

FORM 51-901F

QUARTERLY REPORT

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

ISSUER DETAILS:

Name of Issuer EXPATRIATE RESOURCES LTD.

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

Issuer Telephone Number (604) 682-5474

Contact Person Harlan D. Meade

Contact Position President and Chief Executive Officer

Contact Email Address info@expatriateresources.com

Web Site Address www.expatriateresources.com

Contact Person Harlan D. Meade

Contact Telephone Number (604) 682-5474

For Quarter Ended March 31, 2003

Date of Report (yy/mm/dd) 03/05/29

CERTIFICATE

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

 "Harlan D. Meade" 03/05/29
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

 "Robert G. Yeoman" 03/05/29
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

EXPATRIATE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2003

(Unaudited - See Notice to Reader)

DE VISSER GRAY
CHARTERED ACCOUNTANTS

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

Tel: (604) 687-5447
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NOTICE TO READER

We have compiled the consolidated balance sheet of Expatriate Resources Ltd. as at March 31, 2003 and the consolidated statements of operations and deficit and cash flows 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. Readers are cautioned that these statements may not be appropriate for their purposes.

De Visser Gray

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
May 29, 2003

EXPATRIATE RESOURCES LTD.

Consolidated Balance Sheets

As at

(Unaudited - See Notice to Reader)

	March 31, 2003	December 31, 2002
	(Unaudited)	(Audited)
	\$	\$
A S S E T S		
Current Assets		
Cash	631,698	490,763
Amounts receivable	59,207	40,252
Marketable securities	872,859	122,859
Mineral exploration tax credits recoverable	128,329	96,142
Prepaid expenses	4,339	4,339
	1,696,432	754,355
Capital assets	34,195	33,451
Deferred property costs	16,644,787	16,544,211
Deferred technology costs	500,000	500,000
Deposit	4,811	4,811
	18,880,225	17,836,828
L I A B I L I T I E S		
Current Liabilities		
Accounts payable and accrued liabilities	87,258	63,158
Current obligation under capital lease	2,458	3,222
	89,716	66,380
Non-controlling interest (note 5)	571,181	-
	660,897	66,380
S H A R E H O L D E R S- E Q U I T Y		
Share capital (note 4)	26,145,827	25,727,577
Share subscription advances	-	230,000
Deficit	(7,926,499)	(8,187,129)
	18,219,328	17,770,448
	<u>18,880,225</u>	<u>17,836,828</u>

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Statements of Operations and Deficit
For the three month periods ended March 31,
(Unaudited - See Notice to Reader)

	2003	2002
	\$	\$
Administration Costs		
Amortization	2,295	2,486
Consulting	74,687	2,648
Interest on long-term debt	-	14,167
Investor relations and financing	98,980	14,834
Regulatory fees	17,342	5,450
Professional fees	56,793	20,024
Rent and office services	38,861	30,880
Salaries and benefits	10,448	33,779
Interest and other income	(2,144)	(5,290)
Loss on conversion of foreign currencies	1,015	206
Gain on grant of non-controlling interest	(538,819)	-
Gain on disposal of marketable securities	(21,471)	-
Mineral property examination costs	-	8,127
Write-down of deferred technology costs	1,383	-
Write-down of deferred property costs	-	1,576
Net earnings (loss) for the period	260,630	(128,887)
Deficit - beginning of period	(8,187,129)	(7,814,635)
Deficit - end of period	<u>(7,926,499)</u>	<u>(7,943,522)</u>
Earnings (Loss) per share	<u>\$ 0.01</u>	<u>\$ (0.00)</u>

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Statements of Cash Flows
For the three month periods ended March 31,
(Unaudited - See Notice to Reader)

	2003	2002
	\$	\$
Cash Provided by (Used for):		
Operating Activities		
Net earnings (loss) for the period	260,630	(128,887)
Adjustment for items not involving cash:		
Amortization	2,295	2,486
Gain on grant of non-controlling interest	(538,819)	-
Write-down of deferred property costs	-	1,576
	(275,894)	(124,825)
Changes in non-cash working capital items:		
Amounts receivable and prepaid expenses	(18,955)	(4,769)
Accounts payable and accrued liabilities	24,100	(45,149)
Due to related parties	-	7,694
Prepaid expenses	-	(5,670)
	(270,749)	(172,719)
Financing Activities		
Loan repayment	-	(9,665)
Issue of share capital for cash	188,250	143,000
Finder's fee	-	(5,650)
Capital lease repayment	(764)	(673)
Issue of special warrants by subsidiary	360,000	-
	547,486	127,012
Investing Activities		
Capital assets acquired	(3,039)	-
Mineral property option payment received	85,000	102,500
Deferred property costs, net of exploration tax credits	(217,763)	(80,945)
Deferred technology costs	-	(1,302)
	(135,802)	20,253
Net cash inflow (outflow) during the period	140,935	(25,454)
Cash - beginning of period	490,763	144,462
Cash - end of period	631,698	119,008

Supplementary disclosure of non-cash investing and financing activities:

During the three month period ended March 31, 2003, the Company issued 4.2 million common shares for which proceeds of \$230,000 had been received as at December 31, 2002.

Refer also to note 5.

