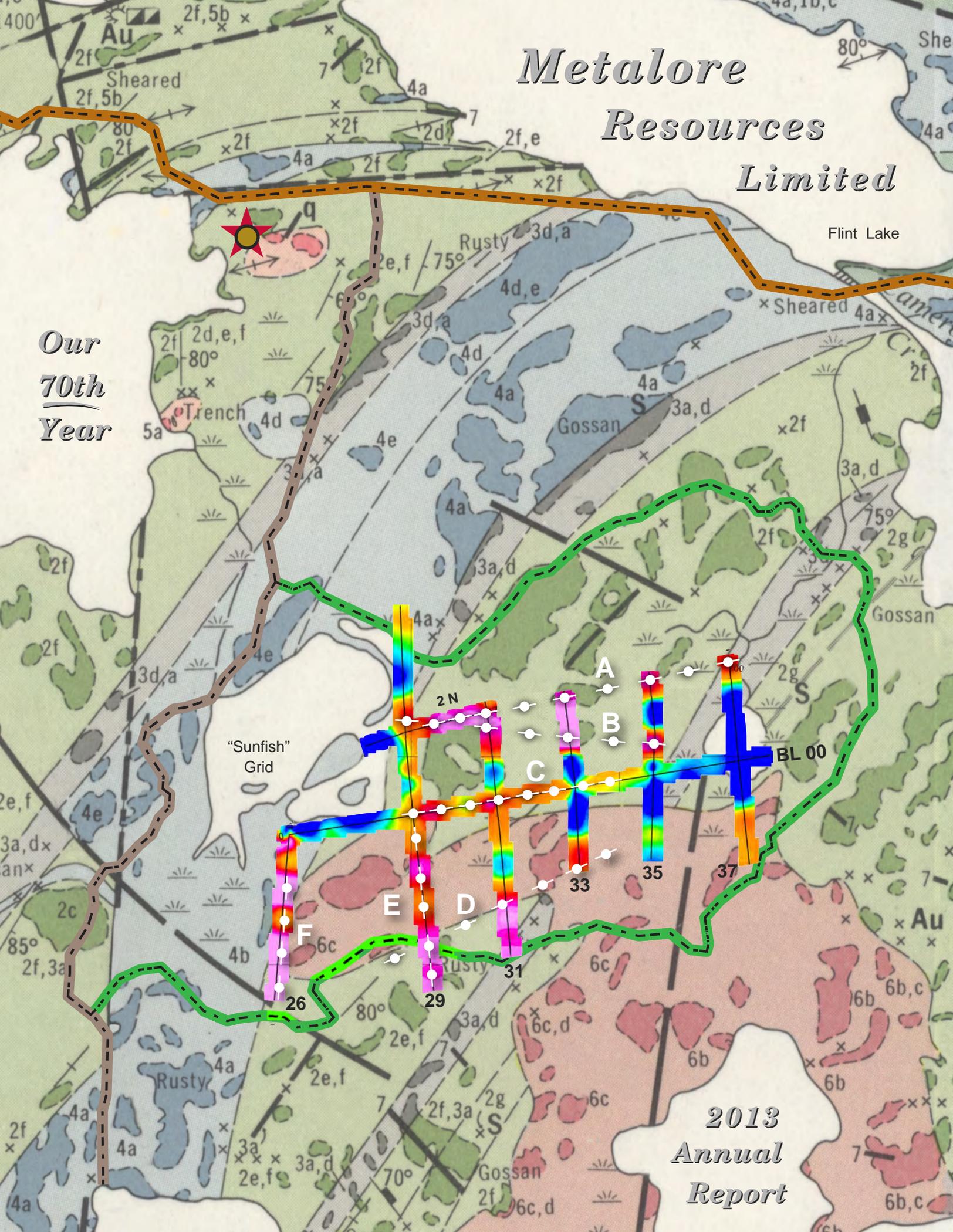


Metalore Resources Limited

*Our
70th
Year*



Flint Lake

"Sunfish"
Grid

A

B

C

BL 00

E

D

26

29

31

33

35

37

2013
Annual
Report

Au

Au

Au

Au

Au

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SUNFISH GRID

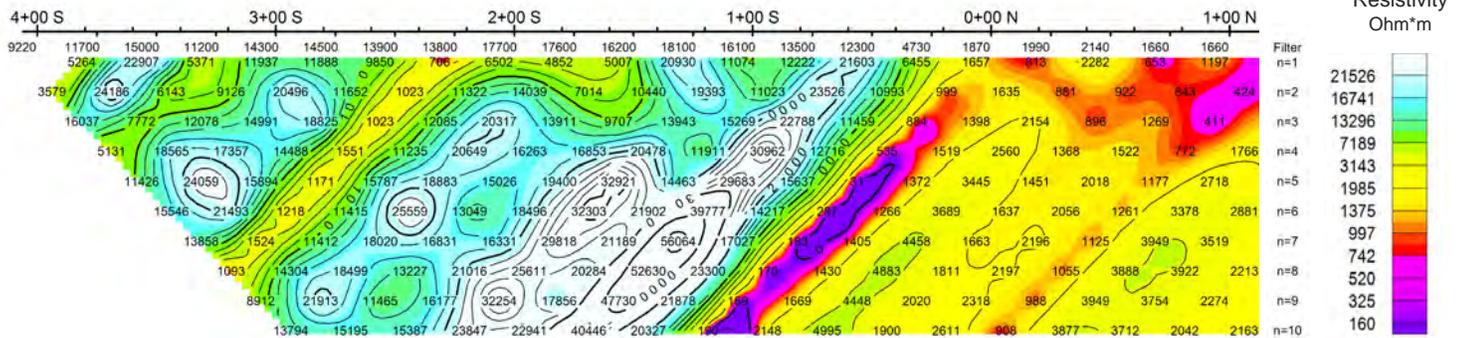
The front cover print shows an overlay of our newly completed Sunfish Grid imposed on part of the Geological map of the Cedartree Lake area that was on our 2010 Annual Report cover. It shows the location of measured Chargeability Signatures (at 60 metres below surface) in relation to spatial, partially inferred, surface Geology.

INDUCED POTENTIAL GEOPHYSICAL SURVEY

"The IP/Resistivity survey over the Sunfish Grid was completed successfully without incident. The survey has, in general, successfully acquired results of excellent quality. The IP/Resistivity surveys have quantified apparent, bulk volume average