

**MILL BAY VENTURES INC.**  
**Form 51-102F1**  
**Management's Discussion & Analysis**  
**For the Year Ended April 30, 2012**

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The following discussion and analysis of the operations, results, and financial position of Mill Bay Ventures Inc. (the "Company" or "Mill Bay") should be read in conjunction with the audited financial statements for the year ended April 30, 2012 and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated August 28, 2012 and discloses specified information up to that date. Mill Bay is classified as a "venture issuer" for the purposes of National Instrument 51-102. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and unless otherwise cited, references to dollar amounts are Canadian dollars. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company's 2011 comparatives in this MD&A have been presented in accordance with IFRS. Unless otherwise cited, references to dollar amounts are Canadian Dollars.

**We recommend that the readers consult the "Cautionary Statement" on the last page of this report.**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Forward Looking Statements**

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of August 28, 2012. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor 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 was incorporated under the laws of the Province of British Columbia. Its principal business comprises the exploration for and development of mineral properties. The Company is in the exploration stage. The financial statements for which this MD&A relates have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has working capital of \$460,752 at April 30, 2012 and has accumulated losses of \$10,355,884 since incorporation. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in future.

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**Overall Performance**

***E&E Group and JDN Group***

During 2006, the Company, through its wholly owned subsidiary, Golden Reef granted a ten year mining lease to Vasquir Mines Inc., a subsidiary of CMQ Resources Inc. ("CMQ") of the E&E Group and the JDN Group, consisting of 53 unpatented mining claims, all located in Eureka County, Nevada, subject to 3% net smelter return, in consideration of minimum advance lease payments (in US dollars), CMQ shares and minimum work commitments. The common stock was to be made in the form of CMQ shares valued at the fair market price of the shares at the time received.

The Company received the first three advanced lease payments of US\$35,000, US\$40,000, and US\$50,000 respectively and 300,000 CMQ common shares<sup>1</sup>. During the fiscal year of 2009, the Company received a notice of termination of the mining lease from Vasquir. The termination was effective June 30, 2008.

***Golden Repeat Claims***

In July 2007, the Company and its wholly owned subsidiary, Golden Reef Mining Co, Inc. entered into a letter of intent with Meridian Minerals Corp. ("Meridian"), a subsidiary of Meridian Gold Inc., for the exploration and earn-in of the Golden Repeat Claims substantially on the basis of the following terms and conditions:

- Within 180 days of acceptance of the letter of intent, the Company and Meridian would subscribe to an Exploration and Earn-In Agreement in consideration of the following minimum payments and exploration expenditures.
- Within 90 days after the completion of the payments and expenditures, Meridian would have earned a 51% interest in the Golden Repeat Claims and the Company and Meridian would enter into a formal joint venture.
- Meridian would have the option to increase its interest in the joint venture from 51% to 70% by paying US\$2,000,000 to the Company within 90 days of the formation of the joint venture.
- Upon commencement of commercial production of the Golden Repeat Claims, the Company would be entitled to receive from Meridian, a Net Smelter Return Royalty ("NSR") between 2-4% depending on the price of gold. The Company would also be entitled to receive from Meridian since the 1<sup>st</sup> Anniversary of the formation of the Joint Venture a yearly advance NSR cash payment of US\$100,000 ("Advance NSR"). The Advance NSR would be increased yearly by US\$100,000 to a maximum of US\$300,000. Advance NSR will be credited and deducted for any NSR payable to the Company starting commercial production of the Golden Repeat Claims.

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<sup>1</sup> Pursuant to a special resolution passed by CMQ shareholders, on August 13, 2008 CMQ consolidated its share capital on a 10:1 basis; therefore the Company currently holds 30,000 common shares post-consolidation.

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In December 2007, Yamana Gold Inc. ("Yamana") announced that the shareholders of Meridian Gold Inc. had approved the completion of a plan arrangement under which Yamana acquired the remaining of the common shares outstanding of Meridian Gold Inc. Through this transaction, Meridian Gold Inc. became a wholly-owned subsidiary of Yamana. Further, this transaction did not change the terms of the letter of intent between the Company, Golden Reef and Meridian, which remained in good standing. Meridian subsequently requested a termination of the letter of intent. The Company did not approve such termination as Meridian still owes the Company \$100,000 in cash payment and \$200,000 in work commitment.

