

Wayside Gold Mines Ltd.

675327

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VSE Symbol
"WAY"

5 July 1993

From the Desk of the President:

The year, 1992/1993 will be remembered as the turn around year for our Company and the Vancouver Stock Exchange. The Company, under the new management team, has experienced some difficult growing pains and great triumphs. In retrospect the Vancouver Stock Exchange Composite Index has seen an all time low to a high of 1,049.80, it's highest level in nearly 5 years. August 3, 1988 was the date the Index was at this level. On July 2, 1993 the Composite Index jumped 26.99 points. This type of increase had not been seen since October 21, 1987 when the market came back 150.74 points in the aftermath of the crash of October 19, 1987.

The reasons for some of this are gold and gold issues. During the week of July 2, 1993 London gold jumped \$9.10 U.S. an ounce to \$393.60 U.S. per ounce. Analysts predict that bullion and the gold issues will continue to climb as statistics show that inflation is not dead as the weak economy would suggest. There is emotional buying and the large U.S. Pension Funds are also moving to gold. A little buying by these Funds can really affect the price of gold. "The Feeling is Bullish".

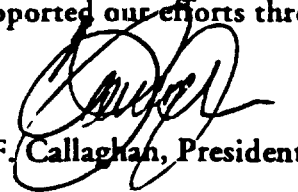
In hindsight, Company management was accurate in maintaining focus on it's gold prospects; firstly with the modernization of the Wayside Mine, which included rehabilitation of the #5 portal, dewatering of the shaft to 9 level (400 feet below surface), and secondly, retimbering in record time. This project was achieved with the help of a group of investors who decided to pay the Company's debt and initiate a private placement to cover all costs.

A Statement of Material Facts was filed as a flow thru tax incentive, approved and sold prior to December 31, 1992. January, 1993, an in-house drill program was undertaken from the 9th level underground under the direction of Sampson Engineering Ltd. to identify the Notman and the Main Wayside Vein, where from surface Chevron Minerals intersected 5 feet of 1.84 oz. au. per ton and 10 feet of 2.63 oz. au. per ton respectively. A total of 27 holes in excess of 5,000 feet were drilled and all successfully intersected, either the Notman and/or the Main Wayside Vein, and proved the down dip extension of an additional 400 feet of both Veins. Although the values did not duplicate Chevrons work, it did prove the similarities between both Wayside and Bralorne Gold Mines (Bralorne also intersected low gold values similar to Wayside). Sampson Engineering Ltd. has recommended a drill program to 1,000 feet below 9 level.

The Geological Survey of Canada, under the direction of Dr. Ken Dawson and Dr. Neil Church of the British Columbia Geological Survey, together with Dr. Frabrice Cordey, a Micro Paleontologist retained by our Company are completing a study of the age of micro fossils (Report due September 1993). This will show that the geology at Wayside is similar in age to the Bralorne Gold Mine which is mined to some 6000 feet below surface. Management has agreed to purchase Brigadier Resources Ltd.'s 50% interest in the Wayside Gold Mine for a total cost of \$600,000.00 by way of the issuance of 750,000 treasury shares. This transaction is subject to Vancouver Stock Exchange and shareholder approval.

In addition, Wayside management is aggressively pursuing opportunities to acquire gold-bearing properties in the United States, and several South American countries.

On behalf of the board of Directors, I wish to extend our appreciation to all those who have supported our efforts throughout this year.



J. F. Callaghan, President and Director

WAYSIDE GOLD MINES LTD.

