

JONES RICHARDS & COMPANY

CERTIFIED GENERAL ACCOUNTANTS

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NOTICE TO READER

We have compiled the consolidated balance sheet of Expatriate Resources Ltd. as at March 31, 2000, the consolidated statement of operations and deficit, the consolidated statement of cash flows, and the consolidated schedules of mineral property costs and metal leaching and sulphur technology costs for the three 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 statements may not be appropriate for their purposes.

“JONES, RICHARDS & COMPANY”

CERTIFIED GENERAL ACCOUNTANTS

Vancouver, British Columbia
May 26, 2000

EXPATRIATE RESOURCES LTD.
CONSOLIDATED BALANCE SHEET

MARCH 31, 2000

(With comparative unaudited figures for March 31, 1999)

(UNAUDITED)

(SEE: NOTICE TO READER)

| | 2000 | 1999 |
|---|---------------|---------------|
| <u>ASSETS</u> | | |
| Current Assets | | |
| Cash | \$ 611,157 | \$ 1,741,019 |
| Cash-restricted | 1,192,364 | - |
| Accounts receivable | 28,891 | 18,215 |
| Prepaid expenses | 7,301 | 6,241 |
| Mineral exploration tax credit recoverable | 231,700 | - |
| | 2,071,413 | 1,765,475 |
| Mineral Properties, including deferred costs | 15,061,002 | 13,050,726 |
| Metal Leaching and Sulphur Technology, including deferred costs | 1,102,265 | 993,627 |
| Capital Assets | 11,666 | - |
| Due from Joint Venture | 34,623 | - |
| | \$ 18,280,969 | \$ 15,809,828 |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 303,253 | \$ 80,126 |
| <u>SHAREHOLDERS' EQUITY</u> | | |
| Share Capital | 19,508,338 | 16,969,074 |
| Special Warrants | 376,813 | - |
| Deficit | (1,907,435) | (1,239,372) |
| | 17,977,716 | 15,729,702 |
| | \$ 18,280,969 | \$ 15,809,828 |

Approved on Behalf of the Board:

“Harlan D. Meade”

Director

“Alan R. Archer”

Director

EXPATRIATE RESOURCES LTD.**CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT****FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2000****(With comparative unaudited figures for the three month period ended March 31, 1999)****(UNAUDITED)****(SEE: NOTICE TO READER)**

| | <u>2000</u> | <u>1999</u> |
|--|---------------------|---------------------|
| ADMINISTRATION COSTS: | | |
| Consulting | \$ 9,501 | \$ 18,000 |
| Filing fees | 4,118 | 6,371 |
| Investor relations | 112,771 | 22,584 |
| Management fees | - | 2,000 |
| Professional fees | 16,093 | (3,004) |
| Rent and office services | 21,951 | 4,501 |
| Transfer agent | - | 393 |
| | <u>164,434</u> | <u>50,845</u> |
| Interest and miscellaneous income | (17,478) | (25,095) |
| | <u>146,956</u> | <u>25,750</u> |
| Other Items: | | |
| Loss on conversion of foreign currencies | 18,210 | 655 |
| Mineral property examination costs | 5,455 | 24,800 |
| Write-off of capitalized costs related to abandoned mineral properties | - | 30,000 |
| | <u>23,665</u> | <u>55,455</u> |
| LOSS FOR THE PERIOD | 170,621 | 81,205 |
| DEFICIT AT BEGINNING OF PERIOD | <u>1,736,814</u> | <u>1,158,167</u> |
| DEFICIT AT END OF PERIOD | <u>\$ 1,907,435</u> | <u>\$ 1,239,372</u> |
| Loss per share: Based on the weighted average number of shares outstanding during the period. | \$ (0.01) | \$ (0.01) |