DC resistivity and chargeability at the Sunfish Grid. Significant concentrations of interconnected conductive mineralization, such as massive sulphide, if present, also influence the bulk volume resistivity. The chargeability is a near-direct indicator of the presence of metallic mineralization, based on the polarization of minerals that possess metallic properties".*

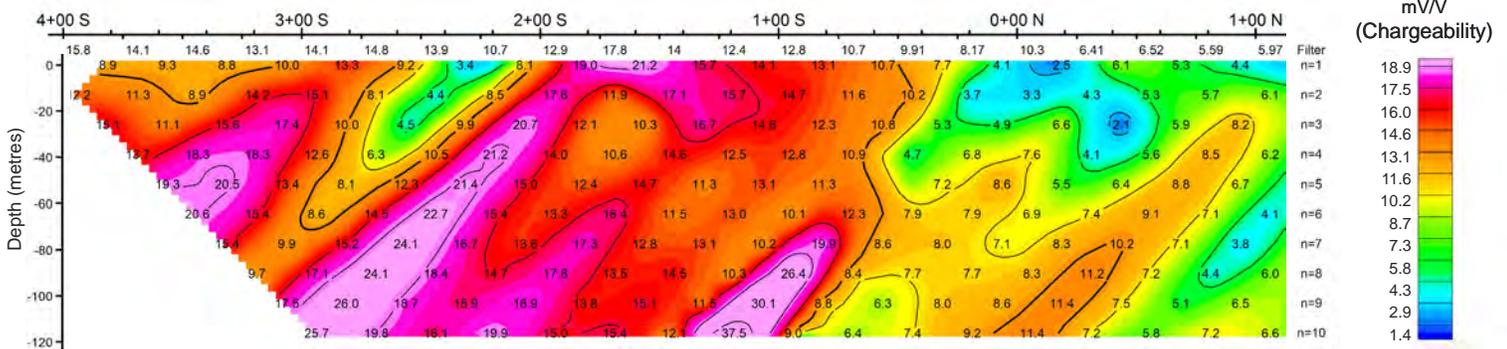
VERTICAL SECTION PLOT, LINE 2900E (L29, South part)

Apparent Resistivity



The near surface, highly resistive readings that predominate Southward from 0+00N on L29 are what we would expect to see from the Felsic Intrusive ("Stephen Lake Pluton") that has been spatially identified on the Geological underprint. Of interest here is one very conductive trend approximately at 0+40S and two slightly conductive trends farther south, each of which are either on the Intrusive contacts or within the Intrusive proper.

