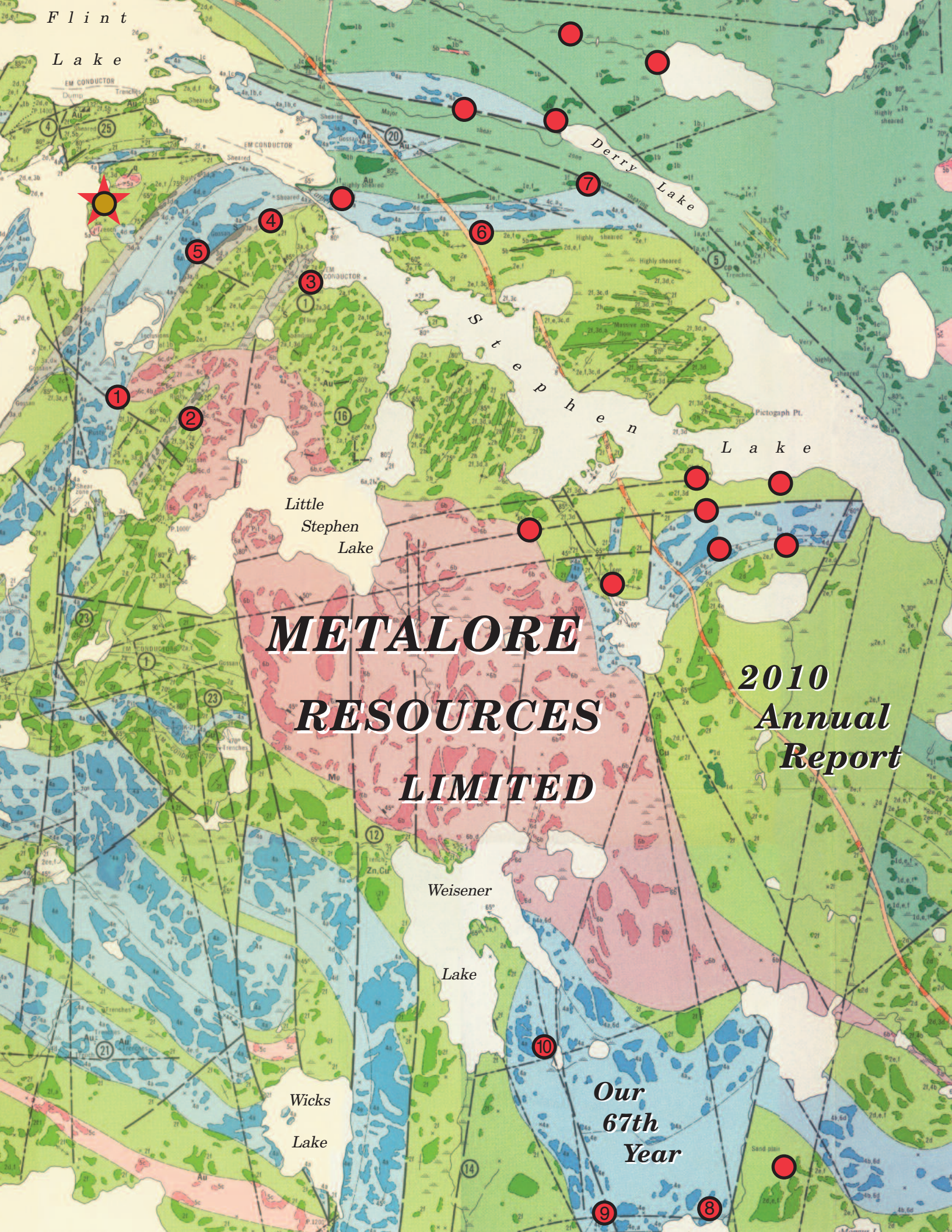
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Year

METALORE RESOURCES LIMITED

Officers and Directors	GEORGE W. CHILIAN, *BA* *President, CEO and Managing Director* ..... *Vittoria, Ontario* JOHN A. RYAN, *CGA* *Director and CFO* ..... *Simcoe, Ontario* BRUCE A. DAVIS, *MA* *Director* ..... *Grand Rapids, Minnesota* TIMOTHY J. CRONKWRIGHT, *BA* *Director* ..... *Simcoe, Ontario* MICHAEL A. DEHN, *MSc* *Director* ..... *Oakville, Ontario* JOHN C. McVICAR, *BA* *Director* ..... *Brantford, Ontario* PATRICIA SHELANDER, *MSc* *Director* ..... *St. Paul, Minnesota* DAVID J. SLATER, *MA* *Director* ..... *Lasalle, Ontario*
Executive Office and Natural Gas Division	*Rural Route #1* ..... *Vittoria, Ontario*
Production Manager and Hydrocarbon Geologist	*JONATHAN CHILIAN, BSc* ..... *Vittoria, Ontario*
Assistant Production Manager	*CARL CHILIAN, BA* ..... *Simcoe, Ontario*
Bankers	*ROYAL BANK OF CANADA* ..... *Simcoe, Ontario*
Accountant	*HOWARD WALTON, BSc, ACMA, CMA* ..... *Simcoe, Ontario*
Auditors	*NPT, LLP Chartered Accountants* ..... *London, Ontario* *(Formerly Neal, Pallett and Townsend, LLP)*
Registrar and Transfer Agent	*COMPUTERSHARE TRUST* ..... *Toronto, Ontario*
Share Listing and Symbol	*TORONTO STOCK EXCHANGE (TSX), "MET"* ..... *Toronto, Ontario* *(Over the Counter, "MTLRF")* ..... *United States*
Share Price Range	*2009 High $9.50 (CD) ..... Low $6.65 (CD)*
Annual Meeting	*BEST WESTERN LITTLE RIVER INN* ..... *Simcoe, Ontario* *Atrium Room* *Saturday, September 25, 2010, 12:30 p.m.*
Website and Email	*www.metaloreresources.com* *info@metaloreresources.com*

METALORE RESOURCES LIMITED

PRESIDENT'S MESSAGE

To Our Shareholders:

NATURAL GAS DEVELOPMENTS

"Challenging", yet "Productive" are the two simple words to best describe our Natural Gas business over the past eighteen months.

In mid 2008, while natural gas ***prices*** were still elevated, Metalore embarked on a three well development program. We had already sold our winter strip (Nov/08 through Mar/09) "forward" at $12US per Mmbtu before the "economic meltdown" had gained momentum, so we received the $12 price throughout the contract period, although the market had already fallen below $6 by September. Metalore therefore received more than a 100% premium on that contract above the NYMEX price. Fortunately, we caught a "spike" and sold half of the next summer strip (Apr/09 through Oct/09) above $5, so when the market cratered to $3 last spring, we decided to shut-in the other half of our production and hunker down for the summer until the price improved. It was precisely the right decision. During the autumn of 2009, the gas market staged a short lived rally and we negotiated contracts for all of our production between $6 and $7 for one whole year ahead (Nov/09 through Oct/10) and resumed full production. It should also be noted that the gas market had drifted back again last winter to the $4 range so we still have been receiving up to a 50% premium on that strip. In any event, we stayed the course and continued our three well development program to a positive conclusion. Bottom line is that in spite of operating throughout a prolonged period of reduced income, while making abnormally high capital expenditures, we still managed to significantly improve our liquid asset and balance sheet position in preparation for "Operation Cedartree".

