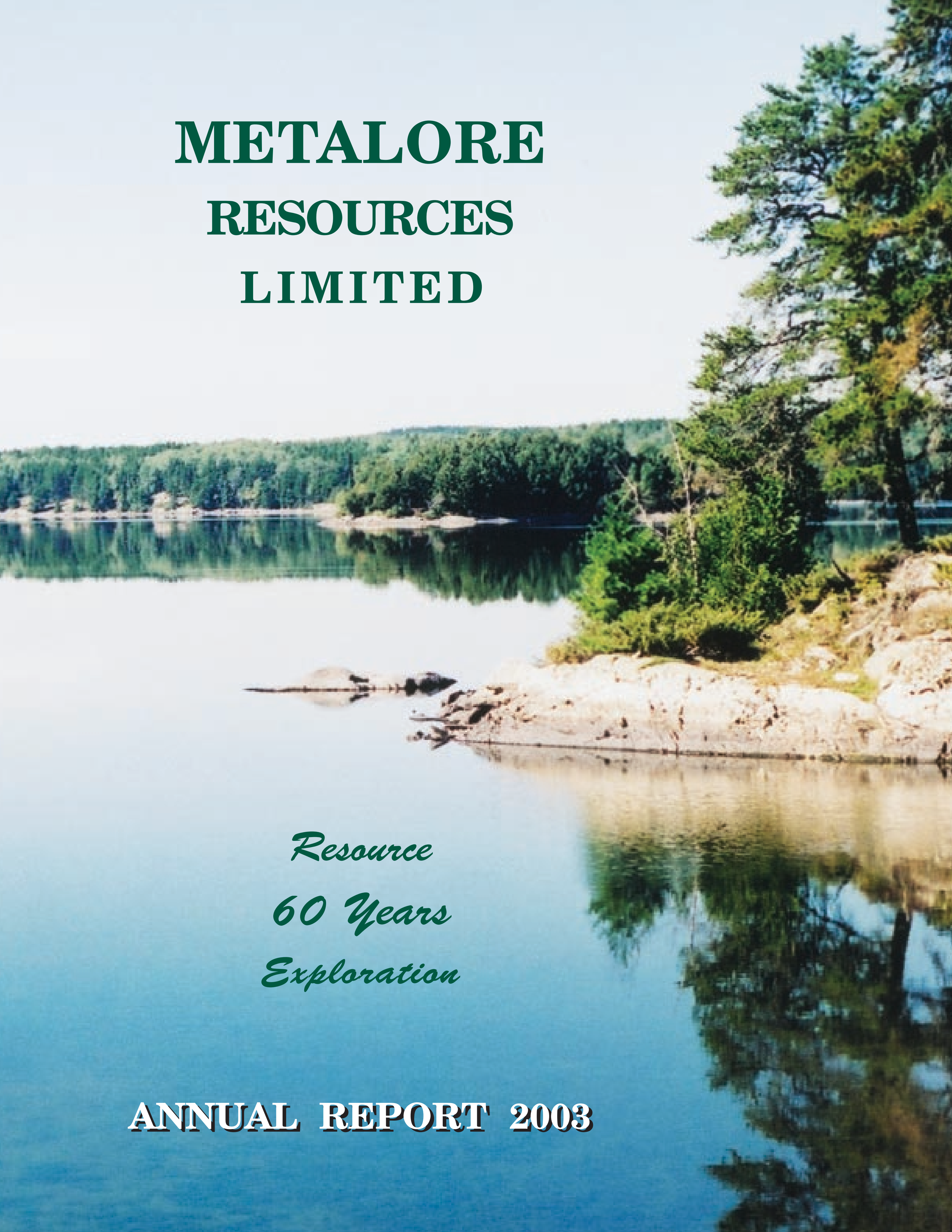
METALORE RESOURCES LIMITED



Resource
60 Years
Exploration

ANNUAL REPORT 2003

Cover photo: Small bay on Cedartree Lake, just offshore of recent drill area. Note clarity of water and receded shoreline.

Upper photo: Narrows between east and west arms of Cedartree Lake, May 2003. Arrow shows water level prior to construction of dam. Note, there is not a single sandy beach on the 25 kilometres of Cedartree shoreline

Lower photo: Carl Chilian prospecting on rocky hill overlooking Shingwak (White Pine) Lake, another neighbouring headwater of Lake of the Woods, May, 2003. Note, in the background, the contrast with Cedartree of sand beaches, shoals and sustained high water levels.

METALORE RESOURCES LIMITED

Officers and Directors	GEORGE W. CHILIAN, *President, CEO and Managing Director* .... *Vittoria, Ontario*
	JOSEPH MAKSYMCHUK, *Secretary-Treasurer and Director* .... *Brantford, Ontario*
	JOHN C. McVICAR, *Director* .... *Brantford, Ontario*
	PATRICIA SHELANDER, *Director* .... *St. Paul, Minnesota*
	DAVID J. SLATER, *Director* .... *Lasalle, Ontario*
Executive Office & Natural Gas Division	*Rural Route #1* .... *Vittoria, Ontario*
Production Manager & Hydrocarbon Geologist	*JONATHAN CHILIAN, B.Sc.* .... *Simcoe, Ontario*
Assistant Production Manager	*HAIG CHILIAN* .... *Vittoria, Ontario*
Mining Exploration Consultant	*ARMEN CHILIAN, B.Sc.* .... *London, Ontario*
Bankers	*ROYAL BANK OF CANADA* .... *Simcoe, Ontario*
Accountant	*HOWARD WALTON, CMA* .... *Simcoe, Ontario*
Auditors	*PKF HILL LLP* .... *Toronto, Ontario*
Registrar & Transfer Agent	*COMPUTERSHARE TRUST* .... *Toronto, Ontario*
Share Listing & Symbol	*TORONTO STOCK EXCHANGE, "MET"* .... *Toronto, Ontario* *(Over the Counter, "MTLRF")*........*United States*
Share Price Range	*2002 High $14.50 (CD) .... Low $5.00 (CD)*
Annual Meeting	*WESTIN HARBOUR CASTLE HOTEL* .... *Toronto, Ontario* *September 26, 2003, 4:30 p.m.*
Website and Email	*www.metaloreresources.com* *info@metaloreresources.com*