Average IP ("Chargeability")



Almost the entire area from 0+40S to 4+00S that is associated with the Intrusive registers abnormally high Chargeability. In fact, there are three (C, D, & E) and possibly four zones with good continuity that are associated with Resistivity trends on line 29 that register HIGH, off-scale Chargeability at depth.

Summary Prognosis of L 29E (by Metalore)

There are relatively few outcrops within and around this kilometre long Geophysical Grid. Both the Resistivity and Chargeability models indicate a southerly, sub-vertical dip, possibly as "flat" as 45°. The higher Chargeability trends of Line 29 correlate well with trends on Line 31. They may persist through Lines 33 and 35, but because the southerly dip and the irregular, meandering natural boundary of the Intrusive Contacts (both north and south), we did not postulate any extension to or below the 120 metre depth surveyed.

Another factor that we find intriguing about the southerly anomalies (D & E) is that they have a slight, negative, magnetic correlation of up to 400 gammas (above background). Iron depletion, that may be detected with magnetic surveys, is one of the more subtle signatures that we look for in the "Pursuit of Gold".

We are looking forward to our drilling this fall with "Great Expectations"!

* Excerpt from Report by Quantec Geophysics Limited, Toronto, April, 2013.

METALORE RESOURCES LIMITED

<i>Officers and Directors</i>	<p>GEORGE W. CHILIAN, BA <i>President, CEO and Managing Director</i> Vittoria, Ontario</p>
	<p>JOHN A. RYAN, CGA <i>Director and CFO</i> Simcoe, Ontario</p>
	<p>TIMOTHY J. CRONKWRIGHT, BA <i>Director</i> Simcoe, Ontario</p>
	<p>BRUCE A. DAVIS, MA <i>Director</i> Grand Rapids, Minnesota</p>
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	<p>J. DAVID MALOUF <i>Director</i> Longlac, Ontario</p>
	<p>JOHN C. McVICAR, BA <i>Director and Chairman</i> Brantford, Ontario</p>
<i>Executive Office and Natural Gas Division</i>	<p>Rural Route #1 Vittoria, Ontario</p>
<i>Production Manager and Hydrocarbon Geologist</i>	<p>JONATHAN CHILIAN, BSc Vittoria, Ontario</p>
<i>Assistant Production Manager</i>	<p>CARL CHILIAN, BA Simcoe, Ontario</p>
<i>Bankers</i>	<p>ROYAL BANK OF CANADA Simcoe, Ontario</p>
<i>Accountant</i>	<p>HOWARD WALTON, BSc, CMA Simcoe, Ontario</p>
<i>Auditors</i>	<p>NPT, LLP Chartered Accountants London, Ontario <i>(Formerly Neal, Pallett and Townsend, LLP)</i></p>
<i>Registrar and Transfer Agent</i>	<p>COMPUTERSHARE TRUST Toronto, Ontario</p>
<i>Share Listing and Symbol</i>	<p>TORONTO STOCK EXCHANGE (TSX), "MET" Toronto, Ontario <i>(Over the Counter, "MLRF").....United States</i></p>
<i>Share Price Range</i>	<p>Fiscal 2013, High \$5.35 (CD) Low \$3.50 (CD)</p>
<i>Annual Meeting</i>	<p>BEST WESTERN LITTLE RIVER INN Simcoe, Ontario <i>Skylight Room, Saturday, July 27, 2013, 12:30 p.m.</i></p>
<i>Website and Email</i>	<p>www.metaloreresources.com info@metaloreresources.com</p>

METALORE RESOURCES LIMITED

PRESIDENT S LETTER

To Our Shareholders:

Natural Gas Production

THE WORST IS OVER! After the wholesale price of Natural Gas staggered to a low of \$1.90 (per Mmbtu) on the NYMEX (New York Mercantile Exchange) in April, 2012, it took a whole tenuous year to crawl back over \$4.00 again. That lengthy, overly depressed market resulted in a 35 year low (since 1978) in production revenue for Metalore. Remarkably, although we have not placed any new wells on-stream since 2009, we actually produced more gas during the past twelve months than during the previous year (see MD&A). Our production has consistently been sustained above normal decline levels because (1) our very large land position has enabled us to diligently locate our wells on ultra-wide spacing patterns (ultimate 300 acres per well), (2) we continue to produce what the field will yield from natural pressure, without any mechanical compression and (3) we are achieving peak efficiency in the field.

