



VALLEY HIGH VENTURES LTD.

Management Discussion & Analysis for the three and nine months ended July 31, 2009

September 16, 2009



For further information on the Company reference should be made to the Company’s public filings which are available on SEDAR. Information is also available at the Company’s website www.valleyhighventures.com. In addition, reference should be made to the Company’s audited consolidated financial statements for the year ended October 31, 2008. The following information is prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”) and denominated in Canadian dollars, unless otherwise noted. This Management Discussion & Analysis should be read in conjunction with the Company’s consolidated financial statements for the three and nine months ended July 31, 2009.

The financial information in this MD&A is derived from the Company’s consolidated financial statements prepared in accordance with Canadian GAAP. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Table of Contents:

- 1 PROFILE & STRATEGY 2
- 2 MILESTONES & PROJECTS UPDATE..... 3
- 3 FINANCIAL POSITION REVIEW 7
- 4 EXPENDITURE REVIEW 9
- 5. CASH FLOW REVIEW 10
- 6 OUTLOOK..... 11
- 7 RISKS, CRITICAL ACCOUNTING ESTIMATES & POLICIES..... 11
- 8 SUMMARY OF FINANCIAL POSITION AND PERFORMANCE..... 13



1 PROFILE & STRATEGY

1.1 Profile & Strategy

Valley High Ventures Ltd. (the “Company” or “Valley High”) was incorporated on August 11, 1980 under the laws of the Province of British Columbia. The Company is pursuing opportunities related to the exploration of mineral resource properties principally in British Columbia and the Yukon Territory, Canada and in Mexico and is considered to be in the exploration / development stage.

The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the TSX Venture Exchange under the symbol “VHV”.

The Company is in the process of acquiring and exploring mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

1.2 Cash and Going Concern

As of July 31, 2009 the Company had cash and cash equivalents of \$511,281 (October 2008: \$27,665), and working capital position of \$638,379 (October 2008: 110,885). A significant portion (\$441,754) of the cash and cash equivalents was raised through a flow-through financing and therefore is restricted to exploration activities in Canada. Included within the determination of working capital is Value Added Taxes (“VAT”) refundable from Mexico, although the Company is confident that these amounts will eventually be refunded there, however, can be no certainty as to the timing of these refunds.

With the impact of the global credit crisis still being felt in the junior mining sector, the Company continues to focus on cost control and financial prudence. The option agreement with Imperial Metals Corporation (“Imperial”) has provided some working capital for the Company and one final payment of \$100,000 is due in January 2010. In November and December 2008, the Company was able to complete two separate financings; one flow-through financing that raised gross proceeds of \$500,000 and one other financing which raised gross proceeds of \$225,000 (refer section 3.3). The flow-through financing will enable the Company to continue to evaluate its Mount Polley properties and the second financing has helped enable the Company to continue to hold and evaluate its Cordero property, as well as provide working capital. In February 2009, the Company also optioned its Cordero property to Levon Resources Ltd. (“Levon”) to further conserve cash, (refer Section 2.1)

In June 2009, the Company received its 2005 and 2006 British Columbia Mining Exploration Tax Credit (“BCMETC”) of \$150,348. The Company’s 2007 BCMETC refund has yet to be assessed and therefore, has not been accrued for.

As at August 31, 2009, the Company had cash and cash equivalents of \$744,606 (which includes \$411,754 that is restricted to exploration expenditures in British Columbia).

To continue to develop its properties the Company will, within the next twelve months, have to raise additional equity or form strategic partnerships. As result of the current economic environment there cannot be any certainty that additional financings can be raised or strategic partnerships can be formed and therefore there is substantial doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.



2 MILESTONES & PROJECTS UPDATE

2.1 Milestones / Highlights

In June 2009, the Company reported that the current exploration results expanded the Cordero silver, gold and base metal porphyry district by about 2km to the southwest along the strike of a mineralized porphyry belt. In May 2009, a 3D induced polarization survey (“IP”) was conducted; the subsequent results indicate an extensive area of elevated chargeability extending at depth.

In September 2009 the Company announced recent trenching had expanded the targets at Cordero including expanding the new Pozo de Plata target an additional 600 metres to the northeast (refer section 2.3).

In February 2009, the Company entered into an option and joint venture agreement with Levon whereby Levon may earn a 51% interest in Valley High's Cordero silver, gold, lead, zinc project, Chihuahua, Mexico by spending \$1,250,000 by the end of February 2013 (\$354,427 had been incurred as at July 31, 2009) with a first year work commitment of \$250,000. In addition Levon will provide an initial \$20,000 payment and will pay 50% of the underlying option payments due on certain portions of the property. Valley High will be the operator until Levon earns 51%, however Levon will provide technical input and geologic services to complete data synthesis and integration, targeting and drill testing. A finder's fee of \$20,000 was paid in respect of this transaction.