EXPATRIATE RESOURCES LTD.**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2000****(With comparative unaudited figures for the three month period ended March 31, 1999)****(UNAUDITED)****(SEE: NOTICE TO READER)**

| | 2000 | 1999 |
|--|----------------------------|----------------------------|
| OPERATING ACTIVITIES: | | |
| Loss for the period | \$ (170,621) | \$ (81,205) |
| Adjustments: | | |
| Membership fees paid by issuance of share capital | 10,000 | |
| Write-off of capitalized costs related to abandoned mineral properties | - | 30,000 |
| Loss on conversion of foreign currencies | 18,210 | 655 |
| | <u>(142,411)</u> | <u>(50,550)</u> |
| Change in non-cash working capital items | 72,984 | (29,941) |
| | <u>(69,427)</u> | <u>(80,491)</u> |
| FINANCING ACTIVITIES: | | |
| Issue of share capital for cash | 100,175 | - |
| Option payments received | 20,000 | - |
| | <u>120,175</u> | <u>-</u> |
| INVESTING ACTIVITIES: | | |
| Acquisition costs of mineral properties | - | (23,516) |
| Deferred exploration and development costs, net of mineral exploration tax credit and mineral property examination costs | (365,197) | (271,624) |
| Deferred metal leaching and sulphur technology costs | (23,540) | (18,726) |
| Acquisition cost of capital assets | (11,666) | - |
| Due from Joint Venture | (34,623) | - |
| | <u>(435,026)</u> | <u>(313,866)</u> |
| Foreign exchange loss on cash held in foreign currencies | (18,210) | (655) |
| INCREASE (DECREASE) IN CASH | (402,488) | (395,012) |
| CASH AT BEGINNING OF PERIOD | 2,206,009 | 2,136,031 |
| CASH AT END OF PERIOD | <u>\$ 1,803,521</u> | <u>\$ 1,741,019</u> |
| Represented by: | | |
| Cash | \$ 611,157 | \$ 1,741,019 |
| Cash-restricted | 1,192,364 | - |
| | <u>\$ 1,803,521</u> | <u>\$ 1,741,019</u> |

EXPATRIATE RESOURCES LTD.**CONSOLIDATED SCHEDULE OF MINERAL PROPERTY COSTS****FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2000****(With comparative unaudited figures for the three month period ended March 31, 1999)****(UNAUDITED)****(SEE: NOTICE TO READER)**

| | 2000 | | | 1999 | | |
|---------------------------------------|----------------------------|---------------------|------------|----------------------|---------------------|------------|
| | Wolverine Joint Venture | Other Properties | Total | Finlayson Project | Other Properties | Total |
| EXPLORATION AND DEVELOPMENT COSTS: | | | | | | |
| Assays | \$ - | \$ 1,300 | \$ 1,300 | \$ - | \$ 132 | \$ 132 |
| Consulting | 38,507 | 67,193 | 105,700 | 9,500 | 57,806 | 67,306 |
| Drafting | 1,516 | 28,202 | 29,718 | 5,900 | 12,753 | 18,653 |
| Field office | 214 | 19,585 | 19,799 | 1,043 | 15,931 | 16,974 |
| Labour | 8,132 | 93,456 | 101,588 | 35,297 | 78,147 | 113,444 |
| Professional fees | - | 18,116 | 18,116 | - | 20,350 | 20,350 |
| Recording fees | 7,222 | 47,932 | 55,154 | 14,721 | 23,374 | 38,095 |
| Supplies and miscellaneous | 1,143 | 1,540 | 2,683 | 224 | 1,978 | 2,202 |
| Surveys | - | 22,560 | 22,560 | - | 6,700 | 6,700 |
| Travel and freight | 3,753 | 4,826 | 8,579 | - | 12,568 | 12,568 |
| | 60,487 | 304,710 | 365,197 | 66,685 | 229,739 | 296,424 |
| Mineral property examination costs | - | (5,455) | (5,455) | - | (24,800) | (24,800) |
| Mineral exploration tax credit | (12,100) | (41,600) | (53,700) | - | - | - |
| | 48,387 | 257,655 | 306,042 | 66,685 | 204,939 | 271,624 |
| Balance of costs, beginning of period | 90,895 | 10,764,977 | 10,855,872 | 8,784,292 | 988,594 | 9,772,886 |
| | 139,282 | 11,022,632 | 11,161,914 | 8,850,977 | 1,193,533 | 10,044,510 |

