METALORE RESOURCES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED
SEPTEMBER 30, 2018

MANAGEMENT'S COMMENTS ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Metalore Resources Limited for the three and six months ended September 30, 2018 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

METALORE RESOURCES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT SEPTEMBER 30, 2018 AND MARCH 31, 2018

	(Unaudited) As at September 30 2018	(Audited) As at March 31 2018
Assets		
Current assets		
Cash and cash equivalents	**$ 157,627**	$ 148,892
Marketable securities	**367,620**	407,550
Accounts receivable	**104,420**	73,484
Inventory	**35,100**	43,500
Prepaid expenses	**76**	14,382
Total current assets	**664,843**	687,808
Non-current assets		
Property and equipment *(Note 4)*	**7,241,520**	7,317,653
Exploration and evaluation assets *(Note 5)*	**4,572,599**	4,555,058
Total non-current assets	**11,814,119**	11,872,711
Total assets	**$ 12,478,962**	$ 12,560,519
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 96,563**	$ 72,706
Non-current liabilities		
Decommissioning obligations *(Note 6)*	**524,802**	522,854
Deferred tax liabilities	**1,458,300**	1,476,300
Total non-current liabilities	**1,983,102**	1,999,154
Total liabilities	**2,079,665**	2,071,860
Shareholders' Equity		
Share capital *(Note 7)*	**2,468,832**	2,468,832
Contributed surplus	**153,123**	153,123
Accumulated other comprehensive loss	**(142,903)**	(102,973)
Retained earnings	**7,920,245**	7,969,677
Total shareholders' equity	**10,399,297**	10,488,659
Total liabilities and shareholders' equity	**$ 12,478,962**	$ 12,560,519

Approved by the Board on November 15, 2018:

Donald W. Bryson
Director and CFO

Armen A. Chilian
Director and CEO

The accompanying notes are an integral part of these condensed interim financial statements.

METALORE RESOURCES LIMITED

CONDENSED INTERIM STATEMENT OF INCOME AND LOSS (UNAUDITED)

	Three Months Ended September 30		Six Months Ended September 30	
	2018	**2017**	**2018**	**2017**
Revenue				
Natural gas sales	**$ 198,599**	$ 178,929	**$ 332,489**	$ 339,726
Royalty income	**517**	1,062	**1,084**	1,727
Less: Royalties paid	**(18,000)**	(16,000)	**(30,341)**	(31,006)
Net natural gas revenue	**181,116**	163,991	**303,232**	310,447
Expenses				
Production	**89,335**	126,855	**185,076**	230,244
Depletion and depreciation	**78,000**	50,000	**135,000**	95,000
General and administrative	**36,137**	44,007	**59,504**	79,521
Accretion	**954**	975	**1,948**	1,870
Share based compensation	**-**	-	**-**	62,693
	204,426	221,837	**381,528**	469,328
Loss from operations	**(23,310)**	(57,846)	**(78,296)**	(158,881)
Other income				
Investment income	**5,469**	5,000	**10,864**	10,567
Loss before taxes	**(17,841)**	(52,846)	**(67,432)**	(148,314)
Deferred taxes (recovered)	**(5,000)**	(16,000)	**(18,000)**	(33,000)
Net loss	**$ (12,841)**	$ (36,846)	**$ (49,432)**	$ (115,314)
Basic and diluted earnings (loss) per share *(Note 8)*	**$ (0.01)**	$ (0.02)	**$ (0.03)**	$ (0.06)
Weighted average number of shares outstanding	**1,775,035**	1,775,035	**1,775,035**	1,775,035

The accompanying notes are an integral part of these condensed interim financial statements.

METALORE RESOURCES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME AND LOSS (UNAUDITED)

	Three Months Ended September 30		Six Months Ended September 30	
	2018	**2017**	**2018**	**2017**
Net loss	**$ (12,841)**	$ (36,846)	**$ (49,432)**	$ (115,314)
Changes in comprehensive income (loss)				
Reclassification for realized losses	**-**	-	**-**	2,434
Changes in fair value of financial assets at fair value through other comprehensive income	**(41,580)**	66,620	**(39,930)**	38,780
Comprehensive income (loss)	**$ (54,421)**	$ 29,774	**$ (89,362)**	$ (74,100)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Six Months Ended September 30	
	2018	**2017**
Share capital		
Balance, beginning of period	**$ 2,468,832**	$ 2,468,832
Issued	**-**	-
Balance, end of period	**$ 2,468,832**	$ 2,468,832
Contributed surplus		
Balance, beginning of period	**$ 153,123**	$ 90,430
Stock based compensation	**-**	62,693
Balance, end of period	**$ 153,123**	$ 153,123
Accumulated other comprehensive income (loss)		
Balance, beginning of period	**$ (102,973)**	$ (226,750)
Reclassification for realized losses	**-**	2,434
Changes in fair value of financial assets at fair value through other comprehensive income	**(39,930)**	38,780
Equity reserve transfer to retained earnings	**-**	40,785
Balance, end of period	**$ (142,903)**	$ (144,751)
Retained earnings		
Balance, beginning of period	**$ 7,969,677**	$ 7,743,266
Net loss	**(49,432)**	(115,314)
Equity reserve transfer from accumulated other comprehensive income	**-**	(40,785)
Balance, end of period	**$ 7,920,245**	$ 7,587,167
Total shareholders' equity	**$ 10,399,297**	$ 10,064,371

The accompanying notes are an integral part of these condensed interim financial statements.