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Schedule of Deferred Property Costs
For the three month period ended March 31, 2003
(Unaudited - See Notice to Reader)

	Finlayson Project	Lynx Creek	Aurex- Sinister Project	Hyland	Eureka Joint Venture	Wolverine Joint Venture	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and Development Costs								
Accommodation and meals	7	-	1,056	-	-	-	-	1,063
Assays	-	-	-	-	632	-	251	883
Consulting	30,075	16,600	26,153	23,992	2,476	973	1,489	101,758
Field office	125	368	413	3,490	60	-	9	4,465
Field equipment	603	525	1,353	1,899	90	7	-	4,477
Helicopter and fuel	-	-	321	8,783	-	-	-	9,104
Labour	-	-	1,875	276	1,845	-	-	3,996
Land and recording fees	3,884	-	158	12,118	103	-	18,639	34,902
Travel, freight and warehouse	396	134	1,463	1,227	30	6	-	3,256
	<u>35,090</u>	<u>17,627</u>	<u>32,792</u>	<u>51,785</u>	<u>5,236</u>	<u>986</u>	<u>20,388</u>	<u>163,904</u>
Recoveries	(1,058)	-	-	-	-	-	(84)	(1,142)
Mineral exploration tax credits	(7,802)	(4,407)	(8,158)	(9,917)	(1,283)	(246)	(373)	(32,186)
Total costs incurred during the period	<u>26,230</u>	<u>13,220</u>	<u>24,634</u>	<u>41,868</u>	<u>3,953</u>	<u>740</u>	<u>19,931</u>	<u>130,576</u>
Balance, December 31, 2002	<u>10,996,742</u>	<u>36,664</u>	<u>154,084</u>	<u>104,710</u>	<u>98,462</u>	<u>874,628</u>	<u>930,159</u>	<u>13,195,449</u>
Balance, March 31, 2003	<u>11,022,972</u>	<u>49,884</u>	<u>178,718</u>	<u>146,578</u>	<u>102,415</u>	<u>875,368</u>	<u>950,090</u>	<u>13,326,025</u>
Acquisition costs	<u>243,308</u>	<u>7,242</u>	<u>163,965</u>	<u>39,000</u>	<u>59,894</u>	<u>2,557,500</u>	<u>247,853</u>	<u>3,318,762</u>
	<u><u>11,266,280</u></u>	<u><u>57,126</u></u>	<u><u>342,683</u></u>	<u><u>185,578</u></u>	<u><u>162,309</u></u>	<u><u>3,432,868</u></u>	<u><u>1,197,943</u></u>	<u><u>16,644,787</u></u>

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Consolidated Schedule of Deferred Property Costs
For the three month period ended March 31, 2002
(Unaudited - See Notice to Reader)

	Finlayson Project	Lynx Creek	Aurex- Sinister Project	Hyland	Eureka Joint Venture	Wolverine Joint Venture	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and Development Costs								
Accommodation and meals	39	-	-	39	-	-	-	78
Consulting	43,076	-	1,860	748	882	-	8,961	55,527
Drafting	1,975	-	-	447	13	-	287	2,722
Field office	4,246	-	1,005	279	70	-	1,118	6,718
Labour	-	-	-	2,639	935	-	-	3,574
Professional fees	-	-	-	-	-	-	1,100	1,100
Land and recording fees	2,855	-	-	527	-	-	12,658	16,040
Supplies and miscellaneous	218	-	-	-	-	-	2,942	3,160
Travel and freight	19	-	-	9	4	-	120	152
	52,428	-	2,865	4,688	1,904	-	27,186	89,001
Mineral exploration tax credits	(13,010)	-	(716)	(1,040)	(476)	-	(696)	(15,938)
Mineral property examination costs	-	-	-	-	-	-	(8,127)	(8,127)
Total costs incurred during the period	39,418	-	2,149	3,648	1,428	-	18,363	65,006
Balance, December 31, 2001	10,814,120	-	127,979	84,881	92,512	854,582	854,659	12,828,733
Write-off of costs	-	-	-	-	-	-	(1,575)	(1,575)
Balance, March 31, 2002	10,853,538	-	130,128	88,529	93,940	854,582	871,447	12,892,164

See notes to consolidated financial statements

EXPATRIATE RESOURCES LTD.
Notes to Interim Consolidated Financial Statements
For the three month period ended March 31, 2003

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

2. BASIS OF PRESENTATION

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

3. RELATED PARTY TRANSACTIONS

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

Management and consulting fees totaling \$48,325 have been incurred with certain directors, officers and corporations related by common directors.

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

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

4. SHARE CAPITAL

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

	Price per Share \$	Number of Shares	\$
Issued at December 31, 2002		<u>50,026,128</u>	<u>25,727,577</u>
Private placement	0.10	*4,200,000	**418,250
Issued at March 31, 2003		<u>54,226,128</u>	<u>26,145,827</u>

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

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

- b) Summary of stock options, warrants and convertible securities outstanding at March 31, 2003:

Type of Issue	Number Outstanding	Exercise Price \$	Expiry Date
Options	30,000	0.51	7/3/03
	250,000	0.39	10/20/03
	200,000	0.74	3/3/05
	140,000	0.50	6/15/05
	190,000	0.40	12/29/05
	100,000	0.40	2/8/06
	975,000	0.10	11/28/06
	185,000	0.10	2/12/07
	90,000	0.11	4/26/07
	995,000	0.12	5/14/07
	80,000	0.12	6/11/07
	125,000	0.10	10/24/07
	<u>800,000</u>	0.10	11/25/07
	<u>4,160,000</u>		
Warrants	250,000	0.20	6/29/03
	250,000	0.12	7/10/03
	85,000	0.20	7/30/03
	1,032,500	0.12	8/27/03
	100,000	0.10	11/1/03
	3,500,000	0.12	12/19/03
	1,400,000	0.12	1/27/05
	<u>700,000</u>	0.15	2/11/05
	<u>7,317,500</u>		

4. SHARE CAPITAL (continue)

Summary of stock option continuity:

Fixed Options	Number of Shares	Weighted - Average Exercise Price
		\$
Balance outstanding, December 31, 2002	4,160,000	0.19
Granted	-	-
Balance outstanding, March 31, 2003	4,160,000	0.19

5. NON-CONTROLLING INTEREST

During the quarter ended March 31, 2003, the Company's subsidiary, StrataGold, acquired net assets valued at \$1,110,000 (inclusive of cash of \$360,000) by the issue of securities to third parties which represented a 25% interest in StrataGold's resultant outstanding share capital. The Company recognized a non-cash gain of \$538,819 representing the difference in the Company's proportionate interest in the net assets received and the book value of its investment in StrataGold given up. The non-controlling interest at March 31, 2003 is recognized to the extent of the third parties' aggregate 25% interest in the net assets of StrataGold at the date of their acquisition of that interest.

6. SUBSEQUENT EVENTS

In addition to items disclosed elsewhere in these notes, the following events occurred subsequent to March 31, 2003:

- a) The Company issued 150,000 common shares pursuant to the exercise of warrants for proceeds of \$18,000.
- b) The Company granted 680,000 stock options exercisable at a price of \$0.11 for a period of five years.

FORM 51-901F

QUARTERLY REPORT

Incorporated as part of: 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 and Chief Executive Officer

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Contact Telephone Number (604) 682-5474

For Quarter Ended March 31, 2003

Date of Report (yy/mm/dd) 03/05/29

CERTIFICATE

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

 "Harlan D. Meade" 03/05/29
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

 "Robert G. Yeoman" 03/05/29
NAME OF DIRECTOR DATE SIGNED (YY/MM/DD)

EXPATRIATE RESOURCES LTD.

Quarterly Report

March 31, 2003

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs:

Deferred exploration and development expenditures: Refer to Schedule A.

2. Related party transactions

Refer to note 2 in Schedule A.

3. Summary of securities issued and options granted during the period:

a) Summary of securities issued during the period:

<u>Date of Issue</u>	<u>Type of Issue</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Gross Proceeds</u>
			\$	\$
1/27/03	Private placement	2,800,000	0.10	280,000
2/27/03	Private placement	1,400,000	0.10	140,000
		<u>4,200,000</u>		<u>420,000</u>

b) Summary of stock options granted during the period: Nil

4. Summary of securities as at March 31, 2003:

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

Issued and outstanding: 54,226,128 common shares

EXPATRIATE RESOURCES LTD.

Quarterly Report

March 31, 2003

SCHEDULE B: SUPPLEMENTARY INFORMATION (continued)

b) Summary of stock options, warrants and convertible securities outstanding:

Type of Issue	Number Outstanding	Exercise Price	Expiry Date
		\$	
Options	30,000	0.51	7/3/03
	250,000	0.39	10/20/03
	200,000	0.74	3/3/05
	140,000	0.50	6/15/05
	190,000	0.40	12/29/05
	100,000	0.40	2/8/06
	975,000	0.10	11/28/06
	185,000	0.10	2/12/07
	90,000	0.11	4/26/07
	995,000	0.12	5/14/07
	80,000	0.12	6/11/07
	125,000	0.10	10/24/07
	<u>800,000</u>	0.10	11/25/07
	<u><u>4,160,000</u></u>		
Warrants	250,000	0.20	6/29/03
	250,000	0.12	7/10/03
	85,000	0.20	7/30/03
	1,032,500	0.12	8/27/03
	100,000	0.10	11/1/03
	3,500,000	0.12	12/19/03
	1,400,000	0.12	1/27/05
	<u>700,000</u>	0.15	2/11/05
	<u><u>7,317,500</u></u>		

c) Shares in escrow: NIL
 Shares subject to pooling: NIL

EXPATRIATE RESOURCES LTD.

Quarterly Report

March 31, 2003

5. Directors and Officers:

Directors:

James I. Jack
Harlan D. Meade
Robert McKnight
Walter Segsworth
Robert G. Yeoman

Officers:

Harlan D. Meade, President
Glenn Yeadon, Secretary
Jason Dunning, Vice-President of Exploration

EXPATRIATE RESOURCES LTD.

March 31, 2003

Events During the Quarter Ended March 31, 2003

Description of Business

Expatriate is in the business of exploration and development of mineral deposits in Canada, the United States and South America. Expatriate, through its subsidiary Nitrosyl Technologies Corporation, also has interests in metal leaching and sulphur technologies that may provide strategic benefit to the development of its mineral properties.

