

Schedule "A"

**DRC RESOURCES CORPORATION
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2000 AND 1999
(Prepared by Management)**

		<u>2000</u>	<u>1999</u>
ASSETS			
CURRENT ASSETS			
	Cash and term deposits	\$ 648,228	\$ 428,228
	Accounts receivable	4,095	2,056
	Marketable Securities	5,750	-
		658,073	430,412
CAPITAL ASSETS, depreciated			
	Office equipment and vehicles	15,492	22,931
	Mining, Oil and Gas Interest	392,011	369,317
		\$1,065,576	\$ 822,660
LIABILITIES			
CURRENT LIABILITIES			
	Account payable and accruals	\$ 2,384	\$ 3,287
MORTGAGES PAYABLE		8,633	20,377
		11,017	23,664
SHAREHOLDERS' EQUITY			
SHARE CAPITAL		2,291,189	1,950,189
DEFICIT		(1,236,630)	(1,151,193)
		1,054,559	798,996
		\$ 1,065, 576	\$ 822,66 0

APPROVED BY DIRECTORS

"John H. Kruzick" _____, Director

"Sharon L. Ross" _____, Director

DRC RESOURCES CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THREE MONTH PERIOD ENDING MARCH 31, 2000 AND 1999

(Prepared by Management)

	<u>1999</u>	<u>1998</u>
INCOME		
Interest and Foreign exchange (loss) gain	\$ 9,371	\$ (5,460)
Oil and gas royalties	561	163
Agricultural lease payments	706	-
	10,638	(5,297)
EXPENSES		
Bank Charges	59	56
Consulting	-	6,525
Dues and subscriptions	320	510
Mortgage Interest	231	524
Office, Secretarial services	8,311	7,994
Printing and Stationery	2,434	-
Professional fees	-	5,000
Regulatory fee/Sedar fees	1,605	1,835
Rent	4,229	4,204
Telephone	1,079	795
Transfer agent	943	624
Travel, Auto and promotion	3,025	2,904
eBid, Internet Development	-	-
	22,236	0,971
LOSS FOR THE PERIOD	11,598	36,268
Deficit, beginning of year	1,225,032	1,114,924

DEFICIT, END OF PERIOD	\$1,236,630	\$1,151,192
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DRC RESOURCES CORPORATION
CONSOLIDATED STATEMENT OF CHANGE IN FINANCIAL POSITION
For the Three Month Period Ending March 31, 2000 and 1999
(Prepared by Management)

	<u>2000</u>	<u>1999</u>
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OPERATING ACTIVITIES

Loss for the period	\$(11,598)	\$ (36,268)
Items not involving cash	-	-
	(11,598)	(36,268)
Cash provided (used) by changes in working capital items, net	(7,840)	872
FUNDS USED BY OPERATING ACTIVITIES	(19,438)	(35,396)

INVESTING ACTIVITIES

Additions to Resource Properties	(11,361)	(1,575)
FUNDS USED BY INVESTING ACTIVITIES	(11,361)	(1,575)

FINANCING ACTIVITIES

Issuance of shares	6,000	-
Increase (decrease) in mortgage principal	37	(590)
FUNDS PROVIDED(USED) BY FINANCING ACTIVITIES	6,037	(590)

INCREASE (DECREASE) IN CASH DURING THE PERIOD	(24,762)	(37,562)
Cash, beginning of year	672,990	465,918
CASH, AT END OF PERIOD	\$648,228	\$428,356

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FORM 61(BC)

QUARTERLY REPORT FOR QUARTER ENDED MARCH 31, 2000

ISSUER DETAILS

Name of Issuer: DRC RESOURCES CORPORATION

**Issuers Address: #601-595 Howe Street
Vancouver, B.C.
V6C 2T5**

**Phone & Fax: Phone Number: (604) 687-1629
Fax Number: (604) 687-2845**

Contact Person: John H. Kruzick, President Phone: (604) 687-1629

For Quarter Ended: March 31, 2000

Date of Report: April 24, 2000

CERTIFICATE:

The three schedules 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.

