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B.C. Shaft  
New Discovery – "Bonanza Ledge Zone"

INTERNATIONAL WAYSIDE GOLD MINES

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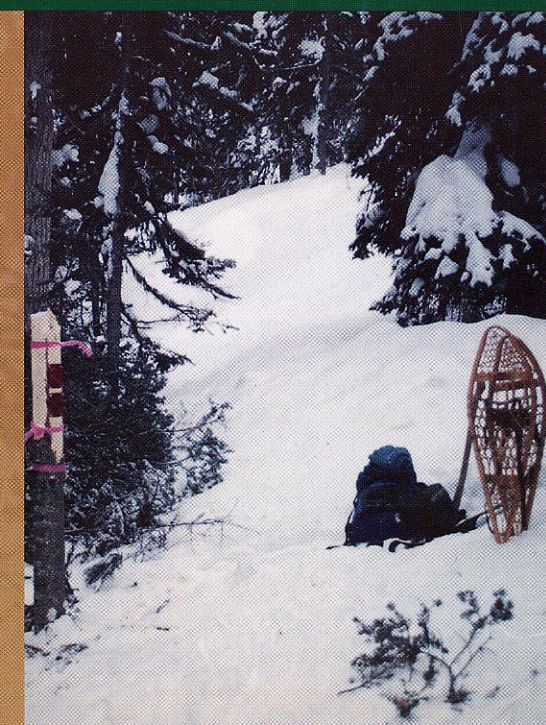
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Website: [www.wayside-gold.com](http://www.wayside-gold.com)

Background Image: Mineral Reference Map (showing surveyed claim) Barkerville – 1935

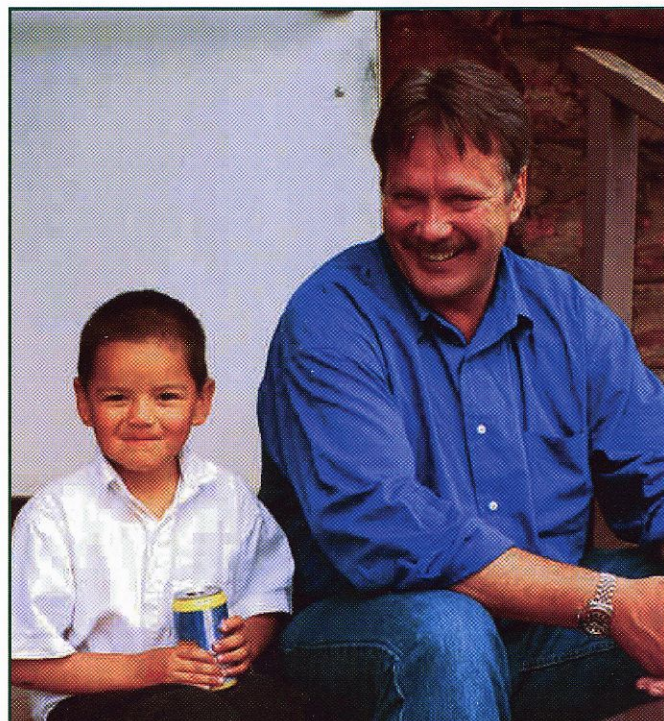


INTERNATIONAL WAYSIDE GOLD MINES LTD.



Annual Report 1999 – 2000





Frank Callaghan with Davish Longue on the steps of the Lhtako Nation Office, June 2000

INTERNATIONAL WAYSIDE GOLD MINES LTD. is a junior gold exploration company whose objective is to develop gold reserves in the Cariboo Gold Belt of British Columbia. For the past five years, the Company has explored historical gold properties at Wells, close to the Historic Town of Barkerville, the terminus of the Cariboo Gold Rush of the 1860's. Consolidation of the Cariboo Gold Quartz mine (1933-59), Island Mountain-Aurum mine (1934-67) and Mosquito Creek Gold mine (1980-83) properties form the basis of the Cariboo Gold Project and were described in previous annual reports. Recorded production of the camp was 3.8 million ounces of gold (2.6 million ounces of placer & 1.2 million ounces of lode).

During the period 1995-98 the Company completed 40,502 feet of drilling in 238 drill holes on the Cariboo Gold Quartz mine property on the flank of Cow Mountain creating a data base of 11,000 gold assays. About one half of the drilling was underground, long hole percussion drilling in the 1200 Level Adit (4,316 ft elevation) rehabilitated for access in 1996.

In September of 1998 the Company commenced a drilling program on the B.C. Vein, near the B.C. Shaft on Barkerville Mountain. A higher-grade underground component was the target to compliment the open-pit potential on Cow Mountain. The B.C. Vein averages 20 feet in thickness on surface and was exposed for 2,000 feet by previous stripping operations. The vein has vertical continuity over 850 feet to the 1500 Level of the Cariboo Gold Quartz mine. To date 19,583 feet of drilling in 61 drill holes have been carried out over a strike length of 3,200 feet.

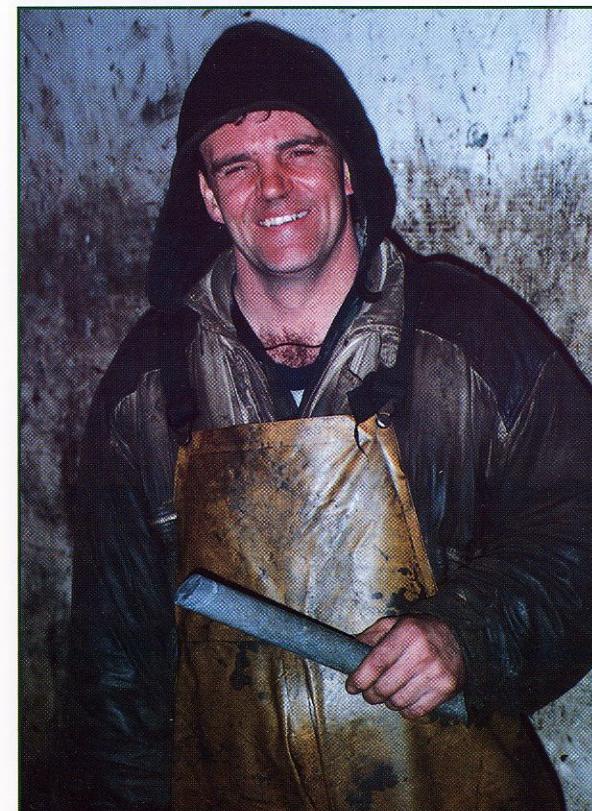
In March 2000, the Bonanza Ledge Zone was discovered in altered strata, in the structural footwall of the B.C. Vein. This new discovery demonstrates that the potential for pyritic gold mineralization is not restricted to marble along the Baker-Rainbow contact and provides many new targets for renewed exploration near Wells. Drilling continues.

In April 2000 the British Columbia Environmental Assessment Office accepted for review the Company's Application, containing conceptual plans to develop an open-pit gold mine on Cow Mountain.

The discovery of the Bonanza Ledge Zone, and the resulting staking rush are encouraging developments in the 140-year history of gold exploration and production in the Cariboo. The Company is proud to be part of this emerging new chapter in B.C. mining history.

**Cover Photos:** Upper left, B.C. Vein drilling – Gene Harris and Kevin Cright; Upper right, Mineralization zone, Bonanza Ledge; Lower left, Drill core – B.C. Vein through to new discovery "Bonanza Ledge Zone"; Lower right, Winter Staking

## 1999 - 2000 MILESTONE ACHIEVEMENTS



Larry Gagnon, Driller with Bonanza Ledge discovery drill core

- Cumulative net expenditures of \$4,614,216 on the Cariboo Gold Property.
- Raised \$1,970,650 during fiscal 2000, proceeds for exploration, working capital and property acquisition in the Cariboo Gold Project.
- Tenure consolidation of approximately 152.66 sq. km. or 15,265 hectares.
- Assembled highly experienced team of consultants to conduct research and prepare Application to the BC Environmental Assessment Office for approval to develop the Cariboo Gold Project which has been submitted and accepted.
- Wells/Barkerville Public Liaison Committee established
- Memorandum of Understanding signed with Lhtako First Nation in relation to Cariboo Gold Project Application
- Discovery of Bonanza Ledge Zone
- Share price hits new high
- Island Gold Mines Ltd. joint venture

*"The newly discovered type of mineralisation and its high-grade nature are clearly significant. There have not been grades and thicknesses of this kind in a new discovery in Canada since Hemlo or Eskay Creek."*  
*Glenn R. Brown, Ph.D.*  
*Haywood Securities Ltd*  
*(April 10, 2000 – excerpt from Radar Screen)*

## 2000 - 2001 OBJECTIVES



Drilling on Cow Mountain

- Continue systematic drilling and interpretation of the Cariboo Gold Camp with emphasis on the Bonanza Ledge Zone strike length.
- Continue drilling on Cow Mountain, surface and underground to increase resource and grade
- Expand and interpret resources to obtain a mineable reserve
- Conduct Project pre-feasibility study
- Complete environmental and socio-economic baseline research
- Submit Amended Application and Project Report to the B.C. Environmental Assessment Office
- Continue drilling B.C. Vein on strike
- Regional exploration program on Company property, continue tenure acquisition in Cariboo Gold Project area





It has always been Management's goal to explore and develop a gold resource in the historically prolific Cariboo Gold Camp. Through this determination, we were successful in securing financing to continue to fund this objective, even in today's challenging mining market.

This perseverance has resulted in the identification of a larger gold resource on Cow Mountain, near Wells, British Columbia, an area we continue to explore and define. Of significant note this year is the discovery of a new type of gold-bearing mineralization with excellent gold grades and thicknesses located near the B.C. Shaft on Barkerville Mountain. This zone of high-grade mineralization, initially marked by the footwall of the B.C. Vein, has been named the Bonanza Ledge Zone.

The discovery of the Bonanza Ledge sparked great interest in the property and the area in general. The project site has been toured by a number of major mining companies and securities analysts. Their interest is gladly welcomed. Despite overtures, it is Management's intention at the present time to continue to provide in-house working capital to thoroughly define the potential of the new Bonanza Ledge Zone in order to maximize the benefit to you, our shareholders.

The attention focused on the discovery precipitated a record rise in the price of your stock. However, as you are probably keenly aware, the Canadian Venture Exchange (CDNX) halted trading for a lengthy time. To satisfy the CDNX that we were on solid ground, a number of proactive measures were taken by the Company. Hence trading resumed. The expertise of the Board of Directors and

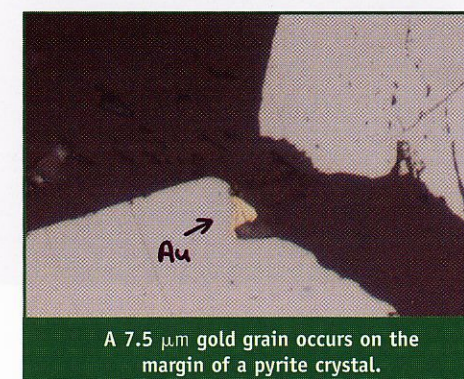
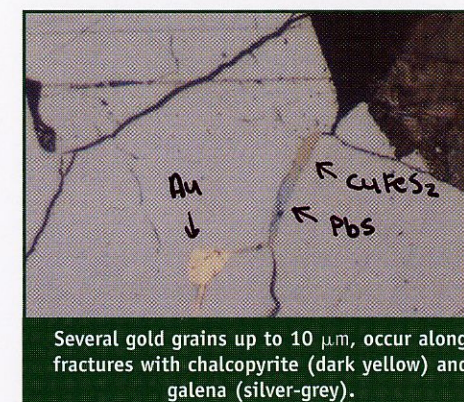
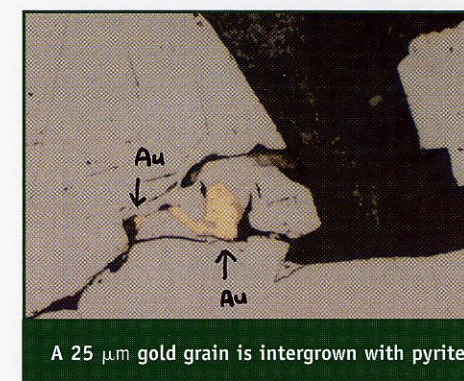
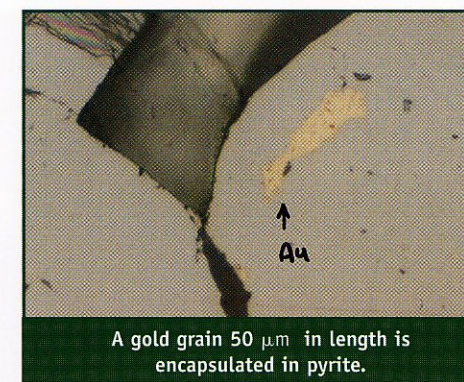
Officers was strengthened with the appointment of Richard C. Atkinson, B.A.Sc., P. Eng., as Chairman, and Douglas J. Hurst, B.Sc., as a Director. Their considerable skills and experience are being utilized to the fullest at this busy and exciting time. Mr. Claud Blagdon resigned as a Director of the Company. However, I am pleased to report that he will continue to be associated with the Cariboo Gold Project. I give special recognition this year to H.K. (Ken) Maddison, F.C.A., our Chief Financial Officer, in positioning the Company to the best financial shape since start-up. To all of you thank you very much.

As a result of greater geological knowledge gained through past programs, the Company has acquired additional prospective ground. Agreements entered into with individuals and companies over the past several months now bring our total holdings to an impressive 150 square kilometers covering a strike length of more than 40 km. As a direct result of the Bonanza Ledge discovery other mining companies have acquired ground in the area and are beginning exploration work, establishing that the discovery has regional and provincial significance. In this context, the Company is very pleased to have been instrumental in initiating renewed interest in mining in British Columbia.

Based upon our work of the past five years, the Company has submitted an Application to the BC Environmental Assessment Office describing conceptual plans for an open pit gold mine on Cow Mountain. A pre-feasibility study of this proposal is to be carried out in the coming months coupled with a surface and underground drilling programs. Added viability is expected as a result of the Bonanza Ledge Zone where drilling is continues. In addition, a regional exploration program is planned for this year.

In closing, I would like to express my sincere gratitude to all of the shareholders who have persevered and believed in the dream. To the team of consultants and staff in Vancouver and Wells who have worked hard to make our Cariboo Gold Project one of the most exciting in British Columbia's recent history, job well done! Thank you very much.

