

Schedule "B"

DRC RESOURCES CORPORATION

**BC FORM 51-901F
QUARTERLY AND YEAR END REPORT
FOR THE FIRST QUARTER ENDING MARCH 31, 2002
(Prepared by Management)**

Item 1.

Deferred Costs: Deferred exploration costs of \$23,055 in the quarter and \$23,055 during the fiscal year to date are included in the total cost of Resource Properties included in the Consolidated Interim Balance Sheet and detailed in the Schedule of Resource Properties in Schedule "A" .

General and Administrative Expenses: \$93,346 in the quarter and \$93,346 during the fiscal year to date were expended for general expenses pertaining to the day to day administration of a public company as indicated in the Expenses on the Statement of Operations attached in Schedule "A". A write down of \$1,000 for a marketable security was recorded for total expenditures of \$94,346 for the quarter.

Item 2.

Related Party Transactions: During the first quarter of the year 2002, the Company paid \$12,136 for secretarial and accounting services invoiced by a private company in which a director has a 50% interest. A private company controlled by a director was paid a total of \$ 26,600 for consulting, deferred exploration costs and property investigation and was issued 100,000 common shares as the 2nd payment for acquisition of the Afton Property.

Item 3.

During the quarter ended March 31, 2002

(a) Securities Issued:

Date Issued	Type of Securities	Type of Issue	Number	Price	Total Proceeds	Consideration	Commission Paid
Jan 10,2002	common	Property payment	100,000	Valued \$0.30	Nil	N/A	Nil
Feb 1, 2002	common	Property payment	100,000	Valued \$0.30	Nil	N/A	Nil

(b) Options Granted:

Name	Number	Price	Date Granted	Expiry Date
Maurice Lee	195,000	\$3.00	02/01/02	02/01/04
ThomasO'Toole Taylor	50,000	\$3.00	02/01/02	02/01/04
Sharon L. Ross	25,000	\$3.00	02/01/02	02/01/04
Alexa Easton	25,000	\$3.00	02/01/02	02/01/04
Marek Mroczek	25,000	\$3.00	02/01/02	02/01/04
Total	320,000			

Item 4.

At March 31, 2002

(a) the Authorized Capital of the Company consisted of 40,000,000 common shares without par value, of which

(b) 8,483,766 common shares were issued and outstanding at March 31, 2002

(c) the following options were outstanding:

TYPE OF SECURITY	NUMBER ISSUED	EXERCISE PRICE	EXPIRY DATE	RECORDED VALUE
Options	428,000	*\$4.00 per share	Sept. 13, 2002	Nil
Options	90,000	*\$4.00 per share	May 9, 2003	Nil
Options	320,000	\$3.00 per share	Feb 1, 2004	Nil

* Subsequent to quarter end the Company received the consent of the TSX Venture Exchange to amended the exercise price of 518,000 of the above stock options to \$3.00 per share. The amendment is subject to independent shareholder approval for options issued to directors and insiders of the Company.

(d) no common shares were subject to escrow or pooling agreements

Item 5.

At the date this report was signed, the following were the Company's directors and officers:

John H. Kruzick	President & CEO and Director
Sharon L. Ross	Secretary and Director
C. Robert Edington	CFO and Director
Mike Muzylowski	Director
Thomas O'Toole Taylor	Director
Bruno J. Mosimann	Vice President Corporate Development and Finance
Maurice Lee	Vice President Business Development

ADDITIONAL INFORMATION RELATED TO THIS SCHEDULE "B" IS INCLUDED IN THE NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 2002 ATTACHED HERETO AS SCHEDULE "A" AND THE MANAGEMENT DISCUSSION AND ANALYSIS ATTACHED HERETO AS SCHEDULE "C"

Schedule "C"

DRC RESOURCES CORPORATION

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QUARTERLY AND YEAR END REPORT
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MANAGEMENT DISCUSSION

Management's Discussion and Analysis ("MD&A") for the quarter ended March 31, 2002 should be read in conjunction with DRC Resources Corporation's (DRC) consolidated financial statement, corresponding notes and Schedule B attached hereto.

Description of Business

Incorporated in 1980, DRC is a resource company with 8.48 million issued shares listed on the TSX Venture Exchange (TSX symbol DRC) and located in Vancouver, British Columbia, Canada. The main project of the Company is the Afton Copper-Gold Property, located 10 kilometers west of Kamloops, British Columbia. The Company also owns resource properties in Alberta, Ontario and Texas.

The Company's business is managed by directors and executive with professional backgrounds and many years mining industry experience, augmented by independent geological and mining engineers retained to advise the Company on its main project.