METALORE RESOURCES LIMITED

President's Annual Letter

To the Shareholders:

NATURAL GAS DEVELOPMENT / EXPLORATION

Natural Gas Prices in North America suffered a prolonged slump throughout most of the 2002 calendar year as average monthly prices ranged from only $2.25 (US) per Mmbtu to a high of $4.00. Nevertheless, we obtained a mean average of $3.78 (US) for the fiscal year with our hedge marketing policy. Prices began to recover sharply during early winter and escalated to a sustained peak by early summer, 2003. During that spike Metalore opportunely hedged 50% of our next winter strip (Nov. '03 - March '04) at above $6.50 (US) before the market pulled back to current levels of around $4.70. This is the highest strip price we have ever negotiated and should contribute nicely to another excellent year of profitability.

North America has ushered in a new era of virulent Natural Gas Pricing. The ten year average price of $2.42 is ***history*** – that will not be repeated – and Metalore is in an advantageous position to capitalize on its "core" business.

All right then. Just how are we going to manage this emerging prosperity?

1. We will continue to nourish our business of Natural Gas Development. The drilling of both development and exploratory wells on our 40,000 acre land package in Southwestern Ontario will be maintained and supplemented as warranted.

2. We will continue to build a liquid investment portfolio, which is presently composed of high interest bearing (7% - 9%), quality corporate bonds, dividend trusts and dividend paying resource based companies..

3. We will continue to pay a conservative annual Dividend to Shareholders and increase it whenever our financial resources permit.

4. Mining Exploration is the highest risk "business" in the world – but the rewards can be even exponentially higher. Metalore has garnered a wealth of knowledge and experience in this arena for over half a century and we will continue to apply our expertise to periodically examine and explore properties of unusual merit. Furthermore, Metalore has diligently preserved the ***equity*** of Shareholders over the years. We have the lowest capitalization of any resource company on the Toronto Stock Exchange. We finance our exploration with Natural Gas Profits which would otherwise be lost to income tax. As a resource company, we are entitled to write off and/or carry forward 100% of Mining Exploration costs and 33% of Natural Gas Development costs against taxable income[1], so we might just as well get an ***extra*** "bang for our buck" – and ***go*** for it!

Carl, plugger drilling at waters' edge, July, 2003.

1. Refer to page 7 (herein), Note 1. (i) of the attached Financial Statements, 2003.

MINING EXPLORATION

During the summer of 2002, Metalore took on our first aggressive Mining Exploration project in several years. We acquired, by purchase and staking, 100% interest in a large, 134 claim, new gold prospect in Northwestern Ontario. Our initial drill program last fall yielded encouraging results from all seventeen holes drilled on the main discovery zone[2]. So far this season, in preparation for our second, more comprehensive drill program, we have plugger drilled, blasted and grab sampled two new showings and completed geophysical surveys (VLF and Mag) along two kilometres of the favourable geological trend (felsic fragmentals and felsic and mafic intrusives) that we have initially drilled. These rock types are also ideally suited for base metal deposition, which prompted completion of the electromagnetic (VLF) survey.

George, preparing fuse and powder for blasting.

We are now pleased to report that over thirty distinct anomalies have been identified by our new geophysical survey. Approximately one-third of this new grid had been mapped in previous years with various other ***surface*** surveys, as well as with a "state of the art" ***airborne*** geophysical recently released by the Ontario Government, dubbed "Operation Treasure Hunt". Of particular interest is a 1999 map, within part of our new grid, that pinpoints no less than ***fourteen*** separate locations along the shoreline of Cedartree Lake, that assayed from one gram to over twelve grams of Gold per ton, and these showings apparently have never been explored further. Four of the anomalies detected by our new survey correlate with four of the previously located anomalous gold values, while another four higher intensity anomalies, correspond with multi-channel airborne targets that were identified by "Operation Treasure Hunt". All of this past work has provided us with tens of thousands of dollars worth of strategic analytical data that has enabled us to correlate the comparative geoscientific responses with the surface and subsurface metallic content of our first seventeen drill holes.

The ***priority*** of our up-coming drill program will be to extend the depth and length of the main discovery zone and to drill as many of the newly identified targets as time and logistics permit. Most of these targets are at least partially obscured by overburden and can only be systematically examined with the drill. In any event, Metalore has a piquant assortment of arrows in our quiver and we are confident that our work at Cedartree will ultimately culminate in the development of a potential new Gold producing camp.