METALORE RESOURCES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

	Three Months Ended September 30		Six Months Ended September 30	
	2018	**2017**	**2018**	**2017**
Operating activities				
Net loss	**$ (12,841)**	$ (36,846)	**$ (49,432)**	$ (115,314)
Items not affecting cash:				
Depletion and depreciation	**78,000**	50,000	**135,000**	95,000
Accretion	**954**	975	**1,948**	1,870
Share based compensation	**-**	-	**-**	62,693
Deferred taxes	**(5,000)**	(16,000)	**(18,000)**	(33,000)
	61,113	(1,871)	**69,516**	11,249
Changes in non-cash working capital:				
Accounts receivable	**(59,637)**	(23,948)	**(30,936)**	14,026
Inventory	**5,500**	(41,000)	**8,400**	(39,000)
Prepaid expenses	**5,806**	(10,236)	**14,306**	(2,011)
Accounts payable and accrued liabilities	**(22,883)**	10,771	**23,857**	7,154
	(71,214)	(64,413)	**15,627**	(19,831)
Cash flow from (used by) operating activities	**(10,101)**	(66,284)	**85,143**	(8,582)
Investing activities				
Net proceeds from sale of marketable securities	**-**	-	**-**	123,754
Additions to property and equipment	**(15,073)**	(18,342)	**(58,867)**	(36,576)
Additions to exploration and evaluation assets	**(3,174)**	(17,785)	**(17,541)**	(19,885)
Cash flow from (used by) investing activities	**(18,247)**	(36,127)	**(76,408)**	67,293
Increase (decrease) in cash	**(28,348)**	(102,411)	**8,735**	58,711
Cash - beginning of period	**185,975**	225,281	**148,892**	64,159
Cash - end of period	**$ 157,627**	$ 122,870	**$ 157,627**	$ 122,870

The accompanying notes are an integral part of these condensed interim financial statements.

1. Reporting entity

Metalore Resources Limited (the "Company") is a junior resource company incorporated and domiciled in Canada dedicated to natural gas production and gold exploration in Ontario. The Company currently operates in one geographic region, Canada. The Company's common shares are listed on the TSX Venture Exchange and trade under the symbol "MET".

The head office, principal address, registered address and records office of the Company are located at P.O. Box 422, Simcoe, Ontario, N3Y 4L5, Canada.

2. Basis of presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting and accordingly do not include all of the information required in the preparation of annual financial statements. The condensed interim financial statements should be read in conjunction with the audited financial statements and related notes for the year ended March 31, 2018.

These condensed interim financial statements were authorized for issue by the Board of Directors on November 15, 2018.

(b) Basis of measurement

The condensed interim financial statements have been prepared using the historical cost basis of accounting, with the exception of share based payments and financial instruments classified as fair value through profit and loss or available for sale which are measured at fair value.

(c) Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities as at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the condensed interim financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. The significant estimates and judgments made by management in the preparation of these condensed interim financial statements were consistent with those applied to the financial statements as at and for the year ended March 31, 2018.

3. Summary of significant accounting policies

The condensed interim financial statements have been prepared following the same accounting policies as the audited financial statements for the year ended March 31, 2018. The accounting policies have been applied. consistently by the Company to all periods presented in these condensed interim financial statements.

4. Property and equipment

	Natural gas properties	Land	Total
Cost			
Balance, March 31, 2017	$ 16,589,057	$ 130,000	$ 16,719,057
Additions	124,585	-	124,585
Changes to decommissioning obligation estimates	9,984	-	9,984
Balance, March 31, 2018	16,723,626	130,000	16,853,626
Additions	58,867	-	58,867
Balance, September 30, 2018	**$ 16,782,493**	**$ 130,000**	**$ 16,912,493**
Accumulated Depletion, Depreciation and Impairment			
Balance, March 31, 2017	$ 9,936,866	$ -	$ 9,936,866
Depletion and depreciation	217,324	-	217,324
Impairment reversal	(618,217)	-	(618,217)
Balance, March 31, 2018	9,535,973	-	9,535,973
Depletion and depreciation	135,000	-	135,000
Balance, September 30, 2018	**$ 9,670,973**	**$ -**	**$ 9,670,973**
Net Book Value			
March 31, 2018	$ 7,187,653	$ 130,000	$ 7,317,653
September 30, 2018	**7,111,520**	**130,000**	**7,241,520**

The Company owns and/or controls approximately 40,000 acres of petroleum, natural gas and mineral leases in Charlotteville, Walsingham and Houghton townships in Norfolk County, Ontario.

