MILL BAY VENTURES INC.

Management's Discussion & Analysis
For the Nine Months Ended January 31, 2013
Containing information as of March 27, 2013

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 unaudited interim consolidated financial statements for the nine months ended January 31, 2013 and the audited financial statements for the year ended April 30, 2012 and the notes thereto, which financial statements are incorporated herein by reference.

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 2012 comparatives in this MD&A have been presented in accordance with IFRS.

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 the date hereof. 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 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 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 and has not yet determined whether these properties contain mineral reserves that are economically recoverable. 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 $136,371 at January 31, 2013 and has accumulated losses of $10,593,703 since incorporation. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in future.

Description of Properties

<u>Valentine Mountain</u>

During 2008, the Company acquired 25 mineral claims on Valentine Mountain, located on southern Vancouver Island, British Columbia, approximately 45 kilometres west of Victoria, BC, by paying acquisition costs of $18,000 cash, issuing 300,000 common shares of the Company and through staking. One of the claims is subject to a 5% NSR, which may be repurchased by paying $1,000,000. During 2009, the Company purchased five additional claims on Valentine Mountain for total consideration of $15,000 and 50,000 common shares of the Company.

The Valentine Mountain project hosts the Valentine Mountain (including the Discovery Zone C Vein) gold quartz vein prospect (British Columbia MINFILE 092B108), the BPEX (Braiteach 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".

AC Claims

During 2008, the Company entered into an option agreement to acquire 119 mining claims located in Lander County, Nevada, known as the AC Gold Property. The AC claims cover approximately 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. Under the terms of the option, the Company agreed to pay cash consideration of US$1,500,000 in instalments to the optionor and incur US$1,500,000 in exploration work on the property over the succeeding 15 years. In addition, the Company granted to the optionor a 3% net smelter returns royalty, of which the Company has the option to repurchase one-third of the royalty (1%) at any time for US$1,000,000, and issued finder's fees of 10,000 common shares to an arm's length finder on August 20, 2007.

During 2010, the Company signed an amending agreement whereby eight claims were abandoned, reducing the original 119 claims to 111 claims, the advance minimum royalty payments were reduced from US$1,500,000 to US$1,300,000, the expenditure commitments were reduced from US$1,500,000 to US$10,000 (spent) and the 3% net smelter returns royalty was removed, all in consideration for issuing 150,000 common shares of the Company in three annual instalments (paid). The 150,000 common shares were issued in three instalments of 50,000 common shares each during the 2010, 2011 and 2012 fiscal years.

The Company has completed a gravity survey on the property and on-site geologic mapping and sampling of exposed bedrocks, geochemical and biochemical tests were also undertaken. The Company also completed a CSAMT survey and two mercury soil-gas surveys, which indicated the presence of mineralization. Several drill targets have been identified as a result of the survey programs.

Golden Repeat Claims

The Company owns a 100% interest in 49 mining claims in Elko County, Nevada, USA.

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 (received), issue 500,000 shares of its common stock (received) on signing of the Option Agreement, and incur an aggregate $200,000 in exploration expenditures on the claims during the first year of the Option.
- Pay $75,000, issue 500,000 shares of its common stock and incur an aggregate $300,000 in exploration expenditures on the claims during the second year of the Option.
- Pay $100,000, issue 500,000 shares of its common stock, and incur an aggregate $400,000 in exploration expenditures on the claims during the third year of the Option.
- Pay $250,000, issue 1,000,000 shares of its common stock, and incur an aggregate $600,000 in exploration expenditures on the claims during the fourth year 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% net smelter returns royalty relating to any production from the claims.

During the year ended April 30, 3012, the Company signed an amending agreement providing for a reduction in the option payment in the second year 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. Dynasty is presently in default of its second-year option payment and the parties are negotiating suitable terms to resolve the default.

E&E Group and DH Group
The Company owns a 100% interest in 26 mining claims in Eureka County, Nevada, USA.

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 (issued) of the Company and US$128,000 (paid).

During the 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 planned at this time.

BRX Claims
The Company holds a 50% joint venture interest in 77 reverted Crown-granted claims and four modified grid claims in the Lillooet Mining Division, British Columbia. The remaining 50% joint venture interest is held by Levon Resources Ltd. (“Levon”). Under the joint venture agreement with 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 2010, 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 planned at this time.

JDN claims
The Company has a 50% interest in 27 mining claims in Lander County, Nevada, U.S.A. The remaining 50% interest is owned by a subsidiary of Coral Gold Resources Ltd. The Company will keep all claims in good standing; however, no exploration is planned at this time.

