

FORM 51-901F

QUARTERLY REPORT

Incorporated as part of: X Schedule A
 Schedules B & C

ISSUER DETAILS:

Name of Issuer EXPATRIATE RESOURCES LTD.

Issuer Address #701 - 475 Howe Street, Vancouver, B.C. V6C 2B3

Issuer Telephone Number (604) 682-5474

Contact Person Harlan D. Meade

Contact Position President and Chief Executive Officer

Contact Email Address info@expatriateresources.com

Web Site Address www.expatriateresources.com

Contact Person Harlan D. Meade

Contact Telephone Number (604) 682-5474

For Quarter Ended June 30, 2003

Date of Report (yy/mm/dd) 03/08/26

CERTIFICATE

The schedule(s) required to complete this quarterly report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this quarterly report will be provided to any shareholder who requests it. Please note this form is incorporated as part of both the required filing of Schedule A and Schedules B & C.

 "Harlan D. Meade" 03/08/26
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

 "Robert G. Yeoman" 03/08/26
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

EXPATRIATE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2003

(Unaudited - See Notice to Reader)

DE VISSER GRAY
CHARTERED ACCOUNTANTS

401 - 905 West Pender Street
Vancouver, BC
V6C 1L6

Tel: (604) 687-5447
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NOTICE TO READER

We have compiled the consolidated balance sheet of Expatriate Resources Ltd. as at June 30, 2003 and the consolidated statements of operations and deficit and cash flows for the six and three month periods then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

"De Visser Gray"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
August 26, 2003

EXPATRIATE RESOURCES LTD.

Consolidated Balance Sheets

As at

(Unaudited - See Notice to Reader)

	June 30, 2003 (Unaudited) \$	December 31, 2002 (Audited) \$
A S S E T S		
Current Assets		
Cash	321,519	490,763
Amounts receivable	73,320	40,252
Marketable securities	826,583	122,859
Mineral exploration tax credits recoverable	142,257	96,142
Prepaid expenses	4,339	4,339
	<u>1,368,018</u>	<u>754,355</u>
Due from related parties (note 3)	50,316	-
Capital assets	36,967	33,451
Deferred charges (note 6)	325,752	-
Deferred property costs	16,702,648	16,544,211
Deferred technology costs	500,000	500,000
Deposit	4,811	4,811
	<u>18,988,512</u>	<u>17,836,828</u>
L I A B I L I T I E S		
Current Liabilities		
Accounts payable and accrued liabilities	208,494	63,158
Current obligation under capital lease	1,667	3,222
	<u>210,161</u>	<u>66,380</u>
Non-controlling interest (note 5)	668,424	-
	<u>878,585</u>	<u>66,380</u>
S H A R E H O L D E R S= E Q U I T Y		
Share capital (note 4)	26,202,827	25,727,577
Share subscription advances	-	230,000
Deficit	(8,092,900)	(8,187,129)
	<u>18,109,927</u>	<u>17,770,448</u>
	<u>18,988,512</u>	<u>17,836,828</u>

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Statements of Operations and Deficit
(Unaudited - See Notice to Reader)

	For the three months ended		For the six months ended	
	June 30,		June 30	
	2003	2002	2003	2002
	\$	\$	\$	\$
Administration Costs				
Amortization	2,705	2,484	5,000	4,970
Consulting	(52,663)	7,658	22,024	10,306
Interest on long-term debt	-	13,679	-	27,846
Investor relations and financing	105,924	21,071	204,904	35,905
Regulatory fees	20,837	8,125	38,179	13,575
Professional fees	(15,477)	23,638	41,316	43,662
Rent and office services	28,240	21,786	67,101	52,667
Salaries and benefits	61,961	12,742	72,409	46,521
Interest and other income	(2,646)	(7,549)	(4,790)	(12,839)
Loss on conversion of foreign currencies	583	4,517	1,598	4,723
Gain on grant of non-controlling interest	(21,572)	-	(560,391)	-
Loss on disposal of marketable securities	37,917	37,171	16,446	37,171
Mineral property examination costs	-	34,184	-	42,310
Write-down of deferred technology costs	592	-	1,975	-
Write-down of deferred property costs	-	58	-	1,634
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net earnings (loss) for the period	(166,401)	(179,564)	94,229	(308,451)
Deficit - beginning of period	(7,926,499)	(7,943,522)	(8,187,129)	(7,814,635)
Deficit - end of period	<u>(8,092,900)</u>	<u>(8,123,086)</u>	<u>(8,092,900)</u>	<u>(8,123,086)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Earnings (Loss) per share	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.00)
Weighted average number of shares outstanding	<u>54,356,897</u>	<u>44,531,676</u>	<u>53,433,310</u>	<u>44,464,467</u>

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Statements of Cash Flows
(Unaudited - See Notice to Reader)