On behalf of the Board,

George W. Chilian, President
August 8, 2003

2. Refer to "Six Month Progress Report", November 20, 2002.

METALORE RESOURCES LIMITED

BALANCE SHEET AS AT MARCH 31

	2003	2002	2001
ASSETS			
Current assets			
Cash and short-term deposits	$ 153,942	$ 212,993	$ 49,333
Marketable securities	83,679	485	485
Accounts receivable	242,138	229,493	343,941
Inventory of pipe and supplies	34,400	27,600	36,490
	514,159	470,571	430,249
Long-term portfolio investments (note 3)	1,440,000	1,440,000	1,260,000
Natural gas properties (note 2)	7,752,348	7,401,795	6,634,279
Mining properties (notes 1[g], 3, and 4[c])	1,871,536	1,379,734	1,270,686
Renewable fuel (Ethanol) costs (note 1[h])	927,811	927,811	924,666
	$ 12,505,854	$ 11,619,911	$ 10,519,880
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued royalties	$ 131,234	$ 205,937	$ 165,359
Large corporation taxes payable	2,000	-	-
Due to shareholders (notes 4[a] and 4[b])	120,294	19,646	121,610
	253,528	225,583	286,969
Future income taxes (note 1[i])	1,990,000	1,876,000	1,475,000
	2,243,528	2,101,583	1,761,969
Shareholders' equity			
Share capital (note 5)	2,332,982	2,277,982	2,277,982
Contributed surplus	16,000	16,000	16,000
Retained earnings	7,913,344	7,224,346	6,463,929
	10,262,326	9,518,328	8,757,911
	$ 12,505,854	$ 11,619,911	$ 10,519,880

See accompanying notes

Approved on behalf of the Board:

Joseph Maksymchuk, CMA,
Director

John C. McVicar,
Director

METALORE RESOURCES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED MARCH 31

	2003	2002	2001
Revenue			
Natural gas production	$ 1,509,271	$ 1,979,501	$ 1,710,689
Royalties	4,256	4,936	5,111
Interest - net and other investment income	346	4,709	(2,769)
	1,513,873	1,989,146	1,713,031
Expenses			
Production	260,636	301,348	299,856
Administration	102,559	102,680	108,126
Royalties	140,378	185,406	170,017
Depletion	100,000	116,000	101,000
	603,573	705,434	678,999
Income before taxes	910,300	1,283,712	1,034,032
Provision for taxes			
Large corporation - current	2,000	-	-
Future income taxes (note 1[i])	114,000	401,000	111,000
	116,000	401,000	111,000
Net income	794,300	882,712	923,032
Retained earnings, beginning of year	7,224,346	6,463,929	5,636,876
Dividends paid	(105,302)	(122,295)	(95,979)
Retained earnings, end of year	$ 7,913,344	$ 7,224,346	$ 6,463,929
Basic net earnings per share	$ 0.46	$ 0.51	$ 0.53

See accompanying notes

AUDITORS' REPORT

To the Shareholders of
Metalore Resources Limited

We have audited the balance sheets of **Metalore Resources Limited** as at March 31, 2003, 2002 and 2001 and the statements of income and retained earnings 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 audit.

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, 2003, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PKF HILL CHARTERED ACCOUNTANTS
Toronto, Ontario
June 26, 2003

METALORE RESOURCES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2003	2002	2001
Operating activities			
Net income	$ 794,300	$ 882,712	$ 923,032
Add items not involving cash			
Depletion	100,000	116,000	101,000
Future income taxes	114,000	401,000	111,000
Cash flows from operations before changes in non-cash working capital	1,008,300	1,399,712	1,135,032
Changes in non-cash working capital items			
Accounts receivable	(12,645)	114,448	(236,132)
Inventory of pipe and supplies	(6,800)	8,890	(10,840)
Accounts payable and accrued royalties	(74,703)	40,578	(225,092)
Large corporation taxes payable	2,000	-	-
Net change in non-cash working capital items	(92,148)	163,916	(472,064)
Cash flows from operating activities	916,152	1,563,628	662,968
Financing activities			
Increase (decrease) in due to shareholders	100,648	(101,964)	41,560
Dividends paid	(105,302)	(122,295)	(95,979)
Issuance of common shares	55,000	-	-
Cash flows from financing activities	50,346	(224,259)	(54,419)
Investing in capital activities			
Mining exploration costs - additions (notes 1[g] and 4[c])	(519,969)	(109,048)	(47,891)
Mining exploration costs - proceeds on disposal (note 1[g])	28,167	-	-
Natural gas development and exploration costs	(450,553)	(883,516)	(567,023)
Renewable fuel (Ethanol) costs	-	(3,145)	(2,797)
Marketable securities - additions	(204,156)	-	-
Marketable securities - proceeds on disposal	120,962	-	-
Increase in long-term portfolio investments	-	(180,000)	-
Cash flows from investing activities	(1,025,549)	(1,175,709)	(617,711)
Net increase (decrease) in cash during the year	(59,051)	163,660	(9,162)
Cash, beginning of year	212,993	49,333	58,495
Cash, end of year	$ 153,942	$ 212,993	$ 49,333
Basic cash flows from operations per share	$ 0.58	$ 0.80	$ 0.65

Note to statement of cash flows

	2003	2002	2001
Interest and bank charges received (paid) - net	$ 2,225	$ 2,003	$ (5,822)

See accompanying notes

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2003, 2002 and 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

[a] Use of estimates
The preparation of 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 and accompanying notes. Actual results could differ from those estimates.

[b] Cash and short-term deposits
Cash and short-term deposits comprise cash in the bank, less outstanding cheques, and deposits and Guaranteed Investment Certificates with a maturity of less than one year.

[c] Marketable securities
Marketable securities are carried at the lower of cost and market value.

[d] Inventory of pipe and supplies
Inventory of pipe and supplies is stated at the lower of cost and net realizable value with cost determined on a first in, first out basis.

