

FORM 51-901F

QUARTERLY REPORT

Incorporated as part of: X Schedule A
 Schedule 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

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 September 30, 2002

Date of Report (yy/mm/dd) 02/11/25

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" 02/11/27
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

"Robert G. Yeoman" 02/11/27
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

JONES RICHARDS & COMPANY
CERTIFIED GENERAL ACCOUNTANTS

Jack W. Lazareff
C.G.A.*

Keon J. Kwan
B.A., C.G.A.*, C.F.P.

Deborah E. Graystone
B.Sc., C.G.A.*, T.E.P.

Jindra Casperson
C.G.A.*

NOTICE TO READER

We have compiled the consolidated balance sheet of Expatriate Resources Ltd. as at September 30, 2002, the consolidated statement of operations and deficit, the consolidated statement of cash flows, the consolidated schedule of deferred exploration and development costs and the consolidated schedule of metal leaching and sulphur technology costs for the nine month period then ended from information provided by management.

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, readers are cautioned that these consolidated statements may not be appropriate for their purposes.

“Jones, Richards & Company”

CERTIFIED GENERAL ACCOUNTANTS

Vancouver, British Columbia
November 25, 2002

**EXPATRIATE RESOURCES LTD.
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2002
(UNAUDITED)**

(SEE: NOTICE TO READER)

(With comparative audited consolidated figures for December 31, 2001)

	September 30, 2002	December 31, 2001
ASSETS		
Current Assets		
Cash	\$ 108,881	\$ 144,462
Accounts receivable	38,801	13,359
Marketable securities (Note 3)	26,563	700,000
Mineral exploration tax credit recoverable	78,405	325,101
Prepaid expenses	4,339	-
	256,989	1,182,922
Property, Plant and Equipment (Note 4)	33,791	35,758
Mineral Properties, including deferred costs (Note 5)	16,531,007	16,439,313
Metal Leaching and Sulphur Technology, including deferred costs (Note 6)	506,879	500,000
Deposit	4,811	4,811
Due from Joint Venture	6,623	-
	\$ 17,340,100	\$ 18,162,804
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 20,209	\$ 128,803
Due to related parties	7,081	49,236
Current portion of obligation under capital lease (Note 7)	3,111	2,828
Convertible loans (Note 8)	-	1,800,000
	30,401	1,980,867
Obligation under capital lease, net of current portion (Note 7)	843	3,213
Due to Joint Venture	-	10,232
	31,244	1,994,312
SHAREHOLDERS' EQUITY		
Share Capital (Note 9)	25,537,577	23,883,127
Share Subscription Advances	-	100,000
Deficit	(8,228,721)	(7,814,635)
	17,308,856	16,168,492
	\$ 17,340,100	\$ 18,162,804

Approved on Behalf of the Board:

"Robert G. Yeoman"

Director

"Harlan D. Meade"

Director

EXPATRIATE RESOURCES LTD.
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE PERIODS ENDED SEPTEMBER 30, 2002
(UNAUDITED)

(SEE: NOTICE TO READER)

(With comparative unaudited consolidated figures for the periods ended September 30, 2001)

	Three Months Ended		Nine Months Ended	
	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001
ADMINISTRATION COSTS:				
Accounting fees	\$ 4,094	\$ 10,654	\$ 10,670	\$ 27,758
Amortization	3,027	2,238	7,997	6,712
Consulting	32,181	1,124	42,487	23,655
Filing fees	1,797	2,047	14,023	13,842
Investor relations and financing	17,848	56,759	53,753	143,996
Legal fees	3,523	19,000	40,609	76,996
Office services	11,034	-	32,378	-
Rent	14,816	14,856	46,138	71,443
Salaries and benefits (recovery)	11,227	(31,235)	57,748	33,774
Transfer agent	894	323	2,243	2,886
	<u>100,441</u>	<u>75,766</u>	<u>308,046</u>	<u>401,062</u>
Interest and miscellaneous income	(11,903)	(16,702)	(24,742)	(40,941)
	<u>88,538</u>	<u>59,064</u>	<u>283,304</u>	<u>360,121</u>
OTHER ITEMS:				
Interest on long-term debt	142	15,277	27,988	44,444
Loss (Gain) on conversion of foreign currencies	1,756	(700)	6,479	(1,567)
Loss (Gain) on disposal of marketable securities	6,732	-	43,903	(46)
Mineral property examination costs	8,467	-	50,778	5,554
Write-off of capitalized costs related to abandoned mineral properties	-	1,000,000	1,634	1,043,250
	<u>17,097</u>	<u>1,014,577</u>	<u>130,782</u>	<u>1,091,635</u>
NET LOSS FOR THE PERIOD	105,635	1,073,641	414,086	1,451,756
DEFICIT AT BEGINNING OF PERIOD	8,123,086	2,972,420	7,814,635	2,591,805
SHARE ISSUE COSTS	-	-	-	2,500
DEFICIT AT END OF PERIOD	\$ 8,228,721	\$ 4,046,061	\$ 8,228,721	\$ 4,046,061
Loss per share	\$ (0.00)	\$ (0.04)	\$ (0.01)	\$ (0.06)

EXPATRIATE RESOURCES LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2002
(UNAUDITED)
(SEE: NOTICE TO READER)

