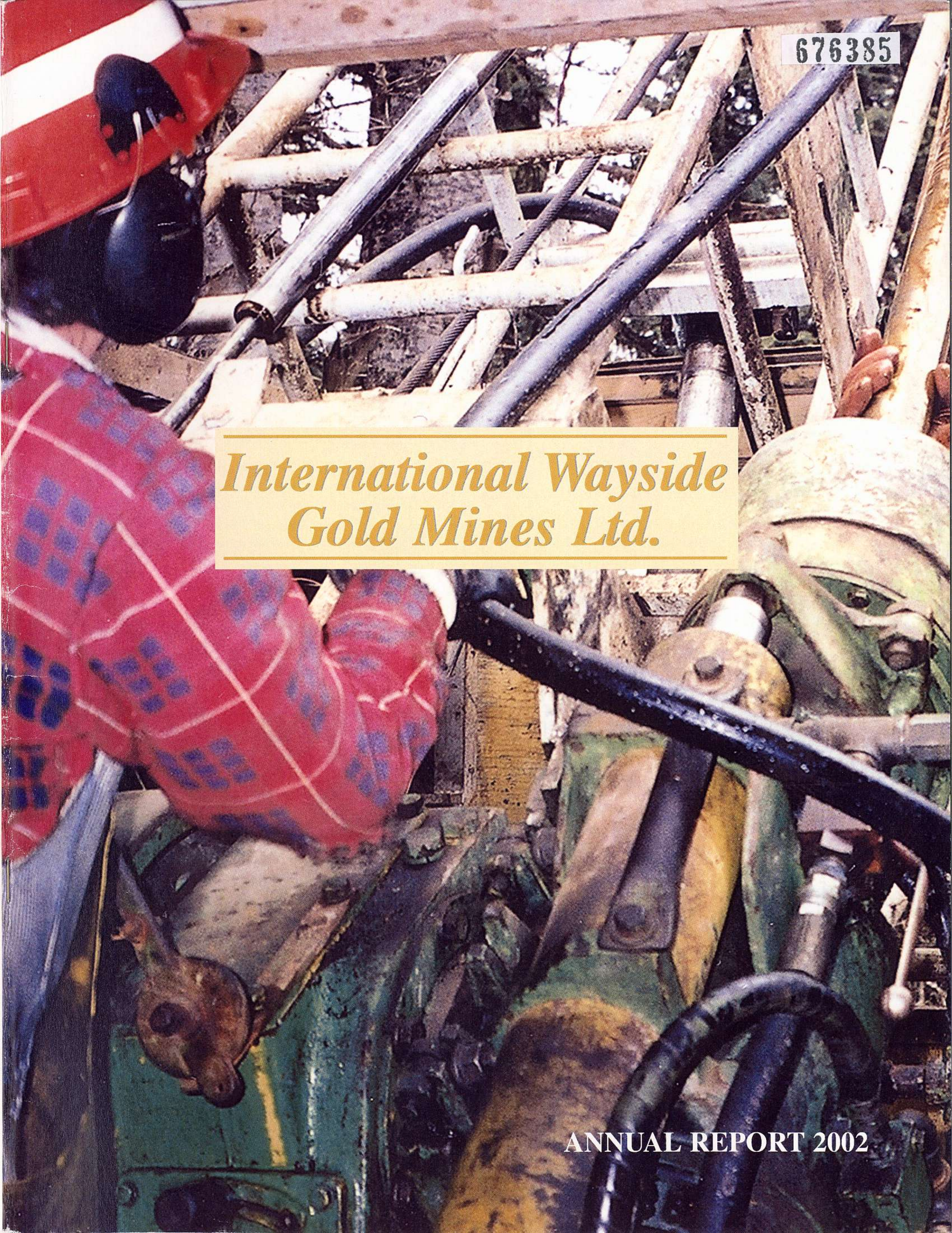


International Wayside Gold Mines Ltd.

ANNUAL REPORT 2002

On behalf of the Board of Directors, I am pleased to report that International Wayside Gold Mines Ltd. this past fiscal year continued to make meaningful progress in the development of its Cariboo Gold Project in the historic Wells-Barkerville area of east-central British Columbia.

Our Project mineral properties total 400 sq. km. and encompass the former placer sites that sparked the famed Cariboo Gold Rush of the 1860s, plus the former producing mines whose rich underground discoveries led to a second area gold rush in the 1930s.

Your company itself triggered renewed interest in the historic gold camp in 2000 with its discovery of significant gold mineralization in a stratigraphic position not previously recognized in the Cariboo Gold Camp. Our discovery, which is located on the flank of Barkerville Mountain and which we designated as the BC Vein-Bonanza Ledge zone, prompted more than a dozen companies, both majors and juniors, to stake thousands of acres in proximity to our Project, which we are developing in conjunction with two partners—Island Mountain Gold Mines Ltd. and Golden Cariboo Resources Ltd.

Your company had started drilling the BC Vein/Bonanza Ledge in 1998 and 1999, and intensified its efforts after its 2000 discovery in order to establish the on-strike extension of the BC Vein/Bonanza Ledge mineralization and understand the timing and style of the mineralized form. This would lead to an understanding of the deposits and make it easier to locate more mineralized bodies like the Bonanza Ledge.

We continued our comprehensive exploration program this past fiscal year, as detailed in an accompanying story within this Annual Report. However, I would like to reiterate a few of the salient points, including the fact that our program included 16,883 feet of diamond drilling in 25 drill holes, 22 of which tested the BC Vein/Bonanza Ledge. Three others targeted the nearby Wells Trend to test a possible extension of the Bonanza Ledge Trend. Results were positive, including the discovery of another strike vein. A total 22 of the 25 holes were mineralized, and the best intersection in the primary target area was 15.5 feet grading 0.212 oz./ton Au from BC01-18. Our drilling program revealed that the BC Vein/Bonanza Ledge is mineralized over a strike length of 3,300 feet (subsequent work has extended the length to 4,100 feet, open in all directions).

But just as importantly, our VP Exploration, Godfrey Walton, P.Geo., and his team of fellow professionals, now are of the opinion that the hydrothermal system responsible for the BC Vein/Bonanza Ledge mineralization is related to that of three former producing gold mines within our Project, although in different stratigraphic horizons. These properties are the Cariboo Gold Quartz Mine on Cow Mountain, the Island Mountain Mine and the Mosquito Creek Mine, which in their production years together yielded a total 995,365 ounces of gold. Should our geological hypothesis prove to be correct, it would suggest that the host system is at least four miles long, open in all directions. Our 2002 exploration programs will be designed to further determine the dimensions.

Mr. Walton additionally noted that all of the BC Vein/Bonanza Ledge mineralized intersections are shallow, within 300 feet of surface, and could be extracted in a long open pit. Therefore our development plan for a proposed open pit operation on Cow Mountain is being re-evaluated to include a second open pit encompassing the BC Vein/Bonanza Ledge strike.

Your company in April of 2002 submitted to the B.C. Environmental Assessment Agency a conceptual plan for its proposed open pit operation on Cow Mountain. Because of the BC Vein/Bonanza Ledge discovery, we requested that the original Application be placed on hold. This request was granted, and the Company will submit a revised Application in 2002.

Your company also completed one year of Environmental and Socio-Economic Base Line Research Studies in January of 2001. The studies were conducted by Knight Piesold Ltd. of Vancouver and encompassed fishery, wildlife, water quality, hydrology and meteorology. We have expended in excess of $1 million on the studies, conducted in conjunction with our prospective Application to the Environmental Assessment Agency. We expect to receive the Knight Piebold Report in 2002. Your company also held public consultations regarding our Project in Wells, Quesnel, Williams Lake and Prince George, with 86 percent of the Wells-Barkerville resident indicating support. We also signed a Memorandum of Understanding with the Lhatko Dene Nation (Red Bluff) to secure harmonious relations with these First Nations peoples during our Project development. Our work in this area also included an Aboriginal Impact Assessment Study conducted by an outside consulting firm.

To summarize: International Wayside's exploration programs this past fiscal year have provided an excellent framework for our 2002 exploration programs. They will include:

- Drilling to the northwest to extend the BC Vein/Bonanza Ledge Trend, which has been traced for 4,100 feet along strike, is known down dip 1000 feet and is open in all directions. (23) Upon completion of the drill program, which will total 120 holes between 1998-2002, Giroux Consultants Ltd. of Vancouver will prepare a resource calculation for the BC Vein/Bonanza Ledge areas; (29)
- Drilling of the Wells Trend on Cow Mountain along the possible extension of the Bonanza Ledge Trend. (21)
- Drilling of a quartz vein stockwork parallel to the Myrtle Claim Group, parallel to Bonanza Ledge, on Barkerville Mountain. Your company is the operator and is earning a 50 percent interest in the property from Gold City Industries Ltd. (28)
- Underground drilling from the 1200 level to the 1500 level within the Cariboo Gold Quartz Mine at Cow Mountain. Our objective is to increase the indicated resource already defined above the 1200 level. Giroux Consultants in Janaary of 2001 calculated this resource to be 6.6 million tons grading 0.065 oz/ton Au at a cutoff of 0.02 oz./ton Au. (21 and 1)

COMPANY FINANCINGS

I am pleased to report that your company during the past fiscal year completed financings and private placements that enabled us to continue our vital Cariboo Gold Project exploration programs. In view of market and investment conditions generally, especially after the tragic and shocking events of 9-11, we were extremely pleased to raise our requisite funds and sincerely thank the investment firms and individuals who joined us to help ensure the success of our Cariboo Gold Project.

For our part, and in recognition of our exploration priorities, your company effected major economies in areas such as shareholder communications, advertising, accounting, audit and legal expenses. Our savings in these five areas totaled $311,450 compared to the previous year.

As previously mentioned, your company's exploration programs are under the direction of Godfrey Walton, P.Geo, who joined us as Vice-President Exploration in May 2001. He brings to International Wayside more than 25 years of accomplishment with major and junior mining companies across Canada, the U.S., and internationally. His experience ranges from conceptual programs to final feasibility studies. He took his B.Sc. (Honors) from the University of Alberta and his M.Sc. from Queens University.

Godfrey has shown a high degree of expertise in conceiving and implementing our Cariboo Gold Project exploration programs, and excellent leadership skills in directing the efforts of our Consulting Geologists and Engineers. On behalf of the Board, it is my pleasure to sincerely thank Godfrey for his dedication and enthusiasm, and to extend that same salute to Dr. Richard Hall, P.Eng., and our other professional field staff and consultants.

Similarly, I also wish to thank our executive staff in Vancouver, headed by Corporate Secretary Audrey Dinning, and our staff in Wells for their selfless diligence and well developed sense of esprit de corps. My final acknowledgement is to you, our shareholder, for your demonstrable support and goodwill as we together strive to ensure the transformation of our Cariboo Gold Project from a vision into an extremely beneficial reality.