NOTICE OF 1993 ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT the 1993 Annual General Meeting (the "Meeting") of the members of Wayside Gold Mines Ltd. (the "Company"), will be held in the Boardroom, Suite 300, 885 Dunsmuir Street, Vancouver, B.C., V6C 1N5 on August 18, 1993 at the hour of 2:00 o'clock in the afternoon (Vancouver time) for the following purposes:

1. To receive and consider the Report of the Directors and to receive and consider the Audited Financial Statements for the year ending February 28, 1993 together with the Auditor's Report thereon.
2. To appoint the auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors.
3. To fix the number of directors for the ensuing year at five (5).
4. To elect directors for the ensuing year.
5. To consider, and if thought fit, to pass an ordinary resolution that a buy/sell agreement whereby the Company will purchase Brigadier Resources Ltd.'s 50% interest in the Wayside Gold Mine, located near Goldbridge, B.C., subject to acceptance by the Vancouver Stock Exchange, be approved.
6. To consider and, if thought fit, to approve a special resolution consolidating the share capital of the Company, both issued and unissued, on a 1 for up to 4 basis, and the Memorandum be altered accordingly.
7. To consider and, if thought fit, to approve a special resolution increasing the authorized capital of the Company from up to 5,000,000 post-consolidated shares to 50,000,000 post-consolidation shares and the Memorandum be altered accordingly.
8. To consider and, if thought fit, to approve a special resolution changing the name of the Company to Consolidated Wayside Gold Mine Ltd. or such other name as may be determined at the discretion of the Board of Directors of the Company and that the Memorandum of the Company be altered accordingly.
9. To consider, and if thought fit, to pass an ordinary resolution that the granting, amending or exercise of incentive stock options to be allocated or amended at the discretion of the Board of Directors to insiders of the Company in such amounts and at such prices as may be acceptable to the Vancouver Stock Exchange, be approved.
10. To ratify, confirm and approve all acts, deeds and things done and proceedings taken by the directors and officers of the Company on its behalf since the last Annual General Meeting.
11. To transact such other business as may properly be transacted at such meeting or at any adjournment thereof.

Accompanying this Notice of Meeting and the Information Circular is a Form of Proxy. If you are unable to attend the Meeting in person, please return the Proxy within the time set out in the Information Circular. As set out in the Form of Proxy, the enclosed Form of Proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

DATED on July 13, 1993 at Vancouver, British Columbia.

BY ORDER OF THE BOARD


J. Frank Callaghan,
President and a Director

WAYSIDE GOLD MINES LTD.

INFORMATION CIRCULAR

(as at and dated July 13, 1993)

This Information Circular is furnished in connection with the solicitation of proxies by the management of WAYSIDE GOLD MINES LTD. (the "Company"), for use at the 1993 Annual General Meeting (the "Meeting") of the members of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

REVOCABILITY OF PROXY

A member giving a proxy has the power to revoke it in any manner permitted by law.

A proxy to be valid must be deposited at least forty-eight hours, excluding Saturdays and holidays, before the time of the Meeting, or adjourned meeting, at the office of the Company's Registrar and Transfer Agent, Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

If the instructions contained in the Form of Proxy are certain, the shares represented by the proxy shall be voted on any poll and, where a choice is specified, in accordance with the specification so made. IF NO CHOICE IS SPECIFIED WITH RESPECT TO ANY MATTER REFERRED TO HEREIN, IT IS INTENDED ON A POLL TO VOTE SUCH SHARES IN FAVOUR OF EACH SUCH MATTER.

The proxy confers discretionary authority with respect to amendments or variations to matters referred to herein and to other matters which may properly come before the Meeting.

A MEMBER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A MEMBER, TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING, OTHER THAN THE PERSON DESIGNATED IN THE FORM OF PROXY AND MAY DO SO BY INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH OTHER PERSON NEED NOT BE A MEMBER OF THE COMPANY.

PERSONS MAKING THE SOLICITATION

The solicitation is made by the management of the Company and the cost of the soliciting will be borne by the Company.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Except as set out herein or under "Particulars of Other Matters to be Acted Upon" and other than the election of directors or the appointment of auditors, no director or senior officer of the Company or any proposed nominee of the management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any substantial interest direct or indirect, by way of beneficial ownership or otherwise in matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The voting securities of the Company are entitled to one vote each and the number outstanding is 3,352,456 shares. Only members of record at the close of business on July 13, 1993 will be entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, only the following beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

<u>Name and Place of Residence of Shareholder</u>	<u>Number of Shares</u>	<u>Percentage of Issued and Outstanding</u>
J. Frank Callaghan North Vancouver, B.C.	986,182 *	29.4%
Francesco Aquilini Vancouver, B.C.	694,862 *	20.7%

* Of these shares, a total of 376,700 shares are held in the name of Standard Drilling & Engineering Ltd., a private company owned as to 50% by each of J. Frank Callaghan and Francesco Aquilini (a former director of the Company).

