

FORM 51-901F

QUARTERLY REPORT

Incorporated as part of: X Schedule A
 X 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

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 March 31, 2001

Date of Report (yy/mm/dd) 01/05/22

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 Meade"

01/05/29

NAME OF DIRECTOR

DATE SIGNED (YY/MM/DD)

"W. Douglas Eaton"

01/05/29

NAME OF DIRECTOR

DATE SIGNED (YY/MM/DD)

JONES RICHARDS & COMPANY
CERTIFIED GENERAL ACCOUNTANTS

Jack W. Lazareff
C.G.A.*

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

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

Jindra Casperson
C.G.A.*

NOTICE TO READER

We have compiled the consolidated balance sheet of Expatriate Resources Ltd. as at March 31, 2001, the consolidated statement of operations and deficit, the consolidated statement of cash flows, and the consolidated schedule of deferred exploration and development costs for the three months 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 22, 2001

EXPATRIATE RESOURCES LTD
CONSOLIDATED BALANCE SHEET
MARCH 31, 2001
(UNAUDITED)

(SEE: NOTICE TO READER)
(With comparative audited figures for December 31, 2000)

	March 31, 2001	December 31, 2000
ASSETS		
Current Assets		
Cash	\$ 5,223	\$ 7,592
Cash-restricted (Note 3)	1,132,739	1,631,723
Accounts receivable	14,973	78,518
Marketable securities	-	4,607
Mineral exploration tax credit recoverable	526,504	478,108
	1,679,439	2,200,548
Mineral Properties, including deferred costs (Note 4)	17,978,128	17,771,340
Metal Leaching and Sulphur Technology, including deferred costs (Note 5)	1,135,807	1,134,141
Capital Assets (Note 6)	35,018	37,255
Due from Joint Venture	35,712	-
Deposit	4,795	4,795
	\$ 20,868,899	\$ 21,148,079
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 236,454	\$ 362,272
Convertible loan (Note 7)	500,000	500,000
	736,454	862,272
SHAREHOLDERS' EQUITY		
Share Capital (Note 8)	21,474,696	21,027,230
Share Subscription Advances	-	446,466
Special Warrants	1,403,916	1,403,916
Deficit	(2,746,167)	(2,591,805)
	20,132,445	20,285,807
	\$ 20,868,899	\$ 21,148,079

Approved on Behalf of the Board:

"Harlan Meade"

Director

"W. Douglas Eaton"

Director

EXPATRIATE RESOURCES LTD
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2001
(UNAUDITED)

(SEE: NOTICE TO READER)

(With comparative unaudited figures for the three months ended March 31, 2000)

	2001	2000
ADMINISTRATION COSTS:		
Accounting fees	\$ 23,234	\$ 3,108
Amortization	2,237	-
Consulting	6,759	9,501
Filing fees	2,940	4,118
Investor relations and financing	37,906	112,771
Legal fees	760	12,985
Rent and office services	27,474	21,951
Salaries and benefits	63,362	-
Transfer agent	914	-
	165,586	164,434
Interest and miscellaneous income	(12,522)	(17,478)
	153,064	146,956
Other Items:		
Interest on long-term debt	35,244	-
Loss (Gain) on conversion of foreign currencies	(978)	18,210
Loss on disposal of marketable securities	370	-
Mineral property examination costs	-	5,455
Expense recovery	(35,838)	-
	(1,202)	23,665
LOSS FOR THE PERIOD	151,862	170,621
DEFICIT AT BEGINNING OF PERIOD	2,591,805	1,736,814
SHARE ISSUE COSTS	2,500	-
DEFICIT AT END OF PERIOD	\$ 2,746,167	\$ 1,907,435
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 MONTHS ENDED MARCH 31, 2001
(UNAUDITED)

(SEE: NOTICE TO READER)

(With comparative unaudited figures the three months ended March 31, 2000)