On December 10, 2010, the Company announced that it had executed a Letter of Intent with Dynasty Gold Corp. ("Dynasty") to enter into an option agreement whereby Dynasty will earn a 51% interest in the claims for the following consideration:

- Pay \$50,000 in cash, issue 500,000 shares of its common stock on signing of the Option Agreement, and incur an aggregate \$200,000 in exploration expenditures on the claims in year one of the Option.
- Pay \$75,000, issue 500,000 shares of its common stock and incur \$300,000 in exploration expenditures on the claims in year two of the Option.
- Pay \$100,000, issue 500,000 shares of its common stock, and incur the next \$300,000 in exploration expenditures on the claims in year three of the Option.
- Pay \$250,000, issue 1,000,000 shares of its common stock, and incur the next \$300,000 in exploration expenditures on the claims in year four of the Option.

Dynasty can earn up to 70% interest in the claims by paying \$2,000,000 after it has earned its initial 51% in the Claims. The Company will retain a 3% NSR. As of the date of this MD&A, Dynasty has issued 500,000 shares of its common stock and paid \$50,000 pursuant to the terms of the Option.

During the year ended April 30, 2012, the Company signed an amending agreement providing for a reduction in the option payment in year two of the Option from \$75,000 to \$50,000 and a reduction in required exploration expenditures on the property from \$300,000 to \$100,000.

***Ivanpah Property***

During 2007, the Company entered into an agreement with a related party to acquire 16 placer mining claims located in Clark County, Nevada, known as the Ivanpah Property, covering up to 640 acres, more or less, for consideration of the issuance of 220,000 common shares of the Company and US\$128,000. The transaction was accepted by the TSX Venture Exchange during the year ended April 30, 2007. The Company filed a NI 43-101 compliant technical report dated October 4, 2006 on behalf of the Ivanpah Property on SEDAR. The report was prepared by Frederick C. Johnson, P. Geo., who is the qualified person for the project. The related party vendors of the Ivanpah Property are Boss Sand & Rock, Inc. and Lee Canyon Mining Company, LLC. Dale Andersen, a director of the Company, is also a principal shareholder and director of the vendors. The shares that were issued to the related party vendors for the acquisition are subject to escrow restrictions as required by the TSX Venture Exchange, and released in instalments over the next 6 years.

The Ivanpah Property has a potential inferred mineral deposit of sand and gravel, estimated to be approximately 77.4 million cubic yards. This estimate is based upon the existence of a broad alluvial drainage with surface exposures of more than 15 feet deep, two closely spaced drill holes show 150 to 200 feet of gravel depth, the existence of an operating sand and gravel quarry adjacent to the Ivanpah Property with the same drainages, and surface sampling indicate good quality gravel. Accordingly, the estimate is only conceptual in nature. There has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a mineral

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reserve. Interested persons are referred to the complete text of the technical report for further information.

The Company has applied for a water permit and is waiting on approval from the State of Nevada's Division of Water Resources. The Company must also apply for and obtain a sand and gravel extraction permit from the Bureau of Land Management ("BLM"), who has the authority to sell or dispose of the sand and gravel for a royalty (usually US \$1.00 per cu. yard), in order to commence any commercial sand and gravel mining operations on the Ivanpah Property. In the United States, the holder of mining claims can apply to the BLM for permission to purchase and dispose of the sand and gravel on such claims, provided that the applicant submits a report from a geologist or mining engineer that describes the proposed disposal and its location, and sets out a preliminary draft mining plan, and the claim holder waives any interference with its work on any other potential mineralization on the claims. The Company has requested a sand and gravel purchase from the BLM for two of the claims comprising the Ivanpah Property, and is prepared to waiver this area for sand and gravel mining.

During the fiscal year 2010, the Company wrote down the value of the Ivanpah Claims in the amount of \$539,790, leaving a nominal value of \$1. The Company will keep all claims in good standing however no exploration is currently planned.

