VALTERRA RESOURCE CORPORATION

(An Exploration Stage Company)

Interim Financial Statements

Nine Months Ended September 30, 2007

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements of the Company for the nine months ended September 30, 2007 were prepared by management and have not been reviewed or audited by the Company's auditors.

VALTERRA RESOURCE CORPORATION
(An Exploration Stage Company)
Balance Sheet
Expressed in Canadian Dollars

		September 30 2007 (Unaudited)	December 31 2006 (Audited)
Assets			
Current			
Cash		$ 1,453,414	$ 175,846
GST receivable		5,421	7,111
Prepaid expenses		8,338	299
		1,467,173	183,256
Investments	note 4	4	4
Mineral property	note 5	89,170	49,593
		$ 1,556,347	$ 232,853
Liabilities			
Current			
Bank indebtedness	note 6	$ 199,801	$ 196,533
Accounts payable and accrued liabilities		126,471	253,094
Due to related parties	note 9	72,828	100,735
		399,100	550,362
Shareholders' Equity			
Share Capital	note 7	6,731,530	5,091,426
Subscription receivable	note 7(d)	0	(17,500)
Contributed and other surplus		44,182	0
Deficit		(5,618,465)	(5,391,435)
		1,157,247	(317,509)
		$ 1,556,347	$ 232,853

Nature of Operations and Going-Concern (note 1)
Contingencies (note 12)

Approved on Behalf of the Board *"Lawrence Page" (signed)* *"Robert Liverant" (signed)*

Lawrence Page Robert Liverant

The accompanying notes are an integral part of these financial statements. The interim financial statements and accompanying notes have not been reviewed by the Company's auditors.

VALTERRA RESOURCE CORPORATION
(An Exploration Stage Company)
Statement of Operations And Deficit
Expressed in Canadian Dollars
Unaudited

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Expenses				
Consulting	$ 52,500	$ 0	$ 53,875	$ 0
General exploration	3,844	2,700	13,564	2,700
Insurance	2,685	0	3,567	0
Interest and bank charges	3,901	16,008	11,506	133,607
Investor relations	2,529	90	5,538	90
Office and administration	21,363	23,509	66,008	54,891
Professional fees	57,231	5,200	128,260	23,129
Regulatory fees	330	1,050	18,755	1,050
Shareholders communications	467	0	1,290	0
Transfer agent	1,782	0	7,931	0
Travel and promotion	4,427	0	4,657	0
Loss Before Other Items	(151,059)	(48,557)	(314,951)	(215,467)
Foreign exchange	(8,455)	0	(8,455)	0
Interest income	0	0	11	0
Gain on Settlement of Debt	0	1,178,115	0	1,179,506
Gain on Written off Debt	96,365	0	96,365	0
Net Loss for the Period	(63,149)	1,129,558	(227,030)	964,039
Deficit, Beginning of the Period	5,555,316	6,611,782	5,391,435	6,446,263
Deficit, End of the Period	$ 5,618,465	$ 5,482,224	$ 5,618,465	$ 5,482,224
Earnings (loss) Per Share	$ (0.01)	$ 0.17	$ (0.02)	$ 0.29
Weighted Average Number of Common Shares Outstanding	11,396,569	6,498,876	11,210,179	3,360,736

Actual number of shares outstanding as at September 30, 2007 is 17,581,439.

The accompanying notes are an integral part of these financial statements. The interim financial statements and accompanying notes have not been reviewed by the Company's auditors.

VALTERRA RESOURCE CORPORATION
(An Exploration Stage Company)
Statement of Cash Flows
Expressed in Canadian Dollars
Unaudited