Date Signed

"John H. Kruzick"
JOHN H. KRUZICK, President/Director

April 27, 2000

"Sharon L. Ross"
SHARON L. ROSS, Secretary/Director

April 27, 2000

SCHEDULE AB^e

DRC RESOURCES CORPORATION
FIRST QUARTERLY REPORT FOR THE PERIOD ENDING MARCH 31, 2000

Item 1.

Deferred Costs: Deferred costs are included in the total cost of Mining, Oil and Gas Interests on the Consolidated Financial Statement Balance Sheet attached as Schedule A.

Exploration Development costs: \$281,143 in acquisition, exploration and development costs are included in the total Mining, Oil and Gas Interests on the Consolidated Financial Statement Balance Sheet attached as Schedule A.

General and Administrative Expenses: \$22,236 were expended during the fiscal year to date for general expenses pertaining to the day to day administration of a public company as indicated in the Operating Costs on the Statement of Operation attached as Schedule A.

Non Arms Length Transactions: During the fiscal year to date the Company paid \$4,620 for secretarial and accounting services invoiced by a private company of which a director has a 50% interest therein. Payments totaling \$8,400. for consulting, deferred exploration costs and property investigation services were billed by a private company which a director controls.

Item 2.

During the quarter Jan 1, 2000 to March 31, 2000

- (a) 30,000 securities were issued.
- (b) No stock options were granted.
- (c) 30,000 shares were issued pursuant to the exercise of a portion of a Stock Options during the period at a price of \$.20 per share for total proceeds of \$6,000.
- (d) No options or warrant expired.

Item 3.

- (a) Authorized Capital
 - 20,000,000 common shares of no par value
 - 10,000,000 Class "A" preferred shares ,
par value \$10.00 each
 - 10,000,000 Class "B" preferred shares,
par value \$50.00 each

Issued and outstanding: 4,486,016 common shares at March 31, 2000

(b) At March 31, 2000 the following options and warrants were outstanding:

TYPE OF SECURITY	NUMBER ISSUED	EXERCISE PRICE	EXPIRY DATE
Options	33,000	\$0.20 per share	April 19, 2000*
Options	235,000	\$0.20 per share	April 19, 2001
Options	125,000	\$0.30 per share	September 15, 2001
Warrants	1,000,000	\$0.20 per share	May 12, 2000*

* Warrants Exercised after the end of the quarter.

(c) 393,750 shares are held under Escrow Agreement for property acquisition.

(d) Board of Directors

John H. Kruzick	President/Director
Sharon L. Ross	Secretary/Director
C. Robert Edington	Director
Robert Young	Director

SCHEDULE "C"

DRC RESOURCES CORPORATION QUARTERLY REPORT FOR PERIOD ENDING MARCH 31, 2000

MANAGEMENT DISCUSSION

AFTON MINES PROJECT

DRC Resources has acquired an Option-to-Purchase a 100% interest in the Afton Mines Property, located in the Kamloops Mining Division of British Columbia. The property includes two open pit mines and information obtained from published reports indicate considerable ore-grade material is available from both mineralized zones. The Company has compiled a data base from available exploration and mining reports to assist in determining the property's potential and has developed an exploration program to expand the mineral resources. Geological and Proposed Diamond Drill Program Report on the Afton and Pothook Mineral Zones dated November 10, 1999 by J.J. McDougall, P.Eng. recommends a two Phase Diamond Drill Program of \$873,000 to further explore the two copper-gold mineralized zones.

Excerpts from J.J. McDougall's report are as follows.

'At production start-up in 1978 Afton Mines's open-pit reserves were estimated at 34 million tons of 1% copper, 0.016 ounce/ton (0.58 gram/tonne) gold, and 0.12 ounce/ton (4.2 gram/tonne) silver. From 1978 to 1988, 24 million tons were mined from surface to a 280 metre depth recovering 450 million pounds of copper and 400,000 ounces of gold (Ref: B.C. Minfile Report, page 39).

These figures based on Afton Mines Ltd. Reports indicate that 10 million tons of estimated open-pit reserves were not mined, although surface stripping on the southwest extension had begun before abandonment in 1987.