***BRX Claims***

During 2005, the Company exercised its option to acquire the 50% joint venture interest in the BRX claims, by issuing 30,000 common shares and incurring total exploration expenditures of \$300,000. Under the joint venture agreement with Levon Resources Ltd. ("Levon"), each of the participants is required to fund their proportionate share of further exploration expenditures, failing of which will dilute their interest. On dilution to 10%, the non-contributor's interest will convert to a 10% net profits royalty interest.

During 2008 and 2007, the Company incurred \$25,016 and \$67,198 respectively, of deferred exploration expenditures on the BRX claims, which were not proportionately funded by Levon. However, the Company waived the requirement of proportionate funding by Levon on these specific expenditures; notwithstanding this waiver, the terms of the Joint Venture Agreement were ratified by the Company and Levon to remain in effect. During the fiscal 2011 year, the Company wrote down the value of the BRX claims in the amount of \$565,735, leaving a nominal value of \$1. The Company will keep all claims in good standing, however; no exploration is currently planned.

***AC Claims***

The AC claims cover about two square miles at the Northwest extension of the Cortez trend along the west range front of the Shoshone mountain range in Lander County, Nevada. The property is on the highway 40 kilometres south of Battle Mountain.

In June 2007, the Company entered into an option agreement to acquire 119 mining claims located in Lander County, Nevada, known as the AC Gold Property, covering up to about 2 square miles, more or less, in consideration of paying US\$1,500,000 in instalments to the option or and incurring US\$1,500,000 in exploration work on the property over the next 15 years. In addition, the Company granted to the optionor a 3% net smelter returns royalty, of which the Company has the option to buy-down one-third (i.e. 1%) at any time for the payment of US\$1,000,000, and issued finder's fees of 10,000 common shares to an arm's length finder on August 20, 2007.

As of the date of this MD&A, the Company has completed the gravity survey on its AC gold project by Magee Geophysical Services. On-site geologic mapping and sampling of exposed bedrocks, Geo

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chemical test and Bio chemical test were also completed. Based on these studies, the Geologists are recommending that we initiate drilling. The Company is currently considering initiating a drilling program.

On June 24, 2009, the Company entered into a First Amending Agreement to amend the Option Agreement dated June 21, 2007 (the "Option Agreement"). The amendments include the abandonment of 8 claims, reducing the original 119 claims to 111 claims located in Lander County, Nevada, known as the AC Gold Property, the deletion of the Net Smelter Return Royalty in its entirety from the Option Agreement, the reduction of the Advance Minimum Royalty Payment from US\$1,500,000 to US\$1,300,000, the reduction of the expenditure commitments from US\$1,500,000 to US\$10,000 (spent), all in consideration for issuing 150,000 common shares of the Company in three annual installments. The first installment of 50,000 common shares was issued in fiscal 2010. The second installment of 50,000 common shares was issued in fiscal 2011 and the third instalment of 50,000 common shares was issued in the current fiscal year. Any work on the property is at the discretion of the Company.

The Company announced on June 9, 2011 that it had completed a CSAMT survey on the AC claims and that data reviewed from the survey would be utilized to plan a diamond drilling program. On July 21, 2011, the Company announced that it had contracted a soil sample survey on structures defined by the CSAMT survey.

On September 26, 2011, the Company reported that, following the CSMT and soil sample surveys, it had located mercury soil-gas and geophysical anomalies on the claims, indicating possible ore bodies present. A second mercury soil-gas survey was completed during the quarter ending January 31, 2012, in which an additional 256 soil samples were analyzed. Data from the new sampling indicates that mercury gas is localized along north-south oriented structures with elevated concentrations occurring at the intersection with northwest-trending structures. Ten mercury soil-gas targets are defined and two to three vertical drill holes are recommended to test for gold mineralization.

In fiscal 2012, the Company issued 50,000 common shares to the Optionor pursuant to the amending option agreement. This is the final instalment of issuance to the Optionor of a total of 150,000 common shares as a consideration for the amendment of the option agreement.