[e] Long-term portfolio investments
Long-term portfolio investments are accounted for using the cost method. The carrying value is written down only in the event of a permanent impairment in value.

[f] Natural gas properties
The Company owns and/or controls approximately 40,000 acres of petroleum, natural gas and mineral leases in Charlottville, 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 determines the proportion of depletable costs to be expensed. The natural gas reserves of the Company have been determined by J. C. Sproule and Associates Ltd. in 1968 and A. E. MacKay Petroleum Limited in 1975, 1979 and 1988 and updated by management's estimates to March 31, 2003.
The total capitalized costs less accumulated depletion and future income taxes is limited to an amount equal to the estimated future net revenue from proven reserves at year end prices and costs, less estimated future production related general and administrative expenses, financing costs and income taxes.

[g] Mining properties
The Company owns a 26% participating interest in excess of 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) (note 3). The Company also owns a 100% interest in 134 mining claims in the Sioux Narrows area of Northwestern Ontario. Acquisition and exploration costs are capitalized. Disposals of mining property and equipment is 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 are written-off. Mining properties are assessed annually, or as economic events dictate, for potential write-down.

[h] Renewable fuel (Ethanol) costs
The Company has developed processing technology for the purpose of constructing an Ethanol and Wheat Co-Products manufacturing facility. Acquisition and development costs have been capitalized. On the commencement of production, capitalized costs would be amortized over the estimated useful life of the manufacturing facility.

[i] Future income taxes
Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference 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 tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. **No tax on income is presently payable by the Company** as the Income Tax Act provides for certain deductions of exploration and development expenses and credits in excess of any current income recorded in the accounts. The tax balances, available in perpetuity, are as follows:

	2003	2002	2001
Cumulative Canadian exploration expenses	$ 2,537,545	$ 2,203,952	$ 2,346,908
Investment in flow through shares (note 3)	180,000	180,000	-
Cumulative Canadian development expenses	632,432	823,723	34,987
Cumulative Canadian oil and gas property expenses	340,717	341,951	328,594
Foreign exploration and development expenses	4,330	4,811	5,346
Undepreciated capital costs - property, plant and equipment	479,177	420,852	318,004

2. NATURAL GAS PROPERTIES

Natural gas properties consist of the following:

	2003			2002	2001
	Cost	Accumulated Depletion	Net	Net	Net
Gas wells, transmission lines and leases	$ 10,527,788	2,775,440	$ 7,752,348	$ 7,401,795	$ 6,634,279

A portion of general and administrative costs of $45,841 (2002 - $142,054; 2001 - $120,384) and production costs of $254,003 (2002 - $237,797; 2001 - $224,727) were capitalized to Natural Gas properties, the Company's core business.

3. MINING PROPERTIES

In 1999, the Company sold its option on the controlling interest in 18 Brookbank claims in the Beardmore area of Ontario to Ontex. The consideration was $2,760,000, plus a 1% net smelter return on any future production from the property. The Company also purchased 3,600,000 shares of Ontex at 35 cents per share for $1,260,000 of the above funds as part of the agreement. In fiscal 2002, the Company purchased an additional 600,000 shares at 30 cents per share on a flow-through basis for $180,000. The market value of the Ontex shares, accounted for as long-term portfolio investments, at year end is $1,302,000 (2002 - $1,386,000).
A portion of general and administrative costs of $47,879 (2002 - $10,158; 2001 - $11,158) and production costs of $110,925 (2002 - $27,854; 2001 - $23,150) were capitalized to mining properties.

4. DUE TO SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

[a] The Company has an agreement with Southern Ontario Natural Gas Limited (SONG), a private company controlled by the 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 gas revenue in excess of $1,000,000 annually. As at March 31, 2003, the Company owed SONG $114,461 (2002 - $4,516; 2001 - $102,343) which is non-interest bearing, with no specific terms for repayment. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.
[b] The Company also owes the president, George W. Chilian, $5,833 (2002 - $15,130; 2001 - $19,267) with no specific terms for repayment and bearing interest at current bank prime rates.
[c] Interest at current bank prime rates of $433 (2002 - $809; 2001 - $2,248) relating to the due to shareholder account [b] has been capitalized primarily to mining properties.

5. SHARE CAPITAL

Share capital consists of the following:

Authorized
4,000,000 Number of common shares

	Number	Amount
Issued		
Shares issued at March 31, 2000, March 31, 2001 and March 31, 2002	1,745,035	$ 2,277,982
Shares issued in connection with acquisition of mining property in fiscal 2003	10,000	55,000
Shares issued at March 31, 2003	1,755,035	$ 2,332,982

6. FINANCIAL INSTRUMENTS

The Company's maximum exposures to credit risk are indicated by the carrying value of its assets. The Company's exposure to interest rate risk is evident from the disclosure in these financial statements. Due to the short-term maturity of the financial instruments, book values approximate market values.

7. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2003 financial statements.