A NEW GOLD DISCOVERY

Early in 1980, the price of gold had peaked near $800 an ounce and gradually dwindled all the way back to less than $400 by 2002.

In April, 2002, Metalore's President made a field trip to a newly discovered Gold occurrence near the shore of Cedartree Lake, Northwestern Ontario. There wasn't much outcrop exposed on surface and the showing hadn't even been stripped. Only one of four "prospecting" holes that had been drilled by the owner had returned highly anomalous gold values but we liked the geological potential at the site. However, this was a "grass roots" prospect, the price of gold had stagnated and the property was some 2,000 driving kilometers from our natural gas operations in Southern Ontario, so there were some mitigating considerations. We made a "soft" offer for the property – and were turned down. Leisure counter proposals ensued for the next couple of months until we ultimately purchased 100 percent interest in the property in July/02, with the price of Gold lingering around the $300 mark. We staked over 100 additional claim units tied on to the 37 purchased claims and mobilized our first drill program in August/02. We drilled a 100 degree "fan" of holes with sub-vertical "fences" from the collar location of the discovery hole to determine orientation and continuity of values vertically and horizontally and concluded the program with one 200 meter step-out of the perceived azimuth "on strike". Twelve of the seventeen holes on the discovery zone in this first drill program yielded multiple showings of visible gold in the core with respectable mining widths and grades. We published our results with our usual November Quarterly Report and received unsolicited expressions of interest in the property, including persistent enquiries by one major. In any event, we were not interested in proposals. This had suddenly become an exciting new exploration prospect and we had sufficient cash flow available from our gas operations to pursue it ourselves.

AWESOME GEOLOGICAL GARDEN

During the winter of 2003 we researched the open file surveys, maps and assessment work that had been filed on the surrounding area over the past fifty years or more. The unexplored economic potential of this remarkable geological setting actually seemed awesome. With Timmins, Kirkland Lake and Sudbury camps already producing unprecedented mineral wealth, the Ontario Government had mapped the geology of a 500 square mile area around Cedartree Lake as early as 1933 (map 42b) and detail mapped it again in 1976 (map 2319)[1], During these early years the large suites of ultra-mafic intrusive rocks had caught the attention of several major mining companies and more than one airborne geophysical survey[2] was flown over the area. However, the pristine wilderness that was nourished by this vast Lake of the Woods headwaters, was virtually inaccessible. There was not even a logging road into Cedartree, Flint, Stephen and the myriad of satellite lakes lying within this ripe geological garden. The only "overland" access to Cedartree or Stephen Lake was via four arduous ***portages*** (30 kilometers by water) from Regina Bay (Lake of the Woods) to Dogpaw, Cavier and Flint Lakes. With GPS not yet available, you could easily get lost amidst those many island lakes.

In these early years only a miniscule amount of exploratory drilling was done with light weight drills that were either barged in through a series of lakes or flown in. Furthermore, those light drills were only capable of drilling relatively short holes with small diameter core. (Three quarter inch core is barely large enough for sampling base metals but is woefully inadequate for sampling gold, especially if the rock has the "nugget effect".)

CHANGING THE DYNAMICS

The dynamics of mining exploration were dramatically changed in 1988 by the construction of a 30 kilometer, all weather, private logging road into Cameron Lake. By that time, however, most of the majors had done their brief scratching on surface, gone home and allowed their claims to lapse in due course. Then, in 2001, the Ontario Government (OGS) released another intricate geophysical airborne survey[3] of the area. So, when Metalore arrived on the scene at Cedartree, we inherited the multi-million dollar advantages of ***legacy data*** and ***road accessibility*** crossing our property.

This was an expansive area and we wanted to broaden our horizons. In 2003 and /04, we completed some ground geophysical and geological surveys and drilled a few "wildcat" targets some distance away from the original gold discovery. In 2005 we took care of business by drilling two exploratory gas wells (#91 & 92) in Southern Ontario and did not work at Cedartree Lake. In 2006, /07 and /08, we drilled some more wildcat mining targets and also extended both the width and depth of the discovery zone. In 2009, we resumed "taking care of business" by drilling the second and third wells of the new three well program and fracturing, pipelining and tying in all three new gas wells (#93, 94 & 95) for production in Southern Ontario and we did no work at Cedartree.

INNOVATIVE GEOCHEMISTRY

In 2006, the Ontario Government (OGS) again favoured the Cedartree area with the compilation of a two year geochemical survey and report[4] on lake bottom sediment samples collected from 1,442 sites extending for more than a fifteen kilometer radius around and beyond Cedartree and Kakagi Lakes. The report states, in part:

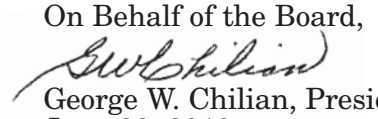
> "This area is also characterized by 2 clusters of Ni (Nickel) anomalous lakes, one centered on Cedartree Lake, the other in the Wicks/Weisener Lake area; the latter includes the highest Ni value of the survey. Despite the lack of known nickel occurrences in the area, the lake sediment geochemistry in association with the presence of gabbroic rocks suggest good potential for Nickel mineralization."[5] The sample from Weisener Lake was also anomalous in Platinum, Paladium, and Cobalt.

As a result of this survey and the fact that our further diligent research, both on file and ***in the field***, had indicated that most of the airborne geophysical anomalies[6] had never been drilled, we staked an additional 160 claim units (more than doubling our land position) on the most prospective anomalies adjacent to our previously held claims. It should be pointed out that the cluster of unnumbered anomalies just south of Stephen Lake[7] and the numbered anomalies just west of Stephen and Little Stephen Lakes are all on our original claim groups. Those anomalies have been reaffirmed by ground electromagnetic (some vertical loop and some horizontal) surveys and are ready for drilling as are step-outs on the original discovery zone. The high priority targets southeast of Weisener Lake and elsewhere will require line cutting and ground geophysics before drilling.

"OPERATION CEDARTREE"

Metalore holds 100% interest in this very large (10 X 10 kilometres maximum) property and our work is cut out for us. With our Natural Gas deliveries and revenue stream secured by supplemental production from new wells, with our Mining exploration prospects bristling at the seams and the price of gold at $1,200+ US, we've never been more poised to advance our discoveries and fulfill our lifelong objectives and dreams. ***Watch*** for a strategic ***breakthrough*** at Cedartree!

