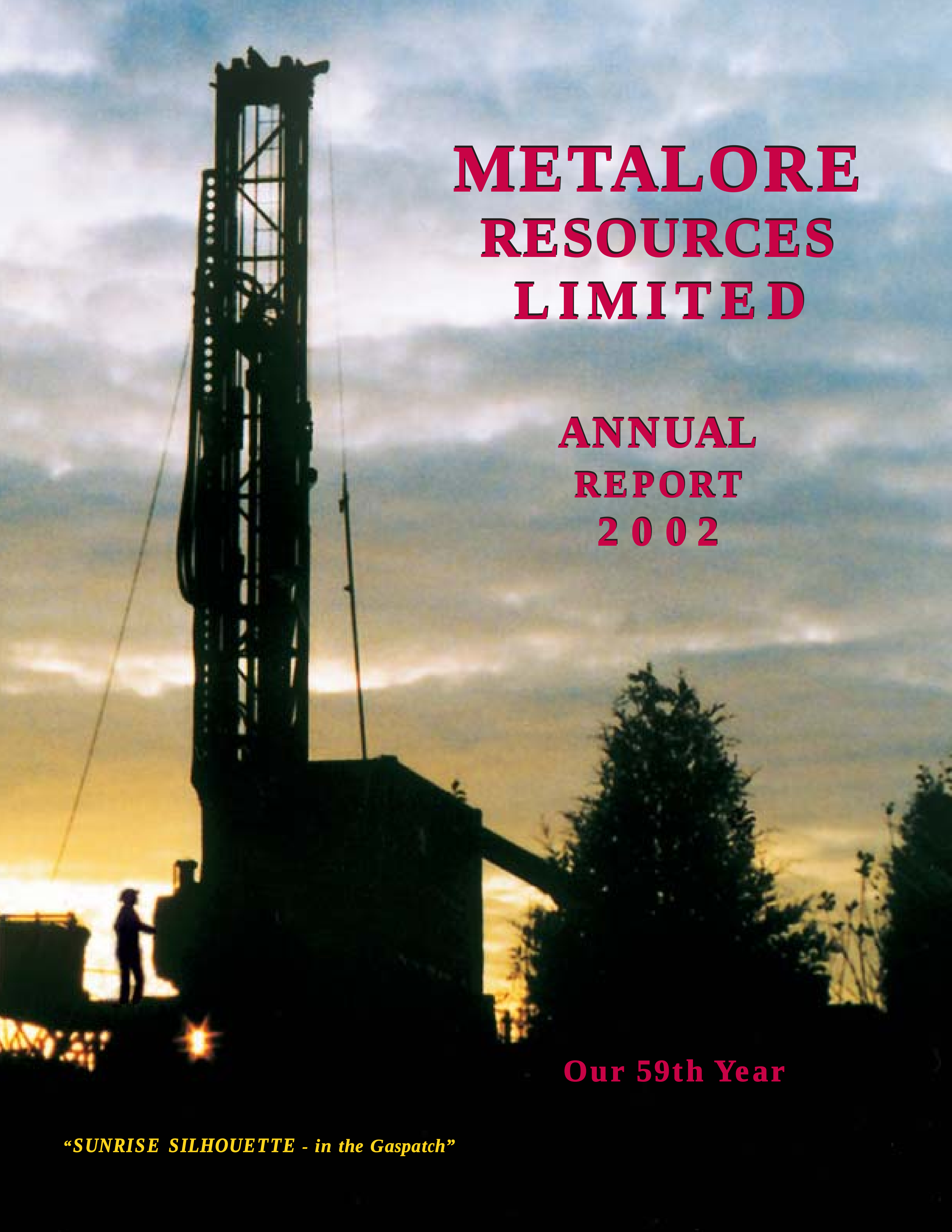


METALORE RESOURCES LIMITED

ANNUAL REPORT 2002

Our 59th Year

“SUNRISE SILHOUETTE - in the Gaspatch”

Producing Metalore SONG #8, Clear Creek Field, Houghton Township, Ontario, July/02.

