MILL BAY VENTURES INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended January 31, 2011

(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MILL BAY VENTURES INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at	January 31, 2011	April 30, 2010
ASSETS		
CURRENT		
Cash and cash equivalents	$ 547,437	$ 85,348
Interest receivable	460	-
Harmonized sales tax recoverable	36,416	4,078
Mining tax credit receivable	4,043	4,043
Prepaid expenses	10,543	8,274
Due from related parties (Note 11(c))	9,181	-
	608,080	101,743
RECLAMATION BONDS (Note 5)	11,000	11,000
INVESTMENT IN SHARES (Note 6)	45,302	82,652
MINERAL PROPERTIES INTERESTS (Note 7)	1,616,552	1,272,561
PROPERTY, PLANT AND EQUIPMENT (Note 8)	2,066	711
	$ 2,283,000	**$ 1,468,667**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 34,908	$ 37,577
Due to related parties (Note 11(b))	9,897	7,404
	44,805	44,981
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 9)	11,351,436	10,384,688
CONTRIBUTED SURPLUS	488,320	399,537
ACCUMULATED OTHER COMPREHENSIVE INCOME	(62,000)	(41,150)
DEFICIT	(9,539,561)	(9,319,389)
	2,238,195	1,423,686
	$ 2,283,000	**$ 1,468,667**

Note 1 – Nature of Operations and Going Concern
Note 10 – Commitments

Approved by the Board:

" William Glasier " **Director** *"William Kocken "* **Director**

MILL BAY VENTURES INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS & COMPREPHENSIVE LOSS
(Unaudited)

	Three months ended January 31 2011	2010	Nine months ended January 31, 2011	2010
GENERAL AND ADMINISTRATIVE EXPENSES				
Amortization	$ 112	$ 76	$ 219	$ 228
Accounting and audit fees	-	-	1,500	1,400
Consulting fees	-	7,500	12,500	22,500
General exploration expenditures	53	359	3,342	1,553
Investor relations and shareholder information	5,878	9,188	17,119	14,647
Legal fees	4,888	2,074	11,064	9,769
Listing and filing fees	550	(212)	9,029	7,394
Management fees	22,500	22,500	67,500	67,500
Office and administrative services and supplies	28,833	19,684	85,410	82,737
Transfer agency fees	5,297	2,275	18,046	8,988
Travel and accommodation	2,581	1,867	10,553	4,298
	70,692	65,311	236,282	221,014
OPERATING LOSS	(70,692)	(65,311)	(236,282)	(221,014)
OTHER INCOME				
Gain on sale of investment	-	44,852	15,445	44,852
Interest income	658	781	665	973
LOSS FOR THE PERIOD	(70,034)	(19,678)	(220,172)	(175,189)
OTHER COMPREHENSIVE INCOME				
Unrealized gain (loss) on investment securities (Note 6)	8,400	21,450	9,900	27,200
TOTAL COMPREHENSIVE LOSS	$ (61,634)	$ 1,772	$ (210,272)	$ (147,989)
LOSS PER SHARE (Basic and Diluted)	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (Basic and Diluted)	11,783,245	6,566,279	8,464,496	5,996,247

MILL BAY VENTURES INC.
INTERIM CONSOLIDATED STATEMENT OF EQUITY
For the nine months ended January 31, 2011
(Unaudited)

	Number of Common Shares	Capital Stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, April 30, 2009	5,257,968	$ 10,074,146	$ 384,684	$ (8,555,407)	$ (92,300)	$ 1,811,123
Private placement (Note 9)	1,297,056	330,647	14,853	-	-	345,500
Share issuance costs	-	(5,213)	-	-	-	(5,213)
Common shares issued for AC Claims (Note 9)	50,000	20,000	-	-	-	20,000
Future income tax effect of flow-through share renunciation	-	(34,892)	-	-	-	(34,892)
Net loss for the period	-	-	-	(763,982)	-	(763,982)
Comprehensive gain (loss) on fair value of investments (Note 6)	-	-	-	-	51,150	51,150
Balance, April 30, 2010	**6,605,023**	**$ 10,384,688**	**$ 399,537**	**$ (9,319,389)**	**$ (41,150)**	**$ 1,423,686**
Private placement (Note 9)	5,541,516	1,176,174	-	-	-	1,176,174
Share issuance costs	-	(209,426)	88,783	-	-	(120,643)
Net loss for the period	-	-	-	(220,172)	-	(220,172)
Comprehensive gain (loss) on fair value of investments (Note 6)	-	-	-	-	(20,850)	(20,850)
Balance, January 31, 2011	**12,146,539**	**$ 11,351,436**	**$ 488,320**	**$ (9,539,561)**	**$ (62,000)**	**$ 2,238,195**