J. Frank Callaghan  
President & CEO  
July 25, 2000



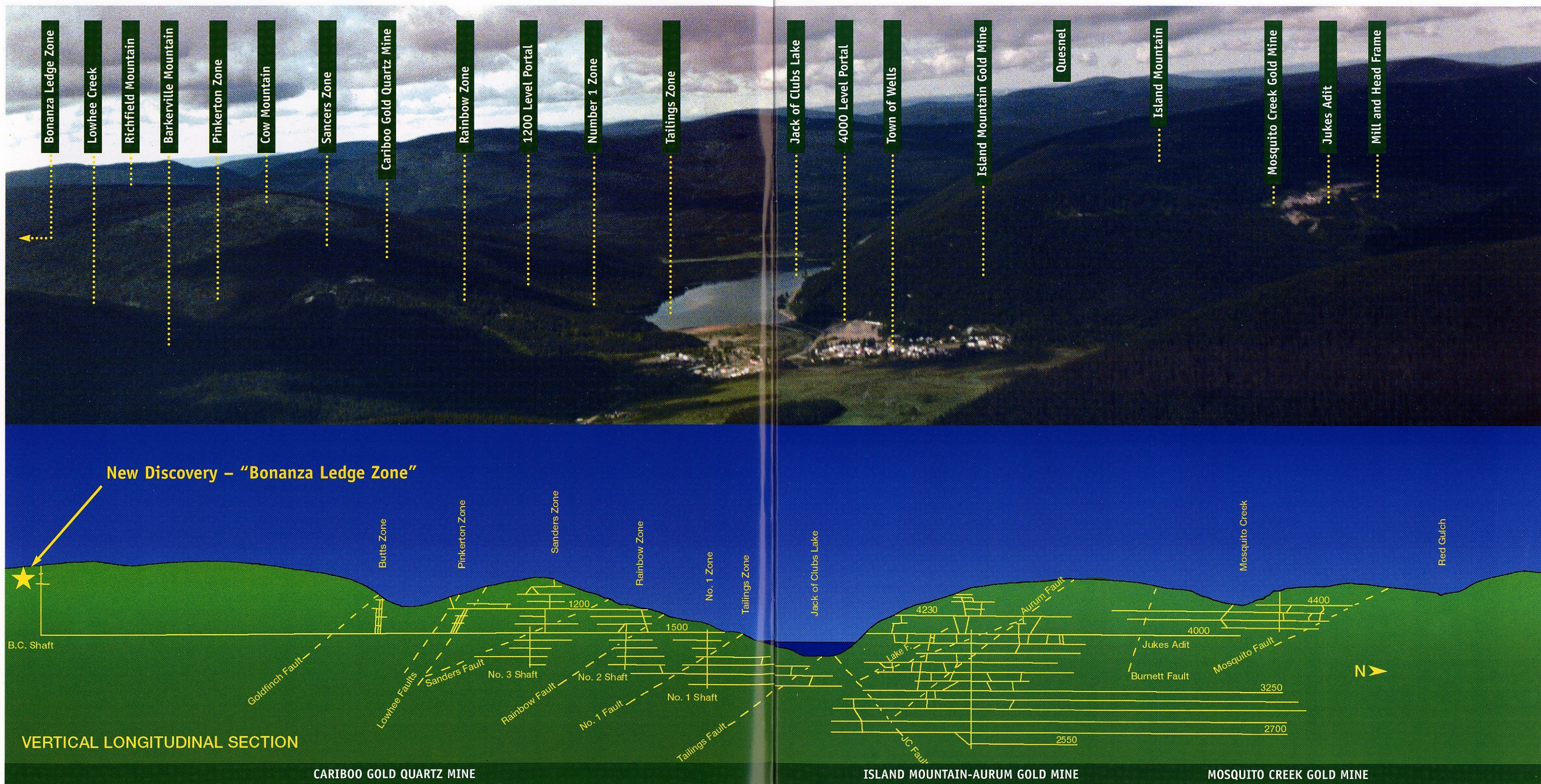
Above: Petrography, Bonanza Ledge Zone. Au = gold

The newly discovered Bonanza Ledge Zone is 3 km South East of Wells, B.C. and adjacent to the past producing Cariboo Gold Quartz mine. The zone was discovered during drilling of the B.C. Vein system, a northwest trending and steeply northeast-dipping quartz vein from which several pyritic ore shoots were historically mined from the Cariboo Gold Quartz workings. Mineralization in the Bonanza Ledge Zone consists of discrete areas of massive, banded and stringer type pyrite in the footwall of the B.C. Vein. It is hosted by an overturned, northeast-dipping sequence of metamorphosed clastic metasedimentary rocks comprising (i) structurally upper laminated, carbonaceous pelitic phyllite, the main host to mineralization and (ii) lower psammitic metaturbiditic rocks. Host rocks are affected by tight to isoclinal folds that have northwesterly plunging axes.

Mineralization in the Bonanza Ledge Zone has to date been traced over a strike length of 400 feet. It is open to the southeast and down dip, and is currently being further drill tested. Pyrite mineralization is best developed in discrete areas locally more than 100 feet thick in the upper zone where it comprises 10-70% of the rock as stringers, concordant laminations and massive bands. Muscovite, dolomite/ankerite and quartz form gangue to the pyrite. Au occurs as 2.5-60  $\mu\text{m}$  grains of native gold on fractures or grain boundaries of pyrite, often with chalcopyrite, and galena, or encapsulated in pyrite. Grades range from 5 to 80 g/t Au. Extensive carbonate-muscovite-pyrite alteration affects lithologies in the vicinity of the Bonanza Ledge Zone and imparts a tan to yellow colour to the units. Muscovite schist and sets of sheeted quartz veins that frequently occur adjacent to mineralization may represent proximal alteration. The area is structurally complicated, and both lithologies and mineralization are affected by northeast-verging asymmetric D2 folds. Veinlets and pyrite bands are folded and thickened parallel to the northwest plunging fold axes.

The fold style and distribution of mineralization currently defined by drilling in the Bonanza Ledge Zone suggests that the mineralized zones may be elongate and plunge to the northwest, similar in morphology to pyritic "sulphide replacement" bodies historically mined at the Island Mountain mine. The early structural timing, mineralogy and associated alteration of pyritic mineralized zones at Bonanza Ledge are similar to the limestone-hosted Island Mountain orebodies, although the host rock differs, and the vertical thickness of and lateral continuity of the Bonanza Ledge mineralized bodies is greater than individual ore shoots at Island Mountain. Mineralization may represent pre- or syn-deformational replacement bodies and veins.







## STATUS

The B.C. Environmental Assessment Office (BCEAO) has extended the timeline for the Cariboo Gold Project review in light of the recent discovery of the Bonanza Ledge Zone.

A Project Application, earlier submitted to the BCEAO, provided a number of conceptual scenarios for the development of an open pit gold mine on Cow Mountain near Wells, B.C. Exploration at the Bonanza Ledge on Barkerville Mountain, however, now indicates that the new zone of mineralization may extend into an area proposed for tailings impoundment in one or more of the scenarios.

An Amendment to the Application will be submitted should the new zone be found to conflict with plans presented in the Application. During the timeline extension the Company will continue with its environmental baseline monitoring program, Aboriginal impact assessment, and scheduled environmental and socio-economic studies.



L – R: Frank Callaghan, Marcia Farquhar (EAO) and M.O.T.H. staff talking with geologist, Ned Reid near the B.C. shaft

## ENVIRONMENTAL POLICY

The aim of the Company, through the Environmental Assessment Process, is for the Cariboo Gold Project to meet all federal and provincial legislation and policies. The Company is working closely with government agencies, the public and First Nations to achieve this goal.

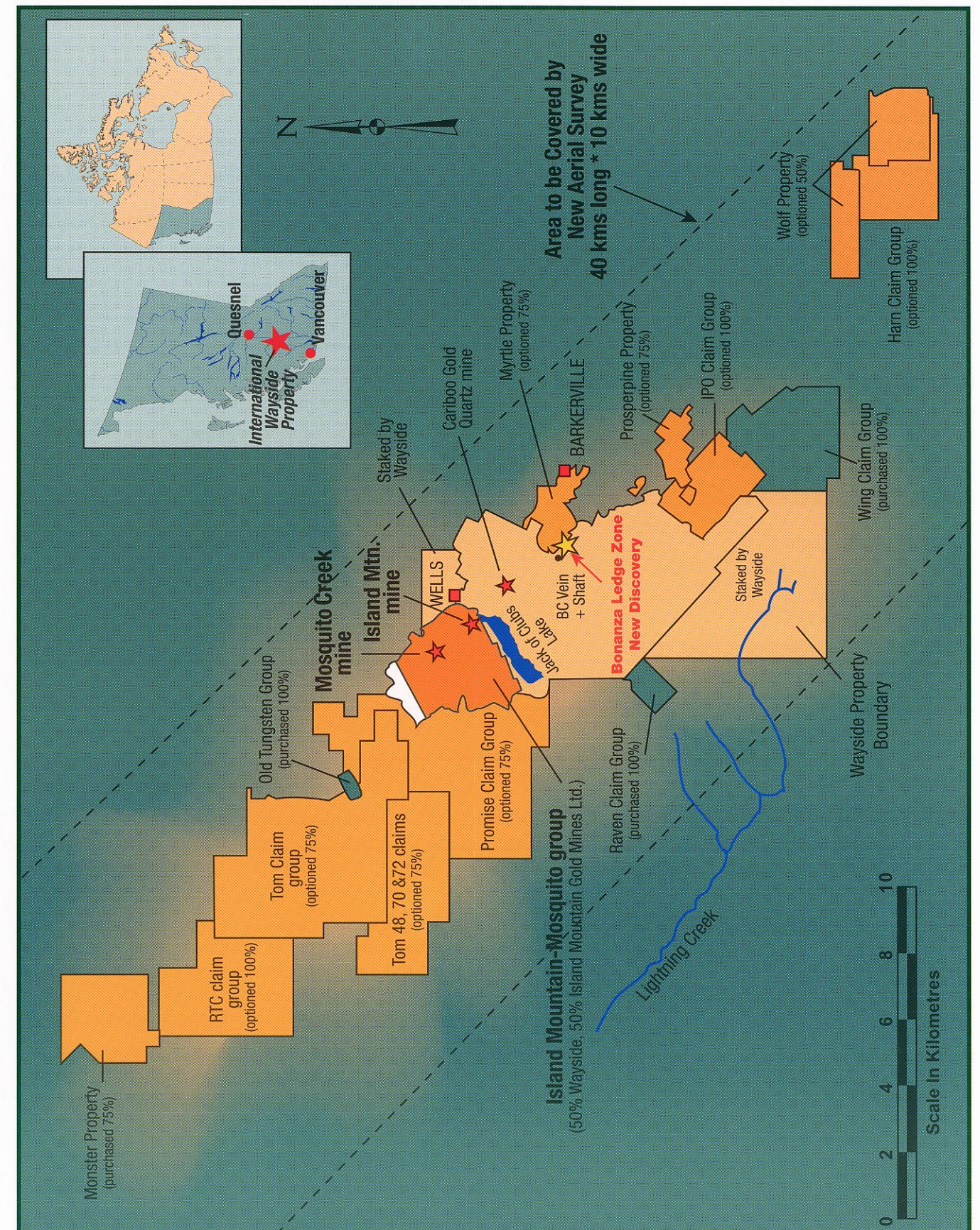
## PUBLIC CONSULTATION PROGRAM

Open houses to present the Application to the general public were well attended in Wells, Quesnel, Prince George and Williams Lake, British Columbia. Results of these presentations return a regional groundswell of support for the project. Due to the proximity of the Cariboo Gold Project to Wells and the historic town of Barkerville, a Public Liaison Committee has been formed to provide a direct forum with the Company for residents to provide feedback on the conceptual mine plan scenarios and input on aesthetic considerations.

## FIRST NATIONS PROGRAM

On June 8th 2000 the Company signed a Memorandum of Understanding (MOU) with the Lhtako (Red Bluff) Nation in regard to the Cariboo Gold Project. The purpose of consultation by the Company is to assist the federal and provincial governments in ensuring that, prior to treaty settlement, the Project will not adversely affect potential Aboriginal rights and title. To this effect, an Aboriginal Impact Assessment is being commissioned by the Company.

The Company and the Lhtako have been meeting on an ad hoc basis since 1997. While details of the MOU remain confidential, the document reflects the recognition and respect that has evolved between the parties, and their future commitment in working together in the assessment of the Cariboo Gold Project.





**BALANCE SHEETS** (Expressed in Canadian Dollars)

February 29, 2000 and February 28, 1999

	2000	1999
<b>A S S E T S</b>		
Current assets:		
<i>Cash and cash equivalents</i>	\$ 927,939	\$ 57,171
<i>Amounts receivable and prepaid expenses</i>	51,592	29,835
	979,531	87,006
Investments, at cost (quoted market value - \$25,000) (note 4(b))	15,000	-
Reclamation deposits	12,000	12,000
Property and equipment (note 3)	325,905	291,757
Mineral properties (note 4)	4,614,217	4,115,331
	\$ 5,946,653	\$ 4,506,094
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
<i>Accounts payable and accrued liabilities</i>	\$ 170,829	\$ 276,873
<i>Payable to related parties (note 5)</i>	148,379	187,233
<i>Current portion of mortgage payable</i>	1,017	-
	320,225	464,106
Mortgage payable (note 6)	68,983	-
Shareholders' equity:		
<i>Capital stock (note 7)</i>	12,298,038	11,077,738
<i>Advances on share subscriptions (note 7(b))</i>	957,500	249,650
<i>Advances on share purchase warrants (note 7(b))</i>	42,500	-
<i>Deficit</i>	(7,740,593)	(7,285,400)
	5,557,445	4,041,988
Nature of operations (note 1)		
Commitments (note 4)		
Subsequent events (notes 4(b), 7(b) and 10)		
	\$ 5,946,653	\$ 4,506,094

See accompanying notes to financial statements.

On behalf of the Board:


J. Frank Callaghan  
Director

H. Ken Maddison  
Director**STATEMENTS OF OPERATIONS AND DEFICIT** (Expressed in Canadian Dollars)

Years ended February 29, 2000 and February 28, 1999

	2000	1999
Revenue:		
<i>Interest</i>	\$ 417	\$ 469
Administrative expenses:		
<i>Accounting, audit and legal</i>	46,943	140,639
<i>Automobile</i>	3,531	11,263
<i>Bad debt (note 5(a))</i>	-	36,840
<i>Bank charges and interest</i>	4,607	3,272
<i>Corporation capital tax</i>	8,026	-
<i>Depreciation</i>	58,352	76,223
<i>Management fees (note 5(b))</i>	120,000	120,000
<i>Office and administration (note 5(b))</i>	18,666	85,288
<i>Printing</i>	9,659	10,668
<i>Promotion and shareholder communications</i>	73,154	151,822
<i>Rent</i>	8,850	14,722
<i>Telephone</i>	14,709	30,140
<i>Transfer agent and filing fees</i>	29,327	26,624
<i>Wages, consulting fees and benefits</i>	59,786	88,979
	455,610	796,480
Other:		
<i>Write-off of mineral properties (note 4)</i>	-	1,786,780
Loss for the year	455,193	2,582,791
Deficit, beginning of year	7,285,400	4,702,609
Deficit, end of year	\$ 7,740,593	\$ 7,285,400
Loss per share	\$ 0.02	\$ 0.15

See accompanying notes to financial statements.