	Three Months Ended September 30 2007	Three Months Ended September 30 2006	Nine Months Ended September 30 2007	Nine Months Ended September 30 2006
Operating Activities				
Net income (loss)	$ (63,149)	$ 1,129,558	$ (227,030)	$ 964,039
Items not involving cash				
Gain on settlement of debt	0	(1,178,115)	0	(1,179,506)
Gain on written off payables	96,365	0	96,365	0
Accrued interest	0	10,881	0	106,820
Operating Cash Flow	(159,514)	(37,676)	(323,395)	(108,647)
Changes in Non-Cash Working Capital				
GST receivable	194	(542)	1,690	(1,496)
Prepaid expenses	3,644	0	(8,039)	0
Accounts payable and accrued liabilities	55,368	16,204	14,367	39,621
Due to related party	(112,344)	15,900	(27,907)	47,375
	(53,138)	31,562	(19,889)	85,500
Cash Used in Operating Activities	(212,652)	(6,114)	(343,284)	(23,147)
Investing Activity				
Expenditures on mineral property	(4,907)	0	(45,077)	(6,805)
Financing Activity				
Subscription received, net of share issue costs	0	210,000	0	240,000
Shares issued for cash, net of share issue costs	1,664,633	0	1,662,661	0
	1,664,633	210,000	1,662,661	240,000
Inflow of Cash	1,447,074	203,886	1,274,300	210,048
Bank Indebtedness, Beginning of the period	(193,461)	(194,070)	(20,687)	(200,232)
Cash , End of the period	$ 1,253,613	$ 9,816	$ 1,253,613	$ 9,816
Consisting of the following:				
Cash	$ 1,453,414	$ 207,557	$ 1,453,414	$ 207,557
Bank indebtedness	(199,801)	(197,741)	(199,801)	(197,741)
	$ 1,253,613	$ 9,816	$ 1,253,613	$ 9,816

For supplemental cash flow information (Note 10).

The accompanying notes are an integral part of these financial statements. The interim financial statements and accompanying notes have not been reviewed by the Company's auditors.

1. NATURE OF OPERATIONS AND GOING CONCERN

Valterra Resource Corporation (the "Company"), previously known as Valterra Wines Ltd., is an exploration stage enterprise incorporated under the laws of Alberta. The Company's shares were subject to cease trade orders made by the British Columbia Securities Commission on June 3, 2003 and the Alberta Columbia Securities Commission on July 18, 2003 (collectively know as "CTOs"). The CTOs were fully revoked on August 3, 2007.

The Company is engaged in the acquisition, exploration and development of precious metal properties and do not have any mineral properties in production. The Company has not determined whether these mineral properties contain ore reserves that are economically recoverable. The ability of the Company to meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral properties, is dependent on the Company's ability to obtain the necessary financing. The Company's shares trade on the New Stock Exchange ("CNQ") under the symbol VALT.

The unaudited interim financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles. The Company's reporting currency is the Canadian dollar and all dollar amounts in these statements are in Canadian dollars. These unaudited interim financial statements do not contain all of the information required for annual financial statements, and they should be read in conjunction with the Company's annual audited financial statements for the fiscal year ended December 31, 2006. All material adjustments necessary for a fair presentation of the results of the interim periods have been reflected.

2. ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

The results for the nine months ended September 30, 2007 were stated utilizing the same accounting policies and methods of application as the most recent annual financial statements, except for the following changes in accounting policies:

Financial Instruments - Recognition and measurement

The Company adopted the provisions of CICA Sections 3855, Financial Instruments - Recognition and Measurement on January 1, 2007 which addresses the classification, recognition and measurement of financial instruments and inclusion of other comprehensive income. Assets classified as available-for-sale securities are carried at fair value on the balance sheet and the resulting revaluation gains and losses are included in other comprehensive income (and not included in the income statements) until such time as the asset is disposed of or incurs a decline in fair value that is other than temporary. At such time, any gains and losses will then be realized and reclassified to the income statement. Adoption of these new standards will have no impact on the financial statements of the Company.

3. FINANCIAL INSTRUMENTS

(a) Fair value

The Company financial instruments comprise cash, accounts receivable, investments classified as available-for-sale, line of credit, accounts payable and accrued liabilities and due to related parties amounts.

Cash, accounts receivable, line of credit, accounts payable and accrued liabilities are reported at their fair values on the balance sheet. The fair values are the same as carrying values due to their short-term nature.

The fair value of available-for-sale investments are disclosed in the Note 4 to these financial statements.

The fair value of the due to related parties amount has not been determined due to the fact that the cash flow stream is not determinable and is carried at cost.

