

Management Discussion & Analysis For The Quarter Ended June 30, 2004

This Management Discussion and Analysis for Expatriate Resources Ltd. incorporates information for the quarter ended June 30, 2004 and information subsequent to the end of the quarter up to August 16, 2004. This Management Discussion and Analysis should be read in conjunction with the Annual Audited Consolidated Financial Statements and related notes of the Company for the year ended December 31, 2003 and the unaudited financial statements for the quarter ended June 30, 2004, both filed on SEDAR (www.sedar.com).

Overall Performance

Expatriate Resources Ltd. ("the Company") was incorporated May 21, 1993 in Province of British Columbia and became a reporting issuer on June 9, 1994. Expatriate is in the business of exploration and development of mineral deposits in Canada, the United States and South America. Expatriate, through its subsidiary Nitrosyl Technologies Corporation, also has interests in metal leaching and sulphur technologies that may provide strategic benefit to the development of its mineral properties.

During the quarter the Company continued its focus on its core Yukon Silver-Zinc Project and implementation of its summer 2004 exploration programs. The Yukon Silver-Zinc Project consists of the standalone development of the Wolverine deposit and exploration of the Company's large claim holdings in the surrounding area referred to as the Finlayson District. Exploration commenced on Expatriate's Finlayson District properties in early June. The Company announced on May 31, 2004, the purchase of Atna Resources Ltd's 39.4% interest in the Wolverine Joint Venture resulting in Expatriate having 100% ownership of its core asset upon completion.

The Company continued its financing efforts and completed the \$2.5million financing with Dundee Securities Corporation announced on June 9, 2004 which was oversubscribed and closed in late July (see Subsequent Events) significantly increasing its working capital position.

Financial Condition

The financial condition of the Company declined during the quarter, with working capital decreasing from \$2,823,289 as at March 31, 2004 to \$1,016,381 as at June 30, 2004. Working capital as at June 30, 2004 consisted of \$1,142,009 in cash and \$33,035 in accounts receivable, \$75,825 in marketable securities and \$31,353 in prepaid expenses, less \$265,841 in accounts payable and accrued liabilities. The Company had no other debt. In addition, the Company had \$8,399,033 in deferred mineral properties, \$48,238 in property and equipment and \$500,000 in deferred technology costs.

The decrease in working capital reflects the initial payment of \$1,000,000 paid to acquire a 39.4% interest in the Wolverine Joint venture and increased expenditures during the period.

For the quarter ended June 30, 2004, there were no cash inflows (see subsequent events). Cash outflows totaled \$1,648,801 comprised principally \$1,511,523 of net deferred mineral property expenditures and \$284,295 of administration costs.

Future Financial Condition

The primary factors that can affect the future financial condition of the Company have not changed significantly from those at December 31, 2003.

Industry and Economic Factors Affecting Performance

For Expatriate, which is primarily a zinc-silver exploration company, the most important factors are zinc and silver prices and the availability of equity funds. Metal prices strengthened in the latter part of the quarter resulting in some improvement in share price of zinc-silver companies.

Risk Factors

The risk factors associated with mineral exploration and development have not changed significantly since December 31, 2003.

Environmental Risks and Other Regulatory Requirements

There have been no significant changes in the environmental or other regulatory requirements that affect the Company's operations, and the Company has had no difficulty obtaining its land use permits for its exploration activities.

Management and Corporate Matters

Expatriate is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on Expatriate. There were no changes to personnel during the period.

The Company's nominees for directors, Messrs Jack, Meade, McKnight, Segsworth and Yeoman were re-elected to the Board of Directors of the Company at the June 21, 2004 Annual and Extraordinary Meeting (see Subsequent Events). The Company's proposal for a change of name and renewal of the 10% rolling stock option plan was also approved at the meeting. In addition, shareholders approved the Company's proposed transition under the *Business Corporations Act (British Columbia)*.