Respectfully submitted
on behalf of the Board,

J. Frank Callaghan,
President and Chief Executive Officer.

INTRODUCTION

International Wayside Gold Mines Ltd. (the Company) continued its successful exploration program on the Cariboo Gold Project. In its sixth year, the Cariboo Gold Project covers 400 kilometers (10 km by 40 km, or six miles by 26 miles) and is located 74 km (46 miles) due east of the City of Quesnel in east-central British Columbia. The Cariboo Gold Project includes two other companies, Island Mountain Gold Mines and Golden Cariboo Resources. The Cariboo Gold Project properties encompass the towns of Barkerville and Wells, thereby encapsulating two of Canada's premier gold-rush towns. Rich discoveries in the Barkerville area in the 1860s fueled the famed Cariboo Gold Rush that yielded an estimated 93 tons (2.6 million ounces) of placer gold.

Underground discoveries at Wells in the 1930s led to anothergold rush. Production between 1933-1967 returned 38 tons (1.3 million oz.) of lode gold, placing the camp at No. 5 in B.C. lode gold production. The Wells area's biggest producing mines were the Cariboo Gold Quartz Mine and the Island Mountain/Aurum Mine. These former producers and the Mosquito Creek Mine are included in a total 152.66 square km of mineral holdings in which International Wayside has earned, or is earning an interest.

International Wayside also precipitated a staking rush of its own in 2000, with a significant gold discovery known as the Bonanza Ledge zone.

Placer Mining: The Cariboo Gold Rush

The gold-producing history of the Cariboo Gold Project began in1860, the year Long Baptiste, a local Indian, led a party headed by Doc Keithley to a rich gold-bearing creek that still bears Keithley's name. It was the area's first major gold strike and word quickly spread. The historic Cariboo Gold Rush was underway, led by the placer miners who now moved northward from their workings on the lower reaches of the Fraser River. One of them, William "Dutch Bill" Deitz, discovered the fabulously rich Williams Creek. It was named after him because the site yielded some $40 million with gold at $20.65 per ounce. Then there was Billy Barker, an English seaman who jumped ship and made his way to Williams Creek to seek his fortune. Billy traveled down the Williams Creek valley in August of 1862 and reasoned that a spur of the underlying bedrock that jutted into the valley would be a good place to dig for gold. Legend has it that he dug through 52 feet of overburden to the bedrock surface. He hit pay dirt worth $1,000 per longitudinal foot and went on to realize some $600,000 from his claim.

While Billy Barker basked in the tribute of his peers, other miners were quite happy to bask in the glitter of their gold, mined in abundant amounts from prolific creeks such as Antler, Cunningham, Lightning, Lowhee and Nugget Gulch. Two tributaries of Williams Creek, Conklin and Stout's Gulch,also returned multi-millions of dollars worth of placer gold. They are mentioned here because they are located in the heart of International Wayside's Cariboo Gold Project.

Underground Mining at Wells

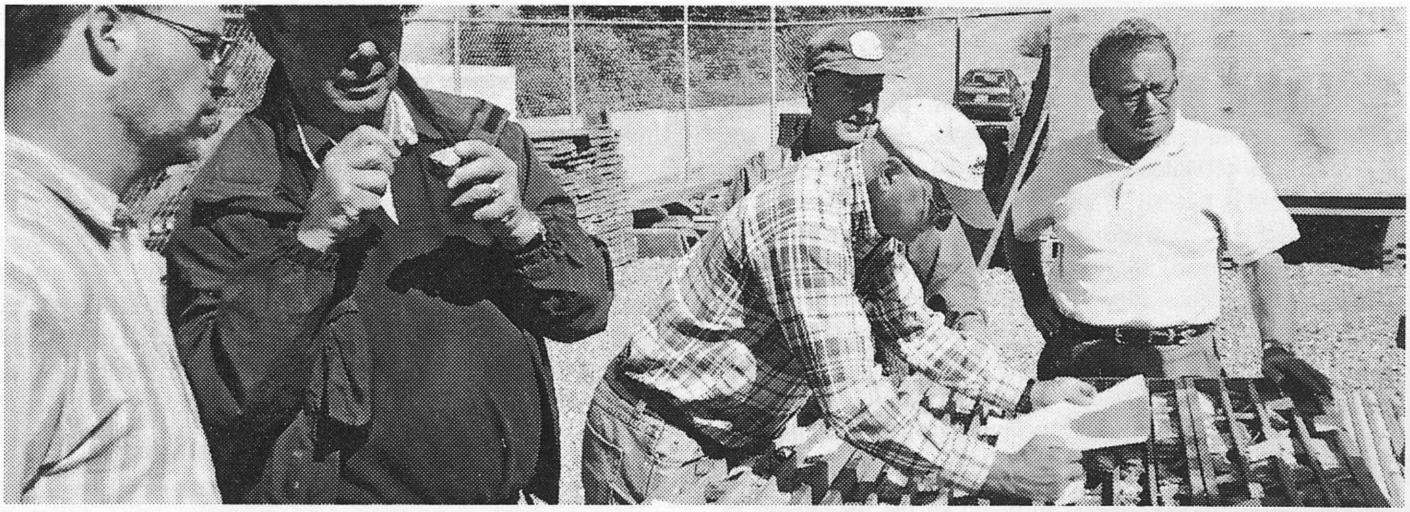
As placer gold production gradually decreased over the years, miners began seeking the source of the placer gold. Coarse nuggets containing fragments of vein quartz were discovered from Lowhee Creek, and elsewhere, so miners turned their attention to the likely lode sources of the placer deposits. Mountains in the area became exploration targets and a number of high-grade gold-bearing quartz veins were discovered. Gold returns were low however, as the cyanide recovery process had not yet been invented.

In the late 1920s, long after the placer-targeted initial Cariboo Gold Rush had ended, an Englishman named Fred Wells traveled to the area. Fred became part of a well-financed syndicate that in 1926 formed the Cariboo Gold Quartz Mining Company, whose 15 claims totaling 750 acres extended for more than a mile along the rich mineral belt that fed the placers of the Barkerville area. On behalf of the Company, Fred also purchased from Al Sanders, an old friend, three claims known as the Rainbow Group. They were located on Cow Mountain, west of Lowhee Creek, at an elevation of 4,650 ft.

Fred, himself, drove the first adit into Cow Mountain in 1927. Rich gold-bearing quartz veins were encountered. The second Cariboo Gold Rush resulted and, like Billy Barker, Fred Wells had a town named after himself. Because it was well-financed, the Cariboo Gold Quartz Company was able to build a mill with a capacity of 275 tons per day, and their mine was a tremendous success. So, too, were others in the area and, as a result, Wells was one of the few communities to escape the privations of the Great Depression that swept Canada and the United States of America.

Records from the British Columbian Government's Ministry of Energy & Mines show that between 1933 and its closure in 1967, the Cariboo Gold Quartz Mine produced 626,606 ounces of gold and 91,642 ounces of silver from its mine and the Island Mountain Mine after 1954 when the Company purchased it from Newmont Mining. With gold at $32 per ounce, this represented a return of more than $28 million. Another significant producer was the Island Mountain Mine Company, which was owned and operated by the Newmont Mining Corporation of New York and held 29 claims over 991 acres on Island Mountain. The mine operated by Newmont between1934-54 and yielded 333,705 ounces of gold and 48,130 ounces of silver.

Other former producers within the Cariboo Gold Project are the Mosquito Creek Mine, which produced 35,054 oz/Au between1980-87; the Cariboo Hudson, 5,186 oz. Au 1938-39; the Aurum 533 oz/Au1930-42, and the Hardscrabble Mountain Tungsten/Gold Mine. Production from these underground lode

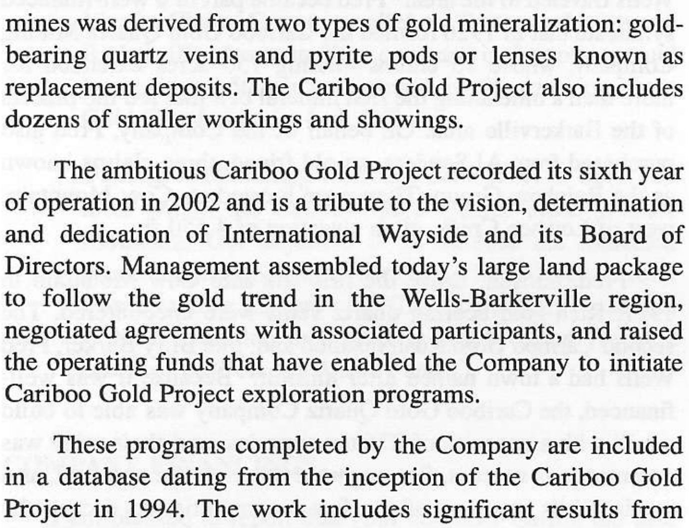


Doug Hurst, Ken Madison, Richard Atkinson, Richard Hall and Ian Gordon of Canaccord Capital in the core compound

mines was derived from two types of gold mineralization: gold-bearing quartz veins and pyrite pods or lenses known as replacement deposits. The Cariboo Gold Project also includes dozens of smaller workings and showings.

The ambitious Cariboo Gold Project recorded its sixth year of operation in 2002 and is a tribute to the vision, determination and dedication of International Wayside and its Board of Directors. Management assembled today's large land package to follow the gold trend in the Wells-Barkerville region, negotiated agreements with associated participants, and raised the operating funds that have enabled the Company to initiate Cariboo Gold Project exploration programs.

These programs completed by the Company are included in a database dating from the inception of the Cariboo Gold Project in 1994. The work includes significant results from 141,531 feet of diamond drilling, 8,043 soil samples, 74.9 km of Magnetometer Surveys, 68 km of Induced Polarization Surveys, 54.4 km of Gamma data, 1,539 km of airborne Mag and EM Surveys, and 156 square miles of claims. The Database is included within this Report.



Charlie O'Sullivan, Richard Atkinson and Richard Hall underground on Cow Mountain

Open Pit Resource

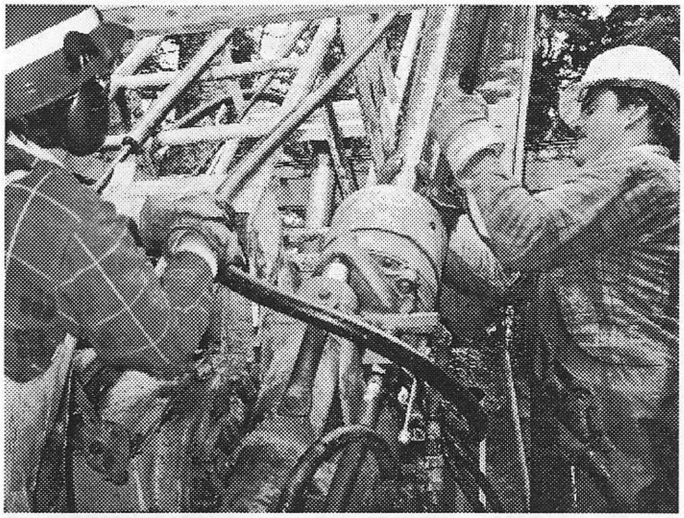
Between 1995 and 1998, the Company completed 225 diamond drill holes totaling 37,724 feet (11,500m) on Cow Mountain to further test the potential of an open pit resource over the Rainbow, Sanders and Pinkerton zones. About half of this program consisted of long-hole percussion drilling from the 1200-level adit of the Cariboo Gold Quartz Mine and produced an indicated resource of 6.6 million tons grading 0.06 oz. gold/ton at a cutoff of 0.02 oz/ton Au as calculated by Giroux Consulting.

