

**INTERNATIONAL WAYSIDE GOLD MINES LTD.
Form 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the six month period ended August 31, 2007**

The following discussion and analysis of the results of operations and financial position of International Wayside Gold Mines Ltd. (the "Company") for the six month period ended August 31, 2007 should be read in conjunction with the August 31, 2007 Financial Statements and the related Notes. The effective date of this report is October 30, 2007.

Forward Looking Statements

Except for historical information, this Management's Discussion and Analysis ("MD&A") may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements.

Business Overview

The Company's principal business activity is the exploration and development of mineral properties located in the Cariboo area of central British Columbia. The main properties, under option to the Company, consist of three historic groups of contiguous Crown-Granted mineral claims, namely the Cariboo Group, Island Mountain Group and Mosquito Creek Group (collectively the "Cariboo Gold Project"). Additional claims, located in the same area, have been staked or acquired by the Company over the past several years.

The Cariboo Gold Project is located near the town of Wells, British Columbia some 53 miles (85 km) east of Quesnel, British Columbia. The Cariboo Gold Belt has had a rich and extensive history starting with the discovery of placer gold in the 1860's. Recorded production from the Company's property and surrounding area is approximately 2.6 million ounces of placer gold and 1.2 million ounces of lode gold averaging 0.40 oz/t gold from mainly quartz vein and 0.60 oz/t from replacement style mineralization during the period 1933 to 1966.

Current Operations

During the period ended August 31, 2007, the Company's focus was on advancing the exploration and development of the Bonanza Ledge and Cariboo Gold Projects. The Company believes it is now at the stage whereby production from Bonanza Ledge could commence in 2008.

Highlights for the Quarter ended August 31, 2007 are as follows:

The Company announced that its 2007 drill program is underway. A total budget of \$3 million has been allocated for drilling in 2007. The Company will target three zones on Cow Mountain as well as three zones on Bonanza Ledge.

The Company resumed drilling on the Mucho Oro claim. A fourteen hole program is planned to follow up on the 17 hole program completed between March and July. The purpose of the program is to further explore the degree and extent of mineralization in the area. The program is slated for completion by the end of the calendar year.

The Company is assembling data and reports relating to the Cariboo Gold Project to facilitate due diligence reviews by potential financiers.

Results of Operations

The Company reports a net loss of \$2,367,399 for the six months ending August 31, 2007 or \$0.04 per share as compared to a net loss of \$2,287,941 or \$0.07 per share for the same period in 2006.

Administrative and corporate costs (excluding stock-based compensation, exploration expenses/recovery and accretion) has decreased by \$248,464 as compared to the six month quarter ending August 31, 2006. This decrease in administrative costs is due to a decrease in shareholder communication costs by \$166,158 as compared to the same period in 2006 and salaries and benefits declining by \$288,267. Interest on convertible loans was \$162,133 whereas there was no interest in 2006.

During the period there were no write downs of assets.

Property exploration costs for the period ending August 31, 2006 were \$1,015,237. For August 31, 2007 they were \$169,849 as the Company was late in starting its 2007 drilling program.

During the period ended August 31, 2007, the Company converted \$4,853,202 of Convertible Notes due to Karver Capital Canada Inc. into 20,338,376 common shares and 10,169,188 warrants.

Resource Properties that have not yet Generated Operating Revenue.

The Company has been focused on the Barkerville Camp since 1994.

The initial focus was to delineate a mineable resource within the historic workings of the Cariboo Gold Quartz Mine. A total of 238 drill holes were completed from 1995-1998. The Company has been working towards the further definition of the mineral deposit within and surrounding the historic workings of the Cariboo Gold Quartz mine. A program of up to approximately 300 additional diamond drill holes has been developed to achieve this objective. Once the resource definition is complete, the working conceptual mine plan will be more fully developed, and will form the basis for a preliminary assessment of mine economics. Resource definition, mine planning and economic evaluations, together with additional social and environmental impact, will in aggregate require additional expenditures of several million dollars.

Beginning in 1999 the Company focused on delineating a high grade resource within the BC Vein, roughly 3 km southeast of the Cariboo Gold Quartz Mine. The Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000, now known as the Bonanza Ledge deposit. The Company focused on delineating this resource from 2000 to 2004. Additional expenditures of one hundred thousand dollars or more will be required to complete the permitting process and to begin production of the proposed open pit mine.

Both of these proposed developments are supported by recent appreciation in the value of gold and the efforts of the current Provincial Government to facilitate and support mining in the Cariboo Region.

