METALORE RESOURCES LIMITED

Officers and Directors	GEORGE W. CHILIAN, *BA* *President, CEO and Managing Director* ..... *Vittoria, Ontario*
	JOHN A. RYAN, *CGA* *Interim 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* ..... *Simcoe, Ontario*
Bankers	*ROYAL BANK OF CANADA* ..... *Simcoe, Ontario*
Accountant	*HOWARD WALTON, BSc, ACMA, CMA* ..... *Simcoe, Ontario*
Auditors	*NEAL, PALLETT AND TOWNSEND, LLP* ..... *London, Ontario* *Chartered Accountants*
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	*2008 High $21.30 (CD)* ..... *Low $4.00 (CD)*
Annual Meeting	*BEST WESTERN LITTLE RIVER INN* ..... *Simcoe, Ontario* *Skylight Room* *Saturday, September 12, 2009, 12:30 p.m.*
Website and Email	*www.metaloreresources.com* *info@metaloreresources.com*

METALORE RESOURCES LIMITED

STATEMENT OF INCOME
AS AT MARCH 31

	2009	2008
REVENUES		
Natural gas production	**$ 2,032,713**	$ 1,694,323
Investment & interest income	**85,115**	81,428
Royalties	**7,233**	5,546
	2,125,061	1,781,297
EXPENSES		
Natural gas production	**506,098**	536,190
Amortization of natural resource assets	**278,000**	254,091
Royalties	**213,005**	177,117
Administration	**169,655**	216,813
Accretion	**10,800**	11,400
	1,177,558	1,195,611
INCOME FROM OPERATIONS	**947,503**	585,686
OTHER EXPENSE		
Loss on disposal of investments	**(17,260)**	(1,013)
INCOME BEFORE INCOME TAXES	**930,243**	584,673
INCOME TAXES *(Note 9)*		
Current	**38,000**	20,000
Future	**195,000**	23,000
	233,000	43,000
NET INCOME	**$ 697,243**	$ 541,673
BASIC AND FULLY DILUTED EARNINGS PER SHARE	**$ 0.39**	$ 0.30
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**1,775,035**	1,755,035

See accompanying notes

Approved on behalf of the Board:

John A. Ryan,
CFO

John C. McVicar,
Director

METALORE RESOURCES LIMITED

BALANCE SHEET AS AT MARCH 31

	2009	2008
ASSETS		
CURRENT		
Cash and cash equivalents	**$ 301,072**	$ 127,056
Marketable securities *(Note 3)*	**464,320**	680,946
Accounts receivable	**258,050**	322,849
Inventory	**39,150**	39,350
Prepaid expenses	**-**	11,905
	1,062,592	1,182,106
Long term investments *(Note 4)*	**1,029,000**	1,344,000
Natural gas properties *(Note 5)*	**10,362,646**	10,016,927
Mining properties	**3,448,593**	3,279,192
Land	**78,000**	78,000
	$ 15,980,831	$ 15,900,225
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities	**$ 247,707**	$ 368,021
Income taxes payable *(Note 9)*	**49,556**	25,213
	297,263	393,234
Future income taxes	**2,968,000**	2,773,000
Asset retirement obligation *(Note 10)*	**176,600**	186,900
	3,441,863	3,353,134
SHAREHOLDERS' EQUITY		
Share capital *(Note 7)*	**2,468,832**	2,468,832
Contributed surplus *(Note 8)*	**36,634**	36,634
Accumulated comprehensive income *(Note 14)*	**(186,634)**	394,486
Retained earnings	**10,220,136**	9,647,139
	12,538,968	12,547,091
	$ 15,980,831	$ 15,900,225

