and Belmont) and will incur $1,200,000 of exploration expenditures in the first year and may incur an further $2,400,000 of exploration in the second year to earn up to 50% interest in the Crackingstone property. The Company and Belmont have subsequently received the shares and the shares are subject to a four month hold period until April 30, 2009. The option agreement received TSX Venture Exchange approval on December 30, 2008.

e. On December 29, 2008 the Company and Belmont Resources Inc. entered into a Purchase and Sales Agreement with Merrex to acquire one-half of Merrex's 50% interest (net 25%) interest in the West Voisey's Bay Joint Venture ("WVBJV") for $1.2 million. Merrex with retain a net 25% participating interest in the WVBJV. Upon completion of this acquisition the West Voisey's Bay ("WVB") Property will be held in a joint venture between the Company (12.5%), Belmont (12.5%), Merrex (25%), and Celtic Minerals Ltd. (50%). Celtic is the WVBJV operator.