(With comparative unaudited consolidated figures for the periods ended September 30, 2001)

	Three Months Ended		Nine Months Ended	
	September 30, 2002	September 30, 2001	September 30, 2002	September 30, 2001
OPERATING ACTIVITIES:				
Net loss for the period	\$ (105,635)	\$ (1,073,641)	\$ (414,086)	\$ (1,451,756)
Adjustments:				
Amortization	3,027	2,238	7,997	6,712
Loss (Gain) on conversion of foreign currencies	1,756	(700)	6,479	(1,567)
Loss (Gain) on disposal of marketable securities	6,732	-	43,903	(46)
Write-off of capitalized costs related to abandoned mineral properties	-	1,000,000	1,634	1,043,250
	(94,120)	(72,103)	(354,073)	(403,407)
Change in non-cash working capital items	(85,209)	421,146	843,007	347,690
	(179,329)	349,043	488,934	(55,717)
FINANCING ACTIVITIES:				
Convertible loan proceeds (repayment)	-	-	(500,000)	-
Special warrant issue costs	-	(1,080)	-	(16,646)
Issue of share capital for cash	102,100	-	239,450	182,925
Share subscription advances	(51,000)	-	-	-
Obligation under capital lease (repayment)	(718)	-	(2,087)	-
	50,382	(1,080)	(262,637)	166,279
INVESTING ACTIVITIES:				
Proceeds on disposal of marketable securities	(6,732)	-	(43,903)	4,653
Acquisition costs of mineral properties	(3,192)	(13,936)	(8,192)	(13,936)
Deferred exploration and development costs, net of mineral exploration tax credit	(182,487)	(880,844)	(378,540)	(1,428,274)
Deferred metal leaching and sulphur technology costs	(669)	(4,918)	(6,879)	(9,704)
Mineral property option payments received	100,000	10,000	205,000	10,000
Acquisition costs of capital assets	(6,030)	-	(6,030)	-
Deposit	-	-	-	(16)
Due from Joint Venture	(16,855)	-	(16,855)	(299)
	(115,965)	(889,698)	(255,399)	(1,437,576)
Gain (Loss) on conversion of foreign currencies	(1,756)	700	(6,479)	1,567
DECREASE IN CASH	(246,668)	(541,035)	(35,581)	(1,325,447)
CASH AT BEGINNING OF PERIOD	355,549	854,903	144,462	1,639,315
CASH AT END OF PERIOD	<u>\$ 108,881</u>	<u>\$ 313,868</u>	<u>\$ 108,881</u>	<u>\$ 313,868</u>

SUPPLEMENTAL CASH FLOW INFORMATION (Note 10)

EXPATRIATE RESOURCES LTD.
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2002
(UNAUDITED)

(SEE: NOTICE TO READER)

(With comparative unaudited consolidated figures for the nine month period ended September 30, 2001)

	2002							Total
	Finlayson Project	Lynx Creek	Aurex- Sinister Project	Hyland Gold Joint Venture	Eureka Joint Venture	Wolverine Joint Venture	Other Properties	
EXPLORATION AND DEVELOPMENT COSTS:								
Accommodation and meals	\$ 5,069	\$ 5,050	\$ 838	\$ 291	\$ 626	\$ -	\$ 496	\$ 12,370
Assays	1,652	448	-	-	-	2,170	2,863	7,133
Consulting	141,654	18,001	20,265	2,874	2,542	2,809	50,645	238,790
Drafting	4,521	-	180	574	14	36	286	5,611
Drilling	-	-	-	-	-	-	-	-
Field Office	10,126	3,586	1,114	249	47	-	5,057	20,179
Helicopter and fixed wing charters	29,366	10,650	102	-	252	3,735	921	45,026
Labour	5,953	1,200	-	3,646	1,562	500	177	13,038
Professional fees	-	-	-	-	-	-	9,000	9,000
Recording fees	3,439	250	-	526	-	-	36,339	40,554
Supplies and miscellaneous	9,619	1,183	2,042	227	245	239	1,610	15,165
Travel and freight	5,343	4,308	1,573	427	252	-	10,548	22,451
	216,742	44,676	26,114	8,814	5,540	9,489	117,942	429,317
Interest expense	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Mineral exploration tax credit	(53,326)	(11,107)	(6,529)	(2,072)	(1,385)	(2,372)	(1,614)	(78,405)
Mineral property examination costs	-	-	-	-	-	-	(50,777)	(50,777)
Total costs incurred during the period	163,416	33,569	19,585	6,742	4,155	7,117	65,551	300,135
Balance, beginning of year	10,814,120	-	127,979	84,881	92,512	854,582	854,659	12,828,733
	10,977,536	33,569	147,564	91,623	96,667	861,699	920,210	13,128,868
Write-off of costs	-	-	-	-	-	-	(1,633)	(1,633)
Balance, end of period	\$10,977,536	\$ 33,569	\$ 147,564	\$ 91,623	\$ 96,667	\$ 861,699	\$ 918,577	\$ 13,127,235

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

EXPATRIATE RESOURCES LTD.
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2002
(UNAUDITED)

(SEE: NOTICE TO READER)

(With comparative unaudited consolidated figures for the nine month period ended September 30, 2001)