Results of Operations

Expatriate's operations consist generally of mineral exploration and evaluation of new property acquisitions. This includes acquiring mineral properties, evaluating the merits of these properties using various techniques such as geophysical and geochemical methods as well as drilling, and the completion of engineering evaluation studies to advance them to feasibility study. During the quarter, Expatriate acquired an additional 39.4% joint venture interest in the Wolverine property to consolidate ownership in the Company's core asset.

Principal Properties and Focus

Expatriate has mineral properties in Canada, California and Chile. Its major properties are its base-precious metals properties in the Finlayson District in south central Yukon. Expatriate's core focus is its Yukon Silver-Zinc Project in the Yukon.

Expatriate's exploration expenditures and property and equipment purchases increased significantly in second quarter 2004 to \$1,516,666 compared to \$77,266 for the same period 2003. Much of the increase is due to the \$1,000,000 initial payment made for the acquisition of a 39.4% Wolverine Joint Venture interest.

This section should be read in conjunction with the Management Discussion and Analysis of December 31, 2003.

Canadian Mineral Properties

Expatriate has mineral properties in Yukon, Nunavut and Ontario. The properties in Nunavut and Ontario have been inactive for several years; however, plans have been made to resume exploration on the Yava property during summer 2004.

Wolverine and Finlayson Projects, Yukon

The Wolverine Joint Venture consisting of Expatriate and Atna Resources Ltd. announced plans to resume drilling on the Wolverine deposit. Expatriate announced that it also intends to resume permitting and financing activity related to an underground test mining program on the Wolverine property, to commence late in 2004 (see March 29, 2004 news release). Expatriate continues to evaluate exploration and development opportunities for its base-precious metals properties in the Finlayson District.

Expatriate announced May 31, 2004 its intent to acquire Atna's 39.4% interest in the Wolverine Joint Venture for cash payments of \$2 million, the issuance of 10 million common shares (the "Transaction Shares") and 5 million share purchase warrants (the "Warrants"), each Warrant entitling Atna to purchase one common share of Expatriate at a price of \$0.32 for two years from issuance, and the granting to Atna of a royalty on silver and gold production from the Wolverine property (the "Precious Metals Royalty"); see May 31, 2004 news release. An initial payment of \$1 million was paid on closing ("Closing") and the remaining \$1 million (the "Final Amount") is, subject to a deferral right, to be paid on December 16, 2004, the six-month anniversary of Closing.

The Transaction Shares and Warrants have been issued and are being held in escrow pending payment of the Final Amount on the six month anniversary, or deferral of the payment to the thirteenth month anniversary of the Closing. If Expatriate elects to defer payment of the Final Amount, the Transaction Shares and Warrants will be released from escrow to Atna and the Final Amount will carry interest, payable monthly at the annual rate of 12%. If upon deferral, the Final Amount is not timely paid the transaction will terminate and Expatriate will not have acquired any of Atna's interest in the Wolverine Joint Venture.

The Transaction Shares are subject to a shareholder's agreement that provides for Atna to hold the shares for a period of one year from Closing, subject to certain exceptions, and provides Expatriate with a right, so long as Atna holds more than two million common shares of Expatriate, to find a purchaser for any of the Transaction Shares that Atna may wish to sell. In addition, for a period of one year from Closing, Atna will vote all of the shares of Expatriate held by it in favour of the management nominees for election as directors of Expatriate at all meetings of shareholders at which directors are to be elected. At the time of issuance of the Transaction Shares, Atna held an approximate 11.7% equity interest in Expatriate.

The Precious Metals Royalty provides for Atna to receive 4% of net proceeds from the sale of silver and gold when the silver price is greater than US\$ 5.00 and less than US\$7.50 per ounce. The Precious Metals Royalty increases to 10% of net proceeds from sale of silver and gold when the silver price is over US\$7.50 per ounce. No royalty is payable to Atna on zinc, copper and lead.

The initial development of Wolverine was hindered by marketing concerns related to the high levels of selenium. The recent rise in selenium prices and tightness in zinc concentrate

markets is creating a more positive environment for the sale of concentrates from Wolverine on more reasonable terms.