StrataGold Corporation

In July 2002, Expatriate indicated to shareholders and investors that it intended to form a new public company to advance exploration of its gold properties (see July 9, 2002 news release). StrataGold Corporation was incorporated under the BC Companies Act on August 21, 2002. Expatriate has actively increased its mineral claim holdings and interest in its gold properties through a series of acquisition agreements (see Discussion of Operations). On January 17, 2003, Expatriate sold all its interest in the Hyland, Aurex, Lynx, Eureka Joint Venture properties, Watabeag, and Russell Creek gold properties and its Canalask and Donjek platinum group metals properties to its subsidiary StrataGold for 8 million special warrants (see Corporate Activities). In conjunction with taking StrataGold public, it has entered into numerous private financings aggregating proceeds of \$1,335,000 (see Corporate Activities and Subsequent Events).

Discussion of Operations

Much of management's time during the quarter was spent advancing the formation of StrataGold Corporation, the new gold company being formed by Expatriate to focus exploration on its gold assets. In particular, the Company is preparing an information circular describing the planned separation of the gold assets held by its subsidiary StrataGold Corporation by means of a plan of arrangement, from the core base-precious metals assets of Expatriate. No active exploration was conducted during the first quarter; however, progress was made in processing of data and preparation of the gold assets for sale and transfer to StrataGold.

Finlayson Project, Yukon

Expatriate continues to evaluate exploration and development opportunities for its properties in the Finlayson District of the Yukon. In conjunction with this activity, Expatriate acquired a 60% joint venture interest in the Logan property in southern Yukon (see Subsequent Events) with the intent to study the combined development of Logan with the Wolverine deposit.

Wolverine Joint Venture

Expatriate has proposed a 2003 exploration property maintenance program of \$18,700. Atna has elected not to participate in the program and will undergo modest dilution.

Finlayson Emerald Joint Venture

The Company announced November 14, 2002, that it has entered into an agreement with YK Group whereby YK Group may acquire a 60% interest in exploration and development of the gemstone potential of Expatriate's extensive claim holdings in the Finlayson District.

The option and joint venture agreement with YK Group covers two property groups; the smaller Light and the larger Finlayson Property. As exploration advances, the gemstone exploration rights on the Finlayson Property will be reduced to 500 claims on the third anniversary and to 200 claims on the fifth anniversary. The Company continues to retain 100 percent of the base, precious and ferro-alloy metals rights on all claims subject to the agreement.

The YK Group can earn a 60% interest in the two properties by making aggregate expenditures of \$500,000 over five years after which the parties will enter into a joint venture to continue exploration and development of the gemstone potential. Should Expatriate's interest be diluted below 15 percent it shall forfeit its participating interest and receive a three percent gross revenue royalty on gemstone production from the Expatriate properties. The claims are also subject to a five kilometre area of influence within which new claims acquired by the parties shall be subject to the terms of the option and joint venture agreement. Expatriate shall also have a one (1) percent gross revenue royalty on gemstones from claims acquired by YK Group within the area of interest of the Expatriate claims.

YK Group shall also make aggregate cash payments to Expatriate of \$50,000 on the Light property and \$30,000 on the Finlayson Property. The initial aggregate cash payment of \$10,000 has been received. In addition, Expatriate shall receive 150,000 common shares in a public company to be established by the YK Group.

The Company in conjunction with YK group staked 166 claims in 7 parcels during November 2003. The claims were staked to cover favourable geology with the potential to hold emerald mineralisation. The claims are part of the Finlayson and Light and Finlayson property groups and subject to the agreement with the YK Group.

Canalask Property, Yukon

Uravan Minerals Inc., advised Expatriate by January 31, 2003 letter that it was relinquishing its option to earn a 50% interest in Expatriate's Canalask property in the Kluane District in southwest Yukon. Uravan completed approximately \$620,000 of the \$1.2 million of expenditures required to vest under the Option.

Donjek Property

Midnight Mines Ltd. is exploring the Donjek nickel-copper-gold-platinum group metals property located in southwest Yukon under an option agreement (see October 31, 2002 news release). The Donjek property consists of Don, Wolv and Klux claims located in the Donjek River area of the central segment of the 160 kilometre long Kluane Mafic Ultramafic Belt.

Blue Moon Property, California

Expatriate completed the purchase of all of the shares of Westmin Resources, Inc. on October 25, 2002 and issued 3,000,000 common shares to Boliden Westmin (Canada) Limited and granted it a 0.5% Net Smelter Return royalty capped at US\$500,000. Westmin Resources, Inc. has been renamed Keystone Mines Inc. (an Idaho corporation) and holds a 100% interest in the Blue Moon property subject to certain royalty interests (see May 9, 2002 and October 28, 2002 news releases).

The Blue Moon property is located 35 kilometres east of Merced in Mariposa County, California, and hosts the high-grade Blue Moon zinc-copper-lead-silver-gold massive sulphide deposit and extensions of the favourable stratigraphy. Previous mining by Hecla Mining Company during 1943-1945 reportedly produced 55,656 tons grading 12.3% zinc, 0.36% copper, 0.48% lead, 3.75 oz/ton silver and 0.062 oz/ton gold. The project was actively explored by Colony Pacific Explorations Ltd. and Westmin Resources Limited in the period 1981-1988 with 56,853 feet of drilling completed in 62 drill holes. The drilling defined a geological reserve (Westmin, 1989 Annual Report) as summarized in the table:

Geological Reserves*	<u>Tonnes</u>	Zn %	Cu %	Pb %	Ag g/t	Au g/t
Probable	2,457,600	8.84	1.05	0.53	98.4	2.33
Possible	1,006,900	5.75	0.96	0.36	69.6	2.23

* Under National Policy 43.101 the Probable and Possible Reserves would be classified as Indicated and Inferred Mineral Resources, respectively.