In addition, the Company is committed to further exploration in the Barkerville Camp. Mineralization has been identified in several areas along the historic Mine Trend (the source of placer gold and correlated with quartz vein outcrops that occur on a general northwest-southeast trend over a linear distance of more than 60 km through the Camp), and on strike with the (offset and parallel) Bonanza Ledge Trend. Additional expenditures are anticipated as funds allow to further characterize and delineate various mineralized zones.

Bonanza Ledge Deposit

The Company has defined a mineable resource, developed a mine and reclamation plan, and has commissioned a preliminary assessment of the economic feasibility of the proposed open pit at Bonanza Ledge. These form the basis for an application pursuant to the BC Mines Act to produce up to 70,000 tonnes of ore per year that was submitted in April 2006. An addendum addressing initial comments was submitted in September 2006. The Company is working to address further comments that have been received from government review agencies. A revised and updated submission will be made once supplemental engineering and environmental work has been completed. The Company intends to begin production at Bonanza Ledge as soon as the necessary permits and approvals are obtained.

Related Party Transactions

(a) Balance receivable:

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

	August 31, 2007	February 28, 2007
Due from other companies with certain common directors	\$ 168,789	\$ 136,292

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

(b) Balances payable:

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

	August 31, 2007	February 28, 2007
Due to a company controlled by a director	\$ 1,115,048	\$ 1,131,918
Due to other companies with certain common directors	389,379	126,884
Due to directors and officers	350,892	339,958
	\$ 1,855,319	\$ 1,598,760

6. Related party balances and transactions (continued):

(c) Related party transactions:

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

	August 31, 2007	August 31, 2006
Property exploration costs:		
Equipment rentals	\$ 1,520	\$ 100,384
Administration fees on reimbursed expenditures	11,582	40,000
Administration costs:		
Management fees	60,000	45,000
Interest	3,500	4,000
	\$ 76,602	\$ 189,384

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

The Company is charged \$10,000 per month for general management services by the President of the Company. For 2006, the president of the Company charged \$5,000 per month as management fees. A former director and officer charged \$5,000 per month for three months.

These transactions are recorded at exchange value, being the value established and agreed upon by the related parties.

Selected Annual Information

The following are highlights of financial data on the Company for the most recently completed three financial years:

Fiscal year ended February 28			
	2007	2006	2005
	\$	\$	\$
Revenue	-	-	-
Net loss	4,460,412	2,052,479	8,778,883
Loss per share	\$0.12	\$0.12	\$0.59
Total assets	9,306,910	5,180,229	3,625,207
Total liabilities	6,120,960	3,255,174	4,266,550
Working capital (deficiency)	(6,005,817)	(2,480,748)	(4,235,762)

Net loss increased dramatically between fiscal 2007 and 2006 due to the bulk sample recovery in 2006 of \$1,264,379. Assets at fiscal 2007 rose mainly due to \$4,000,000 being spent on the Mosquito property. Liabilities rose due to the note payable to KCCI in existence at 2007 and not at 2006.

Summary of Quarterly Results

Expressed in Canadian \$

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Period ended	Aug 31	May 31,	Feb.28	Nov.30	Aug. 31	May 31	Feb. 28	Nov. 30
	2007	2007	2007	2006	2006	2006	2006	2005
Total Revenue	-	-	-	-	-	-	-	-
Loss before income taxes	672,024	1,695,375	1,504,921	667,550	1,041,515	1,246,426	1,022,221	463,148
Basic loss per Share	0.01	0.04	0.03	0.02	0.03	0.04	0.12	0.01
Diluted Per Share	0.01	0.04	0.03	0.02	0.03	0.04	0.12	0.01
Net loss	672,024	1,695,375	1,504,921	667,550	1,041,015	1,246,426	1,022,221	463,148
Basic loss per Share	0.01	0.04	0.03	0.02	0.03	0.04	0.12	0.01
Diluted loss per Share	0.01	0.04	0.03	0.02	0.03	0.04	0.12	0.01

Historically the company incurs the majority of its exploration costs in quarters 2 and 3 due to better weather conditions in the Wells area. From an exploration point of view costs incurred in quarter 4 are very low due to weather, however audit adjustments are reflected in quarter 4 leading to higher losses. While the company is constantly looking for capital it is easier to raise funds near a calendar year end particularly if the financing is for flow through shares.

Liquidity and Capital Resources

At the period end, the Company has no operating revenues and has a working capital deficiency of \$3,096,513. The Company's major commitment over the next year is the Cariboo Gold Project. The Company will rely upon future equity financings to fund operations until production is reached. These financings will come from related parties or brokered private placements.

Given the Company's working capital deficiency, the Company's ability to fund on-going operations will rely upon financing from related parties as well as significant private placements.