	2001							Total
	Finlayson Project	Lynx Creek	Aurex- Sinister Project	Hyland Gold Joint Venture	Eureka Joint Venture	Wolverine Joint Venture	Other Properties	
EXPLORATION AND DEVELOPMENT COSTS:								
Accommodation and meals	\$ 50,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,616
Assays	35,887	-	-	-	-	2,686	-	38,573
Consulting	380,695	-	-	300	123	192,248	6,287	579,653
Drafting	2,792	-	-	347	875	293	17	4,324
Drilling	184,054	-	-	-	-	-	-	184,054
Field Office	49,054	-	-	-	-	2,494	2,049	53,597
Helicopter and fixed wing charters	296,811	-	-	-	-	21,060	1,262	319,133
Labour	40,112	-	-	90	447	-	4,920	45,569
Professional fees	-	-	-	-	-	-	7,400	7,400
Recording fees	24,974	-	-	-	2,375	6,954	27,895	62,198
Supplies and miscellaneous	2,519	-	-	-	-	351	-	2,870
Surveys	16,943	-	-	-	-	-	-	16,943
Travel and freight	13,622	-	-	3	-	1,439	735	15,799
	1,098,079	-	-	740	3,820	227,525	50,565	1,380,729
Interest expense	65,859	-	-	-	-	-	-	65,859
Recoveries	(11,697)	-	-	-	-	(943)	(120)	(12,760)
Mineral exploration tax credit	(256,587)	-	-	(163)	(318)	(50,158)	(1,679)	(308,905)
Mineral property examination costs	-	-	-	-	-	-	(5,554)	(5,554)
Total costs incurred during the period	895,654	-	-	577	3,502	176,424	43,212	1,119,369
Balance, beginning of year	10,340,406	-	115,874	75,642	88,466	613,843	1,620,077	12,854,308
	11,236,060	-	115,874	76,219	91,968	790,267	1,663,289	13,973,677
Write-off of costs	-	-	-	-	-	-	-	-
Balance, end of period	\$ 11,236,060	\$ -	\$ 115,874	\$ 76,219	\$ 91,968	\$ 790,267	\$ 1,663,289	\$ 13,973,677

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

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Expatriate Resources Ltd. (the “Company”) is in the process of exploring its mineral properties located in Canada and Chile.

The interim consolidated financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the most recent audited consolidated financial statements for the year ended December 31, 2001, except that they do not include all note disclosures required for annual financial statements. It is suggested that the interim consolidated financial statements be read in conjunction with the annual consolidated financial statements.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the following subsidiaries:

	Incorporation	Percentage of Ownership
Latina Resources Ltd.	British Columbia	100%
Nitrosyl Technologies Corporation	British Columbia	100%
Nitrox Metals Corporation	British Columbia	50%
Catalytic Sulphur Corporation	British Columbia	75%
Minera Latina, S.A.	Argentina	100%
Compañia Minera Latina Limitada	Chile	100%

3. MARKETABLE SECURITIES

	September 30, 2002	December 31, 2001
Uravan Minerals Inc. (31,667 shares; market value \$3,483)	\$ 3,704	\$ -
Resource Investment Trust (14,287 shares; market value \$22,859)	22,859	700,000
	<u>\$ 26,563</u>	<u>\$ 700,000</u>

The Uravan Mineral Inc. shares were subsequently sold for proceeds of \$3,704.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

4. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2002			December 31, 2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 28,409	\$ 9,878	\$ 18,531	\$ 17,823
Computer equipment	21,653	10,328	11,325	11,894
Equipment under capital lease	8,425	4,490	3,935	6,041
	\$ 58,487	\$ 24,696	\$ 33,791	\$ 35,758

5. MINERAL PROPERTIES

	September 30, 2002			
	Acquisition Costs (Net of Recoveries)	Deferred Exploration and Development Costs	Write-off of Capitalized Costs	Total
Canalask Property	\$ (7,314)	\$ 573,582	\$ -	\$ 566,268
Aurex-Sinister Property	108,965	147,564	-	256,529
Finlayson Project	553,308	10,977,536	-	11,530,844
Donjek Properties	1	2,757	-	2,758
Selwyn Basin Properties	1	-	-	1
Wolverine Joint Venture Properties	2,557,500	861,699	-	3,419,199
Eureka Joint Venture Properties	59,894	96,667	-	156,561
Tillex and Cook Properties	1	2,595	-	2,596
Hyland Gold Joint Venture	49,000	91,624	-	140,624
Black and Fisher Properties	1	-	-	1
Isleña Project	46,560	274,137	-	320,697
Gabriela Property	7,600	13,512	-	21,112
Lucy Property	2,850	6,431	-	9,281
Yava Property	3,163	19,068	-	22,231
Fox River Project	1	1,633	(1,634)	-
Chug Chug Property	5,000	6,167	-	11,167
Cerro Ochre Property	5,000	4,739	-	9,739
Payo Properties	5,000	7,415	-	12,415
Blue Moon Property	-	8,173	-	8,173
Lynx Creek Property	7,242	33,569	-	40,811
	\$ 3,403,773	\$ 13,128,868	\$ (1,634)	\$ 16,531,007