Blue Moon provides Expatriate an attractive small mine development opportunity that may be enhanced by discovery of additional ores as exploration is renewed. The location and excellent infrastructure provide opportunity for low capital and operating costs in development of the deposit. Expatriate plans to undertake a review of the data and resume exploration. It also plans to re-evaluate the production plan for the deposit and formulate a new plan for its development.

Minera Latina S.A.

Expatriate's wholly owned subsidiary, Compañia Minera Latina Limitada, granted BHP Chile Inc., a 100% owned subsidiary of BHP Billiton, an option to acquire a 60% interest in its Gabriela property in Northern Chile (see March 10, 2003 news release).

BHP Billiton can earn a 60% interest in the Gabriela property by making exploration expenditures of US\$2.5 million over five years and making cash payments to Expatriate totalling US\$40,000, as well as the reimbursement of property holding costs. Upon BHP Billiton vesting a 60% interest it may either form

a 60:40 joint venture or elect to increase its interest to 70% by completing a detailed Pre-feasibility Study sufficient to allow the parties to make a decision to go to Bankable Feasibility Study. Should BHP Billiton elect to advance the project to a Bankable Feasibility Study it shall earn an additional 5% interest and the parties shall form a joint venture or joint operating company with BHP Billiton and Expatriate having a 75% and 25% participating interest respectively. Should a joint venture participant not participate and have its interest dilute below 10%, it shall forfeit its participating interest and receive a 1.5% Net Smelter Return royalty, which shall be subject to a purchase option of US\$1.5 million on the first 0.5% and US\$3.0 million on the second 0.5% reducing the royalty to 0.5% of Net Smelter Returns.

The Gabriela property consists of 37 square kilometres of mineral claims located 55 kilometres west of Codelco's large Chuquicamata copper mine and 70 kilometres north of BHP Billiton's Spence deposit. The property covers a large pediment covered area to the east of the Yuby claims that Expatriate acquired from Falconbridge Limited in March 2002 (see March 12, 2002 news release). Little is known about the Gabriela claims area, excepting that Rio Algom Limited drilled three very wide spaced reverse circulation holes on the property in 1998. Expatriate observed pyrite-sericite-chlorite alteration in drill cuttings from two of the holes, which could indicate alteration peripheral to a porphyry copper system.

Hyland Gold Joint Venture

On November 27, 2002, Expatriate entered into an agreement with Cash Minerals Ltd. ("Cash") to acquire its 55% interest in the Hyland Gold Joint Venture. On January 27, 2003, Expatriate completed the acquisition payments of \$85,000 and granted Cash a 1.0% net smelter return interest, increasing Expatriate's participating interest in the Hyland Gold Joint Venture to 86%.

On January 14, 2003, Expatriate on behalf of StrataGold entered into a purchase agreement with Strategic Metals Ltd. ("Strategic") to acquire its 14% interest in the Hyland Gold Joint Venture. Expatriate acquired the 14% participating interest in the Hyland Gold Joint Venture by making a single payment of \$10,000 to Strategic and granting it a 0.25 percent Net Smelter Return royalty on production from the Hyland property. StrataGold has reimbursed Expatriate for the purchase payment.

With completion of the two acquisitions, Expatriate holds a direct 100% interest in the Hyland property through StrataGold and has extinguished the joint venture.

Northgate Option Agreement

On February 10, 2003, Expatriate's subsidiary, StrataGold Corporation, entered into an option and joint venture agreement with Northgate Exploration Limited ("Northgate") granting it the right to acquire an initial 51% joint venture interest in the Hyland gold property located in the Quartz Lake area in southeast Yukon (see February 10, 2003 news release).

Under the Initial Option, Northgate will earn a 51% interest in the Hyland property by making exploration expenditures of \$5,000,000 over four years, including a firm commitment to spend a minimum \$700,000 in the first year. In addition, Northgate shall make property payments totalling \$210,000 including an initial payment of \$85,000. Upon completing \$5,000,000 in exploration expenditures and making the cash payments, Northgate shall have an Additional Option to increase its interest to 60%. Northgate shall have

15 days to elect to earn an additional 9% interest by completing a bankable feasibility study and making all expenditures related thereto. Alternatively, upon completing the Initial Option Northgate may elect to form the joint venture holding an initial 51% participating interest and Expatriate holding a 49% participating interest. StrataGold will be the operator of exploration programs during the Initial Option, whereas Northgate will be the operator during the Additional Option.

The Hyland property is subject to a total of 1.25% Net Smelter Return royalty on the entire property and an additional 1.0% Net Smelter Return royalty on the core part of the property. The latter is capped at \$1,500,000. Should a party's participating interest be diluted below 30%, or should it fail to participate in a feasibility study or mine development program it shall forfeit its participating interest and receive a 2.0% Net Smelter Return royalty.

Aurex Property

On January 14, 2003, Expatriate on behalf of StrataGold entered into an agreement with an individual to purchase a 100% interest in the Sun 1-12 claims located in the Mayo Mining District, Yukon Territory for a single payment of \$45,000. In addition, Expatriate staked 14 fractional claims adjacent the Sun claims. StrataGold has reimbursed Expatriate for the purchase payment.