Progress and Outlook

Year 2001 exploration increased the indicated mineral resource of DRC's Afton Copper-Gold Project by over 50%. In 2002 the Company intends to move forward with the advancement of the Afton Copper Gold Project and to increase the mineral resource through further exploration. With working capital of approximately \$4 million, the Company is well funded to proceed with planned exploration. The Company has held and is continuing discussions with senior members of the mining industry with the object of moving the project beyond the exploration stage. The Company has signed confidentiality agreements with a number of mining companies and financial institutions.

On February 1, 2002 the Company announced the appointment of Thomas O'Toole Taylor of Langley, BC to the board of directors, and Maurice Lee of Vancouver, BC as Vice President of Business Development. Mr. Taylor, a previous director of the Company, is being re-appointed to the board of directors. He has had over 10 years of experience with directorships on the board of other public companies. Mr. Lee has over 30 years experience in business development and corporate finance and will apply his expertise and contacts to identifying business opportunities for DRC and the Afton Mine Project.

On February 20, 2002 the Company announced the approval by the CDNX of a Normal Course Issuer Bid to purchase through the facilities of the CDNX, for a period of one year, up to 250,000 common shares, 2.94% of the outstanding issued capital. The Company believes its share price is undervalued. The Company has not purchased any of its own securities through a Normal Course Issuer Bid in the past. Securities will be purchased at price which is not higher than the last independent trade and no abnormal influence will be made to the market price of the shares by the Normal Course Issuer Bid.

Operating Results

During the quarter ended March 31, 2002, DRC incurred a loss after taxes of \$48,184 (\$0.01 per share) compared to a net gain after taxes of \$49,060 (\$0.01 per share) for the same period in 2001. Income for the quarter ended March 31, 2002 decreased to \$33,434 from \$85,282 in the corresponding period in 2001 due to the reduced rate interest rate on working capital invested for future exploration and administration expenditures. Administration costs for the quarter ended March 31, 2002 increased to \$92,291 compared to \$36,222 for the same period in 2001 due to increased costs related to the introduction of the Afton Copper-Gold Project to the Canadian and International mining and financial communities with the respect to future financings and/or an industry partnership.

The Afton drilling program was shut down for the winter months during this quarter, 2001 drill results were evaluated and a technical reports compiled which accounts for the increase in the administrative costs as indicated below:

Quarterly Budget – For Period Ending March 31, 2002

<u>Administration</u>	<u>Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Office Supplies and expenses	\$ 9,000	\$ 22,817	\$ 13,817
Salaries of support staff	\$15,750	\$ 18,302	\$ 2,552
Management salaries & Expenses	\$27,750	\$ 37,407	\$ 9,657
Regulatory and transfer agent fees	\$ 4,500	\$ 4,155	\$ (345)
Utilities and telephone	\$ 4,500	\$ 1,259	\$ (3,241)
Rent	\$ 6,000	\$ 4,786	\$ (1,214)
Legal and accounting	\$22,500	\$ 3,565	\$(18,935)
Total	\$90,000	\$92,291	\$ 2,291

Financial Condition - Liquidity & Capital Resources

At March 31, 2002, DRC had cash and cash equivalents of \$3,885,602 compared to \$4,918,060 as at March 31, 2001. Of the foregoing, approximately \$407,000 is committed to exploration expenditures pursuant to agreements under which flow through shares were issued. Working capital at March 31, 2002 was \$4,134,172 compared to working capital of \$4,784,340 at March 31, 2001.

An improving trend in gold and copper prices has prompted DRC to review all potential courses of action beneficial to all shareholders by attracting financial participation in the Afton Copper-Gold Project. Discussions are on-going with a number of mining companies and financial institutions that have expressed an interest in project participation.

Related Party Transactions

During the quarter ending March 31, 2002, the Company paid \$12,136 compared to \$10,025 in the quarter ending March 31, 2001, 2000 for secretarial and accounting services invoiced by Allshare Holdings Ltd., a private company in which a director has a 50% interest. During the quarter ended March 31, 2002 the Company paid \$26,600 compared to \$18,000 in the quarter ended March 31, 2001 for consulting, deferred exploration costs and property investigation services invoiced by Westridge Enterprises Ltd., a private company a director of the Company. Westridge Enterprises Ltd. was also issued 100,000 common shares at a value of \$30,000 as the second payment of the Afton Option to Purchase Agreement.

Marketable Securities

As at March 31, 2002, DRC owned 25,000 common shares of Planet Ventures Inc., a junior resource company listed on the TSX Venture Exchange. The value of these securities at date of acquisition was \$5,750 market value of these securities at March 31, 2002 was \$2,750.

Exploration and Development

During the quarter ending March 31, 2002, DRC incurred exploration and development expenditures of \$58,717 compared to \$120,151 for the same period in 2001. The difference in exploration costs during the respective periods is due to the later starting date for the year 2002 Afton diamond drilling program which was after the end of the first quarter.