	2001	2000
OPERATING ACTIVITIES:		
Loss for the period	\$ (151,862)	\$ (170,621)
Adjustments:		
Amortization	2,237	-
Membership fees paid by issuance of share capital	-	10,000
Loss (gain) on conversion of foreign currencies	(978)	18,210
Loss on disposal of marketable securities	370	-
	(150,233)	(142,411)
Net change in non-cash working capital items	(131,964)	72,984
	(282,197)	(69,427)
 FINANCING ACTIVITIES:		
Issue of share capital for cash	-	100,175
Finders fees	(1,500)	-
Option payments received	-	20,000
	(1,500)	120,175
 INVESTING ACTIVITIES:		
Proceeds on disposal of marketable securities	4,237	-
Deferred exploration and development costs, net of mineral exploration tax credit and mineral property examination costs	(255,185)	(365,197)
Deferred metal leaching and sulphur technology costs	(1,666)	(23,540)
Acquisition cost of capital assets	-	(11,666)
Due from Joint Venture	33,980	(34,623)
	(218,634)	(435,026)
Gain (loss) on conversion of foreign currencies	978	(18,210)
DECREASE IN CASH	(501,353)	(402,488)
CASH AT BEGINNING OF PERIOD	1,639,315	2,206,009
CASH AT END OF PERIOD	\$ 1,137,962	\$ 1,803,521
 Represented by:		
Cash	\$ 5,223	\$ 611,157
Cash-restricted	1,132,739	1,192,364
	\$ 1,137,962	\$ 1,803,521

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

EXPATRIATE RESOURCES LTD.
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT COSTS
FOR THE THREE MONTHS ENDED MARCH 31, 2001

(UNAUDITED)

(SEE: NOTICE TO READER)

(With comparative unaudited figures for the three months ended March 31, 2000)

	Mineral Properties							
	Finlayson Project	Wolverine Property	Other Properties	2001 Total	Finlayson Project	Wolverine Property	Other Properties	2000 Total
EXPLORATION AND DEVELOPMENT COSTS								
Accommodation and meals	\$ 285	\$ -	\$ -	\$ 285	\$ -	\$ -	\$ -	\$ -
Assays	728	1,999	-	2,727	30	-	1,270	1,300
Consulting	60,922	11,008	180	72,110	53,935	38,507	13,258	105,700
Drafting	207	-	876	1,083	15,078	1,516	13,124	29,718
Engineering	10,821	9,227	-	20,048	-	-	-	-
Environmental costs	23,564	73,762	126	97,452	-	-	-	-
Field office	1,288	11,339	430	13,057	9,897	214	9,688	19,799
Labour	1,497	17,550	537	19,584	50,896	8,132	42,560	101,588
Professional fees	-	-	3,000	3,000	-	-	18,116	18,116
Recording fees	23,230	7,294	7,075	37,599	25,899	7,222	22,033	55,154
Supplies and miscellaneous	200	(288)	-	(88)	1,540	1,143	-	2,683
Surveys	-	-	-	-	-	-	22,560	22,560
Travel and freight	800	1,503	47	2,350	889	3,753	3,937	8,579
	123,542	133,394	12,271	269,207	158,164	60,487	146,546	365,197
Interest income	-	(301)	(46)	(347)	-	-	-	-
Joint Venture overhead fee	(11,339)	-	-	(11,339)	-	-	-	-
Recoveries	(2,336)	-	-	(2,336)	-	-	-	-
Mineral exploration tax credit	(20,354)	(27,676)	(367)	(48,397)	(29,100)	(12,100)	(12,500)	(53,700)
Mineral property examination costs	-	-	-	-	-	-	(5,455)	(5,455)
Total costs incurred during the year	89,513	105,417	11,858	206,788	129,064	48,387	128,591	306,042
Balance, beginning of year	10,340,406	613,843	1,900,059	12,854,308	9,195,370	90,895	1,569,607	10,855,872
Balance, end of year	\$10,429,919	\$ 719,260	\$ 1,911,917	\$ 13,061,096	\$ 9,324,434	\$ 139,282	\$ 1,698,198	\$ 11,161,914

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

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of Expatriate Resources Ltd. (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, 2000. It is suggested that the interim consolidated financial statements be read in conjunction with the annual consolidated financial statements.

2. PRINCIPALS 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%
Compañía Minera Latina Limitada	Chile	100%
Minera Latina S.A. de C.V.	Mexico	100%

3. CASH - RESTRICTED

The Company entered into Flow-through Share Subscription Agreements whereby it is committed to incur and renounce to the subscribers, a total of \$2,623,523 of qualifying Canadian Exploration Expenses as described in the Income Tax Act of Canada. To March 31, 2001, the Company has incurred \$482,353 of qualifying exploration expenses. The Company has a commitment to incur an additional \$2,141,170 of qualifying exploration expenses of which \$1,132,739 has been restricted for this purpose.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