FINANCIAL STATEMENTS

Shareholders will be asked to consider the audited financial statements of the Company for the year ending February 28, 1993 together with the Auditor's Report thereon.

Additional copies of the Financial Statements, together with the Report of Directors, Notice of Meeting, Information Circular and Form of Proxy will be available from the Company's Registrar and Transfer Agent, the Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, or the Company's head office, 604-510 West Hastings Street, Vancouver, B.C., V6B 1L8.

ELECTION OF DIRECTORS

The persons named in the enclosed Form of Proxy intend to vote for the election of a Board of Directors comprised of three (3) persons. The names of further nominees for directors may come from the floor of the Meeting. Pursuant to the Company's Advance Notice of Meeting, published in The Vancouver Province newspaper on June 23, 1993, to date, the Company has received no nominations for directors.

Each director elected will hold office until the next Annual General Meeting or until his successor is duly elected, unless his office is earlier vacated, in accordance with the Articles of the Company.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

<u>Name and Municipality of Residence</u>	<u>Occupation (1)</u>	<u>Year First Became a Director</u>	<u>No. of Shares Owned by Nominees (2)</u>
J. Frank Callaghan West Vancouver, B.C. <i>President</i>	Manager and principal in the real estate development and construction industries for 20 years; currently a director and principal of Nu-Lite Industries and Brigadier Resources Ltd. (Vancouver Stock Exchange listed companies)	27/02/91	986,182 *
Peter E. Campbell North Vancouver, B.C.	Chartered Accountant; director and corporate comptroller of Aquilini Investment Group - Sept. 1990 - present; Manager - Smythe Ratcliffe & Associates - Jan. 1989 - Sept. 1990; Manager - Bowie Wilson Miles & Co., Chartered Accountants, - Jan. 1987 - Dec. 1988; currently, a director and officer of Brigadier Resources Ltd.	28/09/92	16,204
Frank Power Burnaby, B.C.	Businessman	12/07/93	20,000

* Of these shares, 157,500 shares are held in escrow and a total of 376,700 are held in the name of Standard Drilling & Engineering Ltd., a private company owned as to 50% by each of J. Frank Callaghan and Francesco Aquilini (a former director of the Company).

- (1) Each of the above-named nominees has held the principal occupation or employment for at least five years unless otherwise stated.
- (2) The number of shares beneficially owned by the above-named nominees for directors, directly or indirectly, is based on information furnished by the Registrar and Transfer Agent of the Company and by the nominees themselves.

The Board of Directors of the Company does not have an Executive Committee. The following directors are members of the Company's Audit Committee:

J. Frank Callaghan
Peter Campbell
Frank Power

EXECUTIVE COMPENSATION

- (a) **General:** The Company has one executive officer, J. Frank Callaghan, who is also a director and the promoter of the Company.
- (b) **Cash:** Pursuant to a Management Agreement dated August 1, 1991, J. Frank Callaghan, the President of the Company, is to receive a monthly fee of \$2,500 from the Company, commencing from February 1, 1991, for providing management and administrative services to the Company. For the fiscal year ended February 28, 1993, \$30,000 has been accrued and subsequently paid to Mr. Callaghan.

For the fiscal year ended February 28, 1993, Mr. Callaghan incurred expenses, on behalf of the Company, in the amount of \$13,476.21.

- (c) **Plans:** There are no outstanding incentive stock options granted to the executive officer of the Company.

No pension or retirement benefit plan has been instituted by the Company and none is proposed at this time.