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the balance sheets of International Wayside Gold Mines Ltd. as at February 29, 2000 and February 28, 1999 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 29, 2000 and February 28, 1999 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 on a consistent basis.

**KPMG LLP**Chartered Accountants  
Vancouver, Canada  
June 16, 2000



**Statements of Cash Flows** (Expressed in Canadian Dollars)

Years ended February 29, 2000 and February 28, 1999

	2000	1999
Cash provided by (used in):		
Operating activities:		
Loss for the year	\$ (455,193)	\$ (2,582,791)
Items not involving cash:		
Depreciation	58,352	76,223
Write-off of mineral properties	-	1,786,780
	(396,841)	(719,788)
Changes in non-cash operating working capital:		
Amounts receivable and prepaid expenses	(21,757)	(2,962)
Accounts payable and accrued liabilities	(106,044)	133,673
	(524,642)	(589,077)
Financing activities:		
Payable to related parties	(38,854)	75,741
Issue of capital stock for cash	1,220,300	1,182,658
Advances on share subscriptions	707,850	17,750
Advances on share purchase warrants	42,500	-
	1,931,796	1,276,149
Investing activities:		
Expenditures on mineral properties, net of recoveries	(513,886)	(622,762)
Purchase of property and equipment	(22,500)	-
	(536,386)	(622,762)
Increase in cash and cash equivalents	870,768	64,310
Cash and cash equivalents, beginning of year	57,171	(7,139)
Cash and cash equivalents, end of year	\$ 927,939	\$ 57,171
Supplemental cash flow information:		
Income taxes paid	\$ -	\$ -
Interest paid	524	372
Non-cash financing and investing activities:		
Issuance of capital stock for mineral properties	\$ -	\$ 53,500
Issuance of capital stock on settlement of debts	-	242,126
Acquisition of property and equipment for mortgage payable to vendor	70,000	-
Shares received pursuant to mineral property option agreement	15,000	-

See accompanying notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS** (Expressed in Canadian Dollars)

Years ended February 29, 2000 and February 28, 1999

**1. NATURE OF OPERATIONS:**

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 properties being the Cariboo Gold Project (note 4(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.

**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. Depreciation 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.

**(d) Mineral properties:**

The Company capitalizes the acquisition cost of mineral properties and defers exploration and development expenditures directly related to specific mineral properties 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. Amounts shown for mineral properties represent costs incurred to date, less write-downs and write-offs, 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 Canadian Venture Exchange (formerly Vancouver Stock Exchange) policies. No compensation expense is recorded when the options are granted. Any consideration paid on the exercise of share options is credited to share capital.

**(f) Loss per share:**

Loss per share is calculated using the weighted average number of shares outstanding during the year. Fully diluted loss per share has not been presented as the effect on basic loss per share would be anti-dilutive.

**(g) 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 areas requiring the use of management estimates relate to the determination of recovery of mineral property, deferred costs and useful lives for depreciation. Actual results could differ from those estimates.



## (h) Financial instruments:

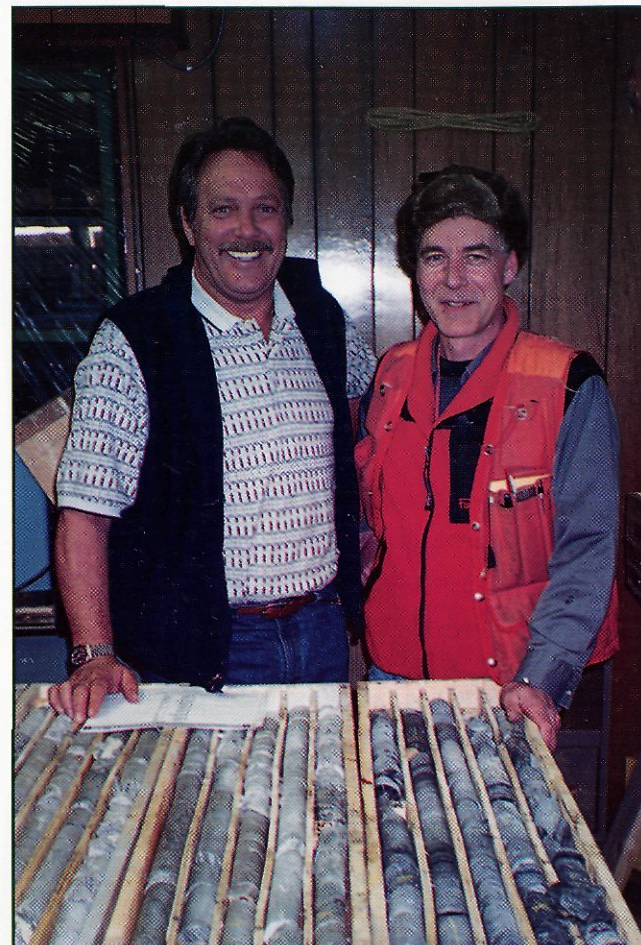
As at February 29, 2000 and February 28, 1999, in all material respects the carrying amounts of the Company's financial instruments, other than investments and amounts payable to related parties, approximate fair values due to the short-term to maturity of such instruments. The fair value of investments is disclosed on the balance sheet. It is not practicable to determine the fair values of the amounts payable to related parties due to the related party nature of such amounts and the absence of a secondary market for such instruments.

## (i) Cash flow statement:

The Canadian Institute of Chartered Accountants established a new standard for the presentation of cash flows and related information, that was effective for the Company's 2000 fiscal year. The Company has adopted the new standard during the year ended February 29, 2000 and has restated the comparative amounts and disclosures to reflect the new standard.

## (j) Comparative figures:

Certain of the prior years comparative figures have been reclassified to conform with the presentation adopted for the current year.



Frank Callaghan and Richard Hall, Project Geologist  
The smiles say it all at the core shack.

## 3. PROPERTY AND EQUIPMENT:

			2000	1999
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 59,300	\$ -	\$ 59,300	\$ -
Building	33,200	-	33,200	-
Office equipment	133,755	78,449	55,306	69,133
Mining equipment	309,200	131,101	178,099	222,624
	\$ 535,455	\$ 209,550	\$ 325,905	\$ 291,757

## 4. MINERAL PROPERTIES:

	Wayside property	Cariboo Gold Project	Total
Balance, February 28, 1998	\$ 1,786,571	\$ 3,439,278	\$ 5,225,849
Net expenditures during fiscal 1999:			
Acquisition costs and option payments	-	163,500	163,500
Exploration and development expenditures:			
Administration fees (note 5(b))	-	30,773	30,773
Assaying	-	54,232	54,232
Consulting	-	38,109	38,109
Engineering	-	53,805	53,805
Equipment rentals (note 5(b))	-	99,750	99,750
Project management fees (note 5(b))	-	30,000	30,000
Mine and field supplies	210	202,412	202,622
Travel	-	3,471	3,471
	210	512,552	512,762
Less deferred costs written-off	(1,786,780)	-	(1,786,780)
Balance, February 28, 1999	1	4,115,330	4,115,331
Net expenditures during fiscal 2000:			
Acquisition costs and option payments	-	100,000	100,000
Option payments and shares received	-	(215,000)	(215,000)
Exploration and development expenditures:			
Administration fees (note 5(b))	-	25,230	25,230
Assaying	-	34,990	34,990
Consulting	-	78,564	78,564
Engineering	-	14,401	14,401
Equipment rentals (note 5(b))	-	77,408	77,408
Project management fees (note 5(b))	-	30,000	30,000
Mine and field supplies	-	347,021	347,021
Travel	-	6,272	6,272
	-	613,886	613,886
Balance, February 29, 2000	\$ 1	\$ 4,614,216	\$ 4,614,217



Winter drilling, B.C. Vein



## 4. MINERAL PROPERTIES (CONTINUED):

## (a) Wayside property:

At February 29, 2000, 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 4(b)) and has been seeking, without success, a joint venture partner to fund exploration expenditures on the Wayside property. Based on the limited exploration work performed on the property in recent years and the uncertainty of recovering the deferred costs, the Company wrote down the deferred costs on this property to a nominal amount during the year ended February 28, 1999.

## (b) Cariboo Gold Project:

Effective October 3, 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 Lillooet Mining Division, British Columbia. The President of Mosquito subsequently became a director of the Company but as of August 29, 1997, was no longer a director. 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 in annual instalments of 100,000 common shares each (100,000 common shares were issued in each of fiscal 1995, fiscal 1996 and fiscal 1998 and 200,000 common shares were issued in fiscal 1999) and incur cumulative exploration and development expenditures totalling \$1,450,000 over six years in accordance with the following schedule:

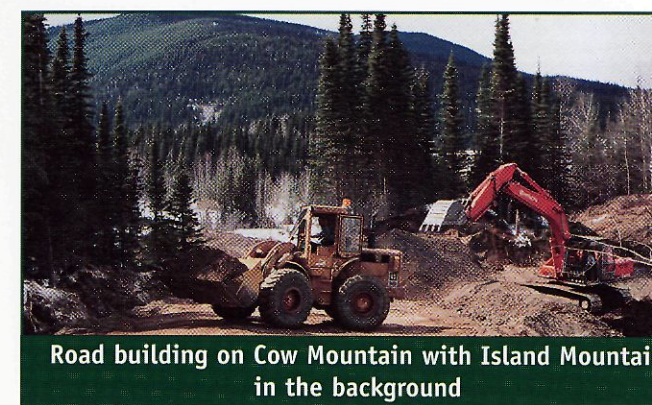
By October 3, 1995	\$ 100,000
By October 3, 1996	100,000
By October 3, 1997	200,000
By October 3, 1998	250,000
By October 3, 1999	300,000
By October 3, 2000	500,000
	<u>\$ 1,450,000</u>

For each additional year thereafter until a production decision is made, the Company will be required to spend \$500,000 on further exploration and development work on the property.

During the year ended February 28, 1999, the Company entered into a letter 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 of \$4,000,000 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.

Also during the year ended February 28, 1999, the Company acquired two additional properties contiguous to the Cariboo Gold Quartz property. One property, consisting of two crown grants, was acquired by the issuance of 50,000 shares of the Company and the second property, consisting of four placer leases and two mineral claims, was acquired for \$2,000 and the issuance of 25,000 shares of the Company.

During the year ended February 29, 2000, the Company entered into an agreement with Island



## 4. MINERAL PROPERTIES (CONTINUED):

## (b) Cariboo Gold Project: (Continued)

Mountain Gold Mines Ltd. ("IMGML"), a public company listed on the Canadian Venture Exchange (the "CDNX") which has 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 (\$50,000 received in fiscal 2000), issue 500,000 shares of IMGML in stages (50,000 shares received in fiscal 2000) and incur \$4,000,000 in exploration expenditures over the next five years. The Company will remain the operator on the exploration work programs, although it intends to utilize the services of the primary contractor used for the exploration work programs on its own properties (see note 5(b)).

Subsequent to February 29, 2000, 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 \$312,500, issue 444,500 common shares (244,500 issued to June 16, 2000) and incur \$350,000 of exploration expenditures. Certain of these agreements are subject to regulatory approval. The third party on two of the agreements has served notice of cancellation, which the Company has not accepted.

## 5. PAYABLE TO RELATED PARTIES:

## (a) Balances payable:

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

	2000	1999
Payable to directors	\$ 15,939	\$ 80,860
Payable to companies controlled by directors	132,440	106,373
	<u>\$ 148,379</u>	<u>\$ 187,233</u>

During fiscal 1999, the Company provided an allowance for a receivable of \$36,840 from a company which had a common director, to reflect the uncertainty of recovery.

## (b) Related party transactions:

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

	2000	1999
Exploration and development expenditures:		
Equipment rentals	\$ 76,450	\$ 99,750
Project management fees	30,000	30,000
Administration fees on reimbursed expenditures	25,230	30,773
Administrative expenses:		
Management fees	120,000	120,000
Office and administration	-	11,000
	<u>\$ 251,680</u>	<u>\$ 291,523</u>



**5. PAYABLE TO RELATED PARTIES:****(b) Related party transactions**

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 management 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 management 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.

**6. MORTGAGE PAYABLE:**

In connection with the acquisition of the land and building during fiscal 2000, 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 next five years are as follows:

2001	\$ 1,017
2002	1,018
2003	1,101
2004	1,188
2005	65,676
	<u>\$ 70,000</u>

**7. CAPITAL STOCK:****(a) Authorized capital:**

100,000,000 (1999 – 50,000,000) common shares without par value

During the year ended February 29, 2000, the Company increased its authorized share capital from 50,000,000 common shares without par value to 100,000,000 common shares without par value.



Geologist Ned Reid (credited with Bonanza Ledge discovery) trenching on Cow Mountain



B.C. Vein outcropping (60' wide) with shareholder Graeme O'Neill

**7. CAPITAL STOCK (CONTINUED):****(b) Issued and outstanding:**

	Number of shares	Total
Balance, February 28, 1998	11,697,978	\$ 7,208,549
Issued during the year:		
For cash by way of private placements, net of finders fees	6,931,988	1,122,658
For mineral properties (note 4(b))	275,000	53,500
On settlement of debts (note 7(c))	733,713 242,126	
For cash on exercise of share purchase options (note 7(e))	100,000	15,000
For cash on exercise of share purchase warrants (note 7(f))	300,000	45,000
For cash on exercise of special warrants	4,000,000	2,390,905
Balance, February 28, 1999	24,038,679	11,077,738
Issued during the year:		
For cash by way of private placements, net of finders fees	7,350,334	1,102,550
For cash on exercise of share purchase options (note 7(e))	720,000	108,000
For cash on exercise of share purchase warrants (note 7(f))	55,000	9,750
Balance, February 29, 2000	32,164,013	\$ 12,298,038

During the year ended February 28, 1998, the Company issued 4,000,000 special warrants at \$0.65 per special warrant by way of a private placement. Each special warrant entitled the holder to one unit comprising one common share and one-half of a non-transferable share purchase warrant, with each whole warrant entitling the holder to purchase an additional share at \$0.80 per share for a one year period. The Company incurred total commissions and issuance costs of \$209,095 in connection with this private placement and issued the Company's agent a total of 303,250 share purchase warrants to purchase one common share at \$0.80 per share for a one year period. During the year ended February 28, 1999, the special warrants were exercised and the Company issued 4,000,000 common shares and 2,000,000 share purchase warrants.