Depletion and depreciation

The calculation of depletion and depreciation expense for the three months ended September 30, 2018 included an estimated $1,050,000 (September 30, 2017 – $1,473,800) for future development costs associated with proved plus probable undeveloped reserves.

Impairments

At September 30, 2018 and March 31, 2018 the Company assessed its natural gas properties for impairment indicators and concluded indicators exist, namely the continued low natural gas prices. As a result, the Company performed an impairment test at September 30, 2018 and March 31, 2018. The recoverable amount was measured based on the fair value less costs of disposal of the natural gas properties, determined by the application of a discounted cash flow model, using reserves volumes and forecasted natural gas prices as provided by an independent, third party oil and gas reserves evaluator.

In computing the recoverable amount, expected future cash flows were adjusted for risks specific to the natural gas properties using a pre-tax discount rate of 7.5% (March 31, 2018 - 7.5%). At September 30, 2018, the fair value less costs of disposal approximated the recoverable amount and no impairment was recorded. At March 31, 2018 a reversal of impairment of $618,217 was recorded to adjust the Company's natural gas properties to their recoverable amount.

5. Exploration and evaluation assets

	Cedartree Lake Gold Property	Brookbank Gold Property	Total
Balance, March 31, 2017	$ 2,907,167	$ 1,612,886	$ 4,520,053
Additions	34,230	775	35,005
Balance, March 31, 2018	2,941,397	1,613,661	4,555,058
Additions	17,391	150	17,541
Balance, September 30, 2018	**$ 2,958,788**	**$ 1,613,811**	**$ 4,572,599**

Exploration and evaluation assets consist of the Company's exploration projects which are pending the determination of technical feasibility and commercial viability. The Company holds a 1% net smelter return on 18 claims in the Brookbank and Beardmore area of Ontario and a 21-26% participating interest in over 600 contiguous claims in Sandra, Irwin, Walters, Leduc, and LeGault townships in Northwestern Ontario the majority of which are subject to a working option agreement with Greenstone Gold Mines GP Inc., formerly Premier Gold Mines Limited and Centerra Gold Inc. The Company also owns a 100% interest in 29 mining claims in the Sioux Narrows (Cedartree Lake) area of Northwestern Ontario.

Impairments
Exploration and evaluation assets are assessed for impairment when they are transferred to property and equipment or if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Management has reviewed the Cedartree Lake gold property and Brookbank gold property projects and has determined that no impairment existed at September 30, 2018 or March 31, 2018.

6. Decommissioning obligations

The Company's decommissioning obligations result from its ownership interest in petroleum and natural gas assets including well sites and gathering systems. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to abandon and reclaim the wells and facilities, and the estimated timing of the costs to be incurred in future periods. The total undiscounted amount of the estimated cash flows (adjusted for inflation at 2.00% per year) required to settle the decommissioning obligations at September 30, 2018 is approximately $1,718,858 (March 31, 2018 – $1,735,971) which is estimated to be incurred over the next 47 years (March 31, 2018 - 47 years). At September 30, 2018, a risk-free rate of 2.75% (March 31, 2018 – 2.75%) was used to calculate the net present value of the decommissioning obligations.

	Six Months Ended September 30 2018	Year Ended March 31 2018
Balance, beginning of period	**$ 522,854**	$ 509,172
Accretion	**1,948**	3,698
Revisions	**-**	9,984
Balance, end of period	**$ 524,802**	$ 522,854

7. Share capital

The Company is authorized to issue 4,000,000 common shares without par or nominal value. At September 30, 2018, March 31, 2018 and March 31, 2017 there were 1,775,035 common shares issued and outstanding. The Company did not issue, redeem or repurchase any shares during the three and six months ended September 30, 2018 or the years ended March 31, 2018 or March 31, 2017.

8. Earnings per share

	Three Months Ended September 30 2018	Six Months Ended September 30 2018
Net income (loss)	**$ (49,432)**	$ (115,314)
Weighted average number of shares outstanding	**1,775,035**	1,775,035
Earnings (loss) per share - basic and diluted	**$ (0.03)**	$ (0.06)

For the three and six months ended September 30, 2018, 48,000 stock options outstanding were anti-dilutive and were not included in the diluted earnings per share calculation.

9. Credit facility

The Company has available a revolving credit facility with a Canadian chartered bank in the amount of $500,000 bearing interest at RBC prime plus 0.5%. There was no balance outstanding on this facility at September 30, 2018 or March 31, 2018.

10. Fair value of financial instruments

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities

The fair value of accounts receivable, and accounts payable and accrued liabilities at September 30, 2018 approximated their carrying value due to their short term to maturity.

The Company classified the fair value of its financial instruments at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – observable inputs, such as quoted market prices in active markets
- Level 2 – inputs, other than the quoted market prices in active markets, which are observable, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring an entity to develop its own assumptions

The fair values of cash and cash equivalents and marketable securities as shown in the statement of financial position as at September 30, 2018 are measured using level 1. During the three and six months ended September 30, 2018, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.