See accompanying notes

METALORE RESOURCES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2009	2008
OPERATING ACTIVITIES		
Net income	**$ 697,243**	$ 541,673
Items not affecting cash:		
Amortization of property, plant and equipment	**278,000**	254,091
Accretion	**10,800**	11,400
Loss on disposal of investments	**17,260**	1,013
Future income taxes	**195,000**	23,000
	1,198,303	831,177
Changes in non-cash working capital:		
Accounts receivable	**64,799**	(38,185)
Inventory	**200**	650
Prepaid expenses	**11,905**	(11,905)
Accounts payable and accrued liabilities	**(120,315)**	(26,850)
Income taxes payable	**24,343**	(10,463)
	(19,068)	(86,753)
Cash flow from operating activities	**1,179,235**	744,424
INVESTING ACTIVITIES		
Proceeds on disposal of marketable securities	**150,655**	52,987
Purchase of marketable securities	**(217,405)**	(144,702)
Natural gas development and exploration costs	**(644,822)**	(502,005)
Mining exploration costs	**(169,401)**	(201,733)
Cash flow used by investing activities	**(880,973)**	(795,453)
FINANCING ACTIVITY		
Dividends	**(124,246)**	(142,931)
INCREASE (DECREASE) IN CASH	**174,016**	(193,960)
Cash - beginning of year	**127,056**	321,016
CASH - END OF YEAR	**$ 301,072**	$ 127,056
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	**$ -**	$ -
Corporate taxes paid	**$ 13,643**	$ 30,462

See accompanying notes

METALORE RESOURCES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31

	2009	2008
NET INCOME	**$ 697,243**	$ 541,673
CHANGES IN COMPREHENSIVE INCOME		
Impact of adopting new policy	**-**	(24,226)
Unrealized gain (loss) on available for sale securities	**(556,893)**	423,752
Reclassification for realized losses	**(24,227)**	(5,040)
OTHER COMPREHENSIVE INCOME	**(581,120)**	394,486
COMPREHENSIVE INCOME FOR THE YEAR	**$ 116,123**	$ 936,159

See accompanying notes

STATEMENT OF RETAINED EARNINGS
YEAR ENDED MARCH 31

	2009	2008
RETAINED EARNINGS - BEGINNING OF YEAR	**$ 9,647,139**	$ 9,248,397
Net income for the year	**697,243**	541,673
	10,344,382	9,790,070
Dividends	**(124,246)**	(142,931)
RETAINED EARNINGS - END OF YEAR	**$ 10,220,136**	$ 9,647,139

See accompanying notes

AUDITOR'S REPORT

We have audited the balance sheets of Metalore Resources Limited as at March 31, 2009 and 2008 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, 2009 and 2008 the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Neal, Pallett & Townsend LLP

Neal, Pallett & Townsend LLP
Chartered Accountants, Licensed Public Accountants
London, Canada
June 4, 2009

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2009

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.

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, 2009 and 2008, no write down 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 for the following six calendar years are:

Remainder of	2009	9.37	per Mcf	2012	10.86	per Mcf
	2010	10.03	per Mcf	2013	11.33	per Mcf
	2011	10.42	per Mcf	2014	11.57	per Mcf

Thereafter escalation at a rate of 2%

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 Ontex Resources Limited (Ontex). 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 $5,074 (2008 - $4,378) and exploration costs of $20,720 (2008 - $16,571) 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 is classified as held for trading while accounts payable and accrued liabilities, income taxes payable and due to shareholders are classified as other financial liabilities.

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.

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 2009 and fiscal 2008.

Changes in accounting policies

Effective April 1, 2008, the Company adopted the following new CICA Handbook sections:

Section 3031 - Inventories. The section provides guidance regarding the measurement of inventories including the allocation of costs such as overhead and fixed production costs and allows for the reversal of previous impairment. The section was adopted retrospectively and had no impact on these financial statements.

Section 3863, Financial Instruments - Presentation, Section 1535, Capital Disclosures and Section 1400, General Standards of Financial Statement Presentation. The only impact of these sections was a requirement for additional disclosure in the notes to the financial statements.

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2009

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Future changes in significant accounting policies

The following accounting standards have been issued by the CICA but are not yet effective. The company is currently evaluating the effect of adopting these standards on their financial statements. 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. Section 3064 will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning 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 Company is currently evaluating the impact of the adoption of this new Section on its financial statements but does not anticipate that the adoption of this Section will have a material impact on the financial statements.

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. The transition date of January 1, 2011 will require the restatement of comparative balances for the year ended December 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

	2009		2008	
	Cost	**FMV**	Cost	FMV
Marketable securities	**$ 689,726**	**$ 464,320**	$ 664,460	$ 680,946

4. LONG TERM INVESTMENTS

In 1999, the Company purchased 3,600,000 shares of Ontex 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. At year end, the market value of the Ontex shares is $1,029,000 (2008 - $1,344,000). The investment in Ontex is currently treated as available for sale and as a result it is presented at its fair market value in accordance with CICA Handbook Section 3855.