| | | | | | | |
|---------------------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| Mineral properties abandoned | - | - | - | - | (22,300) | (22,300) |
| Balance of costs, end of period | <u>139,282</u> | <u>11,022,632</u> | <u>11,161,914</u> | <u>8,850,977</u> | <u>1,171,233</u> | <u>10,022,210</u> |
| ACQUISITION COSTS: | | | | | | |
| Balance, beginning of period | 2,007,500 | 1,361,588 | 3,369,088 | 697,372 | 203,828 | 901,200 |
| Increase during period | 550,000 | - | 550,000 | - | 2,135,016 | 2,135,016 |
| Option payments received | - | (20,000) | (20,000) | - | - | - |
| Mineral property abandoned | - | - | - | - | (7,700) | (7,700) |
| Balance, end of period | <u>2,557,500</u> | <u>1,341,588</u> | <u>3,899,088</u> | <u>697,372</u> | <u>2,331,144</u> | <u>3,028,516</u> |
| TOTAL MINERAL PROPERTY COSTS | <u>\$ 2,696,782</u> | <u>\$ 12,364,220</u> | <u>\$ 15,061,002</u> | <u>\$ 9,548,349</u> | <u>\$ 3,502,377</u> | <u>\$ 13,050,726</u> |

EXPATRIATE RESOURCES LTD.**CONSOLIDATED SCHEDULE OF METAL LEACHING
AND SULPHUR TECHNOLOGY COSTS****FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2000****(With comparative unaudited figures for the three month period ended March 31, 1999)****(UNAUDITED)****(SEE: NOTICE TO READER)**

| | 2000 | 1999 |
|---|--------------|------------|
| Acquisition costs | \$ 935,000 | \$ 935,000 |
| Deferred development costs | | |
| Consulting | 7,508 | 10,000 |
| Office and miscellaneous | 883 | 2,634 |
| Patent fees | 15,674 | 7,794 |
| | 24,065 | 20,428 |
| Interest income | (525) | (1,702) |
| Total cost incurred during period | 23,540 | 18,726 |
| Balance of costs, beginning of period | 143,725 | 39,901 |
| Balance of costs, end of period | 167,265 | 58,627 |
| Total Metal Leaching and Sulphur Technology Costs | \$ 1,102,265 | \$ 993,627 |

EXPATRIATE RESOURCES LTD.**MARCH 31, 2000**Section 1

A. RELATED PARTY TRANSACTIONS FOR THE CURRENT FISCAL YEAR-TO-DATE:

- a. Exploration and development costs totalling \$185,387, rent and office services totalling \$4,500 and investor relations totalling \$27,360 have been incurred with a corporation related to the Company by a common Director.
- b. Management fees and consulting fees totalling \$43,328 have been incurred with certain directors, officers and companies related by common directors.

The aggregate amount of expenditures made to parties not at arms length from the issuer were \$260,575 during the current fiscal year to date.

Section 2

A. SECURITIES ISSUED DURING QUARTER ENDED MARCH 31, 2000:

| Date | Type of Security | Type of Issue | Number of Shares Issued | Price Per Share | Total Proceeds | Type of Consideration | Commission and Expenses Paid |
|------------|------------------|----------------------|-------------------------|-----------------|----------------|-----------------------|------------------------------|
| Jan. 16/00 | Common Shares | Property Payment | 1,000,000 | \$0.55 | \$550,000 | N/A | N/A |
| Jan. 11/00 | Common Shares | Private Placement | 879,668 | \$0.45 | \$386,780 | Cash | N/A |
| Jan. 11/00 | Common Shares | Membership | 21,740 | \$0.46 | \$10,000 | N/A | N/A |
| Jan. 24/00 | Common Shares | Private Placement | 225,000 | \$0.45 | \$101,250 | Cash | \$6,075 |
| Mar. 17/00 | Common Shares | Exercise of Warrants | 11,111 | \$0.45 | \$5,000 | Cash | N/A |