Bonanza Ledge Results Spark Staking Rush

In an attempt to improve upon this resource, the Company in 1998 and 1999 decided to drill a secondary target of the Cariboo Gold Project, the BC Vein, with the goal of finding high-grade ore shoots of the kind located and exploited by the Cariboo Gold Quartz Mining Company in the 1940s.

International Wayside conducted a 31-hole drilling program, from surface, which totaled 2,245 metres (7,366 feet) over a strike length of 384 metres (1,260 feet). Significant gold values were intersected in nearly every hole of the target area. In 2000, one of the holes, BC2K-30, returned a very impressive 0.804 ounces of gold per ton over 32.1 feet. Hole 31 returned 80 feet of 0.29 oz. gold/ton. Moreover, Company geologists also noted that the same geological environment, called the Cariboo Gold Trend, continued for miles in a northwest-southeast direction. It is interesting to note that the gold was discovered in a stratigraphic position not previously recognized in the Cariboo Gold Camp.

International Wayside's drill results caught the attention of many junior, and major, mining Companies and a new Cariboo Gold Rush was underway. More than a dozen Companies staked thousands of acres in proximity to the International Wayside holdings. International Wayside itself went about its own business with comprehensive follow-up exploration of its significant discovery.


Drillers, Bill Hartford and Larry Gagnon

Under the direction of Godfrey Walton, P.Geo, International Wayside's VP Exploration, the Company this past fiscal year spent $763,403 Cdn. to establish the on-strike extension of the B.C. Vein and Bonanza Ledge mineralization and understand the timing and style of the mineralized form. This would lead to an understanding of the deposits and make it easier to locate more mineralized bodies like the Bonanza Ledge.

DIAMOND DRILLING

A. BC Vein – Bonanza Ledge

The 2001 exploration program consisted of 16,883 feet of diamond drilling in 25 drill holes, of which 22 tested the BC Vein/Bonanza Ledge and three targeted the nearby Wells Trend. A total 22 of the holes were mineralized. The best intersection in the primary target area was 15.5 feet grading 0.212 oz./ton Au from BC01-18.

The 22-hole program brought to 104 the number of drill holes the Company has directed to the BC Vein/Bonanza Ledge mineralized zones during the past four years. The targets have returned 88 significant intersections. All, including the 2001 results mentioned in the previous paragraph, are attached.

B. Wells Trend

The Company conducted its three-hole drill program on the Wells Trend to test a possible extension of the Bonanza Ledge Trend. The drilling, and accompanying surface work, located another strike vein with values of 1.8 feet grading 0.67 oz/ton Au and 7.6 feet grading 0.09 oz/ton Au.

Mr. Walton noted that a report in the files of the Cariboo Gold Quartz Mine, received from a British engineering firm in 1934, outlined a strike vein traced for 3,000 feet from Lowhee Creek. This data supports International Wayside's interpretation of a strike vein or veins in the Wells Trend. Drilling in 2002 should determine whether this represents an extension of the BC Vein.

The Company's 2001 work program also included 20.03 line kilometers of Induced Polarization (IP) Surveys along 22 lines on Cow Mountain, 24.32 kilometers of grid line Self-Potential (SP) Surveys, and 7.19 kilometers of brushing out of lines on 11 lines of the IP Survey.

Drilling Evaluation

Upon completion of the exploration program, Mr. Walton noted that mineralization is present in the BC Vein and Bonanza Ledge over a strike length of 3,300 feet, and further observed there is a correlation between mineralization in the B.C. Vein and the Bonanza Ledge. (Note: Subsequent work has extended the strike length to 4,100 feet.) He also noted that future programs will determine the dimensions of the hydrothermal system responsible for the gold mineralization at the Cariboo Gold Quartz, Island Mountain and Mosquito Creek Mines, and the Bonanza Ledge.

Mr. Walton explained:

"It is the opinion of the Company's geologists that the mineralization at these former producers and the Bonanza Ledge/BC Vein are related, although in different stratigraphic horizons. If so, this would suggest the system is at least four miles long, open in all directions.

"All of the intersections are shallow, within 300 feet of surface, and could be extracted in a long open pit."

Mr. Walton added that the Company's development plan for its proposed open pit operation on Cow Mountain is being re-evaluated to include an additional open pit at the BC Vein and Bonanza Ledge.

The Company in April of 2000 submitted to the B.C. Environmental Assessment Agency a conceptual plan for its proposed open pit mining operation on Cow Mountain. Because of the Bonanza Ledge discovery, the Company requested that the original application be placed on hold. This request was granted, and the Company will submit a revised application in 2002.

In summary, International Wayside is extremely pleased with the results of its 2001 and previous exploration programs, and is confident that its comprehensive future programs will prove to be extremely worthwhile for the company and its shareholders.

Significant Intersections from the BC Vein and Bonanza Ledge drilling 1998 to 2001

1998 Drill Hole Intersections

Drill Hole	From (ft)	To (ft)	Length (ft)	Au g/tonne	Au oz/ton
1	70.0	107.5	37.5	6.55	0.191
2	125.4	140.0	14.6	1.55	0.045
	250.8	275.0	24.2	8.10	0.236
	327.5	343.2	15.7	3.86	0.113
3	64.5	76.0	11.5	10.62	0.310
4	104.0	104.1	0.1	13.77	0.402
5	115.0	155.0	40.0	5.17	0.151
7	72.0	96.6	24.6	2.90	0.085
8	110.0	120.0	10.0	21.04	0.614
9	80.0	115.0	35.0	8.16	0.238
10	95.0	120.0	25.0	4.21	0.123
11	134.0	155.0	21.0	4.42	0.129
12	174.0	181.0	7.0	4.11	0.120

2000 Drill Hole Intersection

Drill Hole	From (ft)	To (ft)	Length (ft)	Au g/tonne	Au oz/ton
3	210	234.5	24.5	9.41	0.27
4	142	170	28	10.12	0.3
8	94.5	110	15.5	5.62	0.164
	210.2	228.9	18.7	14.36	0.42
9*	101.5	102.3	0.8	54.26	1.583
10	157.9	242.6	84.7	24.65	0.719
12	199.3	257	57.7	20.8	0.606
13	245	354	109	10.6	0.309
14	365	390	25	2.71	0.079
15*	200	215	15	12.56	0.366
16*	440	443.5	3.5	14.17	0.413
19	268	332.8	64.8	18.15	0.529
24	49.5	57	7.5	8.87	0.259
27	118	130	12	8.22	0.24
	230	275	45	2.98	0.087
	290	310	20	14.8	0.432
28*	97.5	102.5	5	14.13	0.412
	260	275	15	3.6	0.105
29	180.7	183.4	2.7	20.05	0.585
	195.8	200	4.2	20.84	0.608
	213.1	216.5	3.5	14.42	0.421
	220	252.1	32.1	27.58	0.804
30	160	202	42	9.1	0.27
	295	362	67	5.3	0.15
31	199.3	280	80.7	9.9	0.29
32	117.1	140	22.9	3.2	0.09
	197	345	148	11.2	0.33
33	223.7	245	21.3	7.66	0.223
*	582.8	599.3	16.5	11.56	0.337
38	285	300	15	3.15	0.092
42	153.6	158.5	4.9	11.43	0.333
44*	95.5	96.5	1	14.01	0.409
*	102.8	103.3	0.5	21.1	0.615

1999 Drill Hole Intersections

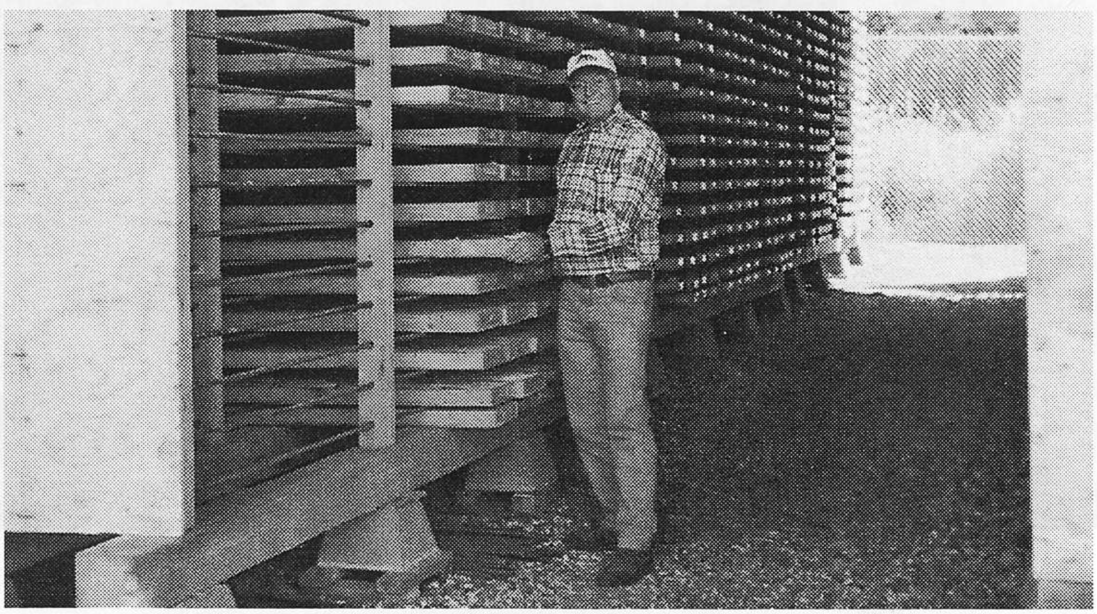
Drill Hole	From (ft)	To (ft)	Length (ft)	Au g/tonne	Au oz/ton
1	185.0	206.6	21.6	2.45	0.072
2	174.0	184.0	10.0	7.91	0.231
	203.0	205.0	2.0	34.40	1.004
3	112.5	129.0	16.5	14.43	0.421
4	237.0	239.5	2.5	4.04	0.118
6	150.0	206.0	56.0	9.66	0.282
7	143.5	180.5	24.5	3.74	0.109
	209.0	224.0	15.0	3.29	0.096
8	164.0	210.0	46.0	5.72	0.167
9	270.0	272.6	2.6	33.61	0.981
10	111.8	120.0	8.2	2.36	0.069
11	272.5	275.0	2.5	2.71	0.079
12	162.0	166.5	4.5	3.60	0.105
	364.2	390.0	25.8	5.00	0.146
	423.0	441.7	18.7	3.73	0.109
14	191.5	197.0	5.5	5.62	0.164
15	305.0	310.0	5.0	1.27	0.037
16	79.0	96.0	17.0	3.15	0.092
17	108.0	126.0	18.0	2.12	0.062
18	42.0	77.5	35.5	15.59	0.455
	105.0	134.0	29.0	5.10	0.149
	42.0	134.0	92.0	7.70	0.225