	For the three months ended June 30,		For the six months ended June 30,	
	2003	2002	2003	2002
Cash Provided by (Used for):	\$	\$	\$	\$
Operating Activities				
Net earnings (loss) for the period	(166,401)	(179,564)	94,229	(308,451)
Adjustment for items not involving cash:				
Amortization	2,705	2,484	5,000	4,970
Shares issued by subsidiary in payment of interest	316	-	316	-
Gain on grant of non-controlling interest	(21,572)	-	(560,391)	-
Loss on disposal of marketable securities	16,446	37,171	16,446	37,171
Write-down of deferred property costs	-	58	-	1,634
	<u>(168,506)</u>	<u>(139,851)</u>	<u>(444,400)</u>	<u>(264,676)</u>
Changes in non-cash working capital items:				
Amounts receivable and prepaid expenses	(14,113)	331,291	(33,068)	326,522
Accounts payable and accrued liabilities	121,235	(52,925)	145,335	(98,074)
Due to related parties	-	16,798	-	24,492
Prepaid expenses	-	831	-	(4,839)
	<u>(61,384)</u>	<u>156,144</u>	<u>(332,133)</u>	<u>(16,575)</u>
Financing Activities				
Deferred charges	(325,752)	-	(325,752)	-
Due from related parties	(50,316)	-	(50,316)	-
Loan repayment	-	(490,335)	-	(500,000)
Issue of share capital for cash	57,000	-	245,250	137,350
Share subscription advances	-	51,000	-	51,000
Capital lease repayment	(791)	(696)	(1,555)	(1,369)
Issue of securities by subsidiary	118,500	-	478,500	-
	<u>(201,359)</u>	<u>(440,031)</u>	<u>346,127</u>	<u>(313,019)</u>
Investing Activities				
Proceeds on disposal of marketable securities	29,830	642,944	29,830	642,944
Capital assets acquired	(5,477)	2,500	(8,516)	105,000
Mineral property option payment received	-	(120,108)	85,000	(201,053)
Deferred property costs, net of recoveries	(71,789)	-	(289,552)	(6,210)
Deferred technology costs	-	(4,908)	-	-
	<u>(47,436)</u>	<u>520,428</u>	<u>(183,238)</u>	<u>540,681</u>
Net cash inflow (outflow) during the period	(310,179)	236,541	(169,244)	211,087
Cash - beginning of period	<u>631,698</u>	<u>119,008</u>	<u>490,763</u>	<u>144,462</u>
Cash - end of period	<u><u>321,519</u></u>	<u><u>355,549</u></u>	<u><u>321,519</u></u>	<u><u>355,549</u></u>

Supplementary disclosure of non-cash investing and financing activities:

During the six month period ended June 30, 2003, the Company issued 4.2 million common shares for which proceeds of \$230,000 had been received as at December 31, 2002. Refer also to note 5.

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Schedule of Deferred Property Costs
For the six month period ended June 30, 2003
(Unaudited - See Notice to Reader)

	Finlayson Project	Lynx Creek	Aurex- Sinister Project	Hyland	Eureka Joint Venture	Wolverine Joint Venture	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and Development Costs								
Accommodation and meals	750	-	2,700	13,066	-	-	751	17,267
Assays	-	-	-	-	632	-	251	883
Consulting	58,150	9,306	23,325	52,491	1,584	1,178	115,761	261,795
Drilling	-	-	-	91,128	-	-	-	91,128
Field office	3,135	368	1,707	67,921	60	-	1,232	74,423
Field equipment	1,850	698	2,261	76,197	90	15	631	81,742
Helicopter and fuel	697	-	788	109,845	-	-	726	112,056
Labour	1,098	-	4,657	44,142	1,940	-	212	52,049
Land and recording fees	5,954	3,004	5,461	14,685	103	150	17,341	46,698
Travel, freight and warehouse	496	141	1,630	14,855	31	6	13,133	30,292
	<u>72,130</u>	<u>13,517</u>	<u>42,529</u>	<u>484,330</u>	<u>4,440</u>	<u>1,349</u>	<u>150,038</u>	<u>768,333</u>
Recoveries and exploration tax credits	(16,544)	(2,628)	(9,267)	(554,079)	(1,084)	(300)	(3,494)	(587,396)
Total costs incurred during the period	<u>55,586</u>	<u>10,889</u>	<u>33,262</u>	<u>(69,749)</u>	<u>3,356</u>	<u>1,049</u>	<u>146,544</u>	<u>180,937</u>
Balance, December 31, 2002	<u>10,996,742</u>	<u>36,664</u>	<u>154,084</u>	<u>104,710</u>	<u>98,462</u>	<u>874,628</u>	<u>930,159</u>	<u>13,195,449</u>
Balance, June 30, 2003	<u>11,052,328</u>	<u>47,553</u>	<u>187,346</u>	<u>34,961</u>	<u>101,818</u>	<u>875,677</u>	<u>1,076,703</u>	<u>13,376,386</u>
Acquisition costs, December 31, 2002	243,308	7,242	108,965	124,000	59,894	2,557,500	247,853	3,348,762
Acquisition payments	-	7,500	55,000	-	-	-	-	62,500
Options proceeds	-	-	-	(85,000)	-	-	-	(85,000)
Acquisition costs, June 30, 2003	<u>243,308</u>	<u>14,742</u>	<u>163,965</u>	<u>39,000</u>	<u>59,894</u>	<u>2,557,500</u>	<u>247,853</u>	<u>3,326,262</u>
	<u><u>11,295,636</u></u>	<u><u>62,295</u></u>	<u><u>351,311</u></u>	<u><u>73,961</u></u>	<u><u>161,712</u></u>	<u><u>3,433,177</u></u>	<u><u>1,324,556</u></u>	<u><u>16,702,648</u></u>