In addition, the Company is committed to a Property Transfer Agreement to acquire 100% of Lions Gate Energy Inc.'s mineral properties for the following considerations:

- \$250,000 worth of common shares of the Company (issued);
- a total of \$1,000,000, payable in \$200,000 installments over a five year period, on May 31 of each year, commencing May 31, 2006 (paid); May 31, 2007 (outstanding) and
- the issuance of four annual installments of \$225,000 worth of the Company's common shares on May 31 of each year, commencing August 31, 2007 (issued). Regulatory approval was received for this transaction May 2, 2006.

Subsequent to August 31, 2007, the Company:

- (i) announced a private placement of 7,000,000 non flow-through units at \$0.15 per unit. Each unit consists of one common share and one-half of a share purchase warrant. Each whole warrant and \$0.185 entitles the holder thereof to purchase one additional common share. The Company has closed the first tranche of the placement for 6,998,334 units for gross proceeds of \$1,049,750. This portion of the private placement is oversubscribed.

In addition, the Company announced that it was conducting a flow-through private placement of 2,000,000 flow-through units at \$0.20. Each units consists of one flow-through share and one-half of a share purchase warrant. Each whole warrant and \$0.24 entitles the holder thereof to purchase one additional common share.

- (ii) announced a private placement of \$3,000,000 consisting of flow-through units and non flow-through units. Each flow-through unit will cost \$0.20 per unit consisting of one common share and one-half of a share purchase warrant. Each whole warrant and \$0.20 allows the holder thereof to acquire an additional common share. Each non flow-through unit will cost \$0.15 and will consist of one common share and one-half of a share purchase warrant. A whole warrant and \$0.20 entitles the holder thereof to an additional common share.

Options and warrants outstanding at August 31, 2007 are as follows:

The continuity of the Company's share purchase options for the period ended August 31, 2007, all of which are exercisable, are as follows:

Exercise Price	Expiry Date	Balance February 28, 2007	Changes in the Period			Balance August 31, 2007
			Granted	Exercised	Expired/ Cancelled	
\$0.40	March 2, 2009	876,000	-	-	(145,000)	731,000
\$0.36	May 15, 2007	407,415	-	-	(407,415)	-
\$0.36	November 26, 2007	94,028	-	-	-	94,028
\$0.33	September 30, 2008	426,342	-	-	(40,000)	386,342
\$0.36	October 3, 2008	124,500	-	-	(30,000)	94,500
\$0.40	February 2, 2009	396,179	-	-	(226,179)	170,000
\$0.25	July 31, 2010	-	4,613,806	-	-	4,613,806
		2,324,464	4,613,806	-	(848,594)	6,089,676
Weighted average exercise price		\$0.37	0.25	-	\$0.38	\$0.28

The continuity of the Company's share purchase warrants for the period ended August 31, 2007, are as follows:

Exercise Price	Expiry Date	Balance February 28, 2007	Changes in the Period			Balance August 31, 2007
			Granted	Exercised	Expired/ Cancelled	
\$1.20	March 7, 2007	180,000	-	-	(180,000)	-
\$0.40	October 24, 2007	632,000	-	-	-	632,000
\$0.40	November 21, 2007	790,000	-	-	-	790,000
\$0.40 (3)	January 30, 2008	921,416	-	-	-	921,416
\$0.40	February 21, 2008	5,000,000	-	-	-	5,000,000
\$0.65	May 16, 2008	458,021	-	-	-	458,021
\$0.65	June 16, 2008	56,111	-	-	-	56,111
\$0.35 (1)	July 28, 2008	1,750,000	-	-	-	1,750,000
\$0.35	August 14, 2008	1,035,000	-	-	-	1,035,000
\$0.35	October 12, 2008	323,500	-	-	-	323,500
\$0.35 (2)	October 19, 2008	722,000	-	-	-	722,000
\$0.35	December 4, 2008	600,000	-	-	-	600,000
\$0.30	December 29, 2008	4,857,951	-	-	-	4,857,951
\$0.30	January 26, 2009	199,873	-	-	-	199,873
\$0.30	February 2, 2009	84,754	-	-	-	84,754
\$0.30	February 14, 2009	83,333	-	-	-	83,333
\$0.30	June 29, 2007	-	10,169,188	-	-	10,169,188
\$0.30	December 19, 2008	-	4,857,951	-	-	4,857,951
\$0.30	January 29, 2009	-	199,873	-	-	199,873
\$0.30	February 2, 2009	-	84,754	-	-	84,754
\$0.30	February 14, 2009	-	83,333	-	-	83,333
\$0.30	June 4, 2009	-	90,629	-	-	90,629
\$0.30	October 9, 2007	-	109,328	-	-	109,328
		17,693,959	15,595,056	-	(180,000)	33,109,015

(1) Extended to July 28, 2008 on July 27, 2007

(2) Extended to October 19, 2008 on October 19, 2007

(3) Extended to January 30, 2008 on January 29, 2007

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions at the report date with the exception of those disclosed in "Liquidity and Capital Resources".

