
**METALORE
RESOURCES
LIMITED**

**FIRST QUARTER
ENDED JUNE 30, 2001**

METALORE RESOURCES LIMITED**FIRST QUARTER FINANCIALS**

For the three months ended June 30, 2001 with comparative
figures for the three months ended June 30, 2000
(subject to audit adjustments at year end)

STATEMENT OF INCOME AND RETAINED EARNINGS

	<u>2001</u>	<u>2000</u>
Revenue	\$	\$
Natural Gas Sales & Royalties	<u>591,921</u>	<u>302,967</u>
Expenses		
Production expenses	69,783	58,641
Administrative expenses	28,612	23,254
Royalties	59,045	28,970
Amortization, depletion	<u>25,000</u>	<u>23,000</u>
	<u>182,440</u>	<u>133,865</u>
Net income before taxes	409,481	169,102
Income taxes		
Income taxes (deferred)	<u>131,030</u>	<u>50,730</u>
Net income	278,451	118,372
Retained Earnings, beginning of period	6,463,929	5,636,876
Retained earnings end of period	<u><u>6,742,380</u></u>	<u><u>5,755,248</u></u>
Earnings per share	0.16	0.07

METALORE RESOURCES LIMITED**FIRST QUARTER FINANCIALS**

For the three months ended June 30, 2001 with comparative
figures for the three months ended June 30, 2000
(subject to audit adjustments at year end)

STATEMENT OF CASH FLOWS

	<u>2001</u>	<u>2000</u>
CASH PROVIDED BY (EXPENDED)	\$	\$
Operations		
Net Income	278,451	118,372
Amortization, depletion	25,000	23,000
Deferred income taxes	<u>131,030</u>	<u>50,730</u>
Cash flow from operations before change in non-cash working capital	434,481	192,102
Change in non-cash working capital	<u>131,507</u>	<u>(42,221)</u>
Cash provided by operating activities	<u>565,988</u>	<u>149,881</u>
Investments		
Natural gas development	(175,947)	(178,280)
Renewable fuel costs - Ethanol	(1,017)	0
Mining exploration	<u>(12,269)</u>	<u>(3,104)</u>
	<u>(189,233)</u>	<u>(181,384)</u>
Increase (decrease in cash)	376,755	(31,503)
Cash beginning of period	<u>49,333</u>	<u>58,495</u>
Cash end of period	<u><u>426,088</u></u>	<u><u>26,992</u></u>
Cash flow per share	0.25	0.11

METALORE RESOURCES LIMITED**FIRST QUARTER BALANCE SHEET**

**At June 30, 2001 with comparative figures at
June 30, 2000 (subject to audit adjustments at year end)**

ASSETS

	<u>2001</u>	<u>2000</u>
Current Assets	\$	\$
Cash & cash equivalents	426,088	26,992
Marketable securities	1,260,485	1,260,485
Accounts receivable	244,753	133,393
Inventory of pipe & supplies	36,490	25,650
	<u>1,967,816</u>	<u>1,446,520</u>
Natural gas properties	6,785,227	6,323,536
Mining properties	1,282,955	1,225,900
Renewable fuel (Ethanol) costs	925,682	921,869
	<u>10,961,680</u>	<u>9,917,825</u>

LIABILITIES & SHAREHOLDERS' EQUITY

Current liabilities		
Accounts payable & accrued liabilities	261,034	279,402
Municipal taxes payable	0	141,082
	<u>261,034</u>	<u>420,484</u>
Due to shareholders	58,254	33,381
Deferred income taxes	1,606,030	1,414,730
	<u>1,664,284</u>	<u>1,448,111</u>
Shareholder's equity		
Share capital	2,277,982	2,277,982
Contributed surplus	16,000	16,000
Retained earnings	6,742,380	5,755,248
	<u>9,036,362</u>	<u>8,049,230</u>
	<u>10,961,680</u>	<u>9,917,825</u>
Current Ratio (assets / liabilities)	7.6 to 1	3.4 to 1