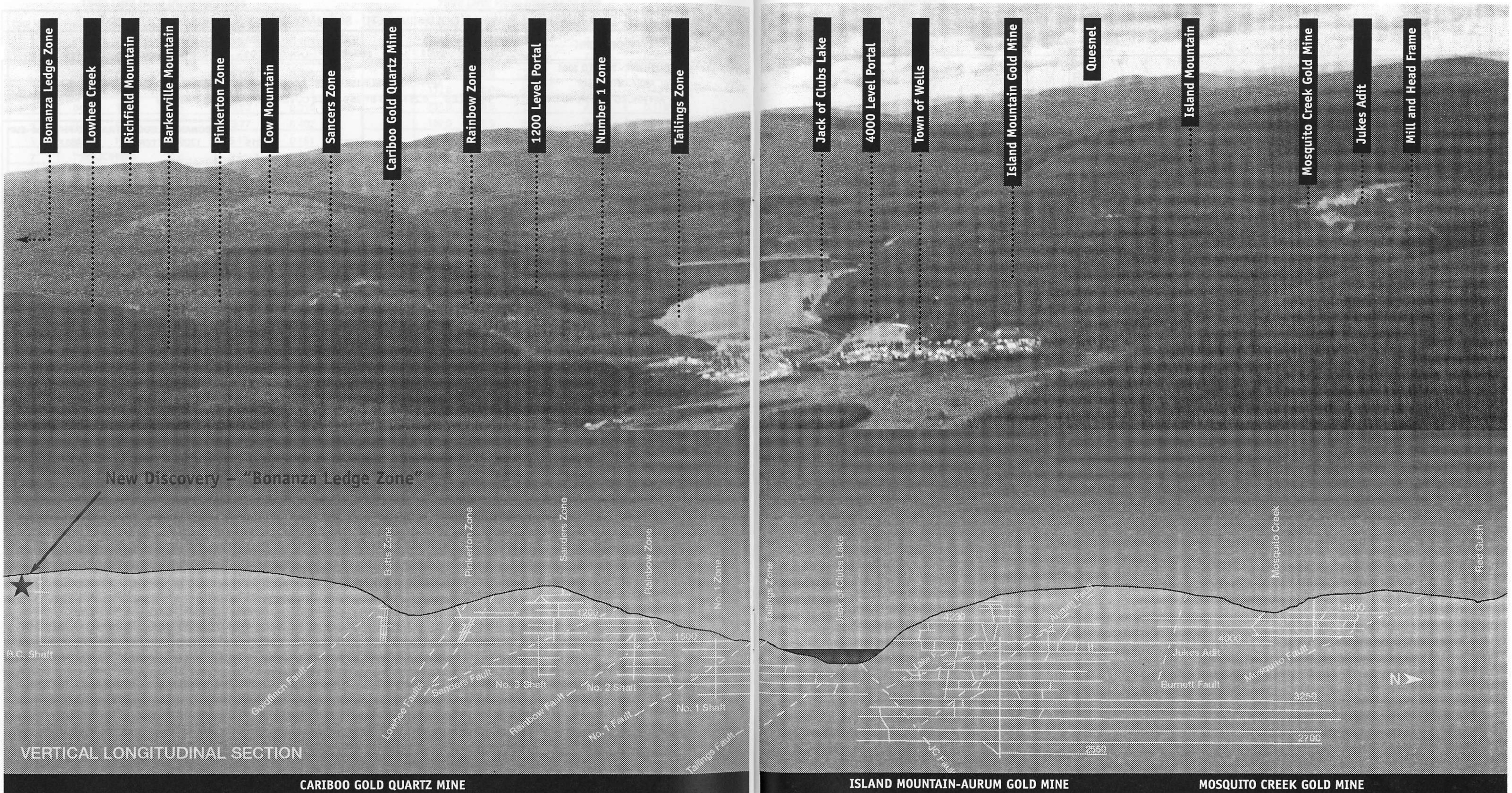
2001 Drill Hole Intersections

Drill Hole	From (ft)	To (ft)	Length (ft)	Au g/tonne	Au oz/ton
3*	75.7	76.7	1	38.84	1.133
*	294.0	295.7	1.7	5.37	0.157
5	101.8	103.8	2	13.04	0.38
6	165.0	195.0	30	0.42	0.012
7	763.0	764.0	1	1.43	0.042
8*	35.0	50.0	15	15.51	0.452
9	203.7	269.0	65.3	3.29	0.096
11	209.6	234.6	25	7.32	0.213
12	130.2	137.0	6.8	1.75	0.051
	193.3	205.9	12.6	3.15	0.092
13	93.0	97.0	4	8.64	0.252
15*	142.8	186.0	43.2	5.97	0.188
16	198.4	200.3	1.9	3.07	0.09
17*	163.1	170.5	7.4	2.0	0.056
	187.5	189.2	1.7	1.39	0.041
18	69.6	70.8	1.2	10.43	0.304
*	228.1	234.4	6.3	1.24	0.036
	238.2	253.7	15.5	7.27	0.212
20	254.3	281.4	27.1	8.0	0.233
21					
22					
WT-02	447.7	449.5	1.8	22.83	0.666
WT-03	422.7	430.3	7.6	3.03	0.088

INTERNATIONAL WAYSIDE GOLD MINES LTD - SUMMARY OF WORK - CARIBOO GOLD PROJECT						
TYPE OF WORK	IWA 2000	IWA 2001	IGM (1999)-00	IGM 2001	**SUMMARY**	
CURRENT - 2000 TO 2001						
TOTAL AREA OF CLAIMS	APPROXIMATELY 156 MILES^2				400 KM^2	156 MILES^2
AIR PHOTO PROGRAM	168 MILES^2 6.25 MILES BY 26.9 MILES COVERED				430 KM^2	168 MILES^2
					BONANZA LEDGE STRATIGRAPHY 2000 -2001	
DRILLING (FEET)	20438	19028	8703	4015	12029 METERS	39466 FEET
No. of HOLES	48	25	20	7	73 HOLES	
GRID (KM)	46.6	7.19	25.4	7.31	86.5 KM	54.06 MILES
GROUND MAG (KM)	32.9	-	-	-	32.9 KM	20.56 MILES
GROUND VLF (KM)	32.9	-	-	-	32.9 KM	20.56 MILES
GROUND IP (KM)	18.5	20.03	-	7.31	45.84 KM	28.65 MILES
GROUND SP (KM)	3.35	24.32	-	-	27.67 KM	17.29 MILES
GEOCHEM SAMPLES	2437	-	706	398	3541 SAMPLES	
PAST WORK	IWA COW MTN 1995-1998		IWA BC VEIN / BONANZA 1998-2001		**TOTAL OF ALL IWA / IGM DRILLING 1995 - 2001**	
DRILLING (FEET)	37724		46904		**97346 FEET**	**29016 METERS**
No. OF HOLES	225		104		**356 HOLES**	
COMPANY:	PAN ORVANA	WHARF RES.	BLACKBERRY RES.	GOLD CITY IND.	- 89 SIGNIFICANT COMPOSITED GOLD INTERSECTIONS 1998 – 2001 ON THE BC VEIN AND BONANZA LEDGE ZONES - SEE ATTACHED	
AIRBORNE GEOPHYS. (KM)	-	-	-	1539	**GEOCHEM DATABASE - NO. OF SAMPLES**	
S.A. RADAR SURVEY (KM^2)	-	-	-	1000		
GAMMA - K, Th, U, Total - (KM)	54.4	-	-	-	3541 IWA / IGM SAMPLES 2000-2001	
GROUND MAG / VLF (KM)	41.5	-	(RICHFIELD MTN.)	-	1514 PAN ORVANA 1989	
GROUND IP (KM)	22.2	-	-	-	1152 IWA 97-98	
TRENCHING (KM)	2.27	-	-	-	**6207 SAMPLES IN CURRENT DATABASE**	
DRILLING (FEET)	1150	27000	16035	-		
- THIS SUMMARY DOES NOT INCLUDE THE WORK CARRIED OUT BY THE FORMERLY OPERATING MINES: CARIBOO GOLD QUARTZ, ISLAND MOUNTAIN, AND MOSQUITO CREEK					946 GOLD CITY 2000 TO BE ADDED 880 NEWMONT 1983 TO BE ADDED **8033 SAMPLES IN FUTURE DATABASE**	