5. NATURAL GAS PROPERTIES

	Cost	Accumulated amortization	**2009 Net book value**	2008 Net book value
Gas wells, transmission lines and leases	$ 14,621,150	$ 4,258,504	**$ 10,362,646**	$ 10,016,927

A portion of general and administrative costs of $19,902 (2008 - $28,196) and production costs of $288,783 (2008 - $267,908) were capitalized to natural gas properties, the Company's core business.

6. 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 2009 expense charged by SONG amounted to $188,000 (2008 - $150,920). 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 two years due to a lack of market demand.

As at March 31, 2009, the Company owed SONG $37,425 (2008 - $172,380) which is comprised of amounts payable related to technical services and natural gas production of $37,425 (2008 - $128,584) and $Nil (2008 - $43,796) respectively. This indebtedness is unsecured, non interest bearing, due on demand and included with accounts payable and accrued liabilities.

7. SHARE CAPITAL

			2009	2008
Authorized:	4,000,000	Common shares		
Issued:	1,775,035	Common shares	**$ 2,468,832**	$ 2,468,832

8. STOCK OPTIONS

On July 15, 2002, the Company was authorized to grant 25,000 stock options of which 20,000, with an exercise price of $6, were issued to four Directors of the Company. All of those options were exercised during fiscal 2007 for proceeds of $120,000. On February 6, 2006, the remaining 5,000 stock options, with an exercise price of $7.50, were granted to another Director for a period of four years from the grant date. The exercise price was determined by the Board of Directors at the time of grant subject to the conditions that the exercise price will not be less than the market price of the common shares at the time of being granted. None of these options were exercised during fiscal 2009 or 2008.

9. 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 33% (2008 - 33%) as a result of the following:

	2009	2008
Income before income tax provision	**$ 930,243**	$ 584,673
Anticipated income tax expense	**307,000**	195,000
Tax effect of the following:		
Resource rate deductions	**-**	(13,000)
Non taxable portion of capital transactions	**3,000**	-
Adjustment for substantially enacted rates	**(99,000)**	(159,000)
Corporate minimum taxes	**38,000**	20,000
Capital transactions	**(15,000)**	-
Other	**(1,000)**	-
Provision for income taxes	**$ 233,000**	$ 43,000

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2009

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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 income taxes, are as follows:

	2009	2008
Cumulative Canadian exploration expenses	**$ 1,887,000**	$ 2,304,400
Investment in flow through shares	**180,000**	180,000
Cumulative Canadian development expenses	**440,700**	455,900
Cumulative Canadian oil and gas property expenses	**479,400**	460,200
Foreign exploration and development expenses	**3,200**	3,500
Undepreciated capital costs property, plant and equipment	**662,900**	629,500

In addition, the Company has incurred accumulated corporate minimum taxes of $131,000 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.

Upon the transition to harmonized corporate filing of Federal and Provincial income tax returns, 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.

10. ASSET RETIREMENT OBLIGATION

	2009	2008
Asset retirement obligation beginning of year	**$ 186,900**	$ -
Revisions to estimated cash flows	**(21,100)**	175,500
Accretion	**10,800**	11,400
Asset retirement obligation end of year	**$ 176,600**	$ 186,900

During fiscal 2008 the Company revised its methodology for estimating its asset retirement obligation. This revision resulted in the initial recognition of $175,500 as an estimated cost of plugging the Company's wells.

The total undiscounted amount of estimated cash flows required to settle the obligation at year end is $2,670,744 (2008 - $2,551,000) which has been discounted at 6.5% using a fifty year maximum life in accordance with estimates prepared by independent engineers.

11. 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 (2008 - $70,000) that is required under the Regulations prescribed by the Ministry of Natural Resources.

12. FINANCIAL INSTRUMENTS

Credit Risk

As the Company's accounts receivable were due from one customer, 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.

July 2009 to October 2009	5,000 mmbtu per month	$5.60 US/mmbtu	November 2009 to March 2010	5,000 mmbtu per month	$7.40 CDN/mmbtu

13. 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. As the Company does not currently have a requirement for any external financing, its 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, 2009 the Company's working capital was $765,329 (2008 - $788,872).