A total of two drill holes in 1973 and five in 1980 tested the 90 metre thick copper-gold zone beneath the pit-floor. The longest mineralized intersection was DDH 1973-32 which averaged 2.5% copper and 0.031 ounce/ton gold over 200 metres from just above to 170 metres below the final pit-floor. The 2.5% copper grade is two and a half time higher than the 1% mine grade. Afton's 1980 Annual Report (Page 2) stated:

Five deep diamond drill holes were drilled to test the continuity of the ore zone beneath the open pit. As a result of these holes and two holes drilled in 1973, underground reserves have been calculated at 6,500,000 tons grading 1.55% copper, 0.047 ounces gold and 0.20 ounces silver. The deepest hole

penetrated the zone 2,000 feet below surface or 1,100 feet below the final pit. The ore zone is open at depth.@

A 2-phase \$700,000 diamond-drill program is recommended to test for additional open-pit resources, and to expand the underground tonnage and grade from the inferred 6.5 million tons of 1.55% copper and 0.047 oz/ton gold. It will be necessary to determine the grade and size of possible higher-grade gold zones such as one intersected in drill hole DDH 80-4 which averaged 0.1 ounce/ton gold over 70 metres which indicates an increase in gold and silver values with depth.

Potential to substantially increase the 6.5 million tons is realistic considering the drill-hole information available to date confirms the deposit is open to depth and along strike.

In 1987-88 at the Pothook pit 500 metres east south-east of the Afton ore body 2.4 million tones containing 0.35% copper and 0.025 oz/t (0.78 g/t) gold was mined. Three drill holes below the 75 metre deep pit floor show the mineralized zone continues for at least 80 metres down-dip with an average 30 metre width containing 0.4% copper and .01 oz/ton gold and still open at depth.

The zone between the Afton and Pothook Mineral Zones was tested with only a few drill holes by Afton Mines in the 1970's. This untested zone has good potential to host another Afton-Type Mineral Zone beneath the thin glacial cover which the Company intends to explore.'

Subsequent to the end of the quarter the Company commenced a diamond drill program on the Afton Mine Property. Two drill holes have been completed and both holes have intersected native copper and copper sulphides mineralization. All mineralized intersections have been logged, split, sampled and will be assayed for Copper, Gold, Silver and Palladium.

DRC Resources has assembled a team of top-level Geological and Mining Engineers to advise the company on the exploration and development of the Afton Mine Project. The Company has retained independent consultants James J. McDougall & Associates, P.Eng., James Douglas Little, P.Eng, Douglas A. Knight, B.A.Sc. and A.D. McCutcheon, P.Eng.

Professional Engineer James (Jim) McDougall, with over 50 years mineral exploration experience - 30 years as Exploration Manager with Falconbridge Ltd., will be overseeing the Geological Fieldwork and Diamond Drilling.

Doug Little's distinguished career includes positions as Executive Vice-President and Director of Placer Dome, Craigmont Mines and Gibraltar Mines. He has also been President & CEO of Cassiar Asbestos and Director of Afton Mines. He has over 40 years experience in mining - 30 years with Placer Dome.

Douglas A. Knight is a senior mineral processing engineer with over 40 years of international experience, 30 years with Placer Dome involved with the development of a number of mines. He supervised test work, design, equipment purchase and start-up of 5 major mines in the 1990's with an aggregate value of \$1.8 Billion (Porgera, New Guinea; Zaldivar, Mexico; Pipeline, Nevada; Musselwhite, Ontario and Dome

Expansion, Ontario).

A.D. McCutcheon was President/General Manager of Canadian Mine Services Ltd. and American Mine Services Inc. He brings to the Company over 40 years of hands-on international operating experience in mining and engineering.

