

**WAYSIDE GOLD MINES LTD.**

---

The Standard Building  
Suite 604-510 West Hastings Street  
Vancouver, British Columbia, V6B 1L8

Telephone: (604) 654-6001

Facsimile: (604) 654-6004

**From the Desk of the President**

The 1991 fiscal year has been interesting to say the least!

The Company completed a drill program which proved the extension of the Notman Vein and the main Wayside Vein. This discovery gave management the confidence to continue with the project. The Company first had to reorganize itself and obtain a new image. By February of this year, that was completed - the Company consolidated its share capital and changed its name to Wayside Gold Mines Ltd. The Board of Directors was also reorganized. The new members bring a history of solid management and finance. This is evidenced by the significant private placements that have occurred.

I am pleased to report that the Company has, at the writing of this report, paid down its debt and is current with its liabilities, and chose to drop its other mineral properties in order to stay focused on its Wayside Project.

The new team is planning an aggressive work programme on the Company's Wayside Property this summer under the direction of Sampson Engineering. Phase 1 will include rehabilitating the #5 portal dewatering the old workings to 9 level to which no one has been since 1952 and 125' of underground drifting (tunneling) on this level to the Notman Vein where Chevron Minerals intersected 5.2' of 1.84 oz. to the tonne. A great deal of sampling is also part of this phase.

Phase 2 will include 5,000' of underground drilling which should provide some exciting results.

ON BEHALF OF THE BOARD



J. Frank Callaghan,  
President

July 23, 1992

## WAYSIDE GOLD MINES LTD.

### NOTICE OF 1992 ANNUAL GENERAL MEETING OF MEMBERS

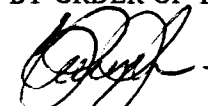
NOTICES HEREBY GIVEN THAT the 1992 Annual General Meeting (the "Meeting") of the members of Wayside Gold Mines Ltd. (the "Company"), will be held in the Boardroom, Suite 300, 885 Dunsmuir Street, Vancouver, B.C., V6C 1N5 on August 19, 1992 at the hour of 11:00 o'clock in the forenoon (Vancouver time) 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 29, 1992 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 four (4).
4. To elect directors for the ensuing year.
5. 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.
6. To consider, and if thought fit, to pass a special resolution that the existing Articles of the Company be altered by deleting all the provisions thereof and adopting as the Articles of the Company all the provisions of the set of Articles submitted to the Meeting and initialled for identification by the Chairman.
7. To consider, and if thought fit, to pass an ordinary resolution that the Company be authorized to conclude private placements, as disclosed under "Particulars of Other Matters to be Acted Upon", which may effect control of the Company.
8. To consider and, if thought fit, to pass an ordinary resolution ratifying the consolidation of the share capital of the Company, both issued and unissued, on a 1 for 4 basis.
9. To consider and, if thought fit, to pass an ordinary resolution approving the issuance of 375,000 escrow shares (post-consolidation) to the principals of the Company at a price of \$0.04 per share, subject to the approval of the Vancouver Stock Exchange.
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 21, 1992 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 21, 1992)

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 1992 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 **1,473,203** shares. Only members of record at the close of business on **July 10, 1992** 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.	300,000 *	20.4%

\* In addition to these shares, subject to the approval of the Vancouver Stock Exchange, pursuant to a private placement, a total of 511,364 Units at \$0.20 per Unit will be issued to the following investors:

369742 B.C. Ltd.	250,000 Units
Luigi Aquilini	125,000 Units
Francesco Aquilini	68,182 Units
J. Frank Callaghan	68,182 Units

Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will entitle the placee to purchase a further one common share 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. 369742 B.C. Ltd., a private company owned as to 50% by each of J. Frank Callaghan and Francesco Aquilini, both directors of the Company.

In addition, subject to the approval of the Vancouver Stock Exchange, pursuant to a private placement, a total of 520,103 Units at \$0.26 per Unit will be issued to the following investors:

Luigi Aquilini	384,615 Units
Francesco Aquilini	67,744 Units
J. Frank Callaghan	67,744 Units

Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will entitle the placee to purchase a further one common share at a price of \$0.26 per share during the first year or one common share at \$0.30 per share during the second year.