- (d) **Termination of Employment or Change of Control:** There is no arrangement for compensation with respect to termination of the executive officer or in the event of change of control of the Company.

- (e) **Compensation of Directors:** For the year ended February 28, 1993, refer to (b) above for disclosure of compensation paid to the executive officer, who is a director of the Company. For the fiscal year ended February 28, 1993, one of the former directors of the Company accrued the sum of \$6,500 for consulting services performed.

As of the record date and presently, there are no outstanding stock options, share purchase warrants or rights granted to directors of the Company by the Company, other than as disclosed under the heading "Interest of Management and Others in Material Transactions".

The following shares of the Company were issued pursuant to the exercise by Peter Campbell, a director of the Company, of his incentive stock option at a price of \$0.50 per share:

<u>No. of Shares Exercised</u>	<u>Date of Exercise</u>	<u>Aggregate Net Value *</u>
30,000	November 24/92	\$9,600
14,000	December 2/92	\$4,340
41,000	June 28/93	\$4,510

* The aggregate net value is the market value less the exercise price at the date of exercise.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company and no associates or affiliates of any of them, is or has been indebted to the Company at any time since the beginning of the Company's last completed financial year.

MANAGEMENT CONTRACTS

The business of the Company is managed by its directors and senior officers and the Company has no management agreements with persons who are not officers or directors of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For the fiscal year ended February 28, 1993, the sum of \$126,475 was accrued to two companies owned by J. Frank Callaghan, the President and a director of the Company, for drilling services and rental fees.

Pursuant to an agreement dated July 8, 1992, 369742 B.C. Ltd. (name subsequently changed to Standard Drilling & Engineering Ltd. ["Standard"]), a private company owned as to 50% by J. Frank Callaghan, a director of the Company, and Francesco Aquilini (a former director of the Company), agreed to purchase by way of private placement a total of 250,000 units of the Company at a price of \$0.20 per unit (each consisting of one (1) common share and one non-transferable share purchase warrant entitling Standard to purchase one (1) additional common share of the Company at a price of \$0.20 per share during the first year or one common share at \$0.23 per share during the second year. In addition, a total of 130,682 units were issued to each of Francesco Aquilini and J. Frank Callaghan. Mr. Francesco Aquilini resigned as a Director of the Company on May 21, 1993. Mr. Callaghan exercised his share purchase warrant on June 7, 1993.

In addition, pursuant to an agreement dated September 14, 1992, Peter E. Corbett agreed to purchase by way of private placement a total of 16,204 units of the Company at a price of \$0.27 per unit. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase a further one common share at a price of \$0.27 per share during the first year or one common share at \$0.31 per share during the second year.

Other than as disclosed above, none of the directors or senior officers of the Company, or any associate or affiliate of such person or company, has any material interest, direct or indirect, in any transaction during the past year or any proposed transaction which has materially affected or will affect the Company.

APPOINTMENT AND REMUNERATION OF AUDITORS

The persons named in the enclosed Form of Proxy will vote for the re-appointment of Peat Marwick Thorne, Chartered Accountants, Vancouver, British Columbia, Auditors for the Company, to hold office until the next Annual General Meeting of the Members, at a

remuneration to be fixed by the Board of Directors. Peat Marwick Thorne were appointed as the Company's auditors on April 1, 1991.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

A. Buy/Sell Agreement

Pursuant to an agreement dated August 2, 1971 between the Company and John C. Reynolds, a former director of the Company, of Lillooet, British Columbia, the Company acquired a 100% interest in twenty-five mineral claims from Mr. Reynolds (the "Property"). Subsequent to 1971, the Company acquired additional claims with the Property now comprising 45 contiguous mineral claims and one mining lease totalling 74 units, covering approximately 1,825 hectares, located at the west end of Carpenter Lake, approximately 3 kilometres north of Goldbridge, B.C. During 1984, the Company entered into an agreement with Brigadier Resources Ltd. (formerly Amazon Petroleum Corp.), a British Columbia company trading on the Vancouver Stock Exchange, wherein Brigadier earned a 50% interest in the Property by agreeing to expend a total of \$300,000 in the years 1984-1986 and agreeing to transfer its interest in five mineral claims, known as the Lake Claims (which claims are still currently held by the Company as to 50%), located in the Lillooet Mining Division, B.C. to the Company (collectively, the Property and the Lake Claims are referred to as the "Wayside Gold Mine"). Each of the Company and Brigadier currently own a 50% interest in the Wayside Gold Mine.