At February 28, 1998, the Company had received advances on share subscriptions totaling \$231,900 relating to a private placement of 927,600 units at \$0.25 per unit, with each unit consisting of one flow-through common share and one-half of a non-transferrable flow-through

share purchase warrant. Each whole warrant is exercisable at \$0.40 per share for a one year period.

During the year ended February 28, 1999, the Company issued the above-mentioned 927,600 flow-through shares at \$0.25 per share and 463,800 flow-through share purchase warrants exercisable at \$0.40 per share, and issued 2,445,335 flow-through common shares and share purchase warrants and 3,493,053 non-flow-through common shares and share purchase warrants by way of a private placement at \$0.15 per share. Each two share purchase warrants are exercisable at \$0.25 per share for a one year period. The Company also issued 66,000 shares as a finders' fee in connection with this private placement.

At February 28, 1999, the Company had received advances on share subscriptions totalling \$249,650 relating to a private placement totalling 2,224,334 units at \$0.15 per unit.



**7. CAPITAL STOCK (CONTINUED):****(b) Issued and outstanding (continued):**

During the year ended February 29, 2000, the Company received the remaining \$84,000 and issued 1,509,334 flow-through common shares, 715,000 non-flow-through common shares, 754,667 flow-through share purchase warrants and 357,500 non-flow-through share purchase warrants. Each share 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 Company also completed two private placements totalling 5,126,000 units at \$0.15 per unit for total proceeds of \$768,900. A total of 2,596,000 of the units were flow-through units. 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 full share 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.

At February 29, 2000, the Company had received advances on share subscriptions totaling \$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 7(f)).

Subsequent to February 29, 2000, the Company received the remaining \$42,500 and issued 4,000,000 common shares and 2,000,000 share purchase warrants.

**(c) Shares issued on settlement of debts:**

During fiscal 1999, the Company issued 733,713 common shares at a price of \$0.33 per share in settlement of \$242,125 of accounts payable.

**(d) Flow-through shares:**

During the year ended February 29, 2000, the Company issued a total of 4,105,334 flow-through common shares for cash consideration of \$615,800 and during the year ended February 28, 1999, the Company issued a total of 3,372,935 flow-through common shares for cash consideration of \$598,700 (note 7(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.

**(e) Share purchase options:**

Pursuant to the policies of the Canadian Venture Exchange (the "CDNX"), the Company may grant incentive stock options to its officers, directors and employees. CDNX 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. 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 average closing price of the Company's shares on the ten trading days immediately preceding the date on which the option is granted and publicly announced, and may not otherwise be less than \$0.15 per share. Options have a maximum term of ten years and terminate 30 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.

The continuity of the Company's share purchase options for the years ended February 29, 2000 and February 28, 1999 are as follows:

**7. CAPITAL STOCK (CONTINUED):****(e) Share purchase options (continued):**

Exercise prices	Expiry dates	Balance February 28, 1999	Granted	Exercised	Expired/cancelled	Balance February 29, 2000
\$ 0.48	August 21, 1999	370,000	-	-	(370,000)	-
\$ 0.32	February 12, 2000	191,115	-	-	(191,115)	-
\$ 0.65	November 3, 2001	353,582	-	-	-	353,582
\$ 0.15	August 31, 2003	18,732	-	(243,732)	(20,000)	455,000
\$ 0.17	February 2, 2003	-	792,600	-	-	792,600
\$ 0.30	February 10, 2003	-	300,000	-	-	300,000
\$ 0.30	February 16, 2003	-	148,980	-	-	148,980
\$ 0.15	October 8, 2003	-	1,512,987	(476,268)	(60,000)	976,719
		1,633,429	2,754,567	(720,000)	(641,115)	3,026,881
Weighted average exercise price		\$ 0.35	\$ 0.18	\$ 0.15	\$ 0.39	\$ 0.24

Exercise prices	Expiry dates	Balance February 28, 1998	Granted	Exercised	Expired/cancelled	Balance February 28, 1999
\$ 0.88	May 17, 1998	40,000	-	-	(40,000)	-
\$ 0.48	August 21, 1999	480,000	-	-	(110,000)	370,000
\$ 0.32	February 12, 2000	-	296,115	-	(105,000)	191,115
\$ 0.65	November 3, 2001	353,582	-	-	-	353,582
\$ 0.15	August 31, 2003	-	833,732	(100,000)	(15,000)	718,732
		873,582	1,129,847	(100,000)	(270,000)	1,633,429
Weighted average exercise price		\$ 0.57	\$ 0.19	\$ 0.15	\$ 0.46	\$ 0.35

Also see note 10.

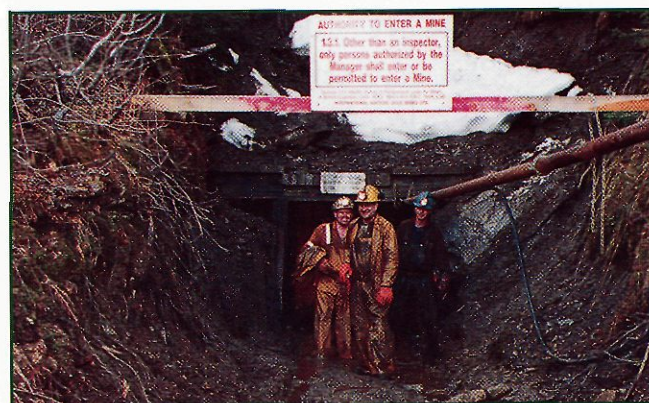
**(f) Share purchase warrants:**

The continuity of the Company's share purchase warrants for the years ended February 29, 2000 and February 28, 1999, are as follows:

Exercise prices	Expiry dates	Balance February 28, 1999	Issued	Exercised	Expired	Balance February 29, 2000
\$ 0.15	April 2, 1999	1,401,250	-	(40,000)	(1,361,250)	-
\$ 0.25 <sup>(2)</sup>	December 9, 1999/2000 <sup>(2)</sup>	2,969,194	-	-	-	2,969,194
\$ 0.25	March 31, 2000	-	500,000	-	-	500,000
\$ 0.25	October 8, 2000	-	2,063,000	-	-	2,063,000
\$ 0.25 <sup>(2)</sup>	December 7, 1999 /February 1, 2001 <sup>(2)</sup>	-	1,112,167	(15,000)	-	1,097,167
		4,370,444	3,675,167	(55,000)	(1,361,250)	6,629,361

Exercise prices	Expiry dates	Balance February 28, 1998	Issued	Exercised	Expired	Balance February 28, 1999
\$0.60	August 23, 1998	400,000	-	-	(400,000)	-
\$0.54	October 11, 1998	500,000	-	-	(500,000)	-
\$0.40	December 1, 1998	-	463,800	-	(463,800)	-
\$0.15 <sup>(1)</sup>	April 2, 1998/1999 <sup>(1)</sup>	303,250	2,000,000	(300,000)	(602,000)	1,401,250
\$0.25	December 9, 1999	-	2,969,194	-	-	2,969,194
		1,203,250	5,432,994	(300,000)	(1,965,800)	4,370,444





1200 Level Portal at Cow Mtn. – Claude Blagdon, U.G. Shift Boss, Drillers, Mike Mulholland, Larry Pawlowicz

## 7. CAPITAL STOCK (CONTINUED):

### (f) Share purchase warrants (continued):

- (1) During fiscal 1999, the Company issued 2,000,000 share purchase warrants exercisable at \$0.80 per share on exercise of the 4,000,000 previously issued special warrants (note 7(b)) and received regulatory approval to extend the expiry date of a total of 2,092,000 of the \$0.80 warrants that were issued in connection with these special warrants that expire April 2, 1998, to October 2, 1998. The expiry date of the remaining 211,250 of the \$0.80 warrants issued in connection with these special warrants were not extended and they expired unexercised on April 2, 1998. The Company subsequently received approval to reduce the exercise price from \$0.80 to \$0.15 per share and to extend the expiry date from October 2, 1998 to April 2, 1999, for a total of 1,701,250 of these share purchase warrants. The remaining 390,750 warrants expired unexercised on October 2, 1998.
- (2) During fiscal 2000, the Company received regulatory approval to extend the expiry date of 2,969,194 share purchase warrants with an exercise price of \$0.25 per share from December 9, 1999 to December 9, 2000. In addition, regulatory approval was obtained to extend the expiry date of 1,112,167 share purchase warrants with an exercise price of \$0.25 from December 7, 1999 to February 1, 2001.

Also see note 10.

### (g) Escrow shares:

At February 29, 2000, a total of 496,875 of the issued shares are held in escrow and will not be released without the consent of the regulatory authorities. During the year ended February 28, 1998, the Company filed an application with the regulatory authorities for the release of up to 126,684 performance shares from escrow. Pursuant to the underlying escrow agreements, these 126,684 escrow shares would be cancelled if not released prior to November 2, 1997. The Company has not yet received regulatory approval for this application.

## 8. INCOME TAXES:

In addition to available resource deductions, at February 29, 2000, the Company has losses for income tax purposes of approximately \$4,237,000 which are available to be carried forward and applied against taxable income of future periods. These losses expire as follows:

2001	\$ 240,000
2002	300,000
2003	420,000
2004	970,000
2005	1,260,000
2006	720,000
2007	327,000
	<u>\$ 4,237,000</u>

Refer to note 7(d) for income tax information regarding flow-through shares.

## 9. SEGMENT DISCLOSURES:

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

## 10. SUBSEQUENT EVENTS:

In addition to the subsequent events disclosed in notes 4(b) and 7(b), the Company:

- (a) granted 849,448 share purchase options exercisable at \$1.93 per share for a three year period, subject to regulatory approval; and
- (b) issued 2,686,339 shares at \$0.25 per share on exercise of warrants and issued 213,980 shares at prices between \$0.15 and \$0.30 per share on exercise of incentive stock options.

## OFFICE LOCATION

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

## BOARD OF DIRECTORS AND OFFICERS

Richard Atkinson, B.A.Sc., P.Eng., Director, Chairman of the Board  
J. Frank Callaghan, Director, President and CEO  
H.K. (Ken) Maddison F.C.A., Director, CFO  
Douglas Hurst B.Sc.(Geol), Director  
Mr. Richard Jordan C.G.A. - Corporate Secretary

## CONSULTING GEOLOGISTS AND ENGINEERS

Richard D. Hall, Ph.D.P.Eng.  
Shaun Dykes, P.Geo.  
Ned Reid, P.Geo.  
Ken Robertson, P.Geo.  
Ken Lord, B.Sc.,  
Panterra Geoservices Inc.  
GeoSim Services Inc.  
Giroux Consultants Ltd.  
Beacon Hill Consultants Ltd.

## GOVERNMENT RELATIONS

Jo Harris & Associates

## GENERAL CONTRACTORS

Standard Drilling & Engineering  
Knight Piesold Ltd.  
Elixir Construction Consultants

## ENVIRONMENTAL CONSULTANTS

Cariboo Envirotech Ltd.

## TRANSFER AGENT:

Montreal 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:

Scott Bissett, Barristers and Solicitors  
Vancouver, British Columbia

## FISCAL AGENTS:

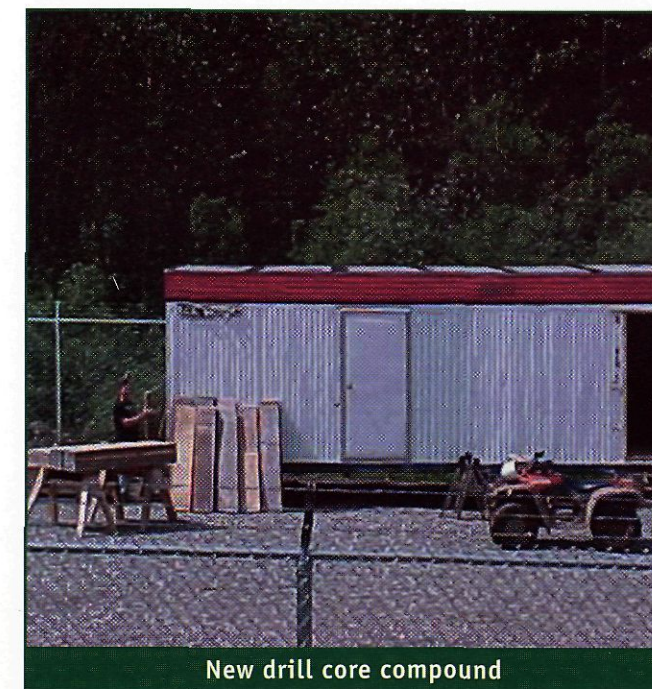
Haywood Securities Inc.  
Vancouver, British Columbia

## LISTING

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

## SHARE STRUCTURE FEBRUARY 29, 2000

Total Authorized: 100,000,000  
Shares Outstanding: 32,164,013  
Fully Diluted: 43,020,255



New drill core compound



# ***International Wayside Gold Mines Ltd.***

305- 455 Granville Street, Vancouver, B.C., V6C 1T1

Tel: (604) 669-6463  
Fax: (604) 669-3041  
Toll Free: 1-800-663-9688  
www.wayside-gold.com

**CDNX Trading Symbol**  
**"IWA"**

Email: info@wayside-gold.com

## **Cariboo Gold Project Summary**

January 2001

- **INTERNATIONAL WAYSIDE GOLD MINES LTD.** (IWA) has been actively exploring for gold in Wells, British Columbia, Canada since 1995. The project is located near the Historic Town of Barkerville, the terminus of the 1860's Cariboo Gold Rush.
- **The Cariboo Gold Project** covers an area of 152.66 sq. km (10 km by 40 km) and encompasses the Cariboo Gold Quartz mine (1933-59), Island Mountain-Aurum mine (1934-67) and the Mosquito Creek Gold mine (1980-83).
- Recorded production of gold from this area is 3.8 million ounces, of which 2.6 million ounces was placer and 1.2 million ounces was lode.
- **1995-2000** – 317 drill holes were completed on the Cariboo Gold Quartz mine property.
- **Including 1995-1998** - 238 drill holes (40,502 feet) on Cow Mountain creating a database of 11,000 gold assays.
- **Including 1998-2000** - 79 holes were drilled into the B.C. Vein of which 45 drill holes targeted the new discovery of the Bonanza Ledge zone (summary on the following page).
- **January 2000** – B.C. Vein drill program commences.
- **February 2000** – Environmental & Socio-Economic Base Line Research Study commences.
- **March 2000** – The Bonanza Ledge Zone is discovered and demonstrates that the potential for pyritic gold mineralization is not restricted to the marble along the Baker-Rainbow contact.
- **April 2000** - The British Columbia Environmental Assessment Office accepts for review IWA's Application for a development permit, containing conceptual plans for an open-pit mine on Cow Mountain.
- **May 2000** – GeoSim Services Inc. releases a report concluding that there is an inferred mineral resource at Cow Mountain of approximately 7.9 million tonnes grading 2.03 grams per tonne (g/t) above 0.69 g/t (0.02 ounces per ton) gold cutoff. (See News Release 00-24).
- **June 2000** - IWA signs a Memorandum of Understanding with the Lhtako Nation (Red Bluff) in regard to the Cariboo Gold Project.
- Panterra Geoservices Inc. publishes a report (Petrography, Check Sampling and Geological Interpretation of Drill Core at the Bonanza Ledge zone).
- **July 2000** – Colour aerial photography study is conducted, covering 10 by 43 km at 1:15000 scale and detailed aerial photography at 1:2500 scale covering Barkerville Mt., Richfield Mt. and Island Mt.
- Giroux Consultants are retained to provide an additional resource evaluation on the Cariboo Gold Project.
- **August 2000** - Base Line Exploration (including 46.6 km of line cutting) to better define the Bonanza Ledge zone commences.
- **September 2000** - 2217 soil samples on Barkerville, Richfield and Cow Mountains are taken.
- Archaeo Research & Arcas Associates retained to conduct Aboriginal Impact Assessment study.
- **October 2000** - 20km geophysics (VLF-EM, MAG, & IP orientation) surveys conducted.
- **November 2000** – Base Line Exploration program results in definition of new drill targets in the Bonanza Ledge zone. 432 samples was submitted for assay verification on Cow Mountain. 48 diamond drill holes completed in the 2000 exploration program.
- **December 2000** –The Resource Estimate for Cow Mountain by Giroux Consultants anticipated. Base Line Studies and data compilation continues.



