



Ridgeway
Petroleum Corp.

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#82 - 1819



November 13, 2002

United States Securities and Exchange Commission
Mail Stop 3-7
Office of International Corporate Finance
450 - 5th Street N. W.
Washington 20549, D.C.
USA

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Dear Sir/Madam:

RE: RIDGEWAY PETROLEUM CORP. - #82-1819- Formerly Brenwest Mining Limited

Enclosed for your files are two copies of our September 30, 2002 3rd quarter report.

Yours truly,

RIDGEWAY PETROLEUM CORP.

Christiane Koeksal
Office Manager

Encl./ two

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BC Form 51-901F

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ISSUER DETAILS

NAME OF ISSUER: Ridgeway Petroleum Corp.

FOR QUARTER ENDED: September 30, 2002

DATE OF REPORT: November 13, 2002

ISSUER'S ADDRESS: 1080, 700-4th Avenue S.W.
Calgary, Alberta
T2P 3J4

ISSUER TELEPHONE NUMBER: (403) 266-6362

ISSUER FACSIMILE NUMBER: (403) 262-5294

CONTACT NAME: J. Bruce Petrie

CONTACT'S POSITION: Chief Financial Officer

CONTACT TELEPHONE NUMBER: (403) 266-6362

CERTIFICATE

The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE: "Walter B. Ruck"

PRINT FULL NAME: Walter B. Ruck

DATE SIGNED: November 13, 2002

DIRECTOR'S SIGNATURE: "K. Barry Sparks"

PRINT FULL NAME: K. Barry Sparks

DATE SIGNED: November 13, 2002

Ridgeway Petroleum Corp.

SCHEDULE "A"
CONSOLIDATED
FINANCIAL STATEMENTS
September 30, 2002

RIDGEWAY PETROLEUM CORP.

CONSOLIDATED BALANCE SHEET

	September 30 2002	December 31 2001
Assets		
Current assets		
Cash	\$ 610,057	\$ 912,136
Accounts receivable	35,570	3,440
Prepaid expenses and deposits	244,054	267,378
	889,681	1,182,954
Office furniture and equipment and automotive, at cost	171,987	109,874
Less: Accumulated depreciation	(82,383)	(77,546)
	89,604	32,328
Resource properties, net (Note 3)	37,619,674	36,930,037
	\$ 38,598,959	\$ 38,145,319
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 137,479	\$ 128,003
Future income tax liability	8,035,440	8,035,440
Shareholders' Equity		
Share capital (Note 4)		
Authorized		
25,000,000 preference shares of no par value		
100,000,000 common shares of no par value		
Issued		
Common shares	58,923,573	57,339,211
Deficit	(28,329,128)	(27,286,791)
Common shares acquired, at cost (Note 4)	(168,405)	(70,544)
	30,426,040	29,981,876
	\$ 38,598,959	\$ 38,145,319
Contingencies (Note 1)		

Approved by the Board "K. B. Sparks" Director "W. B. Ruck" Director
K. B. Sparks W. B. Ruck

RIDGEWAY PETROLEUM CORP.**CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT**

	Quarter ended September 30	
	2002	2001
Revenue		
Production from CO ₂ , net of royalties	\$ 63,360	\$ -
Interest and other income	6,603	4,953
	69,963	4,953
Expenses		
Depreciation and depletion	45,573	1,881
Foreign currency translation loss (gain)	(8,092)	(2,016)
Insurance	8,589	4,827
Legal	55,204	12,764
Office and equipment	31,441	36,840
Other	3,198	1,977
Other professional	92,816	70,314
Promotion	5,370	2,170
Transfer agent and stock exchange fees	4,397	3,062
Travel	13,825	13,936
Wages and salaries	105,430	103,378
	357,751	249,133
Loss for the period	(287,788)	(244,180)
Deficit, beginning of period	(28,041,340)	(26,766,198)
Deficit, end of period	\$(28,329,128)	\$(27,010,378)
Loss per share---Basic and diluted	\$ (0.01)	\$ (0.01)

RIDGEWAY PETROLEUM CORP.

CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

	Nine Months ended September 30	
	2002	2001
Revenue		
Production from CO ₂ , net of royalties	\$ 63,360	\$ -
Interest and other income	7,786	8,172
	71,146	8,172
Expenses		
Depreciation and depletion	48,798	5,092
Foreign currency translation loss (gain)	15,570	(3,741)
Insurance	27,675	15,472
Legal	124,585	51,103
Office and equipment	117,766	128,511
Other	10,061	7,745
Other professional	339,693	240,963
Promotion	33,027	59,178
Transfer agent and stock exchange fees	45,950	20,379
Travel	33,081	24,821
Wages and salaries	317,277	338,565
	1,113,483	888,088
Loss for the period	(1,042,337)	(879,916)
Deficit, beginning of period	(27,286,791)	(26,130,462)
Deficit, end of period	\$(28,329,128)	\$(27,010,378)
Loss per share---Basic and diluted	\$ (0.03)	\$ (0.03)

RIDGEWAY PETROLEUM CORP.**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Quarter ended September 30	
	2002	2001
Cash (used in) provided by operating activities		
Loss for the period	\$ (287,788)	\$ (244,180)
Items not affecting cash		
Depreciation and depletion	45,573	1,881
	(242,215)	(242,299)
Changes in non-cash working capital	(51,016)	(163,886)
Cash (used in) provided by operating activities	(293,231)	(406,185)
Cash provided by (used in) investing activities		
Property expenditures	(92,346)	(252,065)
Office furniture and equipment and automotive	(62,113)	(5,516)
Cash provided by (used in) investing activities	(154,459)	(257,581)
Cash provided by (used in) financing activities		
Issuance of share capital for cash	866,862	1,133,940
Acquisition of common shares of the Company	(68,511)	-
Cash provided by (used in) financing activities	798,351	1,133,940
Increase (decrease) in cash	350,661	470,174
Cash, beginning of period	259,396	660,440
Cash, end of period	\$ 610,057	\$ 1,130,614

RIDGEWAY PETROLEUM CORP.**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Nine Months ended September 30	
	2002	2001
Cash (used in) provided by operating activities		
Loss for the period	\$ (1,042,337)	\$ (879,916)
Items not affecting cash		
Depreciation and depletion	48,798	5,092
	(993,539)	(874,824)
Changes in non-cash working capital	670	(212,410)
Cash (used in) provided by operating activities	(992,869)	(1,087,234)
Cash provided by (used in) investing activities		
Property expenditures	(733,598)	(843,270)
Office furniture and equipment and automotive	(62,113)	(5,516)
Cash provided by (used in) investing activities	(795,711)	(848,786)
Cash provided by (used in) financing activities		
Issuance of share capital for cash	1,584,362	2,998,573
Acquisition of common shares of the Company	(97,861)	-
Cash provided by (used in) financing activities	1,486,501	2,998,573
Increase (decrease) in cash	(302,079)	1,062,553
Cash, beginning of period	912,136	68,061
Cash, end of period	\$ 610,057	\$ 1,130,614

RIDGEWAY PETROLEUM CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **September 30, 2002**

1 Operations

The Company reported a loss of \$1,042,337 for the period ended September 30, 2002 (2001 - \$879,916) and working capital of \$752,202 as at September 30, 2002. Continuation of operations and realization of the capitalized costs of resource properties are dependent upon the Company obtaining long term contracts for helium and CO₂, constructing the appropriate facilities and obtaining additional external financing and achieving profitable operations. Management is focussed on the activities necessary to achieve these objectives.

An assumption underlying the preparation of financial statements in accordance with generally accepted accounting principles is that the enterprise will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future and do not reflect the adjustments that would otherwise be necessary if the going concern assumption was not appropriate. These financial statements have been prepared on the going concern assumption which, in the opinion of management, is appropriate.

The objectivity and integrity of data in these financial statements, including estimates and judgements relating to matters not concluded by the period end, are the responsibility of management of the Company. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality and within the framework of the Company's accounting policies.

2 Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements of the Company include the accounts of Ridgeway Petroleum Corp. and its wholly-owned subsidiaries Ridgeway Texan Oil Co. and Ridgeway Petroleum (Florida), Inc. ("RF").