14. ACCUMULATED COMPREHENSIVE INCOME

	2009	2008
Accumulated comprehensive income beginning of year	**$ 394,486**	$ -
Other comprehensive income	**(581,120)**	394,486
Accumulated comprehensive income - end of year	**$ (186,634)**	$ 394,486

METALORE RESOURCES LIMITED

Management's Discussion & Analysis of Financial Results For the Fiscal Year ended March 31, 2009

Management's Discussion and Analysis (MD&A) in respect of Metalore Resources Limited ("Metalore" or the "Company") should be read in conjunction with the audited financial statements for the twelve months ended March 31, 2009. The Company's financial statements and financial data set out below have been prepared in accordance with Canadian generally accepted accounting principles. Unless specified otherwise, all dollar amounts are in Canadian dollars. Additional information relating to the Company, including the Annual Report for the fiscal year 2009, is available on SEDAR at www.sedar.com.

This discussion contains certain forward-looking statements. All statements, other than statements of historical fact, that address activities, events or development that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. These statements are based upon certain assumptions and analyses made by management in light of its experiences and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform to management's expectations is subject to a number of risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results since there are inherent difficulties in predicting future results. Accordingly, actual results could differ from those expressed or implied.

Corporate Profile

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 (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 ninth consecutive annual dividend from operating profits.

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 was the major player in developing the Norfolk gas field in Southwestern Ontario since 1964, pioneering advanced completion and fracturing techniques. The Ontario natural gas operations constitute the "core business" of the company as the principal source of revenue. The cash flow from production and investments is balanced and allocated between drilling new wells to sustain and/or increase production, fielding select mining exploration projects, maintaining capital liquidity and paying dividends to Shareholders.

Management of the Company has also established a record of discovering and outlining precious metal resources (Brookbank, Fox Ear, Cherbourg and Irwin are 43-101 compliant). The majority interests in these resources were sold in 1998 subject to various participations and future overriding royalty payments (see "Current Business Strategy Table" hereunder).

Current Business Strategy

The Company has further strengthened its financial condition during the past year. Considering the current low price for natural gas and general economic conditions we have temporarily shut in approximately 50% of our production and reduced expenditures on exploration and development. One new gas well was completed in December/08 and a second well is nearing completion (June/09) on a program that was initiated and announced last year.

A very extensive ongoing exploration program is currently under way in the Beardmore area of Ontario whereon Metalore holds various interests in mining claims covering some thirty miles of strike length along the Brookbank, Fox Ear, Cherbourg and Irwin trends that contain 43-101 compliant gold resources. A recent addition to executive management of Ontex Resources along with an infusion of from five to nine million dollars in new financing should hasten the objectives of (1) increasing tonnage and ounces of the known deposits for feasibility and ultimate production as well as (2) increasing the possibility of making new discoveries. Metalore will be carefully monitoring and probably participating in some of these programs during the months ahead.

Brookbank Area Gold Deposits 2.0 g/t Au Cut-off, *43-101 Compliant*

Metalore's Interest	Zone Name		Indicated			Inferred		
			Tonnes	Un-Cut Au g/t	Un-Cut Au oz	Tonnes	Un-Cut Au g/t	Un-Cut Au oz
1% N.S.R.	BROOKBANK	1, 3	1,517,000	8.0	390,800	1,817,400	5.3	307,400
26% J.V.	CHERBOURG	1, 4	88,600	5.7	16,200	322,800	5.7	59,400
26% J.V.	FOXEAR	1, 4	189,700	2.9	17,900	385,400	2.8	34,300
	Sub-Total	1	1,795,300	7.4	424,900	2,525,600	4.9	401,100
26% J.V.	IRWIN	2, 4	45,000	5.1	7,400	130,000	4.9	20,300
	TOTAL		1,840,300	7.3	432,300	2,655,600	4.9	421,400

1 Estimated by Scott Wilson RPA (2009) at a 2.00 g/t Au cut-off.
2 Estimated by Thompson (2006) at a 2.00 g/t Au cut-off.
3 N.S.R. means Net Smelter Return.
4 J.V. means Joint Venture Participating Interest.