METALORE RESOURCES LIMITED

INFORMATION CIRCULAR

MANAGEMENT SOLICITATION OF PROXIES
THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF METALORE RESOURCES LIMITED (THE "CORPORATION") OF PROXIES to be used at the Annual and Special Meeting of Shareholders to be held at the time and place and for the purposes set forth in the foregoing Notice of Annual and Special Meeting. The solicitation will be primarily by mail and the cost of solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES
The persons designated on the form of proxy are officers of the Corporation. ANY SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT THEM AT THE MEETING, MAY DO SO BY INSERTING THAT PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.
A Shareholder executing the enclosed form of proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of such meeting on the day of the meeting or adjournment thereof.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF
The Corporation has 1,755,035 common shares, without par value outstanding.
A list of the Shareholders will be prepared which shows the number of shares registered in the name of each Shareholder on August 27, 2003, the record date for determining Shareholders entitled to one vote at the Annual and Special Meeting for each share opposite his/her name on such list, except to the extent that such person has transferred any of his/her shares and the transferee produces properly endorsed share certificates or otherwise establishes that he/she owns the shares, and, not later than 10 days before the meeting, requires that his/her name be included in the list of Shareholders, in which case such person is entitled to vote his/her shares at the Annual and Special Meeting.
To the knowledge of the management of the Corporation, the only person or company that beneficially owns more than 10% of the issued shares of the Corporation is George W. Chilian, President and Managing Director who holds 610, 808 shares, representing approximately 35% of the issued voting shares of the Corporation.

EXERCISE OF DISCRETION OF PROXIES
The shares represented by proxy will be voted in accordance with the information set forth therein. THE PROXY PROVIDED CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

CORPORATE GOVERNANCE
In 1995, The Toronto Exchange (now the "TSX") adopted a set of guidelines which were revised in 1999 (the "Guidelines") relating to corporate governance matters. The Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship among a corporation's board, management and shareholders. All corporations listed on the TSX must now annually disclose their approach to corporate governance with specific reference to each of the fourteen specific Guidelines. Attached, as Schedule 'A', is the Corporation's response to the required disclosure.

ADOPTION OF STOCK OPTION PLAN
The purpose of the Corporation's stock option plan ("Plan") is to allow the Company to grant options to directors, as additional compensation, and as an opportunity to participate in the profitability of the Corporation The granting of such options is intended to align the interests of such persons with that of the Corporation.
The Directors of the Corporation adopted the Plan as of July 15, 2002 and granted 5,000 options each to four directors (Joseph Maksymchuk, John C. McVicar, Patricia Shelander and David J. Slater) all subject to approval by the TSX and the Shareholders of the Corporation, including the exercise of such options. The exercise price of each of the options granted is $6.00, being a price per share that was greater than the closing price of common shares of the Corporation sold as part of a board lot or such share on the TSX prior to July 15, 2002. The TSX has approved the Plan pursuant to their letter of December 6, 2002 subject to shareholder approval and other requirements.
Each option granted under the Plan is for one common share of the Corporation. The maximum number of common shares of the Corporation issuable under the Plan are 25,000, for which options for 20,000 common shares of the Corporation have been granted to the four directors as stated above. The options to grant the remaining 5,000 common shares of the Corporation pursuant to the Plan are reserved for issuance to any additional director of the Corporation that is appointed. Each option granted under the Plan may be exercised during a period of four years from the grant date, subject to the Directors of the Corporation setting a shorter or longer term at the time of the grant, but no term will exceed a period of 10 years from the grant date. The options are non-assignable and the exercise price of each option is determined by the Directors of the Corporation at the time of grant, subject to the condition that the exercise price will not be less than the market price of the common shares of the Corporation at the time of the Grant.
The resolution approving the Plan is entitled "Shareholders Resolution" as part of this Information Circular. In order for the resolution approving the Plan, including the issuance of the 20,000 options, to be approved, it must be passed by a majority of the eligible votes cast by the Shareholders who vote in respect of the resolution. As certain of the Directors of the Corporation have received options pursuant to the Plan, their votes will not be included for the purposes of determining whether the Plan will receive shareholder approval. The number of common shares held by the Directors of the Corporation are set out below under "Election of Directors".
The full text of the Plan will be available for review at the Annual and Special Meeting.

SHAREHOLDERS RESOLUTION
WHEREAS The Metalore Resources Limited Stock Option Plan ("Plan") provides for the granting of stock options to directors of the Corporation.
AND WHEREAS The Toronto Stock Exchange requires shareholder approval of the Plan.
Resolved that: The Plan, including the options granted to the directors as described in the Corporation's 2003 Information Circular, is hereby approved.

INSIDER TRADING POLICY
The Directors of the Corporation have established a formal Insider Trading Policy to ensure compliance with the Securities Act (Ontario) and the rules and regulations of the Toronto Stock Exchange. There are two basic precepts: 1. No insider shall trade the Company's shares 10 days prior to and 5 days after release of any Annual or Quarterly Reports; 2. No insider shall trade when there is Material Information pending that may affect the price of the shares, until such information has been generally disclosed to the public by way of press release.

INTEREST OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS
The Company has an agreement, subject to periodic review, with Southern Ontario Natural Gas Limited, a corporation controlled by George W. Chilian, President of the Company, to provide technical services for the gas operations of the Company for a fee of $78,000 plus 10% of the revenue in excess of $1,000,000 annually. At the fiscal year end, $114,461 was owed to Southern Ontario Natural Gas for this service.

EXECUTIVE COMPENSATION
During the fiscal year ended March 31, 2003, the Corporation paid its Managing Director the sum of $132,454 for administrative services and paid the Directors $1,800 for meetings and expenses for the fiscal year. The Corporation has two executive officers. The Directors are authorized a remuneration of $100 per meeting, plus expenses.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation		
		Salary	Bonus	Other Annual Compensation (Directors' Meetings)
George W. Chilian	2003	$132,454	Nil	Nil
President, CEO &	2002	$114,120	Nil	Nil
Managing Director	2001	$ 91,200	Nil	Nil

INDEBTEDNESS OF OFFICERS AND DIRECTORS
No officer, Director or employee of the Corporation had any outstanding indebtedness to the Corporation during the year ended March 31, 2003 and no such indebtedness is outstanding on the date hereof.