Once a total of 71,429 private placement shares, the 511,364 shares, the 520,103 shares and a total of 375,000 escrow shares (50% of the escrow shares will be issued to each of J. Frank Callaghan and Francesco Aquilini) are issued, there will be a total of 2,951,099 shares issued and outstanding and to the knowledge of the directors and senior officers of the Company, only the following will beneficially own, 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.	873,426 *	29.6%
Francesco Aquilini Vancouver, B.C.	573,426 *	19.4%

Luigi Aquilini Vancouver, B.C.	509,615	17.3%
-----------------------------------	---------	-------

\* Of these shares, a total of 250,000 shares will be registered in the name of 369742 B.C. Ltd., a private company owned as to 50% by each of J. Frank Callaghan and Francesco Aquilini.

**FINANCIAL STATEMENTS**

Shareholders will be asked to consider the audited financial statements of the Company for the year ending February 29, 1992 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, 595 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 four (4) 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 24, 1992, 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**

Name and Municipality of Residence	<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	300,000 * (free-trading)
Thomas J. Kennedy North Vancouver, B.C.	Vice-Chairman of the Worker's Compensation Review Board (1982 to 1991); currently self-employed management consultant	29/11/91	Nil **
Francesco Aquilini Vancouver, B.C.	Property Developer, Aquilini Investment Group	08/06/92	Nil *

**Kai Wakabayashi**  
Vancouver, B.C.

1987 to 1991, Assistant Vice  
President Finance, Honda Motor Co.;  
Vice President, Finance,  
Aquilini Investment Group,  
1991 to present

08/06/92

Nil

- \* Subject to the approval of the Vancouver Stock Exchange, a total of 386,364 shares will be issued to 369742 B.C. Ltd. (as to 250,000 shares), to Frank Callaghan (as to 68,182 shares) and Francesco Aquilini (as to 68,182 shares) pursuant to a private placement of **511,364 Units @ \$0.20 per Unit**. Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will entitle the placee to purchase a further one common share 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. 369742 B.C. Ltd., a private company owned as to 50% by each of J. Frank Callaghan and Francesco Aquilini, both directors of the Company.

Subject to the approval of the Vancouver Stock Exchange, a total of 135,488 shares will be issued to J. Frank Callaghan and Francesco Aquilini (each as to 67,744 shares) pursuant to a private placement of **520,103 Units @ \$0.26 per unit**. Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will entitle the placee to purchase a further one common share at a price of \$0.26 per share during the first year or one common share at \$0.30 per share during the second year.

Subject to the approval of the Vancouver Stock Exchange, a total of 375,000 escrow shares will be issued to J. Frank Callaghan and Francesco Aquilini (each as to 187,500 escrow shares) at a price of \$0.04 per share.

- \*\* A total of 38,095 shares will be issued to Thomas J. Kennedy pursuant to a private placement of **71,429 Units @ \$0.21 per Unit**. Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will entitle the placee to purchase a further one common share at a price of \$0.21 per share during the first year or one common share at \$0.24 per share during the second year. This private placement was approved by the Vancouver Stock Exchange on July 14, 1992.

- (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  
Thomas J. Kennedy  
Kai Wakabayashi

#### **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 29, 1992, \$30,000 has been accrued and paid to Mr. Callaghan.

For the fiscal year ended February 29, 1992, Mr. Callaghan advanced the Company the sum of \$33,495.00.

For the fiscal year ended February 29, 1992, Mr. Callaghan incurred expenses, on behalf of the Company, in the amount of \$35,319.95.

- (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 in the event of change of control of the Company.