On Behalf of the Board,



George W. Chilian, President
June 28, 2010

1. Ontario Division of Mines, "Geology of the Cedartree Lake Area", 1976.
2. Canadian Nickel Company Ltd (INCO), first flown in 1958, revised 1984.
3. Ontario Geological Survey, 2001, "Operation Treasure Hunt", map 60-087.
4. Ontario Geological Survey, 2006, Kakagi Lake Area, Geochemical Survey, open file 6188.
5. "Gabbroic" generic term for "Mafic and Ultramafic Rocks" referred on back cover Legend.
6. Compilation of 4 independent and 2 government sponsored airborne geophysical surveys.
7. See locations on front and back cover, Metalore Resources Limited, 2010 Annual Report.

METALORE RESOURCES LIMITED

BALANCE SHEET AS AT MARCH 31

	2010	2009
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 248,040**	$ 301,072
Marketable securities *(Note 3)*	**1,289,297**	464,320
Accounts receivable	**144,799**	258,050
Inventory	**48,240**	39,150
Income taxes recoverable	**7,004**	-
	1,737,380	1,062,592
Long term investments *(Note 4)*	**-**	1,029,000
Natural gas properties *(Note 5)*	**10,861,142**	10,362,646
Mining properties	**3,683,781**	3,448,593
Land	**78,000**	78,000
	$ 16,360,303	$ 15,980,831
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities	**$ 164,879**	$ 247,707
Income taxes payable	**-**	49,556
Current portion of long term debt *(Note 6)*	**16,008**	-
	180,887	297,263
Long term debt *(Note 6)*	**30,515**	-
Future income taxes	**2,752,000**	2,968,000
Asset retirement obligation *(Note 12)*	**187,500**	176,600
	3,150,902	3,441,863
SHAREHOLDERS' EQUITY		
Share capital *(Note 8)*	**2,468,832**	2,468,832
Contributed surplus *(Note 9)*	**36,634**	36,634
Accumulated comprehensive income *(Note 16)*	**110,489**	(186,634)
Retained earnings	**10,593,446**	10,220,136
	13,209,401	12,538,968
	$ 16,360,303	$ 15,980,831

See accompanying notes

METALORE RESOURCES LIMITED

STATEMENT OF INCOME
AS AT MARCH 31

		2010		2009
REVENUES				
Natural gas production	**$**	**1,000,651**	$	2,032,713
Investment & interest income		**62,877**		85,115
Royalties		**3,592**		7,233
		1,067,120		2,125,061
EXPENSES				
Natural gas production		**450,262**		506,098
Amortization of natural resource assets		**219,000**		278,000
Administration		**141,590**		169,655
Royalties		**57,841**		213,005
Accretion		**11,142**		10,800
		879,835		1,177,558
INCOME FROM OPERATIONS		**187,285**		947,503
OTHER EXPENSE				
Gain (loss) on disposal of investments		**24,480**		(17,260)
INCOME BEFORE INCOME TAXES		**211,765**		930,243
INCOME TAXES (RECOVERED) *(Note 11)*				
Current		**9,000**		38,000
Future		**(216,000)**		195,000
		(207,000)		233,000
NET INCOME	**$**	**418,765**	$	697,243
BASIC AND FULLY DILUTED EARNINGS PER SHARE	**$**	**0.24**	$	0.39
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		**1,775,035**		1,775,035

See accompanying notes

Approved on behalf of the Board:

John A. Ryan,
Director and CFO

John C. McVicar,
Director

METALORE RESOURCES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2010	2009
OPERATING ACTIVITIES		
Net income	**$ 418,765**	$ 697,243
Items not affecting cash:		
Amortization of natural resource assets	**219,000**	278,000
Accretion	**11,142**	10,800
Loss (gain) on disposal of investments	**(24,480)**	17,260
Future income taxes	**(216,000)**	195,000
	408,427	1,198,303
Changes in non-cash working capital:		
Accounts receivable	**113,251**	64,799
Inventory	**(9,090)**	200
Prepaid expenses	**-**	11,905
Accounts payable and accrued liabilities	**(82,829)**	(120,315)
Income taxes payable	**(56,560)**	24,343
	(35,228)	(19,068)
Cash flow from operating activities	**373,199**	1,179,235
INVESTING ACTIVITIES		
Proceeds on disposal of marketable securities	**739,530**	150,655
Purchase of marketable securities	**(213,760)**	(217,405)
Natural gas development and exploration costs	**(717,739)**	(644,822)
Mining exploration costs	**(235,331)**	(169,401)
Cash flow used by investing activities	**(427,300)**	(880,973)
FINANCING ACTIVITIES		
Dividends	**(45,454)**	(124,246)
Proceeds from long term financing	**48,000**	-
Repayment of long term debt	**(1,477)**	-
Cash flow from (used by) financing activities	**1,069**	(124,246)
INCREASE (DECREASE) IN CASH	**(53,032)**	174,016
Cash and cash equivalents - beginning of year	**301,072**	127,056
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 248,040**	$ 301,072
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	**$ 254**	$ -
Corporate taxes paid	**$ 65,560**	$ 13,643

See accompanying notes

METALORE RESOURCES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31

		2010		2009
NET INCOME	**$**	**418,765**	$	697,243
CHANGES IN COMPREHENSIVE INCOME				
Unrealized gain (loss) on available for sale securities		**399,708**		(556,893)
Reclassification for realized losses		**(102,585)**		(24,227)
OTHER COMPREHENSIVE INCOME		**297,123**		(581,120)
COMPREHENSIVE INCOME FOR THE YEAR	**$**	**715,888**	$	116,123

See accompanying notes

STATEMENT OF RETAINED EARNINGS
YEAR ENDED MARCH 31

		2010		2009
RETAINED EARNINGS - BEGINNING OF YEAR	**$**	**10,220,136**	$	9,647,139
Net income for the year		**418,765**		697,243
		10,638,901		10,344,382
Dividends		**(106,766)**		(124,246)
Unclaimed dividends refunded *(Note 10)*		**61,311**		-
RETAINED EARNINGS - END OF YEAR	**$**	**10,593,446**	$	10,220,136

See accompanying notes

AUDITOR'S REPORT

To the Shareholders of Metalore Resources Limited

We have audited the balance sheets of Metalore Resources Limited as at March 31, 2010 and 2009 and the statements of income, retained earnings, comprehensive income and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

NPT LLP

NPT LLP
Chartered Accountants, Licensed Public Accountants
London, Canada
June 2, 2010

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

1. NATURE OF OPERATIONS

Metalore Resources Limited is a junior resource company dedicated to natural gas production and gold exploration in Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, the more significant of which are summarized below.

Revenue recognition

Sales of natural gas are recognized when title passes to the customer, normally at the transporter's (Union Gas Limited) pipeline delivery point, and collectability is reasonably assured.