In addition, the Company renegotiated the terms of the underlying option agreements on Cordero to US\$100,000 (US\$80,000 paid) in 2009; US\$100,000 in 2010; US\$300,000 in 2011; US\$600,000 in 2012 and US\$2,100,000 in 2013 (Total: US\$3.2 million).

In June 2009, the Company entered into an option agreement to acquire a 100% interest in the Flume property, located 60km southwest of Dawson City, Yukon and 30km northwest of Underworld Resources Ltd. (“Underworld”) White Gold discovery (refer to section 2.4).

In April 2009, the Company entered into an Option Agreement with Imperial whereby Imperial has been granted the right to acquire a 100% interest in one complete mineral cell and four partial cells that are adjacent to Imperial's Boundary Zone deposit on its Mount Polley mine property. Imperial may exercise its option by paying a total of \$300,000 (\$200,000 paid) by January 2010. The claims will be subject to a two stage royalty for material from the claims that is milled at the Mount Polley mine concentrator. The stage I royalty is \$2.50 per tonne for the first 400,000 tonnes of material milled. The stage II royalty is \$1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The stage II royalty can be reduced to \$0.62 per tonne by Imperial making a payment of \$1,000,000 to Valley High.

The optioned property comprises one complete mineral cell and four partial cells. Valley High owns a 90% interest in the tenure and will receive 90% of the proceeds. A private company owns the remaining 10% interest in the property.

2.2 Cordero Property, Mexico

The Company's Mexican subsidiary has options to acquire two claims in Mexico. The Cordero property is located approximately 220 kilometers south of the city of Chihuahua, and approximately 40 kilometers northeast of the town of Hidalgo del Parral. Cordero comprises a 332 hectares claim block that has been optioned and which contains the Cordero polymetallic prospect, from which historic artisanal underground mining has taken place; and a surrounding, a wholly-owned claim block, which contains the Sanson porphyry molybdenum prospect. The optioned property Cordero comprises the Herrera claims and the Jandrina claims that covers the Cordero property. The 100% owned Sanson mining claim was staked surrounding the Herrera and Jandrina claim groups and covers 9,210 hectares.

The following table summarizes the quarter by quarter expenditures, year to date (“YTD”) and the life to date expenditure (since acquisition) (“LTD”) on exploration properties in Mexico.



This table includes the costs associated with the Cordero project incurred by the Company whether reimbursed or not but does not include expenditures incurred directly by Levon.

Table 1: - Exploration, Mexico	Quarterly				Nine months-ended		LTD
	Q408	Q109	Q209	Q309	Q308	Q309	
Administration costs	\$2,996	\$21,593	\$14,871	\$54,538	\$-	\$91,001	\$93,997
Consulting, labour & professional fees	42,054	44,528	52,316	52,172	-	149,016	191,070
Drilling & trenching	-	-	-	11,373	-	11,373	11,373
Property investigations	145	-	1,631	40,516	-	42,147	42,292
Property acquisition	-	32,836	43,095	22,305	-	98,236	98,236
Property payments received	-	-	(20,000)	-	-	(20,000)	(20,000)
Reimbursed costs	-	-	(97,526)	(129,227)	-	(226,753)	(226,753)
Travel & accommodation	-	1,767	11,926	15,175	-	28,868	28,868
Total exploration	45,195	100,724	6,313	66,852	\$-	\$173,888	\$219,083

For the third quarter administration costs includes \$24,000 paid for mining rights. Property investigation cost includes \$19,000 paid for assays and \$18,000 paid for access to the property (surface rights).

The property payment received is from Levon and is consistent with the agreement entered into in February 2009.

Property acquisition costs were US\$25,000 during the first quarter, US\$35,000 in the second quarter and US\$20,000 in the third quarter; these payments are consistent with the acquisition terms (section 2.1).

Under the Levon Agreement, Levon has agreed to pay 50% of the property option payments on Cordero from the date of agreement. Reimbursed costs represent funds received from Levon (excluding property option payments) for expenditures incurred at Cordero by the Company. Levon has also incurred some exploration expenditures directly that are not included in the above table. The Levon Agreement was entered into in February 2009 and the reimbursement of costs commenced as of that date.