The consolidated financial statements of RF include the results of its wholly-owned subsidiary, Arizona Resources Industries, Inc. and its wholly-owned subsidiaries, Ridgeway Arizona Oil Corp. and Ridgeway Industries, Inc.

Foreign currency translation

The operations of the Company's foreign subsidiaries are classified as fully integrated. Assets and liabilities are translated into Canadian dollars at exchange rates prevailing at the balance sheet date for monetary items and at exchange rates prevailing at the transaction dates for non-monetary items. Expenses are translated at average exchange rates prevailing during the period with the exception of write-downs, which are translated at historical rates. Exchange gains or losses are included in earnings.

Depreciation

Office furniture and equipment are depreciated using the declining balance method at a rate of 20% per year. Automotive is depreciated using the declining balance method at a rate of 30% per year.

RIDGEWAY PETROLEUM CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2002

Resource properties

The Company's resource property activities are accounted for using the preproduction or development stage method. Direct expenditures are initially capitalized, net of recoveries, and written off if no reserves are found. Other costs are expensed until development commences. Commencing July 1, 2002, these capitalized costs are being depleted using the unit of production method, based on the estimated volumes of gas to be produced during a twenty-year contract to provide crude carbon dioxide for a liquids plant located within the field.

Income taxes

Income taxes are recorded using the liability method of accounting. Under this method, future income tax liabilities are determined by applying the tax rate at the end of the accounting period to the temporary differences between the accounting and tax bases of the Company's assets and liabilities. The future benefit of current and past tax losses is recognized whenever it is more likely than not that the Company will be able to generate sufficient future taxable income to utilize the tax losses before they expire.

Stock option plan

The Company periodically grants stock options to directors and employees of the Company. No compensation is recognized when the stock options are issued or exercised. The consideration paid upon exercise of stock options is credited to share capital.

Per share data

Effective January 1, 2001, the Company adopted the new accounting standard relating to the calculation and disclosure of per share information. Under the new standard, diluted per share information is calculated using the treasury stock method. The treasury stock method assumes the notional exercise of all in-the-money stock options and that all notional proceeds to the Company are used to repurchase the Company's common shares at the average market price during the period. No adjustment to diluted earnings per share is made if the result of this calculation is anti-dilutive.

The weighted average number of shares outstanding during the period, which was used for purposes of the computation of per share data, was 37,025,000 (2001-35,139,600).

3 Resource properties

	September 30	
	2002	2001
Balance, beginning of period	\$ 36,930,037	\$ 36,019,114
Add: Expenditures	733,598	843,270
Deduct: Depletion for the period	(43,961)	
Balance, end of period	\$ 37,619,674	\$ 36,862,384

Resource property expenditures were incurred on the Company's Arizona and New Mexico leases. Of the expenditures, approximately \$20 million comprise resource property costs

RIDGEWAY PETROLEUM CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2002

which are without tax basis. The balance of the expenditures comprise primarily drilling costs and include approximately \$4,134,000 of lease acquisition and rental costs (2001-\$3,414,800).

4 Share capital

	September 30, 2002		September 30, 2001	
	Number	Amount	Number	Amount
Balance, beginning of period	36,621,013	\$ 57,339,211	34,070,973	\$ 54,199,388
Issued for cash				
Private placements	-	-	555,556	1,000,001
Warrants	555,556	1,111,112	1,211,332	1,119,632
Incentive stock options	370,000	473,250	703,152	878,940
Balance, end of period	37,546,569	\$ 58,923,573	36,541,013	\$ 57,197,961

At September 30, 2002, currently exercisable stock options to purchase 3,615,000 common shares (December 31, 2001- 3,610,000 common shares) at exercise prices ranging from \$1.25 to \$3.50 were outstanding. The weighted-average exercise price is \$2.33 and the weighted-average remaining contractual life is approximately 18 months. During the period, 375,000 stock options were issued at exercise prices ranging from \$2.90 to \$3.00 and 250,000 stock options were extended at an exercise price of \$3.30. Common share purchase warrants to purchase 55,000 common shares at an exercise price of \$2.10 were also outstanding. To September 30, 2002, the Company had acquired 85,200 of its common shares, pursuant to a normal course issuer bid, at a cost of \$168,405.