Investment income is recognized when earned.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short-term investments that have a fixed maturity date less than three months from the date of acquisition.

Inventory

Inventory consists of pipe, fittings and processing supplies and is stated at the lower of cost and net realizable value, with the cost of pipe and fittings determined on a first-in, first-out basis.

Natural gas properties

The Company owns and/or controls approximately 40,000 acres of petroleum, natural gas and mineral leases in Charlotteville, Walsingham and Houghton townships in Norfolk County, Ontario, and follows the full cost method of accounting for natural gas properties whereby all acquisition and development costs relating to the properties are capitalized. These costs are depleted by the unit of production method based on estimated proven drilled gas reserves. The ratio of production to proved reserves before royalties determines the proportion of depletable costs to be expensed. The natural gas reserves of the Company are assessed annually.

Total capitalized costs net of accumulated depletion and future income taxes is limited to an amount equal to the estimated future net revenue from proven reserves at year end, less estimated future production related general and administrative expenses, financing costs and income taxes. At March 31, 2010 and 2009, no writedown was required. The prices used to estimate future cash flows are based on published forecasted prices for the NYMEX adjusted for the historical price differential between Metalore's gas sales and the benchmark.

Forecasted prices, in Canadian dollars, for the following six calendar years are:

Remainder of	2010	6.47	per Mcf	2013	9.06	per Mcf
	2011	7.49	per Mcf	2014	9.67	per Mcf
	2012	8.15	per Mcf	2015	10.03	per Mcf

Mining properties

The Company owns a 1% net smelter return on 18 claims in the Brookbank and Beardmore area of Ontario and a 26% participating interest in approximately 600 contiguous mining claims in Sandra, Irwin, Walters, Leduc and LeGault townships in Northwestern Ontario which are subject to a working option agreement with Goldstone Resources Inc., formerly Ontex Resources Limited. The Company also owns a 100% interest in 134 mining claims in the Sioux Narrows (Cedartree Lake) area of Northwestern Ontario. Acquisition and exploration costs are capitalized. During the year, general and administrative costs of $1,785 (2009 - $5,074) and exploration costs of $11,572 (2009 - $20,720) were capitalized. Disposals of mining property and equipment are offset against the acquisition costs. If exploration activities are followed by production, capitalized costs will be amortized on the unit of production method based on the estimated reserves in the area. If exploration activities are unsuccessful and the area is abandoned, all capitalized costs relating to the area will be written off. Mining properties are assessed annually or as economic events dictate, for potential write-down.

Financial instruments

The Company has classified its marketable securities and long term investments as available for sale assets. Accounts receivable is classified as loans and receivables. Cash and cash equivalents is classified as held for trading while accounts payable and accrued liabilities, and due to shareholders are classified as other financial liabilities.

Purchase and sale of securities are accounted for on a trade date basis.

Impairment test

The Company performs an impairment test annually to determine the recoverability of capitalized costs associated with reserves. Should the amount of the capitalized costs exceed the amount of the reserves, the resulting impairment loss will be recognized in earnings. The amount of the impairment loss is determined by making assumptions about future reserves, the price of natural gas and future costs all of which are subject to uncertainty. By their nature, these estimates are subject to measurement uncertainty and changes in these estimates may have a material impact on the financial statements of future periods.

Asset retirement obligation

The Company recognizes the fair value of the estimated asset retirement obligations on the balance sheet when a reasonable estimate of fair value can be made. The fair value of the estimated obligation associated with the retirement and reclamation of tangible long-lived assets is recorded in the period the related assets are put into use with a corresponding increase to the carrying amount of the related assets. This increase in capitalized costs is depleted to income on a basis consistent with the underlying assets. Subsequent changes in the estimated fair value of the asset retirement obligation are capitalized and depleted over the remaining useful life of the underlying asset.

The asset retirement obligation liabilities are carried on the balance sheet at their discounted present value and are accreted over time for the change in their present value.

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

(Continued from previous page)

Future income taxes

The liability method of tax allocation is used in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Stock options

The Company uses the fair value method using the Black-Scholes option pricing model to account for stock options granted to employees. Under the fair value method, the Company recognizes estimated compensation expense related to stock options over the vesting period of the options granted, with the related credit being charged to contributed surplus. Upon exercise of these stock options, amounts previously credited to contributed surplus are reversed and credited to share capital.

Earnings per share

Earnings per share has been calculated using the weighted average common shares outstanding. Fully diluted earnings per share reflects the maximum possible dilution from the potential exercise of stock options and is anti-dilutive for fiscal 2010 and fiscal 2009.

Changes in accounting policies

In February 2008, the CICA issued Section 3064, Goodwill and intangible assets, ("Section 3064") replacing Section 3062, Goodwill and other intangible assets ("Section 3062") and Section 3450, Research and development costs. Various changes have been made to other standards to be consistent with the new Section 3064. The Company has adopted the new standards effective April 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill and of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this Section did not have any impact on the financial statements.

Future changes in significant accounting policies

The Accounting Standards Board confirmed that public companies will be required to report under IFRS effective for all interim and annual financial statements for fiscal years beginning on or after January 1, 2011. As a result these changes will be effective for the Company's fiscal period ended March 31, 2012. The transition date of April 1, 2011 will require the restatement of comparative balances for the year ended March 31, 2010. While the Company has commenced assessing the adoption of IFRS for 2011, the impact of the change to IFRS cannot reasonably be estimated at this time.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. MARKETABLE SECURITIES

	2010		2009	
	Cost	**FMV**	Cost	FMV
Marketable securities	**$ 1,178,808**	**$ 1,289,297**	$ 689,726	$ 464,320

Marketable securities consist of investments in Canadian equities.

4. LONG TERM INVESTMENTS

In 1999, the Company purchased 3,600,000 shares of Goldstone Resources Inc. at $0.35 per share, for total consideration of $1,260,000. In fiscal 2002, the Company purchased an additional 600,000 shares at $0.30 per share on a flow-through basis for $180,000. In the current year the company sold a portion of its holdings. The remaining shares are no longer considered to be a long term investment and have been presented as part of marketable securities in the current year.

5. NATURAL GAS PROPERTIES

	Cost	Accumulated amortization	**2010 Net book value**	2009 Net book value
Gas wells, transmission lines and leases	$ 15,187,841	$ 4,326,699	**$ 10,861,142**	$ 10,362,646

A portion of general and administrative costs of $14,280 (2009 - $19,902) and production costs of $188,097 (2009 - $288,783) were capitalized to natural gas properties, the Company's core business.

6. LONG TERM DEBT

	2010	2009
Royal Bank of Canada term loan repayable in monthly principal payments of $1,334, bearing interest at prime plus 1.25%.	**$ 46,523**	$ –
Amounts payable within one year	**(16,008)**	–
	$ 30,515	$ –

Principal repayment terms are approximately:	2011	$ 16,008
	2012	16,008
	2013	14,507
		$ 46,523

The loan was incurred to finance a Company vehicle and is secured by a general security agreement and a collateral mortgage on land owned by the Company.