AJAX-PYTHON PROPERTY

The Company acquired by staking 16 continuous mineral claims (1000 acres) covering the 700 metre length between the two Ajax Open-Pits, where 30 million tons of copper-gold ore was mined and milled at the Afton mill site. From discussions with previous operators, DRC understands a resource of over 40 million tons remains between the two open-pits. DRC has combined the Python and Ajax mineral claims into one claim group comprising of 77 claims (4500 acres) covering a number of mineral zones. The Afton and the Ajax properties now increase DRC's land position to 127 claim units for a total of 7700 acres. DRC intends to explore the copper-gold zone between the Ajax pits to develop additional tonnage while exploring the Afton Mine property.

The consolidation of the Afton and Ajax mineral zones under DRC's corporate holdings increases the Company's Copper-Gold resources in the Afton Area. With Afton's estimated underground resources of 10.5 million tons and 10 million tons open pit, and with the addition of the Ajax's potential of over 40 million tons, the project takes on a new dimension. The company will continue its strategy of acquiring Copper-Gold properties in the Afton Area to increase its resource base.

IN CONCLUSION

Drilling and mining information on the Afton Property by the previous operator has outlined a mineral zone with 10.5 million tons of 1.52% Copper and .03 oz/ton Gold with a Gross Metal Value US\$400 million (CDN\$600 million) at today's metal prices. The tonnage was calculated to a depth of 200 metres (660 ft) below the pit bottom, although the deepest diamond drill hole penetrated the zone 300 metres (1000 ft) below the pit bottom with the zone open to depth.

The Afton Deposit is unique to North American porphyry deposits as gold grades increase rather than decrease in the sulphide rock beneath the oxide cap. Drilling will test the size and grade of higher grade zones intersected in previous drill holes such as 0.1 ounce/ton gold over 70 metres (230ft) in DDH80-4 and 2.5% copper over 200 metres (660ft) in DDH73-32. There is excellent exploration potential to increase the 10.5 million tons of 1.52% Copper and .03 oz/ton Gold by extending the zone to depth and along strike.

Other very important features of the Afton Property are its location along the TransCanada Highway, 10Kms West of the City of Kamloops; well serviced with good road access, water, power, infrastructure, mine-site and a local experienced mine labor force which gives this area one of the lowest mining costs in North America; located in an existing mining district where all government levels are supportive; no outstanding Aboriginal Land Claim issues to address; Government Mining Permits and Mine-Site facility are available which further reduces capital cost and lead time to have the mine back in production.

OTHER PROJECTS

Timmins, Ontario and Alberta Diamond Properties are presently being maintained for future exploration while the Company concentrates all its resources on exploring and developing the Afton Mine Property

DRC Resources incorporated a subsidiary "eBid Online Inc." and developed an E-Commerce Website utilizing the Company's own in-house expertise and contract computer programmers. The design and implementation of the website was completed but commercialization was not achieved. DRC Resources intends to sell the company and the website.

OUTLOOK

A significant amount of our effort in 2000 will be devoted to the optimization of the Afton Mine Property and the Ajax Property.

With the Afton Property management believes it has an excellent exploration project with estimated resources of at least 10.5 million tons of 1.5% Copper and .03 oz/ton Gold. We feel that by testing the zone along strike and at depth we can increase this tonnage 2 to 3 times and also increase Copper-Gold Grades. By utilizing proven low-cost bulk mining technology we feel this resource could be mined economically. The Company has assembled a team of experienced mining professionals to guide the development of the Afton Project.

With cash reserves in excess of \$800,000, DRC Resources has the capability to meet its present financial obligations. The Company is entertaining a number of proposals for financing to increase its working capital for future exploration and development of the Afton Mines Project.

The directors and management of DRC Resources are committed to building a profitable resource company and creating wealth for our shareholders.

YEAR 2000

Like any other company, advances and changes in available technology can significantly impact the business and operations of the Company. For example, a challenging problem existed as many computer systems worldwide did not have the capability of recognizing year 2000 or years thereafter. The Company computer systems were reprogrammed and updated in time to effectively deal with transactions to the year 2000 and beyond. This "Year 2000" problem creates risks for the Company from unforeseen problems in its own computer systems and from third parties with whom the Company deals on financial transactions worldwide. Such failures of the Company and/or third party's computer systems could have a material impact on the Company's ability to conduct its business.