The Company accounts for its stock-based compensation plans using the intrinsic-value method whereby no costs have been recognized in the financial statements for share options granted to employees and directors. As now required by Canadian Generally Accepted Accounting Principles, the impact on compensation costs using the fair value method, had such compensation costs been recorded in the Statement of Operations, must be disclosed. If the fair value method had been used for the options granted and extended in the period, the Company's loss for the period would have increased from \$1,042,337 to \$2,076,629 and the loss per share would have increased from \$0.03 to \$0.06 per basic and diluted share, all on a pro forma basis.

The fair value of each option granted or extended is estimated on the date of grant or extension using the Black-Scholes option-pricing model with the following weighted average assumptions: risk free interest rate--3.0%, expected lives (years)--2.0, expected volatility--1.10. The weighted average grant-date fair value of the options granted and extended during the period was \$1.65 per option.

RIDGEWAY PETROLEUM CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2002

5 Income taxes

At December 31, 2001, the Company and its subsidiaries also had unrecognized non-capital losses and oil and gas tax deductions aggregating approximately \$13.3 million (of which approximately \$5.9 million relates to a U.S. subsidiary). The potential benefit of these losses has not been recognized in these financial statements. The non-capital losses of approximately \$5.6 million expire over various years up to 2009; the losses of the U.S. subsidiary are available to be utilized over the next twenty years, and the oil and gas tax deductions have unlimited carryforwards.

6 Segmented information

The Company operates in Canada and the United States in the oil and gas industry.

For the period ended September 30, 2002, the Company had a loss of \$1,042,337. Approximately \$569,216 of this loss pertains to the U.S. operations.

	June 30, 2002		
	Canada	U.S.A.	Total
Office furniture and equipment	\$ 71,426	\$ 100,561	\$ 171,987
Less: Accumulated depreciation	(56,096)	(26,287)	(82,383)
Resource properties, net	-	37,619,674	37,619,674
Corporate assets	537,646	352,035	889,681
Total assets	\$ 552,976	\$ 38,045,983	\$ 38,598,959
Capital expenditures	\$ -	\$ 795,711	\$ 795,711

RIDGEWAY PETROLEUM CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2002

For the period ended September 30, 2001, the Company had a loss of \$879,916. Approximately \$426,488 of this loss pertains to the U.S. operations.

	December 31, 2001		
	Canada	U.S.A.	Total
Office furniture and equipment	\$ 71,426	\$ 38,448	\$ 109,874
Less: Accumulated depreciation	(53,396)	(24,150)	(77,546)
Resource properties	-	36,930,037	36,930,037
Corporate assets	910,654	272,300	1,182,954
Total assets	\$ 928,684	\$ 37,216,635	\$ 38,145,319
Capital expenditures	\$ 7,239	\$ 910,923	\$ 918,162

7 Financial instruments

The Company's financial assets and liabilities that are included in the consolidated balance sheet comprise cash, accounts receivable and current liabilities. The fair values of the financial assets and liabilities that are included in the consolidated balance sheet approximate their carrying amount.

8 Comparative amounts

Certain amounts relating to 2001 have been restated to conform with the presentation adopted in 2002.

September 30, 2002 Quarterly Report

BC Form 51-901F
Schedule "B": Supplementary Information

1. Analysis of expenses and deferred costs--Schedule "A"

- Resource property expenditures for the nine months ended September 30, 2002 were \$733,598 and included primarily lease rental costs.
- Other professional expenses of \$339,693 include consulting fees related to the ongoing development of its St. Johns Helium/CO₂ Project in eastern Arizona and western New Mexico.
- Office and equipment expenses of \$117,766 include rent (\$42,013), telephone (\$31,540), postage and delivery (\$14,023), printing and supplies (\$8,597) and equipment rental (\$8,597).