(b) Interest risk

The Company is exposed to interest rate cash flow risk on bank indebtedness, as the payments will fluctuate as interest rates fluctuate.

(c) Credit risk

The Company is not exposed to significant credit risk on its financial assets due to cash being placed with a major financial institution.

4. INVESTMENTS (each held at $1.00)

(a) Hester Creek Estate Winery

The Company holds 1,200 shares of HCEW out of a total of 1,001,200 shares, representing 0.12% of HCEW. The Company carries its investment at $1, being the exercise price of Investco's option to purchase the Company's 1,200 shares of HCEW.

4. INVESTMENTS (each held at $1.00) (continued)

(b) Abridean Inc.

The Company had invested $400,000 for 554,046 Class B preferred shares of Abridean Inc. The Class B preferred shares are convertible into common shares of Abridean Inc. on a one for one basis. At December 31, 2002, the Company wrote down Abridean Inc. to a nominal amount.

(c) BioVan Inc.

The Company had invested $750,000 in BioVan Inc. to obtain a minority equity interest. At December 31, 2001, the Company has recognized an other-than-temporary decline in the recoverable amount of this investment and accordingly had written the investment down to a nominal amount.

(d) Cardiovascular Solutions Inc.

The Company had invested $1,200,000 in preferred shares of CSI. The preferred shares are redeemable and retractable, are not entitled to a vote at shareholders' meetings, and are not convertible to common shares. At December 31, 2002, the Company wrote down the CSI shares to a nominal amount.

Prior to adoption of the Section 3855 of the *CICA Handbook* long-term investments were accounted for using the cost method for investments in which the Company holds a minority interest and exhibits no significant influence. On January 1, 2007 the Company adopted the change in accounting policies, accordingly all long term investments were recognized as financial assets designated as available for sale as there is no active market where the investments can be sold. The investments were carried at $1.00 which was the lower of its cost and estimated net recoverable amount. This amount is the fair value of each investment.

Unrealised holding gains and losses related to available-for-sale investments are excluded from net income and are included in other comprehensive income until such gains or losses are realized.

Expressed in Canadian Dollars

5. MINERAL PROPERTY

On July 21, 2006, Manex Resource Group Inc. (the "Assignor"), a related party, acquired an option from the Optionors to purchase the Swift Katie gold/copper property located near Salmo in the Nelson Mining District of southern British Columbia. The option was then assigned by the Assignor to the Company for which the Company paid the Assignor $2,500. The option agreement was amended February 7, 2007 to defer the date certain exploration expenditures had to be made from December 31, 2006 to June 30, 2007. On June 30, 2007 the agreement was further amended to change exploration expenditures requirement for June 30, 2007 to $35,000 and to accelerate a portion of the December 31, 2007 cash payment to the Optionors so that $12,500 will be paid out by June 30, 2007. This amount was paid to the Optionors as at June 30, 2006.

A summary of capitalized acquisition and exploration expenditures on the Company's Swift Katie property for the nine months ended September 30, 2007 is as follows:

	Balance December 31, 2006	Nine Months Ended September 30,2007	Balance September 30, 2007
Acquisition costs:			
Acquisition	$ 36,000	$ 16,145	$ 52,145
Shares returned to treasury	0	(5,500)	(5,500)
Total acquisition	36,000	10,645	46,645
Exploration costs:			
Assays and surveys	0	214	214
General exploration	0	5,427	5,427
Geological services	13,562	21,281	34,843
Travel and other	31	2,010	2,041
Total exploration costs	13,593	28,932	42,525
Total Mineral Property Expenditures	$ 49,593	$ 39,577	$ 89,170

Expressed in Canadian Dollars

5. MINERAL PROPERTY (continued)

A summary of capitalized acquisition and exploration expenditures on the Company's Swift Katie property for the year ended December 31, 2006 is as follows:

	Balance December 31 2005	Additions (Reductions) During the Year	Balance December 31 2006
Acquisition costs:			
Acquisition	$ 0	$ 36,000	$ 36,000
Total acquisition	0	36,000	36,000
Exploration costs:			
Geological services	0	13,562	13,562
Travel and other	0	31	31
Total exploration costs	0	13,593	13,593
Total Mineral Property Expenditures	$ 0	$ 49,593	$ 49,593