Richard Atkinson, our Chairman, at the core shed in Wells




Bonanza Ledge Zone
Lowhee Creek
Richfield Mountain
Barkerville Mountain
Pinkerton Zone
Cow Mountain
Sancers Zone
Cariboo Gold Quartz Mine
Rainbow Zone
1200 Level Portal
Number 1 Zone
Tailings Zone
Jack of Clubs Lake
4000 Level Portal
Town of Wells
Island Mountain Gold Mine
Quesnel
Island Mountain
Mosquito Creek Gold Mine
Jukes Adit
Mill and Head Frame
New Discovery – "Bonanza Ledge Zone"
Butts Zone
Pinkerton Zone
Sanders Zone
Rainbow Zone
No. 1 Zone
1200
1500
B.C. Shaft
Goldfinch Fault
Lowhee Faults
Sanders Fault
No. 3 Shaft
Rainbow Fault
No. 2 Shaft
No. 1 Fault
No. 1 Shaft
Tailings Fault
VERTICAL LONGITUDINAL SECTION
Tailings Zone
Jack of Clubs Lake
4230
Aurum Fault
JC Fault
2550
Mosquito Creek
Red Gulch
4400
4000
Jukes Adit
Burnett Fault
Mosquito Fault
3250
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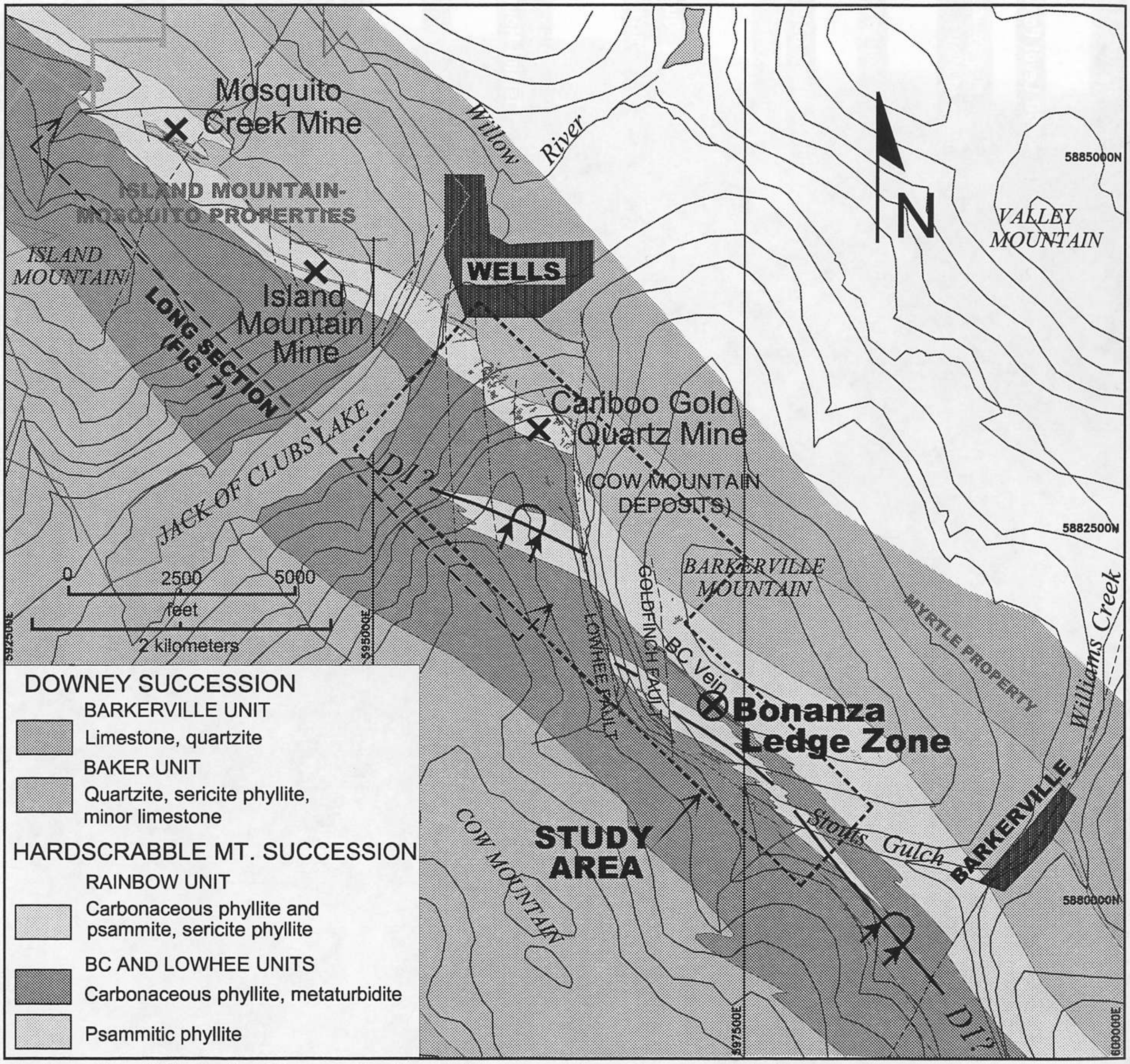
N
CARIBOO GOLD QUARTZ MINE
ISLAND MOUNTAIN-AURUM GOLD MINE
MOSQUITO CREEK GOLD MINE



Geology of the Wells-Barkerville area, showing the locations of the study area and the Bonanza Zone kpmg

KPMG LLP
Chartered Accountants
Box 10426, 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Telefax (604) 691-3031
www.kpmg.ca

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of International Wayside Gold Mines Ltd. as at February 28, 2002 and 2001 and the statements of operations and deficit and cash flows 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 Canadian 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, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied, after giving retroactive effect to the change in the method of accounting for loss per share as explained in note 2(g) to the financial statements, on a consistent basis.

KPMG LLP (signed)

Chartered Accountants

Vancouver, Canada

June 26, 2002

(Expressed in Canadian dollars)

	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	$ 13,587	$ 550,126
Amounts receivable and prepaid expenses	12,100	286,224
	25,687	836,350
Reclamation deposits	36,000	22,000
Investments (note 3)	14,133	30,000
Receivable from related parties (note 6(a))	421,320	-
Property and equipment (note 4)	298,463	350,613
Mineral properties (note 5)	9,240,016	8,300,836
	$ 10,035,619	$ 9,539,799
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 422,800	$ 446,035
Payable to related parties (note 6(b))	264,960	203,138
Current portion of mortgage payable	996	1,018
	688,756	650,191
Mortgage payable (note 7)	67,100	68,318
Shareholders' equity:		
Capital stock (note 8)	19,376,073	17,921,346
Advances on share subscriptions (note 8(b))	81,668	-
Deficit	(10,177,978)	(9,100,056)
	9,279,763	8,821,290
	$ 10,035,619	$ 9,539,799

Going concern (note 1)
Commitments (notes 5 and 7)
Subsequent events (notes 5(b), 8(b) and 11)

See accompanying notes to financial statements.

Approved on behalf of the Board:

"J. Frank Callaghan" Director **"H. Ken Maddison"** Director

(Expressed in Canadian dollars)

Years ended February 28, 2002 and 2001

	2002	2001
Interest income	$ 6,969	$ 5,316
Administrative expenses:		
Accounting, audit and legal	147,703	257,100
Amortization	53,532	48,341
Automobile	8,172	8,512
Bank charges and interest	25,143	21,472
Management fees (note 6(c))	120,000	120,000
Office and administration	49,978	64,114
Printing	14,670	78,784
Rent	8,030	22,238
Shareholder communications and advertising	130,796	332,849
Telephone	17,653	24,152
Transfer agent and filing fees	34,251	37,908
Wages, consulting fees and benefits	398,496	349,309
	1,008,424	1,364,779
Other expenses:		
Loss on disposal of investments (note 3)	13,067	-
Write-down of investments (note 3)	14,000	-
Write-down of mineral properties (note 5(b))	49,400	-
	76,467	-
Loss for the year	1,077,922	1,359,463
Deficit, beginning of year	9,100,056	7,740,593
Deficit, end of year	$ 10,177,978	$ 9,100,056
Loss per share (note 2(g))	$ 0.02	$ 0.03
Weighted average number of shares outstanding (note 2(g))	52,031,697	40,494,712

See accompanying notes to financial statements.

(Expressed in Canadian dollars)

	2002	2001
Cash provided by (used in):		
Operations:		
Loss for the year	$ (1,077,922)	$ (1,359,463)
Items not involving cash:		
Amortization	53,532	48,341
Loss on disposal of investments	13,067	-
Write-down of investments	14,000	-
Write-down of mineral properties	49,400	-
	(947,923)	(1,311,122)
Changes in non-cash operating working capital:		
Amounts receivable and prepaid expenses	274,124	(234,632)
Accounts payable and accrued liabilities	187,339	275,206
	(486,460)	(1,270,548)
Investments:		
Reclamation deposits	(14,000)	(10,000)
Proceeds on sale of investments	9,800	-
Receivable from related parties	(421,320)	-
Purchase of property and equipment	(1,382)	(73,049)
Expenditures on mineral properties, net of recoveries	(982,330)	(2,896,253)
	(1,409,232)	(2,979,302)
Financing:		
Payable to related parties	75,322	54,759
Mortgage payable	(1,240)	(664)
Issuance of capital stock for cash	1,203,403	3,817,942
Advances on share subscriptions	81,668	-
	1,359,153	3,872,037
Decrease in cash and cash equivalents	(536,539)	(377,813)
Cash and cash equivalents, beginning of year	550,126	927,939
Cash and cash equivalents, end of year	$ 13,587	$ 550,126
Supplemental cash flow information:		
Interest paid	$ 17,641	$ 9,305
Taxes paid	-	-
Non-cash operating, financing and investing activities:		
Issuance of capital stock for mineral properties	27,250	805,366
Issuance of capital stock on settlement of debts	224,074	-
Shares received pursuant to mineral property option agreements	21,000	15,000

See accompanying notes to financial statements.

1. Going concern:

The Company was incorporated on February 12, 1970 under the Company Act (British Columbia). Its principal business activities are the exploration and development of mineral properties in British Columbia, with its principal property being the Cariboo Gold Project (note 5(b)).

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases and upon future profitable production from or the proceeds from the disposition of its mineral properties.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. As at February 28, 2002, the Company had a working capital deficiency of approximately $663,000. The Company's continuing operations and the ability of the Company to discharge its liabilities and fulfill its commitments as they come due is dependent upon the ability of the Company to continue to obtain equity financing. Failure to continue as a going concern would require the restatement of assets and liabilities on a liquidation basis, which would differ materially from the going concern basis.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Investments:

Investments are carried at cost less any provision for impairment in value.

(c) Property and equipment:

Property and equipment is recorded at cost. Amortization is provided, once the assets are in use, over their estimated useful lives on a declining balance basis at rates between 5% and 20% per annum.

2. Significant accounting policies (continued):

(d) Mineral properties:

The Company capitalizes the acquisition cost of mineral properties and defers exploration and development expenditures directly related to specific mineral properties, net of recoveries received, until such time as the extent of mineralization has been determined and the mineral properties are developed, the Company's mineral rights are allowed to lapse or the Company determines that the deferred costs are in excess of the net recoverable amount. At that time the deferred costs are either amortized on a unit-of-production basis, written off or written down, as appropriate.

Mineral property acquisition costs include the cash consideration paid and the fair value of common shares issued, based on the trading price of the shares on the date of the agreement to issue the shares.

Recoveries for option payments or shares received are recorded on receipt, as the payments or shares received under the agreement are made at the sole discretion of the optionee. Refundable mineral exploration tax credits are also recorded on receipt as the amounts are subject to acceptance by the taxation authorities.

Amounts shown for mineral properties represent costs incurred to date, less write-downs, write-offs and recoveries, and do not necessarily reflect present or future values.

(e) Stock-based compensation:

The Company grants incentive stock options to employees, directors and consultants under TSX Venture Exchange ("TSX") policies. No compensation expense is recorded when the options are granted. Any consideration paid on the exercise of stock options is credited to share capital.

(f) Income taxes:

The Company accounts for income taxes using the asset and liability method. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values of existing assets and liabilities and their respective income tax basis (temporary differences), and loss carry forwards. Future income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is substantially enacted. The amount of future income tax assets recognized is limited to the amount that is, in management estimation, more likely than not to be realized.

2. Significant accounting policies (continued):

(g) Loss per share:

In December 2000, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") revised Section 3500 of the CICA Handbook, Earnings per Share ("Section 3500"). Section 3500 requires the use of the treasury stock method of calculating diluted earnings (loss) per share and requires contingently issuable or returnable shares to be excluded from the calculation of weighted average number of shares outstanding until all conditions necessary for their issuance or release from escrow have been satisfied. Basic loss per share continues to be calculated using the weighted average number of shares outstanding during the year.

Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of stock options or warrants is applied to repurchase common shares at the average market price for the period.

During the year ended February 28, 2002, the Company adopted the recommendations of Section 3500 with retroactive restatement for fiscal 2001. However, there was no effect on reported basic loss per share for fiscal 2001 as a result of excluding shares held in escrow, or on diluted loss per share for fiscal 2001, as the effect of outstanding options and warrants on basic loss per share would be anti-dilutive.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant arees requiring the use of management estimates relate to the determination of recoverability of mineral property deferred costs, useful lives for amortization and valuation allowance of future tax assets. Actual results could differ from those estimates.