The Company and Brigadier propose to enter into a buy/sell agreement, whereby the Company will purchase Brigadier's 50% interest in the Wayside Gold Mine. The purchase price of \$600,000 will be paid by the Company issuing 750,000 shares of common stock and Brigadier receiving a 2% NSR (net smelter return) convertible into an additional \$200,000 when the mine goes into production. At the conclusion of the proposed buy/sell agreement, the Company will own 100% of the Wayside Gold Mine.

The buy/sell agreement is subject to the approval by the shareholders of the Company and acceptance by the Vancouver Stock Exchange.

Messrs. J. Frank Callaghan and Peter E. Campbell are also directors and officers of Brigadier.

Management of the Company will request approval of the following ordinary resolution:

"RESOLVED, as an ordinary resolution, that a buy/sell agreement whereby the Company will purchase Brigadier Resources Ltd.'s 50% interest in the Wayside Gold Mine, located near Goldbridge, B.C., subject to acceptance by the Vancouver Stock Exchange, be approved."

B. Consolidation of Shares

The shareholders of the Company are being asked to approve a special resolution to consolidate all of the shares of the Company, both issued and unissued, on a 1 for up to 4 basis. This action has been deemed by the Board of Directors to be necessary for the Company to be able to attract new capital and continue operations. Accordingly, shareholders

of the Company will be asked to consider and, if thought fit, to approve the following special resolution, based on a 1 for 4 basis:

Resolved, as a special resolution, that:

- a) the share capital of the Company be altered by consolidating all of the 20,000,000 authorized common shares without par value, both issued and unissued, into 5,000,000 common shares without par value, every 4 of such common shares before consolidation being consolidated into 1 common share;
- b) paragraph two of the Memorandum of the Company be altered by deleting it in its entirety and substituting the following therefor:
"2. The authorized capital of the Company consists of 5,000,000 common shares without par value."

C. Increase of Authorized Capital

The shareholders will also be asked to approve a special resolution to increase the authorized capital from 5,000,000 common shares (post-consolidation shares) without par value to 50,000,000 common shares without par value, all shares issued and unissued ranking pari passu. Accordingly, shareholders of the Company will be asked to consider and, if thought fit, to approve the following special resolution:

Resolved, as a special resolution, that immediately following acceptance for filing by the Registrar of Companies of the special resolution altering the Company's capital by the consolidation of all of its 5,000,000 common shares without par value, both issued and unissued, into 50,000,000 common shares without par value:

- a) the share capital of the Company be altered by increasing the authorized capital of the Company from 5,000,000 post-consolidated common shares without par value, both issued and unissued, to 50,000,000 post-consolidated common shares without par value, all shares issued and unissued ranking pari passu;
- b) paragraph two of the Memorandum of the Company be altered by deleting it in its entirety and substituting the following therefor:
"2. The authorized capital of the Company consists of 50,000,000 common shares without par value."

D. Change of Name

A company consolidating its capital is required to change its name and, accordingly, the shareholders will be asked to approve a special resolution to change the name of the Company to Consolidated Wayside Gold Mines Ltd., or such other name as may be determined at the

discretion of the Board of Directors of the Company. Accordingly, shareholders of the Company will be asked to consider and, if thought fit, to approve the following special resolution:

Resolved, as a special resolution, that the name of the Company be changed to Consolidated Wayside Gold Mines Ltd., or such other name as may be determined at the discretion of the Board of Directors of the Company and that the Memorandum of the Company be altered accordingly.