ELECTION OF DIRECTORS
The management of the Corporation proposes to nominate the five persons below for election as Directors of the corporation to serve until the next Annual Meeting or until their successors are elected or appointed.

NAME	PRINCIPAL OCCUPATION	BECAME DIRECTOR	SHARES HELD	OPTIONS HELD[4]
George W. Chilian (President, CEO & Managing Director)	Managing Director of the Corporation	1955	610,808[3]	Nil
Joseph Maksymchuk[1] (Secretary-Treasurer and Director)	Certified Management Accountant, Retired	2000	9,000	5,000
John Claire McVicar[1, 2] (Director)	Partner, Meen-McVicar, Insurance Brokers	1982	1,900	5,000
Patricia Shelander [2] (Director)	Registered Medical Technologist	1970	36,000	5,000
David J. Slater[1, 2] (Director)	Natural Gas Transport & Marketing Manager	2002	200	5,000

1 Members of Audit Committee
2 Members of Corporate Governance Committee
3 Southern Ontario Natural Gas Limited, a corporation controlled by George W. Chilian holds 309,808 of these shares
4 Subject to Shareholder approval of Corporation's Stock Option Plan

APPOINTMENT OF AUDITORS
The persons named in the enclosed form of proxy intend to vote for the re-appointment of PKF Hill LLP, Chartered Accountants. Toronto Ontario, as Auditors of the Corporation to hold office until the next Annual Meeting of Shareholders and to fix their remuneration.

AUTHORIZATION
The undersigned hereby certifies that the contents of this Information Circular and Proxy Statement and the sending thereof have been approved by the Directors of the Company The information contained herein is given as of August 1, 2003.

Joseph Maksymchuk
Secretary-Treasurer

METALORE RESOURCES LIMITED

SCHEDULE 'A'

REVIEW OF THE TORONTO STOCK EXCHANGE CORPORATE GOVERNANCE GUIDELINES

TSE Corporate Governance Guidelines	Comments
1. The Board should explicitly assume responsibility for stewardship of the corporation. Specifically, the Board should assume responsibility for:	The board of Directors ("Board") acknowledges its responsibility for the stewardship of the Corporation and oversees the development of corporate strategies and the implementation of the Corporation's operational plans. The Board meets on an as required basis to review and discharge its obligations.
(a) adoption of a strategic planning process	The Board meets at least twice each year to discuss and approve strategic plans. Senior management formulate the strategies and operational plans for the corporation and present such plans and strategies for review and approval by the Board. The Board approves all significant business transactions.
(b) identification of principal risks and the implementation of appropriate risk-management systems	The Board reviews and discusses the risks associated with the oil and gas business as well as the mining exploration business, and reviews management's assessment and management of these risks. These risks are considered and incorporated into the decisions of the Board.
(c) succession planning and monitoring senior management	The Board is responsible for appointing and monitoring management. The Corporate Governance Committee of the Board reviews the performance of management and establishes their remuneration.
(d) communications policy	The Board is responsible for ensuring effective and accurate communication with shareholders, other stakeholders and the public on a timely basis. It is also responsible for ensuring that the Corporation complies with continuous disclosure and reporting obligations. The Board has delegated these communication and reporting responsibilities to the President.
(e) integrity of internal control and management information systems	The Audit Committee of the Board monitors and assesses the integrity of the corporation's internal control and management information systems. The Audit Committee has direct access to the external auditors.
2. Majority of directors are "unrelated"	The Board is currently composed of five directors. Of these five directors, three are non-management "unrelated directors."
3. Disclose whether each director is "unrelated"	The unrelated directors on the Board are: Mr. John McVicar, Mrs. Patricia Shelander and Mr. David Slater.
4. Appoint a committee responsible for appointment / assessment of directors, composed of a majority of unrelated directors	The Board does not have a formal process for proposing new nominees to the Board or to assess directors on an ongoing basis. The need for changes or additions to the Board and the assessment of existing directors is considered by the entire Board on a continual basis.
5. Implement a process for assessing the effectiveness of the Board, its committees and individual directors.	Although no formal process has been implemented, the Board has taken on an ongoing responsibility for monitoring and assessing its effectiveness and the effectiveness of its committees and individual directors.

METALORE RESOURCES LIMITED

SCHEDULE 'A'