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 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*
Mining Division	*Postal Box 195 ...... Beardmore, 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*
Annual Meeting	*WESTIN HARBOUR CASTLE HOTEL ...... Toronto, Ontario* *September 27, 2002, 4:30 p.m.*
Website and Email	*www.metaloreresources.com* *info@metaloreresources.com*

METALORE RESOURCES LIMITED

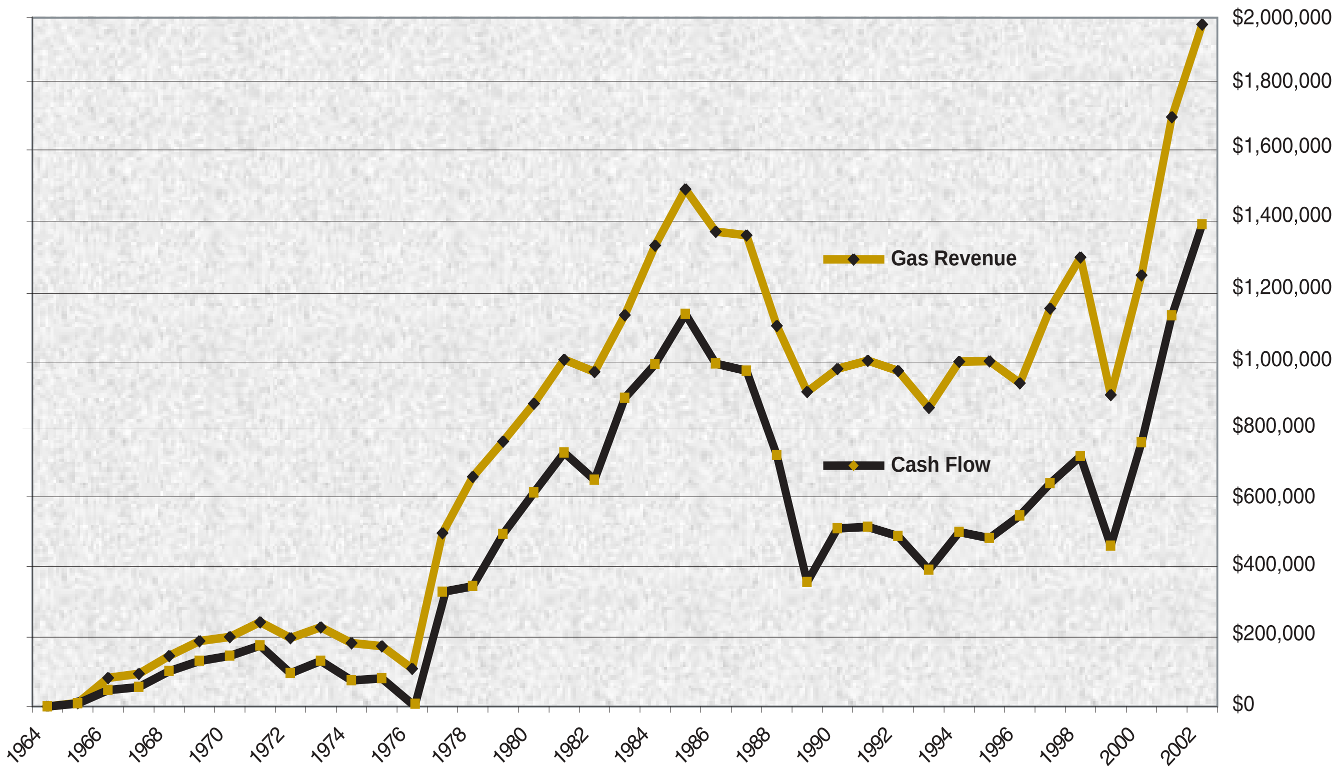
President's Annual Letter

To Shareholders:

NATURAL GAS DEVELOPMENT

Metalore has again achieved All Time High Water Marks with record Natural Gas Production revenues and per share net income[1] and cash flow, as predicted.

38 YEAR RECORD OF NATURAL GAS REVENUE AND CASH FLOW



Although gas prices have recently been well below last year's highs, our North American market continues to resist normal seasonal declines and the prevailing political and economic climate of gas field development appears to be exerting upward pressure on both the short and long term pricing of Natural Gas supplies.

