

**VALLEY HIGH VENTURE LTD.
MANAGEMENT DISCUSSION & ANALYSIS**

FORM 51-102F1

**For the Period Ended
JANUARY 31, 2006**

The following discussion and analysis of the results of operations and financial condition (“MD&A”) for Valley High Ventures Ltd. (“the Company”) should be read in conjunction with the Company’s Management’s Discussion and Analysis of Operating Results, the unaudited interim financial statements and the accompanying notes for the three month period ended January 31, 2006 and the audited financial statements for the year ended October 31, 2005.

The financial information in this MD&A is derived from the Company’s consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles. 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.

DATE OF REPORT: March 29, 2006

OVERALL PERFORMANCE

Valley High Ventures Ltd. (the “Company”) was incorporated on August 11, 1980 under the laws of the Province of British Columbia. The Company is pursuing opportunities in the exploration of mineral and natural resource properties and is considered to be in the 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 its 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.

Mineral Properties

Yemen Properties

During fiscal 2004, pursuant to the acquisition of an exploration license that provided the Company with the rights to prospect for all minerals other than hydrocarbons in an area located in west central Yemen, the Company issued 200,000 common shares valued at \$48,000. The Company has agreed to pay a finder’s fee of 20,000 common shares.

In August of 2005, the Company agreed to renew the exploration license for a period of two years expiring August 2007. During the period ended January 31, 2006, the Company obtained a prospecting permit expiring August, 2006 and paid US\$25,000 pursuant to the prospecting permit and exploration license.

British Columbia Property

The Company entered into purchase agreements for the following mining claims which are located in the Mount Polley area of the Cariboo Mining division of central British Columbia:

Nordik claims

The Company acquired a 100% interest in the Nordik mineral claims in consideration for the issuance of 666,666 common shares valued at \$153,333. The vendors retained a 2% net smelter returns royalty (“NSR”) on the claims, with a buyout of \$500,000 for each one-half percent.

Calm claims

The Company acquired a 100% interest in the Calm mineral claims in consideration for the issuance of 333,333 common shares valued at \$76,667 and a cash payment of \$25,000. The vendors retained a 2% NSR on the claims, with a buyout of \$500,000 for each one-half percent.

Pay, A and OCT claims

The Company acquired a 100% interest in the Pay, A and OCT mineral claims in consideration for the issuance of 733,334 common shares valued at \$168,666. The vendors retained a 2% NSR on the claims, with a buyout of \$500,000 for each one-half percent.

Lloyd claims

The Company acquired a 90% interest in the Lloyd mineral claims in consideration for the issuance of 1,020,000 common shares valued at \$234,600. The company also acquired 1.5% NSR on 100% of certain of the Lloyd claims in consideration for the issuance of 180,000 common shares valued at \$41,400.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles, is derived from the Company’s audited financial statements for the year ended October 31, 2005, 2004 and 2003.

	2005	2004	2003
	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Net loss for the period	383,456	162,619	87,063
Basic and diluted loss per shares	(0.05)	(0.04)	(0.02)
Total Assets	871,073	243,279	129,380
Total long term liabilities	Nil	Nil	Nil
Cash dividend	Nil	Nil	Nil

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

RESULTS OF OPERATIONS

During the period ended January 31, 2006, the Company recorded a loss of \$61,888 or \$0.01 diluted loss per share, compared to \$29,959 or \$0.01 diluted per share for the same period last year.

The loss consisted primarily of accrued management fees of \$22,500 (2005-\$22,500), rent and office of \$6,089 (2005-\$1,950), accrued administrative expenses of \$4,500 (2005-\$4,500) and regulatory, transfer agent and filing fees of \$3,594 (2005-\$1,618).

Cash at January 31, 2006 was \$505,280 compared to \$24,144 for the same period last year.

SUMMARY OF QUARTERLY REPORTS

Results for the three most recent quarters ending with the last quarter for the three months period ended January 31, 2006:

	Three Months Ended			
	January 31, 2006 \$	October 31, 2005 \$	July 31, 2005 \$	April 30, 2005 \$
Revenue	Nil	Nil	Nil	Nil
Net earnings (loss)	(61,888)	(237,496)	(62,131)	(53,870)
Basic and diluted per shares	(0.01)	(0.03)	(0.01)	(0.02)

	Three Months Ended			
	January 31, 2005 \$	October 31, 2004 \$	July 31, 2004 \$	April 30, 2004 \$
Revenue	Nil	Nil	Nil	Nil
Net earnings (loss)	(29,959)	(47,719)	(34,567)	(47,679)
Basic and diluted per shares	(0.01)	(0.01)	(0.01)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future.

At January 31, 2006, the Company had cash and cash equivalents of \$505,280 and a working capital of \$587,395.

During the period ended January 31, 2006, the Company issued 1,927,388 non flow-through and 571,888 flow-through shares for gross proceeds of \$1,124,674, of which \$94,250 is still to be received by the Company. The Company paid finders' fees of \$65,528 in conjunction with this share issuance.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$22,500 (2005 - \$22,500) to a company controlled by a director.
- b) Paid or accrued administrative expenses of \$4,500 (2005 - \$3,000) to a relative of a director.
- c) Paid or accrued rent and office expenses of \$6,000 (2005 - \$1,950) to a company controlled by a director.

Included in accounts payable is \$48,789 (2005 - \$23,064) due to a company controlled by a director for unpaid management fees, administrative, rent and office expenses.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**Flow-through shares**

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences. When flow-through expenditures are renounced, a portion of the future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will be recognized as a recovery of income taxes in the statement of operations.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, loan payable and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

INVESTOR RELATIONS

No investor relations activities were undertaken by or on behalf of the Company during the period.

SUBSEQUENT EVENT

The Company issued 1,927,388 non flow-through and 571,888 flow-through shares for gross proceeds of \$1,124,674. Five investors owe the Company \$94,250 for shares issued in a private placement. Subsequent to January 31, 2006, the money has been received.

OUTSTANDING SHARES

As at March 29, 2006, the Company had the following securities issued and outstanding:

Common shares	11,870,868
Stock options	500,000
Share purchase warrants	2,200,000

DIRECTORS AND OFFICERS

Kathrine MacDonald	<i>Director, President & Chief Executive Officer</i>
Patrice Nazareno	<i>Director</i>
Chad Ulansky	<i>Director</i>
David Bailey	<i>Director</i>

OTHER REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.

On Behalf of the Board,

VALLEY HIGH VENTURES LTD.

"Kathrine MacDonald"

Kathrine MacDonald
Chief Executive Officer