Results of Operations

Three month period ended January 31, 2013
Following are the results of the Company’s operations for the three month period ended January 31, 2013, compared with those for the three month period ended January 31, 2012:

Results of Operations	3 Months Ended January 31, 2013	3 Months Ended January 31, 2012
Net and comprehensive income (loss)	$ (88,646)	$ (104,507)
Income/(loss) per weighted average share	$ -	$ (0.01)

During the three months ended January 31, 2013, the Company incurred a loss of $88,646 compared to a loss of $104,507 for the three months ended January 31, 2012. For the three month period ended January 31, 2013, the Company’s cash position decreased to $82,589 from $173,974 at October 31, 2012. Cash was used to fund general corporate expenses.

Financing
During the three months ended January 31, 2013, the Company did not undertake any financing activities.

Corporate Expenses

The Company's policy is to capitalize exploration and evaluation expenditures until a property becomes a producing mine or circumstances lead the Company to conclude that there has been impairment in value. Accordingly, the results of operations reflect the Company's corporate expenses that are not capitalized to exploration and evaluation projects.

The following summarizes the major components of corporate expenses:

Expenses	3 Months Ended January 31, 2013	3 Months Ended January 31, 2012
Depreciation	$ 103	$ 146
Accounting and audit fees	-	2,200
Consulting fees	15,000	11,000
General exploration expenditures	4,235	7,209
Investor relations and shareholder information	6,065	10,878
Legal fees	998	3,922
Listing and filing fees	1,016	867
Management fees	22,500	22,500
Office and administrative services and supplies	23,701	22,000
Transfer agency fees	5,480	5,575
Travel and accommodation	3,469	1,983

The major variances in general and administrative expenses in the three months ended January 31, 2013 compared to the three months ended January 31, 2012 are as follows:

- The Company incurred $15,000 in consulting fees for the three months ended January 31, 2013 compared to $11,000 for the three months ended January 31, 2012. This is due mainly to the retention new consultants to perform functions previously expensed under administrative services.
- Investor relations and shareholder information decreased to $6,065 for the three months ended January 31, 2013 compared to $10,878 for the three months ended January 31, 2012. During the quarter ended January 31, 2012, the Company incurred increased expenditures for marketing and promotion whereas efforts in this area were reduced in the quarter ended January 31, 2013.
- General exploration expenditures decreased to $4,235 for the three months ended January 31, 2013 compared to $7,209 during the three months ended January 31, 2012, due to a reduction in general and other exploration activity.
- Legal fees decreased to $998 for the three months ended January 31, 2013 compared to $3,922 for the three months ended January 31, 2012.

Nine month period ended January 31, 2013

Following are the results of the Company's operations for the nine month period ended January 31, 2013, compared with those for the nine month period ended January 31, 2012:

Results of Operations	9 Months Ended January 31, 2013	9 Months Ended January 31, 2012
Net and comprehensive income (loss)	$ (241,219)	$ (369,279)
Income/(loss) per weighted average share	$ (0.01)	$ (0.03)

During the nine months ended January 31, 2013, the Company incurred a loss of $241,219 compared to a loss of $369,279 for the nine months ended January 31, 2012. For the nine month period ended January 31, 2013, the Company's cash and cash equivalent position decreased to $82,589 from $424,828 at April 30, 2012. Cash was used to fund general corporate expenses.

Financing

During the nine months ended January 31, 2013, the Company did not undertake any financing activities.

Corporate Expenses

The Company's policy is to capitalize exploration and evaluation expenditures until a property becomes a producing mine or circumstances lead the Company to conclude that there has been impairment in value. Accordingly, the results of operations reflect the Company's corporate expenses that are not capitalized to exploration and evaluation projects.

The following summarizes the major components of corporate expenses:

Expenses	9 Months Ended January 31, 2013	9 Months Ended January 31, 2013
Depreciation	$ 308	$ 439
Accounting and audit fees	1,100	3,600
Consulting fees	48,550	12,500
General exploration expenditures	15,510	22,251
Investor relations and shareholder information	16,076	43,773
Legal fees	2,718	11,887
Listing and filing fees	6,558	3,576
Management fees	67,500	67,860
Office and administrative services and supplies	61,120	70,303
Stock based compensation	-	53,246
Transfer agency fees	8,855	8,710
Travel and accommodation	9,136	8,034

The major variances in general and administrative expenses in the nine months ended January 31, 2013 compared to the nine months ended January 31, 2012 are as follows:

- The Company incurred $48,550 in consulting fees for the nine months ended January 31, 2013 compared to $12,500 for the nine months ended January 31, 2012. This is due mainly to the retention new consultants to perform functions previously expensed under administrative services.
- General exploration expenditures decreased to $15,510 for the nine months ended January 31, 2013 from $22,251 for the nine months ended January 31, 2012, due to reduced activity.
- Investor relations and shareholder information decreased to $16,076 for the nine months ended January 31, 2013 compared to $43,773 for the nine months ended January 31, 2012. During the nine months ended January 31, 2012, the Company incurred expenditures for website upgrades whereas this was not incurred in the period ended January 31, 2013, as well as decreased marketing and promotion efforts.
- Legal fees decreased to $2,718 for the nine months ended January 31, 2013 compared to $11,887 for the nine months ended January 31, 2012 due to decreased corporate activity in the current year.
- Office and administrative services and supplies decreased to $61,120 in the nine months ended January 31, 2013 from $70,303 in the nine months ended January 31, 2012. The reason for the variance is a reduction in usage of administrative services.
- The Company recorded no stock-based compensation expense during the nine months ended January 31, 2013 as compared to stock-based compensation of $53,246 having been recorded in the nine months ended January 31, 2012.