### ***Valentine Mountain***

Located on southern Vancouver Island, British Columbia, the Valentine Mountain project hosts the Valentine Mountain (including the Discovery Zone C Vein) gold quartz vein developed prospect (British Columbia MINFILE 092B108). The Valentine Mountain project also hosts the BPEX (Braitach Zone) gold quartz vein showing (British Columbia MINFILE 092B 075), located 4 kilometers west of the Discovery Zone, and several other exploration targets along an east-west "gold corridor". *For further information please refer to the Company's "Summary Report on the Valentine Mountain Project" by Jacques Houle, P.Eng. on SEDAR at [www.sedar.com](http://www.sedar.com).*

On February 11, 2010, the Company announced highlights of geochemical analysis performed on samples from its December 2009 drill program. Values greater 0.5g/t Au were reported from drill holes 2, 3 and 5 from the "Log Dam" zone and the "Discovery North" zone. The Log Dam zone is a 300 x 25 m area with anomalous Au and As in soil, and is located 22 m north and 18 m east of drill hole 2 and 89 m north and 169 m east of drill hold 3. The Discovery North zone is a gold-bearing mineral zone hosting quartz-carbonate fissure veining similar to the Discovery Zone 'D' vein structure, located approximately 100 m south of the Discovery North Zone.

On June 17, 2010, the Company announced that it had executed a Letter of Intent (the "LOI") with NT Mining Corporation ("NTMG") to enter into an option agreement on the property. In order to complete earn-in on the option, NTMG would be required to pay to the Company a total of US\$725,000, issue an aggregate 6,500,000 of its common stock and incur an aggregate \$1,500,000 in exploration expenditures

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over a three-year period. NTMG did not meet the terms of the Option and the Company terminated the option agreement.

On October 25, 2010, the Company announced it had commenced an exploratory drill program on the property. The planned program consisted on nine holes totalling approximately 1,700m focused within a 150m by 150m area, and testing up to a depth of up to 250m from surface. Results from the 2010 drill program would be added to the Company's G.I.S. database on the property which consists of historical and other work conducted on the property. On November 24, 2010, the Company announced it had completed all planned drill holes totalling 1,624m and a tenth and final drill hole was underway.

On December 8, 2010, the Company announced that all drilling had been completed on the property, consisting of ten holes totalling 1,775 m reaching target depths in the Discovery Zone. In addition, trenches in the zone were partially re-excavated prior to the onset of winter conditions on the property, with plans to resume re-mapping and re-sampling of the trenches pending completion and re-excavation of the trenches planned for spring 2011. Initial geochemistry results from drill core samples are pending.

On January 12, 2011, the Company provided an exploration program update in which it provided initial geochemistry results on 6 of the ten holes drilled. The Company reported results ranging from 1.39 g/t AU over 0.46m to 3.72 g/t AU over 2.13 m.

On January 18, 2011, the Company reported further results from the exploration program. The Company reported that eight core samples in seven of the ten holes drilled yielded significant intercepts with Au values exceeding 1 g/t. Following re-assay of re-sampled core intervals as well as original assay results, the Company reported results ranging from 1.39 g/t AU over 0.46m to 1.89 g/t Au over 2.13m.

On February 16, 2011, the Company announced that it had completed a geochemical sampling program from soil and rock chip samples taken on the Property. Results of geochemical analysis will be used to geochemically map historical zones with respect to drill targets and a drill program planned in order to follow up on gold-bearing sample results.

On February 24, 2011, the Company provided results from the geochemical survey on the Property. The Company reported that results indicated the presence of anomalous gold bearing mineral zones in the historical BN zone. Several targets are planned for drilling on the Discovery and BN Zones.

On March 23, 2011, the Company announced plans to undertake a 4,500 ft (1,372 m) diamond drill program on the gold-bearing mineralized structures on the BN and Discovery Zones as a follow-up to its 2010 exploration program on the Property.

On April 19, 2011, the Company announced that it had updated the mineral resource estimate on the Property to 55,105 tonnes at 9.3 to 16.3 g/t gold indicated in two veins and filed a new report in accordance with NI 43-101.

On May 3, 2011, the Company announced that it had completed 1,464 meters of diamond drilling on the Property and had carried out a rock chip sampling survey. On July 19, 2011, the Company announced that results from the drilling averaged 1.22 g/t gold over 1.31 meters.