The Company can earn a 60% interest in the Swift Katie property by making the following cash payments and issuing shares to the Optionors and incurring the following exploration expenditures:

Date	Cash	Work	Shares
Signing	$ 12,500 *	$ 0	0
Upon approval of agreement by a recognized stock exchange	0	0	55,000 [B]
December 31, 2006	12,500 *	0	55,000 [C]
June 30, 2007	12,500 *	35,000 [A]	0
December 31, 2007	12,500	115,000	110,000
December 31, 2008	35,000	200,000	110,000
December 31, 2009	35,000	250,000	110,000
	120,000	600,000	440,000

* Full payments have been made
[A] Expenditures of $39,577 have been made at June 30, 2007
[B] Full amount of shares is to be issued subsequent to the period end.
[C] Full amount of shares have been issued at December 31, 2006

Expressed in Canadian Dollars

5. MINERAL PROPERTY (continued)

To earn the remaining 40% interest in the Swift Katie claim, the Company must make cash payments and issue shares to the Optionors and incur the following exploration expenditures:

Date	Cash	Work	Shares
December 31, 2010	$ 60,000	$ 350,000	225,000
December 31, 2011	60,000	350,000	225,000
	$ 120,000	$ 700,000	450,000

The Optionors of the property retain a 2% net smelter return royalty ("NSR") on the property if the Company earns a 60% interest and a 3% NSR if the Company earns a 100% interest in the property. The Company has the option to purchase one-half of the royalty for $1,000,000 per 1% any time prior to the commencement of commercial production.

Ownership in mineral properties involve certain inherent risks due to the difficulties in determining the validity of certain interests as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource property interests. The Company has investigated the ownership of its interests and, to the best of its knowledge, they are in good standing.

6. BANK INDEBTEDNESS

Bank indebtedness is due on demand, bears interest at prime plus 1% per annum and is secured by a letter of credit from Schroders (C.I.) in support of a guarantee by a company owned by a shareholder of the Company. See note 7(e) of these financial statements.

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value
Unlimited preference shares without par value

Expressed in Canadian Dollars

7. SHARE CAPITAL (continued)

(b) Issued and outstanding

As at September 30 2007, there were 17,581,439 common shares issued and outstanding. Share capital and contributed surplus transactions for the nine months ended September 30, 2007 and for the fiscal year ended December 31, 2006 are summarized as follows:

	Number of shares	Value of Shares	Contributed Surplus
Balance as at December 31, 2005	1,765,659	$ 3,217,354	$ -
Shares issued for cash:			
Private placement at $0.10 (note 7(d)).	3,000,000	300,000	-
Cash share issue costs	0	(623)	-
Shares issued in settlement of debt at $0.25 (note 7(c))	6,048,000	1,512,000	-
Shares allotted in settlement of debt at $0.25 but not issued (note 7(c))	46,780	11,695	-
Shares issued as consideration for a loan guarantee (note 7(e))	200,000	40,000	-
Shares issued for mineral property acquisition	110,000	11,000	-
Balance as at December 31, 2006	11,170,439	5,091,426	-
Shares returned to treasury	(55,000)	(5,500)	-
Shares issued for finders' fees	91,000	27,125	-
Shares issued for cash:	-	-	-
Private placement at $.25 per share, September 2007 (note 7 (d))	3,320,000	830,000	-
Private placement at $.30 per share, flow through shares, September 2007(note 7(d))	3,055,000	916,500	-
Cash share issue costs	-	(83,839)	-
Fair value of warrants issued for finders' fees	-	(44,182)	44,182
Balance as at September 30 2007	17,581,439	$ 6,731,530	$ 44,182

7. SHARE CAPITAL (continued)

(c) Shares issued for debt

On July 21, 2006, the Company entered into a debt settlement agreement with EACL whereby $2,636,269 of debt was settled by the assignment of the $250,000 HCEW note receivable and the issuance of 3,912,000 common shares at an agreed price of $0.25 per share.