4. MINERAL PROPERTIES

	March 31, 2001		
	Acquisition Costs (Net of Recoveries)	Deferred Exploration and Development Costs	Total
Canalask Property	\$ 17,686	\$ 571,889	\$ 589,575
Aurex-Sinister Property	24,965	116,034	140,999
Finlayson Project	1,765,892	10,429,919	12,195,811
Donjek Properties	11,317	94,073	105,390
Selwyn Basin Properties	125,452	460,059	585,511
Wolverine Joint Venture Properties	2,557,500	719,260	3,276,760
Eureka Joint Venture Properties	64,894	91,937	156,831
Tillex and Cook Properties	184,432	-	184,432
Hyland Gold Joint Venture	49,000	75,718	124,718
Black and Fisher Properties	29,494	8,907	38,401
Isleña Project	75,950	490,200	566,150
Gabriella Property	7,600	1,400	9,000
Lucy Property	2,850	1,700	4,550
	<u>\$ 4,917,032</u>	<u>\$ 13,061,096</u>	<u>\$ 17,978,128</u>

	December 31, 2000		
	Acquisition Costs (Net of Recoveries)	Deferred Exploration and Development Costs	Total
Canalask Property	\$ 17,686	\$ 571,735	\$ 589,421
Aurex-Sinister Property	24,965	115,874	140,839
Finlayson Project	1,765,892	10,340,406	12,106,298
Donjek Properties	11,317	94,073	105,390
Selwyn Basin Properties	125,452	460,062	585,514
Wolverine Joint Venture Properties	2,557,500	613,843	3,171,343
Eureka Joint Venture Properties	64,894	88,466	153,360
Tillex and Cook Properties	184,432	-	184,432
Hyland Gold Joint Venture	49,000	75,642	124,642
Black and Fisher Properties	29,494	8,907	38,401
Isleña Project	75,950	483,800	559,750
Gabriella Property	7,600	600	8,200
Lucy Property	2,850	900	3,750
	<u>\$ 4,917,032</u>	<u>\$ 12,854,308</u>	<u>\$ 17,771,340</u>

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

4. MINERAL PROPERTIES (CONT'D)

Donjek Properties

By an Option Agreement dated February 20, 2001, the Company granted Nordac Resources Ltd. ("Nordac") of Vancouver, British Columbia, an option to acquire a 50% interest in ninety-eight (98) mineral claims (the Donjek properties) located in the Whitehorse Mining District, Yukon for consideration of:

- payment of assessment fees totalling \$5,670 (paid);
- exploration expenditures totalling \$30,000 on or before December 31, 2001; and
- granting an area of interest extending three (3) km from the boundary of the property within which any claims subsequently acquired by Nordac will become subject to the agreement.

5. METAL LEACHING AND SULPHUR TECHNOLOGY

	March 31, 2001	December 31, 2000
Acquisition Costs	\$ 935,000	\$ 935,000
Deferred Development Costs:		
Consulting	800	17,936
Office and miscellaneous	-	2,644
Patents fees	866	35,918
	1,666	56,498
Interest income	-	(1,082)
	1,666	55,416
Balance, beginning of period/year	199,141	143,725
Balance, end of period/year	200,807	199,141
Total Metal Leaching and Sulphur Technology Costs	\$ 1,135,807	\$ 1,134,141

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

6. CAPITAL ASSETS

	March 31, 2001			December 31, 2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 24,754	\$ 3,589	\$ 21,165	\$ 22,279
Computer equipment	17,619	3,766	13,853	14,976
	\$ 42,373	\$ 7,355	\$ 35,018	\$ 37,255

7. CONVERTIBLE LOAN

	March 31, 2000	December 31, 2000
Maturing May 10, 2004, secured by Convertible Note and bearing an effective interest rate of 11.11% per annum, payable quarterly.	\$ 500,000	\$ 500,000

All or part of the principal amount of the loan is 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.