The United States' Congress was recently advised[2] that,

"... the U.S. now faces a possible gas crises that not only raises serious questions about what was believed to be America's most reliable energy source, but a crises that could also put a lid on the country's ability to expand the generation of electricity until we diversify future power-plant fuel sources, weaning them off their current almost total dependence on natural gas."

"America has never been particularly good at predicting crises and warding them off. Our great strength has been how effectively we marshall our collective strengths to cope with great crises. Regardless of the extent of the pending supply drop, it now seems unlikely that conventional gas supplies can grow beyond the steady levels enjoyed over the past eight years. (And) if gas supplies suffer even a 10% decline by year-end, America will have an abrupt energy wake-up call."

1. Before income tax, see note 1(e) Auditor's Notes to Financial Statements, Fiscal 2002.
2. Excerpts from papers addressed to the Committee on Resources of the House of Representatives, "The Growing Natural Gas Supply Imbalance", July 16/02, and "Unlocking the Natural Gas Riddle", May/02, by Matthew R. Simmons, msimmons@simmonsco-intl.com

METALORE RESOURCES LIMITED

Metalore has previously hedged approximately one-half of its gas production at above current prices to November 1, 2002. In anticipation of favourable price spikes later this year, we have delivered significant quantities of gas into storage (for future sale) and have also shut-in a few selective wells over the short term (this being more cost effective than to pay even nominal storage fees). It is worthwhile noting, however, that once we deliver gas into storage, the friction loss from the gas delivered has already been absorbed and the efficiency of subsequent deliveries is thereby increased, so there is some additional benefit from the cost of storage.

Metalore's long term gas development strategy will be to continue to maintain a large land package for future shallow (Silurian, at 1,200 to 1,400 feet) horizon development wells, but our priority will be to probe the deeper (Ordovician and Cambrian, at 3,000 to 3,500 feet) horizons for new, high pressure, high yield gas (and/or oil) fields within our existing 75 mile pipeline infrastructure, which presently transports gas production from three townships.

PRECIOUS METAL EXPLORATION

We are pleased to advise that the Ontex field crew has exposed a new gold occurrence with follow-up ground prospecting of airbourne geophysical targets on claims optioned from Metalore[3]. This showing (routinely named "the #17 anomaly") is located in a relatively remote area, not previously accessible by road or normal traverse; however it has been priority scheduled for detailed geophysics, mechanical stripping and drilling, in the normal logistic sequence of another work program that will be resumed within two weeks' time.

On a new project of our own, Metalore has just aquired by purchase and staking 100% interest[4] in an 82 claim drill indicated gold discovery, some distance west of our Windigokan Lake base camp in Northwestern Ontario. We are in good financial shape to tackle this and intend to mobilize a drill on this prospect forthwith. Initial drill results may be available for release to our Shareholders first (as is our custom) at the Annual Meeting next month.

Some of you may not be receptive to our resurgence in the mining sector. Bare in mind, Metalore was formed and cut it's teeth on mining exploration. We are in the riskiest business in the world but we have stood the test of time. We have more than survived; we have thrived on this. Yes, the risks may be high - but the rewards can be exponentially higher. So we must follow our long time instincts and occassionally pursue special opportunities that have the greatest chance of enhancing Shareholder value.

Please, come out and join us on September 27the for our Annual Shareholders' Meeting and Exquisite Buffet Dinner[5].

On behalf of the Board

George W. Chilian, President
August 6, 2002

3. Ontex Resources Limited has an option to earn a 70% interest in all of the claims encompassing this occurrence by December 15, 2002.
4. The central discovery claims are subject to 2% net smelter return royalty to the vendors.
5. V.I.P. Invitation (enclosed) for Shareholder and Guest will be Required.