(i) Financial instruments:

As at February 28, 2002 and 2001, in all material respects the carrying amounts of the Company's financial instruments, other than investments and amounts receivable from and payable to related parties, approximate their fair values due to the short-term to maturity of such instruments. The fair value of investments is disclosed in note 3. It is not practicable to determine the fair values of the amounts receivable from and payable to related parties due to the related party nature of such amounts and the absence of a secondary market for such instruments.

(Expressed in Canadian dollars)

3. **Investments:**

	2002			2001		
	Number of shares	Carrying value	Quoted market price	Number of shares	Carrying value	Quoted market price
Island Mountain Gold Mines Ltd.	52,000	$ 12,133	$ 3,120	50,000	$ 15,000	$ 10,000
Global Tree Technologies Inc.	200,000	2,000	2,000	100,000	15,000	13,000
		$ 14,133	$ 5,120		$ 30,000	$ 23,000

The Company receives shares of other companies pursuant to mineral property option agreements (note 5(b)). One of the companies is related by way of certain common directors.

During fiscal 2002, the Company sold 98,000 shares of Island Mountain Gold Mines Ltd. ("IMGML") for proceeds of $9,800 and realized a loss on disposal of $13,067. In addition, the Company wrote down the carrying value of its investment in Global Tree Technologies Inc. ("Global") to its quoted market price as at June 26, 2002, to reflect the average market value of Global for the past year.

4. **Property and equipment:**

2002	Cost	Accumulated amortization	Net book value
Land	$ 59,300	$ -	$ 59,300
Building	33,200	3,237	29,963
Office equipment	146,594	100,927	45,667
Mining equipment	370,792	207,259	163,533
	$ 609,886	$ 311,423	$ 298,463

2001	Cost	Accumulated amortization	Net book value
Land	$ 59,300	$ -	$ 59,300
Building	33,200	1,660	31,540
Office equipment	146,594	89,510	57,084
Mining equipment	369,410	166,721	202,689
	$ 608,504	$ 257,891	$ 350,613

(Expressed in Canadian dollars)

5. Mineral properties:

	2002	2001
Wayside property (a)	$ 1	$ 1
Cariboo Gold Project (b)	9,240,015	8,300,835
	$ 9,240,016	$ 8,300,836

(a) Wayside property:

At February 28, 2002, the Company holds a 100% interest in the Wayside property, consisting of certain mineral claims and leases located in the Lillooet Mining Division, British Columbia. If, and when, the property commences commercial production, the Company will be required to issue shares equal in value to $480,000 to the party from whom it was initially acquired.

Based on limited financial resources and current economics, the Company has been focusing its efforts in recent years on the Cariboo Gold Quartz property (note 5(b)) and has been seeking, without success, a joint venture partner to fund exploration expenditures on the Wayside proporty. Based on the limited exploration work performed on the property in recent years and the uncertainty of recovering the deferred costs, the Company is carrying this property at a nominal amount.

(Expressed in Canadian dollars)

5. Mineral properties (continued):

(b) Cariboo Gold Project:

	2002	2001
Acquisition costs and option payments	$ 242,954	$ 1,038,690
Option payments and shares received	(71,000)	(45,000)
Exploration and development expenditures:		
Administration fees (note 6(c))	50,330	84,133
Assaying	34,164	127,624
Consulting (note 6(c))	16,430	154,100
Engineering	30,423	84,336
Environmental	3,377	793,496
Land fees and permitting	72,211	84,339
Exploration	382,179	591,551
Equipment rentals (note 6(c))	63,882	75,975
Project administration fees (note 6(c))	30,000	30,000
Mine and field supplies	107,366	587,894
Travel	26,264	79,481
Total exploration and development expenditures	816,626	2,692,929
Net expenditures during the year	988,580	3,686,619
Balance, beginning of year	8,300,835	4,614,216
Write-down during the year	(49,400)	-
Balance, end of year	$ 9,240,015	$ 8,300,835

During 1994, the Company entered into an option agreement with Mosquito Consolidated Gold Mines Ltd. ("Mosquito"), to earn a 50% undivided interest in the Cariboo Gold Quartz property, consisting of certain mineral claims and leases located in the Cariboo Mining Division, British Columbia. In order to earn its 50% interest in the property, the Company is required to make option payments totalling $50,000 (paid), issue 500,000 common shares (issued), and incur cumulative exploration and development expenditures totalling $1,450,000 over a six year period to October 3, 2000 (incurred). For each additional year thereafter until a production decision is made, the Company agrees to spend $500,000 on further exploration and development work on the property, although the agreement provides that the Company can apply expenditures incurred during the six year period to October 3, 2000 in excess of $1,450,000 against this $500,000 annual expenditure commitment.

5. Mineral properties (continued):

(b) Cariboo Gold Project (continued):

During fiscal 1999 and amended in fiscal 2002, the Company entered into an agreement with Mosquito whereby the Company can acquire the remaining 50% of the Cariboo Gold Quartz property held by Mosquito as well as a 100% interest in Mosquito's Island Mountain and Mosquito Creek properties that are contiguous to the Cariboo Gold Quartz property (which collectively form the Cariboo Gold Project) (the "Properties"), for cash totalling $4,054,303 to be paid in stages to December 31, 2003. The letter agreement provides for a NSR royalty to Mosquito of 3% of net revenues derived from production of minerals from the Properties and the Company has the option of purchasing this royalty for a period of one year from the completion of a positive feasibility study for U.S. $4,200,000. The Company is responsible for settling an existing 10% net profits interest on the Properties and has been granted an option to purchase all equipment on the Properties owned by Mosquito. Mosquito retains all placer rights to the Properties.

During fiscal 2000, the Company entered into an agreement with IMGML, a public company listed on the TSX which has certain common directors with the Company, granting IMGML an option to earn a 50% interest in the Island Mountain and Mosquito Creek properties from the Company. In order to earn its 50% interest, the agreement provides that IMGML will pay the Company $150,000 upon execution of the agreement (received) and make annual option payments to the Company of $50,000 per year for the next five years ($115,000 received to February 28, 2002), issue 500,000 shares of IMGML in stages (150,000 shares received to February 28, 2002) and incur $4,000,000 in exploration expenditures over a five year period. The Company is the operator on the exploration work programs, although it utilizes the services of the primary contractor used for the exploration work programs on its own properties (see notes 6(a) and 6(c)).

During fiscal 2001, the Company entered into agreements with several third parties to acquire interests in certain mineral properties contiguous to the Cariboo Gold Project. In aggregate, the agreements, as amended, call for the Company to pay $242,500, issue 664,500 common shares and incur $730,000 of exploration expenditures over a four year period.

(Expressed in Canadian dollars)

5. Mineral properties (continued):

(b) Cariboo Gold Project (continued):

Also during fiscal 2001, the Company entered into an agreement with Global, a public company listed on the TSX, granting Global an option to acquire a 50% interest in 24 mineral claims located in the Cariboo Mining Division. In order to earn its 50% interest, the agreement provides that Global will pay the Company $25,000 upon execution of this agreement (received) and $25,000 within one year of regulatory approval, issue to the Company a totel of 500,000 shares of Global in stages (200,000 shares received to February 28, 2002) and incur $1,550,000 of exploration expenditures over a five year period. During fiscal 2002, the Company and Global amended the agreement to extend the due date of the payment due in 2002, increase the amount by $5,000 and allow for the payment to be made in shares of Global or cash. Subsequent to February 28, 2002, the Company agreed to accept 300,000 common shares of Global at $0.10 per share in accordance with the amended agreement.

During fiscal 2002, the Company entered into agreements with several third parties to acquire interests in certain mineral properties contiguous to the Cariboo Gold Project. In aggregate, the agreements call for the Company to pay $1,000 and issue 110,000 common shares. In addition, during fiscal 2002, the Company's interest in certain mineral claims staked in fiscal 2001 were cancelled and the Company wrote off the costs associated with those claims.

6. Related party balances and transactions:

(a) Balance receivable:

The amounts receivable from related parties, which are non-interest bearing, unsecured and due on demand, are comprised of the following:

	2002	2001
Receivable from Island Mountain Gold Mines Ltd.	$ 404,866	$ -
Receivable from other companies with certain common directors	16,454	-
	$ 421,320	$ -

The balance receivable from IMGML relates primarily to the operating agreements for the exploration work programs described in note 5(b).

The balance receivable from other companies with certain common directors relates primarily to an allocation of administrative costs incurred by the Company.

(Expressed in Canadian dollars)

6. Related party balances and transactions (continued):

(b) Balances payable:

The amounts payable to related parties, which are non-interest bearing, unsecured and due on demand, are comprised of the following:

	2002	2001
Payable to directors	$ 118,804	$ 175,276
Payable to companies with certain common directors	146,156	27,862
	$ 264,960	$ 203,138

(c) Related party transactions:

A summary of the amounts charged to the Company by directors, and by companies controlled by directors, is as follows:

	2002	2001
Exploration and development expenditures:		
Equipment rentals	$ 61,607	$ 63,050
Project administration fees	30,000	30,000
Administration fees on reimbursed expenditures	50,330	84,133
Consulting fees	-	19,436
Administrative expenses:		
Management fees	120,000	120,000
	$ 261,937	$ 316,619

Substantially all of the exploration and development expenditures incurred by the Company are charged from a company controlled by a director. These charges consist of equipment rentals, project administration fees, reimbursement of expenditures incurred on behalf of the Company and administration fees of 12% (to a maximum of $8,000 per month) on such reimbursement of expenditures. Management believes the equipment rental charges and project administration fees are at fair values, compared to what the Company would be required to pay to third parties.

The Company is also charged $5,000 per month for general management services by each of two directors (the president of the Company and the chief financial officer of the Company).

(Expressed in Canadian dollars)

7. Mortgage payable:

In connection with the acquisition of land and a building near the Cariboo Gold Project, the vendors granted the Company a mortgage payable of $70,000 that bears interest at 8% per annum, is payable in monthly instalments of $534, including interest, and is due on January 1, 2005. The principal repayments due in each of the three fiscal years are as follows:

2003	$ 996
2004	1,079
2005	66,021
	$ 68,096

8. Capital stock:

(a) Authorized capital:

100,000,000 common shares without par value

(b) Issued and outstanding:

	Number of shares	Total
Balance, February 29, 2000	32,164,013	$ 12,298,038
Issued during the year:		
For cash by way of private placements	10,284,670	3,004,793
For cash on exercise of share purchase options (note 8(d))	1,312,562	405,522
For cash on exercise of share purchase warrants (note 8(e))	5,298,006	1,407,627
For acquisition of mineral properties (note 5(b))	564,500	805,366
Balance, February 28, 2001	49,623,751	17,921,346
Issued during the year:		
For cash by way of private placements	7,479,214	1,177,903
For cash on exercise of share purchase options (note 8(d))	275,000	42,750
For acquisition of mineral properties (note 5(b))	235,000	27,250
On settlement of debts	1,010,563	224,074
Share issuance costs	-	(17,250)
Balance, February 28, 2002	58,623,528	$ 19,376,073

8. Capital stock (continued):

(b) Issued and outstanding (continued):

At February 29, 2000, the Company had received advances on share subscriptions totalling $957,500 relating to a private placement of 4,000,000 units at $0.25 per unit, with each unit consisting of one flow-through or non-flow-through common share and one-half of a flow-through or non-flow-through share purchase warrant, with each whole share purchase warrant exercisable at $0.35 per share for a one year period. The Company also received $42,500 of advances on the exercise of 170,000 warrants at $0.25 per share (note 8(e)).