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

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.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

8. SHARE CAPITAL

The authorized share capital of the Company consists of 100,000,000 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:

	March 31, 2001		December 31, 2000	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Balance, beginning of period/year	22,856,266	\$ 21,027,230	17,668,701	\$ 18,461,384
Issued during the period/year for:				
Cash	-	-	3,785,825	1,837,389
Mineral properties	-	-	1,000,000	550,000
Special Warrants	-	-	380,000	168,457
Services	-	-	21,740	10,000
Share subscription advances	1,116,166	444,966	-	-
Finders fees	6,250	2,500	-	-
Balance, end of period/year	23,978,682	\$ 21,474,696	22,856,266	\$ 21,027,230

Transactions for the Issue of Share Capital
During the Period Ended March 31, 2001:

- a. The Company completed a Private Placement financing consisting of 500,000 flow-through common shares at a price of \$0.40 per common share for a total consideration of \$200,000, which was received prior to December 31, 2000.
- b. The Company completed a Private Placement financing consisting of 616,166 flow-through common shares at a price of \$0.40 per common share for a net consideration of \$244,966 after payment of finders fees totalling \$1,500, which was received prior to December 31, 2000.

In addition, the Company issued 6,250 common shares at a price of \$0.40 per common share as a finders fee for this transaction.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

8. SHARE CAPITAL (CONT'D)

Stock Options:

A summary of the status of the Company's stock option plan as of March 31, 2001 and December 31, 2000 and changes during the period/year then ended is as follows:

	March 31, 2001		December 31, 2000	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding, beginning of period/year	2,302,000	\$ 0.50	1,625,000	\$ 0.47
Granted	100,000	0.40	1,015,000	0.55
Exercised	-	-	(40,000)	(0.48)
Forfeited/cancelled	(72,500)	(0.57)	(298,000)	(0.49)
Options outstanding, end of period/year	2,329,500	\$ 0.49	2,302,000	\$ 0.50

Warrants:

At March 31, 2001, the Company had outstanding share purchase warrants exercisable to acquire 2,205,916 common shares as follows:

Number	Exercise Price	Expiry Date
452,529*	\$0.52	December 31, 2001
411,657**	\$0.85***	June 7, 2001
90,000	\$1.00***	June 7, 2001
50,000**	\$0.70***	July 31, 2001
70,000	\$0.70***	July 31, 2001
112,500	\$0.55	December 27, 2001
769,230	\$0.65	May 10, 2002
250,000	\$0.40	June 29, 2002
<u>2,205,916</u>		

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

** Exercisable to acquire flow-through common shares or ordinary common shares

*** Consent was received from the Canadian Venture Exchange, in May 2001, to extend the term for these warrants to June 7, 2002 and reduce the exercise price to \$0.45 for 494,773 of these warrants.

EXPATRIATE RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001
(DECEMBER 31, 2000)

9. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2001, the Company was involved in the following related party transactions:

- a. Exploration and development costs totalling \$26,001 and office services totalling \$2,028 have been incurred with a corporation related to the Company by common Directors.
- b. Management fees and consulting fees totalling \$36,334 have been incurred with certain directors, officers and corporations related by common Directors. Of this amount \$24,024 was capitalized to deferred costs.

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.

10. SUBSEQUENT EVENT

The Company completed a Private Placement financing consisting of 619,000 units at a price of \$0.30 per unit for a total consideration of \$185,700. Each unit consists of one (1) common share and one (1) share purchase warrant exercisable to acquire one (1) additional common share at a price of \$0.45 per share on or before April 8, 2002.

**EXPATRIATE RESOURCES LTD.
MARCH 31, 2001**

Section 1**A. ANALYSIS OF EXPENSES AND DEFERRED COST:**

See the accompanying consolidated financial statements.

Section 2**A. RELATED PARTY TRANSACTIONS FOR THE CURRENT FISCAL YEAR-TO-DATE:**

Refer to Note 9 in the accompanying consolidated financial statements.

The aggregate amount of expenditures made to parties not at arms length from the Company were \$64,363 during the current fiscal year to date.

Section 3**A. SECURITIES ISSUED DURING PERIOD ENDED MARCH 31, 2001:**

Date of Issue	Type of Security	Type of Issue	Number of Shares Issued	Price Per Share	Total Proceeds	Type of Consideration	Commissions and Expenses Paid
Jan. 8/01	Common Shares	Private Placement	500,000	\$0.40	\$ 200,000	Cash	N/A
Jan. 11/01	Common Shares	Private Placement	616,166	\$0.40	\$ 246,466	Cash	\$ 1,500
Jan. 11/01	Common Shares	Finders Fee	6,250	\$0.40	\$ 2,500	N/A	N/A

Section 3**B. OPTIONS GRANTED DURING PERIOD ENDED MARCH 31, 2001:**

Date Granted	Name of Optionee	Number of Options	Exercise Price	Expiry Date
Feb. 8/01	Walter Segsworth	100,000	\$0.40	Feb. 8, 2006

EXPATRIATE RESOURCES LTD.
MARCH 31, 2001

Section 4**A. AUTHORIZED AND ISSUED SHARE CAPITAL AS AT MARCH 31, 2001:**

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 23,978,682 common shares have been issued for a total of \$21,474,696.

B. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES OUTSTANDING AS AT MARCH 31, 2001:

Type of Security	Number or Amount	Exercise or Conversion Price	Expiry Date
Options	652,000	\$0.48	Dec. 11, 2002
Options	30,000	\$0.51	July 3, 2003
Options	250,000	\$0.39	Oct. 20, 2003
Options	52,500	\$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	290,000	\$0.74	Mar. 3, 2005
Options	90,000	\$0.50	May 25, 2005
Options	140,000	\$0.50	June 15, 2005
Options	100,000	\$0.50	June 19, 2005
Options	345,000	\$0.40	Dec. 29, 2005
Options	100,000	\$0.40	Feb. 8, 2006
Warrants	452,529*	\$0.52	Dec. 31, 2001
Warrants***	411,657**	\$0.85	June 7, 2001
Warrants***	90,000	\$1.00	June 7, 2001
Warrants***	50,000**	\$0.70	July 31, 2001
Warrants***	70,000	\$0.70	July 31, 2001
Warrants	112,500	\$0.55	Dec. 27, 2001
Warrants	769,230	\$0.65	May 10, 2002
Warrants	250,000	\$0.40	June 29, 2002
Convertible Loan	\$ 500,000	\$0.65 or	May 2, 2002
		\$0.75 or	May 2, 2003
		\$0.85	May 2, 2004

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

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

*** Consent was received from the Canadian Venture Exchange, in May 2001, to extend the term for these warrants to June 7, 2002 and reduce the exercise price to \$0.45 for 494,773 of these warrants.

**EXPATRIATE RESOURCES LTD.
MARCH 31, 2001**

C. SHARES IN ESCROW OR SUBJECT TO POOLING AS AT MARCH 31, 2001:

Common shares in escrow - Nil

Section 5

A. LIST OF DIRECTORS AND OFFICERS AS AT MAY 18, 2001:

Dr. Harlan D. Meade	President/CEO/Director
Robert G. Yeoman	CFO/Director
W. Douglas Eaton	Director
William J. Fisher	Director
John M. Sibley	Director
Walter Segsworth	Director
Glenn R. Yeadon	Secretary

**EXPATRIATE RESOURCES LTD.
MARCH 31, 2001**

Description of Business

Expatriate is in the business of exploration and development of mineral deposits in Canada 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.

Discussion of Operations

Finlayson Project

During the first quarter, Expatriate continued the evaluation of the Finlayson Project, Yukon, the advancement of its permit application for the combined development of Kudz Ze Kayah and Wolverine deposits, and the continuance of negotiations with the Kaska Nation towards securing a socioeconomic agreement for development of the Wolverine Project. The latter agreement would accompany a similar agreement that is to be acquired from Cominco Ltd. for the Kudz Ze Kayah property pursuant to the Asset Sale Agreement with Cominco.

Expatriate proposed a budget and program for the Wolverine Joint Venture totaling \$705,000. This program was approved by the Wolverine Joint Venture in the February 6, 2001 joint venture meeting. Subsequently, Atna Resources Ltd. informed Expatriate that it does not intend to participate in the 2001 program, and as a result will undergo dilution of its 40% interest. Assuming the full amount of the approved program is expended, Atna's interest in the Wolverine Joint Venture would be reduced to approximately 38.5%. If a party's interest is reduced to below 15% then it would forfeit its participating interest and would receive a net smelter return royalty of 2.5% that reduces to 1% upon receipt of royalty payments totaling \$3 million.

Atna has questioned Expatriate's allocation of costs related to the proposed 2001 permitting program for development of the Wolverine Deposit. Expatriate has agreed in principle to seek a process of review to resolve questions associated with such allocation issues.

Acquisition of Mineral Properties from Cominco Ltd.

The Asset Sale Agreement for the Kudz Ze Kayah properties (see March 1, 2000 release) provides for Cominco to receive a \$10 million debenture from Expatriate. The debenture remains in escrow pending transfer by Cominco of all licenses and permits to Expatriate on Closing. The Closing and assignment of the leases and licenses have been delayed pending completion of financing by Expatriate sufficient to allow it to replace the security bonds lodged by Cominco with the respective regulatory bodies. These bonds total \$450,000. In addition, Expatriate is required to provide Cominco with an \$85,000 environmental bond to cover its activities on the Kudz Ze Kayah properties.