MILL BAY VENTURES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended January 31 2011	Three months ended January 31 2010	Nine months ended January 31, 2011	Nine months ended January 31, 2010
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Loss for the period	$ (70,034)	$ (19,678)	$ (220,172)	$ (175,189)
Items not involving cash in the period:				
Amortization	112	76	219	228
Gain on sale of investment	-	(44,852)	(15,445)	(44,852)
	(69,922)	(64,454)	(235,398)	(219,813)
Changes in non-cash working capital items (Note 12)	(25,918)	(624)	(44,424)	(27,744)
	(95,840)	(65,078)	(279,822)	(247,557)
INVESTING ACTIVITIES				
Mineral property acquisition costs, net	-	-	-	(69,840)
Mineral property exploration costs, net	(284,362)	(85,159)	(343,991)	(125,558)
Prepaid mineral property costs	-	-	-	72,200
Acquisition of property, plant and equipment	(1,574)	-	(1,574)	-
Proceeds on sale of investment	-	50,852	31,945	50,852
Decrease in reclamation bonds	-	4,054	-	4,054
	(285,936)	(27,254)	(313,620)	(68,292)
FINANCING ACTIVITIES				
Shares issued for cash, net of issue costs	796,336	142,523	1,055,531	340,287
Share subscription receivables	(188,000)	(9,000)	-	(9,000)
	608,336	133,523	1,055,531	331,287
INCREASE IN CASH AND CASH EQUIVALENTS IN PERIOD	226,560	41,191	462,089	15,438
CASH AND CASH EQUIVALENTS, beginning of period	320,877	103,559	85,348	129,313
CASH AND CASH EQUIVALENTS, end of period	$ 547,437	$ 144,751	$ 547,437	$ 144,751

SUPPLEMENTARY DISCLOSURE OF STATEMENTS OF CASH FLOWS INFORMATION

Foreign exchange loss (gain)	$ 332	$ 2,596	$ 766	$ 2,356
Income taxes	-	-	-	-
Interest expense	-	-	-	-

SUPPLEMENTARY DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

Mineral properties interests acquired by the issuance of common shares	$ -	$ -	$ -	$ 20,000

NOTE 1- NATURE OF OPERATIONS AND GOING CONCERN

Mill Bay Ventures Inc. ("Mill Bay") was incorporated under the laws of the Province of British Columbia. The Company owns interests in mineral properties in the Provinces of British Columbia and the States of Nevada and Utah, U.S.A. The Company's principal business is the exploration and development of its mineral property interests.

Mill Bay is in the exploration stage of its mineral properties interests in Canada and United States of America. The Company has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The carrying value of the mineral properties interests represents the total of net costs capitalized, and is not intended to reflect either their present or future value.

The recoverability of amounts shown for mineral properties interests and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the mineral claims, the ability of the Company to obtain necessary financing to complete development, and future profitable production or proceeds from the disposition of its mineral properties interests. For those properties in which it has a joint venture interest, it is required to contribute its proportionate share of costs or accept dilution of its interest.

These unaudited interim consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. There are conditions that cast doubt on the validity of this assumption. As at January 31, 2011, the Company had working capital of $563,275 (April 30, 2010 - $56,762) and an accumulated deficit of $9,539,561 (April 30, 2010 - $9,319,389). The Company will likely be required to raise new financing through the sale of shares to maintain operations. These factors together raise substantial doubt about its ability to continue as a going concern. These interim consolidated financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These unaudited interim consolidated financial statements have been prepared according to Canadian GAAP and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended April 30, 2010 with the exception of the new accounting standards in Note 2(b). These unaudited interim consolidated financial statements should be read in conjunction with the annual financial statements and accompanying notes thereto for the fiscal year ended April 30, 2010. These unaudited interim consolidated financial statements include the accounts of Mill Bay and its wholly owned subsidiary Golden Reef Mining Co. Inc. ("Golden Reef"), a company incorporated in Nevada, USA. All inter-company balances and transactions have been eliminated upon consolidation.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Recent Accounting Pronouncements

