

MILL BAY VENTURES INC.
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Q1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR PERIOD ENDING JULY 31, 2007

Shares Traded

TSX Venture Exchange
Symbol: MBV

OTCPK
Symbol: MLBVF

Directors and Officers

William Glasier, Director and President
David Wolfin, Director
William G. Kocken, Director and Chief Financial Officer
Dale Andersen, Director
Gary Robertson, Director
Jim Stewart, Director
Mimy Fernandez-Maldonado, Secretary

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

MILL BAY VENTURES INC.
Consolidated Balance Sheets
(In Canadian Dollars)
(Prepared by Management)

As at	July 31, 2007	April 30, 2007
	(Unaudited)	(Audited)
ASSETS		
CURRENT		
Cash	\$ 762,211	\$ 917,957
Accounts Receivable	2,761	2,942
Goods and services tax recoverable	12,988	7,943
Prepaid expenses	-	2,500
	777,960	931,342
RECLAMATION BOND	9,496	9,496
INVESTMENT IN SHARES (Note 4)	145,052	102,302
MINERAL PROPERTIES INTERESTS (Note 5)	1,265,172	1,171,262
PROPERTY, PLANT AND EQUIPMENT	1,918	2,073
	\$ 2,199,598	\$ 2,216,475
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 49,759	\$ 32,751
Due to related parties (Note 7(c))	19,699	14,872
	69,458	47,623
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6(a))	9,628,346	9,628,346
CONTRIBUTED SURPLUS	334,500	334,500
ACCUMULATED OTHER COMPREHENSIVE INCOME (Note 2)	42,750	-
DEFICIT	(7,875,456)	(7,793,994)
	2,130,140	2,168,852
	\$ 2,199,598	\$ 2,216,475

Approved by the Board:

"William Glasier" Director "William Kocken" Director

See the accompanying notes to the financial statements

MILL BAY VENTURES INC.**Consolidated Statements Of Operations, Comprehensive Income (Loss) And Deficit**

(In Canadian Dollars)

(Unaudited - Prepared by Management)

	Three months ended July 31,	
	2007	2006
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	\$ 155	\$ 97
Consulting fees	7,500	31,500
General exploration expenditures	4,956	-
Investor relations and shareholder information	6,579	6,018
Legal fees	9,517	7,156
Listing and filing fees	3,187	8,206
Management fees	22,500	22,500
Administrative and office services and supplies	23,724	21,136
Transfer agency fees	1,021	1,774
Travel and accommodation	10,881	12,856
	90,020	111,243
OPERATING LOSS	(90,020)	(111,243)
OTHER INCOME AND (EXPENSES)		
Write-off of mineral property interest	-	(60,151)
Interest income	8,558	14,513
LOSS FOR THE PERIOD	\$ (81,462)	\$ (156,881)
OTHER COMPREHENSIVE INCOME		
Unrealized gain on investment securities (Note 4)	5,250	-
TOTAL COMPREHENSIVE LOSS	\$ (76,212)	\$ (156,881)
DEFICIT , beginning of period	(7,793,994)	(7,424,663)
DEFICIT , end of period	\$ (7,875,456)	\$ (7,581,544)
LOSS PER SHARE	(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	47,249,698	43,601,398

See the accompanying notes to the financial statements

MILL BAY VENTURES INC.
Consolidated Statements Of Cash Flows
(In Canadian Dollars)
(Unaudited - Prepared by Management)

	Three months ended July 31,	
	2007	2006
CASH PROVIDED BY (USED IN) :		
OPERATING ACTIVITIES		
Loss for the period	\$ (81,462)	\$ (156,881)
Items not involving cash in the period:		
Amortization	155	97
Write-off of mineral property interest	-	63,622
	(81,307)	(93,162)
Changes in non-cash working capital items (Note 12)	19,471	(10,123)
	(61,836)	(103,285)
INVESTING ACTIVITIES		
Mineral property exploration costs	(88,410)	(94,054)
Prepaid mineral property exploration costs	-	147,811
Acquisition of mineral property interests	(5,500)	(154,179)
Increase in reclamation bonds	-	(25,964)
	(93,910)	(126,386)
FINANCING ACTIVITIES		
Shares issued for cash	-	436,500
Share subscriptions received	-	(156,000)
Share issuance costs	-	(12,350)
	-	268,150
DECREASE IN CASH IN PERIOD	(155,746)	38,479
CASH, beginning of period	917,957	1,303,578
CASH, end of period	\$ 762,211	\$ 1,342,057

See the accompanying notes to the financial statements

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
July 31, 2007
(In Canadian Dollars)
(Unaudited - Prepared by Management)

1. Nature of Operations

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 the U.S.A. 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.

