

METALORE RESOURCES LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED
SEPTEMBER 30, 2024

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, 2024 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, 2024 AND MARCH 31, 2024

	(Unaudited) As at September 30 2024	(Audited) As at March 31 2024
Assets		
Current assets		
Cash	\$ 439,558	\$ 443,738
Term deposits	4,631,598	4,641,457
Accounts receivable	42,290	31,702
Inventory	31,900	34,446
Prepaid expenses	24,326	48,746
Total current assets	5,169,672	5,200,089
Non-current assets		
Property and equipment <i>(Note 4)</i>	1,642,291	2,075,760
Total assets	\$ 6,811,963	\$ 7,275,849
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 58,014	\$ 66,457
Non-current liabilities		
Decommissioning obligations <i>(Note 6)</i>	577,298	942,101
Total liabilities	635,312	1,008,558
Shareholders' Equity		
Share capital <i>(Note 7)</i>	2,468,832	2,468,832
Contributed surplus	153,123	153,123
Accumulated other comprehensive income	52,000	52,000
Retained earnings	3,502,696	3,593,336
Total shareholders' equity	6,176,651	6,267,291
Total liabilities and shareholders' equity	\$ 6,811,963	\$ 7,275,849

Approved by the Board on November 26, 2024:



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 LOSS (UNAUDITED)

	Three Months Ended September 30		Six Months Ended September 30	
	2024	2023	2024	2023
Revenue				
Natural gas sales	\$ 94,282	\$ 115,436	\$ 156,578	\$ 199,687
Less: Royalties paid	(6,000)	(7,000)	(10,000)	(13,000)
Net natural gas revenue	88,282	108,436	146,578	186,687
Expenses				
Production	93,720	99,670	188,255	202,005
Depletion and depreciation	33,000	50,000	70,000	86,000
General and administrative	35,621	41,121	69,322	71,242
Accretion	-	1,344	25,908	36,485
	162,341	192,135	353,485	395,732
Loss from operations	(74,059)	(83,699)	(206,907)	(209,045)
Other income (expenses)				
Interest and other income	54,269	59,593	116,267	116,502
Mineral property exploration expenses (Note 5)	-	(1,000)	-	(1,500)
	54,269	58,593	116,267	115,002
Loss before taxes	(19,790)	(25,106)	(90,640)	(94,043)
Deferred taxes (recovered)	-	(5,732)	-	(24,000)
Net loss	\$ (19,790)	\$ (19,374)	\$ (90,640)	\$ (70,043)
Basic and diluted earnings (loss) per share				
	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.04)
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 LOSS (UNAUDITED)

	Three Months Ended September 30		Six Months Ended September 30	
	2024	2023	2024	2023
Net loss	\$ (19,790)	\$ (19,374)	\$ (90,640)	\$ (70,043)
Changes in comprehensive loss				
Reclassification for realized losses	-	(322)	-	(322)
Changes in fair value of financial assets at fair value through other comprehensive income	-	(21,632)	-	(27,814)
Comprehensive loss	\$ (19,790)	\$ (41,328)	\$ (90,640)	\$ (98,179)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Three Months Ended September 30	
	2024	2023
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	\$ 153,123
Stock based compensation	-	-
Balance, end of period	\$ 153,123	\$ 153,123
Accumulated other comprehensive income (loss)		
Balance, beginning of period	\$ 52,000	\$ (116,461)
Reclassification for realized losses	-	(322)
Changes in fair value of financial assets at fair value through other comprehensive income	-	(27,814)
Balance, end of period	\$ 52,000	\$ (144,597)
Retained earnings		
Balance, beginning of period	\$ 3,593,336	\$ 4,682,379
Net loss	(90,640)	(70,043)
Balance, end of period	\$ 3,502,696	\$ 4,612,336
Total shareholders' equity	\$ 6,176,651	\$ 7,089,694