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

(Continued from previous page)

7. RELATED PARTY TRANSACTIONS

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Company has an agreement with Southern Ontario Natural Gas Limited ("SONG"), a private company controlled by the Company's president, George W. Chilian, to provide technical services for the gas operations for an annual fee of $78,000 plus 10% of the Company's annual gas revenue in excess of $1,000,000. The fiscal 2010 expense charged by SONG amounted to $78,000 (2009 - $188,000). The Company and SONG also have a joint ownership (52% and 48% respectively) in natural gas properties in Houghton Township, Ontario. The Company collects the proceeds for all of the gas produced from this natural gas property and provides SONG with its proportionate share of the revenue. The Houghton battery has been shut in for the past three years due to a lack of market demand. As at March 31, 2010, the Company owed SONG $55,900 (2009 - $37,425) which is comprised of amounts payable related to technical services and natural gas production of $55,900 (2009 - $37,425) and $Nil (2009 - $Nil) respectively. This indebtedness is unsecured, non-interest bearing, due on demand and included with accounts payable and accrued liabilities.

8. SHARE CAPITAL

			2010	2009
Authorized:	4,000,000	Common shares		
Issued:	1,775,035	Common shares	**$ 2,468,832**	$ 2,468,832

9. STOCK OPTIONS

At the beginning of the year, 5,000 stock options remained unexercised at a price of $7.50. These options expired unexercised on February 6, 2010 and there are now no issued stock options remaining.

10. UNCLAIMED DIVIDENDS REFUNDED

The unclaimed dividends refunded represent dividends declared in past years for which the shareholders could not be located. These dividends have not been claimed and have accumulated over the years. All attempts made by the transfer agent who administers these dividend payments have been unsuccessful and it is not believed that the dividends will be claimed and thus the amounts have been returned to retained earnings.

11. INCOME TAXES

The provision for income taxes recorded in the financial statements varies from the amount that would be computed by applying the statutory income tax rate of 32% (2009 - 33%) as a result of the following:

	2010	2009
Income before income tax provision	**$ 211,765**	$ 930,243
Anticipated income tax expense	**68,000**	307,000
Tax effect of the following:		
Non-taxable portion of capital transactions	**–**	3,000
Adjustment for substantially enacted rates	**(294,700)**	(99,000)
Corporate minimum taxes	**9,000**	38,000
Capital transactions	**35,000**	(15,000)
Other	**(24,300)**	(1,000)
Provision for income taxes	**$ (207,000)**	$ 233,000

Only corporate minimum taxes are payable as the Income Tax Act provides for certain deductions of exploration and development expenses. Tax benefits in excess of any current income are reflected in the calculation of the future income tax liability. The tax balances, available in perpetuity to reduce future taxable income, are as follows:

	2010	2009
Cumulative Canadian exploration expenses	**$ 2,106,100**	$ 1,887,000
Investment in flow through shares	**180,000**	180,000
Cumulative Canadian development expenses	**629,800**	440,700
Cumulative Canadian oil and gas property expenses	**481,300**	479,400
Foreign exploration and development expenses	**2,800**	3,200
Undepreciated capital costs - property, plant and equipment	**748,400**	662,900

In addition, (1) the Company has incurred accumulated corporate minimum taxes of $140,000 which can be used to reduce future provincial income taxes payable. This benefit has not been recognized due to the uncertainty of realizing this benefit within the carry-forward period. (2) Upon the transition to harmonized corporate filing of Federal and Provincial income tax returns on January 1, 2009, the Company recognized a transitional credit of approximately $229,000. This credit is available over a period of five years to reduce future corporate income taxes payable. (3) The Company has a capital loss of $206,000 available for application against future years' capital gains, with no expiry date.

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2010

(Continued from previous page)

12. ASSET RETIREMENT OBLIGATION

	2010	2009
Asset retirement obligation beginning of year	**$ 176,600**	$ 186,900
Revisions to estimated cash flows	**(4,500)**	(21,100)
Additions for new wells	**4,300**	–
Accretion	**11,100**	10,800
Asset retirement obligation end of year	**$ 187,500**	$ 176,600

The total undiscounted amount of estimated cash flows required to settle the obligation at year end is $2,713,873 (2009 - $2,670,744) which has been discounted at 6.5% using a fifty year maximum life in accordance with estimates prepared by independent engineers. Estimated future retirement costs such as dismantlement, site restoration and abandonment costs are subject to uncertainty associated with the method, timing and extent of future dismantlement, site restoration and abandonment. For example, changes in legislation or technology may result in actual future costs that differ materially from those currently estimated.

13. COMMITMENTS

The Company is party to natural gas and mining lease commitments. As the amounts ultimately payable pursuant to these agreements are dependent on production or development, it is not practical to disclose the amount of contractual commitments in each of the next five years. The Company has an outstanding letter of guarantee in the amount of $70,000 (2009 - $70,000) that is required under the Regulations prescribed by the Ministry of Natural Resources.

14. FINANCIAL INSTRUMENTS

Credit Risk

As the Company's accounts receivable were due from two customers, there is increased exposure as a result of this concentration. In order to reduce this risk, the Company only sells to high quality, investment grade customers.

Fair Value

The Company has various financial instruments including cash and cash equivalents, marketable securities, accounts receivable, long-term investment, accounts payable and accrued royalties. Except for the marketable securities and the long-term investment, book values approximate fair value due to their short-term maturity. Details of the fair market value of the marketable securities and long term investments are disclosed in notes 3 and 4 respectively.

Commodity Risk

The Company is exposed to fluctuations in commodity prices for natural gas. Commodity prices are affected by many factors including supply, demand and the Canadian to U.S. dollar exchange rate. The Company had the following price commodity contracts in place at year end.

April 1, 2010 to April 30, 2010	233 mmbtu per day	$6.06 US/mmbtu
May 1, 2010 to May 31, 2010	226 mmbtu per day	$6.06 US/mmbtu
June 1, 2010 to June 30, 2010	233 mmbtu per day	$6.06 US/mmbtu
July 1, 2010 to August 31, 2010	226 mmbtu per day	$6.06 US/mmbtu
September 1, 2010 to September 30, 2010	233 mmbtu per day	$6.06 US/mmbtu
October 1, 2010 to October 31, 2010	226 mmbtu per day	$6.06 US/mmbtu
April 1, 2010 to November 1, 2010	228 mmbtu per day	$6.38 CDN/mmbtu

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to protect the Company's ability to continue as a going concern so that it can continue to provide an appropriate return to shareholders relative to the risk of the Company's mining exploration, natural gas properties, and long-term investments.

The Company considers its capital structure to include shareholders' equity and working capital. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets noted above. In order to maintain or adjust the capital structure, the Company may issue new shares, seek external financing or adjust its capital expenditures and other investment programs.