In early 2004, the Wolverine Joint Venture approved a \$525,000 program of large diameter core drilling of the Wolverine deposit. This drilling commenced in June 2004. The large diameter core will provide additional geotechnical information, fresh samples for metallurgical testing and dense media separation studies. A re-evaluation of previous drill results in the northern part of the Wolverine Property to identify targets for follow-up drilling is also planned.

Expatriate completed \$3,370,000 in additional financing in July 2004 (see Subsequent Events), and has allocated an additional \$1,500,000 to exploration in the Finlayson District for summer and fall of 2004.

Expatriate continued its evaluation of the development of Wolverine as an underground mine in the fall of 2003 and commissioned Hatch Associates Ltd. in November 2003 to undertake a scoping study evaluation of the joint development of Wolverine and the Logan deposit located in south central Yukon (see Logan Project). The engineering study was to review the 1250 tonne per day underground mine plan developed in 2001 by Hatch, and consider the transporting of these underground ores to the proposed Logan mine site for processing.

In July 2004, Hatch Limited was commissioned to undertake a prefeasibility study for the development of Wolverine as a standalone 1250 tonne per day underground mine at Wolverine (see Subsequent Events). The resources at Wolverine are summarized in the following table:

Yukon Silver-Zinc Project Resource						
	Tonnes (million)	Zinc %	Lead %	Copper %	Silver g/t	Gold g/t
Wolverine¹	6.2	12.66	1.55	1.33	371	1.76
1. Wolverine Resource (measured, indicated and inferred) estimated by Westmin Resources Limited in 1998						

Logan Joint Venture

Getty Resources Limited and Total Energold Corporation spent approximately \$4.5 million exploring the Logan property in the period 1982 through 1989 (predecessors to Energold Minerals). A total of 103 diamond drill holes have been completed, defining a mineral resource of 12,300,000 tonnes grading 6.17% zinc and 26.4 g/tonne silver. The resource was calculated by Stammers, 1989, however it predates criteria of National Instrument 43-101. Utilizing the new criteria the resource should be considered as an Inferred Resource.

Hatch has, as part of a scoping study of the joint development of the Wolverine and Logan deposits, completed a re-estimation of resources in the Logan deposit. Hatch estimated an Inferred Resource of 13,080,000 tonnes grading 5.10% zinc and 23.7 g/t silver using a 3.5% zinc equivalent cutoff that is based upon metal prices of US\$0.43/lb zinc, US\$5.50/oz silver, and recoveries of 94% and 64% respectively (see March 29, 2004 news release). Expatriate abandoned the pursuit of the joint development of Logan and Wolverine in January of 2004, in favour of evaluation of Wolverine as a standalone mine.

Finlayson Emerald Joint Venture

Entourage Mining Ltd. has indicated to Expatriate that it plans to continue exploration of Expatriate's extensive mineral claims in the Finlayson District for emeralds. Entourage has indicated that it will undertake a minimum \$200,000 exploration programs on the properties during 2004.

Yava Property, Nunavut

Expatriate intends to resume exploration on the Yava massive sulphide deposit located approximately 450 km northeast of Yellowknife in Nunavut between the Hackett and Back Rivers on NTS 76-G-12 at approximately 65°36'N and 107°56'W. The Yava property consists of one mining lease covering approximately 1280 hectares and is 100% owned by Expatriate Resources Ltd., subject to a 10% carried interest retained by the estate of S. M. Roscoe.

The Yava deposit was discovered in 1974 and defined by drilling the following year. The property has not seen active exploration since 1976, yet it remains one of a few well-regarded massive sulphide deposits in the Slave Province. The Yava Main Zone deposit has an inferred resource of 1.13 Mt grading 1.03% Cu, 1.60% Pb, 4.96% Zn, 117 g/t Ag, and 0.3 g/t Au that was defined by five drill holes in 1974. The resource estimate predates National Instrument 43-101; however, using the new criteria would be considered an Inferred mineral resource.