Fieldwork re-commenced in February (Q209), where soil and rock sampling extended the exploration district by about 2 km. In June, the Company announced the results from an initial trenching program (the Pozo de Plata trench) in Q309 that returned encouraging values over 355 metres grading 14.0 g/T Ag, 0.13 g/T Au, 0.12% Zn and 0.12% Pb. It also announced the results from the Q209 exploration program where rock sampling along a nearby stream bed that exposed rhyolite dikes and diatreme breccias returned anomalous grab samples from bedrock over a distance of 150 metres. Of eighteen grab samples collected, silver values range from 3.2 ppm to 374 ppm with eight samples returning greater than 50 ppm. Gold values range from 157 ppb to 1,190 ppb

During Q309, a 3D IP survey was completed and the results indicate an extensive area of elevated chargeability extending at depth. Further results of the IP work are available on the Company's June 2009 corporate presentation available at <http://www.valleyhighventures.com>. The cost of this IP survey was paid directly by Levon and does not appear in the above table. In September 2009, the Company reported additional trenching results from the four additional trenches that were laid out to test for extensions of the high values encountered in the Pozo de Plata trench, to test zones of high chargeability as outlined by the recent IP survey and to excavate and expose bedrock near areas of recent artisanal mining. In general, all trenches encountered widespread high-background levels of silver with local enrichments of gold, lead and zinc and attest to the bulk tonnage potential of this large property.

For full results from the additional trenching program refer should be made to the Company's September 2, 2009 New Release 09-06. The results from the additional trenching have successfully expanded the new Pozo de Plata target an additional 600 metres to the northeast. The target remains open to the south and west. These trench samples are mostly oxidized and fresh sulphides were rarely encountered. At Cordero the depth of oxidation is variable and may extend from 20 metres to over 80 metres depth. In September 2009, the Company commenced drill testing the Cordero program and has planned an initial drill program of 4,000 meters of diamond drilling.



2.3 Mount Polley Properties, British Columbia, Canada

The Mount Polley properties in British Columbia are made up of a number of claims blocks, which include the Lloyd, Nordik/Buc, Calm, October/Dome and Morehead claim blocks. The properties comprise approximately 10,000 hectares and are located adjacent to the Imperial's producing Mount Polley open-pit copper gold mine, which is 100 km northeast of Williams Lake, British Columbia.

Lloyd Claims - The Company acquired a 90% interest in a portion of Lloyd claims and a 100% interest in the remaining claims, subject to a 1.5% Net Smelter Return ("NSR"). The Lloyd claims include the boundary zone.

In April 2009, the Company entered into an option agreement with Imperial whereby Imperial has been granted the right to acquire a 100% in one complete mineral cell and four partial cells that are adjacent to Imperial's Boundary Zone. Imperial may exercise its option by paying a total of \$300,000 (\$200,000 paid) in cash on or before January 1, 2010. The claims will be subject to a two stage royalty for material from the claims that is milled at the Mount Polley mine concentrator. The stage I royalty is \$2.50 per tonne for the first 400,000 tonnes of material milled. The stage II royalty is \$1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The stage II royalty can be reduced to \$0.62 per tonne by Imperial making a payment of \$1,000,000 to Valley High.

Nordik/Buc Claims - The Company acquired a 100% interest in the Nordik mineral claims subject to 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. The Company acquired a 100% interest subject to a 2% NSR, in the Buc claims for the issuance of 25,000 shares (valued at \$13,250) and a cash payment of \$10,000. The Nordik/Buc claims border the Mount Polley Mine property on the east side and extended to the opposite side of Polley Lake.

Calm Claims - The Company acquired a 100% interest in the Calm mineral claims subject to a 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. The Calm claims are located several kilometers west of the Mount Polley Mine and south of Morehead Lake.

October/Dome Claims - The Company acquired a 100% interest in certain mineral claims subject to a (collectively the "October/Dome Claims") 2% NSR on the claims, which can be purchased for \$500,000 for each one-half percent. These claims are located north of the Lloyd claims. On June 13, 2008, the Company acquired the Morehead claim block for \$8,000.

On March 10, 2006, the Company has acquired the right to earn a 100% interest, subject to a 1.5% NSR, in an additional claim block (the "Dome" Claims) adjacent to the existing claims for a cash payment of \$10,000 (paid) and the issuance of 270,000 shares over a four year period (190,000 issued valued at \$68,200).

The following table summarizes deferred expenditure as at October 31, 2008 and July 31, 2009. It also summarizes the expenditures during the first three quarters of the year.

Table 2: Mt Polley Properties	Opening Balance	Expenditures			Closing Balance
	Oct-08	Q109	Q209	Q309	Jul-09
Administration	\$20,920	\$-	\$-	\$-	\$20,920
Consulting and professional fees	270,379	40,401	611	-	311,391
Drilling and trenching	680,680	-	-	-	680,680
Exploration tax credit	-	-	(150,348)	-	(150,348)
Property investigations	484,307	-	-	15,765	500,071
Property acquisition costs	801,526	3,562	7,800	-	812,888
Property payments received	-	-	(90,000)	(90,000)	(180,000)
Travel and accommodation	50,624	-	-	1,766	52,390
Mineral property interests	\$2,308,436	\$43,963	\$(231,937)	\$(72,469)	\$2,047,992



During the second quarter the Company recorded its 2005 and 2006 British Columbia Mining Exploration Tax Credit (“BCMETS”) refunds as a result of receiving both the assessment and the physical refunds prior to preparation of the quarter end. As the original expenditures were deferred the Company applied the BCMETS refund against mineral property interests.