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

5. MINERAL PROPERTIES (CONT'D)

	December 31, 2001			Total
	Acquisition Costs (Net of Recoveries)	Deferred Exploration And Development Costs	Write-off of Capitalized Costs	
Canalask Property	\$ 17,686	\$ 573,252	\$ -	\$ 590,938
Aurex-Sinister Property	108,965	127,979	-	236,944
Finlayson Project	1,852,358	11,191,894	(1,477,774)	11,566,478
Donjek Properties	14,851	94,073	(108,923)	1
Selwyn Basin Properties	125,452	460,062	(585,513)	1
Wolverine Joint Venture Properties	2,557,500	854,582	-	3,412,082
Eureka Joint Venture Properties	64,894	92,512	-	157,406
Tillex and Cook Properties	184,432	-	(184,431)	1
Hyland Gold Joint Venture	49,000	84,881	-	133,881
Black and Fisher Properties	29,494	8,907	(38,400)	1
Isleña Project	89,810	482,900	(265,350)	307,360
Gabriela Property	7,600	6,100	(600)	13,100
Lucy Property	2,850	4,300	(900)	6,250
Yava Property	3,163	11,706	-	14,869
Fox River Project	-	1,300,000	(1,299,999)	1
	<u>\$ 5,108,055</u>	<u>\$ 15,293,148</u>	<u>\$ (3,961,890)</u>	<u>\$ 16,439,313</u>

Canalask Property

- i. By Agreements dated May 28, 1993 and January 13, 1994, the Company acquired a 100% interest in 50 mineral claims located in the Whitehorse Mining District, Yukon Territory.
- ii. The Company acquired by staking a 100% interest in 142 additional mineral claims contiguous to the claims described above.
- iii. By a Letter Agreement dated October 14, 1999 (amended September 13, 2000), the Company granted Uravan Minerals Inc. of Alberta ("Uravan") an option to acquire a 50% interest in this Property for consideration of:
 - Payment of \$50,000 (payable in cash or shares of Uravan's capital stock) from Uravan as follows:
 - \$ 25,000 on signing of the formal option agreement (paid by the issuance of 35,714 shares of Uravan at a price of \$0.70 per share); and
 - \$ 25,000 on or before January 1, 2002 (paid by the issuance of 166,667 shares of Uravan at a price of \$0.15 per share).

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

5. MINERAL PROPERTIES (CONT'D)

- A requirement to incur an aggregate of \$1,200,000 in exploration and development expenditures (of which \$300,000 is a firm commitment) on the property to vest a 50% interest as follows:
 - \$ 300,000 on or before August 1, 2001;
 - \$ 400,000 on or before August 1, 2002; and
 - \$ 500,000 on or before August 1, 2003.

Uravan paid the Company an additional \$25,000 as a condition for granting various extensions contained in the September 13, 2000 Amending Agreement.

Uravan can acquire an additional 10% working interest in the property by incurring an additional \$1,000,000 in exploration and development expenditures on the property.

Upon Uravan completing the required payments and expenditures, the Company and Uravan shall enter into a Joint Venture Agreement to continue exploration and development of this property. The Company shall have either a 50% or 40% participating interest in the Joint Venture depending on whether Uravan exercises its option to acquire an additional 10% interest.

Finlayson Project

- i. The Company has acquired by staking a 100% interest in approximately 2,903 mineral claims of which 2,863 claims are located in the Watson Lake Mining District, Yukon Territory and 40 claims are located in the Whitehorse Mining District, Yukon Territory. (Total acquisition costs to September 30, 2002 are \$708,308).

The Company acquired 85 of the above mineral claims by an Agreement dated March 3, 1999 for a consideration of 100,000 common shares of the Company's capital stock (issued at a price of \$0.55 per common share).

- ii. By an Agreement dated June 12, 2001, the Company has granted True North Gems Inc. ("True North") of West Vancouver, British Columbia, an option to acquire a 50% interest, for the express purpose of exploring for and recovery of gemstones only, in 93 mineral claims, known as the Goal claims, for consideration of:
 - \$10,000 cash on or before July 15, 2001 (received);

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

5. MINERAL PROPERTIES (CONT'D)

- Incurring aggregate exploration expenditures of \$1,100,000 on the property as follows:
 - \$100,000 on or before March 1, 2002;
 - \$250,000 on or before March 1, 2003;
 - \$250,000 on or before March 1, 2004;
 - \$250,000 on or before March 1, 2005;
 - \$250,000 on or before March 1, 2006; and
 - \$40,000 cash on completion of the aggregate exploration expenditures.

- iii. By a Purchase Agreement dated March 7, 2002 the Company granted True North an option to acquire the Company's remaining 50% interest (for a total 100% interest) in the 93 mineral claims described above for consideration of:
 - \$300,000 cash, payable in stages on or before March 7, 2003 (\$200,000 received);
 - the issuance of units of True North having a value of \$200,000 (subsequently received and converted into 400,000 shares and 400,000 share purchase warrants of True North. Each warrant is exercisable to acquire one additional share of True North at a price of \$0.65 per share in the first year and \$0.80 per share in the second year); and
 - granting the Company rights under an Access Rights Agreement whereby the Company retains the right to explore for precious and base metals on the property.

Completion of the Purchase Agreement would extinguish the current option and joint venture agreement between the Company and True North.