2. Basis of Presentation and Recent Accounting Pronouncements

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") on a basis consistent with that followed in the most recent audited annual consolidated financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with Canadian GAAP have been condensed or omitted and therefore these unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto for the fiscal year ended April 30, 2007. These interim financial statements have not been reviewed by an auditor.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation of these unaudited interim consolidated financial statements have been included and all such adjustments are of a normal recurring nature. Operating results for the three month period ended July 31, 2007 are not necessarily indicative of the results that can be expected for the fiscal year ending April 30, 2008.

In early 2005, the CICA issued new standards for Comprehensive Income (CICA 1530), Financial Instruments (CICA 3855) and Hedges (CICA 3865), which are effective for fiscal years beginning on or after October 1, 2006. The new standards bring Canadian rules more into line with current rules in the United States. These new standards do affect the Company at present and consequently a statement of comprehensive income is included in the Consolidated Statements of Loss, Comprehensive Income (Loss) and Deficit.

Section 1530 introduces the concept of comprehensive income, which includes net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from such items as unrealized foreign currency translation gains or losses arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale investments, and changes in the fair value of the effective portion of cash flow hedging instruments. The application of this new standard affected investment securities on the consolidated balance sheet. The result was an increase of \$42,750 to investment in shares and to accumulated other comprehensive income in shareholders' equity.

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
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(In Canadian Dollars)

(Unaudited - Prepared by Management)

2. Basis of Presentation and Recent Accounting Pronouncements (Continued)

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It also specifies how financial instrument gains and losses are to be presented. All financial instruments must be classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Initial and subsequent recognition and measurement of changes in the value of financial instruments depends on their initial classification. The application of Section 3855 did have an impact on the Company's interim consolidated financial statements as the Company's investment securities have been designated as available-for-sale investments.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes, and specifies how hedge accounting is applied and what disclosures are necessary when it is applied. The application of Section 3865 did not have an impact on the Company's interim consolidated financial statements as there are no transactions which have been designated as hedges for accounting purposes.

3. Basis of Consolidation

These consolidated financial statements include the accounts of Mill Bay Ventures Inc. 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.

4. Investment in Shares

Investment in shares as of July 31, 2007 consists of the following:

	Number of Shares	Cost	Accumulated Unrealized Gains	Fair Value
Available-for-sale investments:				
Levon Resources Ltd. ("Levon")	180,000	\$ 10,800	\$ 40,500	\$ 51,300
Coral Gold Resources Ltd. ("Coral")	5,000	13,500	250	13,750
CMQ Resources Inc.	200,000	78,000	2,000	80,000
Brettco Oil & Gas Inc.	50,000	1	-	1
Oniva International Services Corporation ("Oniva")		1	-	1
		\$ 102,302	\$ 42,750	\$ 145,052

During the three months ended July 31, 2007, the Company recognized a \$5,250 unrealized gain on investment securities designated as available-for-sale in other comprehensive income.

Both Levon and Coral Gold are public companies with common Directors.

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 9 for disclosure on the Company's commitment to Oniva.

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
July 31, 2007

(In Canadian Dollars)

(Unaudited - Prepared by Management)

5. Mineral Properties

a) Ivanpah Claims

During 2007, the Company entered into an agreement with a company controlled by a Director to acquire 16 placer mining claims located in Clark County, Nevada, known as the Ivanpah Property, covering up to 640 acres for consideration of the issuing 2,200,000 common shares of the Company (issued) and US\$128,000 (paid).

b) 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 100,000 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 100,000 common shares and incurring of \$100,000 of exploration expenditures due by December 31, 2003 to December 31, 2004.