The Company does not have any externally imposed capital requirements. The Company main objective is to ensure sufficiency of working capital to fund operations and investment activities. Working capital is defined as current assets less current liabilities. At March 31, 2010 the Company's working capital was $1,556,493 (2009 - $765,329).

14. ACCUMULATED COMPREHENSIVE INCOME

	2010	2009
Accumulated comprehensive income - beginning of year	**$ (186,634)**	$ 394,486
Other comprehensive income	**297,123**	(581,120)
Accumulated comprehensive income - end of year	**$ 110,489**	$ (186,634)

METALORE RESOURCES LIMITED

Management's Discussion & Analysis of Financial Results For the Fiscal Year ended March 31, 2010

This Management Discussion and Analysis is provided for the purpose of reviewing the financial condition and results of operations of Metalore Resources Limited for the year ended March 31, 2010. The MD & A was prepared as of June 29, 2010 and should be read in conjunction with the Company's audited annual financial statements and corresponding notes for the years ending March 31, 2010 and 2009. The financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), presented in Canadian dollars except as noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company's website located at www.metaloreresources.com.

CORPORATE PROFILE

Metalore has been active in mining exploration for over sixty-five years and in Natural Gas development for over fifty years. The company participated in early development of the Provost gas field in Alberta from 1956 through 1961 and has been the major player in developing the Norfolk gas field in Southwestern Ontario since 1964, pioneering technologically advanced completion and fracturing techniques. The Ontario Natural Gas operation constitutes the "core business" of the Company and is its principal source of revenue. The Cash Flow from production and investments is prioritized and allocated among (1) maintaining capital liquidity, (2) drilling new wells to sustain and/or increase production, (3) fielding select mining exploration projects and (4) paying dividends from profits to Shareholders.

Metalore is a unique Company in the junior resource sector. It has the lowest number of shares outstanding of any resource stock listed on the Toronto Stock Exchange ("MET" on TSX). The Company has protected the equity of shareholders for the past forty years by financing all exploration and development costs with cash flow from operations. Metalore inaugurated payment of its first cash dividend to shareholders in the year 2000 and has since paid its tenth consecutive annual dividend from operating profits.

OVERALL PERFORMANCE

Metalore manages a large portfolio of undrilled petroleum and natural gas leases and sustains production by the systematic drilling of new wells. The Company has consistently located its wells on ultra wide spacing patterns to minimize the year to year decline in deliverability and maximize the longevity of production – which can be verified by its forty-five year production record. During the past year the Company completed the drilling of three new, exploratory[1] wells. Pipeline construction was completed in November 2009, and all three wells were placed "on stream" in December.

For the past decade[2] Metalore has been consistently selling the majority of its gas production at forward "strip contract" prices that have been substantially higher than the current NYMEX (New York Mercantile Exchange) price at time of delivery.

Management of the Company has also established a record of discovering and outlining precious metal deposits (Brookbank, Fox Ear, Cherbourg and Irwin are 43-101 compliant). The majority interests in these resources were sold in 1998, subject to joint venture participations and/or royalty payments.

CURRENT BUSINESS STRATEGY

Metalore currently has two "summer strip" contracts in place at an average price of $6.23 per Mmbtu, for the majority of its gas production from April thorough October, 2010. Further details are available in Note 14 of the 2010 audited financial statements.

The Company expects to concentrate its efforts on mining exploration at Cedartree Lake, Northwestern Ontario for the next two years (refer to President's Message, 2010 Annual Report).

CAPITAL RESOURCES & LIQUIDITY

	March 31, 2010	March 31, 2009	March 31, 2008
Cash	$ 248,040	$ 301,072	$ 127,056
Current Assets (including cash)	1,737,380	1,062,592	1,182,106
Current Liabilities	180,887	297,263	393,234
Excess of Current Assets over Current Liabilities	1,556,493	765,329	788,872

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, cash equivalents, accounts receivable and marketable securities. It is management's opinion that the Company is not exposed to abnormal interest, currency or credit risk arising from these financial instruments. Management expects to adequately meet its present and future working capital and exploration and development requirements with cash flow from operations.

[1] Tax provisions allow for 100% of the cost of "exploratory" wells to be written off against income tax (see note 11, 2010 Financial Statements).

[2] M13 Balancing & Transportation Contracts first became available between Union Gas & Metalore in 1996.

METALORE RESOURCES LIMITED
MD&A (cont'd)

RESULTS OF OPERATIONS *Year Ended March 31, 2010*

Statement of Income & Retained Earnings

1. Natural Gas Revenue has decreased compared to the preceding year due to the decision to reduce production for part of the year. This is discussed on page one under the heading "Current Business Strategy".
2. Investment & Interest Income has decreased in line with the economic downturn in 2010: $62,877 (2009 - $85,115).
3. Production expenses have decreased due to management's diligence in preparing the company for the global economic slowdown.
4. Administrative expenses have also decreased due to management's diligence in preparing the company for the global economic slowdown.
5. Royalty expenses have decreased in proportion to natural gas revenues.
6. Amortization expense has decreased in proportion to the smaller amount of natural gas shipped.
7. Accretion expense is a provision towards the cost of eventually retiring gas wells and is described by the auditors in notes 2 and 12 of the financial statements for the preceding fiscal year under the heading "Asset Retirement Obligation". It is not affected by the current economic conditions.
8. Dividends paid $106,766 (2009 - $124,246).

Comprehensive Income

9. This income recognizes changes in the value of marketable securities and long term investments. These changes are reflected only in the balance sheet and not in the regular statement of income: $715,888 (2009 - $116,123).

SELECTED ANNUAL INFORMATION for the years ended:	March 31, 2010	March 31, 2009	March 31, 2008
Statement of Income	$	$	$
Total Revenues	1,067,120	2,125,061	1,780,284
Operating expenses	879,835	1,177,558	1,195,611
Net Income after taxes *	418,765	697,243	541,673
Earnings per share (fully diluted)	0.24	0.39	0.30
Statement of Cash Flows			
Cash flow from operations	373,199	1,179,235	831,177
Cash flow from operations per share	0.21	0.66	0.47
Accumulated Comprehensive Income			
Accumulated gains & losses included in the balance sheet at the end of the year	110,489	(186,634)	394,486

*The Company pays a minimum corporate tax; however, no tax on income is presently payable by the company because of exploration and development expenditures that are carried forward. (see Note 11 of the 2010 audited financial statements)

COMPARATIVE SUMMARY & FINANCIAL DATA BY QUARTER

Quarter Ended	March 31 2010	Dec 31 2009	Sep 30 2009	Jun 30 2009	March 31 2009	Dec 31 2008	Sep 30 2008	Jun 30 2008	March 31 2008
Revenue	$ 362,664	$ 313,905	$ 231,409	$ 159,142	$ 585,541	$ 685,744	$ 358,155	$ 495,621	$ 484,011
Net Income	269,555	92,348	65,579	(8,717)	132,428	300,197	83,753	180,965	150,394
Earnings per share	0.15	0.05	0.04	0.00	0.07	0.17	0.05	0.10	0.08
Cash flow per share	(0.02)	0.10	0.03	0.10	0.17	0.24	0.17	0.17	0.06
Dividends per share	--	0.06	--	--	--	0.07	--	--	0.08

The comparability of selected consolidated financial information set out above is affected by the same material factors as set out under "Overall Performance" and "Results of Operations" herein. For a more detailed explanation of the Company's results of operations, please refer to items 1 and 2 in the Notes to the Financial Statements for the year ended March 31, 2010.