On July 21, 2006, the Company entered into three other debt settlement agreements for amounts in accounts payable and due to related parties. One was to a creditor to settle the debt of $403,237 by issuing 1,528,000 common shares. The second was to a company owned by the President of the Company to settle a debt of $152,000 owed by issuing 608,000 shares.

The third was to settle a debt of $11,695 by issuing 46,780 common shares. At December 31, 2006, these shares had been allotted but not issued to the debtor. On January 27, 2007 the shares were issued and full satisfaction of the debt had occurred.

All three settlements were at an agreed price of $0.25 per share.

(d) Private placements

For the nine months ended September 30, 2007

On September 27, 2007, the Company closed a $1,746,500 non-brokered private placement of 3,055,000 flow-through shares at $0.30 per share and 3,320,000 non flow-through shares at $0.25 per share. The Company incurred share issuance costs of $83,839, resulting in net proceeds of $1,662,661 from this private placement. Share purchase warrants were issued by the Company as finders' fees entitling the holder to purchase an aggregate 392,000 common shares at a price of $0.30 per share, having a fair value of $44,182, until expiry on September 28, 2008.

Expressed in Canadian Dollars

7. SHARE CAPITAL (continued)

For the fiscal year ended December 31, 2006

On September 26, 2006, the Company announced an equity financing by way of a non-brokered private placement of 3,000,000 common shares at a price of $0.10 per share. On November 7, 2006 the BCSC and, on December 13, 2006, the ASC approved the private placement and subsequently 3,000,000 shares were issued at a price of $0.10 per share, for gross proceeds of $300,000. At December 31, 2006, $17,500 remained uncollected resulting in the share subscription receivable amount. This receivable was collected on March 13, 2007.

(e) During fiscal year 2006 the Company issued 200,000 shares at an agreed price of $0.20 per share as consideration for the guarantee (note 6).

(f) Share Purchase Warrants

A summary of the Company's share purchase warrant transactions for the nine months ended September 30, 2007 is as follows:

Expiry Date	Exercise Price	Balance December 31 2006	Number of Warrants Granted	Number of Warrants Exercised	Balance September 30 2007
September 26, 2008	$ 0.30	-	392,000	-	392,000
Weighted average exercise price		-	$ 0.30	-	$ 0.30

(g) Fair Value Determination

The fair value method of valuing stock options requires that the amount be calculated using the Black-Scholes option-pricing model and be expensed over the applicable vesting periods. This non-cash expense is the estimated value of the premium associated with the call option and measured at the grant date. The option-pricing model requires the input of highly subjective assumptions and is particularly sensitive to the expected share price volatility. Changes in the subjective input assumptions can affect the fair value estimate; therefore, the model does not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Expressed in Canadian Dollars

7. SHARE CAPITAL (continued)

During the quarter ended September 30, 2007 392,000 share purchase warrants were granted to agents as finder's fees. These were valued using the Black-Scholes model to be $0.113 per warrant, or $44,182 in total.

A summary of the weighted average assumptions is as follows:

Fair Value Assumptions	Warrants Quarter Ended September 30, 2007
Average price per broker warrant	$0.11
Expected share price Volatility	131.54%
Expected warrants life in years	0.99
Risk free interest rate	4.17%
Expected dividend yield	$0.00

Expressed in Canadian Dollars

8. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to related parties not at arm's length to the Company include:

		Nine Months Ended September 30			
			2007		2006
Services					
Accounting fees	(a)	$	12,606	$	10,800
Administration fee	(a)	$	45,000	$	45,575
Consulting	(c)	$	52,500	$	0
General exploration	(a)	$	13,433	$	2,700
Investor relations	(a)	$	5,154	$	0
Legal fees	(b)	$	59,621	$	0
Management fees	(a)	$	7,902	$	0
Cost recovery					
Consulting	(c)	$	1,375	$	0
Employee benefit	(a)	$	1,109	$	0
Filing fees	(a)	$	3,980	$	0
Office and general expenses	(a)	$	11,007	$	0
Transfer agent fee	(a)	$	1,984	$	0
Travel	(a, d)	$	4,576	$	0
Property					
Assays and surveys	(a)	$	214	$	0
Geological	(a)	$	9,261	$	0
General exploration	(a)	$	1,343	$	0