REVIEW OF THE TORONTO STOCK EXCHANGE CORPORATE GOVERNANCE GUIDELINES

TSE Corporate Governance Guidelines	Comments
6. Provide orientation and education programs for new directors.	The Corporation has no formal orientation or education program for new directors. All new directors have corporate governance experience and have continued, ready access to management to review the Corporation's operational and financial matters.
7. Consider reducing the size of the Board with a view to improve its effectiveness	The Board considers the merits of changing the size of the Board when it passes the resolution identifying the directors to be appointed at the annual meeting of shareholders. The Board considers that its current composition of five directors is appropriate for the size of the corporation
8. Review compensation of directors in light of risks and responsibilities	The corporate Governance Committee shall review the directors' level of compensation in comparison to Board members of similar corporations. The Corporate Governance Committee shall recommend changes to such compensation to the Board for approval when and if it deems it to be appropriate.
9. Committees should generally be composed of non-management directors and the majority of committee members should be unrelated.	The Board reviews the composition of each of its committees annually
10. Appoint a committee responsible for determining the corporation's approach to corporate governance issues.	The Corporate Governance Committee shall review such matters on a periodic basis.
11. Define limits to management's responsibilities by developing mandates for: (a) the Board (b) the chief executive	The Board and President have not developed position descriptions for the Board and President. The Board expects the President, together with management, to manage the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Responsibilities which are not delegated to senior management or a Board committee remain the responsibility of the full Board. The Board annually approves the key business and financial objectives of the corporation as presented by management.
12. Establish procedures to enable the Board to function independently of management	Three of the five directors are unrelated. The Board has the ability to meet independently of management if required.
13. Establish an audit committee with a specifically defined mandate, with majority of members being outside directors	The Audit Committee is responsible for reviewing the Corporation's financial reporting procedures, internal control systems, the scope and extent of the annual audit and the performance of external auditors. The Audit committee reviews and recommends for approval the annual statements of the Corporation. The Audit Committee has a direct communication channel with the external auditors and may meet with them independently of management. Two of the three members of the Audit Committee are comprised of unrelated directors.
14. Implement a system to enable individual directors to engage outside advisors, at the corporation's expense	The Board has not implemented a formal system for an individual director to engage outside advisors at the expense of the Corporation. Approval to engage outside advisers at the expense of the Corporation is subject to approval of the Board.

METALORE RESOURCES LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and Special Meeting of Shareholders of Metalore Resources Limited will be held in the Pier 5 Room at Westin Harbour Castle Hotel, Toronto, Ontario on Friday, September 26, 2003, at 4:30 p.m. to:

1. Receive and consider the Annual Financial Statements for the year ended March 31, 2003, the Auditor's Report thereon, and the Report of the President;
2. Elect Directors;
3. Appoint Auditors and authorize the Directors to fix the remuneration therefor;
4. Consider and if deemed advisable, approve a resolution in the Information Circular dated August 1, 2003, under the heading "Shareholders Resolution" approving the Corporation's Stock Option Plan.
5. Transact such other business as may properly come before the meeting.

Shareholders desiring to be represented thereat by a proxyholder must deposit their proxies with the Company before the commencement of the Meeting.

DATED at the Town of Simcoe, this 8th day of August, 2003.

By Order of the Board,
Joseph Maksymchuk, Secretary-Treasurer and Director

SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO DATE, SIGN AND RETURN THE ATTACHED FORM OF PROXY

Please tear along perforation.

Please tear along perforation.

METALORE RESOURCES LIMITED

Proxy Solicited by Management

The undersigned Shareholder of Metalore Resources Limited hereby appoints George W. Chilian, or failing him, John C. McVicar, or

____

as proxy with power of substitution, to attend, act and vote for the undersigned at the Annual and Special Meeting of Shareholders of the Corporation to be held on Friday September 26, 2003, at the Pier 5 Room at Westin Harbour Castle Hotel, Toronto, Ontario and at any adjournments thereof, to:

(a) vote for _________ or withhold ________ on the election of the Directors;

(b) vote for _________ or withhold ________ on the appointment of Auditors and the authorization of the Directors to fix the remuneration of the Auditors;

(c) vote for _________ or against ________ the resolution in the Information Circular dated August 1, 2003, under the heading "Shareholders Resolution" approving the Corporations' Stock Option Plan;

(d) grant discretionary authority to vote on amendments or variations identified in the Notice of Meeting and on such other business as may properly come before the meeting.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS SPECIFIED. IF NO CHOICE IS SPECIFIED, THE PROXY WILL BE VOTED "FOR" THE PROPOSED DIRECTORS AND AUDITORS AS PROPOSED IN THE INFORMATION CIRCULAR.

DATED this ________ day of ____________________ 2003 Signature: ___________________________________

NOTES:

1. This proxy must be signed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney duly authorized. If the date is not inserted in the space above provided, the proxy shall be deemed to be dated on the day which it was mailed by Corporation to the shareholder.
2. THE SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, OTHER THAN THE PERSONS NAMED, AS THE NOMINEE TO ATTEND AND ACT AT THE MEETING OF SHAREHOLDERS AND SUCH RIGHT MAY BE EXERCISED BY INSERTING THE NAME OF SUCH PERSON IN THE BLANK SPACE ABOVE ON THE PROXY FORM.

This Special Invitation
Welcomes one Shareholder and Guest to attend

METALORE'S

Exquisite Wild Turkey Dinner Buffet

at 5:30 in the evening
September 23, 2003
Pier 3 Room
Westin Harbour Castle Hotel
Toronto, Ontario

Please R.S.V.P. by September 20, 2003

Please tear along perforation.

I will ____, will not ____ attend the dinner buffet with guest ____.