The Sun claims about the large Aurex property on which Expatriate has developed numerous drill targets. This acquisition further consolidates StrataGold's land holdings in the area (see January 14, 2003 news release).

Corporate Activities

Expatriate Financing

The Yukon Mineral Exploration Tax Credit (YMETC) program remains in effect for 2002 as to 25% on eligible exploration expenditures in 2003. As of the end of the quarter, Expatriate has estimated the YMETC recoverable for 2002 and 2003 of \$128,329 as compared to \$325,101 for the same period for 2001 and 2002.

As at March 31, 2003, Expatriate had sold 60,000 True North Gems warrants for net proceeds of \$21,471. The remaining 25,000 warrants were sold in April (see Subsequent Events).

On February 11, 2003, Expatriate entered into an agreement for the sale of 1,400,000 units at a price of \$0.10 per unit for proceeds of \$140,000 to a single placee. Each unit consists of one flow-through share and one-half non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of Expatriate at a price of \$0.15 for a period of two years. The proceeds of the financing will be used for exploration of its base metal properties in the Yukon.

Expatriate continues to seek opportunities for raising additional capital. In addition it will seek opportunities to farmout non-core properties to increase exploration leverage, reduce capital requirements for exploration, and generate modest option payment revenue (see Subsequent Events).

Change of Auditors

Jones Richards & Company were requested by Expatriate to cease being auditors and did so on January 21, 2003, and the Company appointed DeVisser Gray Chartered Accountants effective January 17, 2003. The change in auditors was made for general business reasons and does not reflect any disagreement between Jones Richards and the Company. DeVisser Gray has also been appointed the auditors for StrataGold Corporation.

StrataGold Financing

As of March 31, 2003, StrataGold had entered into the following financing agreements:

- (i) Seed Capital Loan Agreement dated January 6, 2003 whereby Expatriate Resources Ltd. and its employees advanced \$125,000 to StrataGold Corporation under a convertible loan agreement. The loan bears interest of 4% per annum and the principal and interest is convertible at the note holders election into common shares of StrataGold at \$0.10 per share (see Related Party Transactions).
- (ii) An Investment Agreement dated January 23, 2003 was entered into between StrataGold and Ocean Resources Capital Holdings plc whereby StrataGold will issue 1,875,000 of its common shares in return for 607,287 common shares of Ocean (see January 24, 2003 news release). The StrataGold shares have a deemed value of \$750,000 or \$0.40 per share. The Ocean shares have a deemed value of £303,643 or £0.50/share (approximately CAD\$750,000). In addition, StrataGold will issue Ocean 937,500 warrants to purchase StrataGold common shares. Each StrataGold warrant entitles the holder to purchase one additional common share of StrataGold for \$0.52/share for a period of two years from the commencement of trading of StrataGold shares. Ocean issued StrataGold 607,287 warrants to purchase additional Ocean common shares. StrataGold intends to hold the Ocean shares and warrants for investment purposes and to divest of them over time to provide additional working capital following the three-month voluntary pooling period after commencement of trading.
- (iii) StrataGold announced on January 28, 2003 that it had completed a private placement with a single investor for 800,000 special warrants at \$0.45/special warrant for proceeds of \$360,000. Each special warrant is convertible on the earlier of commencement of trading of StrataGold or January 28, 2005 into one unit consisting of one common share and one-half non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of StrataGold at a price of \$0.75 for a period of two years (see January 28, 2003 news release).
- (iv) StrataGold announced March 7, 2003, that it had engaged Raymond James Ltd. and Loewen, Ondaatje, McCutcheon Limited to lead a best efforts public financing to raise a minimum \$3 million in flow-through and non flow-through shares (see March 7, 2003 news release).
- (v) StrataGold announced on March 27, 2003 that it has entered into a private placement agreement with Ocean Resources Capital Holdings PLC whereby Ocean will purchase 250,000 StrataGold units at a price of \$0.40 for proceeds of \$100,000. Each unit consists of one common share and

one-half common share purchase warrant entitling the holder to purchase an additional share for \$0.75 for a period of two years.

Related Party Transaction

On January 6, 2003, Expatriate entered into a loan agreement with StrataGold Corporation to lend it \$125,000 (the "Seed Capital Loan") for seed capital to advance the formation of StrataGold as a public company. The Seed Capital Loan bears interest of 4% calculated annually and is repayable by StrataGold upon 10 days notice from Expatriate. At Expatriate's option, the loan principal and interest may be converted into common shares of StrataGold at a price of \$0.10 per common share.

The rights under the Seed Capital Loan agreement are assignable to management and employees of Expatriate. Expatriate has granted loans to certain of its employees (the "Employee Loans") to participate in the Seed Capital Loan. As of March 1, 2003, Expatriate had advanced \$50,000 to employees to participate in the Seed Capital Loan financing. Each loan to employees is subject to an Employee Loan Agreement. Expatriate has advanced the remaining \$75,000 to StrataGold under the Seed Capital Loan Agreement. The Employee Loans bear interest at 4% per annum and have a term of two years from the date of the Employee Loan Agreements.