- (e) **Compensation of Directors:** For the year ended February 29, 1992, 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 29, 1992, two former directors of the Company were paid the sum of \$11,479 for services performed. In addition, for the fiscal year ended February 29, 1992, one of the current directors of the Company accrued the sum of \$3,500.00 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 the share purchase warrants which will be issued on acceptance of private placements by the Vancouver Stock Exchange (refer to the disclosure under "Particulars of Other Matters to be Acted Upon") herein for details.

#### **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

Refer to the disclosure under "Information Concerning Nominees Submitted by Management" herein for details of the directors of the Company who have outstanding share purchase warrants to purchase common shares of the Company.

For the fiscal year ended February 29, 1992, the sum of \$44,479 was accrued to two companies owned by J. Frank Callaghan, the President and a director of the Company, for drilling services and rental fees.

Except as set out above or under "Particulars of Other Matters to be Acted Upon", 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

#### 1. Approval of Incentive Stock Options

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

**"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."**

#### 2. Adoption of Articles

The shareholders of the Company will be asked to consider a special resolution cancelling the existing Articles of the Company and adopting a new form of Articles of the Company, in substitution for and to the exclusion of the existing Articles of the Company. The new form of Articles will be available for inspection by any interested shareholder at the Annual General



Meeting at the time and place designated on the Notice of Annual General Meeting or at the Company's records office located at 1318-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, during normal business hours on all business days up to the date of the Annual General Meeting.

3. **Private Placements**

The rules of the Vancouver Stock Exchange provide that shareholder approval is required in the event that a private placement of securities is proposed that would have the effect of changing control of the Company or if the number of shares to be issued to one investor, or to a group of investors who intend to vote their shares as a group, is equal to or greater than 20% of the number of issued shares outstanding after giving effect to the issuance of the securities.

As disclosed under "Voting Securities and Principal Holders of Voting Securities" and "Information Concerning Nominees Submitted by Management", subject to the approval of the Vancouver Stock Exchange, the Company will issue a total of 1,102,896 shares of the Company. The private placements may result in a change of control or the issuance of in excess of 20% of the Company's issued capital to a single investor or to a group of investors who intend to vote their shares in concert.

Shareholders are being asked to consider the following ordinary resolution:

**"RESOLVED, as an ordinary resolution, that the directors of the Company be authorized to conclude the issuance of private placement shares, as disclosed in the Company's Information Circular dated July 21, 1992, which may have the effect of changing control of the Company or pursuant to which an investor, or a group of investors, would acquire greater than 20% of the number of the issued shares which would be outstanding after giving effect to the placements."**

4. **Ratification of Consolidation**

At the Company's Extraordinary General Meeting held on January 20, 1992, the shareholders of the Company approved a special resolution consolidating the share capital of the Company, both issued and unissued, on a 1 for 4.5 basis.

Pursuant to the policy of the Vancouver Stock Exchange, the Company was aware that the Vancouver Stock Exchange would not favourably consider share consolidations which have the effect of reducing the number of issued shares of a listed company to less than 1,000,000. Based on the current issued and outstanding capital at the time of 4,269,476 shares, the Company's issued and outstanding capital would be 948,772 shares subsequent to a 1 for 4.5 share consolidation. Accordingly, the Company proposed and the Vancouver Stock Exchange accepted that the consolidation be done on a 1 for 4 share basis, rather than 1 for 4.5 share basis. The consolidation was effected on February 14, 1992.

Shareholders of the Company will be asked to consider the following ordinary resolution:

**"RESOLVED, as an ordinary resolution, that the consolidation of the share capital of the Company, both issued and unissued, on a 1 for 4 basis, as effected on February 14, 1992 be ratified and approved."**

5. **Principal's Escrow Shares**

In connection with the proposed reorganization of the Company, at the Company's Extraordinary General Meeting held on January 20, 1992, management recommended the issuance of principal's escrow shares to provide an added incentive to the principals of the Company. Accordingly, a special resolution was presented for approval at the meeting that the issuance of 338,542 escrow shares (post-consolidation) to the principals of the Company, at a price of \$0.045 per share, subject to the approval of the Vancouver Stock Exchange, be approved.