EXPATRIATE RESOURCES LTD.
Consolidated Schedule of Deferred Property Costs
For the six month period ended June 30, 2002
(Unaudited - See Notice to Reader)

	Finlayson Project	Lynx Creek	Aurex- Sinister Project	Hyland	Eureka Joint Venture	Wolverine Joint Venture	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and Development Costs								
Accommodation and meals	929	140	738	290	-	-	-	2,097
Consulting	83,870	4,506	16,332	1,599	1,164	447	43,574	151,492
Drafting	3,080	-	90	519	13	-	287	3,989
Field office	4,541	206	620	246	44	-	4,204	9,861
Labour	-	-	-	3,604	1,512	-	-	5,116
Professional fees	-	-	-	-	-	-	4,600	4,600
Land and recording fees	2,865	-	-	527	-	-	27,778	31,150
Supplies and miscellaneous	5,515	150	1,680	94	45	-	1,520	9,004
Travel and freight	2,362	6,445	1,567	427	5	-	10,248	21,054
	103,162	11,447	21,027	7,306	2,783	447	92,191	238,363
Mineral exploration tax credits	(25,074)	(2,862)	(5,257)	(1,695)	(696)	(112)	(1,309)	(37,005)
Mineral property examination costs	-	-	-	-	-	-	(42,310)	(42,310)
Total costs incurred during the period	78,088	8,585	15,770	5,611	2,087	335	48,572	159,048
Balance, December 31, 2001	10,814,120	-	127,979	84,881	92,512	854,582	854,659	12,828,733
Write-off of costs	-	-	-	-	-	-	(1,633)	(1,633)
Balance, June 30, 2002	10,892,208	8,585	143,749	90,492	94,599	854,917	901,598	12,986,148

EXPATRIATE RESOURCES LTD.

Notes to Interim Consolidated Financial Statements
For the six month period ended June 30, 2003

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in British Columbia and its business is the acquisition and exploration of property interests that are considered potential sites of economic mineralization. The Company also is developing a metal leaching technology that may be beneficial for the exploitation of mineral deposits. At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties and the ability of the Company to realize the costs it has incurred to date on these properties and its technology interests are dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the properties or of the metal leaching technology. These activities are conducted primarily in Canada, the United States and Chile.

The Company and StrataGold Corporation ("StrataGold") are proposing by a Plan of Arrangement under the British Columbia Company Act and by an Information Circular, whereby the Company's shareholders will receive, on a pro rata basis, the 8,000,000 shares of StrataGold that the Company owns. The Plan of Arrangement will result in the Company divesting itself of its majority ownership control of StrataGold, which will become a publicly listed company in which the Company retains the right to acquire 4,000,000 shares at \$0.75 per share by the exercise of warrants. This Plan of Arrangement is subject to shareholder and regulatory consent.

Refer to note 7 (d).

2. BASIS OF PRESENTATION

The accompanying unaudited consolidated interim financial statements of Expatriate Resources Ltd. are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements dated December 31, 2002. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods have been reflected. The results of the six months ended June 30, 2003 are stated utilizing the same accounting policies, and the methods of application of those policies are consistent with those used to prepare the most recent annual financial statements, but these interim figures are not necessarily indicative of the results to be expected for the full year.

3. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The quarterly balances referred to in the financial statements are non-interest bearing, unsecured, receivable or payable on demand and have arisen from the provision of services, expense reimbursements or advances described.

Management and consulting fees totaling \$50,074 have been incurred with certain directors, officers and corporations related by common directors.

Legal fees and disbursements totaling \$3,000 have been incurred with a law firm in which an officer of the Company was a partner.

StrataGold received a seed capital loan of \$50,000 from certain employees and directors of the Company.

4. SHARE CAPITAL

1) Authorized share capital consists of 200,000,000 common shares without par value and 100,000,000 Class "A" preferred shares having a par value of \$1.00 per share.