During the declining gas market it was not prudent nor advantageous for us to sell multi-month "strips" forward because the prices for subsequent weeks and months were almost always lower. Responding to improved prices this Spring, however, we resumed a methodical forward selling pattern again and secured several seasonal strips at significantly higher prices than the fiscal year recorded herein. Presently, we have contracted to deliver approximately 70% of our production for our current "Summer Strip" (April through October, 2013) at average prices above \$4.25* and "Winter Strip" (November through March, 2014) above \$4.65¹. In fact, one of the winter strips will yield above \$5.00. These guaranteed contracts are providing us with a good "Bird in Hand" for the next 10 months, so we can be a little patient with the balance. We will likely sell the remaining 30% of our summer and winter production on shorter strips or on the "spot market" as we approach the high demand periods. The recent gas market has been active but unpredictable. It can go either way on a whim. While our improved contracts will not garner any "Windfall Profits" they will enable us to move forward again with our exploration objectives.

Gold Exploration

During the Summer of 2010, Metalore commenced construction of a new bush road to access a number of hinterland drill prospects at Cedartree Lake. We concurrently utilized the same excavator to conduct stripping operations on the projected southwest extension of the main Gold Zone and two unrelated showings. (We had encountered elevated gold assays in more than one unrelated target on some of our previous exploration at Cedartree). After completing construction of our new road we had time to only drill five holes on the Main Gold Zone and two holes on an unrelated target before Winter hit us hard in December. By then, the Natural Gas Market was already in decline and we did not have sufficient cash flow in 2011 nor 2012 to launch any more drilling on the proposed targets. (It should be pointed out that Metalore has been operating for many years as a self sufficient, stand alone Company. We receive occasional, legitimate offers for Equity Financing - but we are not about to start diluting Shareholder Equity at depressed stock prices - for "grassroots" exploration purposes). We were resolved to "Hunker Down" and tough it out until conditions improved.

In March, 2012, Metalore released its initial, compliant required, "Technical and Preliminary Resource Report" on our Cedartree Lake Gold Discovery. By Spring, we had received expressions of interest in the property and by Fall, we began negotiations with an off-shore developer who had been pursuing a two year, on-going drill program and assembling a large land position adjacent to our boundaries. However, your Board of Directors concluded that the cash component of their offers was far from what the property was worth and negotiations were terminated.

"SOMETHING JUMPED OUT AT US!"

Early in February, 2013, as gas prices were improving, Armen Chilian, PGeo, and I began reviewing the several drill targets we had planned in 2010, along with our ten year data base on Cedartree. We were convinced that the seven short, seasonal drill programs that had been conducted since 2002, had barely "scratched the surface" of this pristine Geological Garden and we were "map prospecting" with a fine tooth comb. Then, one day, while leisurely browsing through our maps, *Something Jumped Out At Us!* We realized, almost spontaneously, that right in the middle of the area that we had encircled with our new access road was the whole northwest limb of the "Stephen Lake Pluton". Talk about serendipity! The entire flank around the contact area of the Intrusive was obscured by overburden in a slight topographic depression of a small watercourse stream. Consequently, the entire rock contact had not been systematically prospected nor sampled - ever. The projected Geological setting was almost a mirror image of our Main Gold Zone, one mile to the north - but exponentially larger. We also noted that there had been no airborne EM anomalies recorded in our data base on this area but flight lines were almost parallel with the azimuth of the rocks and conductors could have been missed. Furthermore, the central part of this pluton was known to have ubiquitous gold occurrences and has also been associated with more than one historic gold prospect in the adjacent tuffs (as described here-under²).

"KENTY OCCURRENCE!"