Based on the 1 for 4 share consolidation, as referred to under Item 4 above, the following ordinary resolution will be presented for approval at the meeting:

**"RESOLVED, as an ordinary resolution, that:**

- a) **the issuance of 375,000 escrow shares (post-consolidation) to the principals of the Company, at a price of \$0.04 per share, subject to the approval of the Vancouver Stock Exchange, be approved;**
- b) **any one (1) director of the Company be authorized to execute the Escrow Agreement with the Montreal Trust Company of Canada.**

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 21st day of July, 1992.

**BY ORDER OF THE BOARD**



**J. Frank Callaghan,  
President and a Director**

**INSTRUCTIONS**

This report is to be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of the end of their fourth quarter. Three schedules (typed) are to be attached to this report as follows:

**SCHEDULE A: FINANCIAL INFORMATION**

Financial information prepared in accordance with generally accepted accounting principles for the fiscal year-to-date, with comparative information for the corresponding period of the preceding fiscal year. This financial information should consist of the following:

*For the first, second and third fiscal quarters:*

An interim financial report presented in accordance with Section 1750 of the C.I.C.A. Handbook. This should include a summary income statement (or a statement of deferred costs) and a statement of changes in financial position. A summary balance sheet is also to be provided.

*For the fourth fiscal quarter (year end):*

Annual audited financial statements.

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below is to be provided when not included in Schedule A.

1. *For the current fiscal year-to-date:*  
Breakdown, by major category, of those expenditures and costs which are included in the deferred costs, exploration and development expenses, cost of sales or general and administrative expenses set out in Schedule A. State the aggregate amount of expenditures made to parties not at arm's length from the issuer.
2. *For the quarter under review:*
  - (a) Summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.), number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid.
  - (b) Summary of options granted, including date; number, name of optionee, exercise price and expiry date.
3. *As at the end of the quarter:*
  - (a) Particulars of authorized capital and summary of shares issued and outstanding.
  - (b) Summary of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry dates.
  - (c) Total number of shares in escrow or subject to a pooling agreement.
  - (d) List of directors

**SCHEDULE C: MANAGEMENT DISCUSSION**

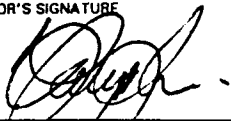

Review of operations in the quarter under review and up to the date of this report, including brief details of any significant event or transaction which occurred during the period. The following list can be used as a guide but is not exhaustive:

Acquisition or abandonment of resource properties, acquisition of fixed assets, financings and use of proceeds, management changes, material contracts, transactions with related parties, legal proceedings, contingent liabilities, default under debt or other contractual obligations, special resolutions passed by shareholders.

ISSUER DETAILS		ISSUER TELEPHONE NO.	FOR QUARTER ENDED	DATE OF REPORT
NAME OF ISSUER				Y M D
WAYSIDE GOLD MINES LTD.		654-6001	Feb. 29/92	92 07 23
ISSUER'S ADDRESS		PROVINCE	POSTAL CODE	
604-510 West Hastings St.,		Vancouver, B.C.,	V6B 1L8	
CONTACT PERSON	CONTACT'S POSITION		CONTACT TELEPHONE NO.	
J. FRANK CALLAGHAN	President		654-6001	

**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.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
		Y M D
	J. FRANK CALLAGHAN	92 07 23
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
		Y M D
	THOMAS J. KENNEDY	92 07 23

Financial Statements of

**WAYSIDE GOLD MINES LTD.**

(formerly Carpenter Lake Resources Ltd.)