For more detailed information visit SEDAR, Ontex Resources Ltd., March 30, 2009 filing.

Overall Performance

Metalore's natural gas operations yield a stable base income. 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 is consistent with the Company's long term production record. Production is being maintained by the systematic drilling of additional wells when required. The Company has consistently obtained "forward" prices for its gas that average higher than current "spot" prices at time of delivery. The Company continues to diligently protect the equity of both its Natural Gas and Mining properties.

Results of Operations - Commentary

Twelve Months ended March 31, 2009

Statement of Income & Retained Earnings

1. Natural Gas Revenue has increased compared to the preceding year due to the securing of very favorable forward contracts. Subsequent to the year end these contracts expired.
2. Royalties revenue from natural gas wells has increased slightly for the same reasons as applicable to Metalore itself given in (1) above.
3. Investment & Interest Income has risen because the company continues to maintain marketable securities that yield high monthly dividend and interest payments.
4. Metalore was not immune to market conditions and this is reflected in this year's nominal loss on sale of investments, which were actually offset by dividends received.
5. Production expenses have decreased due to managements' diligence in preparing the company for the global economic slowdown.
6. Royalties expense has increased in proportion to natural gas revenues.
7. Depletion expense has decreased in proportion to natural gas production.
8. Administrative expenses have also decreased for the same reason that are applicable to production expenses.
9. Accretion expense is described by the auditors in note 10 of the financial statements.
10. The accounting treatment of income taxes is described by the auditors in notes 2 & 9 of the financial statements.
11. Dividends paid are in accordance with the shareholder dividend policy which is stated separately in this MD&A report.

Statement of Cash Flows

12. Cash flow from operating activities increased compared to the prior year in line with the improvement in natural gas revenue.
13. No stock options were exercised this year. The current status of stock options is dealt with in note 8 of the financial statements.
14. Natural Gas Development: one gas well was drilled this fiscal year and another partly drilled.
15. Mining Exploration expenses relate to diamond drilling at the Cedartree Lake properties.
16. The company continued its acquisition of high yielding low risk marketable securities.
17. The effect of the preceding lines resulted in an increase in cash in the twelve months of this reporting period of $174,016.

Accumulated Comprehensive Income

18. This is described in detail in note 2 of the financial statements. This income recognizes changes in the value of balance sheet items. These changes are reflected only in the balance sheet and not in the regular statement of income.

Balance Sheet

19. Cash & cash equivalents have increased in the last twelve months to a total of $301,072.
20. Marketable securities that are described in note 18 above, have now accumulated to $464,320.
21. Accounts receivable is for one month's natural gas production only.
22. Inventory of pipe and supplies is held on hand for new well tie-ins and work on our pipe line grid as and when required.
23. The long term investment is accounted at fair market value. The changes in the market value are included in accumulated comprehensive income as described in note 18 above.
24. Natural Gas properties have increased in cost by the amount shown on the statement of cash flows less depletion as shown on the statement of income and any adjustments to the asset retirement obligation as described in note 10 of the financial statements. Accounting for the natural gas properties is described in the notes to the financial statements, specifically notes 1 and 5.
25. Mining properties have increased in cost by the amount shown on the statement of cash flows.
26. Land is accounted for using the cost method. The carrying value is written down only in the event of a decline in value which is considered other than temporary.
27. Accumulated amortization has increased by the amount shown on the statement of income.
28. Accounts payable and accrued liabilities are comprised of regular trade payables which by company policy are paid within 30 days and accrued royalties, which are paid annually in March of each year. Royalties are accrued on a calendar year basis and then paid in March. An estimate is made of the accrued royalty to the end of the fiscal year.
29. Future income taxes accrue because the Income Tax Act of Canada provides for certain deductions for exploration and development expenses and credits in excess of any current income in the accounts. The company has accumulated balances of cost to effectively defer future taxes into perpetuity. This is more fully described in note 9 of the company's annual report.
30. There has been no change in share capital during the year. Please refer to note 7 of the financial statements for more details.
31. Contributed surplus consists of an amount of $16,000 that has remained unchanged for over thirty years and $20,634 resulting from stock options exercised in 2007.
32. Retained earnings has increased by net income less dividends paid.