During fiscal 2001, the Company received the remaining $42,500 and issued 4,000,000 common shares and 2,000,000 share purchase warrants. The Company also completed three other private placements, the first consisting of 1,734,500 units at $0.50 per unit, with each unit consisting of one common share and one-half of a share purchase warrant. One whole share purchase warrant allows the holder to purchase an additional common share at a price of $0.65 per share for a one year period. The other two private placements totalled 4,550,170 units at $0.25 per unit for total proceeds of $1,137,543. A total of 1,575,000 units were flow-through. Each unit consists of one flow-through or non-flow-through common share and one-half of a flow-through or non-flow-through share purchase warrant. One whole share purchase warrant allows the holder to purchase an additional flow-through or non-flow-through common share at a price of $0.35 per share for a one year period.

During fiscal 2002, the Company completed five private placements, the first consisting of 1,592,713 units at $0.25 per unit. A total of 955,000 units were flow-through. Each unit consists of one flow-through or non-flow-through common share and one-half of a flow-through or non-flow-through share purchase warrant. One whole share purchase warrant allows the holder to purchase an additional flow-through or non-flow-through common share at a price of $0.35 per share for a one-year period.

Two other private placements totaled 3,896,501 units at $0.15 per unit, of which 3,129,834 units were flow-through. Each unit consists of one flow-through or non-flow-through common share and one-half of a flow-through or non-flow-through share purchase warrant. One whole purchase warrant allows the holder to purchase an additional flow-through or non-flow-through common share at a price of $0.25 per share for a one-year period.

The other two private placements totaled 2,015,000 units at $0.10 per unit, of which 500,000 units were flow-through. Each unit consists of one-flow-through or non-flow-through common share purchase warrant. Each share purchase warrant entitles the holder to purchase an additional flow-through or non-flow-through common share at a price of $0.10 per share for a one-year period.

8. Capital stock (continued):

(b) Issued and outstanding (continued):

The Company also returned 25,000 shares to treasury which had been erroneously issued in a fiscal 2001 private placement at $0.25 per share, and cancelled them.

In addition, the Company issued 664,896 common shares at $0.25 per share and 295,667 common shares at $0.15 per share in settlement of a total of $210,574 of accounts payable, and issued 50,000 common shares at $0.27 per share in settlement of $13,500 of amounts payable to related parties.

At February 28, 2002, the Company had received advances on share subscriptions totalling $81,668 relating to a private placement of a total of 1,926,674 units at $0.10 per unit, with each unit consisting of one flow-through or non-flow-through common share and one flow-through or non-flow-through share purchase warrant, with each share purchase warrant exercisable at $0.10 for a one year period. Subsequent to February 28, 2002, the Company received the remaining $101,335 and issued the 1,926,674 common shares and 1,926,674 share purchase warrants.

(c) Flow-through shares:

During fiscal 2002, the Company issued a total of 4,584,834 flow-through common shares for cash consideration of $758,225 and during fiscal 2001, the Company issued a total of 1,575,000 flow-through common shares for cash consideration of $393,750 (note 8(b)). These and previous years expenditures related to the use of flow-through share proceeds are included in mineral properties but are not available as a tax deduction to the Company as the tax benefits of these expenditures have been renounced to the investors (note 9).

(d) Share purchase options:

Pursuant to the policies of the TSX, the Company may grant incentive stock options to its officers, directors, employees and consultants. TSX policies permit the Company's directors to grant incentive stock options for the purchase of shares of the Company to persons in consideration for services. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual (maximum of 2% to any consultant). The exercise price of stock options is determined by the board of directors of the Company at the time of grant and may not be less than the closing price of the Company's shares on the trading day immediately preceding the date on which the option is granted and publicly announced, less an applicable discount, and may not otherwise be less than $0.10 per share. Options have a maximum term of five years and terminate 90 days following the termination of the optionee's employment, except in the case of retirement, death or disability, in which case they terminate one year after the event. Vesting of options is made at the time of granting of the options at the discretion of the board of directors. Once approved and vested, options are exercisable at any time.

(Expressed in Canadian dollars)

8. Capital stock (continued):

(d) Share purchase options (continued):

The continuity of the Company's share purchase options for the years ended February 28, 2002 and 2001, all of which are exercisable, are as follows:

Exercise prices	Expiry dates	Balance February 28, 2001	Granted	Exercised	Expired/ cancelled	Balance February 28, 2002
$ 0.17	February 2, 2003	692,600	-	(75,000)	-	617,600
$ 0.30	February 10, 2003	150,000	-	-	-	150,000
$ 0.30	February 16, 2003	100,000	-	-	-	100,000
$ 0.50	August 30, 2003	2,050,397	-	-	(225,000)	1,825,397
$ 0.15	August 31, 2003	135,000	-	-	-	135,000
$ 0.15	October 8, 2003	626,719	-	(200,000)	-	426,719
$ 0.25	May 10, 2004	-	1,312,500	-	(10,000)	1,302,500
		3,754,716	1,312,500	(275,000)	(235,000)	4,557,216
Weighted average exercise price		$ 0.35	$ 0.25	$ 0.16	$ 0.49	$ 0.33

Exercise prices	Expiry dates	Balance February 29, 2000	Granted	Exercised	Expired/ cancelled	Balance February 28, 2001
$ 0.65	November 3, 2001	353,582	-	(353,582)	-	-
$ 0.17	February 2, 2003	792,600	-	(100,000)	-	692,600
$ 0.30	February 10, 2003	300,000	-	(150,000)	–	150,000
$ 0.30	February 16, 2003	148,980	-	(48,980)	-	100,000
$ 0.50	August 30, 2003	-	2,050,397	-	-	2,050,397
$ 0.15	August 31, 2003	455,000	-	(310,000)	(10,000)	135,000
$ 0.15	October 8, 2003	976,719	-	(350,000)	-	626,719
		3,026,881	2,050,397	(1,312,562)	(10,000)	3,754,716
Weighted average exercise price		$ 0.24	$ 0.50	$ 0.31	$ 0.15	$ 0.35

(Expressed in Canadian dollars)

8. Capital stock (continued):

(e) Share purchase warrants:

The continuity of the Company's share purchase warrants for the years ended February 28, 2002 and 2001, are as follows:

Exercise prices	Expiry dates	Balance February 28, 2001	Issued	Exercised	Expired /cancelled	Balance February 28, 2002
$ 0.35	February 28, 2002	1,262,500	-	-	(1,262,500)	-
$ 0.35	May 20, 2002 (1)	1,840,085	-	-	(12,500)	1,827,585
$ 0.35	May 28, 2002 (2)	435,000	-	-	-	435,000
$ 0.25 (3)	October 5, 2002 (3)	868,750	-	-	-	868,750
$ 0.35	August 1, 2002	-	796,356	-	-	796,356
$ 0.25	September 24, 2002	-	333,333	-	-	333,333
$ 0.25	October 2, 2002	-	818,083	-	-	818,083
$ 0.25	October 11, 2002	-	370,000	-	-	370,000
$ 0.25	January 25, 2003	-	426,833	-	-	426,833
$ 0.10	January 25, 2003	-	1,015,000	-	-	1,015,000
$ 0.10	February 5, 2003	-	1,000,000	-	-	1,000,000
		4,406,335	4,759,605	-	(1,275,000)	7,890,940
Weighted average exercise price.		$ 0.41	$ 0.20	$ -	$ 0.35	$ 0.25

(1) During fiscal 2002, the Company received regulatory approval to extend the expiry date of 1,827,585 of these share purchase warrants from February 20, 2002 to May 20, 2002 (also see note 11(b)).

(2) During fiscal 2002, the Company received regulatory approval to extend the expiry date of these share purchase warrants from February 27, 2002 to May 28, 2002 (also see note 11(c)).

(3) During fiscal 2002, the Company received regulatory approval to extend the expiry date of these share purchase warrants from October 5, 2001 to October 5, 2002 and to reduce the exercise price from $0.65 to $0.25.

(Expressed in Canadian dollars)

8. Capital stock (continued):

(e) Share purchase warrants (continued):

Exercise prices	Expiry dates	Balance February 29, 2000	Issued	Exercised	Expired /cancelled	Balance February 28, 2001
$ 0.25	March 31, 2000	500,000	-	(500,000)	-	-
$ 0.25	October 8, 2000	2,063,000	-	(2,005,500)	(57,500)	-
$ 0.25	December 9, 2000	2,969,194	-	(1,247,839)	(1,721,355)	-
$ 0.25	February 1, 2001	1,097,167	-	(807,167)	(290,000)	-
$ 0.65	October 5, 2001	-	925,000	-	(56,250)	868,750
$ 0.35	February 20, 2002	-	1,840,085	-	-	1,840,085
$ 0.35	February 27, 2002	-	435,000	-	-	435,000
$ 0.35	February 28, 2002 (4)	-	2,000,000 (4)	(737,500)	-	1,262,500
		6,629,361	5,200,085	(5,298,006)	(2,125,105)	4,406,335
Weighted average exercise price		$ 0.25	$ 0.40	$ 0.26	$ 0.26	$ 0.41

(4) During fiscal 2001, the Company received regulatory approval to extend the expiry date of 1,740,000 of these share purchase warrants from February 28, 2001 to February 28, 2002.

(f) Escrow shares:

At February 28, 2002, a total of 496,875 (2001 - 496,875) of the issued shares are held in escrow and will not be released without the consent of the regulatory authorities.

During fiscal 1998, the Company filed an application with the regulatory authorities for the release of up to 126,684 performance shares from escrow, which has been approved. However, the shares have not yet been released from escrow. Pursuant to the underlying escrow agreements, the remaining escrow shares are subject to cancellation if the release criteria has not been met within certain time periods.

(Expressed in Canadian dollars)

9. Income taxes:

Substantially all of the difference between the actual income tax expense (recovery) of nil and the expected B.C. statutory corporate income tax recovery relates to losses not recognized.

The significant components of the Company's future income tax assets and liabilities are as follows:

	2002	2001
Future income tax assets:		
Property and equipment	$ 76,000	$ 117,000
Mineral properties	829,000	843,000
Losses carried forward	1,129,000	848,000
Total future income tax assets	2,034,000	1,808,000
Valuation allowance	(2,034,000)	(1,808,000)
	$ -	$ -

At February 28, 2002, the Company has operating losses of approximately $3,172,000 that expire at various dates to 2009.