2. (a) Securities Issued

Date of Issue	Type of Security	Type of Issue	Number of Securities	Price	Total Proceeds	Type of Consideration Paid
Various	Common Share	Exercise of Common Share Purchase Warrant	415,556	\$2.00	\$831,112	Cash
02/09/19	Common Share	Exercise of Incentive Stock Option	15,000	\$1.80	\$27,000	Cash
02/09/19	Common Share	Exercise of Incentive Stock Option	5,000	\$1.75	\$8,750	Cash

(b) Options Granted

Nil

3. (a) Authorized and Issued

Authorized capital	
Preference Shares	25,000,000
Common Shares	100,000,000
Issued and outstanding	
Preference Shares	1,000
Common Shares	37,546,569

(b)(i) Warrants Outstanding

Number of Share Purchase Warrants	Exercise Price	Expiry Date
55,000	\$2.10	January 8, 2003

(b)(ii) Options Outstanding

Name	Number of Shares	Exercise Price	Expiry Date
W. B. Ruck	200,000	\$3.50	July 24, 2003
	125,000	\$1.25	May 5, 2003
	60,000	\$1.75	March 1, 2004
	175,000	\$1.80	November 1, 2004
T. W. Ruck	100,000	\$3.50	July 24, 2003
	75,000	\$1.25	May 5, 2003
	20,000	\$1.75	March 1, 2004
	100,000	\$1.80	November 1, 2004
D. J. Currie	100,000	\$3.50	July 24, 2003
	250,000	\$3.30	February 5, 2004
	20,000	\$1.75	March 1, 2004
	125,000	\$1.80	November 1, 2004
	75,000	\$3.00	June 25, 2005
T. L. Kraus	75,000	\$1.25	May 5, 2003
	25,000	\$1.75	March 1, 2004
	100,000	\$1.80	November 1, 2004
L. S. Melzer	100,000	\$3.50	July 24, 2003
	40,000	\$1.75	March 1, 2004
	125,000	\$1.80	November 1, 2004
K. B. Sparks	100,000	\$3.50	July 24, 2003
	75,000	\$1.25	May 5, 2003
	20,000	\$1.75	March 1, 2004
	100,000	\$1.80	November 1, 2004

M. C. Vukets	75,000	\$1.25	May 5, 2003
	20,000	\$1.75	March 1, 2004
	100,000	\$1.80	November 1, 2004
	100,000	\$2.90	January 23, 2005
J. P. Dorrier	200,000	\$2.95	May 23, 2005
J. B. Petrie	150,000	\$3.50	July 24, 2003
	100,000	\$1.25	May 5, 2003
	40,000	\$1.75	March 1, 2004
	200,000	\$1.80	November 1, 2004
E. E. Thornton	75,000	\$1.25	May 5, 2003
	20,000	\$1.75	March 1, 2004
	75,000	\$1.80	November 1, 2004
C. G. Tanner	50,000	\$3.50	July 24, 2003
	35,000	\$1.80	November 1, 2004
C. Koeksal	50,000	\$1.80	November 1, 2004
T. T. White	50,000	\$3.50	March 1, 2004
	15,000	\$1.75	March 1, 2004
	75,000	\$1.80	November 1, 2004

(c) Escrowed Shares

Nil

(d) Directors and Officers

Donald J. Currie, John P. Dorrier, Thayne L. Kraus, L. Stephen Melzer, Timothy W. Ruck, Walter B. Ruck, K. Barry Sparks, Michael C. Vukets, J. Bruce Petrie and C. Koeksal.

November, 2002

BC Form 51-901F

SCHEDULE "C": MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2002

General

Ridgeway Petroleum Corp. ("Ridgeway" or the "Company") is principally engaged in the business of development of its helium and carbon dioxide ("CO₂") project (the "St. Johns Helium/CO₂ Project") in eastern Arizona and western New Mexico. The Company currently owns a 100% working interest in leases covering approximately 280,000 acres and has spent approximately \$37,693,640 to date in acquiring, exploring and developing the St. Johns Helium/CO₂ Project.

Pursuant to the normal course issuer bid announced in September 2001, the Company has purchased 85,200 of its common shares at a cost of \$168,405. All shares purchased by the Company are being held by the Company to be dealt with at a later date.