***Drill Hole Highlights from the "Bonanza Ledge"  
Discovery in the Cariboo Gold Project***

<b>Drill Hole, BC2K-</b>	<b>Interval in feet</b>	<b>Length in feet</b>	<b>Assay gram/tonne Au</b>	<b>Assay ounce/ton Au</b>
3	210-234.5	24.5	9.410	0.270
4	142-170	28.0	10.120	0.300
8	210.2-228.9	18.7	14.360	0.420
*10	157.9-242.6	84.7	24.650	0.719
within hole 10	196.1-240.6	44.5	42.925	1.252
*12	199.3-257	57.7	20.796	0.606
13	245-354	109.0	10.600	0.309
15	200-215	15.0	12.560	0.366
19	268-332.8	64.8	18.150	0.529
27	290-310	20.0	14.800	0.432
29	220-252.1	32.1	27.580	0.804
30	160-202	42.0	9.100	0.270
31	199.3-280	80.7	9.900	0.290
32	197-345	148.0	11.200	0.330
33	582-599	16.5	11.560	0.337

**2001 Exploration Program**

A program of geological mapping, soil geochemistry and ground geophysics was recently completed in the Bonanza Ledge area. Mapping along strike demonstrated the continuity of alteration, and identified new parallel alteration zones near the discovery. Outcrop exposures of pyritic sericite-carbonate alteration, in a similar stratigraphic position to Bonanza Ledge have been located 2-3 km to the northwest, corresponding with a 1.2 km long Au in-soil anomaly, demonstrating the potential for Bonanza Ledge style mineralization for at least 3 km to the northwest. The 2001 program will evaluate by diamond drilling these and any new targets, with emphasis placed on testing the continuity of known mineralization/alteration, and targeting areas of D2 folding or north trending faults that coincide with Au in soil or geophysical anomalies. Reconnaissance mapping and prospecting of the other portions of the company's extensive land holdings is also planned, with priority placed on areas containing historically productive placer creeks.

*"For those like us who recognize this early phase discovery, the current market cap of US\$15MM offers an excellent buying opportunity."*

October 2, 2000 - Robert Van Doorn, MBA  
Loewen, Ondaatje McCuteón Ltd.



INTERNATIONAL WAYSIDE GOLD MINES LTD.

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CDNX Symbol: "IWA"

News Release: 00-43

Drill Results BC2K-38 to 44, and 47

December 8<sup>th</sup>, 2000

The Board of Directors of International Wayside Gold Mines Ltd (the "Company") are pleased to announce further results of the Bonanza Ledge Drill Program. Drill holes BC2K-38 to 41 were drilled to test the continuity of the Bonanza Ledge zone to the southeast from two locations. Drill holes BC2K-42 to 48 were drilled up to 920 feet to the northwest along strike of the Bonanza Ledge zone from three locations. Bonanza Ledge style muscovite-carbonate +/- pyrite alteration was intersected in these seven holes and show the potential for mineralization to continue in this direction. The alteration strike length has been increased from 1200 to 1350 feet with similar alteration also found 775 feet further along strike in BC2K-42 and 46. Assays for drill holes BC2K-45, 46, and 48 are pending.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-38	2762	20402	4828	-45°	224°	410'	82.5

**CORE**

**Interval**

**Length/Ft**

**Au  
Assay g/tonne**

**Au  
Assay oz/ton**

110.0 – 115.0

5.0

1.14

0.033

265.0 – 275.0

10.0

1.71

0.050

**Including**

265.0 – 270.0

5.0

2.05

0.060

270.0 – 275.0

5.0

1.38

0.040

285.0 – 300.0

15.0

3.15

0.092

**Including**

285.0 – 289.5

4.5

1.14

0.033

289.5 – 295.0

5.5

2.88

0.084

295.0 – 300.0

5.0

5.25

0.153

322.0 – 327.0

5.0

1.11

0.032

BC2K-38 was drilled to test the mineralized alteration zone intersected in BC2K-33 (7.66 g/tonne over 21.3 feet, News Release 00-40). Gold mineralization was intersected in a zone of muscovite-pyrite alteration, associated with folding and minor quartz-carbonate veining. Pyrite content in the mineralized zone in this hole varies from 5-20%.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-39	2763	20402	4828	-60°	223°	410'	89.9



BC2K-39 was drilled to test the down dip extension of the alteration zone intersected in hole BC2K-38. Muscovite-pyrite alteration containing 1-10% pyrite was intersected between 266 and 378 feet. No significant assays (>1 g/tonne) were obtained.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
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Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-41	2746	20794	4793	-45°	043°	387'	80.7

BC2K-41 was drilled to the northeast from the same drill site as BC2K-40, into magnetic green phyllite. A few narrow quartz+/- pyrite veins were intersected but no significant gold assays were obtained.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-42	2850	18401	4969	-45°	224°	520'	72.7

<u>CORE</u>		Au	Au
Interval	Length/Ft	Assay g/tonne	Assay oz/ton
133.0 – 134.7	1.7	2.84	0.083
141.5 – 145.0	3.5	3.03	0.088
153.6 – 158.5	4.9	11.43	0.333
158.5 – 165.8	7.3	1.04	0.030

BC2K-42 is a 920 foot stepout to the northwest of BC2K-18, along strike of the Bonanza Ledge Zone, and 400 feet northwest of the historic BC Shaft. The BC vein and fault structure was intersected between 130 and 158 feet. It consists of minor fault gouge, slivers of carbonaceous wall rock and several 1-3 foot wide quartz-pyrite veins, one of which contained 6 inches of massive pyrite (153.6 to 158.5 feet). There are three mineralized intersections in this zone, correlating with the location of quartz veins. A muscovite-carbonate alteration zone containing up to 5% disseminated pyrite and fuchsite was intersected from 134.7 to 189 feet. Dolomitic siltstone with fuchsite alteration was intersected between 357 and 421 feet.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-43	2749	19174	4930	-45°	224°	530'	88.1

<u>CORE</u>		Au	Au
Interval	Length/Ft	Assay g/tonne	Assay oz/ton
31.5 – 40.0	8.5	1.58	0.046
<u>Including</u>			
31.5 – 32.2	0.7	7.38	0.215
32.2 – 40.0	7.8	1.04	0.030



Drill hole BC2K-43 was collared 145 feet northwest of BC2K-18, approximately 400 feet southeast of the BC Shaft. The BC vein was intersected from the collar to 79.5 feet. Significant gold mineralization between 31.5 to 40 feet is related to graphitic mudstone cut by rusty quartz veins. Narrow zones of tan muscovite-carbonate alteration containing 3-10% pyrite, were intersected from 170 to 176 feet, and 233 to 243 feet. Neither alteration zone carried significant gold mineralization.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-44	2751	19174	4930	-59°	224°	370'	86.3

<u>CORE</u>		Au	
Interval	Length/Ft	Assay g/tonne	Assay oz/ton
95.5 – 96.9	1.4	10.32	0.301
<b>Including</b>			
95.5 – 96.5	1.0	14.01	0.409
96.5 – 96.9	0.4	1.06	0.031
99.5 – 100.6	1.1	1.48	0.043
102.8 – 103.3	0.5	21.10	0.615
118.4 – 119.5	1.1	6.68	0.195

BC2K-44 was drilled beneath BC2K-43, intersecting the BC vein from the collar to 103.3 feet and a second quartz vein from 118.4 to 121.7 feet. Both contain mineralized intervals. Tan and mauve muscovite-carbonate alteration was intersected in the footwall between 127 and 142.2 feet, and discontinuously between 220 and 370 feet. The second zone contains 20% pyrite between 220 and 236.2 feet. No significant assays were obtained from the alteration zones.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-47	2640	19400	4880	-60°	225°	400'	94.0

<u>CORE</u>		Au	
Interval	Length/Ft	Assay g/tonne	Assay oz/ton
214.0 – 224.2	10.2	2.95	0.086
<b>Including</b>			
214.0 – 219.0	5.0	2.38	0.069
219.0 – 222.0	3.0	5.31	0.155
222.0 – 224.2	2.2	1.05	0.031

BC2K-47, located 75 feet southeast of BC2K-18, tests for mineralization above the wide alteration zone intersected in that hole. The mineralized interval occurs in a silicified psammitic phyllite containing 10% pyrite, which underlies a narrow muscovite-carbonate-pyrite alteration zone.

On behalf of the Board of Directors

  
J. Frank Callaghan, President



# INTERNATIONAL WAYSIDE GOLD MINES LTD

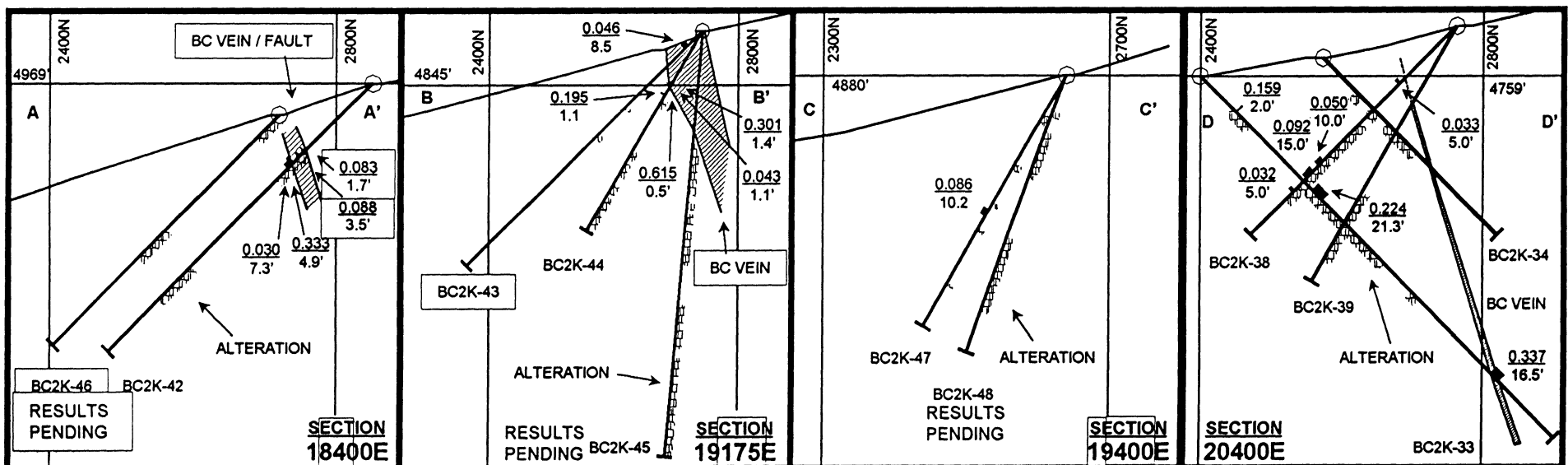
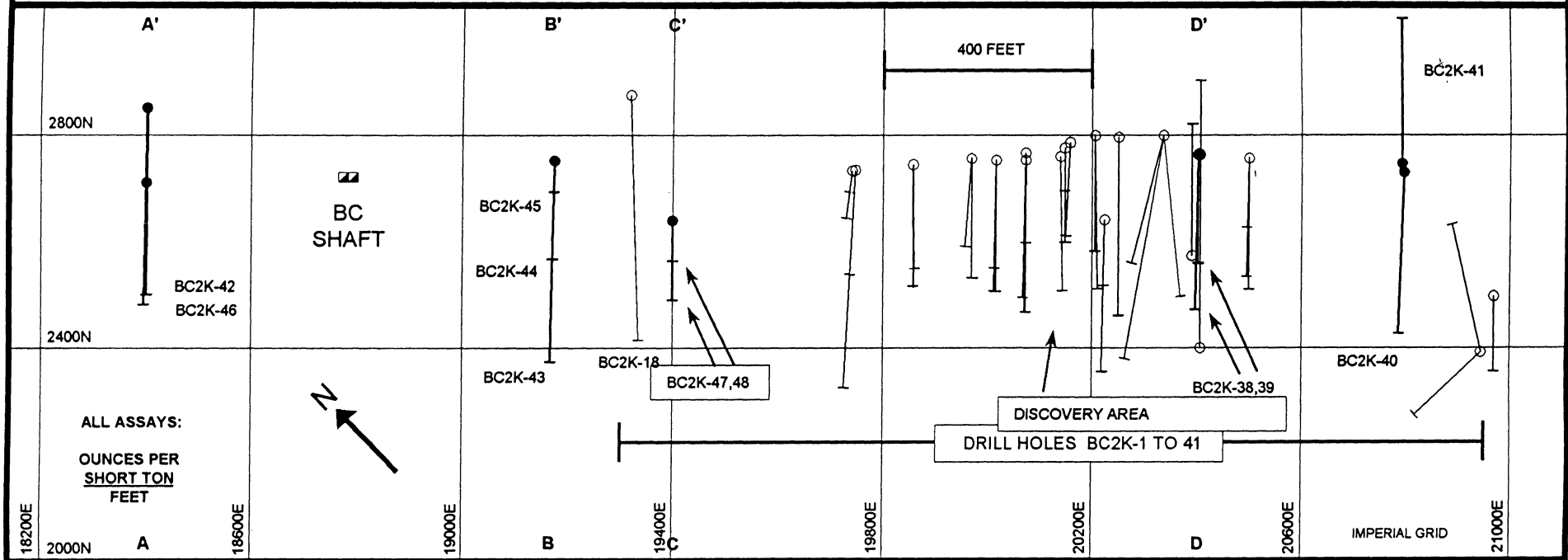
# CARIBOO GOLD PROJECT

BONANZA LEDGE ZONE

BC2K DRILL PLAN / SECTIONS

ASSAYS BC2K-38 TO 44, 47

08/12/00





INTERNATIONAL WAYSIDE GOLD MINES LTD.