METALORE RESOURCES LIMITED

MD&A (cont'd)

Selected Annual Information

	Years ended	March 31:	
	2009	2008	2007
Statement of Income	$	$	$
Total Revenues	2,125,061	1,780,284	2,406,184
Operating expenses	1,177,558	1,195,611	1,187,716
Net Income after taxes	697,243	541,673	543,468
Earnings per share (fully diluted)	0.39	0.30	0.31
Statement of Cash Flows			
Cash flow from operations	1,179,235	831,177	1,402,275
Cash flow from operations per share	0.66	0.47	0.79
Accumulated Comprehensive Income			
Accumulated gains & losses included in the balance sheet at the end of the year	(581,120)	394,486	Not applicable
Balance Sheet Data			
Current Assets	1,062,592	1,182,106	1,219,438
Current liabilities	297,263	393,234	430,546
Mining properties	3,448,593	3,279,192	3,077,459
Natural gas properties	10,362,646	10,016,927	9,593,512
Total Assets	15,980,831	15,900,225	14,934,409
Total long term financial liabilities	Nil	Nil	Nil
Shareholders' Equity	12,538,968	12,547,091	11,753,863
Dividends paid	124,246	142,931	142,445
Dividends per share	0.07	0.08	0.08

* The company pays a minimum corporate tax; however no tax on income is presently payable by the company because of an inventory of exploration and development expenditures that are carried forward. For further details see "INCOME TAXES", note 9, pages 7 and 8 attached hereto.

Comparative Summary & Financial Data by Quarter

	Mar 31/08	Dec 31/08	Sept 30/08	June 30/08	Mar 31/08	Dec 31/07	Sept 30/07	June 30/07	Mar 31/07
	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr
Revenue	585,541	685,744	358,155	495,621	484,011	454,335	399,239	442,699	781,909
Net Income	132,428	300,197	83,753	180,965	150,394	145,055	105,714	140,510	-20,313
Earnings per share	0.07	0.17	0.05	0.10	0.08	0.08	0.06	0.08	-0.04
Cash flow per share	(0.53)	0.29	0.17	0.17	0.06	0.15	0.12	0.14	0.21
Dividends per share	0.07	--	--	--	0.08	--	--	--	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, 2009.

Fourth Quarter

i) Summarized Financial Data

	For the three	months ended:
Statement of Income	Mar 31/09	Mar 31/08
Total Revenues	$585,541	$484,011
Total Expenses	378,213	489,767
Income tax recovery (expense)	75,000	167,550
Net after tax income (loss)	132,328	150,394
Statement of Cash Flows		
Cash flow from operations before changes		
in working capital	306,888	109,348
Changes in working capital	(42,935)	(71,738)
Cash flow from operations	269,953	37,610
Financing activities	5,248	(10,439)
Trading in marketable securities	(90,476)	(29,790)
Mining exploration	(24,074)	(128,814)
Natural gas development	(182,320)	(77,063)
Increase (decrease) in cash	19,783	(204,496)
Balance Sheet Data (is provided in the selected annual information paragraph above)		

ii) Management Discussion & Analysis of Fourth Quarter

The operating profit in the fourth quarter is mostly the result of advantageous contracts for the sale of natural gas at prices above the prevailing market price at the time of delivery, as well as greater efficiencies applied in gas field management. The 2009 investment income was up compared to prior years due to the continued acquisition of high yielding marketable securities. Operating expenses decreased compared to 2008 partly due to management cutbacks in expenses in preparation for a lean year in fiscal 2010. Accretion expense is dealt with in item 10 of the financial statement notes.

As a result of factors described in the preceding paragraph, cash flow from operations was strong compared to 2008. Changes in working capital are quarter by quarter changes in accounts receivable, inventories and accounts payable and represented nothing out of the ordinary. Working capital increased in the quarter.

Internal Control Over Financial Reporting

The current Chief Executive Officer and current Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting for the Company and have designed such controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

It should be noted that, while the Company's current Chief Executive Officer and current Chief Financial Officer believe that the Company's internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not expect that the Company's internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Forward Strip Contracts

As of June 26, 2009, Metalore has only two forward strip contracts in place.