E. Approval of Incentive Stock Options


Management of the Company will request approval of the following ordinary resolution:

"RESOLVED, as an ordinary resolution, that the granting, amending or exercise of incentive stock options to be allocated or amended at the discretion of the Board of Directors to insiders of the Company in such amounts and at such prices as may be acceptable to the Vancouver Stock Exchange, be approved."

MANAGEMENT OF THE COMPANY KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING. THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY ON SUCH OTHER BUSINESS AS MAY PROPERLY BE TRANSACTED AT THE ANNUAL GENERAL MEETING OR AT ANY ADJOURNMENT THEREOF.

DATED at Vancouver, British Columbia, this 13th day of July, 1993.

BY ORDER OF THE BOARD


J. Frank Callaghan,
President and a Director

Financial Statements of

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Years ended February 28, 1993 and February 29, 1992

KPMG Peat Marwick Thorne

Chartered Accountants

777 Dunsmuir Street Telephone: (604) 691-3000
P.O. Box 10426, Pacific Centre Fax: (604) 691-3031
Vancouver, B.C., Canada
V7Y 1K3

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Wayside Gold Mines Ltd. (formerly Carpenter Lake Resources Ltd.) as at February 28, 1993 and February 29, 1992 and the statements of operations and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 1993 and February 29, 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied on a consistent basis.

Peat Marwick Thorne

Chartered Accountants

Vancouver, Canada
July 8, 1993

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Balance Sheets

	February 28, 1993	February 29, 1992
Assets		
Current assets:		
Cash (note 2)	\$ 77,409	\$ 191
Accounts receivable	7,859	2,798
Receivable from related party (note 3)	9,727	-
	94,995	2,989
Deposit on purchase of mineral properties (note 4)	-	28,000
Mineral properties (note 5)	1,609,245	1,478,539
Equipment:	3,316	1,286
Less accumulated depreciation	1,397	1,171
	1,919	115
	\$ 1,708,159	\$ 1,509,643

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 44,081	\$ 68,586
Payable to related parties (note 6)	38,835	89,438
Shareholder loan, without interest	-	36,370
	82,916	192,394
Shareholders' equity:		
Capital stock (note 7)	2,766,057	2,228,534
Deficit	1,142,814	911,285
	1,623,243	1,317,249

Commitments (note 5)

\$ 1,708,159 \$ 1,509,643

See accompanying notes to financial statements.

On behalf of the Board:

[Signature] Director
[Signature] Director

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Statements of Operations and Deficit

	Year ended February 28, 1993	Year ended February 29, 1992
Revenue:		
Expense recovery	\$ 25,213	\$ -
Miscellaneous	4,577	-
	29,790	-
Expenses:		
Accounting, audit and legal	32,844	15,354
Autmobile	2,942	3,067
Bank charges and interest	548	978
Capital taxes	4,600	-
Consulting services	6,250	4,760
Courier and delivery	908	557
Depreciation	226	29
Directors' meetings	-	5,114
Donations	-	500
Filing fees	14,508	5,833
Management fees	30,000	30,000
Office	30,513	27,578
Printing	4,819	3,909
Promotion	40,213	6,809
Rent	7,750	6,000
Shareholder information	2,211	3,105
Telephone	11,121	5,305
Transfer agent	6,192	7,506
Travel	2,468	4,300
Underwriting fees	-	6,000
	197,907	136,504
	(168,117)	(136,504)
Other:		
Write-off of:		
Deposit on mineral properties	28,000	-
GST receivable	7,910	-
	35,910	136,504
Loss for the year	204,027	136,504
Deficit, beginning of year	911,285	774,781
	1,115,312	911,285
Share issue costs	27,502	-
Deficit, end of year	\$ 1,142,814	\$ 911,285

Loss per share (note 10)

See accompanying notes to financial statements.