In February 2008, the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by *International Financial Reporting Standards* ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The standard also requires that comparative figures for 2010 be based on IFRS. The Company is currently in the process of developing and implementing its transition plan and continues to monitor updates issued by the IASB to identify their impact on the financial statements. The Company will continue to invest in training and the necessary resources to complete the transition. The transition will require the restatement for comparative purposes of amounts reported by the Company for reporting periods beginning after May 1, 2011.

CICA Section 1582 Business Combinations, which replaces Section 1581, Business Combinations; CICA Section 1601 Consolidated Financial Statement and Section 1602 Non-Controlling Interests, which replace Section 1600, Consolidated Financial Statements. These new standards are based on the International Financial Reporting Standard 3, Business Combinations. These new standards replace the existing guidance on business combination and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the International and United States accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. This standard is effective for the Company for interim and annual financial statements beginning on May 1, 2011. The Company has not yet determined the impact of the adoption of this change on its consolidated financial statements.

NOTE 3 – FINANCIAL INSTRUMENTS

(a) Fair value

The Company's financial instruments consist of cash and cash equivalents, interest and other receivables, accounts payable and accrued liabilities, and amounts due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair value because of their short term to maturity.

(b) Credit risk

The Company's cash and cash equivalents are primarily held in accounts with Canadian financial institutions and are exposed to credit risk as their balance exceed the amounts covered under federal deposit insurance of $100,000. As at January 31, 2011, $447,437 of the Company's cash is over the federally insured limit (April 30, 2010 - $nil).

NOTE 3 – FINANCIAL INSTRUMENTS (Continued)

(c) Foreign exchange risk

The exploration costs of the Company's subsidiary are denominated in United States dollars ("USD") and are converted into Canadian dollars as the reporting currency in these financial statements. Fluctuations in the exchange rates between the USD and the Canadian dollar could have an effect on the Company's business, however at this time the risk is considered low.

(d) Interest rate risk

The Company's cash and cash equivalents are currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

(e) Liquidity risk

The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account its exploration obligations and cash and cash equivalents on hand.

NOTE 4 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

NOTE 5 - RECLAMATION BONDS

The Company has hypothecated term deposits in the amount of $11,000 (2010 - $11,000) as security to the Province of British Columbia for future mineral claims site reclamation. During the year ended April 30, 2010, a new bond of $6,000 was created as security for future site reclamation of Valentine property.

The Company has provided an amount of US$nil (2010 - US$nil) as security to the State of Utah for future mineral claims site reclamation. During the year, this reclamation bond were fully released after the Bureau of Land Management in U.S. performed an inspection and determined that the mine sites were reclaimed.

The Company has determined that it does not have any significant site restoration liabilities at January 31, 2011.

NOTE 6 - INVESTMENT IN SHARES

Investment in shares consists of the following:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	January 31, 2011 Fair Value
		$	$	$
Levon Resources Ltd.	30,000	1,800	39,300	41,100
CMQ Resources Inc.	30,000	105,500	(101,300)	4,200
Brettco Oil & Gas Inc. (Class "A" shares)	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
	110,001	107,302	(62,000)	45,302

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	April 30, 2010 Fair Value
		$	$	$
Levon Resources Ltd.	80,000	4,800	62,400	67,200
Coral Gold Resources Ltd.	15,000	13,500	(5,250)	8,250
CMQ Resources Inc.	30,000	105,500	(98,300)	7,200
Brettco Oil & Gas Inc. (Class "A" shares)	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
	175,001	123,802	(41,150)	82,652

Levon Resources Ltd. ("Levon") and Coral Gold Resources Ltd. ("Coral") are related public companies with common directors. Oniva International Services Corporation ("Oniva") is a private company with common management, which provides office and administration services to the Company.

The Company had the following investment transactions during the nine months ended January 31, 2011 and 2010:

- During the nine months ended January 31, 2011, the Company sold 50,000 Levon shares and realized a gain of $22,500 and sold 15,000 Coral shares and realized a loss of $7,055.
- During the nine months ended January 31, 2010, the Company sold 100,000 Levon shares and realized a gain of $44,852.
- During the three months ended January 31, 2011 and 2010, the Company did not receive any dividend income on its investment in shares.