In addition, during the period the Company received a net \$180,000 from Imperial for property options payments on the Boundary zone. The property investigations costs in the third quarter relate to geological mapping and interpretation on the October Dome, Lloyd-Calm tenures performed by Bailey Geological Consultants.

2.4 Flume Property, White Gold District, Yukon, Canada

In June 2009, the Company entered into an option agreement with Phelps Dodge Corporation of Canada, Limited (“PDC”), a wholly owned subsidiary of Freeport-McMoRan Copper & Gold Inc. (“Freeport”) to acquire a 100% interest in the Flume property located in Yukon Territory Canada. The Flume property is located 60 km southwest of Dawson City, Yukon and 30 kilometres northwest of Underworld's White Gold discovery and comprises 191 mineral claims totalling approximately 3,900 hectares. It covers the headwaters of Ten Mile Creek, a well known placer mining location, as well as the headwaters of Sestak Creek, a drainage with reported historical placer mining activity.

The Flume property was staked by PDC in 1998 to cover drainages with anomalous gold and arsenic in government stream sediment samples. PDC subsequently completed property wide soil sampling, geological mapping, prospecting and limited trenching that defined two main target areas primarily characterized by elevated gold and arsenic soil anomalies with minor anomalous antimony (Sb) and molybdenum (Mo). The most recent exploration done on the property was a small mechanical auger program completed in 2007.

The northern Flume target has dimensions of 3.5 km by 3.0 km with gold in soil values ranging from 10 ppb to a high of 615 ppb. The best rock sample collected from this area returned 2.7 g Au/T from quartz stock work-bearing intrusive float. The southern Sestak target has dimensions of 3.7 kilometres by 1.0 kilometre as defined by a combined arsenic and gold soil anomaly (max gold value 1,317 ppb). Rock samples collected from this area include 10 samples that assayed greater than 1,000 ppb with the best sample returning 3.5 g Au /T from a lead- and zinc-rich skarn developed in a limestone horizon within meta-sediments.

Valley High may earn a 100% interest in the Flume property from PDC by making cash payments totalling \$225,000 and by completing \$500,000 worth of work over 4 years. The initial payment of \$10,000 is due on the six month anniversary of the option and Valley High commits to completing a \$200,000 work program by the second anniversary. PDC retains a 2% NSR royalty of which one half can be repurchased by Valley High for a sum of \$1,000,000. PDC also retains the right to share in the proceeds derived from the sale or option of the property to a third party in the amount of 50% of proceeds received during the first year and 25% of the proceeds in any subsequent year. As at July 31, 2009, the Company has not incurred in any costs in respect to this property.

2.5 Key Management

Robert Cameron, President and Chief Executive Officer, has over 27 years in the mining industry. Prior to joining Valley High, he held the position of Mining Analyst for Research Capital Inc. and prior to that held the position of Vice President and Manager of Exploration for PDC. The Board is comprised of Alan Stephens, Chairman, who has over 31 years of international mining experience in Chile, Mexico and Brazil, including managing exploration teams in Latin America, Africa, Europe and Asia; Kathrine MacDonald, VP Business Development, who has over 25 years of experience in the Finance Industry, including Investment Banking, Management, Finance, and Corporate Relations for public mining companies; James Mustard, Independent Director, who has over 33 years of diverse experience covering a broad range of exploration activity, and engineering functions at both open pit and underground development projects and mines and, Ray Strafehl, Independent Director, who has been a registered Commodity Trading Advisor with the National Futures Association since 1998. Mr. Strafehl also has over 27 years of experience in the Investment and Venture Capital Finance Industry and Corporate Relations for public mining companies.



3 FINANCIAL POSITION REVIEW

3.1 Cash and Working Capital

Table 3: Cash and Working Capital	Oct-08	Jul-09
Cash and cash equivalents	\$27,665	\$511,281
Accounts receivable and prepaid expenses	203,588	220,649
Accounts payable and accrued liabilities	(105,065)	(90,665)
Due to related parties	(15,333)	(2,886)
Net working capital	\$110,855	\$638,379

\$441,754 of the cash and cash equivalents was raised through the issuance of flow-through shares and therefore is restricted to qualifying exploration expenses in Canada.

A portion of the accounts receivable relates to value added taxes (“VAT”) receivable in Mexico. The Company is currently working actively to gain access to these funds and although management is confident that these amounts are refundable and represent valid claims, the timing of the payment from the Mexican authorities remains uncertain.

The Company has a 2007 BCMETC refund outstanding and has not recorded this amount as a receivable as at July 31, 2009. As the Company has not received the refund or an assessment of the return, there remains doubt as to the amount and timing of any such payment and as such, the Company has not accrued for any receivable in respect of the 2007 refund.