Employment Contracts

During the period, employment contracts were put in place for Mr. Harlan D. Meade, President and CEO and Mr. Terry Tucker, Vice President of Exploration, in the event of change of control of the Company. Under these contracts, the employees will receive two years salary and benefits, in the event that the terms of their employment should materially change following an event of 'change of control' of the Company.

Management Changes

Expatriate announced on March 31, 2003 that Mr. Terry Tucker resigned as Vice President Exploration of the Company and became President of StrataGold Corporation, and Mr. Robert Duncan was appointed Vice President Exploration for StrataGold.

Investor Services

Expatriate continued to engage Mr. Lance Mayers of Gateway Communications of Osoyoos, British Columbia to provide investor services of communicating new releases and Company information to investors and potential investors. During the first quarter of 2003, Gateway received \$3000 for providing services and holds stocks options to purchase a total of 190,000 shares of the Company. In addition Mr. Mayers received \$5500 for providing services to StrataGold during the period. On March 31, 2003, Mr. Lance Mayers gave notice of his resignation effective April 30, 2003.

In November 2002, Expatriate entered into a services agreement with Mr. Dan Koyich of JeanDan Management Ltd. of Calgary, Alberta to provide investor services to the Company commencing immediately. Mr. Koyich received \$17,840 during the period for his services to the Company and received an additional \$6420 during the period for services to StrataGold. In addition he has stock

options for the purchase of 300,000 common shares from the Company at a price of \$0.10 per share for a period of five years.

StrataGold Corporation has entered into an agreement with Mr. Dan Koyich for the providing of investor relations services. The previous contract with Expatriate was amended to reflect the equal division of services between the two companies.

Capitalization

Issued share capital of Expatriate increased to 54,226,128 shares as at March 31, 2003 from the 50,026,128 common shares issued as at December 31, 2002 and 46,095,461 shares at March 31, 2002. The issued shares include the 4,200,000 shares that the Company issued related to private placements; 2,800,000 shares related to the December 2002 financing and 1,400,000 shares related to the February 2003 private placement.

As at March 31, 2003, Expatriate had 4,160,000 stock options and 7,317,500 warrants issued, compared with 4,160,000 stock options and 5,217,500 warrants issued as at December 31, 2002. On a fully diluted basis Expatriate would have 65,703,628 shares outstanding at March 31, 2003 compared with 59,403,628 shares fully diluted as at December 31, 2002 and 55,400,348 shares fully diluted at March 31, 2002. See Subsequent Events for issuance of additional options, and exercise of warrants after March 31, 2003.

As at April 1, 2003, Expatriate's subsidiary StrataGold Corporation had 12,186,404 shares issued as follows:

- 2 shares on incorporation
- 8 million shares issued to Expatriate for its precious metals properties
- 1,875,000 shares to Ocean Capital Holdings Ltd.
- 800,000 shares to Mr. Patton
- 758,246 shares to Expatriate pursuant to the seed capital loan
- 503,156 shares to Expatriate management pursuant to the seed capital loan
- 250,000 shares to Ocean Capital Holdings Ltd.

StrataGold has indicated that it intends to issue up to an additional 11 million shares related to additional private placement and brokered share financing.

Liquidity and Solvency

At the end of the first quarter 2003, Expatriate had current assets of \$1,696,432 consisting of \$631,698 of cash, \$59,207 of accounts receivable, \$872,859 of marketable securities (book value), \$128,329 of YMETC recoverable and \$4,339 of prepaid expenses. Current liabilities were \$68,939 consisting of \$66,481 in accounts payable and accrued liabilities, and \$2,458 of current obligation under capital lease. Expatriate has sufficient working capital to meet its short-term requirements.

As at March 31, 2003, Expatriate had sufficient cash to meet its exploration expenditure (Canadian Exploration Expense) obligations to fulfill its then current flow-through share obligations for 2002 and 2003.

There is no assurance that Expatriate can reasonably sell its marketable securities as markets for all of the securities Expatriate wishes to sell may not be readily available. Similarly, market conditions remain difficult and raising additional capital to meet the needs of Expatriate over the long term remains uncertain.

Balance Sheet

As at March 31, 2003, current assets were \$1,696,432 as compared to \$1,208,845 for same period 2002. Cash on hand at end of quarter was \$631,698 compared with \$119,008 at March 31, 2002. This increase in cash deposits reflects financing completed on the sale of shares of Expatriate and StrataGold. The expected Yukon Mineral Exploration Tax Credit is estimated at \$128,859, as compared to \$341,039 for same period 2002, with the reduction due to smaller eligible exploration expenditures made on Expatriate's Yukon mineral properties in the period ended March 31, 2003 than in the period ended March 31, 2002.

Capitalization of mineral properties increased slightly to \$16,644,787 at March 31, 2003 as compared to \$16,375,244 as at March 31, 2002.

Current liabilities at March 31, 2003 were \$ 68,939 as compared to \$633,839 as at March 31, 2002. The large decrease reflects payment of \$490,335 of convertible loan. Accounts payable and accrued liabilities were \$66,481 as at March 31, 2003 as compared to \$83,654 as at March 31, 2002.