**EXPATRIATE RESOURCES LTD.
MARCH 31, 2001**

Failure to make the required payments to Cominco would result in default under the Asset Sale Agreement and Cominco would have the right to terminate that agreement. Upon termination, Expatriate would cease to have any interest or right to the Kudz Ze Kayah properties but would retain its interest in the Wolverine Joint Venture and its wholly owned claims in the Finlayson District.

Other Projects

Expatriate entered into agreement with Nordac Resources Ltd. on February 6, 2001 granting it an option to earn a 50% interest in Expatriate's Donjek Property in the Kluane District of western Yukon. Nordac may earn the interest by providing for the assessment work required in March, 2001 and spending \$30,000 on exploration on the claims during 2001 and filing an additional two years of assessment credit. Upon vesting its interest, the parties will enter into a joint venture to continue exploration and development of the property.

Latina Resources Ltd.

Latina, a wholly owned subsidiary of Expatriate, continued to search for a joint venture partner for its Isleña and Gabriela projects in northern Chile. These projects are owned by Compañía Minera Latina Limitada, Latina's wholly owned Chilean subsidiary.

Nitrosyl Technologies Corporation

The search for a strategic partner to participate in the development of Nitrosyl's sulphur and metal leaching technologies progressed during the period.

Financing Activities

Expatriate seeks to raise approximately \$1.5 million in mid 2001 to provide the additional money to carry out Phase II of the proposed \$3 million exploration program and permitting planned for the Finlayson Project. Sufficient money is available to undertake the permitting activities and carry out the initial phase of exploration activities. During the quarter, Expatriate also sought to raise a minimum \$1.5 million of capital to meet its obligations under the Asset Sale Agreement with Cominco.

Expatriate met with investors in Europe in March 2001 as part of its effort to raise all or part of the additional \$2.0 million of working capital sought to meet the bonding and debenture payment to Cominco due on or before May 24, 2001 and ongoing administrative and financing expenses.

EXPATRIATE RESOURCES LTD.
MARCH 31, 2001

Working capital at end of the quarter was approximately \$1,451,583 million dollars of which \$1,132,739 million is restricted capital for use in exploration and permitting on its Finlayson Project and its other projects. Unrestricted capital available for administrative and related costs remains tight at the end of the quarter. Additional financing is planned to address this issue.

Proceeds from the sale of flow-through share sales in the fourth quarter of 2000 is planned to be expended during the summer 2001 program. Any money not expended by February 28, 2001 will be subject to an 8% deemed interest tax under the Income Tax Act until expended for eligible Canadian Exploration Expense. There have been no material differences in the actual use of proceeds from the previous disclosures by Expatriate regarding its intended use of proceeds.

Corporate Activities

Management focused much of its efforts on securing the additional money required for the Finlayson Project. Expatriate seeks to raise approximately \$2 million. These funds are to be used for the \$1 million payment due to Cominco under the Kudz Ze Kayah acquisition debenture due May 24, 2001 and the \$530,000 required for environmental bonding and the remainder would be applied to general working capital. Successful completion of this financing is critical to fulfilling obligations under the Asset Purchase Agreement with Cominco for the Kudz Ze Kayah properties and maintaining the Finlayson Project intact as a joint development as premised in the prefeasibility study.

Mr. Walter Segsworth joined the Board of Directors in early February. Mr. Segsworth brings considerable experience in mine development and operations to Expatriate. Mr. Glenn Yeadon resigned from the Board but continues as Secretary to Expatriate. Mr. Alan Archer announced his resignation as Chief Financial Officer and Director of Expatriate and its subsidiaries in mid March. Mr. Robert Yeoman relinquished his position as Vice President Corporate Development to take up the responsibilities of Chief Financial Officer of Expatriate, effective March 15, 2001.

With the changes to the Board, the Audit and Compensation committees were amended. The Audit Committee consists of Messrs. Eaton, Fisher and Mr. Yeoman, and the Compensation Committee consists of Messrs. Segsworth and Sibley. The Compensation Committee is currently conducting a review of management compensation.