During 2005, the Company exercised its option to acquire the 50% joint venture interest in the BRX claims, by issuing 100,000 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 2007, the Company incurred \$67,198 of deferred exploration expenditures on the BRX claims, which were not proportionately funded by Levon. During 2007, 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.

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
July 31, 2007
(In Canadian Dollars)
(Unaudited - Prepared by Management)

5. Mineral Properties (Continued)

c) AC Claims

During the period, 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 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	Expenditure Commitments on the Property
Execution	US\$5,000	Nil
1 st Anniversary	US\$15,000	US\$10,000
2 nd Anniversary	US\$25,000	US\$25,000
3 rd Anniversary	US\$40,000	US\$50,000
4 th Anniversary	US\$50,000	US\$100,000
5 th Anniversary	US\$60,000	US\$100,000
6 th Anniversary	US\$60,000	US\$250,000
7 th Anniversary	US\$70,000	US\$250,000
8 th Anniversary	US\$70,000	US\$240,000
9 th Anniversary	US\$80,000	US\$50,000
10 th Anniversary	US\$90,000	US\$50,000
11 th Anniversary	US\$100,000	US\$50,000
12 th Anniversary	US\$100,000	US\$50,000
13 th Anniversary	US\$100,000	US\$50,000
14 th Anniversary	US\$100,000	US\$50,000
15 th Anniversary	US\$535,000	US\$175,000
Total	US\$1,500,000	US\$1,500,000

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.

The Company will be issuing finder's fees of 100,000 common shares to an arm's length finder.

d) E & E Claims

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., 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:

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
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(In Canadian Dollars)

(Unaudited - Prepared by Management)

5. Mineral Properties (Continued)

d) E & E Claims (Continued)

Date	Advance Lease Payment	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 1 st of each subsequent year	\$150,000		

As at July 31, 2007, the Company has received the first and second Advanced Lease Payments of US\$35,000 and US\$40,000 respectively and 200,000 common shares.

e) Golden Repeat Claims

100% interest in 49 mining claims in Elko County, Nevada, U.S.A.

During the period, 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. Within 180 days of acceptance of the letter of intent, the Company and Meridian will subscribe to an Exploration and Earn-In Agreement in consideration of the following minimum payments and exploration expenditures:

Date	Payment	Expenditures
Execution	US\$75,000	-
1 st Anniversary	US\$100,000	US\$200,000
2 nd Anniversary	US\$200,000	US\$300,000
3 rd Anniversary	US\$300,000	US\$400,000
4 th Anniversary	US\$1,000,000	US\$500,000

Within 90 days after the completion of the payments and expenditures, Meridian will have earned a 51% interest in the Golden Repeat Claims and the Company and Meridian will enter into a formal joint venture. Meridian will 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 shall be entitled to receive from Meridian, a Net Smelter Return Royalty ("NSR") ranging between 2 – 4%, depending on the price of gold.

The Company shall also be entitled to receive from Meridian since the 1st Anniversary of the formation of the Joint Venture a yearly advance NSR cash payment of US\$100,000 ("Advance NSR"). The Advance NSR will 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 upon starting commercial production of the Golden Repeat Claims.

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
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(In Canadian Dollars)

(Unaudited - Prepared by Management)

5. Mineral Properties (Continued)

e) Golden Repeat Claims (Continued)

Meridian will have an agreed upon period or time, following the effective date of the letter of intent to perform legal due diligence examination of the title of the project and the environment and business circumstances surrounding them and if Meridian is dissatisfied with the results of its examination, Meridian may terminate the offer.

f) Mineral property expenditures incurred during the period are as follows:

Ivanpah Claims

Balance, beginning of year	\$ 531,909	
Consulting	26,519	
Balance, end of period	558,428	\$ 558,428

BRX Claims

Balance, beginning of year	545,439	
Drilling	12,508	
Balance, end of period	557,947	557,947

AC Claims

Balance, beginning of year	-	
Acquisition costs	5,500	
Geological	2,468	
Licensing and taxes	43,417	
Total expenditures in the period	51,385	
Balance, end of period		51,385

Golden Repeat Claims

Balance, beginning of year	93,912	
Licensing and taxes	3,498	
Balance, end of period	97,410	97,410

E & E Claims , beginning and end of period	1
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JDN Claims , beginning and end of period	1
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\$ 1,265,172

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
July 31, 2007

(In Canadian Dollars)

(Unaudited - Prepared by Management)

6. Share Capital

- a) Authorized: Unlimited common shares without par value

Issued:

As at July 31, 2007, there were 47,249,698 common shares outstanding for a value of \$9,628,346. There were no changes to the share capital during the three month period ended July 31, 2007.