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Statements of Changes in Financial Position

	Year ended February 28, 1993	Year ended February 29, 1992
Cash provided by (used in):		
Operations:		
Loss for the year	\$(204,027)	\$(136,504)
Items not involving cash:		
Depreciation	226	29
Write-off of:		
Deposit on mineral properties	28,000	-
GST receivable	7,910	-
	(167,891)	(136,475)
Changes in non-cash operating working capital	(95,806)	115,732
	(263,697)	(20,743)
Financing:		
Subscribed shares	-	500
Issue of capital stock	537,523	75,595
Increase (decrease) in shareholder loan	(36,370)	36,370
Share issue costs	(27,502)	-
	473,651	112,465
Investment:		
Deposit on purchase of mineral properties	-	(28,000)
Deferred development expenditures	(130,706)	(63,618)
Purchase of equipment	(2,030)	-
	(132,736)	(91,618)
Increase in cash	77,218	104
Cash, beginning of year	191	87
Cash, end of year	\$ 77,409	\$ 191

See accompanying notes to financial statements.

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements

Years ended February 28, 1993 and February 29, 1992

The Company was incorporated on February 12, 1970 under the Company Act of British Columbia. On February 14, 1992 the Company changed its name to Wayside Gold Mines Ltd. Its principal business activities include the exploration and development of mineral claims.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred costs is dependant upon the discovery of economically recoverable reserves and the ability of the Company to obtain necessary financing to complete the development and attaining future profitable productions or proceeds from the disposition thereof.

The Company has incurred a loss of \$204,027 for the year ended February 28, 1993 and has an accumulated deficit of \$1,142,814 at that date.

These financial statements have been prepared on the basis that the Company will be able to meet its commitments and realize its assets in the normal course of business. The Company's continued operations are contingent upon its ability to operate profitably or to raise additional working capital.

1. Significant accounting policies:

(a) Mineral properties

The costs of acquisition, exploration and development of mineral properties, are capitalized and will be amortized on a unit-of-production method based on estimated recoverable reserves once commercial production commences. Costs related to abandoned claims are charged to operations at the time of abandonment.

Deferred exploration and development expenditures represent unamortized costs to date and do not necessarily reflect present or future values.

Administrative costs are expensed as incurred.

(b) Equipment:

Equipment is recorded at cost. Depreciation is provided over the estimated useful life on a declining basis at a rate of 20% per annum.

2. Cash:

Pursuant to the requirements of a flow through share issuance, funds in the amount of \$75,027 at February 28, 1993 are deposited in a special bank account for use solely on Canadian Exploration Expenditures as defined in the Income Tax Act.

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 2

Years ended February 28, 1993 and February 29, 1992

3. Receivable from related party:

The receivable from a related party is a receivable from Brigadier Resources Ltd., a company under common management with Wayside Gold Mines Ltd., and bears no interest.

4. Deposit on purchase of mineral properties:

The deposit on purchase of mineral properties of \$28,000 was written off in the 1993 year, when the claims were abandoned.

5. Mineral properties:

Mineral properties consist of a 50% interest in Wayside Property located in the Lillooet Mining Division. The property consists of 45 claims, and a lease comprising 74 units and surface rights on two lots. The remaining 50% interest is held by Brigadier Resources Ltd. and when the property commences commercial production each company will be required to issue shares equal in value to \$240,000 to the party from whom it was acquired.

	February 28, 1993	February 29, 1992
Wayside Property:		
Acquisition costs	\$ 375,820	\$ 375,820
Deferred expenditures (schedule)	1,233,425	1,102,719
	<u>\$ 1,609,245</u>	<u>\$ 1,478,539</u>

The Company has incurred development expenditures of \$130,706 (see schedule) in the year ended February 28, 1993, \$52,877 of which will be eligible as Canadian Exploration Expenses (CEE) for tax purposes. The Company has renounced its claim to the remaining \$77,829 of CEE for the 1993 year through the issuance of flow through shares. This issuance of flow through shares allocates the CEE claim to the investors who purchased the shares.