Contract Period	Minimum Contract Quantity	Price per MMBTU
July/09 through Oct/09	5,000 MMBTU per month	5.60 US$
Nov/09 through Mar/10	5,000 MMBTU per month	7.40 CF$

Capital Resources & Liquidity

	Y/E Mar 31/09	Y/E Mar 31/08
Current Assets	$1,062,592	$1,182,106
Current Liabilities	297,263	393,234
Excess of Current Assets over Current Liabilities	765,329	788,872

Cash & cash equivalents increased in the last twelve months to a total of $301,072. This was after capital and investment expenditures of $880,973 during the fiscal year 2009, compared to a decrease in cash of $193,960 after capital and investment expenditures of $795,453 during the fiscal year 2008. The expenditures were mainly comprised of natural gas development.

Financial Instruments

The Company's financial instruments consist of cash, cash equivalents, accounts receivable and income trusts. 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.

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.

METALORE RESOURCES LIMITED

MD&A (cont'd)

Contractual Obligations [1]

Report for the upcoming 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[1]	$200,000	$400,000	$ 800,000	$1,400,000
Mining Commitments	$200,000	$203,078	$ 206,156	$ 609,234
Total Contractual Obligations	$410,000	$671,078	$1,074,156	$2,155,234

Shareholder Dividend Policy

In the year 2000, Metalore introduced a policy to pay annual dividends to shareholders (subject to applicable law). On December 15, 2008 the Company paid its ninth consecutive annual dividend to Shareholders of record on November 30, 2008; this payment was for $0.07 per share.

The dividend is converted to US currency for a significant percentage of shareholders registered with United States postal addresses.

Outstanding Share Data

The Company has 1,775,035 common shares issued (1,780,035 fully diluted, see Notes 7 and 8 to the financial statements).

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.

Critical Accounting Estimates

Management is required to make estimates in preparing its financial statements in conformity with generally accepted accounting principles. 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 form proven reserves at year end and costs, less future cash flows are based on the NYMEX Henry Hub prices adjusted by $1.32 per mmbtu to allow for actual prices received near Dawn, Ontario. Forecast prices used for the next five years are listed in note 1 of the notes to the 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 2009 are 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 of as economic events dictate, for potential write down. If exploration activities are unsuccessful including and the area is abandoned, all capitalized costs are written off, as has been the case for some properties this year 2009.

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 already in an earlier paragraph.

[1] *Note: Contractual Obligations are estimates based upon expected gas production.*

iii. Future Income Taxes

Income taxes are calculated using the liability method of tax allocation. Temporary differences arising from the difference 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 in 2007 and 2008. On the balance sheet, future income taxes account for approximately seventeen per cent of total liabilities and equity.

The sensitivity of this estimate is small because historically the Company has paid only Federal 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 until many years into the future. Every year that wells are drilled and developed and/or mining exploration is conducted, this timeline is pushed still further into the future. *It should be noted that the "real time" net profit per share is actually higher than systematically recorded on the financial statements because of the anachronism of "future income tax".*

Transactions with Related Parties

Metalore has an on-going agreement with Southern Ontario Natural Gas Limited (SONG), a private company controlled by the Company President, George W. Chilian, to provide highly technical services for gas well completions and production. Details are included in note 6 of the March 31/09 Financial Statements.

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.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated by management as appropriate to allow timely decisions regarding required disclosure. The Company's disclosure controls and procedures provide reasonable assurance that material information related to the Company is made known to current management.

It should be noted that, while the Company's current Chief Executive Officer and current Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Risk and Uncertainties