METALORE RESOURCES LIMITED

BALANCE SHEET AS AT MARCH 31

	2002	2001	2000
ASSETS			
Current assets			
Cash	$ 212,993	$ 49,333	$ 58,495
Marketable securities, at cost (note 4)	1,440,485	1,260,485	1,260,485
Accounts receivable	229,493	343,941	107,809
Inventory of pipe and supplies, at cost	27,600	36,490	25,650
	1,910,571	1,690,249	1,452,439
Natural gas properties (note 3)	7,401,795	6,634,279	6,168,256
Mining properties (notes 2[c], 4, and 5[c])	1,379,734	1,270,686	1,222,795
Renewable fuel (Ethanol) costs (note 2[d])	927,811	924,666	921,869
	$ 11,619,911	$ 10,519,880	$ 9,765,359
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued royalties	$ 205,937	$ 165,359	$ 390,451
Due to shareholders (notes 5[a] and 5[b])	19,646	121,610	80,050
Future income taxes (notes 1 and 2[e])	1,876,000	1,475,000	1,364,000
	1,895,646	1,596,610	1,444,050
Shareholders' equity			
Share capital (note 6)	2,277,982	2,277,982	2,277,982
Contributed surplus	16,000	16,000	16,000
Retained earnings	7,224,346	6,463,929	5,636,876
	9,518,328	8,757,911	7,930,858
	$ 11,619,911	$ 10,519,880	$ 9,765,359

See accompanying notes

Approved on behalf of the Board:

George W. Chilian, B.A.,
President, CEO and Director

Joseph Maksymchuk, CMA,
Secretary-Treasurer and Director

METALORE RESOURCES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED MARCH 31

	2002	2001	2000
Revenue			
Natural gas production	$ 1,979,501	$ 1,710,689	$ 1,252,145
Royalties	4,936	5,111	2,599
Interest - net	4,709	(2,769)	1,342
	1,989,146	1,713,031	1,256,086
Expenses			
Production	301,348	299,856	273,946
Administration	102,680	108,126	91,926
Royalties	185,406	170,017	124,422
Depletion	116,000	101,000	94,000
	705,434	678,999	584,294
Income before future income taxes	1,283,712	1,034,032	671,792
Future income taxes (notes 1 and 2[e])	401,000	111,000	219,000
Net income	882,712	923,032	452,792
Retained earnings, beginning of year	6,463,929	5,636,876	5,184,084
Dividends paid	(122,295)	(95,979)	-
Retained earnings, end of year	$ 7,224,346	$ 6,463,929	$ 5,636,876
Basic net earnings per share	$ 0.51	$ 0.53	$ 0.26

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, 2002, 2001 and 2000 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, 2002, 2001 and 2000 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
July 9, 2002

METALORE RESOURCES LIMITED

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2002	2001	2000
Operating activities			
Net income	$ 882,712	$ 923,032	$ 452,792
Add items not involving cash			
Depletion	116,000	101,000	94,000
Future income taxes	401,000	111,000	219,000
Cash flows from operations before changes in non-cash working capital	1,399,712	1,135,032	765,792
Changes in non-cash working capital items			
Accounts receivable	114,448	(236,132)	(26,874)
Inventory of pipe and supplies, at cost	8,890	(10,840)	5,420
Accounts payable and accrued royalties	40,578	(225,092)	75,247
Net change in non-cash working capital items	163,916	(472,064)	53,793
Cash flows from operating activities	1,563,628	662,968	819,585
Financing activities			
Increase (decrease) in due to shareholders	(101,964)	41,560	(473,086)
Dividends paid	(122,295)	(95,979)	-
Cash flows from financing activities	(224,259)	(54,419)	(473,086)
Investing in capital activities			
Mining exploration costs (notes 2[c] and 5[c])	(109,048)	(47,891)	69,214
Natural gas development and exploration costs	(883,516)	(567,023)	(528,060)
Renewable fuel (Ethanol) costs	(3,145)	(2,797)	(11,410)
Marketable securities	(180,000)	-	-
Cash flows from investing activities	(1,175,709)	(617,711)	(470,256)
Net increase (decrease) in cash during the year	163,660	(9,162)	(123,757)
Cash, beginning of year	49,333	58,495	182,252
Cash, end of year	$ 212,993	$ 49,333	$ 58,495
Basic cash flows from operations per share	$ 0.80	$ 0.65	$ 0.44

Note to statement of cash flows

	2002	2001	2000
Interest and bank charges received (paid) - net	$ 2,003	$ (5,822)	$ (10,781)

See accompanying notes

METALORE RESOURCES LIMITED

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2002, 2001 and 2000

1. RETROACTIVE CHANGE IN ACCOUNTING POLICY

Effective April 1, 2000, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes. Under the recommendations, the liability method of tax allocation is used, based on differences between the financial and tax basis of reporting assets and liabilities. Previously, the deferral method was used, based on differences in the timing of reporting income and expenses in financial statements and tax returns. The recommendations were applied retroactively. The effect of the recommendations on the opening 2001 financial statement was insignificant and, therefore, no adjustment has been made.