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	
	2024	2023	2024	2023
Operating activities				
Net loss	\$ (19,790)	\$ (19,374)	\$ (90,640)	\$ (70,043)
Items not affecting cash:				
Depletion and depreciation	33,000	50,000	70,000	86,000
Accretion	-	1,344	25,908	36,485
Deferred taxes	-	(5,732)	-	(24,000)
	13,210	26,238	5,268	28,442
Changes in non-cash working capital:				
Accounts receivable	(21,351)	(23,347)	(10,588)	(4,364)
Inventory	3,492	6,827	2,546	(448)
Prepaid expenses	1,816	(5,964)	24,420	22,517
Accounts payable and accrued liabilities	20,441	(21,948)	(8,443)	(19,268)
Income taxes payable	-	(68,924)	-	(68,924)
	4,398	(113,356)	7,935	(70,487)
Cash flow from (used by) operating activities	17,608	(87,118)	13,203	(42,045)
Investing activities				
Additions to property and equipment	(15,660)	(11,231)	(27,242)	(23,677)
Term deposits	(50,944)	(72,095)	9,859	(73,057)
Cash flow used by investing activities	(66,604)	(83,326)	(17,383)	(96,734)
Decrease in cash	(48,996)	(170,444)	(4,180)	(138,779)
Cash - beginning of period	488,554	513,486	443,738	481,821
Cash - end of period	\$ 439,558	\$ 343,042	\$ 439,558	\$ 343,042

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

METALORE RESOURCES LIMITED

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2024

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 422-124 Norfolk Street North, Simcoe, Ontario, N3Y 3N8, 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, 2024.

These condensed interim financial statements were authorized for issue by the Board of Directors on November 26, 2024.

(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, 2024.

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, 2024. The accounting policies have been applied consistently by the Company to all periods presented in these condensed interim financial statements.

METALORE RESOURCES LIMITED

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2024

4. Property and equipment

	Natural gas properties	Land	Total
Cost			
Balance, March 31, 2023	\$ 18,720,066	\$ 130,000	\$ 18,850,066
Additions	67,950	-	67,950
Changes to decommissioning obligation estimates	(1,100,328)	-	(1,100,328)
Balance, March 31, 2024	17,687,688	130,000	17,817,688
Additions	27,242	-	27,242
Changes to decommissioning obligation estimates	(390,711)	-	(390,711)
Balance, September 30, 2024	\$ 17,324,219	\$ 130,000	\$ 17,454,219
Accumulated Depletion, Depreciation and Impairment			
Balance, March 31, 2023	\$ 14,711,083	\$ -	\$ 14,711,083
Depletion and depreciation	233,000	-	233,000
Impairment	797,845	-	797,845
Balance, March 31, 2024	15,741,928	-	15,741,928
Depletion and depreciation	70,000	-	70,000
Balance, September 30, 2024	\$ 15,811,928	\$ -	\$ 15,811,928
Net Book Value			
March 31, 2024	\$ 1,945,760	\$ 130,000	\$ 2,075,760
September 30, 2024	1,512,291	130,000	1,642,291

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, 2024 included an estimated \$725,000 (September 30, 2023 – \$806,000) for future development costs associated with proved plus probable undeveloped reserves.

5. Mineral properties

The Company holds a 1% net smelter return on the 18 claims of the main Brookbank gold deposit in Irwin Township, and a 21-26% participating interest in over 600 contiguous claims that extend to the east (Walters, Leduc and Legault townships) and west (Sandra Township) of the main Brookbank gold deposit, located in the Beardmore - Jellicoe area of Northwestern, Ontario. The majority of the claims are subject to a working option agreement with Greenstone Gold Mines LP.

METALORE RESOURCES LIMITED

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2024

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 1.60% per year) required to settle the decommissioning obligations at September 30, 2024 is approximately \$1,641,086 (March 31, 2024 – \$2,720,684) which is estimated to be incurred over the next 41 years (March 31, 2024 – 41 years). At September 30, 2024, a risk-free rate of 2.75% (March 31, 2024 – 2.75%) was used to calculate the net present value of the decommissioning obligations.

	Six Months Ended September 30 2024	Year Ended March 31 2024
Balance, beginning of period	\$ 942,101	\$ 2,007,288
Accretion	25,908	35,141
Revisions	(390,711)	(1,100,328)
Balance, end of period	\$ 577,298	\$ 942,101

7. Share capital

The Company is authorized to issue 4,000,000 common shares without par or nominal value. At September 30, 2024, March 31, 2024 and March 31, 2023 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, 2024 or the years ended March 31, 2024 or March 31, 2023.

8. 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, 2024 or March 31, 2024.

METALORE RESOURCES LIMITED

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2024

9. Fair value of financial instruments

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

The fair value of accounts receivable, accounts payable and accrued liabilities at September 30, 2024 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 term deposits as shown in the statement of financial position as at September 30, 2024 are measured using level 1. During the three and six months ended September 30, 2024, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.