On August 18, 2011, the Company announced that it was planning a program of trenching, excavating and milling 3,000 tonnes of quartz-sulphide vein material on the Property in order to determine and optimize parameters for possible future underground mining and mineral processing operations to recover gold from ore veins.

On October 12, 2011, the Company announced that it would commence deep drilling on the Valentine Mountain Discovery Zone. The objective of the deep drilling is to expand the present inferred resource

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totals for the Discovery Zone. On November 9, 2011, the Company announced that it had completed three deep diamond drill holes totalling 1,250 meters on the Discovery Zone. On December 19, 2011, the Company announced that it had received results of geochemical analysis on the 291 samples, indicating gold values ranging from 0.001 – 0.047 grams per tonne.

***Saskatchewan Coal Lease Applications***

Due to recent coal discoveries in Saskatchewan and the possibility that the coal may cover a large region, the Company was encouraged to secure coal lease applications encompassing approximately 36,864 hectares/91,090 acres west of Hudson Bay, Saskatchewan. The granting of the coal permits was at the discretion of the Saskatchewan Government based on the priority of applications, and there was no assurance that the coal permits applied for would be granted.

However, on July 4, 2008, the Company received a priority comfort letter from the Ministry of Energy and Resources of Saskatchewan with regards to two of the four township applications made by third parties on behalf of the Company encompassing a total of 18,432 hectares/45,545 acres. The standard issue comfort letters stated that the extent to which the land described in the applications can be issued has not been investigated the letter should not be construed as an indication that any land will be issued, as full review was still to be completed.

Further, on July 7, 2008 the Company announced the filing of coal applications encompassing an additional 9,216 hectares/33,772 acres. In the event the applications would be successful, the Company planned to diligently explore the acreage.

In July 2009 the Company received approval for Coal Disposition Applications (Dated July 7, 2008) for ground that adjoins two historic coal intercepts first reported January, 1961. The Report identified as, "Silica Sand and Coal Occurrence's on Wapawekka Lake" was written by W. D Pearson for the Department of Mineral Resource Mine Branch Geology Division, Province of Saskatchewan. This report identified the locations of two coal intercepts of 30 feet and 14 feet with no coal rank given. Mill Bay had received approval for the coal exploration applications for 41,024 hectares (101,372.51 acres) of Coal Dispositions adjoining these two intercepts.

During the year ended April 30, 2012, the Company terminated the leases and wrote off the value of \$78,340 of the property to \$nil.

**Selected Annual Information**

The following table provides a summary of the Company's financial operations for the last three fiscal years ended April 30. For more detailed information, refer to the Company's audited annual financial statements.

	April 30, 2012	April 30, 2011	April 30, 2010
	\$	\$	\$
Revenues	-	107,792	-
G&A Expenses (including option benefits)	555,810	897,718	884,913
Net Loss (Income)	556,558	772,896	798,874
(Loss) per share – basic and diluted	(0.03)	(0.08)	(0.12)
Working Capital (Deficiency)	460,752	318,271	56,762
Total assets	2,105,186	1,772,503	1,459,567
Deferred Resource Property Expenditures	1,531,707	1,244,663	1,263,461
Liabilities (Long Term)	-	-	-
Cash Dividends	-	-	-

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The information shown above for the years ended April 30, 2012 and 2011 have been prepared in accordance with IFRS. The information for the year ended April 30, 2010 has been prepared in accordance with Canadian GAAP, with the exception of total assets and deferred resource property expenditures, which is in accordance with IFRS.

**Results of Operations**

The net loss for the year ended April 30, 2012 was \$556,558 compared to a loss of \$772,896 for the same period in the previous year, a decrease of \$216,338. Significant differences between the years include the following:

- Decrease in amounts recorded for write down/off of mineral property by \$496,895 to \$73,840 (2011 - \$570,735) due to fewer impairments on the Company's exploration and evaluation assets;
- Decreased general exploration expenditures by \$14,875 to \$13,310 (2011 - \$28,185) due to decreased property investigation costs;
- Decreased transfer agency fees by \$9,719 to \$10,033 (2011 - \$19,752) due to lower share transfer activity ;
- Decreased travel and accommodation expenses by \$8,317 to \$11,713 (2011 - \$20,030) due to decreased corporate travel;
- Stock-based compensation of \$139,000 (2011 - \$nil) due to stock options granted, while no stock options were granted in the prior fiscal year;
- Increased investor relations and shareholder information of \$23,003 to \$55,097 (2011 - \$32,094) due to increased promotion and shareholder communications expenses;
- Increased consulting fees of \$14,500 to \$27,500 (2011 - \$13,000) due to increased business activities;
- Decreased option revenues of \$107,792 to \$nil (2011 - 107,792).