2. 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] 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 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, 2002.

The carrying value, based on a ceiling test calculation, is limited to a recoverable amount as determined by estimating the present value of future net revenue from proven properties based on current prices and costs.

[c] Mining properties

The Company owns in excess of 400 contiguous mining claims in Walters, Leduc and LeGault townships and holds a 40% interest in 200 claims in Sandra and Irwin townships. All of the claims are in Northwestern Ontario and subject to a working option agreement with Ontex Resources Limited (Ontex) (note 4). The Company also owns/controls mining claims in Pifher and Meader townships in Northwestern Ontario. Acquisition and exploration costs are capitalized relating to mining properties. 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.

[d] 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.

[e] 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 deferral balances, available in perpetuity, at March 31, 2002 are as follows:

Cumulative Canadian exploration expenses $2,203,952 (2001 - $2,346,908; 2000 - $2,394,789)

Investment in flow through shares (note 4) $180,000 (2001 - $Nil; 2000 - $Nil)

Cumulative Canadian development expenses $823,723 (2001 - $834,987; 2000 - $1,069,894)

Cumulative Canadian oil and gas property expenses $341,951 (2001 - $328,594; 2000 - $332,806)

Foreign exploration and development expenses $4,811 (2001 - $5,346; 2000 - $5,940)

3. NATURAL GAS PROPERTIES

Natural gas properties consist of the following:

	Cost	Accumulated Depletion	2002 Net	2001 Net	2000 Net
Gas wells, transmission lines and leases	$10,077,235	$2,675,440	$7,401,795	$6,634,279	$6,168,256

A portion of general and administrative costs of $313,625 (2001 - $256,620; 2000 - $245,733) and production costs of $66,226 (2001 - $88,491; 2000 - $78,865) were capitalized to Natural Gas properties, the Company's core business.

4. 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 at year end was $1,386,000. The market value at July 2, 2002 was $1,428,000.

The Company also optioned to Ontex a maximum 60% interest in nearly all remaining claims in Irwin and Sandra townships and a maximum 70% interest in nearly all remaining claims in Walters, Leduc and LeGault townships for a combined minimum work and expenditure commitment of $1,500,000 within four years, at no cost to the Company. The title of the claims will remain with the Company until Ontex has made the qualifying expenditures. After four years, the Company will have the right to participate in further work programs to maintain the above referred to interest in all of the claims.

A portion of general and administrative costs of $32,243 (2001 - $26,067; 2000 - $51,481) and production costs of $5,769 (2001 - $8,232; 2000 - $Nil) were capitalized to mining properties.

5. 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, 2002, the Company owed SONG $4,516 (2001 - $102,343; 2000 - $35,734) which is non-interest bearing, with no specific terms for repayment.

[b] The Company also owes the president, George W. Chilian, $15,130 (2001 - $19,267; 2000 - $44,316) with no specific terms for repayment and bearing interest at current bank prime rates.

[c] Interest at current bank prime rates of $809 (2001 - $2,248; 2000 - $12,123) relating to the due to shareholder account [b] has been capitalized primarily to mining properties.

6. SHARE CAPITAL

Share capital consists of the following:

Authorized	Issued	2002	2001	2000
4,000,000 common shares	1,745,017 common shares	$2,277,982	$2,277,982	$2,277,982

7. 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. The fair values of financial assets and liabilities are indicated by their carrying values.

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 1,745,017 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 22, 2002, 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 608, 008 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.

AMENDMENT TO BY-LAW NO. 1
The Directors of the Corporation passed a resolution amending By-Law No. 1 to conform with the current practise of the Corporation having five directors and removing references to the non-existence Executive Committee. Copies of the amendment to By-Law No. 1 and the By-Law No. 1 are available for inspection by Shareholders at the head office of the Corporation and will also be available for inspection at the Annual and Special Meeting of Shareholders.