In July 2002, the Company announced the July 4 start-up of the FLO-CO₂ liquids plant located within the Company's St. Johns Helium / CO₂ project field on property leased from and adjacent to the Springerville Generating Station owned by Tucson Electric Power. Pursuant to the twenty-year contract, Ridgeway will supply crude CO₂ at the wellhead to the FLO-CO₂ owned and operated facilities.

Based on the current demand in the area, FLO-CO₂ has indicated there will be an early ramp up from the initial production rate of 100 tons per day. During the period of the contract, FLO-CO₂ has the option to expand to 1,000 tons per day. This production represents Ridgeway's first cash flow from the St. Johns project.

In November 2002, the Company announced that it has signed an agreement with a major U.S. pipeline company who will continue to play a key role in Ridgeway's long-term strategic development plan. Under the terms of this agreement, the companies will continue to pursue exploration and evaluation of the commercial feasibility of Ridgeway's vast holdings of CO₂ and Helium commenced in early 1999.

Walter Ruck, President of Ridgeway, characterized the importance of the agreement in the context of the company's overall strategic plan: "This is the third development in our expansion this year. The first was the signing of the letter of intent with Air Liquide America on April 26th to purchase and market our Helium over a 15-year period and contribute substantial resources toward the initial preliminary design of the gas extraction plant. The second was the start-up on July 4th of the FLO-CO₂ liquids plant located within our St. Johns Helium / CO₂ project field -- currently producing some 120 liquid tons of CO₂ per day with the prospect of increasing by an additional 400 tons per day over the next eighteen months based on estimates provided by FLO-CO₂. Now with this third significant development, the signing of the agreement, we confirm our ongoing commitment to become a major contributor to the helium supply scene and, through a CO₂ pipeline to California oilfields, the domestic Enhanced Oil Recovery industry at a time of increasing pressure to reduce America's dependence on foreign oil sources.

Management's Discussion and Analysis relating to the consolidated financial statements for the nine months ended September 30, 2002 and 2001 follows.

Since early 1997, the Company has completed a number of private placements for gross proceeds of approximately \$29.2 million including proceeds from the subsequent exercise of common share purchase warrants issued in conjunction with such private placements. In addition, a further \$1.4 million has raised through the exercise of incentive stock options. Of these amounts, approximately \$4.7 million has been raised since the beginning of 2001.

To date, Ridgeway has expended most of the proceeds on the drilling of eighteen exploratory and delineation wells, including coring, casing, drill stem testing, completions and production testing as well as lease acquisition and maintenance and the completion of feasibility studies and resource evaluations regarding development of a commercial project.

The results of these activities have established that the Company's St. Johns Helium/CO₂ Project has significant gas in place and is a world class asset. It is not necessary to incur significant additional expenditures to further establish the value of this asset.

In May 2002, as a key step in the development process, the Company signed a letter of intent with Air Liquide America Corporation ("Air Liquide") to negotiate a definitive agreement to develop a long-term strategic alliance for purchasing and marketing the Company's vast accumulation of helium.

As noted above, the Company recently signed an agreement with CIG Resources Company ("CIG"), a subsidiary of El Paso Corporation (NYSE-EP), to continue to explore and evaluate the commercial feasibility of the Company's helium and CO₂ holdings.

The project contemplates the development of the field including the drilling of additional wells, adding any necessary field compression and installing gathering pipelines, the construction and operation of the helium processing plant and related facilities and construction and operation of a CO₂ pipeline to customers in California.

While continuing to develop the Project, the Company's objective is to monetize this asset and thereby create value for our shareholders. As part of this process, the Company continues to actively explore strategic alternatives, which could include the formation of a strategic alliance or joint venture, or the possible merger or business combination of Ridgeway with another entity. As described above, the alliances with Air Liquide and CIG are major steps in this process.

Liquidity and Capital Resources

At September 30, 2002, the Company had working capital of \$752,202.

Ridgeway has demonstrated the ability to raise the necessary capital, as it is required. As the Company does not believe its current share price reflects the value of the Company, each recent financing has been relatively modest in order to minimize the impact of the dilution on existing shareholders.