"On discovering some gold occurrences in 1945³, J. Kenty staked a group of 20 claims north and south of Little Stephen Lake. R. Thomson, the Resident Geologist of Kenora, reported on the property in the fall of 1945. The surface geology consists of felsic metavolcanics and a dioritic stock. The felsic metavolcanics are mainly dacite flows with interbedded tuff units. The part of the Stephen Lake Pluton covered by the claim group ranges in composition from a quartz diorite to an augite diorite".

“The main occurrence of gold mineralization is with sulphide minerals in a shear zone that has been traced over a distance of 1,350 feet (400 m). The shear zone trends N80W and occurs in felsic tuff. It is situated near the northern borders of claims K11202 and K11209, and ends near the middle of the northern border of claim K11209. The gold is associated with the sulphide mineralization which consists of pyrite (2 to 4 percent), small amounts of pyrrhotite and chalcopyrite, and rare sphalerite. Work done on the property included one rock trench and five short diamond drill holes⁴.

Additional gold occurrences were reported on the property. They include the following:

In the northeastern part of K1198, a 15 foot (4.5 m) wide zone of fracturing in granodiorite yielded gold tailings on panning; the zone also contained minor pyrite and was altered.

In claim K11195, a few hundred feet from Stephen Lake and in the southern part of the claim, rusty showings in granodiorite yielded gold tailings on panning.

In the eastern part of claim K11209, gold occurrences have also been reported.

In the part of the group lying south of Little Stephen Lake, J. Kenty reported that gold was found in small quartz veins which also contained chalcopyrite and molybdenite.”

This area begged to be drilled. But it needed specific geophysics. We had to come up with something that would detect disseminated sulphides and also differentiate from water. An Induced Potential would be the only tool - and we'd have to get on it fast, while the lakes were still frozen.

We quickly commissioned an experienced, local (Nestor Falls), French Canadian bushman to establish a new survey grid. His mandate was to go in with snow machine and correlate the new grid with GPS points that we had along our new access road and topos. He would start cutting the grid and record his lines with GPS points at aluminum tagged picket stations, every 25 meters - in 3 feet of snow. (Note, we almost NEVER cut grid lines in winter because spring break-up has a way of obliterating cut lines; however, with GPS points we can restore everything with a little brush cutting (if necessary).

By then, we were well into March and spring “break-up” could be on anytime soon. We had to engage a contractor who could (1) mobilize to the site right away (2) do the precise job according to our specifications (ie 120 meter depth etc.) and (3) do it for a “reasonable” price, within our budget. It was a tall order. Armen spoke with several contractors and received three tenders. All were just too pricey. Then we struck a synergy that made it work with a well established Contractor. He had surveyed in close proximity to our grid some 13 years earlier and we knew his work. We would supply two field men (same local linecutters that set the grid) and also supply room and board for their three technical men in the field (We arranged an excellent, off-season rate at Crystal Harbour Resort, Sioux Narrows).

By the time the geophysical crew reached Cedartree Lake in March there was four feet of snow on the level and several foot drifts in the valleys. The contractor's oversize snow machine was the only one that could make it up and over the 100 meter high hills in there. At this time of year, in this rugged terrain, with this sophisticated, electronic equipment, anything that can go wrong, usually does. But this time, everything went right (see Contractor's comments, inside front cover). So they completed the job “on budget” and “on time” early in April. In fact, the last two days in the field they had to break in a new trail around the lakes because the slush on ice was too treacherous.

Our IP survey detected at least six, highly metallic conductors, some with greater intensity at depth. In April, we also had congenial, face to face, personal meeting with three of the chief spokesperson from the Native Peoples communities in the locality. (None of our claims are within Designated Native Reservations.) Also, in June (this month) we received our new, previously applied for (now required) Exploration Permit and we have arranged (but not yet contracted) for a drill to be available this August for \$80 per meter, “all in”, so we will be “ready to rumble” shortly after our upcoming Annual Meeting (July 27).

As it stands now, we will be able to launch this program with cash flow from the improved gas prices although any expansion of a new discovery would require some supplemental funding from our investment portfolio, unless the share price is up significantly. In any event, we have a strong working capital position that has been established from Natural Resource Development. Exploration is our *Trademark*. We have some outstanding geological and geophysical targets to explore. And we are resolved to - **reach** for “*The Impossible Dream*” - and make it come true!