Other costs were in line with the previous year. See Table 1 for details

***Fourth Quarter***

The net loss for the three months ended April 30, 2012 was \$239,631 compared to a net loss of \$666,422 for the same period in the previous year.

Significant decreases include the following:

- Decrease in amounts recorded for write down/off of mineral property by \$496,895 to \$73,840 (2011 - \$570,735) due to fewer impairments on the Company's exploration and evaluation assets;
- Decreased general exploration expenditures by \$11,532 to \$(8,941) (2011 - \$24,843) due to decreased property investigation costs.

Other costs were in line with previous years. See Table 1 for details.



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**Table 1. General and Administrative Expenditures**

Quarter ended	2012		2011				2010	
	Apr. 30 Q4 \$	Jan. 31 Q3 \$	Oct.31 Q2 \$	July 31 Q1 \$	Apr. 30 Q4 \$	Jan. 31 Q3 \$	Oct. 31 Q2 \$	July 31 Q1 \$
Depreciation	147	146	146	147	112	112	54	53
Accounting and audit fees	22,200	2,200	1,400	-	17,000	-	1,500	-
Consulting fees	15,000	11,000	-	1,500	500	-	5,000	7,500
General exploration expenditures	(8,941)	7,209	257	14,785	24,843	53	399	2,890
Investor relations and shareholder information	11,324	10,878	17,250	15,645	14,975	5,878	5,476	5,765
Legal fees	1,090	3,922	5,570	2,395	348	4,888	3,433	2,743
Listing and filing fees	2,800	867	1,409	1,300	1,733	550	2,297	6,182
Management fees	22,500	22,500	22,500	22,860	22,500	22,500	22,500	22,500
Mineral properties written down/off	73,840	-	-	-	570,735	-	-	-
Office	18,915	22,000	21,863	26,440	2,493	28,833	38,739	17,838
Stock based compensation	85,754	-	53,246	-	-	-	-	-
Transfer agency fees	1,323	5,575	1,961	1,174	1,706	5,297	7,260	5,489
Travel and accommodation	3,679	1,983	2,376	3,675	9,477	2,581	2,553	5,419
Total	239,631	88,280	127,978	89,921	661,422	70,692	89,211	76,379

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Quarter ended	2012		2011				2010	
	Apr. 30 Q4 \$	Jan. 31 Q3 \$	Oct. 31 Q2 \$	July 31 Q1 \$	Apr. 30 Q4 \$	Jan. 31 Q3 \$	Oct. 31 Q2 \$	July 31 Q1 \$
Revenues	-	-	-	-	107,792	-	-	-
G&A Expenses	249,631	88,280	127,978	89,921	661,436	70,692	89,211	76,379
Option Benefits	85,754	-	53,246	-	-	-	-	-
Net Loss (Income)	250,379	86,107	130,221	89,851	552,724	70,034	96,266	53,872
-per share	-	-	-	-	-	-	-	-
-per share - diluted	-	-	-	-	-	-	-	-
Total assets	2,105,186	2,162,450	2,241,932	1,703,172	1,772,503	2,283,000	1,729,050	1,370,192
Liabilities (Long Term)	-	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-
Working Capital (Deficiency)	460,752	412,931	601,308	89,049	318,271	563,275	310,797	(2,667)
Share Capital:								
- Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
- Outstanding	22,446,539	20,246,539	20,246,539	12,196,539	12,196,539	12,186,539	7,968,658	6,605,025
- Warrants	16,889,366	14,651,866	14,651,866	6,009,366	6,009,366	6,009,366	1,797,054	1,297,056
- Options	1,797,500	1,797,500	1,797,500	57,500	57,500	260,000	260,000	270,000

The information above for all quarters ending after the transition date of May 1, 2010 have been prepared in accordance with IFRS.

