

INTERNATIONAL TME RESOURCES INC.

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

JUNE 30, 2013

(Unaudited - See Notice to Reader)

INTERNATIONAL TME RESOURCES INC.
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2013

Notice to Reader - Prepared from information provided by management without audit, review, or other attempts to verify its accuracy or completeness. Readers are cautioned that these statements may not be appropriate for their purposes.

	June 30 2013 \$	December 31 2012 \$
ASSETS		
Cash	24,216	19,325
INVESTMENT IN OIL AND GAS OVERRIDING ROYALTIES (note 3)	<u>286,608</u>	<u>286,608</u>
	<u>310,824</u>	<u>305,933</u>
DEFICIT LESS CAPITAL STOCK		
Capital stock (note 4)	5,260,897	5,260,897
Deficit	<u>(4,950,073)</u>	<u>(4,954,964)</u>
	<u>310,824</u>	<u>305,933</u>

APPROVED BY THE DIRECTORS:

"J. Allen White" (typed) Director

"Brent Griffin" (typed) Director

Susan Jury, Accountant

INTERNATIONAL TME RESOURCES INC.
STATEMENTS OF LOSS AND DEFICIT
FOR THE THREE MONTHS ENDED JUNE 30, 2013
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	Three months ended June 30 2013 \$	Year to date June 30 2013 \$	Year ended December 31 2012 \$
REVENUE			
Oil and gas royalty revenue	<u>21,682</u>	<u>34,909</u>	<u>51,031</u>
EXPENSES			
Consulting fees			3,500
Executive assistant fees	7,800	15,600	33,300
Filing and regulatory fees	1,347	2,144	3,879
Interest and bank charges	151	295	437
Office and miscellaneous	1,403	1,507	8,114
Professional fees		(200)	2,447
Public relations			800
Rent	2,950	7,072	16,275
Telephone	1,765	3,600	8,637
Travel			464
	<u>15,416</u>	<u>30,018</u>	<u>77,853</u>
NET EARNINGS/(LOSS)	6,266	4,891	(26,822)
DEFICIT - BEGINNING OF PERIOD	<u>4,954,964</u>	<u>4,954,964</u>	<u>4,928,142</u>
DEFICIT - END OF PERIOD	<u><u>4,948,698</u></u>	<u><u>4,950,073</u></u>	<u><u>4,954,964</u></u>

Susan Jury, Accountant

INTERNATIONAL TME RESOURCES INC.
STATEMENTS OF CASH FLOWS
AS AT JUNE 30, 2013

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	Period ended June 30 2013 \$	Year ended December 31 2012 \$
CASH PROVIDED BY (USED FOR):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the period	4,891	(26,822)
FINANCING ACTIVITIES		
Due to related parties	<u> </u>	<u>(30,012)</u>
INCREASE (DECREASE) IN CASH	4,891	(56,834)
CASH - BEGINNING OF YEAR	<u>19,325</u>	<u>76,159</u>
CASH - END OF YEAR	<u><u>24,216</u></u>	<u><u>19,325</u></u>

Susan Jury, Accountant

INTERNATIONAL TME RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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1. NATURE OF OPERATIONS

The Company is engaged in oil and gas exploration in Queensland, Australia. The Company has also invested in overriding royalties interests through Petroleum Exploration Licenses (PEL). They are located in the Cooper-Eromanga Basin of south Australia and the Bass Straits, offshore Victoria, Australia.

2. ACCOUNTING POLICIES

Oil and Gas Overriding Royalties and Deferred Costs

The Company capitalizes the acquisition costs of oil and gas overriding royalties. The costs relating to oil and gas overriding royalties which are sold or abandoned are written off when such events occur. They are evaluated for impairment based on management's intentions and are written down when the long term expectation is that the net carrying amount will not be recovered.

Foreign Currency Translation

The financial statements are presented in United States dollars. Foreign denominated monetary assets and liabilities are translated to their United States dollar equivalency using foreign exchange rates in effect at the balance sheet date. Expenses are translated at average rates of exchange during the year. Exchange gains or losses arising on foreign currency translation are included in the determination of operating results for the period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Oil and Gas Working Interests

The Company owns 50% working interest in ATP-582, an oil and gas concession located in the Southern Georgina Basin, Queensland, Australia. The permit covers approximately 5,022,000 acres. The company has a liability of \$200,000 payable in connection with this property.

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3. OIL AND GAS OVERRIDING ROYALTIES

PEL100

The Company has acquired a 1/2% of 1% overriding royalty interest in a lease consisting of 146,659 acres located onshore in the Cooper-Eromanga Basin of south Australia.

PEL108 and PEL109

The Company has acquired a .667 of 1% overriding royalty interest in two onshore leases. The leases contain 506,811 and 372,633 acres, respectively, and are located in the Cooper-Eromanga Basin of south Australia.

PEL115

The Company has acquired a .667 of 1% overriding royalty interest in an onshore lease. The lease contains 273,297 acres and is located in the Cooper-Eromanga Basin of south Australia.

PEL111

The Company has acquired a .50 of 1% overriding royalty interest in an onshore lease. The lease contains 292,819 acres and is located in the Cooper-Eromanga Basin of south Australia.

VIC54

The Company has acquired a 15% of 1/10th of 1% overriding royalty interest in a lease consisting of 155,676 acres located offshore in the Gippsland Geologic Basin of Victoria, Australia.

ATP636

The Company has acquired a 20% of 1/2 of 1% overriding royalty interest in a lease consisting of 640,000 acres located in the state of Queensland.

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4. SHARE CAPITAL

The authorized share capital of the Company is 50,000,000 common shares without par value.

	<u>Number</u>	<u>Value</u>
Issued and outstanding:		
Balance at December 31, 2012	25,637,066	5,407,423
Less: share issue costs	<u> </u>	<u>(146,526)</u>
Balance at June 30, 2013	<u>25,637,066</u>	<u>5,260,897</u>

At June 30, 2013 the Company had no outstanding share purchase warrants.

At June 30, 2013 the Company had no incentive stock options outstanding to directors and officers of the company.

5. RELATED PARTY TRANSACTIONS

At June 30, 2013, the Company incurred \$15,600 (December 31, 2012 - \$36,200) in compensation to officers of the Company.

Susan Jury, Accountant