The resource includes both high-grade massive sulphide and low-grade stringer zone type mineralization. The deposit remains open along strike and down dip with excellent potential for expansion and contains considerable lower grade mineralization with the high-grade massive sulphides. Intersections of massive sulphides include mineralisation grading 28.7% zinc, 0.48% copper, 360 g/t silver and 0.4 g/t gold over 1.8 metres.

Expatriate is proposing a program of geological mapping, prospecting and geophysical surveys for summer 2004 to better define target areas for future exploration and drilling.

Selwyn Property

The Selwyn property is located in the Howard's Pass District, which hosts three known deposits (XY, Anniv and OP) spread over a 40-kilometer long belt of favourable strata. The known zones on the Howard's Pass Property contain indicated resource of 113 million tonnes grading 5.4% zinc and 2.1% lead with about 16 g/t silver (mostly in the XY Zone) plus an additional inferred resource in excess of 360 million tonnes with a similar grade which are projected for areas where only widely spaced drilling has been performed.

The Company owns 100% interest in the HP and Nod claims within the Howard's Pass District. Expatriate is planning resumption of exploration on these claims during the summer of 2004. The HP claims cover strong geochemical anomalies associated within the same sequence of Silurian shales that host the Howard's Pass Deposits. The claims are located on the east limb of a synclinal fold that hosts the XY deposit. Four holes on the HP Property yielded encouraging results including an intersection of 2.9% zinc and 0.8% lead over 6 m in the Active horizon that hosts the XY deposit down dip to the west.

The Nod claims are situated in the valley bottom between the Anniv and XY deposits. The claims cover approximately 7 kilometers of the Active Horizon. The favourable strata are projected to occur at a shallow depth in the valley bottom and to represent an attractive untested target that may be amenable to open pit mining.

California, Blue Moon Property,

No new activity during the period. Expatriate plans to undertake a review of the data and resume exploration. The review includes a re-evaluation of the production plan for the deposit and formulation of a new plan for its development.

Compania Minera Latina Limitada, Chile

The Company's wholly owned subsidiary, Compania Minera Latina Limitada resumed exploration on its Islena Project near Taltal in northern Chile.

The property is located within the graben of the Atacama Fault, a major regional structure associated with several very large copper deposits including Manto Verde with more than 100 million tonnes grading 0.80% copper, Manto Blancos with more than 500 million tonnes grading 0.70% copper and Candelaria with 430 million tonnes grading 0.88% copper and byproduct gold.

The Islena area has been the focus of small-scale gold and copper mining for many years. The largest of these mines is Mina Union mine with recorded production during the period 1966 to 1982 of 84,097 tonnes of shallow oxide ores with a recovered grade of 2.50% copper and 287 g/t silver.

In February and March 2004, a total of 4488 meters of reverse circulation drilling in 27 holes was completed on numerous targets. Intersections of 6 metres grading 4.3% copper and 92.3g/t silver, and 8 metres grading 3.62% copper and 288.7g/t silver were intersected in limey clastic strata in the Union Mine area and represent an attractive target for exploration and development (see news releases of March 22, 2004 and April 6, 2004).

Summary of Quarterly Results

Expatriate is an exploration company and has no operations from which to derive revenues. It raises capital through the sale of its shares. It receives minor income from interest on cash balances and option payments on properties that it has farmed out.

Loss for the second quarter of years 2003 and 2004 are as follows:

	Quarter Ended June 30, 2004	Quarter Ended June 30, 2003
Shares Outstanding	85,274,276	54,701,128
Warrants Outstanding	14,515,431	6,592,000
Options Outstanding	6,655,000	4,760,000
Fully Diluted Shares Outstanding	106,444,707	65,703,628
Total Revenues	\$0	\$0
Net Loss before Discontinued Items	(\$555,295)	(\$166,401)
Net Loss before Discontinued Items per share*	(\$0.01)	(\$0.00)

Net Loss before Discontinued Items per share diluted	(\$0.01)	(\$0.00)
Net Loss	(\$555,295)	(\$166,401)
Net Loss per shares issued*	(\$0.01)	(\$0.00)
Net Loss per share diluted	(\$0.01)	(\$0.00)
Weighted average shares outstanding	75,274,276	54,356,897
Cash Dividends Declared per common share	\$0.00	\$0.00
Total Long Term Financial Liabilities	\$0	\$0
Total Assets	\$10,234,394	\$18,988,512