3.2 Other Assets

Table 4: Other Assets	Oct-08	Jul-09
Bond and reclamation deposits	8,000	8,000
Property, plant and equipment	14,559	6,561
Mineral property interests	\$2,308,436	2,047,992
Total Other Assets	\$2,330,995	\$2,062,553

In April 2009, the Company recognized \$150,348 from BCMETC refund which has been credited against the carrying costs of the property. In British Columbia, Canada, you are entitled to an exploration credit for those hard dollars (non flow-through) spent on exploration. Also in April 2009 and June 2009, the Company received its first and second option payments from Imperial related to the operation agreement on the Boundary zone. As a result, the Company has recognized the \$180,000 payment as a recovery of previously deferred exploration costs and has credited mineral properties as a result. Any future receipts will be treated as a cost recovery until all deferred costs have been recuperated.

As at July 31, 2009, the Company had total assets of \$2,794,483 (2008: \$2,562,248) the majority of which comprises deferred costs associated with the Mount Polley properties in British Columbia, due to the location of these properties next to established infrastructure and Imperial’s Mount Polley Mine, management believes that it will be able to recover these costs and therefore, has not recorded any impairment on these deferred costs.

3.3 Equity and Financing

Table 5: Shareholders’ Equity	Oct-08	Jul-09
Common shares	\$7,867,439	8,313,410
Contributed surplus	398,107	746,854
Deficit	(5,823,696)	(6,359,332)
Total shareholders equity	\$2,441,850	2,700,932



Outstanding Shares and Options

As at July 31, 2009, the Company had the following securities issued and outstanding:

Table 6: Outstanding number of shares, options and warrants	Oct-08	Jul-09
Common shares	25,699,554	30,070,554
Options	2,499,000	3,025,000
Warrants	-	2,311,000
Fully diluted	28,198,554	35,406,554

In March 2009, the Company issued 60,000 common shares in connection with the Option Agreement on the October/Dome claims.

In December 2008, the Company closed a non-brokered private placement of 2,250,000 units at a price of \$0.10 per unit for gross proceeds of \$225,000. Each unit is comprised of one common share and one transferable warrant. Each warrant entitles the holder to purchase one common share for a period of two years from the closing of the Private Placement at a price of \$0.25 per warrant. The proceeds from the Private Placement will be used to fund exploration on the Cordero property in Mexico and for general working capital. In connection with the Private Placement, the Company paid a finder's fee of \$10,500 in cash and has issued 21,000 units at a deemed price of \$0.10 per Finder's Unit. Each Finder Unit consists of one common share and one non-transferable warrant. Each Finder's warrant entitles the holder to purchase one common share of the Company for a period of two years from the closing of the Private Placement at a price of \$0.25 per share.

In November 2008, the Company closed a non-brokered private placement of 2,000,000 flow-through shares at a price of \$0.25, for gross proceeds of \$500,000. In connection with the offering, a finder's fee of \$25,000 cash was paid and issued 40,000 non-flow-through units, with each unit comprised of one common share and one transferable warrant. Each warrant will entitle the holder to purchase one common share for a period of two years from the closing of the private placement at a price of \$0.35 per warrant. As the proceeds from flow-through are required to be spent on certain Qualifying Canadian Exploration Expenditures and then those tax losses are renounced to the individual shareholder, the Company no longer has the ability to use the expenditures for tax purposes. The Company is required to record a future tax liability which is equal to the renunciation, times the corporation tax rate when expenditures are renounced (January 2009). This amounted to \$127,500. However, the Company can utilize previously unrecognized future income tax assets to offset the liability; the Company applied \$127,500 in future income tax assets to this liability, this amount is recognized in the statement of loss and deficit as a future income tax recovery. The Company had initially recognized \$152,500 in the first quarter using current rates but adjusted this to substantially enacted future tax rates in its second quarter.

Table 7: Proceeds from Financings

Date	Type	Intended Use	Actual Use
November 2008	2,000,000 flow-through units	Exploration expenses in British Columbia	Pending
December 2008	2,250,000 units	Cordero exploration and working capital	As intended