Years ended February 29, 1992 and February 28, 1991

# **KPMG** Peat Marwick Thorne

Chartered Accountants

777 Dunsmuir Street  
P.O. Box 10426, Pacific Centre  
Vancouver, B.C., Canada  
V7Y 1K3

Telephone: (604) 691-3000  
Fax: (604) 691-3031

## **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the balance sheets of Wayside Gold Mines Ltd. (formerly Carpenter Lake Resources Ltd.) as at February 29, 1992 and February 28, 1991 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 29, 1992 and February 28, 1991 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

June 20, 1992

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)


## Balance Sheets


February 29, 1992 and February 28, 1991

	1992	1991
<b>Assets</b>		
Current assets:		
Cash	\$ 191	\$ 87
Accounts receivable	2,798	-
	<u>2,989</u>	<u>87</u>
Deposit on purchase of mineral properties (note 3)	28,000	-
Mineral properties (note 4)	1,478,539	1,414,921
Equipment:	1,286	1,286
Less accumulated depreciation	<u>1,171</u>	<u>1,142</u>
	115	144
	<u>\$ 1,509,643</u>	<u>\$ 1,415,152</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 66,586	\$ 32,228
Payable to related parties (note 6)	89,438	5,266
Shareholder loan, without interest	<u>36,370</u>	<u>-</u>
	192,394	37,494
Shareholders' equity:		
Capital stock (note 7)	2,228,534	2,152,439
Deficit	<u>911,285</u>	<u>774,781</u>
	1,317,249	1,377,658
Continuing operations (note 1)		
Subsequent events (notes 3, 5 and 7)		
Commitment (note 4)		
	<u>\$ 1,509,643</u>	<u>\$ 1,415,152</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Statements of Operations and Deficit

Years ended February 29, 1992 and February 28, 1991

	1992	1991
Revenue	\$ -	\$ -
Expenses:		
Accounting, audit and legal	15,354	10,504
Automobile	3,067	-
Bank charges and interest	978	138
Consulting services	4,760	1,070
Courier and delivery	557	-
Depreciation	29	36
Directors' meetings	5,114	-
Donations	500	-
Filing fees	5,833	3,020
Management, consulting and directors' fees	30,000	22,945
Office	27,578	4,031
Printing	3,909	716
Promotion	6,609	-
Rent	6,000	1,144
Shareholder information	3,105	-
Telephone	5,305	-
Transfer agent	7,506	6,027
Travel	4,300	-
Underwriting fees	6,000	-
	136,504	49,631
Other:		
Write-off of receivable from former director	-	12,250
Loss for the year	136,504	61,881
Deficit, beginning of year	774,781	712,900
Deficit, end of year	\$ 911,285	\$ 774,781

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

Years ended February 29, 1992 and February 28, 1991

	1992	1991
Cash provided by (used in):		
Operations:		
Loss for the year	\$ (136,504)	\$ (61,881)
Items not involving cash:		
Depreciation	29	36
Write-off of receivable from former director	-	12,250
	(136,475)	(49,595)
Changes in non-cash operating working capital	115,732	31,814
	(20,743)	(17,781)
Financing:		
Subscribed shares	500	-
Issue of capital stock	75,595	26,250
Receivable from former director	-	(12,250)
Increase in shareholder loan	36,370	-
	112,465	14,000
Investment:		
Deposit on purchase of mineral properties	(28,000)	-
Deferred development expenditures	(63,618)	-
	(91,618)	-
Increase (decrease) in cash	104	(3,781)
Cash, beginning of year	87	3,868
Cash, end of year	\$ 191	\$ 87

See accompanying notes to financial statements.



# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements

Years ended February 29, 1992 and February 28, 1991

---

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 dependent 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.

## 1. Continuing operations:

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. Subsequent to the year end the Company received regulatory approval in principle for the private placement of 1,502,896 shares (see also note 7). The proceeds of the private placements are expected to enable the Company to sustain operations.

## 2. 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.

### (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.

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 2

Years ended February 29, 1992 and February 28, 1991

### 3. Deposit on purchase of mineral properties:

During the year the Company entered into agreements to purchase mineral claims in exchange for the Company's shares as follows:

Mining Division	Record number	Number of pre-consolidation shares	Share price	Amount
Omineca	13081	100,000	\$ 0.13	\$ 13,000
Alberni	301546, 301547	100,000	0.15	15,000

Subsequent event:

The Company decided to abandon these claims on their respective expiry dates of March 23, 1992 and July 1, 1992 and accordingly these amounts will be written off on the Company's next fiscal year.