Consolidated Statement of Operations and Deficit

Administration costs for the first quarter 2003 were a positive \$281,407 as compared to negative \$128,887 for the same period 2002. The positive expense is due to gain on disposal of non controlling interest in Expatriate's precious metals properties of \$538,819 and a gain of \$21,471 on sale of warrants. Without these gains administration costs would have been negative \$278,883. The net increase in administration costs is due to one-time expenses related to preparing Stratagold Corporation for becoming a public company. Professional fees for accounting and audit fees for the first quarter were \$56,793 as compared to \$20,024 for same period 2002 largely due to increased legal fees. Consulting fees for the quarter increased to \$74,687, as compared to \$2,648 for 2002, related to hiring of independent consultants to assist in financing of StrataGold and a success fee related to the Hyland Option Joint Venture Agreement. The expenses for Investor Relations and financing expenses for the quarter also increased significantly to \$75,485 for the quarter as compared to \$14,834 for 2002, due to StrataGold promotion and financing expense.

Rent and office services were \$41,911 for the first quarter, as compared to \$30,880 for the same period 2002. Salaries and benefits decreased to \$10,448 for the quarter, as compared with \$33,779 for 2002, due to increased chargeouts to projects. Regulatory fees increased to \$17,342 in 2003 as compared with \$5,450 in 2002 due to increased filings related to StrataGold financings in the first quarter.

Interest earned was \$2,476 for the period as compared to \$5,290 for 2002. The loss on conversion of foreign currencies was \$1,015 during the period, compares with a loss of \$206 for the same period in 2002. The write-down of capitalized costs related to metal leaching and sulphur technology was \$1,383 in 2003 compared to nil for same period 2002. The Company had a net gain of \$21,471 on sale of

marketable securities in the first quarter 2003 related to gain on sale of warrants of True North Gems Inc. The Company had a gain of \$538,819 on the sale of a minority interest in the precious metals properties related to the sale of shares of StrataGold Corporation.

In summary the Company had net operating earnings for the period of \$281,407 for the first quarter as compared with a loss of \$128,887 for the same period in 2002. The earnings are due to the sale of the minority interest in the precious metals properties.

Consolidated Statement of Cashflows

Operating Activities: The Net Cash Flow deficit for the first quarter 2003 was \$270,407 as compared to \$172,513 for same period 2002.

Financing Activities: Net proceeds from financing activities for the first quarter was \$547,486 as compared to \$127,012 during the same period 2002. During first quarter 2003, share issues for equity was \$190,000 and \$360,000 of special warrants. Share issue costs were \$1,750 and capital lease repayment was \$764 for the first quarter 2003.

Investing Activities: Investing activities during first quarter 2003 contributed to cash out-flow of \$135,802 compared with a cash-in flow of \$20,253 for the same period 2002. Deferred exploration and development expenses of \$217,763 during the first quarter were offset by an option payment of \$85,000 related to the Northgate option of the Hyland Property. The gain in 2002 was due to proceeds of \$102,500 from True North Gems as part of the purchase of the Regal Ridge emerald property.

Stock Options

The Company did not grant any stock options during the first quarter. As at March 31, 2002, the aggregate number of options granted, now totals 4,160,000 shares out of a possible approved amount of 4,919,000 (see Subsequent Events).

Subsequent Events

StrataGold Corporation

StrataGold's articles of incorporation were amended by ordinary resolution dated January 24, 2003 to increase issued capital from 20 million common shares to 250 million common shares.

Financing Activity

An aggregate of 150,000 warrants were exercised in May for proceeds of \$18,000. In addition, the Company sold the remaining 25,000 True North Gems warrants for net proceeds of \$8,359.

Management Changes

On March 31, 2003, Expatriate announced Mr. Terry Tucker, Vice President, Exploration will resign to take up the presidency of StrataGold Corporation. In conjunction with this release Mr. Jason Dunning was appointed Vice President, Exploration for Expatriate (see news release March 31, 2003). Mr. Dunning commenced employment with Expatriate on April 17, 2003.

Stock Options

In conjunction with the management announcements, stock options for 500,000 shares were granted to Mr. Dunning and options totalling 180,000 shares were granted to two other employees. With issuance of the new options the aggregate issued options under the Company's Stock Option Plan increased to 4,840,000.

On May 15, 2003, the board of directors of Expatriate adopted a new "rolling" stock option plan authorizing the granting of stock options to qualified optionees to purchase in the aggregate up to 10% of the issued capital of Expatriate on a rolling basis. The new rolling plan will include the 4,840,000 common shares received under the former plan for stock options granted prior to the adoption of the new plan.

The new plan, which is subject to acceptance for filing by the TSX Venture Exchange and to shareholder approval at the annual and extraordinary general meeting, will bring Expatriate's plan up-to-date with the new policies of the TSX Venture Exchange for stock options. The new plan will also reduce administrative expense to Expatriate.

Company Capitalization

Subsequent to March 31, 2003, Expatriate has issued 150,000 common shares as a result of exercise of warrants for 150,000 common shares at a price of \$0.12 per share. The issued capital of the Company as at May 26, 2003 is 54,376,128 shares. The Company has issued 4,840,000 stock options and 7,167,500 warrants outstanding resulting in fully diluted share capital to 66,383,628 shares.

Annual and Extraordinary General Meeting

Expatriate will hold its Annual and Extraordinary General Meeting on June 18, 2003 at 10:00AM in the Strathcona Room of the Four Seasons Hotel, 791 West Georgia Street, Vancouver, British Columbia.

Expatriate Resources Ltd.

May 29, 2003