4 EXPENDITURE REVIEW

Table 8: Expenditures In Canadian Dollars (\$)	Quarterly						Nine-Months Ended		
	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q308	Q309
Expensed exploration									
Administration	-	-	-	2,996	21,593	14,871	54,538	-	91,001
Consulting, labour, & professional fees	-	-	-	42,054	44,528	52,316	52,172	-	149,016
Drilling and trenching	-	-	-	-	-	-	11,373	-	11,373
Property investigations	-	-	-	145	-	1,631	40,516	-	42,147
Property acquisition cost	-	-	-	-	32,836	43,095	22,305	-	98,236
Property payments received	-	-	-	-	-	(20,000)	-	-	(20,000)
Reimbursed costs	-	-	-	-	-	(97,526)	(129,227)	-	(226,753)
Travel and accommodation	-	-	-	-	1,768	11,926	15,175	-	28,868
Property write-downs	1,623	-	-	1,933,874	-	-	-	1,623	-
	1,623	-	-	1,979,089	100,725	6,313	66,852	1,623	173,888
Other expenses									
Consulting, labour, & professional fees	27,000	18,255	6,000	61,401	46,215	63,617	36,159	51,254	145,991
Depreciation	-	-	-	1,126	3,038	2,936	2,989	-	8,963
Interest expense (income)	22,186	(2,335)	(29)	(253)	(264)	5,706	5,714	19,822	11,156
Gain on settlement	-	-	-	(329,425)	-	-	-	-	-
Other costs	(10,023)	1,221	604	16,889	19,412	9,864	27,566	(8,197)	56,843
Regulatory & compliance costs	747	8,445	2,905	8,135	4,049	2,965	884	12,097	7,899
Stock-based compensation	-	-	40,782	81,685	83,865	84,850	75,825	40,782	244,541
Travel and promotion	3,237	-	17,135	3,000	19	5,836	8,000	20,372	13,855
Total other expenses	43,147	25,586	67,397	(157,442)	156,334	175,774	157,137	136,130	489,248
Future income tax recovery	-	-	-	-(152,500)	25,000	-	-	-	(127,500)
Net Loss	44,770	25,586	67,397	1,821,626	104,559	207,087	223,989	137,753	535,636

Exploration expenditures

On September 26, 2008 (Q408), the Company acquired CoroMex. Prior to this, the Company had been deferring all exploration expenditures as they all related to the Mount Polley properties. As a result of the addition of the Mexican subsidiary and its properties, the expensed exploration costs rose from the fourth quarter of 2008 (refer to section 2.2).

Administration costs rose in the third quarter due to the payment of Mining Rights for Cordero. Property investigation costs include payments made to the owner of the surface rights to access the property (\$18,000) and assay costs (\$19,000). Reimbursed costs relate to payments received from Levon to reimburse exploration expenses in Mexico.

Property acquisition costs of US\$25,000, US\$35,000 and US\$20,000 for Cordero's Q109, Q209 and Q309 respectively were paid in respect of Cordero (section 2.2).

The property write-down in the fourth quarter of 2008 relates to the Company's Mexican properties. The Company reviewed these properties at fiscal year end and due to the economic environment at that time, coupled with declining commodity prices and the lack of a formal recovery plan for the acquisition costs of the property, the Company wrote-off the book value of Mexican properties. The Company still firmly believes in the potential of the Cordero property but due to the lack of dedicated financing at this time and a formal cost recovery plan it has elected to write-down its acquisition cost.



Other Expenditures

Prior to the change in the management team at Valley High (March 2008), management and administration fees of approximately \$30,000 were being charged per quarter. These fees terminated upon establishment of the new management team in the second quarter of 2008. In September 2008, the Company appointed Robert Cameron as the President and CEO of the Company which has resulted in an increase in the consulting, labour and professional fees. The increase in consulting, labour and professional fees for the second quarter was due to the expensing of a finder's fee in respect to the Levon option agreement (\$20,000).

The acquisition of the Company's Mexican subsidiary has resulted in the recognition of depreciation for the quarter where no depreciation had previously been recognized.

Interest expense for the second and third quarters has increased as the Company renounced exploration expenses in January 2009 in advance of incurring the costs (permissible under the "look back rule") and has therefore accrued interest on these unspent exploration expenses that were renounced.

The gain on settlement of the debt arose from the acquisition of the Company's Mexican subsidiary. As part of the agreement, a related party debt was settled through the issuance of 2,333,333 common shares of the Company; this share issuance was fair valued at \$583,333 which resulted in a \$329,425 gain being recognized.

Other costs include foreign exchange losses (gain) with the addition of the Company's Mexican subsidiary and rent paid to Coro as a result of the appointment of Robert Cameron. The Company shares an office with Coro.

In Q308 Stock-based compensation arose as a result of the granting of options to the new management. The Company recognizes the fair value of the options over the life of the vesting period.

Travel and Promotion costs are principally comprised of fees of \$2,000.00 paid per month for investor relations services.

The future income tax recovery relates to the recognition of previous tax losses to offset future income tax liability from the renouncement of the tax losses for the flow through financing that occurred in November 2008. The Company initially recognized the renounced expenditures at current tax rates which resulted in a tax liability of \$152,500. Upon review of this amount, the Company determined that the substantially enacted future income tax rate should have been used rather than the current rate and therefore the Company adjusted the future income tax recovery by \$25,000 in the second quarter.