(a) A service agreement was signed between the Company and Manex Resource Group, a private company controlled by the President of the Company from 1997. The private company has provided administrative and accounting services to the Company to meet existing regulatory and compliance filings. A $5,000 monthly administration charge was paid plus scheduled personnel charges for accounting, consulting, geological and investor relations services rendered. The Company is also required to reimburse out-of-pocket expenses, the majority of which is subject to a 10% markup.

8. RELATED PARTY TRANSACTIONS (continued)

(b) Legal fees in the amount of $59,621 (2006 - NIL) billed by a company controlled by the President of the Company and included in professional fees.

(c) Consulting fees related to corporate development of $52,500 (2006 - NIL) were billed by a private company controlled by a director of the Company and included in consulting fees.

(d) Out of pocket expenses included in travel expenses were reimbursed to a director of the Company.

9. BALANCES DUE TO RELATED PARTIES

(a) Included in due to related parties is $7,284 (2006 - $46,110) payable to a service company owned by the President of the Company;

(b) Included in due to related parties is NIL (2006 - $24,107) owing to the President of the Company;

(c) Included in due to related parties is $13,028 (2006 - NIL) due to a law corporation owned by the President of the Company;

(d) Included in due to related parties is $52,500 (2006 - $16,605) owing to a company owned by a Director of the Company.

These transactions were made in the normal course of operations for consideration established and accepted by the Company and the related parties.

Expressed in Canadian Dollars

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
Interest paid	$ 3,549	$ 3,177	$ 10,484	$ 9,539
Issuance shares for property	$ 5,500	$ 0	$ 5,500	$ 0
Allotment of shares to retire certain accounts payable	$ 0	$ 11,695	$ 0	$ 11,695
Issuance of shares to retire related party amounts	$ 0	$ 152,000	$ 0	$ 152,000
Issuance of shares to retire certain accounts payable	$ 0	$ 382,000	$ 0	$ 382,000
Issuance of shares to retire long-term debt	$ 0	$ 978,000	$ 0	$ 978,000
Assignment of note receivable to retire long-term debt	$ 0	$ 250,000	$ 0	$ 250,000
Retirement of debt through the issuance of shares	$ 0	$(2,636,269)	$ 0	$(2,636,269)

11. SUBSEQUENT EVENTS

Subsequent to the quarter end the Company entered into a service agreement with a company controlled by the President of the Company. The private company will provide administrative and accounting services to the Company necessary to meet existing regulatory and compliance filings. A $8,000 monthly basic fee will be paid plus an hourly fee for services rendered by personnel for accounting, consulting, geological and investor relations services rendered. The Company is also required to reimburse consumable expenses, the majority of which is subject to a 15% markup. This agreement replaces the agreement referred to in the Note 8(a) of this financial statements.

Subsequent to the quarter end the Company entered into a service agreement with a company controlled by a Director of the company. The private company will provide services of a chief financial officer. A $3,250 monthly fee plus any out-of-pocket expenses will be paid by the Company.

On October 9, 2007 the Company granted 1.5 million incentive stock options to directors, officers, employees and consultants, each exercisable at $0.25 per share for a period of five years.

12.CONTINGENCIES

(a) As at June 30, 2007 the Company had $96,365 included in accounts payable that it is currently disputing. These accounts payable were written off during third quarter of 2007. As a result gain was recognized in the third quarter. The resolution of the dispute may conclude in a reversal and resulting loss to the Company at some time in the future; however, the outcome is not known at this point.

(b) The note receivable due from HCEW is in dispute by EACL. The note receivable was used in the settlement of outstanding long-term debt during 2006 (note 8 of the audited financial statements for the fiscal year ended December 31, 2006). The Company may be obligated for further amounts with respect to the debt settlement. The outcome of the dispute cannot be determined at this time, and accordingly, will be recorded when known and may impact future results of operations and cash flows.

13. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation adopted in the current year.