

METALORE RESOURCES LIMITED

FIRST QUARTER FINANCIALS

**For the three months ended June 30, 2003 with comparative
figures for the three months ended June 30, 2002**

(unaudited)

STATEMENT OF INCOME AND RETAINED EARNINGS

	<u>2003</u>	<u>2002</u>
Revenue	\$	\$
Natural Gas Production	416,874	400,281
Royalties	1,048	602
Investment & Interest Income	374	1,293
	<u>418,296</u>	<u>402,176</u>
Expenses		
Production expenses	75,551	70,811
Administrative expenses	29,717	28,838
Royalties	38,840	39,765
Amortization, depletion	25,000	24,000
	<u>169,108</u>	<u>163,414</u>
Income before taxes	249,188	238,762
Future income taxes *	<u>49,840</u>	<u>71,870</u>
Net income	199,348	166,892
Retained Earnings, beginning of period	<u>7,913,344</u>	<u>7,224,346</u>
Retained earnings end of period	<u><u>8,112,692</u></u>	<u><u>7,391,238</u></u>
Earnings per share	0.11	0.10

* Reflects reduction in Federal Income Tax Rate.

METALORE RESOURCES LIMITED**FIRST QUARTER FINANCIALS**

For the three months ended June 30, 2003 with comparative
figures for the three months ended June 30, 2002

(unaudited)

STATEMENT OF CASH FLOWS

	<u>2003</u>	<u>2002</u>
CASH PROVIDED BY (EXPENDED)	\$	\$
Operations		
Net Income	199,348	166,892
Amortization, depletion	25,000	24,000
Future income taxes	<u>49,840</u>	<u>71,870</u>
Cash flow from operations before change in non-cash working capital	274,188	262,762
Change in non-cash working capital	<u>44,157</u>	<u>56,316</u>
Cash provided by operating activities	<u>318,345</u>	<u>319,078</u>
Investments		
Natural gas development	(55,872)	(172,010)
Mining exploration	<u>(38,026)</u>	<u>(19,111)</u>
	<u>(93,898)</u>	<u>(191,121)</u>
Increase (decrease) in cash	224,447	127,957
Cash beginning of period	<u>153,942</u>	<u>212,993</u>
Cash end of period	<u>378,389</u>	<u>340,950</u>
Cash flow per share	0.16	0.15

METALORE RESOURCES LIMITED**FIRST QUARTER BALANCE SHEET**

At June 30, 2003
with comparative figures at March 31, 2003 (unaudited)

ASSETS

	June <u>2003</u>	March <u>2003</u>
Current Assets	\$	\$
Cash & cash equivalents	378,389	153,942
Marketable securities	83,679	83,679
Accounts receivable	193,734	242,138
Inventory of pipe & supplies	<u>34,400</u>	<u>34,400</u>
	690,202	514,159
Long Term Investment	1,440,000	1,440,000
Natural gas properties	10,583,660	10,527,788
Mining properties	1,909,562	1,871,536
Renewable fuel (Ethanol) costs	927,811	927,811
Accumulated amortization	<u>(2,800,440)</u>	<u>(2,775,440)</u>
	<u>12,750,795</u>	<u>12,505,854</u>

LIABILITIES & SHAREHOLDERS' EQUITY

Current liabilities		
Accounts payable & accrued liabilities	144,110	133,234
Due to shareholders	<u>105,171</u>	<u>120,294</u>
	249,281	253,528
Future income taxes	2,039,840	1,990,000
	<u>2,289,121</u>	<u>2,243,528</u>
Shareholders' equity		
Share capital	2,332,982	2,332,982
Contributed surplus	16,000	16,000
Retained earnings	<u>8,112,692</u>	<u>7,913,344</u>
	<u>10,461,674</u>	<u>10,262,326</u>
	<u>12,750,795</u>	<u>12,505,854</u>
Current Ratio (assets / liabilities)	2.8 to 1	2.0 to 1

METALORE RESOURCES LIMITED
NOTES TO FINANCIAL STATEMENTS

For the Quarter ended June 30, 2003

1. Significant Accounting Policies

The financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles in Canada for interim financial statements. The financial statements have, in management's opinion, been properly prepared using judgement within reasonable limits of materiality. These interim financial statements do not include all the note disclosures required for annual financial statements and therefore, should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 2003. The significant accounting policies follow that of the most recently reported annual financial statements.

2. Accounting estimates

The preparation of interim financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.