4.1 Related Parties Transactions

As at January 31, 2008, as a result of the agreement with Coro, the management group of the Company changed. The outstanding related party loans were consequently renegotiated and management fees and rent and other expenses revised. During the three and nine months ended July 31, 2009, rent and administrative charges of \$6,770 and \$26,542 respectively were charged by Coro.

5 CASH FLOW REVIEW

For the three months ended July 31, 2009, cash outflow from operations, after non-cash working capital movements, was \$186,910 (2008 inflow: \$3,944). The main cash expenses were consulting, labour & professional fees and regulatory and compliance costs. There has been no cash inflow or outflow from financing activities in the quarter (2008: \$nil). For the three months ended July 31, 2009 cash inflow from investing activities was \$221,854 (2008 outflow: \$10,899) as a result of receiving Imperial option agreement (\$90,000) and the BCMETC credit of \$150,348 for 2006 and 2005.

For the nine months ended July 31, 2009, cash outflow from operations, after non-cash working capital movements, was \$453,540 (2008 inflow: \$18,855). The main cash expenses were exploration costs in Mexico and consulting, labour & professional fees and regulatory and compliance costs. Cash inflow from financing was \$669,876 (2008: \$22,745) due to the



financing undertaken in November and December. Cash inflow from investing activities was \$267,280 (2008 outflow: \$40,275) which was comprised of payments received from Imperial and the BCMETC credits.

6 OUTLOOK

The next period will see an increased level of activity as the Company begins drill programs at Cordero and Mount Polley. In addition the Company plans to advance the newly acquired Flume gold project in the White Gold belt in the Yukon by securing an option partner to fund ongoing activities. Project development is ongoing as the Company continues to identify worthy exploration opportunities which it hopes to secure and then advance through partnering with other companies.

At Cordero the Company has commenced a 4,000m diamond drill program which will test a number of targets outlined by the extensive work programs completed this year. The highest priority will be a preliminary drill test of Pozo De Plata target where encouraging results from trenching supports the bulk tonnage target concept of this large property. This work is being funded by Levon and Valley High acts as project operator.

A drill program is also planned to begin shortly on the large Mount Polley property located adjacent to Imperial's Mount Polley Mine. Sufficient funds are available to complete this program with the flow through financing that was completed in November 2008. Drilling will focus on geophysical targets located north and west of Imperial's mine operations. Also at Mount Polley it is anticipated that Imperial will begin a drill test of the Boundary Zone property that Imperial optioned from Valley High in April.

7 RISKS, CRITICAL ACCOUNTING ESTIMATES & POLICIES

For a full version of the critical accounting estimates and policies, reference should be made to the Company's audited consolidated financial statements for the year ended October 31, 2008, which are available on the Company's website at www.valleyhighventures.com.

7.1 Future Changes in Accounting Policies

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that for fiscal years beginning on or after January 1, 2011, publicly-listed companies must report under IFRS which effectively replaces Canada's own GAAP.

The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, it has not formally adopted a transition plan and therefore, at this time, is unable to accurately estimate the impact of IFRS.

7.2 Disclosure Controls & Procedures ("DC&P") and Internal Control Financial Reporting ("ICFR")

As a ventures issuer and a filer of a Form 52-109FV1, the Company is not required to discuss in its annual or interim Management, Discussion and Analysis the design or operation effectiveness of DC&P or ICFR.



7.3 Forward Looking Statements

Certain statements included in this “MD&A” constitute forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company’s forward-looking statements. In addition, any forward-looking statements represent the Company’s estimates only as of the date of this MD&A and should not be relied upon as representing the Company’s estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company’s existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company’s expectations. Readers should not place undue reliance on the Company’s forward-looking statements, as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

7.4 Additional Financings

If the Company’s exploration programs are successful, additional funds will be required in order to complete the development of its properties. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligations or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

7.5 Commodity Prices

The profitability of the Company’s operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company’s revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold.



8 SUMMARY OF FINANCIAL POSITION AND PERFORMANCE

The following table sets out a summary of the Company's results.

Table 9: Summary of Financial Position and Performance (In Canadian Dollars (\$))