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[www.wayside-gold.com](http://www.wayside-gold.com)

CDNX Symbol: "IWA"

News Release: 00-43

Drill Results BC2K-38 to 44, and 47

December 8<sup>th</sup>, 2000

The Board of Directors of International Wayside Gold Mines Ltd (the "Company") are pleased to announce further results of the Bonanza Ledge Drill Program. Drill holes BC2K-38 to 41 were drilled to test the continuity of the Bonanza Ledge zone to the southeast from two locations. Drill holes BC2K-42 to 48 were drilled up to 920 feet to the northwest along strike of the Bonanza Ledge zone from three locations. Bonanza Ledge style muscovite-carbonate +/- pyrite alteration was intersected in these seven holes and show the potential for mineralization to continue in this direction. The alteration strike length has been increased from 1200 to 1350 feet with similar alteration also found 775 feet further along strike in BC2K-42 and 46. Assays for drill holes BC2K-45, 46, and 48 are pending.

Drill Hole	Northing	Easting	Elevation	Inclination	Azimuth	Length	Core Recovery %
BC2K-38	2762	20402	4828	-45°	224°	410'	82.5

**CORE**

Interval	Length/Ft	Au Assay g/tonne	Au Assay oz/ton
110.0 – 115.0	5.0	1.14	0.033
265.0 – 275.0	10.0	1.71	0.050
<b>Including</b>			
265.0 – 270.0	5.0	2.05	0.060
270.0 – 275.0	5.0	1.38	0.040
285.0 – 300.0	15.0	3.15	0.092
<b>Including</b>			
285.0 – 289.5	4.5	1.14	0.033
289.5 – 295.0	5.5	2.88	0.084
295.0 – 300.0	5.0	5.25	0.153
322.0 – 327.0	5.0	1.11	0.032

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On behalf of the Board of Directors

  
J. Frank Callaghan, President

*The Canadian Venture Exchange has neither approved nor disapproved the information contained herein*



# INTERNATIONAL WAYSIDE GOLD MINES LTD

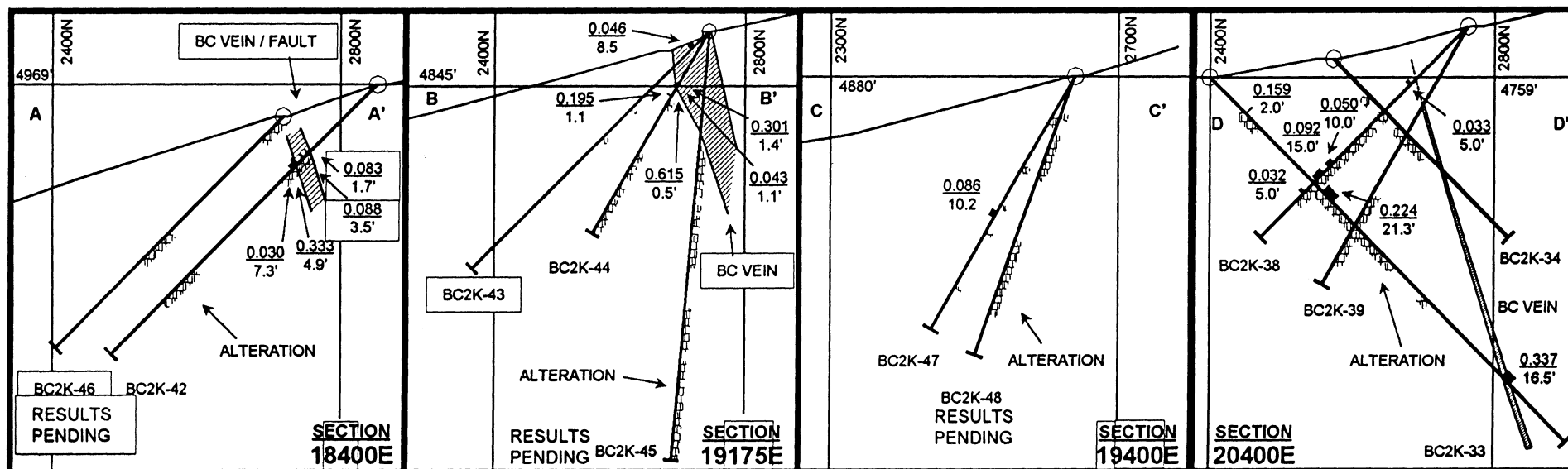
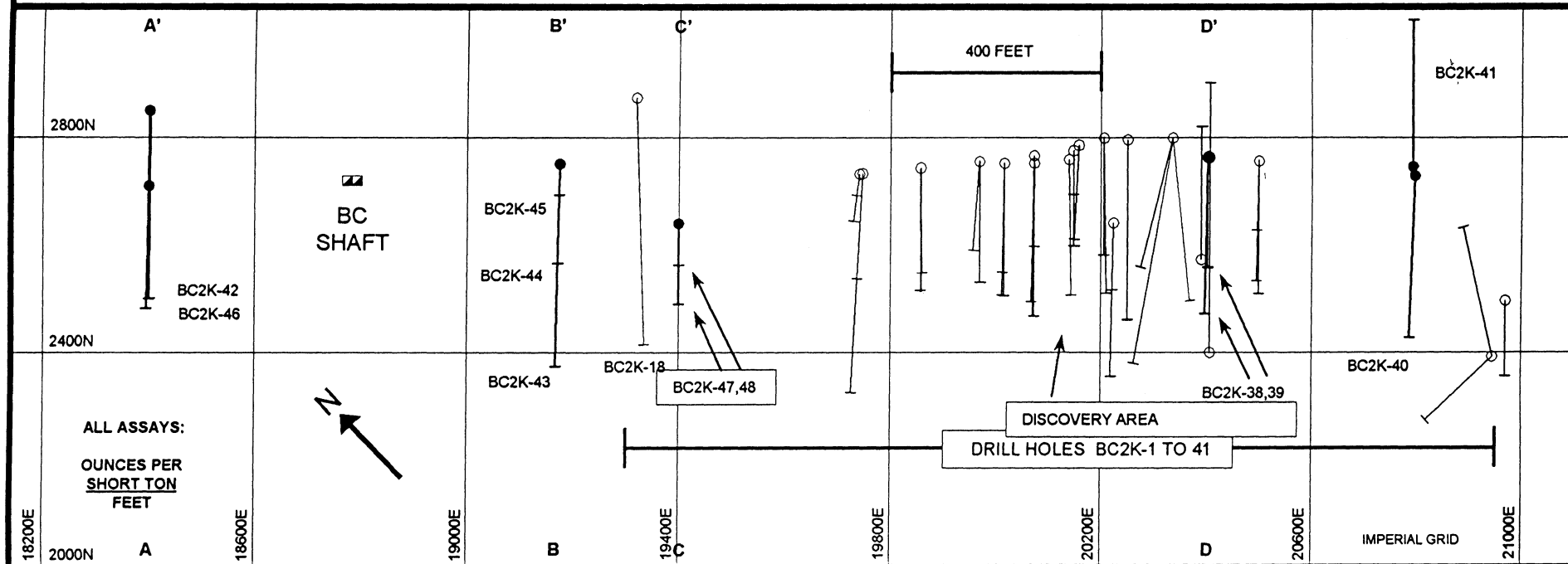
# CARIBOO GOLD PROJECT

BONANZA LEDGE ZONE

BC2K DRILL PLAN / SECTIONS

ASSAYS BC2K-38 TO 44, 47

08/12/00





## Plan View: Showing Cariboo Gold Quartz Project Area

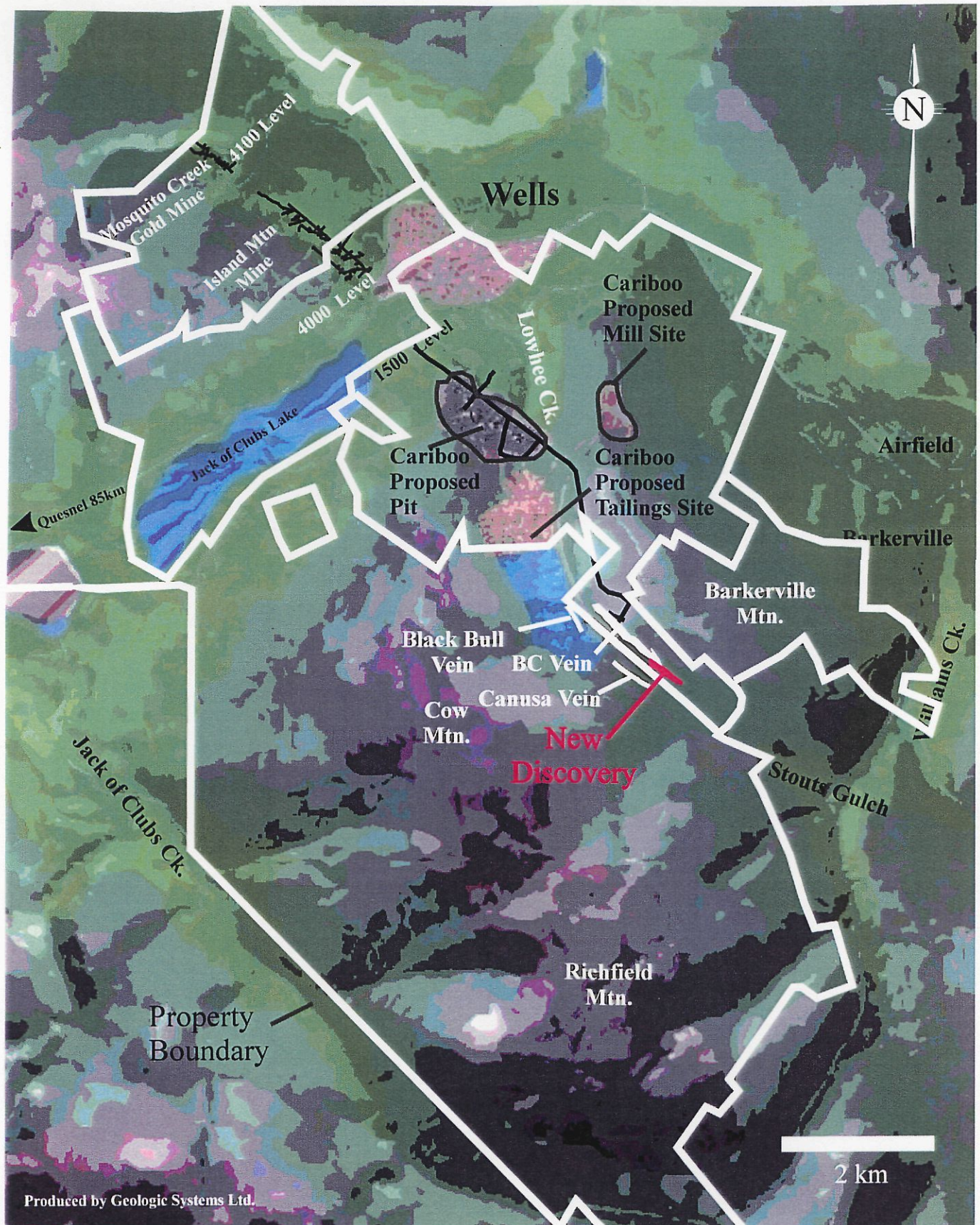
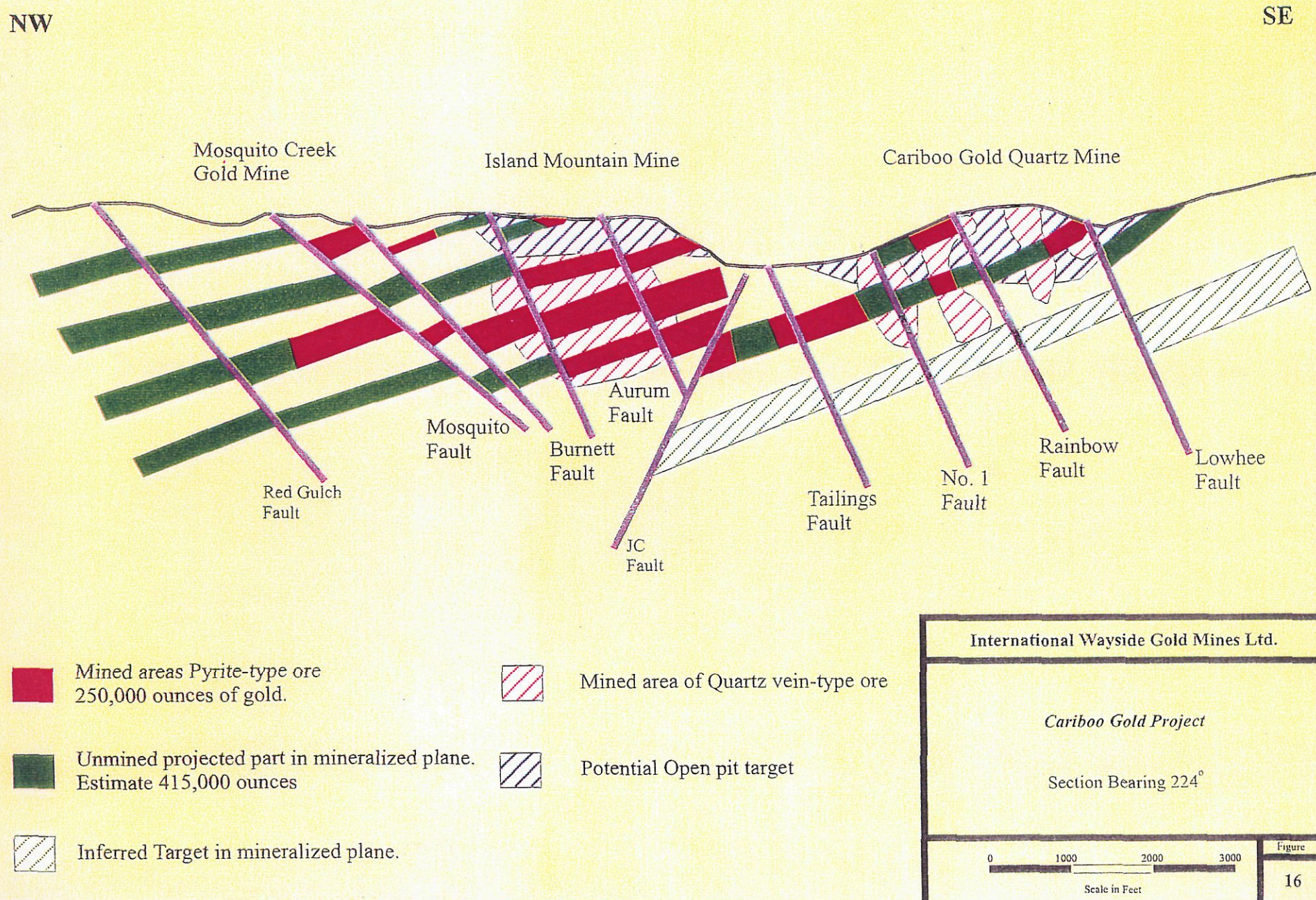