During the nine months ended January 31, 2011, the Company recognized a gain of $22,500 in operations resulting from disposition of 50,000 Levon shares and a loss of $7,055 in operations resulting from disposition of 15,000 Coral shares. The Company further recognized $9,900 unrealized gain in other comprehensive income on investment securities designated as available-for-sale. The Company recognized an unrealized gain of $27,200 during the nine months ended January 31, 2010. Fair value was determined using quoted market prices as at January 31, 2011 and 2010.

The Company owns a 16.67% equity interest in Oniva, a private company with common management, which provides office and administration services to the Company. The remaining 83.33% is shared equally between five other companies that are related by common directors and management (see Note 10 for disclosure on the Company's commitment to Oniva). As Oniva is a private company, fair value is not readily determinable as at January 31, 2011 and April 30, 2010; the investment in Oniva is shown at its carrying value as at these period-ends.

NOTE 7 - MINERAL PROPERTIES INTERESTS

	Saskatchewan Coal Lease	Valentine Claims	BRX Claims	Ivanpah Claims	AC Claims	Golden Repeat Claims	JDN Claims	E & E Claims	Total
	$	$	$	$	$	$	$	$	$
Balance, April 30, 2009	-	364,557	566,486	537,205	106,217	1	1	1	1,574,468
Acquisitions in period:	69,840	-	-	-	20,000	-	-	-	89,840
Expenditures in period:									
Assay	-	4,915	-	-	-	-	-	-	4,915
Consulting	2,000	30,494	-	-	-	-	-	-	32,494
Geological	-	3,642	-	-	789	-	-	-	4,431
Drilling	-	48,562	-	-	-	-	-	-	48,562
Licenses and taxes	2,000	227	-	2,586	17,918	-	-	-	22,731
Mapping	-	39,698	-	-	6	-	-	-	39,704
Mining tax credit	-	(4,.044)	(750)	-	-	-	-	-	(4,794)
Write-down in period	-	-	-	(539,790)	-	-	-	-	(539,790)
Balance, April 30, 2010	73,840	488,051	565,736	1	144,930	1	1	1	1,272,561

	Saskatchewan Coal Lease	Valentine Claims	BRX Claims	Ivanpah Claims	AC Claims	Golden Repeat Claims	JDN Claims	E & E Claims	Total
	$	$	$	$	$	$	$	$	$
Balance, April 30, 2010	73,840	488,051	565,736	1	144,930	1	1	1	1,272,561
Acquisitions in period:	-	-	-	-	-	-	-	-	-
Expenditures in period:									
Assays	-	36,405	-	-	-	-	-	-	36,405
Consulting	-	91,935	-	-	-	-	-	-	91,935
Geological	-	17,570	-	-	-	-	-	-	17,570
Drilling	-	163,618	-	-	-	-	-	-	163,618
Lease payments	-	-	-	-	15,504	-	-	-	15,504
Licenses and taxes	-	3,629	-	-	17,144	-	-	-	20,773
Mapping	-	8,186	-	-	-	-	-	-	8,186
Option revenue	-	(10,000)	-	-	-	-	-	-	(10,000)
Balance, January 31, 2011	73,840	799,394	565,736	1	177,578	1	1	1	1,616,552

NOTE 7 - MINERAL PROPERTIES INTERESTS (Continued)

Saskatchewan Coal Lease

During fiscal 2009, the Company filed Coal Disposition Applications to the Ministry of Energy and Resources of Saskatchewan. As at April 30, 2009, total fees of $55,440 have been paid to the Government of Saskatchewan with the township applications; as well $12,000 and 8,000 common shares have been paid as finder's fees on the Applications (see Note 9), which were recorded as prepaid mineral property acquisition costs. In October 2009 the Applications were approved and the prepaid acquisition costs were transferred and recorded under the mineral property interests.

Valentine Claims

During fiscal 2008, the Company acquired 3 mineral claims on Valentine Mountain located 42 kilometres west of Victoria, B.C., Canada, by paying $13,000. Further, the Company acquired six additional mineral claims comprising of 4,495 acres on Valentine Mountain, for total consideration of $5,000 and 300,000 common shares of the Company (see Note 9). One of the claims is subject to a 5% NSR to an end price of $1,000,000. The Company also acquired a further 13 mineral claims on Valentine Mountain by staking.