B. OPTIONS GRANTED DURING QUARTER ENDED MARCH 31, 2000:

| Date Granted | Name of Optionee | Number of Options | Exercise Price | Expiry Date |
|--------------|---------------------|-------------------|----------------|--------------|
| Mar. 3/00 | Harlan D. Meade | 100,000 | \$0.74 | Mar. 3, 2005 |
| Mar. 3/00 | Carol E. Ellis | 20,000 | \$0.74 | Mar. 3, 2005 |
| Mar. 3/00 | P. Bradley Marchant | 70,000 | \$0.74 | Mar. 3, 2005 |
| Mar. 3/00 | Dr. Paul Lhotka | 40,000 | \$0.74 | Mar. 3, 2005 |
| Mar. 3/00 | Terry L. Tucker | 110,000 | \$0.74 | Mar. 3, 2005 |

EXPATRIATE RESOURCES LTD.**MARCH 31, 2000**Section 3**A. AUTHORIZED AND ISSUED SHARE CAPITAL AS AT MARCH 31, 2000:**

Authorized share capital - 100,000,000 common shares with no par value.
 - 100,000,000 Class "A" preferred shares having a par value of \$1.00 per share

A total of 19,806,220 common shares have been issued for a total of \$19,508,338.

B. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES OUTSTANDING AS AT MARCH 31, 2000:

| Type of Security | Number or Amount | Exercise or Conversion Price | Expiry Date |
|------------------|------------------|------------------------------|---------------|
| Options | 865,000 | \$0.48 | Dec. 11/2002 |
| Options | 30,000 | \$0.51 | July 3/2003 |
| Options | 350,000 | \$0.39 | Oct. 20/2003 |
| Options | 100,000 | \$0.61 | Feb. 15/2004 |
| Options | 100,000 | \$0.54 | Apr. 26/2004 |
| Options | 50,000 | \$0.50 | June 7/2004 |
| Options | 130,000 | \$0.44 | Dec. 17/2004 |
| Options | 340,000 | \$0.74 | Mar.3/2005 |
| Warrants | 200,000 * | \$0.55 | July 13/2000 |
| Warrants | 100,000 | \$0.65 | June 9/2000 |
| Warrants | 100,000 | \$0.65 | Sept. 13/2000 |
| Warrants | 452,529 ** | \$0.45 or | Dec. 31/2000 |
| | | \$0.52 | Dec. 31/2001 |
| Warrants | 1,479,892 *** | \$0.45 | Dec. 31/2000 |
| Warrants | 112,500 | \$0.45 | Jan. 24/2001 |

* exercisable to acquire "flow-through" common shares or non-flow-through common shares

** fifty percent (50%) exercisable to acquire "flow-through" common shares

*** exercisable to acquire "flow-through" common shares

C. SHARES IN ESCROW OR SUBJECT TO POOLING AS AT MARCH 31, 2000:

Common shares in escrow - Nil

EXPATRIATE RESOURCES LTD.

MARCH 31, 2000

D. LIST OF DIRECTORS AS AT MARCH 31, 2000:

| | |
|---------------------|------------------------|
| Dr. Harlan D. Meade | President/CEO/Director |
| Alan R. Archer | CFO/Director |
| Glenn R. Yeadon | Secretary/Director |
| W. Douglas Eaton | Director |
| G. James Killam | Director |
| William J. Fisher | Director |
| John M. Sibley | Director |