On Behalf of the Board,


George W. Chilian, President, CEO
July 2, 2013

¹ Price does not include a significant proprietary contract bonus nor US Dollar premium.

² From Geology of the CEDARTREE LAKE AREA, 1976, by J.C. Davies & J.A. Moron, pg 34, “**Kenty Occurrence**”

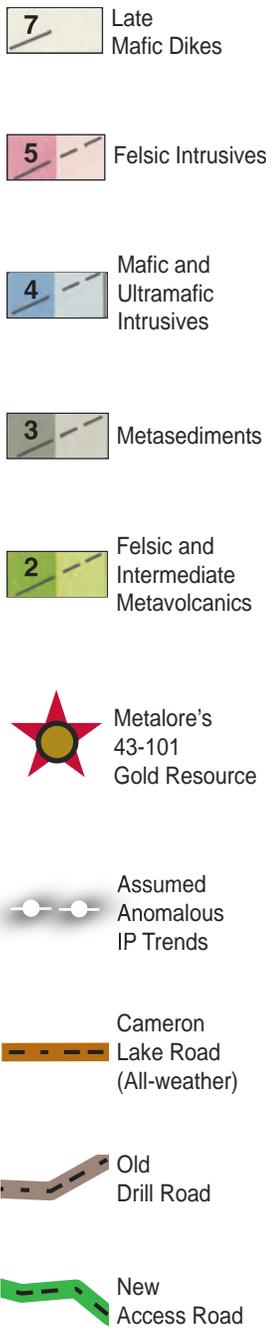
³ Note: In the 1940's there were no roads into the Cedartree Lake area. The only permitted access was via canoe portage along the myriads of Lake-Of-The-Woods headwaters. ⁴Very rare drilling occurred with small diameter “E” core, which is not adequate for erratic gold detection. Establishing a gold mine in a pristine remote area with \$35 gold would have been a foreboding task.

CEDARTREE LAKE PROJECT

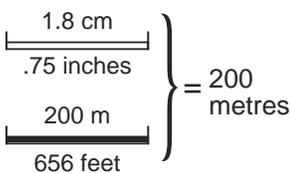
Induced Potential

Geophysical Survey Commissioned March, 2013

LEGEND



APPROXIMATE SCALE



DISCUSSION OF RESULTS

The Felsic Intrusive ("Stephen Lake Pluton") has been consistently identified by a highly Resistive signature on several of the perceived anomalous trends. The associated Chargeability is variably anomalous as follows:

"A"

This 800 metre long trend lies more than 100 metres north and parallel with the Intrusive. It registers moderate to HIGH, off-scale Chargeability.

"B"

This 600 to 800 metre long trend is perceived to merge with "A" but is at least partly along the Intrusive contact. It registers moderate to HIGH, off-scale Chargeability.

"C"

This 400 to 600 metre long trend is apparently "right on" the northerly contact of the Intrusive. It registers moderate Chargeability.

"D"

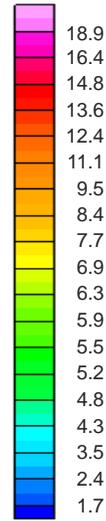
This projected 200 to possibly 600 metre long trend also appears to be "right on" the southerly contact of the Intrusive. It registers moderate to HIGH, off-scale Chargeability. There are "rusty" tufts spatially identified on the map close to our new access road and this will be prospected (and sampled) with some other targets prior to drilling.

"E"

Somewhat questionable, in that it trends N/S across the Intrusive. It may be a branch off the trend "C" contact; however, ubiquitous, elevated gold values are present in the smaller intrusive at Metalore's main Gold Resource (1 mile north) and this association may also occur here. Chargeability is moderate (suspect disseminated sulphides).

"F"

Prime anomaly with MAFIC Intrusive in contact with the Felsic Intrusive. Excellent medium for Precious and Base Metals, with HIGH, off-scale Chargeability. This was one of the locations considered for drilling in 2010 before the new road was built and the 2013 survey was commissioned.



Chargeability
mV/V



NOTE: Basic Geology on this map is an edited and enlarged version of the easterly part of map 2319, by Davies and Morin, Ontario Geological Survey, 1976.