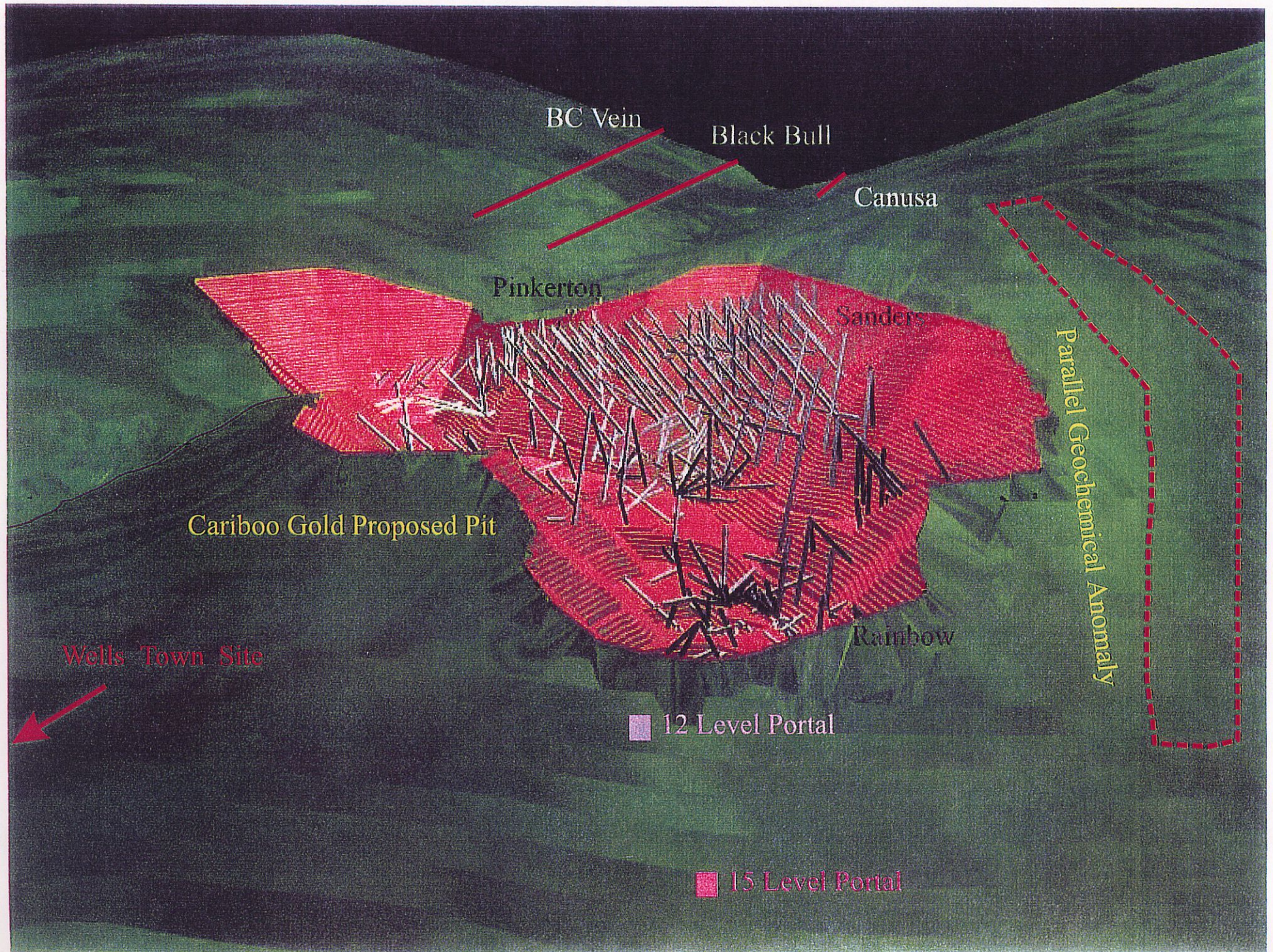


Figure 16 : Gold Exploration Targets at Wells, B.C.





# Cariboo Gold Project Proposed Open Pit - View looking Due South





# Resource Opportunities

Discovering value in natural resource stocks

## International Wayside Gold Mines Ltd.

(IWA - CDNX)

Extracted from the December 8, 2000 issue

### Gold Market Update

The gold price has firmed over the past month, reaching \$272.50.

As uncertainty grows over the U.S. economic outlook, concern is mounting that the U.S. dollar may be overpriced. A few investors have begun to diversify some of their U.S. dollar holdings. This process will intensify as more people realize that the dollar can not stay as high as it is indefinitely. The huge U.S. trade deficit has been offset over the past couple of years by massive inflows of investment capital. As the investment inflows fall off, or even reverse, the dollar will come under growing pressure.

Gold has an extremely strong underpinning in physical demand for the metal, primarily for use in jewelry. The 5,000 year-old custom of using gold as an adornment is not likely to abate anytime soon. The amount of gold used for jewelry is well ahead of the production level. The pressure, upwards and downwards, on the price comes from the financial community. With sentiment beginning to shift toward gold, the price could move up somewhat in the near term.

In the longer-term, the gold price will eventually reach the level suggested by the supply/demand fundamentals. That price is considerably higher than the current price, with those closest to gold arguing in favor of a price above \$600. I don't see gold reaching that level any time soon, but it must begin to move higher than the current level. The question is: When?

With little certainty as to the timing of a substantial move in the gold price, investors should focus their attention on companies for which there are good business reasons to own the company at the current gold price. The eventual move in the gold price will provide a huge bonus.

### New Recommendation

## International Wayside Gold Mines Ltd.

(IWA.CDNX)

Spectacular drill results earlier this year drove the share price of International Wayside from C\$0.10 to C\$2.80 per share, reminding us why investing in exploration companies is so exciting.

The company suffered a lengthy halt in trading as the Canadian Venture Exchange asked for independent verification of its operating results and suggested the company bring on additional mining talents to its management team.

International Wayside had been operating with limited financial resources for several years and had cut some corners to save its precious cash resources. When the company was reinstated for trading in late June, it had satisfied the most intense scrutiny that the regulators could throw at it. In addition, some well respected industry professionals conducted their own due diligence and put their reputations on the line by joining the board of directors.

After a six week trading halt, the excitement of the initial drill results had worn off and the stock opened lower. It then fell steadily, as subsequent drill results fell short of the expectations created by the spectacular initial results. With the price dropping, it became the old story of catching a falling rock. As year-end approached, tax-loss selling intensified the downward pressure on the share price.

Looking beyond the wild gyrations in the share price, it's clear that Wayside has made an important discovery. The project is located in British Columbia, at the center of the Cariboo gold rush of the late 1860s. Recorded production from the area was 3.7 million ounces, mainly from placer deposits. Several small underground mines operate intermittently until about 20 years ago.

The initial focus of Wayside was extending the resources of the previous mining operations. Last year, the company began the permitting process for an open pit operation on top of some of the old underground workings.

In March of this year, drilling intersected a high-grade lens that was dubbed Bonanza Ledge. With a grade of nearly one half ounce per ton, this lens has been shown to contain in the order of 200,000 ounces. On top of the lower grade resources that the company was planning to mine from the open pit, this high-grade lens gives the company the basis for a gold mining operation.

The real value of this company is the potential for the discovery of additional deposits on its extensive property position, which covers



40 kilometers of a prolific gold producing belt. International Wayside has assembled an impressive property position, allowing the area to be looked at in a systematic manner for the first time. The first focus will be on extending the Bonanza Ledge lens and locating additional lenses in the immediate vicinity.

Drill results that were released after the market closed today confirm that the Bonanza Ledge deposit does extend beyond the previously defined limits. However, these most recent results may not be well received by the market as they are generally less than economic levels. Further drilling is needed to determine if there are further zones of economic interest in this area that will extend the Bonanza Ledge lens.

At the current price of C\$0.31 per share, International Wayside is trading barely above its value before its important Bonanza Ledge discovery. The price may drop even further with continued tax-loss selling, creating an excellent opportunity for a short term gain after the year-end, and providing a longer term participation in an evolving gold discovery.

**International Wayside (IWA -CDNX)**

Price December 8: C\$0.31

Shares outstanding: 39.3 million

Fully diluted: 44.8 million

Market Cap: C\$12.2 million

Contact: 800-663-9688

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e-mail \_\_\_\_\_

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# International Wayside Gold Mines Ltd. (IWA C\$0.49)

## Speculative BUY

### *A New Discovery in B.C.'s Interior*

52-Week Trading Range	S/O (MM)	F/D (MM)	Market Cap (US\$MM)	Public Float	L-T Debt (\$MM)	Cash (\$MM)
C\$0.13 - 2.80	41.4	45.6	\$15	94%	\$0.07	\$0.92

- In the old Barkerville Goldfield in B.C., International Wayside has come up with a new high-grade gold discovery called "Bonanza Ledge". The company has assembled a large land position around Wells, the center of the Cariboo Gold Rush of the late 1860's. The Cariboo Goldfield was discovered in 1859, which kicked-off a large gold rush. The last large underground gold mines in the district closed in the early 1960's. The Mosquito Creek Gold mine operated for three years in the early 1980's during the years of high gold prices, but the small sized lenses required too much exploration.
- The company has improved its modus operandi after the stock was halted for 1½ months. The share price has fallen back as a consequence of the trading halt and now offers excellent value.
- Since 1995 IWA has been exploring in the Cariboo Goldfield. In 1999 this culminated in the start of the permitting process for an open pit on top of old underground workings (Cow Mountain). What has excited us, however, is the March 2000 discovery of the high-grade Bonanza Ledge. After the discovery, the stock shot up from C\$0.10 to C\$2.80. The Exchange, however, got concerned about the work practices of the company and halted trading on May 11 to institute standard working methods. One of the changes was to add Dick Atkinson as Chairman and Doug Hurst as a Director.
- So far the Bonanza Ledge discovery is a shallow dipping, pyrite lens, which is larger than historically mined lenses (the largest were around 40,000 tonnes) and is in a different geological formation. The grade is similar to the historically mined lenses at around 15 g/t. Free-gold is found in fractures or on grain boundaries of the pyrite. With the small grains the "nugget effect" is limited even with very high-grade intersections. Drilling so far has hit the lens over a strike of 400 feet, to a depth of 60 m and with a thickness of 17 m, we calculate 100,000 ounces @ 10 g/t. With the best intercepts on the southeast side, we estimate that the first lens will probably shape up to be at least 200,000 oz. The question then becomes how many more similar lenses can the company find close to surface. The drilling has already indicated a second stacked lens. Permits to extend the drill roads were received in mid August and drilling has started to extend the strike to the southeast. The plan is to drill fences at 50 ft centers.

Institutional Sales: Toronto (416) 964-4455 OR 1-800-567-1566, Montreal (514) 393-4600,  
Calgary (403) 299-9830, Paris 331-40-73-81-00, Geneva 41-22-718-3500

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# International Wayside Gold Mines Ltd.

page 2

## Exhibit 1 Selected Drill Results

Hole #	Intercept (m)	G/t Au	Hole #	Intercept (m)	G/t Au
10	34	19	19	19	18
12	22	17	29	11	27
13	33	11	32	52	10

Source: Company Reports

- The possibility of finding more economic mineralization along the 40 km strike of IWA's concessions is excellent. The Bonanza Ledge is buried under alluvium and away from the Rainbow-Baker contact the old miners focused on. The discovery has sparked a small claim rush in the area.
- Driving IWA is Frank Callaghan, who has had some successful business ventures outside the mining industry. A V.P. Exploration should be appointed shortly. Meanwhile, Richard Hall and independent structural geologist David Rhys have been directing the exploration program.
- The company is expected to close a C\$1MM private placement shortly, which would give the company \$925,000 in cash.

## Conclusion and Recommendation

Unsatisfied with the quality of IWA's work, the Canadian Ventures Exchange halted the stock for 1½ months to institute more acceptable work practices. We are happy that the exploration is now conducted in a more professional manner and by a stronger team. As could be expected however, the stock price has collapsed after the long suspension. For those like us who recognize this early phase discovery, the current market cap of US\$15MM offers an excellent buying opportunity. We commence coverage with a **SPECULATIVE BUY** recommendation.

Loewen, Ondaatje, McCutcheon Limited has acted in an underwriting and/or financial advisory capacity for International Wayside Gold Mines within the past twelve months.

Robert van Doorn, MBA  
Teo Dechev, P.Eng.

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# The Northern Miner

Vol. 86 No. 9 Since 1915

NORTH AMERICA'S MINING NEWSPAPER

APRIL 24-30, 2000 \$1.95

## International Wayside hits hot values



Photo by The Northern Miner

Wayside President Frank Callaghan examines core pulled from hole 16.

BY THOMAS SCHUSTER  
WELLS, B.C. — Junior **International Wayside Gold Mines (IWA-V)** has encountered a previously unknown style of gold mineralization in the footwall of the BC Vein at its Cariboo project in the Quesnel High-

lands of central British Columbia. The Cariboo project encompasses the original Cariboo Gold Quartz, Island Mountain, Aurum and Mosquito Creek gold mine properties. Wayside has an option to earn a 100% interest in the entire

project from **Mosquito Consolidated Gold Mines (MSQ-V)** in return for cash payments totalling \$4 million. Mosquito also holds a 3% net smelter return royalty, which can be purchased for US\$4.2 million, and the property is also subject to a 10% net profits interest.