* based on weighted average shares outstanding

Summary of Historical Quarterly Financial Information

Period	Revenues	Net Earnings (Loss)	Net Earnings (Loss) per Share
2 nd Quarter 2004	Nil	\$(555,295)	(\$0.01)
1 st Quarter 2004	Nil	\$(339,579)	(\$0.00)
4 th Quarter 2003	Nil	\$(10,526,536)	(\$0.155)
3 rd Quarter 2003	Nil	\$(135,525)	(\$0.002)
2 nd Quarter 2003	Nil	\$(166,401)	(\$0.003)
1 st Quarter 2003	Nil	\$260,630	\$0.01
4 th Quarter 2002	Nil	\$41,592	\$0.000
3rd Quarter 2002	Nil	(\$105,635)	(\$0.002)
2nd Quarter 2002	Nil	\$(179,564)	(\$0.005)
1st Quarter 2002	Nil	(\$128,887)	(\$0.003)

The variation in loss per quarter reflects expenses related to exploration activity that is seasonal in nature, a loss related to discontinued operations and writedowns of deferred property expenditures. The large loss in fourth quarter 2003 is mainly due to the large writedown of deferred exploration expenditures on its Finlayson Project properties and to a lesser degree is due to a loss related to discontinued operations. The net loss in second quarter 2004 increased compared to the net loss in the second quarter 2003 due to increased stock-based compensation expense in the second quarter of 2004.

Liquidity

As at June 30, 2004, on a consolidated basis, the Company had cash of \$1,142,009 compared to \$2,790,810 as at March 31, 2004. The Company had \$265,841 in accounts payable, \$33,035 in accounts receivable, \$75,825 in marketable securities and no long-term liabilities as at June 30, 2004. As at June 30, 2004 the Company had \$1,016,381 in working capital. The Company funds its wholly owned subsidiaries through inter-company loans.

The Company relies on its existing and future cash resources to fund its mineral exploration and development activities. With no internal sources of available cash flow at this stage of its development, the Company is dependent on external sources of funds, primarily the public equity markets and joint venture partners. Circumstances that could affect the availability of equity funds to the Company (both positively and negatively), include: significant exploration successes or lack thereof; new acquisitions; changes in metal prices; significant world events; exchange rate movements and the general state of the equity markets for junior gold companies. A requirement for additional sources of funding could be triggered by acquisitions, and there is no certainty of raising these funds if required.

The Company has sufficient funds on hand to meet its current 2004 exploration plans and administration expenses.

Capital Resources

Expatriate had approximately \$1,142,009 of cash as at June 30, 2004. Of this, approximately \$570,000 of "flow through" share obligations remain as at June 30, 2004.

The Canadian tax deductions derived from Expatriate's qualified Canadian Exploration Expenditures ("CEE") are renounced to the individual flow through share investors. Expatriate therefore has the obligation to incur an additional \$570,000 of qualified CEE expenditures by the end of December 2004 for renouncement to its investors.

The Company has interests in several mineral properties, some of which require ongoing exploration or cash payments in lieu of work, in order to maintain title.

The Company completed an additional \$3,370,000 of equity financing in July 2004 (see Subsequent Events). For the foreseeable future, the Company will rely on capital from equity issuances and contributions from joint venture partners. There can be no assurance that these current sources of capital will continue to be available to the Company.

Off-Balance Sheet Arrangements

Not applicable.

Transactions with Related Parties

Expatriate shares corporate offices and has cost sharing arrangements with StrataGold Corporation relating to office and certain overhead expenses, and certain management personnel that act as officers, or office staff, and perform work for both companies on a cost and time reimbursement basis. The intention of these arrangements is for cost efficiency and shared expertise. As at June 30, 2004, \$4,123 was due from StrataGold to Expatriate for the reimbursement of expenses incurred by Expatriate on behalf of StrataGold.