During fiscal 2009, the Company purchased five more claims on Valentine Mountain for total consideration of $15,000 in cash and 50,000 common shares of the Company (see Note 9).

During the period ended January 31, 2011, the Company executed a Letter of Intent (the "LOI") with NT Mining Corporation ("NTMG") to enter into an option agreement (the "Option") on Valentine Mountain Property. The Company received $10,000 from NTMG as down payment for the LOI.

Under the terms of the Option, NTMG will pay the Company a total of $725,000 and issue an aggregate 6,500,000 of its common stock in the following stages:

- $100,000 and 5,000,000 common shares upon execution of a formal Option Agreement;
- $250,000 and 1,500,000 common shares on the first anniversary date of the Option Agreement; and
- $125,000 on each of the second, third and fourth anniversary dates of the Option Agreement, which will be deposits against future net smelter returns of 5%.

In addition, NTMG will agree to incur a total of $1,500,000 of exploration expenditures over a three year period as follows: a minimum of $250,000 in the first year of the Option, a minimum of $500,000 in the second year of the Option and $750,000 in the third year of the Option.

NTMG will also maintain the claims in good standing while the Option is in effect. If NTMG is able to place the property in production, the Option will be replaced by a production agreement. However, as NTMG has not met the terms of the Option, the Company has terminated the option agreement.

BRX Claims

During 2003, the Company signed an option agreement with Levon to acquire a 50% joint venture interest in 77 reverted Crown granted claims and 4 modified grid claims in the Lillooet Mining Division, British Columbia, by issuing 10,000 common shares and incurring exploration expenditures of $100,000 on or before each of December 17, 2003, 2004 and 2005.

Effective September 1, 2003, Mill Bay signed an amending option agreement with Levon, deferring the issuance of 10,000 common shares and incurring of $100,000 of exploration expenditures due by December 31, 2003 to December 31, 2004.

NOTE 7 - MINERAL PROPERTIES INTERESTS (Continued)

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 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. 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.

Ivanpah Claims

During 2007, the Company acquired 16 placer mining claims located in Clark County, Nevada, known as the Ivanpah Property, for consideration of the issuing 220,000 common shares of the Company (issued) and US$128,000 (paid). The claims were acquired from a Company controlled by a director.

During the year, the Company wrote down the value of the Ivanpah Claims to a nominal value of $1. The Company is keeping all claims in good standing however no exploration is currently planned on this property.

AC Claims

During the fiscal year of 2008, 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 approximately two square miles, in consideration of paying US$1,500,000 in instalments to the optionor and incurring US$1,500,000 in exploration work on the property over the next 15 years as follows:

Due Date	Advance Minimum Royalty Payments US$	Expenditure Commitments on the Property US$
Execution	5,000(paid)	Nil
1st Anniversary	15,000 (paid)	10,000
2nd Anniversary	25,000	25,000
3rd Anniversary	40,000	50,000
4th Anniversary	50,000	100,000
5th Anniversary	60,000	100,000
6th Anniversary	60,000	250,000
7th Anniversary	70,000	250,000
8th Anniversary	70,000	240,000
9th Anniversary	80,000	50,000
10th Anniversary	90,000	50,000
11th Anniversary	100,000	50,000
12th Anniversary	100,000	50,000
13th Anniversary	100,000	50,000
14th Anniversary	100,000	50,000
15th Anniversary	535,000	175,000
Total	1,500,000	1,500,000

NOTE 7 - MINERAL PROPERTIES INTERESTS (Continued)

AC Claims (Continued)

The Company has also 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.

During fiscal 2008, the Company issued 10,000 common shares as a finder's fee to an arm's length finder in regards to this option agreement.

During fiscal 2009, according to the option agreement, the Company has paid the first anniversary royalty payment of US$15,000. As at April 30, 2009, the total royalty payments paid for AC Claims were US$20,000.