The BC Vein is exposed on surface for a continuous length of 2,400 ft. and averages 20 ft. in width. The vein strikes northwest and dips 70° towards the north. When the drill hole testing the eastern extension of the vein cut into the footwall, the underlying phyllite was found to host significant gold mineralization.

The gold appears to be associated with numerous pyrite-enriched zones (grading between 10% and 60%). The phyllites are strongly folded and crenulated with prevalent sercite alteration. The gold is thought to be controlled by folding and may be related to a late-stage fluid-flow associated with the overall alteration. Unlike the pyrite-re-

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# Wayside

From Page 1

placement-type ore, no apparent carbonate is associated with the new mineralization.

On a recent visit to the property, *The Northern Miner* learned from Wayside geologist Richard Hall that the company was about ready to quit exploring the historic BC Vein structure and move on to other targets. "We decided to step out 1,500 ft. to the opposite side of a projected fault zone," Hall recalled. Three holes were put down to try to pick up the vein, but no mineralization was encountered. A few more holes were collared on the vein, halfway between the fault zone and a previously tested area. These holes were terminated as soon as they passed through the vein structure. Luckily, one of the holes penetrated deeper into the footwall rock. "We basically stumbled on to it," said Hall. "When the hole was logged, the mineralization was noticed in the footwall, and away we went."

□ Drill holes 3 and 4 were collared on the same drill pad and were the first to encounter the new mineralized zone, 1,400 ft. south of the historic BC shaft.

□ Hole 3, drilled at an angle of minus-45°, cut 20 ft. averaging 0.18 oz. gold per ton. This was followed by a 14.5-ft. interval of 0.27 oz. gold starting at a down-hole depth of 125 ft.

□ Hole 4 undercut hole 3 and intersected 28 ft. averaging 0.3 oz. gold starting at 142 ft. down-hole.

□ Holes 6 and 7, drilled about 400 ft. northwest of hole 3, did not intersect the footwall zone and were completed before the gold mineralization in holes 3 and 4 was identified.

□ Holes 8 and 9 were collared 200 metres northwest of hole 3 from the same pad. Hole 8, drilled at minus-45°, cut 15.5 ft. of 0.16 oz. gold starting at a down-hole depth of 94.5 ft. This was followed by an 18.7-ft. interval of 0.42 oz. gold. Assays for hole 9, which undercut hole 8, are still pending.

□ Holes 10 and 11 were drilled about 100 ft. northwest of hole 3 from the same pad. Hole 10, drilled at minus-45°, hit 84.7 ft. averaging 0.719 oz. gold starting at 157.9 ft. down-hole. This included a 44.5 ft. of 1.25 oz. gold. Hole 11 undercut hole 10 and cut 15.7 ft. of 0.135 oz. gold starting at 181.9 ft. down-hole.

□ Hole 12, collared 60 ft. northeast of hole 3, undercut both holes 3 and 4. Hole 12 intersected 57.7 ft. averaging 0.606 oz. gold starting at 199.3 ft. down-hole.

□ Hole 13, collared 200 ft. southeast of hole 3 and drilled at minus 45°, intersected 109 ft. of 0.309 oz. gold starting at a down-hole depth of 245 ft. Included in this interval were two separate sections measuring 12 and 15 ft., which assayed 0.794 and 0.758 oz. gold, respectively.

□ Holes 14 and 15, also drilled about 200 metres southeast of hole 3, were being logged at presstime. Hole 16 was collared on the same section as holes 6 and 7, which were stopped short of the footwall zone. Wayside is currently drilling hole 17 from the same drill pad as hole 16, but at a steeper angle.

The new zone has been defined over a strike length of 600 ft. and remains open along strike and at depth. Wayside will continue drilling the new zone at 200-metre stepouts in an attempt to define the mineralization and geological constraints. A second, larger-diameter diamond drill rig was being mobilized to the site at presstime.

The company has engaged independent consultants to ensure that sampling is performed according to professional standards. Standard fire assay techniques are being performed on the core by Acme Analytical Labs of Vancouver, and check assays will be performed by ASL Chemex Labs, also of Vancouver.

turn for \$50,000 in exploration expenditures, to be completed before 2002, and 25,000 shares. The Promise group is contiguous with the northwestern boundary of the Cariboo property.

In March, Wayside acquired an option for a 75% interest in the Proserpine and Myrtle properties, which Gold City holds under an option agreement with the Canadian exploration subsidiary of Denver-based Newmont Mining (NEM-N). In return for its interest, Wayside must complete \$140,000 in cash payments and work commitments and issue 100,000 shares to Gold City. Proserpine and Myrtle are near the southeastern and eastern portions of the Cariboo property, respectively. In total, Wayside holds a land package that stretches for 22 km and is 7 km wide.

## History

From 1933 to 1987 the Mosquito Creek, Cariboo Gold Quartz, Island Mountain and Aurum mines recovered 1.2 million oz. gold from 3.03 million tons of ore. Two types of ore were mined: quartz veins and narrow stockworks hosted in meta-quartzite and meta-pelite, grading 0.38 oz. gold per ton; and pyrite replacement ore, hosted in a matrix of carbonate, dolomite and silica, grading 0.63 oz. gold.

The Island Mountain and Cariboo Gold Quartz mines accounted for 97% of the lode-gold production. These mines are a few kilometres north of the area where International Wayside is now drilling.

When the Cariboo Gold Quartz mine closed in 1959, the potential for replacement ore south of Jack of Clubs Lake had not been fully evaluated. It is this area that has been the focus of Wayside's most recent

drill campaigns. The open-pit potential of the Gold Quartz mine was targeted in the early 1980s by Wharf Resources, and subsequently, from 1989 to 1991, by Pan Orvana Resources. Wharf completed a total of 23,000 ft. of percussion drilling and 4,000 ft. of diamond drilling. Pan Orvana performed numerous geophysical and geochemical surveys, surface trenching and geological mapping, and put down four drill holes totalling 1,155 ft.

Pan Orvana estimated a near-surface resource, in the Sanders zone, of 1.1 million tons grading 0.12 oz. gold per ton. The estimate, which is based on a cutoff grade of 0.032 oz. per ton, is equivalent to about 132,000 contained ounces.

Wayside optioned the Cariboo claims in 1994 from Mosquito Consolidated Gold Mines and staked an additional contiguous block of claims in an attempt to define an open-pit resource above the Rainbow, Sanders and Pinkerton zones. From these zones, Cariboo produced a total of 285,746 oz. gold from 710,608 tons of ore.

In total, Wayside has completed 40,502 ft. of drilling (238 holes) on the Cariboo property and has calculated a preliminary open-pit resource estimate above the Rainbow, Sanders and Pinkerton zones. The resource weighs in at 11 million tons grading 0.098 oz. gold per ton, uncut, or 1.09 million contained ounces.

Recently, the junior submitted an application to British Columbia's Environmental Assessment Office to develop a 3,000-ton-per-day open-pit operation.

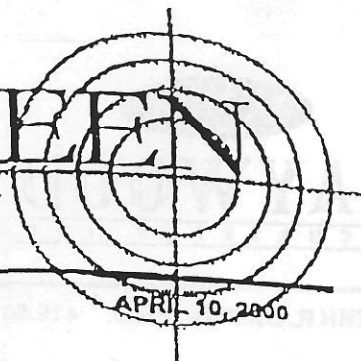
International Wayside has \$1.6 million in its treasury and about 4 million shares fully diluted.

Meanwhile, Wayside has entered several other agreements to gain land positions on strike with new discovery. Most recently, junior acquired the Tom claim up for 56,000 shares. The claims immediately northwest of its Cariboo property. In addition, Wayside has optioned a 75% interest in Promise group of claims from Gold City Industries (GC-V) in re-

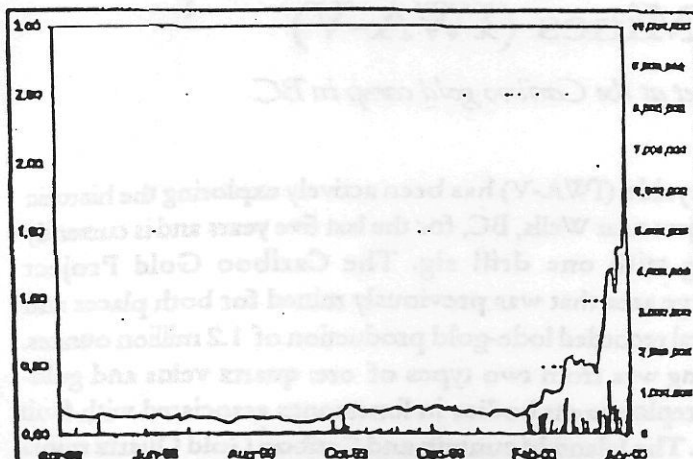


# RADAR SCREEN

## Market Commentary



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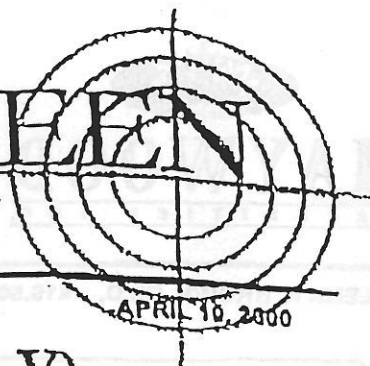


Recent price:	CS	2.45
Shares O/S:	M	35.68
Market capitalization:	CS M	87.22
52 Week high:	CS	2.65
52 Week low:	CS	0.07
Weekly trading volume:		504,808
Haywood liquidity measure:	YIELD	1.30
Open:	CS M	0.76
Long-term debt (Sept 30, 99):	CS M	N/A
Adjusted enterprise value (AEV):	CS M	89.52

Since ongoing exploration will focus on understanding and delineating this new zone, an expanded drill program will be needed. A degree of continuity will have to be established in order to map out the structure that controls this area. Currently there is one drill working, and one additional drill is being mobilized. Other companies with claims in the immediate vicinity of this significant discovery are Gold City Industries Ltd. (GC-V) and Williams Creek Resources Ltd. (WCX-V). Both control ground that could host similar geology based on dip and strike projections. (Wayside has recently concluded an agreement to earn a 75% interest in the Gold City ground). Other companies with land holdings in the general area of the Cariboo project are Abitibi Mining Corp. (ABB-V) and Mosquito Consolidated Gold Mines Ltd. (XXX-V). During a recent inspection of the project, a number of staking crews were active in the area, so we expect additional companies will begin to have a presence in this camp. Several major mining companies have already shown interest in this new target.

The newly discovered type of mineralization and its high-grade nature are clearly significant. There have not been grades and thicknesses of this kind in a new discovery in Canada since Hemlo or Eskay Creek. The challenge will be to enlarge the target, a feat which will require a large drilling campaign. Three additional holes have been completed (13, 14, and 15) on the same section and are the most easterly holes drilled. We are recommending International Wayside as a **SPECULATIVE BUY**, since we expect significant market attention to focus on the Company as additional results are awaited. However, like any new discovery, a bad hole could cause a rapid price decline at any time.





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### 3. International Wayside Gold Mines (IWA-V)

*Significant new gold discovery grading 0.72 oz/ton over 84.7 feet at the Cariboo gold camp in BC*

Jim Mustard, P.Eng. (604-643-1124)

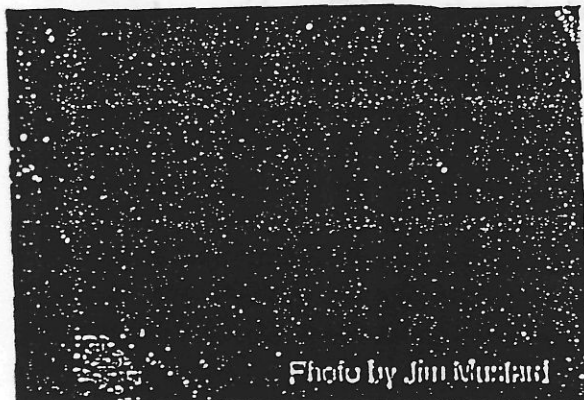


Photo by Jim Mustard

Part of High grade section in Hole BC2K10. Note the degree of crenulations and the dark bands of pyrite following the folds.

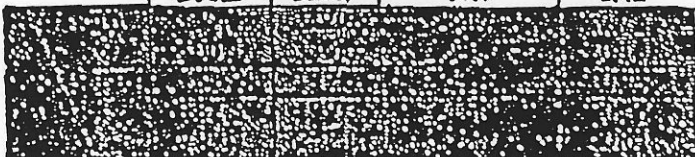
International Wayside (IWA-V) has been actively exploring the historic Cariboo Gold Project near Wells, BC, for the last five years and is currently diamond drilling with one drill rig. The Cariboo Gold Project encompasses a large area that was previously mined for both placer and lode gold, with total recorded lode-gold production of 1.2 million ounces. Historically, mining was from two types of ore: quartz veins and gold-enriched pyritic replacement bodies in limestones associated with fault or fold structures. The Island Mountain and Cariboo Gold Quartz mines accounted for 97% of the lode-gold production. These two mines are located several kilometres north of the area where Wayside is drilling.

Based on an active drill program, Wayside has outlined a 1 million-ounce, open-pittable resource on which a feasibility study is underway. As part of the ongoing drill-definition program, recent drilling that was targeted on a projected extension to the known BC Vein has discovered a totally new, unrecognized style of gold mineralization.

Listed in the table are the key results to date of the "new zone", including those of today.

The new zone was discovered by attempting to locate the eastern extension of the BC Vein. When the vein structure was found, the zone was defined by graphitic fault gouge and fragments of quartz vein which correlated with the BC Vein, but there was little gold in this structure. Below this structure (in the footwall to the BC Vein) is a phyllite hosting multiple intervals of pyrite enrichment. The pyrite-enriched zones (from 10% to 60% pyrite, and in short intervals of several feet, massive pyrite) are within a strongly crenulated, highly altered (sericite, malachite-bearing) zone of phyllites in which the pyrite can closely follow the crenulations, suggesting some primary mineralization. The zone is possibly controlled by folding within the phyllitic unit, and the gold (also probably some of the pyrite) is associated with later fluid flow associated with the overall alteration. The photograph gives an indication of the bleached and altered nature of this "new zone".

HOLE #	FROM (feet)	TO (feet)	INTERVAL	GOLD (oz/ton)
BC2K3	125.0	145.0	20.0	0.18
	210.0	234.5	24.5	0.27
BC2K4	119.8	125.0	5.2	0.13
	142.0	170.0	28.0	0.30
BC2K8	94.5	110.0	15.5	0.16
	164.8	175.6	15.6	0.05
	210.2	228.9	18.7	0.42



Results from holes 10 through 12 (highlighted in blue) were released in today's press release.