Expatriate owns 4,000,000 share purchase warrants of StrataGold that it received under the Plan of Arrangement. Expatriate also received 758,284 shares of StrataGold as a result of conversion of a loan Expatriate that it advanced StrataGold to assist it in advancing towards becoming a public company. These shares were escrowed, and as of this date, 379,124 of them remain in escrow. Dr. Harlan Meade, President and CEO of the Company, is also Chairman and Director of StrataGold.

During second quarter 2004, professional fees of \$15,889 were incurred in respect of services provided by a legal firm in which Mr. Glenn Yeadon, Secretary of the Company, is a partner.

1.4. Second Quarter

The major event in the second quarter of 2004 for Expatriate was the acquisition of Atna's 39.4% joint venture interest in the Wolverine property. Expatriate made the initial \$1million cash payment on June 16, 2004, and reserved 10 million of its common shares and 5 million common share purchase warrants for Atna to be released on the six month anniversary of the closing of the purchase.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is pursuing.

Critical Accounting Estimates

Under the new accounting rules used for Expatriate, the "fair value" of stock based compensation (i.e. stock option grants) must be expensed for operations statement purposes. In addition, agents' warrants issued as stock-based compensation to brokers must be similarly accounted for on a fair value basis and recorded as a share issue cost. The determination of fair value of options and warrants for this purpose is generally done using the "Black-Scholes" formula. Some of the parameters used in this formula are highly subjective, in particular the assumption of future share price volatility, and therefore the amounts expensed are highly subjective and may not be reflective of the true cost, if any, of the option granted. If none of the options and agents' warrants are exercised, the amounts previously expensed are not adjusted and will have permanently increased Expatriate's balance sheet Deficit and Contributed Surplus accounts, respectively. During the second quarter, \$268,040 was expensed for stock-based compensation (option grants). These are non-cash transactions, which have no effect on the Company's cash position.

Changes in Accounting Policies including Initial Adoption

Expatriate's accounts are stated using Canadian Generally Accepted Accounting Principles (GAAP). The Company's accounting policies have not changed since incorporation and no future changes are currently contemplated.

Financial Instruments and Other Instruments

Expatriate currently does not own, hold or have any material interest in, or liability associated with, any financial or other instruments. As at June 30, 2004, Expatriate had accounts payable of \$265,841.

Other MD&A Requirements

Additional information relating to Expatriate is available on the SEDAR website: www.sedar.com under "Expatriate".

Deferred Property Expenditures

The required detailed schedule of Deferred Property Costs, including deferred mineral property costs, is included in the Company's financial statements. During second quarter

2004, Expatriate spent \$710,914 on exploration, before cost recoveries and credits of \$8,758 with the majority of expenditures on the Wolverine property. Acquisition costs were \$1,031,848 during second quarter 2004, reflecting the initial \$1million purchase price of Atna's 39.4% interest in the Wolverine property. Net exploration costs during the period totaled \$702,156.

Aggregate Deferred Property Costs increased to \$8,399,033 to June 30, 2004 up from \$6,887,510 as at March 31, 2004. There were no writedowns of exploration expenditures during the period.

Disclosure of Outstanding Share Data

Expatriate has 200,000,000 common shares and 100,000,000 Class "A" Preferred shares authorized for issuance. As of August 16, 2004, the Company had 98,754,276 common shares issued and outstanding. There are no other classes of shares outstanding. As of August 16, 2004, Expatriate also had 17,505,431 warrants and 6,655,000 share purchase options outstanding at various exercise prices and future dates (see Subsequent Events). If all these securities were exercised, a total of 122,914,707 shares would be issued and outstanding. Since March 31, 2004 there have been 23,480,000 shares, 7,990,000 warrants issued and 3,320,000 options granted.