During fiscal 2010, the Company signed an amending agreement whereby 8 claims are abandoned, reducing the original 119 claims to 111 claims, the advance minimum royalty payments are reduced from US$1,500,000 to US$1,300,000, the expenditure commitments are reduced from US$1,500,000 to US$10,000 (spent) and the 3% net smelter returns royalty is removed, 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 August 2009.

Golden Repeat Claims

The Company has a 100% interest in 49 mining claims in Elko County, Nevada, U.S.A.

During fiscal 2008, the Company and its wholly owned subsidiary, Golden Reef Mining Co, Inc. entered into a letter of intent with Meridian Minerals Corp. ("Meridian") for the exploration and earn-in of the Golden Repeat Claims.

During fiscal 2009, Meridian terminated the letter of intent. As the Company has not completed any exploration or development on the property in recent years, the Company has written down the prior acquisition and exploration costs of to a nominal value. This resulted in a fiscal 2009 write down of $21,331, included in operations of the Company.

During the nine months ended January 31, 2011, 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 an aggregate $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 an aggregate $400,000 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 an aggregate $600,000 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.

NOTE 7 - MINERAL PROPERTIES INTERESTS (Continued)

JDN claims

The Company has a 50% interest in 27 mining claims in Lander County, Nevada, U.S.A. (50% owned by a subsidiary of Coral Gold Resources Ltd.).

E & E Claims

The Company has a 100% interest in 26 mining claims in Eureka County, Nevada, U.S.A.

During 2006, the Company, through its wholly owned subsidiary Golden Reef, granted a ten year mining lease to Vasquir Mines Inc. ("Vasquir"), a subsidiary of CMQ Resources Inc. ("CMQ") of its E&E claims, subject to 3% net smelter return royalty, in consideration of the following minimum advance lease payments (in US dollars), CMQ shares and minimum work commitments:

Date	Advance Lease Payment US$	Common Stock	Minimum Work Commitment
October 1, 2005	35,000	100,000	-
October 1, 2006	40,000	100,000	None
October 1, 2007	50,000	100,000	10,000 feet
October 1, 2008	75,000	100,000	12,000 feet
October 1, 2009	75,000	500,000	15,000 feet
October 1st of each subsequent year	150,000	-	-

As at April 30, 2008, the Company has received the first three Advanced Lease Payments of US$35,000, US$40,000, and US$50,000, respectively and 300,000 common shares. During fiscal 2009, Vasquir terminated the agreement and neither lease payments nor common shares were received in fiscal 2009 and fiscal 2010.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

January 31, 2011	Cost	Accumulated Amortization and Write-downs	Net Book Value
Office equipment	$ 5,455	$ (3,390)	$ 2,065
Automotive equipment	39,714	(39,713)	1
	$ 45,169	$ (43,103)	$ 2,066
April 30, 2010			
Office equipment	$ 3,881	$ (3,171)	$ 710
Automotive equipment	39,714	(39,713)	1
	$ 43,595	$ (42,884)	$ 711

NOTE 9 - SHARE CAPITAL

(a) Authorized: unlimited common shares without par value.

(b) Issued:

On June 16, 2010, the Company completed a consolidation of its common shares on a 1 new for 10 old common shares basis. These financial statements have been restated to give retroactive effect to this common share consolidation.

On November 9, 2010, the Company closed the second tranche of a private placement, raising gross aggregate proceeds totalling $876,174. The Company issued 2,148,000 non flow-through units at a price of $0.20 per unit for proceeds totalling $429,600. Each unit consists of one common share and one common share purchase warrant. In addition, the Company issued 2,029,881 flow-through units at a price of $0.22 for gross proceeds totalling $446,574. Each flow-through unit consists of one flow-through share and one non flow-through common share purchase warrant. All warrants issued in connection with the transaction are exercisable into one common share for a period of two years at a price of $0.25 per share expiring on November 9, 2012. The Company incurred $79,838 in costs associated with the close of the second tranche and issued 331,487 agent warrants. The Company bi-furcated the warrant component from the common share component of the issued units using the residual value approach. As the market price was less than the share issue price there was no value attributable to the warrant component. The fair value of the agent warrants was valued as $58,662 using the Black-Scholes option pricing model.