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 3

Years ended February 28, 1993 and February 29, 1992

6. Payable to related parties:

Payable to related parties is comprised as follows:

	February 28, 1993	February 29, 1992
Payable to directors:		
Frank Callaghan	\$ 6,743	\$ 40,423
Thomas Kennedy	-	3,500
	6,743	43,923
Payable to company owned 50% by a director: 369742 B.C. Ltd. (Standard Drilling & Engineering) Ltd.	32,092	42,767
Payable to company under common management	-	2,748
	\$ 38,835	\$ 89,438

Amounts payable to related parties are non-interest-bearing, unsecured and due on demand.

7. Capital stock:

Authorized capital:

The authorized share capital of the Company consists of 20,000,000 common shares without par value.

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 4

Years ended February 28, 1993 and February 29, 1992

7. Capital stock (continued):

Issued and outstanding:

	Number of shares	Price	Amount
Balance, March 1, 1991	3,775,508	-	\$ 2,152,439
Exercise of stock options	160,000	0.15	\$ 24,000
Issued to former creditors	123,968	0.15	18,595
Issued for mineral properties (note 3)	200,000	0.13 - 0.15	28,000
	4,259,476		2,223,034
Consolidation of issued shares on the basis of four for one	3,194,607	-	-
Balance, February 14, 1992	1,064,869		2,223,034
Issued to former creditor	8,334	0.60	5,000
Balance, February 29, 1992	1,073,203		2,228,034
Exercise of stock options	144,000	0.50	72,000
Issuance of regular shares	1,685,571	0.20 - 0.95	323,523
Issuance of flow through shares	150,000	0.95	142,500
Balance, February 28, 1993	3,052,774		\$ 2,766,057

Of the total shares issued, 468,750 are held in escrow subject to the requirements of the regulatory authorities.

During 1992 the Company granted incentive stock options to a director, an officer, and others entitling them to purchase a total of 270,000 shares at \$0.50 per share. During 1992 and 1993, 144,000 of these options were exercised. The remaining 126,000 options are outstanding as at February 28, 1993 and will expire on November 3, 1997.

The Company has outstanding share purchase warrants which entitle the holders to purchase 860,571 shares of which 597,938 were issued to directors, officers and a related company. The details of these share purchase warrants are as follows:

Number of warrants	Warrant exercise price first year	Warrant exercise price second year	Expiry date of warrant
71,429	\$ 0.21	\$ 0.24	April 16, 1994
511,364	0.20	0.23	July 9, 1994
<u>227,778</u>	0.27	0.31	September 15, 1994
<u>860,571</u>			

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 5

Years ended February 28, 1993 and February 29, 1992

8. Related party transactions:

Charges for services by current directors, a company wholly-owned by a current director and a company owned 50% by a current director, consist of the following:

	February 28, 1993	February 29, 1992
Consulting	\$ 6,500	\$ 3,500
Drilling	118,725	39,969
Management fees	30,000	30,000
Office	-	10,413
Promotion	-	3,517
Rent	7,750	4,510
	\$ 162,975	\$ 91,909

9. Income taxes:

The Company has incurred losses for income tax purposes of \$419,524 (1992 - \$243,993) which are available to be carried forward and applied against taxable income of future periods. These losses expire as follows:

1996	\$ 24,726
1997	22,675
1998	61,881
1999	134,511
2000	175,531

The potential tax benefits of these losses have not been reflected in the financial statements.

10. Loss per share:

The loss per share is \$0.26 for 1993 and \$0.14 for 1992.

WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Schedules of Deferred Expenditures

	Year ended February 28, 1993	Year ended February 29, 1992
Expenditure during the year:		
Assays	\$ 1,334	\$ 951
Consulting and engineering	6,522	7,555
Drilling	118,183	42,717
Road construction	-	12,395
Mine supplies and travel	4,667	-
	130,706	63,618
Balance, beginning of year	1,102,719	1,039,101
Balance, end of year	\$ 1,233,425	\$ 1,102,719

WAYSIDE GOLD MINES LTD.

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Notes to Financial Statements, page 5

Years ended February 28, 1993 and February 29, 1992

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