- b) Share purchase warrants

As at July 31, 2007, there were 23,535,499 share purchase warrants outstanding with a weighted average exercise price per share of \$0.104. There were no share purchase warrants granted, exercised, expired or cancelled during the three month period ended July 31, 2007.

The summary of share purchase warrants outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Warrants Outstanding
\$0.10	November 2, 2007	2,790,000
\$0.10	November 2, 2007	9,999
\$0.10	March 27, 2008	16,525,500
\$0.125	May 30, 2008	4,210,000
		23,535,499

- c) Management incentive options

As at July 31, 2007, there were 3,280,000 management incentive options outstanding with a weighted average exercise price per share of \$0.138. There were no management incentive options granted, exercised, expired or cancelled during the three month period ended July 31, 2007.

The summary of management incentive options outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Options Outstanding
\$0.20	January 28, 2009	735,000
\$0.12	December 15, 2009	100,000
\$0.12	March 15, 2010	70,000
\$0.12	April 25, 2011	2,375,000
		3,280,000

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
July 31, 2007

(In Canadian Dollars)

(Unaudited - Prepared by Management)

6. Share Capital (Continued)

c) Management incentive options (Continued)

The Company adopted 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.

7. Related Party Transactions

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

- a) During the three month period ended July 31, 2007 the Company paid or made provision for the future payment of \$22,500 (2006 - \$22,500) to a Director for managing the exploration activities, \$26,148 (2006 - \$27,343) to a Director for geological consulting services and \$7,500 (2006 - \$7,500) to an individual related to a Director of the Company.
- b) The amount due to related parties consists of \$1,403 (April 30, 2007 - \$4,777) due to Directors of the Company, \$461 (April 30, 2007 - \$461) due to a director of a related public company, \$192 (April 30, 2007 - \$Nil) due to a private company controlled by a director of a related public company, \$2,931 (April 30, 2007 - \$5,862) due to a public company with common management and directors, \$1,454 (April 30, 2007 - \$2,497) due to Oniva and \$13,258 (April 30, 2007 - \$Nil) due to ABC Drilling Services Inc. ("ABC Drilling"), a private company owned by Oniva. Oniva provides the Company with administrative and office services and ABC Drilling provides drilling services to the Company.

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

- c) The Company paid or made provision for the future payment of \$32,090 (2006 - \$28,653) during the period for administrative services and expenses to Oniva.
- d) The Company paid or made provision for the future payment of \$12,507 (2006 - \$Nil) during the period for drilling services to ABC Drilling.

MILL BAY VENTURES INC.
Notes To The Consolidated Financial Statements
July 31, 2007

(In Canadian Dollars)

(Unaudited - Prepared by Management)

8. Cash Provided By (Used In) Changes in Non-Cash Working Capital Items

	Three months ended July 31,	
	2007	2006
Changes in non-cash working capital items:		
Accounts receivable	\$ 181	\$ (401)
Goods and services tax recoverable	(5,045)	1,376
Prepaid expense	2,500	2,771
Accounts payable and accrued liabilities	17,008	15,200
Due to related parties	4,827	(29,069)
	<u>\$ 19,471</u>	<u>\$ (10,123)</u>

9. Commitment

The Company entered into a cost sharing agreement dated October 1, 1997, and amended November 1, 2003 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 fee based on the total overhead and corporate expenses. The agreement may be terminated with one month notice by either party.

10. Comparative Figures

Certain of the comparative figures for 2006 have been reclassified, where applicable, to conform to the presentation adopted for the current year.