Eureka Joint Venture Properties

By an Agreement dated April 15, 1999, the Company and Strategic Metals Ltd. (formerly: Nordac Resources Ltd.) ("Strategic") of Vancouver, British Columbia formed the Eureka Joint Venture ("EJV"). Each Company has a 50% interest in the EJV.

The EJV currently has a 100% interest in 256 mineral claims located in the Dawson Mining District, Yukon Territory. The Company's contribution to the EJV is as follows:

- i. 100% interest in mineral claims which were staked by the Company during the year ended December 31, 1999 at a cost of \$3,516;
- ii. repayment of \$23,218 to Strategic for the staking cost of mineral claims; and
- iii. payment for staking of additional claims at a cost of \$38,160.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002

5. MINERAL PROPERTIES (CONT'D)

By an Option Agreement dated February 27, 2002 the Company, and its Eureka Joint Venture (“Eureka”) partner granted Viceroy Resource Corporation (“Viceroy”) an option to acquire up to a 65% interest in Eureka for consideration of:

For a 50% interest:

- \$40,000 cash, payable in stages on or before February 1, 2005 (\$10,000 received); and
- incurring aggregate exploration expenditures totalling \$900,000 on or before February 1, 2006.

For an additional 15% interest:

- incurring additional exploration expenditures of \$600,000 over a two year period.

A joint venture was to be formed upon Viceroy earning either a 50% or 65% interest in Eureka.

Subsequent to September 30, 2002, Viceroy gave notice that it intends to terminate its option on the Eureka Joint Venture.

Chug Chug, Cerro Ochre and Payo Properties

By a Letter Agreement dated March 19, 2002 the Company acquired a 100% interest in 3 mineral properties located in Chile for consideration of:

- 150,000 common shares of the Company’s capital stock (issued at a price of \$0.10 per share); and
- granting the Vendor the right to back in to a 50% joint venture interest on each of the properties by incurring exploration expenditures equal to 250% of the Company’s expenditures thereon.

Lynx Creek Property

i. By an Agreement dated June 19, 2002, the Company acquired a 100% interest (subject to a 1.5% net smelter returns royalty, which may be purchased for \$1,500,000 in increments of 0.1% for each \$100,000 paid) in 36 mineral claims located in the Mayo Mining District, Yukon for consideration of:

- Cash payments totalling \$52,500 as follows:
 - \$5,000 payable on signing of the Agreement (paid);
 - \$7,500 on or before July 1, 2003;
 - \$10,000 on or before July 1, 2004;
 - \$15,000 on or before July 1, 2005; and
 - \$15,000 on or before July 1 of each year thereafter.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. MINERAL PROPERTIES (CONT'D)

- Incurring exploration and development expenditures totalling \$300,000 as follows:
 - \$50,000 on or before July 1, 2003;
 - \$100,000 on or before July 1, 2004; and
 - \$150,000 on or before July 1, 2005.

- ii. The Company acquired by staking a 100% interest in 56 additional mineral claims contiguous to the claims described above.

6. METAL LEACHING AND SULPHUR TECHNOLOGY

	September 30, 2002	December 31, 2001
Acquisition Costs	\$ 500,000	\$ 935,000
Write-off of capitalized costs	-	(435,000)
	500,000	500,000
Deferred Development Costs:		
Consulting	-	1,200
Patent fees	6,879	8,761
	6,879	9,961
Balance, beginning of period/year	-	199,141
Write-off of capitalized costs	-	(209,102)
Balance, end of period/year	6,879	-
Total Metal Leaching and Sulphur Technology Costs	\$ 506,879	\$ 500,000

7. OBLIGATION UNDER CAPITAL LEASE

	September 30, 2002	December 31, 2001
Heller Financial equipment lease, bearing interest at 12.79% per annum, repayable in monthly installments of \$287 including principal and interest. Final payment is due December 11, 2003.	\$ 3,954	\$ 6,041
Less: current portion	(3,111)	(2,828)
	\$ 843	\$ 3,213

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. OBLIGATION UNDER CAPITAL LEASE (CONT'D)

Under the present terms and conditions, future minimum lease payments due are as follows:

2002 (subsequent to September 30)	\$ 860
2003	<u>3,438</u>
Total minimum lease payments	4,298
Less: amount representing interest	<u>(344)</u>
Present value of minimum lease payments	<u>\$ 3,954</u>

8. CONVERTIBLE LOANS

	<u>September 30, 2002</u>	<u>December 31, 2001</u>
a. Maturing May 10, 2004, secured by Convertible Note and bearing an effective interest rate of 11.11% per annum, with interest payable quarterly.	<u>\$ -</u>	<u>\$ 500,000</u>

All or part of the principal amount of the loan was convertible at the option of the lender into common shares of the Company at a price of \$0.65 per common share on or before May 10, 2002; at a price of \$0.75 per common share on or before May 10, 2003; or at a price of \$0.85 per common share on or before May 10, 2004.

As additional consideration for the loan, the Company issued share purchase warrants to the lender, entitling it to subscribe for up to 769,230 common shares of the Company at a price of \$0.65 per common share on or before May 10, 2002 (these warrants expired unexercised).

The Company had the right to prepay all or any portion of the convertible loan outstanding.