EXPATRIATE RESOURCES LTD.
QUARTER ENDED MARCH 31, 2000

On March 1, 2000 the Company announced a Memorandum of Understanding with Cominco Ltd. to purchase a 100% interest in Cominco's Finlayson Assets including the Kudz Ze Kayah and GP4F deposits and surrounding mineral claims. The agreement provides for an initial payment of \$1 million to Cominco, the granting of a convertible debenture for \$10 million and the issue to Cominco of a warrant to purchase 2.5 million common shares at a price of \$1.00 per common share up until March 1, 2007. Upon commencement of commercial production from deposits on lands comprising the Finlayson Assets, Cominco will receive an additional \$2 million payment and a Net Smelter Return royalty of 1% for the first 4 years of production, thereafter ranging from 2% to 3.5% depending on the price of zinc.

This acquisition fulfills Expatriate's objective of consolidating mineral interests in the Finlayson District, forming one of the most exciting new zinc development projects in North America. Significant synergies are expected from the processing of ores from these deposits in a central milling facility located at Kudz Ze Kayah. Combined, the deposits contain a resource of more than 19 million tonnes averaging 8.15% zinc, 0.98% copper, 1.64% lead, 207 g/t silver and 1.5 g/t gold.

The Finlayson Assets were offered to Atna Resources Ltd., on March 1, 2000 for inclusion in the Wolverine Joint Venture, subject to their paying 40% of the acquisition costs. Atna informed Expatriate on May 5, 2000 that it did not intend to participate in the acquisition of the Finlayson Assets.

The Wolverine Joint Venture commenced a prefeasibility study on the Wolverine Deposit in January. Flotation and roasting testwork are in progress, as well as underground mining planning for the Wolverine Deposit and concentrate marketing studies.

In other business, management continues to pursue a strategy of streamlining operations and leveraging its investments through option agreements. The Company merged its Hyland property with the adjoining Hyland Gold property owned by Cash Resources Ltd. and the Cuz property owned by Nordac Resources Ltd. The amalgamated property (Hyland Gold property) consists of 373 claims owned by the Hyland Gold Joint Venture. Expatriate owns a 31% participating interest in the Hyland Gold Joint Venture. The Hyland Gold property is one of the more attractive exploration targets in the Tintina Gold Belt. The Joint Venture is seeking a joint venture partner to explore the numerous gold targets defined on the large property. The Hyland Gold claims in the core of the property contain a partly defined gold zone hosted within Late Proterozoic clastic sedimentary rocks.

In other areas of the Yukon, the Rink 1-144 claims in the Finlayson District were allowed to lapse. Similarly, the Forty 1-20 claims forming part of the Eureka Joint Venture lapsed. In the Kluane District of southwest Yukon, 54 claims were added to the nickel-copper-platinum group Donjek Project.

EXPATRIATE RESOURCES LTD.
QUARTER ENDED MARCH 31, 2000

In Chile, Expatriate's subsidiary Compañía Minera Latina Ltda. acquired 5700 hectares of mineral claims to the east of a newly discovered porphyry copper-gold mineralized system within the Central Porphyry Belt of Northern Chile. The largely overburden covered area of the Gabriela property appears to cover the extension of this mineralized system. Subsequently, several large international mining companies have acquired large claim holdings adjacent to the Gabriela property.

Minera Latina completed geophysical and geochemical surveys on its Isleña Property near Tal Tal in northern Chile. This work has better defined the distribution of the previously mined mineralized trends under overburden cover and identified a new linear anomaly. Sampling of this new zone has yielded vuggy quartz that assayed up to 59 grams per tonne gold. This is a new style of mineralization on the property characteristic of epithermal vein systems. On the west part of the property copper soil geochemical surveys appear to have defined a new area of copper mineralization within the mafic volcanic rocks of the La Negra Formation. Results of this work were announced in early May and have attracted interest from several of the major mining companies. The company has also staked 1200 hectares of mineral claims 10 kilometres to the northeast of the Isleña property. The Lucy claims were located to cover possible extensions of previously mined copper mineralization associated with intrusive breccia bodies.