### 4. 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., a related company. If, 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.

	1992	1991
Wayside Property:		
Acquisition costs	\$ 375,820	\$ 375,820
Deferred expenditures (schedule)	1,102,719	1,039,101
	<u>\$ 1,478,539</u>	<u>\$ 1,414,921</u>

### 5. Accounts payable and accrued liabilities:

Subsequent to the year end the Company initiated negotiations to settle certain accounts payable for less than their recorded amounts. The maximum reduction in the liability is expected to be \$14,329.

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 3

Years ended February 29, 1992 and February 28, 1991

## 6. Payable to related parties:

Payable to related parties is comprised as follows:

	1992	1991
Payable to directors:		
Frank Callaghan	\$ 40,423	\$ 4,266
Thomas Kennedy	3,500	-
	<u>43,923</u>	<u>4,266</u>
Payable to company wholly-owned by a director: 369742 B.C. Ltd. (Field Drilling & Engineering)	42,767	-
Payable to company under common management	<u>2,748</u>	<u>1,000</u>
	<u>\$ 89,438</u>	<u>\$ 5,266</u>

Amounts payable to related parties bear no interest and are due on demand.

## 7. Capital stock:

Authorized capital:

On February 14, 1992 the Company consolidated its issued and outstanding shares on a four for one basis from 10,000,000 to 2,500,000 common shares without par value. The Company thereafter increased the authorized capital to 20,000,000 (post-consolidation) common shares without par value.

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 4

Years ended February 29, 1992 and February 28, 1991

## 7. Capital stock (continued):

Issued and outstanding:

	Number of shares	Price	Amount
Balance, March 1, 1990:			
Issued for:			
Cash	2,733,008	-	\$ 1,597,839
Mineral properties	650,000	-	478,600
Services rendered	217,500	-	49,750
	3,600,508		2,126,189
Exercise of stock options	175,000	0.15	26,250
Balance, February 28, 1991	3,775,508		2,152,439
Changes in capital stock:			
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
	1,073,203		2,228,034
Shares subscribed but not yet issued	2,381	0.21	500
Balance, February 29, 1992	1,075,584		\$ 2,228,534

Of the total shares issued, 93,750 (post-consolidation) shares are held in escrow subject to the requirements of the regulatory authorities.

During 1991 the Company granted employee incentive stock options to three directors entitling them to purchase a total of 387,500 (pre-consolidation) shares at \$.15 per share. During 1992, 160,000 of these options were exercised and 192,500 were cancelled. The remaining 35,000 outstanding as at February 29, 1992 expired unexercised March 9, 1992.

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 5

Years ended February 29, 1992 and February 28, 1991

## 7. Capital stock (continued):

Subsequent to year end, the Company obtained regulatory approval in principle for private placements of shares with non-transferable share purchase warrants as follows:

Number of shares approved	Issue price	Consideration	Number of warrants attached	Warrant exercise price first year	Warrant exercise price second year
400,000	\$ 0.20	\$ 80,000	-	not applicable	not applicable
71,429	0.21	15,000	71,429	\$ 0.21	\$ 0.24
511,364	0.20	102,272	511,364	0.20	0.23
520,103	0.26	135,226	520,103	0.26	0.30
1,502,896		\$ 332,498	1,102,896		

## 8. Related party transactions:

Charges for services by current or former directors, the spouse of a current director and a company wholly-owned by a current director consist of the following:

	1992	1991
Consulting	\$ 3,500	\$ 1,070
Drilling	39,969	-
Management	30,000	22,945
Office	10,413	-
Promotion	3,517	-
Rent	4,510	-
	\$ 91,909	\$ 24,015

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Notes to Financial Statements, page 6

Years ended February 29, 1992 and February 28, 1991

---

## 9. Income taxes:

The Company has incurred losses for income tax purposes which are available to be carried forward and applied against taxable income of future periods. These losses expire as follows:

1996	\$ 24,726
1997	22,875
1998	61,881
1999	134,511

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

## 10. Earnings per share:

The loss per share is approximately \$0.14 for 1992 and \$0.08 for 1991.