	Price per Share \$	Number of Shares	\$
Issued at December 31, 2002		<u>50,026,128</u>	<u>25,727,577</u>
Warrants exercised	0.12	475,000	57,000
Private placement	0.10	<u>*4,200,000</u>	<u>**418,250</u>
		<u>4,675,000</u>	<u>475,250</u>
Issued at June 30, 2003		<u><u>54,701,128</u></u>	<u><u>26,202,827</u></u>

* 4,150,000 of these shares are flow-through shares

** net of share issue costs of \$1,750

If the Company had accounted for the stock options granted to directors and employees using the fair value method, the pro-forma effect on net loss per share for the six month period ended June 30, 2003 would be as follows:

Net earnings for the period	
As reported	94,229
Compensation expense	<u>(60,724)</u>
Pro-forma net earnings for the period	<u><u>33,505</u></u>
Earnings per share	
As reported	\$ 0.00
Pro-forma	\$ 0.00

The fair value of stock options determined in the calculation of compensation expense is estimated using the Black-Scholes Options Pricing Model with the following assumptions, risk-free interest rate 4.5%; expected stock price volatility 112%; expected option life in years – 5.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

4. **SHARE CAPITAL** (continued)

b) Summary of stock options, warrants and convertible securities outstanding at June 30, 2003:

Type of Issue	Number Outstanding	Exercise Price	Expiry Date
		\$	
Options	30,000	0.51	7/3/03
	250,000	0.39	10/20/03
	200,000	0.74	3/3/05
	140,000	0.50	6/15/05
	190,000	0.40	12/29/05
	100,000	0.40	2/8/06
	975,000	0.10	11/28/06
	185,000	0.10	2/12/07
	90,000	0.11	4/26/07
	995,000	0.12	5/14/07
	80,000	0.12	6/11/07
	125,000	0.10	10/24/07
	800,000	0.10	11/25/07
	<u>600,000</u>	0.11	4/01/08
	<u><u>4,760,000</u></u>		
Warrants	200,000	0.12	7/10/03
	85,000	0.20	7/30/03
	722,500	0.12	8/27/03
	100,000	0.10	11/1/03
	3,500,000	0.12	12/19/03
	1,400,000	0.12	1/27/05
	<u>700,000</u>	0.15	2/11/05
	<u><u>6,592,500</u></u>		

4. **SHARE CAPITAL** (continued)

Summary of stock option continuity:

Fixed Options	Number of Shares	Weighted - Average Exercise Price
		\$
Balance outstanding, December 31, 2002	4,160,000	0.19
Granted	680,000	0.11
Cancelled	(80,000)	0.11
Balance outstanding, June 30, 2003	<u>4,760,000</u>	0.18

5. **NON-CONTROLLING INTEREST**

During the six month period ended June 30, 2003, the Company's subsidiary, StrataGold, acquired net assets valued at \$1,210,000 (inclusive of cash of \$478,500) by the issue of securities to third parties which represented a 27.5% interest in StrataGold's resultant outstanding share capital. The Company recognized a non-cash gain of \$560,391 representing the difference in the Company's proportionate interest in the net assets received and the book value of its investment in StrataGold given up. The non-controlling interest at June 30, 2003 is recognized to the extent of the third parties' aggregate 27.5% interest in the net assets of StrataGold at the date of their acquisition of that interest.

6. **DEFERRED CHARGES**

The Company is deferring all legal and financing charges related to the Plan of Arrangement.

7. **SUBSEQUENT EVENTS**

In addition to items disclosed elsewhere in these notes, the following events occurred subsequent to June 30, 2003:

- a) The Company issued 480,700 common shares for \$57,684 pursuant to the exercise of warrants.
- b) The Company issued 2,556,585 common shares valued at \$300,000 as partial payment of the purchase price for the Logan property, Yukon.
- c) The Company sold 28,000 True North Gems Inc. shares for proceeds of \$25,480 and 14,287 Resources Investment Trust plc shares for proceeds of \$21,458.
- d) Shareholders of the Company approved the Plan of Arrangement at an Extraordinary General Meeting. Refer to note 1.
- e) The company secured a private placement of 6,000,000 units at \$0.10 per unit to a single placee for total proceeds of \$600,000. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share for \$0.12 per two years. A 5% finders fee is payable on the private placement.
- f) StrataGold sold 575,000 shares of Ocean Resources Capital for gross proceeds of \$250,465.
- g) StrataGold received a \$100,000 private placement subscription for 200,000 flow-through shares.

7. **SUBSEQUENT EVENTS** (*continued*)

- h) StrataGold sold 250,000 units for total proceeds of \$100,000 under terms of a private placement agreement. Each unit consists of one common share and one-half of one common share purchase warrant entitling the holder to purchase an additional share for \$0.52 per share for a period of 2 years