In addition, the lender had the right after May 10, 2002 to require the Company to repay any portion of the convertible loan outstanding. Upon receipt of notice of repayment the Company had thirty banking days to repay the loan. In May 2002, the Company received notice of repayment and has repaid the outstanding principal and interest in full.

- b. The Company entered into an 8% Redeemable Convertible Debenture with Hunter Dickinson Group Inc. ("HDGI") in order to finance the Company's investment in the Precious Exploration Limited Partnership ("PELP"). The Debenture was secured by the Company's interest in PELP. The loan was due December 31, 2002 unless the Company did not exercise its option to participate in the 2002 exploration program on or before January 31, 2002 and pay the promotion fee of \$250,000, the total amount of the loan plus accrued interest was due immediately.

EXPATRIATE RESOURCES LTD.
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8. CONVERTIBLE LOANS (CONT'D)

In January, 2002, the management of the Company resolved not to exercise its option, and the Company relinquished its interest in PELP and the loan was converted into 7,000,000 common shares.

9. SHARE CAPITAL

During the period ended September 30, 2002, the Company increased its authorized share capital of common shares from 100,000,000 to 200,000,000. As a result the authorized share capital of the Company 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.

The Company has issued common shares of its capital stock as follows:

	September 30, 2002		December 31, 2001	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Balance, beginning of period/year	36,665,461	\$ 23,883,127	22,856,266	\$ 21,027,230
Issued during the period/year for:				
Cash	2,110,667	239,450	619,000	182,925
Mineral properties	150,000	15,000	1,000,000	124,000
Special Warrants	-	-	3,536,222	1,346,850
Share subscription advances	1,000,000	100,000	1,116,166	446,466
Finders fees	-	-	6,250	2,500
Debt	7,000,000	1,300,000	531,557	53,156
Investment	-	-	7,000,000	700,000
Balance, end of period/year	46,926,128	\$ 25,537,577	36,665,461	\$ 23,883,127

Transactions for the Issue of Share Capital
During the Period Ended September 30, 2002:

- a. The Company completed a Private Placement financing consisting of 250,000 units at a price of \$0.40 per unit for a net consideration of \$97,600 after payment of finders fees totalling \$2,400. Each unit consists of three "flow-through" common shares, one ordinary common share and one share purchase warrant. Each share purchase warrant is exercisable to acquire one additional ordinary common share at a price of \$0.12 per share on or before January 10, 2003. The gross proceeds of \$100,000 were received prior to December 31, 2001.

EXPATRIATE RESOURCES LTD.
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9. SHARE CAPITAL (CONT'D)

- b. The Company completed a Private Placement financing consisting of 132,500 units at a price of \$0.40 per unit for a total consideration of \$53,000. Each unit consists of three “flow-through” common shares, one ordinary common share and one share purchase warrant. Each share purchase warrant is exercisable to acquire one additional ordinary common share at a price of \$0.12 per share on or before February 27, 2003.
- c. The Company completed a Private Placement financing consisting of 900,000 units at a price of \$0.10 per unit for a net consideration of \$86,750 after payment of finders fees totalling \$3,250. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable to acquire one additional common share at a price of \$0.12 per share on or before February 27, 2003.
- d. The Company issued 7,000,000 common shares on conversion of the Redeemable Convertible Debenture as described in Note 8b.
- e. The Company issued 150,000 common shares at a price of \$0.10 per share to acquire the Chug Chug, Cerro Ochre and Payo mineral Claims located in Chile as described in Note 5.
- f. The Company completed a Private Placement financing consisting of 340,667 “flow-through” common shares at a price of \$0.15 per common share for a total consideration of \$51,100.
- g. The Company completed a Private Placement financing consisting of 85,000 units at a price of \$0.60 per unit for a total consideration of \$51,000, which was received prior to June 30, 2002. Each unit consists of three “flow-through” common shares and one common share plus one non-transferable share purchase warrant. Each share purchase warrant is exercisable to acquire one additional common share at a price of \$0.20 per share on or before July 30, 2003.

Stock Options:

The Company has adopted an incentive stock option plan (the “Plan”). The essential elements of the Plan provide that the aggregate number of common shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 4,919,000. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the average closing market price of the Company’s common shares for the ten trading days immediately preceding the day on which the TSX Venture Exchange receives notice regarding the granting of such options), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. SHARE CAPITAL (CONT'D)

A summary of the status of the Company's stock option plan as of September 30, 2002 and December 31, 2001, and changes during the period/year then ended is as follows:

	September 30, 2002		December 31, 2001	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding, beginning of period/year	2,830,000	\$ 0.34	2,302,000	\$ 0.50
Granted	1,495,000	0.12	1,255,000	0.12
Exercised	-	-	-	-
Forfeited/cancelled	(900,000)	(0.37)	(727,000)	(0.49)
Options outstanding, end of period/ year	3,425,000	\$ 0.23	2,830,000	\$ 0.34

At September 30, 2002, the Company had outstanding stock options to acquire 3,425,000 common shares as follows:

Number	Exercise Price	Expiry Date
190,000	\$0.48	December 11, 2002
30,000	\$0.51	July 3, 2003
250,000	\$0.39	October 20, 2003
200,000	\$0.74	March 3, 2005
140,000	\$0.50	June 15, 2005
190,000	\$0.40	December 29, 2005
100,000	\$0.40	February 8, 2006
975,000	\$0.10	November 28, 2006
185,000	\$0.10	February 12, 2007
90,000	\$0.11	April 26, 2007
995,000	\$0.12	May 14, 2007
80,000	\$0.12	June 11, 2007
3,425,000		

EXPATRIATE RESOURCES LTD.
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9. SHARE CAPITAL (CONT'D)

The following table summarizes information about the stock options outstanding and exercisable at September 30, 2002:

Range of Prices \$	Number	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price \$
0.10 - 0.12	2,325,000	4.41	0.11
0.39 - 0.54	900,000	1.84	0.43
0.74	200,000	2.42	0.74
	<u>3,425,000</u>	<u>3.62</u>	<u>0.23</u>

The Company follows the settlement method of accounting for stock-based compensation awards granted to employees and non-employee Directors. Accordingly, no compensation expense has been recognized in the consolidated statements of operations for stock options granted. Had compensation costs been determined, based on the fair values at the dates of the grants for those options vested in the period, net loss and loss per share would have been the amounts shown below:

Net loss for the period	\$ 414,086
Unrecorded stock option compensation adjustment	<u>6,902</u>
Pro-forma net loss for the period	<u>\$ 420,988</u>
Pro-forma loss per share	<u>\$ (0.01)</u>

The fair values of options vested during the nine months ended September 30, 2002 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected volatility	88.62%
Risk-free interest rate	4.47%
Expected life	5 years
Expected dividend yield	0%

EXPATRIATE RESOURCES LTD.
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9. SHARE CAPITAL (CONT'D)

Warrants:

At September 30, 2002, the Company had outstanding share purchase warrants exercisable to acquire 5,117,500 common shares as follows:

Number	Exercise Price	Expiry Date
250,000	\$0.20	June 29, 2003
3,500,000	\$0.12	December 19, 2003
250,000	\$0.12	January 10, 2003
1,032,500	\$0.12	February 27, 2003
85,000	\$0.20	July 30, 2003
<u>5,117,500</u>		

10. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing and investing activities during the periods ended September 30, 2002 and September 30, 2001 as follows:

	September 30, 2002	September 30, 2001
Non-cash financing activities:		
Share capital issued for:		
Debt	\$ 1,300,000	\$ -
Share subscription advances	100,000	446,466
Mineral properties	15,000	-
Share issue costs	-	2,500
Share subscription advances	(100,000)	(446,466)
Convertible loan (repayment)	(1,300,000)	-
	<u>\$ 15,000</u>	<u>\$ 2,500</u>
Non-cash investing activities:		
Option proceeds received	25,000	-
Acquisition cost of mineral properties	(15,000)	-
Mineral exploration tax credit	(78,405)	(103,282)
	<u>\$ (68,405)</u>	<u>\$ (103,282)</u>

During the period ended September 30, 2002 the Company paid interest of \$27,988 (2001 - \$29,167).

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. SUPPLEMENTAL CASH FLOW INFORMATION (CONT'D)

The net change in non-cash working capital items consists of:

	September 30, 2002	September 30, 2001
Accounts receivable	\$ (25,442)	\$ (18,280)
Marketable securities	698,437	4,607
Mineral exploration tax credit recoverable	325,101	(169,203)
Prepaid expenses	(4,339)	-
Accounts payable and accrued liabilities	(108,595)	530,566
Due to related parties	(42,155)	-
	<u>\$ 843,007</u>	<u>\$ 347,690</u>

11. SEGMENTED INFORMATION

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development.

Property, plant and equipment by geographical segments is as follows:

	Canada	Chile	United States	Total
September 30, 2002				
Property, Plant and Equipment	\$ 33,791	\$ -	\$ -	\$ 33,791
Mineral properties, including				
Deferred costs	16,138,423	384,411	8,173	16,531,007
Metal Leaching and Sulphur Technology,				
Including deferred costs	506,879	-	-	506,879
	<u>\$ 16,679,093</u>	<u>\$ 384,411</u>	<u>\$ 8,173</u>	<u>\$ 17,071,677</u>
	Canada	Chile	Argentina	Total
December 31, 2001				
Property, Plant and Equipment	\$ 35,758	\$ -	\$ -	\$ 35,758
Mineral properties, including				
Deferred costs	16,112,603	326,710	-	16,439,313
Metal Leaching and Sulphur Technology,				
including deferred costs	500,000	-	-	500,000
	<u>\$ 16,648,361</u>	<u>\$ 326,710</u>	<u>\$ -</u>	<u>\$16,975,071</u>

EXPATRIATE RESOURCES LTD.
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12. RELATED PARTY TRANSACTIONS

- a. Exploration and development costs totalling \$Nil (2001 - \$40,265) and rent and office services totalling \$Nil (2001 - \$2,224) have been incurred with a corporation related to the Company by former common Directors.
- b. Management fees, consulting fees and salaries totalling \$162,441 (2001 - \$142,400) have been incurred with certain directors, officers and corporations related by common directors. Of this amount \$44,404 (2001 - \$55,944) was capitalized to deferred costs.
- c. Legal fees and disbursements totalling \$28,486 (2001 - \$93,500) have been incurred with a law firm in which a personal law corporation controlled by an Officer of the Company was a partner and now is an associate in the practice of law.