OFF BALANCE SHEET INSTRUMENT

The company maintains a surety bond in the amount of $70,000, which is the maximum required by the Ministry of Natural Resources as assurance for the abandonment of dry holes and or depleted wells.

CONTRACTUAL OBLIGATIONS
Report for the next five years

Contractual Obligations	Less than 1 year	1-3 years	4-5 years	Total
Natural Gas Leases	$ 10,000	$ 68,000	$ 68,000	$ 146,000
Natural Gas Royalties[3]	$100,000	$300,000	$ 700,000	$1,100,000
Total Contractual Obligations	$110,000	$368,000	$ 768,000	$1,246,000

[3] Note: Natural Gas royalties are based upon minimum estimated Natural Gas production.

CRITICAL ACCOUNTING ESTIMATES

Management is required to make estimates in preparing its financial statements in conformity with generally accepted accounting principles (GAAP). These estimates affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of net income during the reporting period. The critical accounting estimates made by the Company are used in the determination of natural gas property costs, mining property costs, amortization and depletion of any resource established or found, and future income taxes.

i. Natural Gas Property Costs

The full cost method of accounting is used whereby acquisition and development cost relating to these properties are capitalized. These costs are depleted by the unit of production method based on estimated proven drilled gas reserves. The ratio of production to proven reserves before royalties determines the proportion of depletable costs to be expensed. The natural gas reserves of the company are assessed annually by an independent engineer, as verified by the annual filing of National Instrument Form 51-101 with SEDAR. Total capitalized costs net of accumulated and future income taxes is limited to an amount equal to the estimated future net revenue from proven reserves at year end and costs, less future cash flows based on the Alberta AECO spot price, increased by $1.30 per mmbtu to allow for actual prices received near Dawn, Ontario. Forecast prices used for the next five years are listed in note 2 of the notes to the annual financial statements.

The significance to the financial statements of the estimate of depletion of natural gas properties is that it historically accounts for twenty percent of total expenses before income taxes. The sensitivity of this estimate is such that an error of ten percent in its calculation would therefore affect total pre-tax expenses by two percent.

The company performs an impairment test annually to determine the recoverability of capitalized costs associated with reserves of natural gas. Should the amount of the capitalized costs exceed the amount of the reserves, the resulting impairment loss will be recognized in earnings. The amount of the impairment loss is determined by making assumptions about future reserves, the price of natural gas and future costs all of which are subject to uncertainty. By their nature, these estimates are subject to measurement uncertainty and changes to these estimates may have a material impact on the financial statements of future years. For example the table of future estimated gas prices reported in note 2 to the financial statements for 2010 is approximately double the market price currently prevailing. The Company has no control over the continental market price of natural gas.

ii. Mining Property Costs

Acquisition and exploration costs are capitalized. Disposals of mining property and equipment are offset against the acquisition costs. If exploration activities are followed by production, capitalized costs will be amortized using the unit of production method based on the estimated reserves in the area. Mining properties are assessed annually or as economic events dictate, for potential write down. If exploration activities are unsuccessful and or the area is abandoned, all capitalized costs are written off.

The significance to the financial statements of accounting for mining properties is limited to the balance sheet. There is currently no production from the properties and for this reason no estimates for depletion are necessary. The sensitivity of the balance sheet data to carrying an abandoned asset depends on the historical cost of the asset. The risks involved in exploration for minerals have been discussed under "Risks and Uncertainties" on page 5 herein.

iii. Future Income Taxes

Income taxes are calculated using the liability method of tax allocation. Temporary differences between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using the substantively enacted tax rates and laws that are expected to be in effect in the periods that the temporary differences are expected to reverse. The effect of changes in rates is included in earnings in the period which includes the substantive enactment.

The significance of the calculation of future income taxes to the financial statements is that it can be as much as thirty percent of pre-tax net income. Differences in the estimate of future income taxes can have a significant effect on the calculation of net income after taxes, as was the case this year and in 2007 and 2008. On the balance sheet, future income taxes account for approximately 17% of total liabilities and equity.

The sensitivity of this estimate is small because historically the Company has paid only Provincial corporate minimum taxes. The Income Tax Act of Canada provides for deductions of exploration and development expenses that can be applied against current income before income tax becomes applicable. The Company has accumulated sufficient deductions of exploration and development expenses to delay payment of future income taxes for several years. Every year that wells are drilled and developed, or other exploration is conducted, this timeline is pushed still further into the future.

DISCLOSURE CONTROLS AND PROCEURES

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A at March 31, 2010. Although certain weaknesses are inherent with small office operations, management has implemented certain controls such as segregation of duties within critical departments, frequent reviews and regular preparations of reconciliations of transactions to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

The Audit Committee of the Board of Directors has reviewed and approved the accompanying financial statements for the year ended March 31, 2010.

REGULATION COMPLIANCE

Metalore has complied with all filing requirements pursuant to National Instrument 51-101 (Standards for Disclosure for Oil and Gas Activities) by filing forms 51-101 F1, F2 and F3 with SEDAR.

EXECUTIVE COMPENSATION

Overview

Metalore Resources Limited is a junior resource company and its executive compensation is determined by the Board of Directors. The Compensation Discussion and Analysis describes, in accordance with National Instrument 51-102 *Continuous Disclosure Obligations*, the compensation paid, payable or awarded, granted, given or otherwise provided, directly or indirectly, by the corporation, to each named executive officer. Named executive officers are individuals who served as the CEO, CFO, and each of the corporation's most highly compensated executive officers or those acting in a similar capacity whose total compensation exceeded $150,000 at the end of the most recently completed financial year. This threshold has never been reached for remuneration paid by the company to any of its executives.

Actual Remuneration

The President, George W Chilian, is under a Management Contract and has been paid a constant $132,454 salary annually for the past several years. The president also controls a private company (Southern Ontario Natural Gas Limited) that is under contract to provide technical services for gas well completions and operations for an annual fee of $78,000 plus 10% of Metalore's annual gas revenue above $1,000,000. For the current fiscal year, salary was $132,454 and the fee paid to Southern Ontario Natural Gas was $78,000.