Critical Accounting Estimates

The Company's critical accounting estimates, where significant management judgments are involved relate to recovery of mineral property costs (see Note 2) to the August 31, 2007 financial statements for the Company's significant accounting policies.

Changes in Accounting Policies

At August 31, 2007 the Company has not had any accounting policy changes.

Financial Instruments

The Company's financial instruments consist of cash, cash equivalents, amounts receivable and advances, accounts payable and accrued liabilities and amounts owing to related parties. Terms of the financial instruments are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

Risks Factors

There are many risk factors facing companies involved in the mineral exploration industry. Risk Management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all the risks inherent to the industry, the Company strives to manage these risks, to the greatest extent possible. The following risks are most applicable to the Company.

Industry and Mineral Exploration Risk

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. The Company attempts to balance this risk through insurance programs where required and ongoing risk assessments conducted by its technical team.

Commodity Prices

The Company is in the business of metals exploration and as such, its prospects are largely dependent on movements in the price of various metals. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the control of the Company. The mineral exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company does enter onto price hedging programs.

Environmental

Exploration projects or operations are subject to the environmental laws and applicable regulations of the jurisdiction in which the Company operates. Environmental standards continue to evolve and the trend is to a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. If and when appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability.

Disclosure for Venture Issuers without Significant Revenue

The following table list the items required to be discussed under Part 5.3 of National Instrument 51-102 for the three most recently completed financial years:

Expressed in Canadian \$

	Fiscal Year Ended February 28		
	2007 \$	2006 \$	2005 \$
Capitalized acquisition costs	4,461,632	716,318	779,336
General & administration costs ⁽¹⁾	3,991,464	1,301,699	1,391,229
Expensed exploration and development costs	1,654,171	450,624	6,383,052

(1) Does not include stock-based compensation.

The details of capitalized acquisition costs, expensed exploration and development costs and general and administrative costs are disclosed in the audited financial statements.

Disclosure Controls and Procedures

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and other key management personnel have conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures. The Company evaluated the design of its internal controls over financial reporting as defined in Multilateral Instrument 52-109 for the period ended August 31, 2007 and based on this evaluation have determined these controls to be effective except as noted in the following paragraph.

This evaluation of the design of internal controls over financial reporting for the Company resulted in the identification of internal controls deficiencies which are not atypical for a company this size including lack of segregation of duties due to limited number of employees dealing with accounting and financial matters and insufficient in-house expertise to deal with complex accounting, reporting and taxation issues.

Outstanding Share Capital

During the year ended February 28, 2006 the Company consolidated its share capital on a 10:1 basis. The following table discloses outstanding share capital for the most recently completed three fiscal years: (Post consolidation)

Fiscal year ended February 28			
	2007	2006	2005
Authorized Capital	Unlimited	Unlimited	Unlimited
Issued and Outstanding	43,591,796	30,754,642	15,220,170
Options outstanding	2,324,464	1,987,964	1,829,740
Average price	\$0.37	\$0.36	\$1.60
Warrants outstanding	17,693,959	7,821,416	3,714,730

At October 30, 2007 there are 77,346,890 common shares outstanding.

New Accounting Standards

In January 2005, the CICA issued four new accounting standards in relation to financial instruments: Section 3855 "Financial Instruments – Recognition and Measurement", Section 3865 "Hedges", Section 1530 "Comprehensive Income" and Section 3251 "Equity".

Section 3855 expands on Section 3860 "Financial Instruments – Disclosure and Presentation", by prescribing when a financial instrument is to be recognized on the balance sheet at what amount. It also specifies how financial instrument gains and losses are to be presented.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline AcG-13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Section 1530 "Comprehensive Income" introduces a new requirement to temporarily present certain gains and losses outside net income. Consequently, Section 3250 "Surplus" has been revised as Section 3251 "Equity".

Sections 3855, 3865 and 1530 apply to fiscal years beginning on or after October 1, 2006. Effective November 16, 2006, the Company will be required to adopt CICA Section 3251 which replaces Section 3250.

The Company is currently evaluating the impact of these accounting standards on its financial statements.

Additional Disclosure Requirements

Additional information relating to the Company is available on SEDAR at www.sedar.com.