On October 5, 2010, the Company closed the first tranche of a private placement issuing 1,363,365 flow-through units at a price of $0.22 per unit for gross proceeds totaling $300,000. Each unit consist of one flow-through common share and one non flow-through share purchase warrant, with each warrant exercisable at a price of $0.25 for a period of two years expiring on October 5, 2012. The Company incurred $40,804 in costs associated with the close of the first tranche and issued 136,363 agent warrants. The Company bi-furcated the warrant component from the common share component of the issued units using the residual value approach. As the market price was less than the share issue price there was no value attributable to the warrant component. The fair value of the agent warrants was valued as $30,121 using the Black-Scholes option pricing model.

On November 18, 2009, the Company closed a private placement of an aggregate 297,056 units, which includes 236,500 flow-through units at a price of $0.50 per unit for proceeds totaling $118,250 and 60,556 common share units at a price of $0.45 for proceeds totaling $27,250. The flow-through units consist of one flow-through common share and one non flow-through share purchase warrant, with each warrant exercisable at a price of $0.50 for a period of one year expiring on November 18, 2010. The common share units consist of one common share and one common share purchase warrant, with each warrant exercisable at a price of $0.50 for a period of one year expiring on November 18, 2010. In connection with the private placement, the Company paid a finder's fee of $1,400. The Company bi-furcated the warrant component from the common share component of the issued units using the treasury method and accordingly recognized $14,853 for the warrant components into contributed surplus as at April 30, 2010. 40,556 of the common share units were sold to a Director of the Company, and 100,000 of the flow-through units were sold to a Director and persons related to Directors.

On August 5, 2009, according to the amending option agreement for the acquisition of AC Claims, the Company issued 50,000 common shares to the Optionor (Note 7). This is the first instalment of issuance to the Optionor of a total of 150,000 common shares as a consideration for the amendment of the option agreement.

NOTE 9 - SHARE CAPITAL (Continued)

(b) Issued (Continued):

On August 11, 2009, the Company has completed a private placement of 1,000,000 units at a price of $0.20 per unit for gross proceeds of $200,000. Each unit consists of one common share and one non-transferrable share purchase warrant. Each warrant will entitle the investor to purchase one additional common share with a term of one year at an exercise price of $0.50 expiring on August 11, 2010. Share issuance costs were $2,236. The Company bi-furcated the warrant component from the common share component of the issued units using the treasury method and accordingly recognized $nil for the warrant components into contributed surplus as at April 30, 2010. 180,000 of the units were sold to a Director and a person related to a Director.

(c) Share purchase warrants

The changes in share purchase warrants are as follows:

	January 31, 2011		April 30, 2010	
	Underlying Shares	Weighted Average Exercise Price Per Share $	Underlying Shares	Weighted Average Exercise Price Per Share $
Balance, beginning of year	1,297,056	0.50	-	-
Issued	6,009,366	0.25	1,297,056	0.50
Expired	(1,297,056)	0.50	-	-
Balance, end of period	6,009,366	0.25	1,297,056	0.50

The summary of share purchase warrants outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Warrants Outstanding January 31, 2011	April 30, 2010
$0.50	August 14, 2010	-	1,000,000
$0.50	November 13, 2010	-	297,056
$0.25	October 5, 2012	1,499,998	-
$0.25	November 9, 2012	4,509,368	-
		6,009,366	1,297,056

As at January 31, 2011 there were nil flow-through warrants outstanding (April 30, 2010 – nil).

NOTE 9 - SHARE CAPITAL (Continued)

(d) Stock options

The changes in management incentive options are summarized and exercisable as follows:

	January 31, 2011		April 30, 2010	
	Number	**Weighted Average Exercise Price Per Share** $	**Number**	**Weighted Average Exercise Price Per Share** $
Balance outstanding, Beginning of year	270,000	1.20	287,500	1.20
Expired	-	-	(15,000)	1.20
Cancelled	(10,000)	-	(2,500)	1.20
Balance outstanding, end of period	260,000	1.20	270,000	1.20

The summary of stock incentive options outstanding and exercisable is as follows:

Exercise Price Per Share	Expiry Date	Number of options outstanding January 31, 2011	April 30, 2010
$1.20	April 25, 2011	192,500	202,500
$1.20	March 12, 2013	17,500	17,500
$1.20	November 21, 2013	50,000	50,000
		260,000	270,000

The Company established a stock option plan in fiscal 2006 under which it may grant stock options totalling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to regular employees and persons providing investor-relation or consulting services up to a limit of 5% and 2% respectively of the Company's total number of issued and outstanding shares per year. The stock options are fully vested on the date of grant. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date can not exceed five years after the grant date.