TRANSACTIONS WITH RELATED PARTIES

Refer to "***Actual Remuneration"*** above. Further details are in note 7 of the Audited Financial Statements contained within the Company's Annual Report for 2010.

SHAREHOLDER DIVIDEND POLICY

In the year 2000, Metalore introduced a policy to pay annual dividends to shareholders (subject to applicable law). Metalore paid its tenth consecutive annual dividend on December 19, 2009, to all Shareholders of Record on November 27th. This payment of 6 cents per share was slightly reduced in light of prevailing economic conditions.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of 4,000,000 common shares without par value.

Issued and outstanding: March 31, 2010 – 1,775,035;
Issued and outstanding: June 29, 2010 (date of this report) – 1,775,035

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are NPT LLP, Chartered Accountants of London, Ontario. The Transfer Agent and Registrar for the Common Shares of the Company is Computershare Trust Company of Canada.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company's reporting no later than in the quarter ending June 30, 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures.

RISK AND UNCERTAINTIES

Mining exploration risks

The business of exploration for minerals involves a high degree of risk. Very few properties that are explored are ultimately developed into producing mines.

Hydrocarbon risks

The hunt for and development of conventional non-renewable hydrocarbons is vulnerable to price variations, dry holes and ultimately depleted reservoirs.

Commodity Prices

Even if Metalore's exploration programs are successful, factors beyond the control of the Company will affect the marketability of any resources discovered. Inflation, international economic and political trends, currency fluctuations, interest rates and worldwide production levels all have a bearing on commodity prices. The effect of these factors cannot accurately be predicted. The Company partially mitigates the price risk factor by selling most of its gas production at least several months ahead with forward strip contracts.

FORWARD LOOKING STATEMENTS

This management discussion and analysis contains certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

METALORE RESOURCES LIMITED

George, Armen and Ralphie at White Pine Lodge, Sioux Narrows, Ontario, May, 2010.

George (left) and Armen Chilian (right) applied their combined 75 years of prospecting and geological experience cruising and spotting drill locations in the field from Flint, Cedartree and Stephen Lakes in the north to Weisener and Kakagi Lakes in the south throughout the month of May, 2010.

CEDARTREE LAKE AREA

KENORA DISTRICT, ONTARIO, CANADA

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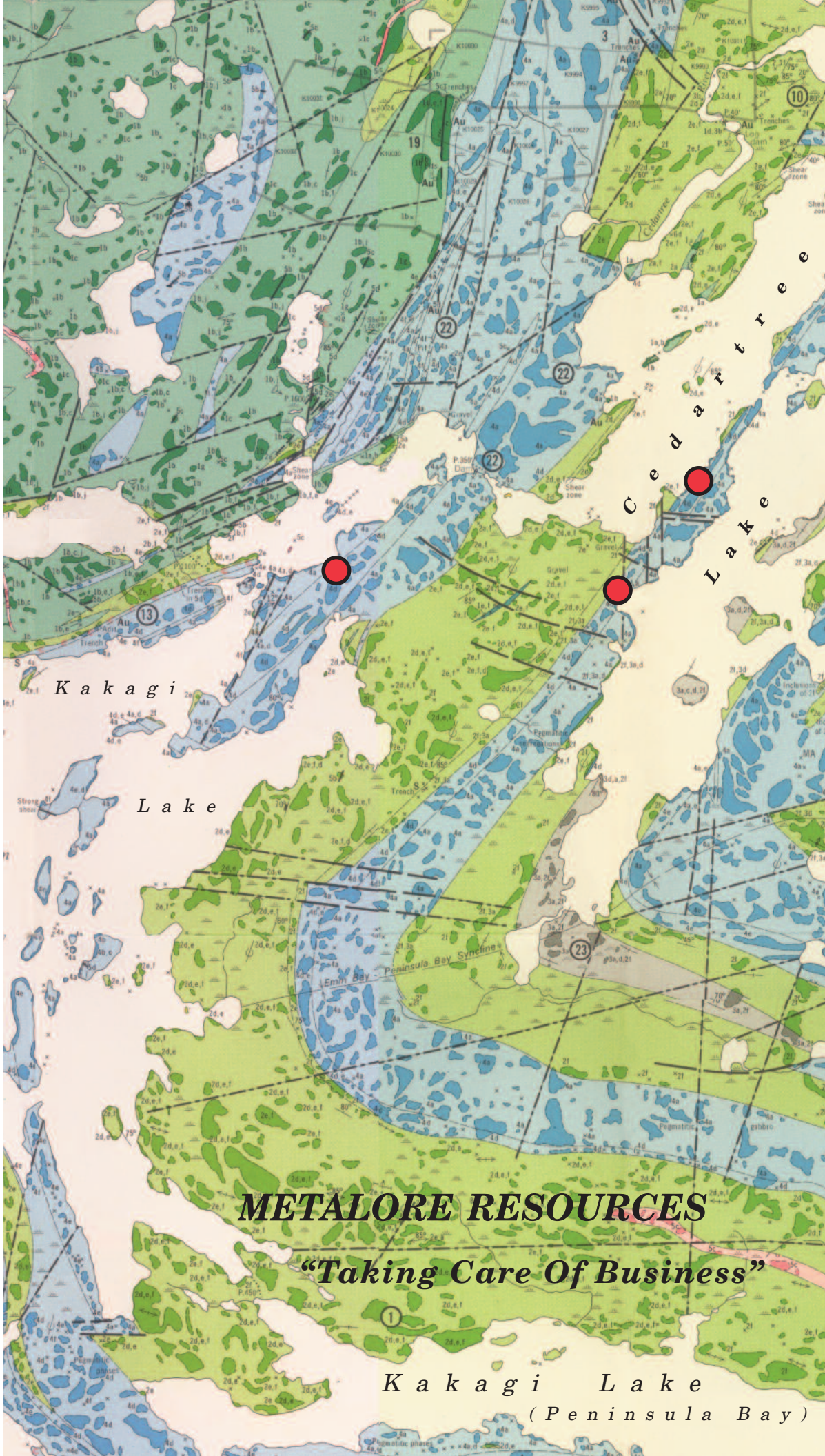
LEGEND

- Mafic Intrusive Rocks
- Late Mafic Dikes
- Late Felsic Intrusive Rocks
- Early Felsic Intrusive Rocks
- Mafic and Ultramafic Intrusive Rocks
- Metasediments
- Felsic to Intermediate Metavolcanics
- Mafic to Intermediate Metavolcanics
- Metalore's Cedartree Gold Discovery
- Undrilled Airborne Electromagnetic Anomolies on Metalore claims
- 1 Probable Order of Drilling Access Rather Than Target Priority

1,000 Feet

½ Mile

1 Kilometre

NOTE: Basic Geology on this map is an exact replica of the easterly part of Map 2319, Cedartree Lake Area by J.C. Davies and J.A. Morin, Ontario Geological Survey 1976.