Mining exploration risks

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

Hydrocarbon risks

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

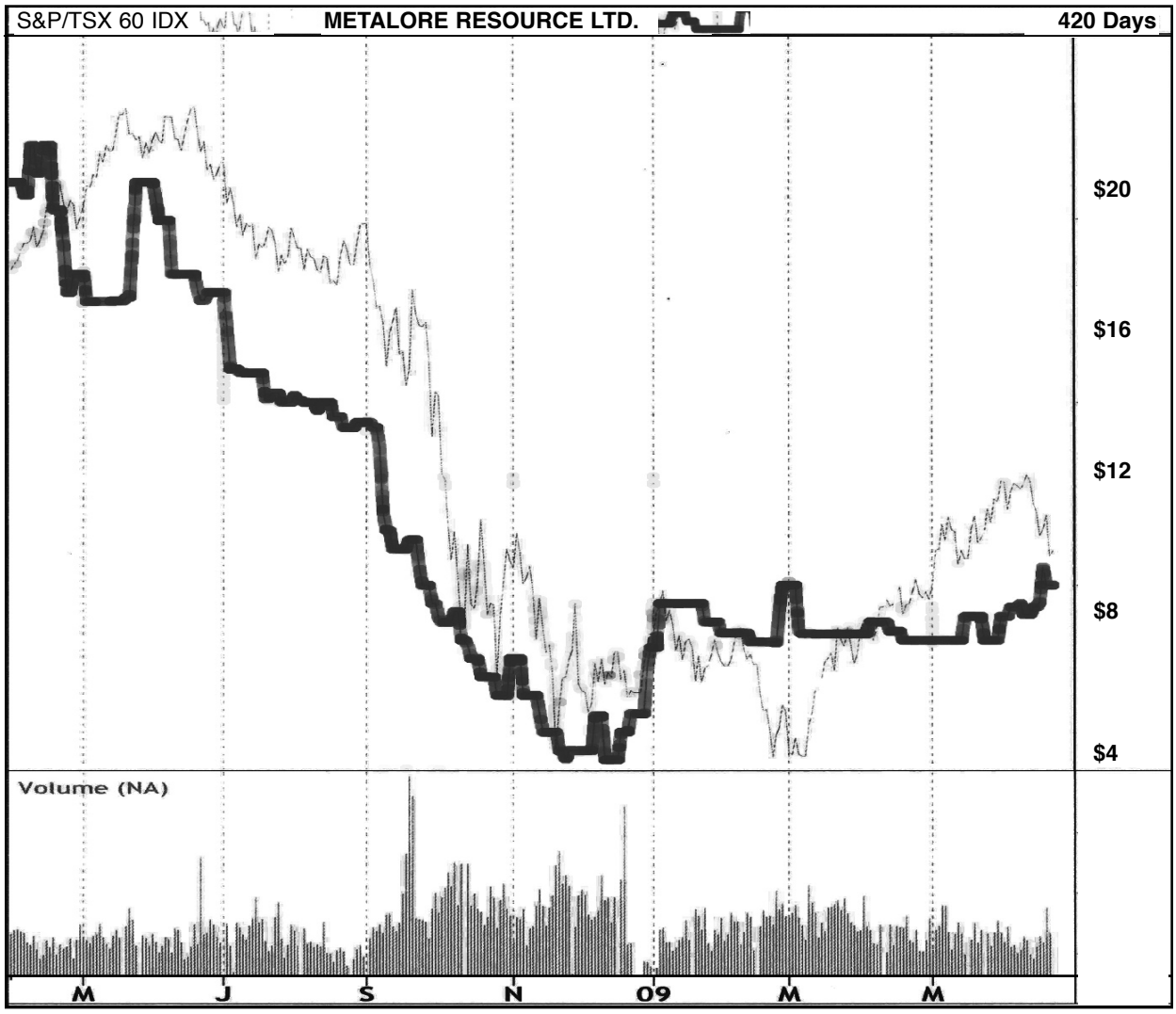
Commodity Prices

Even if Metalore's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any resources discovered. Commodity prices (both natural gas and minerals) have historically fluctuated, and are affected by factors beyond the control of the company. 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.

METALORE RESOURCES LIMITED

MD&A (cont'd)

Comparative Price Performance Benchmark



Market for Securities

The Company's common shares have been listed and traded on the Toronto Stock Exchange (TSX, tier one) for the past 28 years. Metalore has the lowest number of shares outstanding of any resource related company listed on the TSX.

Metalore Resources Limited

Year	Month	HIGH:	LOW:
2008	May	20.71	16.75
	June	20.00	16.78
	July	16.00	14.00
	August	14.05	13.31
	September	13.45	8.50
	October	8.29	6.00
	November	7.00	4.25
	December	7.30	4.00
2009	January	8.75	7.30
	February	9.00	7.42
	March	9.00	7.67
	April	8.00	7.50
	May	8.15	7.50
	June	9.50	8.15

This MD&A is dated as of June 26, 2009 **John A. Ryan**