Review of Quarterly Results

	2013			2012				2011
Quarter ended	Jan. 31 Q3 $	Oct. 31 Q2 $	July 31 Q1 $	Apr. 30 Q4 $	Jan. 31 Q3 $	Oct. 31 Q2 $	July 31 Q1 $	Apr. 30 Q4 $
Revenues	-	-	-	-	-	-	-	107,792
G&A Expenses	82,567	71,704	83,359	249,631	88,280	127,978	89,921	661,436
Option Benefits	-	-	-	85,754	-	53,246	-	-
Net Loss	82,746	69,304	95,069	250,379	86,107	130,221	89,851	552,724
-per share	-	-	-	-	-	-	-	-
-per share diluted	-	-	-	-	-	-	-	-
Total assets	1,841,361	1,918,706	2,002,410	2,105,186	2,162,450	2,241,932	1,703,172	1,772,503
Liabilities (Long Term)	-	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-
Working Capital	136,371	229,397	336,200	460,752	412,931	601,308	89,049	318,271
Share Capital:								
- Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
- Outstanding	22,446,539	22,446,539	22,446,539	22,446,539	20,246,539	20,246,539	12,196,539	12,196,539
- Warrants	10,880,000	15,389,368	16,889,366	16,889,366	14,651,866	14,651,866	6,009,366	6,009,366
- Options	1,797,500	1,797,500	1,797,500	1,797,500	1,797,500	1,797,500	57,500	57,500

During those quarters when the company has more cash on hand, an increase in expenditures for exploration on current and potential mineral properties and promotional efforts are typically incurred. This results in higher general and administrative expenses for those periods and ultimately the higher losses for each period. During the fourth quarter of the last two years, the Company has written down the deferred value of three of their properties. Option payments received during the year helped offset the loss in the quarter ended April 30, 2011.

Liquidity and capital resources

As at January 31, 2013, the Company had cash of $82,589 and working capital of $136,371. During the 2012 fiscal year, the Company received one payment of $50,000 and 500,000 common shares of Dynasty Gold with an estimated market value of $12,500 as at July 31, 2012 pursuant to an option agreement on the Golden Repeat Claims.

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 intensive, 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.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

Management transactions
The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the nine months ended January 31, 2013 and 2012 are as follows:

		2013		2012
Salaries and benefits	$	127,950	$	127,400
Stock-based compensation		-		19,890
Total	$	127,950	$	147,290

Other related party transactions
During the nine month period ended January 31, 2013, $24,298 (2012 - $38,982) was charged for office, occupancy and miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva International Services Corp. ("Oniva"). The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage based fee on the total overhead and corporate expenses. The arrangement may be terminated upon one month's notice by either party.

Due to related parties
As at January 31, 2013, the Company owed $3,655 (2012 - $2,633) to Oniva and $3,180 (2012 - $6,419) was owed to directors and officers of the Company in the ordinary course of business. The amounts due to related parties are non-interest bearing, unsecured and due on demand.

Critical Accounting Estimates
The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses for the periods reported. Management reviews these estimates periodically and, as adjustments become necessary, they are reported in operations in the period they become known.

Financial Instruments
The Company's financial instruments include cash, interest receivable, reclamation bond, accounts payable and accrued liabilities and amounts due to related parties. The carrying values of these financial instruments approximate their fair values due to their short-term nature. The Company is not exposed to significant interest, credit or currency risk arising from these financial instruments.

Risks
Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

Additional Disclosure for Venture Issuers without Significant Revenue
The following is a breakdown of the material costs incurred during the nine month period ended January 31, 2013 and 2012:

	Nine months ended January 31, 2013	Nine months ended January 31, 2012
Capitalized or expensed exploration costs	$101,697	$378,525
General and administration expenses	$237,431	$306,179

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 hereof

	Present	April 30, 2012	April 30, 2011
Shares	22,446,539	22,446,539	12,196,539
Warrants	10,880,000	16,889,366	6,009,366
Options	1,797,500	1,797,500	67,500
Fully diluted	35,124,039	41,133,405	18,273,405

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

Additional Information

Additional information relating to the Company is available from the Company's website at www.millbayventures.com and on SEDAR at www.sedar.com .

ON BEHALF OF THE BOARD

/s/ Kevin C. Whelan

Kevin C. Whelan, President