Expatriate continues to engage Gateway Communications of Osoyoos, British Columbia to provide investor relations services of communicating new releases to investors and potential investors. For these services, Gateway received \$3,000 during the period.

**EXPATRIATE RESOURCES LTD.
MARCH 31, 2001**

In January 2001, Expatriate and Newcrest Capital Inc. agreed to terms to set aside an agreement whereby Newcrest was to provide financial advisory services to Expatriate. The termination of the services followed the merger of Newcrest with TD Securities Ltd. and their change of focus with respect to involvement in the mining sector. Expatriate is seeking a new brokerage firm to act as its equity advisor.

Management has been in discussion with numerous financial institutions interested in providing services to it in financing the Finlayson Project to production and/or securing a strategic partner for Expatriate with the technical and financial strength to secure the project financing.

Liquidity and Solvency

Expatriate has sufficient funds to cover approximately half of the \$3 million proposed exploration and permitting program for the Finlayson Project. It intends to sell additional flow-through shares in mid year to provide the funds necessary for the second phase of the program. Expenditures on its other exploration properties are expected to be small during 2001 with the focus on the Finlayson Project.

Expatriate needed to raise a minimum \$1,535,000 by May 24, 2001 to meet requirements under the Asset Sale Agreement with Cominco to maintain that agreement for the purchase of the Kudz Ze Kayah properties and keep the Finlayson Project together. It also needs to raise additional unrestricted capital to meet its administrative and other expenses not eligible for Canadian Exploration Expense. The private placements completed in April and May have aided in providing more working capital (see Subsequent Events).

Subsequent Events

Expatriate has completed four private placements totaling \$185,700 through the sale of 619,000 units consisting of one common shares and one-half warrant during the period (see news release of April 9, 2001). Expatriate filed its Preliminary Prospectus with the Ontario Securities Commission on April 9, 2001. Once received, the Prospectus will qualify special warrants sold in earlier private placements for conversion into free trading shares, and Expatriate will become a reporting issuer in Ontario.

On May 1, 2001, Expatriate announced that it had negotiated a US\$5 million convertible development loan with Resource Capital Fund II L.P. The loan was subject to due diligence and regulatory acceptance. The proceeds of the loan were to be used for development of the Finlayson Project and working capital. On May 22, 2001, Expatriate announced that the Fund had withdrawn the loan facility. Expatriate has requested an extension from Cominco Ltd. to secure alternative financing to allow it to meet its obligations under the Asset Sale Agreement. Discussions are underway with several groups to provide the required financing for the Finlayson Project.

EXPATRIATE RESOURCES LTD.
MARCH 31, 2001

The withdrawal of the financing by Resource Capital Fund and expenses associated with trying to complete that financing are expected to create a modest deficit in unrestricted capital. The Company is planning a financing to remedy the shortfall.

Management continued discussions with numerous financial institutions interested in providing services to it in financing the Finlayson Project to production and/or securing a strategic partner for Expatriate with the technical and financial strength to secure the project financing. Expatriate also commenced discussions and due diligence reviews with several banks interested in project financing.

Mr. Douglas Eaton, Director has indicated that he will not stand for re-election to the board of Expatriate. Similarly, Mr. William Fisher of Boliden Limited has indicated that he will also not stand for re-election and the nominee for Boliden Limited shall be Kjell Larsson, Vice President Mining Operations Americas, Boliden Limited. The **Annual General Meeting** of Expatriate is scheduled for Tuesday June 5, 2001 at 2:00 PM in the Oak Room at Four Seasons Hotel, Vancouver. The other nominees for the Board shall be Messrs. Meade, Segsworth, Sibley and Yeoman.

Dr. Harlan Meade, President, participated in mining workshops in Seoul, Korea and Tokyo, Japan. The workshops for the mining industry were organized by Natural Resources Canada and the Canadian Embassy. Expatriate presented its Finlayson Project as an advanced exploration and development project. Expatriate also met with officials of several of the smelter companies in Seoul and Tokyo that have expressed interest in receiving concentrates from the Finlayson Project.

Expatriate received consent from the Canadian Venture Exchange for the repricing and/or extension of warrants to purchase 633,657 common shares that were to expire on June 7, 2001 and July 31, 2001. All the warrants were extended to June 7, 2002 and the conversion price for warrants for the purchase of 494,773 common shares was repriced to \$0.45.

Expatriate filed its Annual Information Form dated May 22, 2001 with the BC and Alberta Securities Commissions on May 23, 2001.