Mr. Terry Tucker joined Expatriate commencing March 1, 2000 and assumed the position of Manager, Exploration of the Finlayson Project. Mr. Tucker was instrumental in the discovery of the Wolverine Deposit in 1995 as a project geologist of Westmin Resources Limited. Mr. Tucker's exploration experience in the Finlayson District provides strong leadership for the Company's exploration program on the project.

The Company accelerated its financing efforts in the first quarter to provide the funds required for the acquisition of the Finlayson Assets and to fund an accelerated program on the Finlayson Project. Dr. Meade and Ms. Ellis met with numerous institutional investors and investment analysts and retail groups during the first quarter. An equity private placement for \$101,250 was completed in January. The Company also exhibited at the Prospectors and Developers Association of Canada mining conference in Toronto in early March, followed by meetings with brokers, mining analysts and portfolio managers. These meetings have laid the ground work for the additional financings required to explore and develop the Finlayson Project.

Subsequent Events

Following a financing trip to Europe in early April, a convertible loan private placement for \$500,000 and equity private placements for \$535,135 were negotiated and will close shortly. In addition, flow-through share private placements for \$126,000 will also close shortly.

On May 5, 2000, the Company received notice from Atna Resources Ltd. declining to participate in the acquisition of the Finlayson Assets. Atna remains a 40% participant in the Wolverine Joint Venture.

EXPATRIATE RESOURCES LTD.
QUARTER ENDED MARCH 31, 2000

Management is extremely pleased to have 100% interest in the Finlayson Assets being acquired from Cominco Ltd. The purchase agreement and debenture were signed on May 24, 2000. The initial \$1 million payment will be released from escrow upon receiving regulatory approvals from the Canadian Venture Exchange. Transfer by Cominco to Expatriate of the various leases, agreements and licenses is expected to occur in July. At that time the various security deposits for maintenance and reclamation are to be put in place.

The prefeasibility study in progress for the Wolverine Deposit is now being integrated with engineering, metallurgical and environmental studies for the Kudz Ze Kayah Deposit so that the project can be fast-tracked for development. In early April, the Company moved to new offices to accommodate the data and personnel required to advance the Finlayson Project. Ms. Beverly Jang was hired in late April to provide administrative support for the management group.

An update on the prefeasibility study was announced in early May. The first phase of underground mine design to provide direction for the drilling work scheduled this year has been completed. Flotation testwork is in progress. Test results from Wolverine ores have confirmed that the flotation flowsheet previously developed for Kudz Ze Kayah can be used for the Wolverine ores with similar recoveries for zinc, silver, copper and gold. Concentrate marketing efforts are continuing with smelters in Asia, North America and, more recently, in Europe. The marketing efforts have been focused on the sale of the zinc concentrate product and maximizing metal payables. To date the Company has received expressions of interest in the zinc products from four smelter operators in Asia, one in North America and three in Europe. The Company is continuing to pursue roasting of the zinc sulphide concentrate as a process option to produce a high-grade zinc oxide product. Roasting testwork has been contracted to RPC in Fredericton, New Brunswick.

Drilling commenced on the Finlayson Project at Wolverine in mid-May. The Company has announced its plans for an exploration program costing approximately \$3 million. The program is phased and dependent upon completing additional financing for the proposed exploration.

Latina Resources announced that recent exploration at the Isleña Project has better defined the previously known mineralized trends. In addition one new mineralized structure was discovered with surface sampling yielding high gold values.

In late May, the Company will make a presentation to the Northeast Investment in Mining Conference in New York. The Company has also engaged the services of investment advisors in Europe to assist it in various of its financing efforts and is in similar discussions in Canada to identify lead groups for the planned large financing in the fall of 2000.

There have been no material differences in the actual use of proceeds from the previous disclosures by the Company regarding its intended use of proceeds.

The Company's annual General Meeting will be held on June 28 at 2:00 PM in the Oak Room of the Four Seasons Hotel, 791 West Georgia Street, Vancouver, BC.

May 29, 2000