**Liquidity and capital resources**

As at April 30, 2012, the Company had cash of \$424,828 and working capital of \$460,752. In prior years, the Company's main source of revenue, excluding interest income, has been lease revenue it received on an annual basis based on agreements with CMQ on the E&E claims. The Company received three scheduled payments of US\$35,000, US\$40,000, and US\$50,000 and 300,000 common shares of CMQ with an estimated market value of \$3,000 in the year ended April 30, 2012. During the fiscal year of 2012, the Company also received one payment of \$50,000 and 500,000 common shares of Dynasty Gold with an estimated market value of \$12,500 as at April 30, 2012 pursuant to an option agreement on the Golden Repeat Claims.

On April 25, 2012, the Company completed a non-brokered private placement consisting of 2,200,000 units, issued at a price of \$0.06 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.10 for two years following the close of the private placement.

On September 22, 2011, the Company completed a non-brokered private placement consisting of 8,000,000 units, issued at a price of \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.15 for six months following the close of the private placement, at \$0.25 in months seven through twelve following the close of the private placement, and at \$0.50 in months thirteen through twenty-four following the close of the private placement.

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The Company is in the exploration stage. The investment in and expenditures on the mineral property comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Mineral exploration and development is capital extensive, and in order to maintain its interest the Company will likely be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

**OTHER MD&A REQUIREMENTS**

**Additional Disclosure for Venture Issuers without Significant Revenue:**

As the Company has not had revenue from operations in either of its last two financial years, other than option revenue of \$107,792 in the fiscal year 2011. The following is a breakdown of the material costs incurred:

	<b>Year ended April 30, 2012</b>	<b>Year ended April 30, 2011</b>
Capitalized or Expensed Exploration Costs	\$374,194	\$590,820
General and Administration Expenses	\$555,810	\$897,718

**Disclosure of Outstanding Share Capital:**

The following is a breakdown of the share capital of the Company, on an annual basis as well as at the date of this report:

	August 24, 2012	April 30, 2012	April 30, 2011
Shares	22,446,539	22,446,539	12,196,539
Warrants	16,889,366	16,889,366	6,009,366
Options	1,797,500	1,797,500	67,500
Fully Diluted	<b>41,133,405</b>	<b>41,133,405</b>	<b>18,273,405</b>

For additional details of outstanding share capital, refer to the financial statements for the year ended April 30, 2012.

**Changes in Accounting Policies**

**Adoption of International Financial Reporting Standards ("IFRS")**

The Company prepared its December 31, 2011 Financial Statements using accounting policies consistent with IFRS in accordance with International Accounting Standard 34 ("IAS 34"). Previously, the company prepared its Interim and Annual Financial Statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

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See Note 3 of the audited consolidated financial statements for the year ended April 30, 2012 for a detailed listing of the Company's new accounting policies in accordance with IFRS. In addition, see Note 13 of the consolidated financial statements for reconciliations between the Company's previous GAAP results and IFRS results.

**Critical Accounting Estimates and Off-Balance Sheet Arrangements**

None.

**Disclosure Controls and Procedures**

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures and have concluded, based on our evaluation, that they are effective as at April 30, 2012 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified in those rules and regulations.

**Internal Controls over Financial Reporting**

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company assessed the design of the internal controls over financial reporting as at April 30, 2012 and concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

- a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and
- b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken steps to mitigate these risks by consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary. However, these weaknesses in internal controls over financial reporting could result in a more than remote likelihood that a material misstatement would not be prevented or detected. The Company believes that it must continue to take steps to further mitigate these risks by consulting outside advisors on a regular and timely basis.

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There have been no changes in the Company's internal controls over financial reporting that occurred during the year ended April 30, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

**Additional Information**

Additional information about the Company can be found on [www.sedar.com](http://www.sedar.com) and [www.millbayventures.com](http://www.millbayventures.com).

**Cautionary Statement**

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of August 28, 2012. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor 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.