CORPORATE GOVERNANCE
In 1995, The Toronto Exchange (the "TSE") 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 TSE 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.

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, $4,516 was owed to Southern Ontario Natural Gas for this service.

EXECUTIVE COMPENSATION
During the fiscal year ended March 31, 2002, the Corporation paid its Managing Director the sum of $91,200 for administrative services and paid the Directors $1,400 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 Chilian President & Director	2002	$114,120	Nil	Nil
	2001	$91,200	Nil	Nil
	2000	$79,000	Nil	Nil
Joseph Maksymchuk Secretary-Treasurer and Director	2002	Nil	Nil	$200
	2001	Nil	Nil	$200
	2000	Nil	Nil	Nil
John C. McVicar Director & Secretary	2002	Nil	Nil	$200
	2001	Nil	Nil	$900
	2000	Nil	Nil	$200
Patricia Shelander Director	2002	Nil	Nil	$200
	2001	Nil	Nil	$900
	2000	Nil	Nil	$1,100

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, 2002 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
George William Chilian (President & Director)	Managing Director of the Corporation	1955	608,008[3]
Joseph Maksymchuk[1] (Secretary-Treasurer and Director)	Certified Management Accountant, Retired	2000	8,000
John Claire McVicar[1, 2] (Director)	Partner, Meen-McVicar, Insurance Brokers	1982	1,900
Patricia Shelander[1, 2] (Director)	Registered Medical Technologist	1970	36,000
David J. Slater[2] (Director)	Natural Gas Transport & Marketing Manager	2002	200

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 307,808 of these shares

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 6, 2002.

Joseph Maksymchuk

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 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 Westin Harbour Castle Hotel, Toronto, Ontario on Friday, September 27, 2002, at 4:30 p.m. to:

1. Receive and consider the Annual Financial Statements for the year ended March 31, 2002, 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, ratify and conform with or without variation, a resolution passed by the Directors amending By-Law No. 1 of the Corporation.
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 6th day of August, 2002.

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.

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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

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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 September 27, 2002, at the Westin Harbour Castle Hotel, Toronto, Ontario and at any adjournments thereof, to:

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

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

c) vote for _________ or against ________ the approval, ratification and confirmation of the resolution passed by the Directors repealing, amending and restating certain sections of By-Law No. 1 of the Corporation as specified in the Information Circular dated August 6, 2002;

(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 ______________________ 2002   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

VIP

METALORE'S
Exquisite Wild Turkey Dinner Buffet

at 5:30 in the evening
September 27, 2002
Pier 3 Room
Westin Harbour Castle Hotel
Toronto, Ontario

Please tear along perforation.

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

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Meet the Chilians: Carl, Haig "Blazer", George, Jonathan and Armen.
This whole crew is involved with some phase of exploration and/or development for 'MET' this year.

We Listen to the Concerns of farmer/landowners and are striving to meet their Needs with innovative Solutions; and we ARE "Making a Difference".

Metalore is the FIRST volume natural gas developer in Norfolk County to:

1. *Offer leases with a production royalty to lessors (1964 to present).*
2. *Implement an equitable pooling policy whereby all lessors within a probable drainage pattern would receive a royalty share (1964 to present).*
3. *Accommodate the purchase of gas by customers along our gathering lines, in concert with the local utility (1965 to present, now 70 Field Line Customers).*
4. *Establish much wider spacing patterns to conserve land use and extend the longevity of production per well (1965 to present).*
5. *Mandate the drilling of our wells on untillable lands (1966 to present).*
6. *Implement environmentally friendly policies of (a) cementing in all well casings (Since 1966) and (b) constructing all larger diameter pipelines with "yellowjacket" steel (1970 to present).*
7. *Pioneer mega-fracturing technology (100,000 + gallons) to enhance both short and long term deliverability (1968 to present).*
8. *Refrain from compression to stabilize long term recovery of the resource.*
9. *Sign leases with the Township, Conservation Authority, County and Province.*
10. *Obtain the highest weighted average price annually for indigenous gas production since the availability of the hedge market (1996 to present).*

Drilling Metalore SONG #8, Clear Creek Field, Houghton Township, Ontario, November/01.