The transactions above have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

13. JOINT VENTURE OPERATIONS

The consolidated financial statements include the Company's proportionate interest in its joint ventures as follows:

	September 30 2002	December 31, 2001
Cash	\$ 7,157	\$ 9,191
Mineral Properties, including deferred costs	1,306,799	1,284,404
	<u>\$ 1,313,956</u>	<u>\$ 1,293,595</u>
Accounts payable and accrued liabilities	\$ 104	\$ -
Due to related parties	-	1,036
Deficit	(55,749)	(55,806)
	<u>\$ (55,645)</u>	<u>\$ (54,770)</u>
Net investment in joint ventures	<u>\$ 1,369,601</u>	<u>\$ 1,348,365</u>
Net income for the period/year	<u>\$ 57</u>	<u>\$ 21,817</u>
Cash flows from operating activities	<u>\$ 31,691</u>	<u>\$ (18,451)</u>
Cash flows from financing activities	<u>\$ (8,829)</u>	<u>\$ 355,014</u>
Cash flow from investing activities	<u>\$ (24,896)</u>	<u>\$ (338,250)</u>

EXPATRIATE RESOURCES LTD.
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14. SUBSEQUENT EVENTS

- a. By a Share Purchase Agreement dated June 13, 2002 (amended September 6, and October 8, 2002), the Company purchased from Boliden Limited, a 100% interest in Westmin Resources, Inc. (“Westmin”), an Idaho corporation for consideration of:
- 3,000,000 common shares of the Company’s capital stock (issued subsequent to September 30, 2002 at a price of \$0.06 per share)
 - a 0.5% net smelter royalty on production from the Blue Moon Property, Mariposa County, California, to a maximum of US\$500,000.

Effective October 25, 2002 the Company acquired a 100% interest in Westmin. At that date the fair value of the net assets acquired were as follows:

Mineral properties \$180,000

- b. The Company granted stock options exercisable to acquire 125,000 shares at a price of \$0.10 per share on or before October 24, 2007.
- c. The Company completed a Private Placement financing consisting of 100,000 units at a price of \$0.10 per unit for a total consideration of \$10,000. Each unit consists of one “flow-through” common share, and one non-transferable share purchase warrant. Each share purchase warrant is exercisable to acquire one additional ordinary common share at a price of \$0.10 per share on or before November 1, 2003.
- d. By an Option Agreement dated October 30, 2002, the Company granted Midnight Mines Ltd. of Whitehorse, Yukon an option to acquire a 100% interest (subject to a 1% net smelter returns royalty) in 52 mineral claims included in the Donjek properties, located in the Whitehorse Mining District, Yukon Territory for consideration of incurring exploration expenditures totalling \$250,000 on or before December 31, 2012.

This agreement is subject to regulatory approval.

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14. SUBSEQUENT EVENTS (CONT'D)

- e. By an Agreement dated November 13, 2002, the Company granted YK Group of Richmond, British Columbia, an option to acquire a 60% interest (subject to a 1% to 3% gross overriding royalty) for the express purpose of exploring for and recovery of gemstones only, in 16 mineral claims, known as the Beryl Property, and 2,887 mineral claims, known as the Finlayson Property, for consideration of:
- Cash payments totalling \$55,000 for the Beryl Property as follows:
 - \$5,000 upon signing of the Agreement and acceptance of regulatory approvals;
 - \$5,000 on or before November 1, 2003;
 - \$5,000 on or before November 1, 2004;
 - \$10,000 on or before November 1, 2005;
 - \$10,000 on or before November 1, 2006;
 - \$20,000 on or before November 1, 2007.
 - Cash payments totalling \$35,000 for the Finlayson Property as follows:
 - \$5,000 upon signing of the Agreement and acceptance of regulatory approvals;
 - \$5,000 on or before November 1, 2003;
 - \$5,000 on or before November 1, 2004;
 - \$5,000 on or before November 1, 2005;
 - \$5,000 on or before November 1, 2006;
 - \$10,000 on or before November 1, 2007.
 - Incurring exploration expenditures totalling \$500,000 on either property as follows:
 - \$100,000 on or before November 1, 2003;
 - \$50,000 on or before November 1, 2004;
 - \$50,000 on or before November 1, 2005;
 - \$50,000 on or before November 1, 2006; and
 - \$250,000 on or before November 1, 2007.
 - Granting an area of interest extending 5 km from the boundary of the property within which any claims subsequently acquired by the Company will become subject to the agreement. The Company has subsequently staked an additional 166 new mineral claims that shall be subject to this agreement.

A Joint Venture will be formed upon YK Group earning a 60% interest.

This Agreement is subject to regulatory approval.

- f. Subject to regulatory approval, the Company granted stock options exercisable to acquire 800,000 shares at a price of \$0.10 per share for a period of five years.

EXPATRIATE RESOURCES LTD.
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14. SUBSEQUENT EVENTS (CONT'D)

- g. The Company disposed of 200,000 shares and 100,000 warrants of True North Gems Inc., received as described in Note 5, for gross proceeds of \$100,000.