The Company has spent sufficient funds to establish size and value of the St. Johns Helium/CO₂ Project. The Company's financial objective is to have adequate funds available to maintain the lease position and to pay the general and administrative expenses while efforts continue to monetize the asset.

The Company will continue to require additional funds. Ridgeway believes that it has access to sufficient equity capital to maintain the asset during this period. In addition, there are common share purchase warrants and incentive stock options outstanding, which when exercised, could provide funds of approximately \$8.4 million. If the Company is unable to raise sufficient funds, there is a risk of a number of leases expiring with a corresponding reduction in the value of the asset.

To date, all of the Company's fundings have been done in Canadian dollars. However, as the Company's major asset is located in the United States, the majority of its operations are conducted in U.S. dollars. This has resulted in the Company being exposed to the impact of a fluctuating Canadian dollar. Ultimately, it is the Company's objective to obtain U.S. funding and thereby reduce the foreign exchange exposure.

Revenues from the sale of crude CO₂ to FLO-CO₂ Inc. for their liquids plant which commenced operations in July, will provide an additional source of funds for the Company to further develop the St. Johns Helium/CO₂ Project. These revenues will also provide a source of U.S. dollars. While the initial operating cash flows will be relatively modest, the revenues are anticipated to grow as the plant capacity increases during the 20-year term of the contract.

Results of Operations

Nine Months Ended September 30, 2002 and 2001

During the first nine months of 2002, the Company incurred a loss of \$1,042,337 compared to a loss of \$879,916 during the same period in 2001.

The results for the period include the revenues from the initial production and sale of crude CO₂ to the liquids plant, which commenced operations in July. The related depletion expense is based on the unit of production method, using the estimated volumes of gas to be produced during the twenty-year contract to provide crude CO₂ to the liquids plant.

While there has not been a particular reduction in the level of activity between the two periods, there has been a change in the mix of certain expenses. In 2002, the increase in legal and other professional includes costs for the preparation of the proposed unitization agreement for the Arizona portion of the project lands as well as costs related to the renewal of various leases. In 2001, promotion reflects the Company's efforts to raise the profile of the Ridgeway and facilitate the raising of additional capital. These activities included a radio interview, corporate material published both on the Internet and in a daily investment publication.

The increase in transfer agent and stock exchange fees results from the listing of the Company on the Frankfurt Stock Exchange in Germany. The decrease in salaries in the current period is the result of a reduction in employee benefits costs.

The level of activity continues to be consistent with the Company having established the size and value of the Project. The Company has sufficient resources to continue the development of the project and will utilize consultants, as it is required.

Further losses will be incurred during this development stage of the St. Johns Helium/CO₂ Project. Profitability will not occur until the Project is fully developed and Helium and/or CO₂ is flowing to markets. The startup of the liquids plant represents the initial operating revenues from the Project.

Resource property expenditures were \$733,598 in the period compared to \$843,270 in the prior period, all of which were attributable to the St. Johns Helium/CO₂ Project.

Results of Operations

Quarter Ended September 30, 2002 and 2001

A loss of \$287,788 was incurred during the quarter ended September 30, 2002 compared to a loss of \$244,180 during the same period in 2001.

The results for the period include the revenues from the initial production and sale of crude CO₂ to the liquids plant, which commenced operations in July. The related depletion expense is based on the unit of production method, using the estimated volumes of gas to be produced during the twenty-year contract to provide crude CO₂ to the liquids plant.

While there has not been a particular reduction in the level of activity between the two periods, there has been a change in the mix of certain expenses. In 2002, the increase in legal and other professional includes costs for the preparation of the proposed unitization agreement for the Arizona portion of the project lands.

Resource property expenditures were \$92,346 in the period compared to \$252,065 in the prior period, all of which were attributable to the St. Johns Helium/CO₂ Project.

Potential Risks and Uncertainties

In addition to the risks and uncertainties identified above, this Management's Discussion and Analysis contains several forward-looking statements, which are also subject to unknown and uncertain risks, uncertainties and other factors that could cause actual results to differ materially from any future results expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and should be aware the Company is under no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.