During the nine months ended January 31, 2011, no stock options were granted and the stock-based compensation recorded in the period was $nil.

During fiscal 2010, no stock options were granted and the stock-based compensation recorded in the year was $nil.

NOTE 9 - SHARE CAPITAL (Continued)

(e) Escrow shares

As at January 31, 2011, there was 421,000 common shares held in escrow (2010 – 437,000). Details are as follows:

i) In May 2006, 220,000 shares were issued for the purchase of the Ivanpah mineral claims (Note 7). The shares would be held in escrow and be released over 72 months in six month intervals beginning November 14, 2006, at a rate of 5% per interval for the first 24 months and then 10% every six months thereafter. During fiscal 2010, 44,000 shares were released and as at April 30, 2010, 132,000 common shares remain in escrow (2010 – 176,000).

ii) In April 2008, 300,000 shares were issued for the purchase of the Valentine mineral claims (Note 7). The shares would be held in escrow and be released over a six year period every six months beginning October 14, 2008, at a rate of 5% per interval for the first 24 months and then 10% every six months thereafter. During fiscal 2010, there were 30,000 shares released and as at April 30, 2010, 240,000 common shares remain in escrow (2009 – 270,000).

iii) In June 2008, 50,000 shares were issued for the purchase of additional claims in the Valentine Mountain area (Note 7). 10,000 shares were released from escrow in the quarter ended January 31, 2011 and 40,000 remain in escrow (2010 – 50,000).

NOTE 10 - COMMITMENT

The Company entered into a cost sharing agreement dated October 1, 1997, and amended November 1, 2003 to reimburse Oniva International Services Corp. ("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 fee based on the total overhead and corporate expenses (Note 11 (c)). The agreement may be terminated with one month notice by either party.

NOTE 11 - RELATED PARTY BALANCES AND TRANSACTIONS

Balances and transactions with related parties not disclosed elsewhere in these financial statements are as follows:

(a) The Company paid or accrued the following amounts for management and consulting to related parties, as follows:

	Nine Months Ended January 31, 2011	2010
Consulting fees to a person related to a Director of the Company	$ 26,280	$ 22,500
Consulting fees to an Officer	12,500	3,000
Management fees to a Director	67,500	67,500
	$ 106,280	$ 93,000

NOTE 11 - RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) The amount due to related parties consists of the following:

	January 31, 2011	April 30, 2010
Due to a Director	$ -	$ 677
Due to an individual related to a Director	3,780	-
Due to an Officer	-	1,050
Due to Directors of related company	426	426
Due to Oniva	5,691	5,251
	$ 9,897	$ 7,404

The amounts due to related parties are non-interest bearing, unsecured and due on demand.

(c) The amount due from related parties consists of the following:

	January 31, 2011	April 30, 2010
Due from a Director	$ 9,181	$ -

(d) Mill Bay paid or accrued the following amounts for administrative services and expenses to Oniva:

	Nine Months Ended January 31, 2011	2010
Salaries and benefits	$ 26,586	$ 37,897
Office and miscellaneous	18,256	19,031
	$ 44,842	$ 56,928

Included in Oniva's salaries and benefits are $7,425, which were paid to the Company's CFO during the nine months ended January 31, 2011 (2010 - $14,400 paid to the CFO and Corporate Secretary).

All related party transactions are recorded at the value agreed upon by the Company and the related party.

NOTE 12 - CASH PROVIDED BY (USED IN) CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	Three Months Ended January 31, 2011	2010	Nine Months Ended January 31, 2011	2010
Mining tax credit receivable	$ -	$ (633)	$ -	$ (5,309)
Interest receivable	(460)	-	(460)	-
Goods and services tax recoverable	(23,221)	-	(32,338)	8,229
Prepaid expense	1,496	8,846	(2,269)	(9,289)
Due from related parties	(9,181)	-	(9,181)	-
Accounts payable and accrued liabilities	3,820	(7,620)	(2,669)	(20,037)
Due to related parties	1,628	(1,217)	2,493	(1,338)
	$ (25,918)	$ (624)	$ (44,424)	$ (27,744)