The \$4,700,000 Exploration Program Budget recommended by J.J. McDougall & Associates in their January 24th, 2001 Engineering Report and disclosed in the August 3rd, 2001 Final Prospectus was adopted by the Company as its Afton Copper-Gold Project budget. The Engineering Report did not break down project cost estimates on a month by month basis.

The following is a breakdown of budgeted and actual expenditures for the quarter and the year, with budget remainder (overage) at year-end.

Exploration	Budget Amount for Entire Program	Expended During Quarter Ending March 31, 2002	Total Expended To Mar. 31, 2002	Budget Remainder (Overage)

Diamond Drilling	\$2,500,000	\$ 36	\$ 1,274,631	\$1,225,369
Assaying	200,000	-	87,352	112,648
Accommodation and Meals	100,000	4,018	58,071	41,929
Technical personnel salaries*	500,000	49,811	593,851*	(93,851)
Support personnel salaries	100,000	3,270	70,530	29,470
Vehicles and fuel	50,000	-	25,915	24,085
Metallurgical testing	50,000	-	12,000	38,000
Pre-feasibility study	700,000	-	-	-
Contingencies	500,000	1,582	37,988	462,011
Total	\$4,700,000	\$ 58,717	\$2,160,338	\$2,539,661

*included in the total expenditure are contract work done by Behre, Dolbear & Company Ltd. for preparation of the Scoping Study, by J.J. McDougall for preparation of the 2001 Mineral Resource Study and \$10,000 of metallurgical testing by Process Research Associates in preparing for Preliminary Flotation Studies on the Afton Mine Project, together with additional invoiced support work for those programs by the Company's manager, project manager, geologists, and engineers.

Project costs during this quarter were lower due to the fact that the diamond drill program at Afton was shut down for the winter. Technical personnel salaries remained constant due to the Engineering Studies that the Company commissioned on the Afton Copper-Gold Project.

To March 31, 2002 78,141 feet of diamond drilling has been completed at a total drilling cost of \$1,274,631. The average drilling cost per foot was \$16.31. The amount remaining in the budget for diamond drilling was \$1,225,369. With 1,859 feet remaining to be drilled of the budgeted 80,000 feet, it appears the Company will be significantly under budget for the drilling by approximately \$1,195,050.

With respect to an independent investment opinion on the Afton Copper-Gold Project in The Market Insight Research Report prepared by Georgia Pacific Securities in January, 2002, the Company notes that the economic analysis was applied to the total of the indicated and inferred resource categories which does not conform with section 2.3(1) (b) of NI 43-101

In 2002 the Company plans a continuation of the \$4.7 million Diamond Drill Exploration Program recommended by the Company's independent engineer in the January 24, 2001 technical report. The Company's objective will be to extend the Afton main zone towards the surface and to the southwest

beyond the previously outlined copper-gold mineralization. Drilling commenced during the week of April 22, 2002. The Company's geologist is of the opinion that additional exploration is required before a Pre-feasibility study will be commissioned.

Risks

Mineral exploration is a high risk business and there is no assurance that economic mineral deposits will be found on any of DRC's properties. Even excellent surface indications are no guarantee of finding mineral deposits at depth. Mineral commodity prices and exchange rates can fluctuate and affect the economics of mineral deposits. Financial markets can sometimes be negative toward junior exploration companies.

Subsequent Events

On April 17, 2002, DRC Resources' independent engineers completed the preparation of a year end mineral resource study from the 2001 Diamond Drilling in compliance with National Instrument 43-101. In 2000-2001 the company drilled 49 NQ Diamond Drill Holes totaling 23,800 metres (78,000 ft), of which 38 drill holes intersected the mineral zone, testing the copper-gold mineralization over a length of 850 metres (2800 ft).

Disclaimer

The information contained herein is prepared by the company and believed to be accurate but has not been independently audited or verified and is provided for informational purposes. This information is not to be construed as an offer nor as a recommendation to buy or sell securities. DRC Resources Corporation, its officers and directors assume no responsibility for use of this information in any way whatsoever and do not guarantee its accuracy.

Cautionary Note

It should be noted that some of the statements contained in this presentation are not historical facts but may be forward-looking statements. Estimates and statements that describe the Company's future plans, objectives or goals are examples of forward-looking statements and such statements may include words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements by reason of factors such as the productivity of the Company's mining properties, changes in general economic conditions and conditions in the financial markets, changes in demand and prices for the minerals, legislative, environmental and other regulatory, political and competitive developments in areas in which the Company operates.

US Investors Should Note: *The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC to disclose only those mineral deposits that a company can economically and legally extract or produce. We may use certain terms in our publications such as “resources”, “possible ore reserves” that the SEC guidelines strictly prohibit us from including in filings with the SEC.*