▼ Please print your name and address and correct any discrepancy below

____

____

____

METALORE RESOURCES LIMITED
Box 422, Simcoe, Ontario, Canada
N3Y 4L5

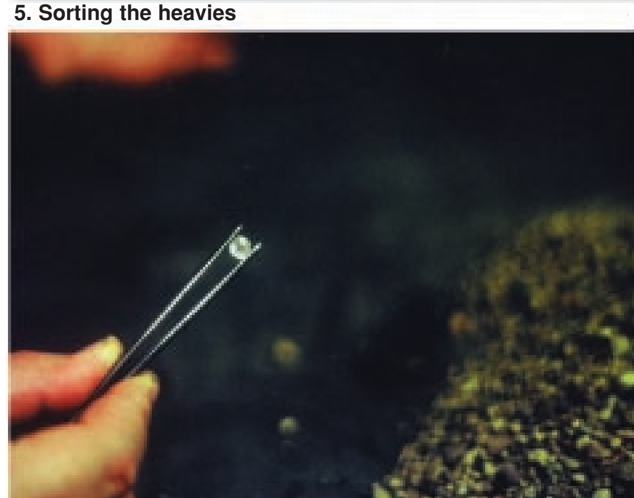
1. Foreboding Terrain

2. Starting to dig

3. Digging Deeper

4. Panning the gravel

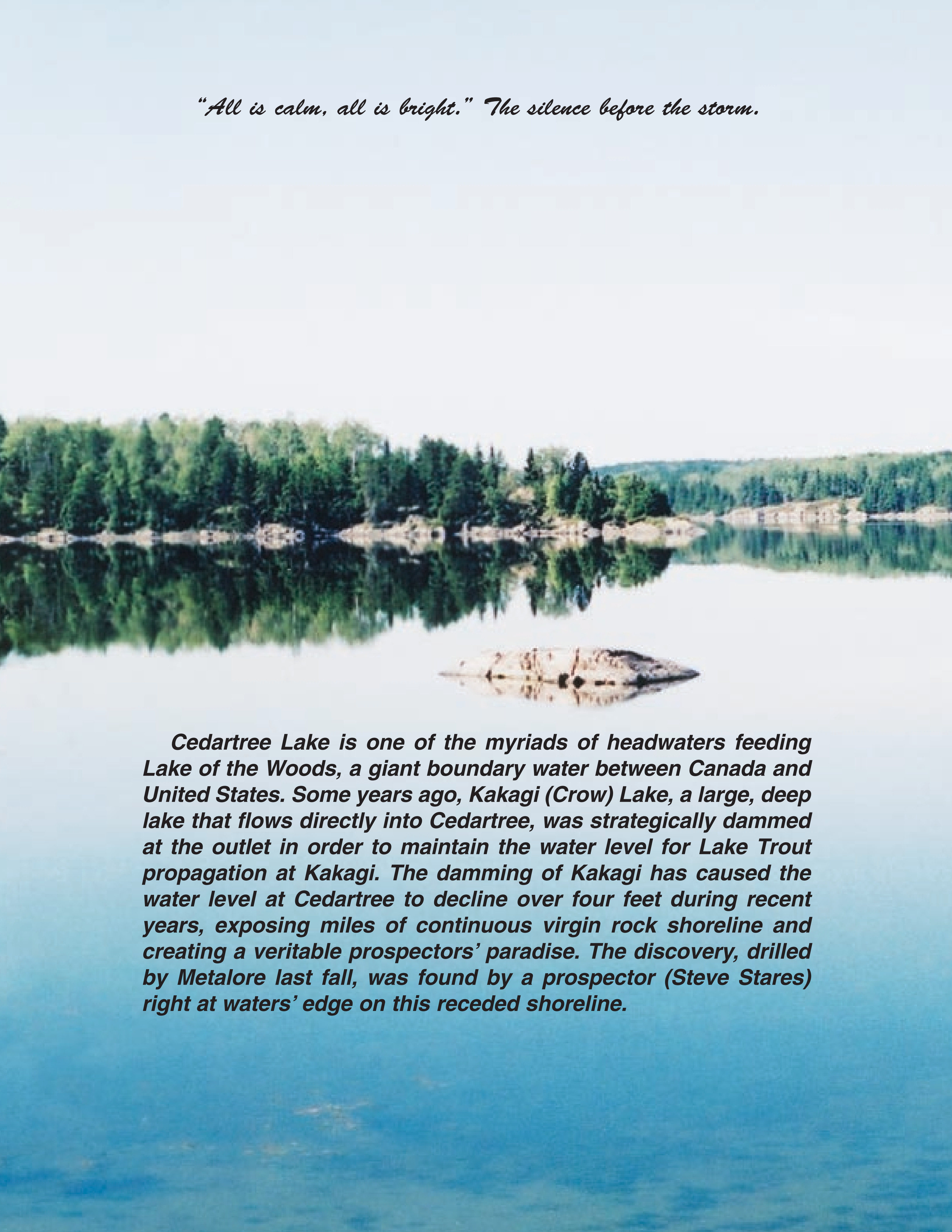
5. Sorting the heavies



6. The Prize

For our ***sixtieth*** *anniversary, we thought we'd change the pace and take you back to our 1980 Diamond Safari in South Africa. What a contrast between the hot, dry, treeless gravels of the Namib desert and the cold, clear waters, rocky outcrops and majestic pines of Cedartree. We floated the first excavator ever taken from Capetown into the Orange River chasm and just started digging. We unearthed three small diamonds and were "chafing at the bit" to carry on, but the political climate deterred us. We were a little ahead of our time with diamonds until a few years later when a visionary geologist (Charles Fipke) tenaciously followed an erratic glacier trail a thousand miles across Canada's Northwest Territories and made a spectacular Diamond discovery in Kimberlite. The rest of that story is still being written today.*

"All is calm, all is bright." The silence before the storm.



Cedartree Lake is one of the myriads of headwaters feeding Lake of the Woods, a giant boundary water between Canada and United States. Some years ago, Kakagi (Crow) Lake, a large, deep lake that flows directly into Cedartree, was strategically dammed at the outlet in order to maintain the water level for Lake Trout propagation at Kakagi. The damming of Kakagi has caused the water level at Cedartree to decline over four feet during recent years, exposing miles of continuous virgin rock shoreline and creating a veritable prospectors' paradise. The discovery, drilled by Metalore last fall, was found by a prospector (Steve Stares) right at waters' edge on this receded shoreline.