Statement of Loss and Deficit	Q307	Q407	Q108	Q208	Q308	Q408	Q109	Q209	Q309
Exploration expenditures									
Administration	-	-	-	-	-	2,996	21,593	14,871	54,538
Consulting, labour & professional fees	-	-	-	-	-	42,054	44,528	52,316	52,172
Drilling and trenching	-	-	-	-	-	-	-	-	11,373
Property investigations	-	-	-	-	-	145	-	1,631	40,516
Property acquisition costs	-	-	-	-	-	-	32,836	43,095	22,305
Property payments received	-	-	-	-	-	-	-	(20,000)	-
Reimbursed Costs	-	-	-	-	-	-	-	(97,526)	(129,227)
Travel and accommodation	-	-	-	-	-	-	1,768	11,926	15,175
Property write-downs	-	212,238	1,623	-	-	1,933,874	-	-	-
	-	212,238	1,623	-	-	1,979,068	100,724	6,313	66,852
Other expenses									
Consulting, labour & professional fees	42,800	56,349	27,000	-	6,000	61,401	46,215	63,617	36,159
Depreciation and amortization	-	-	-	-	-	1,126	3,038	2,936	2,989
Interest expense (income), net	18,998	22,327	22,186	(2,335)	(29)	(253)	(264)	5,706	5,714
Gain on settlement of debt	-	-	-	-	-	(329,425)	-	-	-
Other costs	11,039	13,824	(10,023)	1,221	604	16,889	19,412	9,864	27,566
Regulatory and compliance costs	1,000	800	747	8,445	2,905	8,135	4,049	2,965	884
Stock-based compensation	-	-	-	-	40,782	81,685	83,865	84,850	75,825
Travel and promotion	5,000	159	3,237	-	17,134	3,000	19	5,836	8,000
	78,837	93,459	43,147	7,331	67,396	(157,442)	156,334	175,819	157,137
Loss for the period before taxes	78,837	305,697	44,770	7,331	67,396	1,821,626	257,058	182,089	223,989
Future income tax recovery	-	-	-	-	-	-	(152,500)	25,000	-
Loss for the period	78,837	305,697	44,070	7,331	67,396	1,821,626	104,558	207,089	223,989
Other comprehensive loss (income) (OCI)	-	-	-	-	-	-	-	-	-
Loss and comprehensive loss	78,837	305,697	44,070	7,331	67,396	1,821,626	104,558	207,089	223,989
Financial Position									
Assets									
Cash and cash equivalents	10,050	1,441	4	9,721	2,766	27,665	488,697	476,337	511,281
AR and prepaid expenses	34,241	35,935	35,434	1,223	9,020	203,588	197,531	345,080	220,649
Total current Assets	44,291	45,376	43,438	18,944	19,786	231,253	686,228	821,417	731,930
Bonds and reclamation	-	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Property, plant and equipment	16,170	-	-	-	-	14,559	11,522	8,586	6,561
Mineral property interests	2,458,741	2,248,161	2,252,417	2,253,007	2,284,182	2,308,436	2,352,398	2,120,461	2,047,992
Total Assets	2,519,202	2,293,537	2,295,855	2,271,951	2,303,968	2,562,248	3,058,148	2,958,464	2,794,483
Liabilities									
Accounts payable and accruals	88,831	60,175	59,693	44,181	102,813	105,065	90,780	74,614	90,665
Due to related parties	739,306	847,994	895,264	912,758	912,758	15,333	25,696	34,754	2,886
Total current liabilities	828,137	908,169	955,257	956,939	1,015,571	120,398	116,476	109,368	93,551
Total Liabilities	828,137	908,169	955,257	956,939	1,015,571	120,398	116,476	109,368	93,551



Table 10: Summary of Financial Position and Performance (continued)

	Q307	Q407	Q108	Q208	Q308	Q408	Q109	Q209	Q309
Shareholders' Equity									
Common shares	4,992,301	4,992,301	4,992,301	4,992,301	4,992,301	7,867,439	8,283,748	8,313,410	8,313,410
Contributed surplus	275,640	275,640	275,640	275,640	316,422	398,107	586,178	671,029	746,854
Deficit	(3,576,876)	(3,882,573)	(3,927,343)	(3,952,929)	(4,020,326)	(5,823,696)	(5,928,254)	(6,135,343)	(6,359,332)
Total Shareholders' Equity	1,691,065	1,385,368	1,340,598	1,315,012	1,288,397	2,441,850	2,941,672	2,849,096	2,700,932
Total Liabilities and Equity	2,519,202	2,293,537	2,295,855	2,271,951	2,303,968	2,562,248	3,058,148	2,958,464	2,794,483
Weighted average of shares	13,674,390	14,161,731	14,175,868	14,175,868	14,175,868	18,563,683	28,438,261	30,044,936	30,070,554
Working capital	(783,846)	(862,793)	(911,819)	(937,995)	(940,085)	110,855	569,753	712,049	658,379
Cash flows from:									
Operating activities	(69,540)	(168,827)	(22,545)	11,917	3,944	(154,890)	(168,019)	(98,610)	(186,910)
Financing activities	81,224	(1,174,785)	25,364	19,360	-	263,563	673,014	(3,138)	-
Investing activities	(21,583)	1,343,003	(4,256)	(21,560)	(10,899)	(82,449)	(43,963)	89,389	221,854
Net increase (decrease) in cash	(9,899)	(609)	(1,437)	9,717	(6,955)	26,224	461,032	(12,359)	34,944