10. Segment disclosures:

The Company considers its business to comprise a single operating segment, being exploration of resource properties, within the geographic area of British Columbia, Canada.

11. Subsequent events:

In addition to the subsequent events disclosed in note 5(b) and 8(b), subsequent to February 28, 2002, the Company:

(a) completed a Short Form Offering Document for 1,200,000 units of the Company at $0.45 per unit, with each unit consisting of two flow-through common shares, one flow-through share purchase warrant, one non-flow-through common share and one half of one flow-through share purchase warrant. Each flow-through share purchase warrant allows the holder to purchase one flow-through common share at $0.25 per share to December 31, 2002 and each whole non-flow-through share purchase warrant allows the holder to purchase one non-flow-through common share at $0.25 share for a one year period. The Company agreed to pay a commission to the Agent a total of 8% of the gross proceeds, plus 2% of the proceeds in excess of $250,000, plus $10,000, and issue to the Agent non-transferable share purchase warrants equal to 15% of the total number of shares sold, exercisable at $0.15 per share for a two year period. On closing, the Company paid a commission of $59,000 and issued 540,000 share purchase warrants to the Agent;

11. Subsequent events (continued):

(b) received regulatory approval to extend the expiry date of 1,827,585 share purchase warrants from May 20, 2002 to August 20, 2002 and to reduce the exercise price from $0.35 to $0.15 per share;

(c) received regulatory approval to extend the expiry date of 435,000 share purchase warrants from May 28, 2002 to August 20, 2002 and to reduce the exercise price of 408,900 of these share purchase warrants from $0.35 to $0.15 per share;

(d) issued 50,000 common shares at $0.15 per share on exercise of 50,000 share purchase warrants that expire on August 20, 2002;

(e) granted 1,960,000 share purchase options to directors, officers, employees and consultants exercisable at $0.15 per share to May 28, 2005;

(f) issued a total of 50,399 common shares at $0.15 per share and 76,119 common shares at $0.17 per share on exercise of share purchase options that expire on February 2, 2003, October 8, 2003 and May 28, 2005; and

(g) issued 1,038,718 common shares at $0.15 per share in settlement of $155,778 of outstanding debts.

SECURITIES ISSUED DURING THE QUARTER ENDED FEBRUARY 28, 2002

Date of Issue	Type of Security	Type of Issue	Number/ Amount	Price	Total Proceeds	Type of Consideration
Feb. 5, 2002	Common	Private Placement	1,000,000	$0.10	$100,000	Cash

OPTIONS GRANTED DURING THE QUARTER ENDED FEBRUARY 28, 2002

Date Granted	Number	Type	Name/Description	Exercise Price	Expiry Date
Feb.5, 2002	1,000,000	Warrants	Other	$0.10	Feb. 5, 2003

OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES OUTSTANDING AS AT FEBRUARY 28, 2002

Security	Amount	Exercised or Convertible Price	Expiry Date MM/DD/YY
Options	135,000	$0.15	08/31/03
Options	617,600	$0.17	02/02/03
Options	150,000	$0.30	02/10/02
Options	100,000	$0.30	02/16/03
Options	426,719	$0.15	10/08/03
Options	1,302,500	$0.25	05/10/04
Options	1,825,397	$0.50	08/30/03
Warrants	1,827,585	$0.35	05/20/02
Warrants	435,000	$0.35	05/28/02
Warrants	868,750	$0.25	10/05/02
Warrants	796,356	$0.35	08/01/02
Warrants	333,333	$0.25	09/24/02
Warrants	818,083	$0.25	10/02/02
Warrants	370,000	$0.25	10/11/02
Warrants	426,833	$0.25	01/25/03
Warrants	1,015,000	$0.10	01/25/03
Warrants	1,000,000	$0.10	02/05/03

SHARES IN ESCROW OR SUBJECT TO POOLING AS AT FEBRUARY 28, 2002

There are 496,875 shares held in escrow

LIST OF DIRECTORS & OFFICERS AS AT FEBRUARY 28, 2002.

R. A. ATKINSON, Chairman of Board & Director	D. HURST, Director
J. FRANK CALLAGHAN, Director & President, CEO	H.K. (Ken) MADDISON, Director & CFO
AUDREY DINNING, Corporate Secretary	

The following discussion of the operations, results and financial position of the Company should be read in conjunction with the February 28, 2002 Audited Financial Statements and the related Notes.

Overview

The Company's principal business activities are the acquisitions, exploration and development of mineral properties. Currently the Company's activities have been focused on the Cariboo Gold Project located in the Wells/Barkerville region of the Cariboo Mining District of British Columbia. In general, the Company is in the process of exploring and developing its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable.

Results of Operations

For the year ended February 28, 2002, the Company reports a net loss of Cdn $1,077,922 or $0.02 per share, compared to a net loss of Cdn $1,359,463 or $0.03 per share for the fiscal year in 2001. Included in the loss is $13,067 on disposal of investments, $14,000 on writing down investments, $49,400 on writing down mineral properties and $53,532 in amortization of fixed assets, compared to 2001 wherein there were no write-downs or write-offs and amortisation was $48,341. The balance of the loss, $954,892 represents administrative expenses.

Reduction in expenses of $361,546 is in part due to the reduction in shareholder communications, advertising, accounting, audit and legal fees for the year which together reduced by $311,450 compared to 2001.

Liquidity and Capital Resources

The Company has a working capital deficiency of $663,069 at February 28, 2002, comprising $13,587 in cash, $12,100 in current receivables and $688,756 in current payables. Subsequent to the period the Company was able to come to agreeable terms with certain creditors to settle approximately $156,000 in debt by the issuance of up to 1,038,718 common shares. The Company also completed an equity financing involving the issuance of 1,200,000 at $0.45 per unit to raise approximately $480,000. However, in order to maintain present on-going operations the Company will need to re-finance in the near future.

Current exploration activities

During the fiscal year, the Company completed a new data base of all old data; completed 3 drill holes on the Wells Trend, and 22 holes along the BC Vein and Bonanza Ledge. A development plan for a proposed open it at Cow Mountain has been re-evaluated to include an additional open pit at the BC Vein and Bonanza Ledge. IP Surveys were conducted as well as 4.5 miles of soil sampling and a one year base line study on the Cariboo Gold Project was also completed. Presently, the Company is continuing to drill the BC Vein/Bonanza Ledge, and has commenced an underground program on the Cariboo Gold Quartz mine, which will include drilling below the 1200 level, and drilling on the Wells Trend.

Competition

The mining industry in which the Company is engaged is in general, highly competitive. Competitors include well-capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Company. The Company competes with other mining companies in connection with the acquisition of gold properties. In general, properties with a higher grade of recoverable mineral and/or which are more readily mineable afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industry to acquire the most valuable properties. As a result, the Company may eventually be unable to acquire attractive gold mining properties.

Liquidity and Solvency

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production and operate a mining property. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations.

The market price of gold is highly speculative and volatile. Instability in gold prices may affect the interest in mining properties and the development of and production from such properties. During the past few years the price of gold has substantially decreased. Should the price of gold continue to decline, this may adversely affect the Company's ability to raise capital to explore for existing and new mineral properties.

Related Party Transactions

Under a Management and Services Agreement between the Company and the President of the Company, the Company is charged $5,000 per month for general management services. The Company is also charged an hourly fee by a Director of the Company for consulting services.

The Company has an exploration and administration agreement with a private company owned by the President of the Company. Under the terms of the agreement, the Company pays an administration fee of $2,500 per month and reimburses the private company for costs it incurs on behalf of the Company including office administration and exploration. The Company is charged an administrative fee of 12% on all exploration expenditures made on behalf of the Company to a maximum of $8,000 per month. During the year, the Company was charged $50,330 in administrative fees on approximately $442,607 in cash disbursements made on behalf of the Company.

Commitments

The Company purchased a field office building in Wells for $92,500. After making a down payment of $22,500, the Company owes $68,096 payable under a mortgage at 8% per annum at $534 per month including interest, due January 1, 2005. The mortgage is secured by the land and building.

Corporate Headquarters
305-455 Granville Street
Vancouver, British Columbia
Canada V6C 1T1
Tel: (604) 669-6463
Fax: (604) 669-3041
Toll Free: 1-800-663-9688
Email: info@wayside-gold.com
Website: wayside-gold.com

Field Office
P.O. Box 247
2422 Barkerville Highway
Wells, British Columbia
Canada V0K 2R0
Tel: (250) 994-3337
Fax: (250) 994-3338

Board of Directors and Officers
Richard Atkinson, B.A. Sc., P.Eng., Director, Chairman
J. Frank Callaghan, Director, President and CEO
H.K. (Ken) Maddison, F.C.A., Director, CFO
Douglas Hurst, B.Sc. (Geol.), Director
Audrey Dinning, Corporate Secretary

Consulting Geologists and Engineers
Godfrey Walton, M.Sc., P.Geo.
Richard D. Hall, Ph.D., P.Eng.
Ken Lord, B.Sc., Geologist
David Hladky, Geologist
Jean Poulter, P.Geo.
Ken Robertson, P.Geo.
Shaun Dykes, P.Geo.
Wayne Pickett, M.Sc., P.Geo.
Steve Kocsis, P.Geo.
Panterra Geoservices Inc.
John V. Tully & Associates
Giroux Consultants Ltd.
Geosim Services Inc.
Beacon Hill Consultants Ltd.

Government & First Nations Relations
Jo Harris & Associates

General Contractors
Standard Drilling & Engineering Ltd.
Elixir Construction Consultants
Wright Contracting Ltd.
Two Boys 2000
Boychuck Contracting
Doug Merric Contracting
John Bot Contracting
Gary Polischuk, Prospecting Services
Sabre Exploration Ltd.
Eagle Mapping Services Ltd.

Environmental Consultants
Knight Piesold Ltd.
Cariboo Envirotech Ltd.

Transfer Agent
Computershare Trust Company of Canada
Vancouver, British Columbia

Bank
Bank of Montreal
Vancouver, British Columbia

Auditors
KPMG LLP Chartered Accountants
Vancouver, British Columbia

Legal Counsel
Martin & Associates
Vancouver, British Columbia

Special Counsel
Vector Corporate Finance Lawyers
Vancouver, British Columbia

Stock Exchange Listing
Canadian Venture Exchange (CDNX)
Trading Symbol: IWA
CUIP Number: 946901 10 5
S.E.C. Registration Number: 12g3-2(b) 82-1606
Standard and Poors registered

Share Structure (February 28, 2001)
Total Authorized: 100,000,000
Shares Outstanding: 49,6232,751
Fully Diluted: 57,884,802

NOTES

International Wayside Gold Mines Ltd.

305 – 455 Granville Street, Vancouver
British Columbia, Canada V6C 1T1
Tel: (604) 669-6463 • Fax: (604) 669-3041
Toll Free: 1-800-663-9688
Email: info@wayside-gold.com
Website: www.wayside-gold.com