During second quarter 2004 the following shares were issued:	Common Shares Issued
Issued at March 31, 2004	75,274,276
Warrant exercise	0
Private Placement	0
Exercise of stock options	0
Issuance of shares for property acquisition (in escrow)	10,000,000
Shares Issued as at June 30, 2004	85,274,276

Share Purchase Warrants

As at June 30, 2004 the Company had 14,515,431 common share purchase warrants outstanding with various expiry dates ranging from January 16, 2005 to June 16, 2006. Exercise prices range from \$0.12 to \$0.70 per share. In the second quarter the Company granted 5,000,000 warrants to Atna Resources Ltd. (in escrow) as part of the consideration for the purchase of its 39.4% interest in the Wolverine property, increasing outstanding warrants to 14,515,431. The warrants held by Atna are in escrow pending release on completion of the purchase of its interest. Information related to warrants outstanding as at June 30, 2004 is summarized in the Company's financial statements.

Share Purchase Warrants Issued	Number	Exercise Price	Expiry Date
Total Warrants Outstanding as at March 31, 2004	9,515,431		
Property Purchase Agreement (escrowed)	5,000,000	\$0.32	June 16, 2006
Warrants outstanding June 30, 2004	14,515,431		

Subsequent to June 30, 2004, the Company has issued an additional 2,150,000 warrants at an exercise price of \$0.35 and 590,000 agents warrants at \$0.25, both with an expiry date of July 21, 2005. In addition 250,000 warrants were issued pursuant to a private placement with an exercise price of \$0.35 per common share of Expatriate and an expiry date of July

23, 2005. Exercise of all outstanding warrants would result in cash proceeds to the Company of \$4,645,422.

Share Purchase Options

As at June 30, 2004 the Company had 6,655,000 common share purchase options outstanding at various exercise expiry prices and expiry dates. These were granted to various directors, employees and consultants during period 1999 through 2004. Details of options and the exercise prices and expiry dates for the period ending June 30, 2004 are summarized in the Company's financial statements. During the second quarter 2004, 3,320,000 new options were granted and no options were exercised.

	# of Options	Exercise Price	Expiry Date
Stock Options Outstanding as at March. 31, 2004	3,335,500		
Options Exercised	nil		
Granted to Directors, Employees and Officers	3,320,000	\$0.27	June 21, 2009
Granted to Director	450,000	\$0.27	August 11, 2009
Stock Options Outstanding as at August 10, 2004	7,105,000		

As at August 16, 2004, there are 7,105,000 options outstanding. If all these options were fully exercised, the Company would realize cash proceeds of \$1,913,500.

Other Subsequent Events

Mr. James Jack resigned as a Director of the Company on August 11, 2004,. Mr. Jack has been a board member since June 2002 representing Boliden AB. Boliden ceased to be a major shareholder of the Company and Mr. Jack resigned to devote time to other Boliden interests. The Company appointed Mr. George Stevens as a Director of the Company on August 11, 2004.

On July 5, 2004, Expatriate announced that it had commissioned Hatch Ltd. to undertake a detailed prefeasibility study on the development of the Wolverine deposit as an underground mine. The prefeasibility will evaluate the development of Wolverine as a 1250 tonne per day underground mine feeding a concentrator at Wolverine producing zinc, copper and lead concentrates containing significant silver and gold.

During July 2004, Expatriate completed an aggregate of \$3,370,000 in brokered and non-brokered equity financing that consists of 8,680,000 flow-through shares for proceeds of \$2,170,000 and 4,800,000 units for proceeds of \$1,200,000. Each unit consists of one common share and one-half warrant with a whole warrant entitling the owner to purchase an additional common share at a price of \$0.35 for a period of 12 months. Of the total, \$3,075,000 was sold through Dundee Securities Corporation, who received a commission fee of \$153,750 and 590,000 agents' warrants. An aggregate of \$295,000 of flow-through and non flow-through shares was completed privately. Each Dundee warrant entitles the holder to purchase an additional common share of the Company at \$0.25 for a period of 12 months. The Dundee financing was oversubscribed from the initial \$2,500,000 financing that was announced June 9, 2004.

Forward Looking Statements

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

EXPATRIATE RESOURCES LTD.

“Harlan Meade”

Harlan Meade

President and CEO, Director

August 16, 2004