# WAYSIDE GOLD MINES LTD.

(formerly Carpenter Lake Resources Ltd.)

Schedules of Deferred Expenditures

Years ended February 29, 1992 and February 28, 1991

	1992	1991
Expenditure during the year:		
Assays	\$ 951	\$ -
Consulting and engineering	7,555	-
Drilling	42,717	-
Road construction	12,395	-
	63,618	-
Balance, beginning of year	1,039,101	1,039,101
Balance, end of year	\$ 1,102,719	\$ 1,039,101

**SCHEDULE "B"**  
**(for quarter ended February 29, 1992)**

Supplemental Information

The supplementary information set out below is to be provided when not included in Schedule A:

1. *For the current fiscal year-to-date:*

**Breakdown, by major category, of expenditures and costs etc.:**

Information is contained in the Company's audited financial statements attached (Schedule A).

2. *For the quarter under review:*

Information is contained in the Company's audited financial statements attached (Schedule A).

3. *As at the end of the quarter:*

(a) **Particulars of authorized capital etc.:**

Information is contained in the Company's audited financial statements attached (Schedule A).

(b) **Summary of options, warrants and convertible debentures:**

Information is contained in the Company's audited financial statements attached (Schedule A).

(c) A total of 93,750 shares are held in escrow.

(d) **List of Directors:**

J. Frank Callaghan  
Thomas J. Kennedy  
Wesley Reynolds



## WAYSIDE GOLD MINES LTD.

### SCHEDULE C - Management Discussion

On December 16, 1991, by order of the Board, Carpenter Lake Resources Ltd. called an Extraordinary General Meeting. The resolutions approved at the Extraordinary General Meeting, are as follows:

- a) that the share capital of the Company be increased from 10,000,000 shares to 20,000,000 shares;
- b) that the Company consolidate its shares up to 4.5 old shares for 1 new share;
- c) that the Company issue 338,542 escrow shares (post-consolidation) to the principals of the Company, at a price of \$0.045 per share, subject to the approval of the Vancouver Stock Exchange;
- d) that any one director of the Company be authorized to execute the escrow agreement with Montreal Trust Company of Canada;
- e) that the Company change its name to "Wayside Gold Mines Ltd."

The resolutions set forth above were special resolutions. A special resolution means a resolution passed by a majority of not less than 3/4 of the votes cast by those members of a company who, being entitled to do so, vote in person or by proxy at the meeting.

Pursuant to the policy of the Vancouver Stock Exchange, the Company was aware that the Vancouver Stock Exchange would not favourably consider share consolidations which have the effect of reducing the number of issued shares of a listed company to less than 1,000,000. Based on the current issued and outstanding capital at the time of 4,269,476 shares, the Company's issued and outstanding capital would be 948,772 shares subsequent to a 1 for 4.5 share consolidation. Accordingly, the Company proposed and the Vancouver Stock Exchange accepted that the consolidation be done on a 1 for 4 share basis, rather than 1 for 4.5 share basis. On February 14, 1992, the company changed its name to Wayside Gold Mines Ltd. and consolidated its share capital on a 4 old for 1 new share basis. The outstanding authorized capital of the company is presently 20,000,000 shares and the issued and outstanding is 1,473,203 shares of which 93,750 are escrow shares.

Since February 14, 1992, the company has completed two private placements, one for \$80,000 and one for \$15,000 and has two in progress, one for \$102,272.80 and one for \$135,226.88.

The Company has also changed its Board. It has received the resignations of Michael Scott (on February 19, 1992) and Wesley Reynolds (on June 17, 1992). On June 8, 1992, Kai Wakabayashi and Francesco Aquilini were appointed to the Board. Also, on July 17, 1992, J. Frank Callaghan, Thomas J. Kennedy and Kai Wakabayashi became members of the Audit Committee.