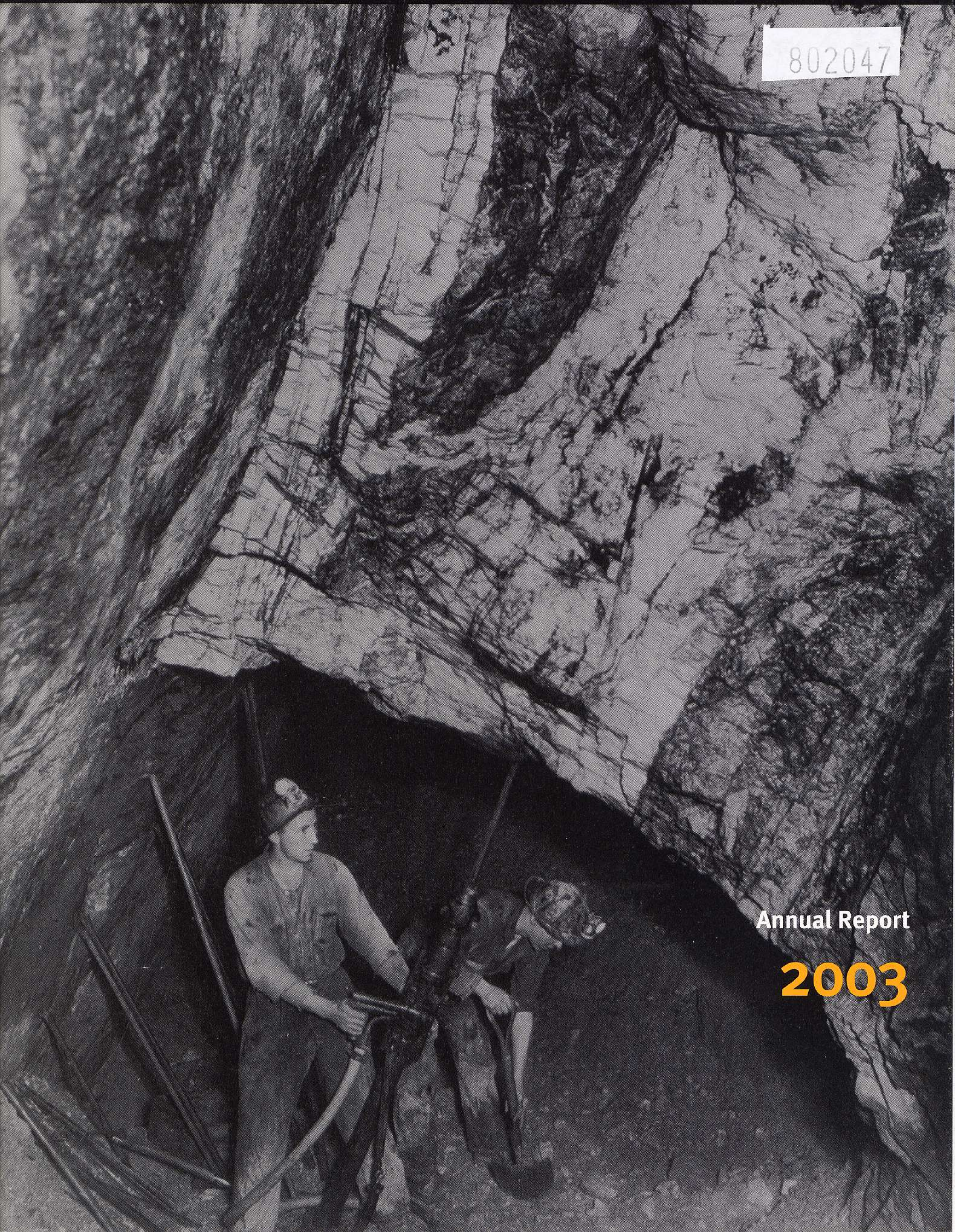
BRALORNE-PIONEER GOLD MINES LTD



Annual Report

2003

2003

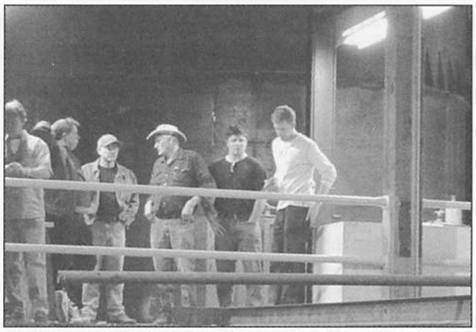
PROFILE

Bralorne-Pioneer Gold Mines is developing and re-opening the Bralorne mine in southern British Columbia. Bralorne is historically British Columbia's richest and most productive gold mine. Since its discovery in 1897, this operation has produced 4.1 million ounces of gold, worth some US$1.4 billion at today's gold prices.

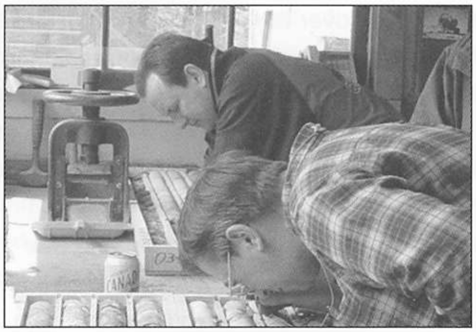
About the cover
July, 1934. Bralorne drillers prepare the 7-D stope for blasting.
Leonard Frank photo, Vancouver Public Library VPL 14847

Investment Highlights

- Mine start-up expected December, 2003 from stockpiled ore.
- New discoveries, now confirmed as extensions of original Bralorne-Pioneer veins, may add significantly to production base.
- Vast areas of original vein system remain unexplored.
- Original Bralorne-Pioneer operation averaged >.50 oz. Au/ton. Production grades were consistently higher than exploration grades due to nugget effect.



Directors and investors tour the Bralorne-Pioneer Mill.



Director David Wolfin (top) and investor examine drill core at the Bralorne site.

Bralorne History

1896
First claims staked.

1896 - 1928
Sporadic production and exploration.

1928 - 1931
Pioneer and Lorne mines built.

1932
First gold brick, weighing 363 oz. (worth $6,217 in 1932 dollars) poured at Lorne Mine.

1932 - 1971
The great Bralorne & Pioneer Mines era ensues. Most of the 4.1 million ounces were produced during this period.

1971
Mines close, as gold's fixed price of $35 per ounce proves too low to cover increasing costs.

1990 - 1995
Avino Mines & Resources takes over project from Corona Corporation, et al. Exploration locates significant new gold zones in areas not previously explored.

1995
Avino negotiates joint venture with Bralorne-Pioneer Gold Mines. Mine Development Certificate received from the British Columbia government.

1996
Low gold prices postpone planned mine start-up.

1996 - 2003
Mill construction and improvements continue. Exploration continues to expand new vein systems on the Loco property.

2002
Bralorne acquires the remaining 50% interest in the Bralorne-Pioneer mine from Avino Silver and Gold Mines, thereby increasing its interest to 100%.

2003
New discoveries continue as higher gold prices improve mine economics. Mill construction completed, with start-up expected in December 2003.

To Our Shareholders

"Most of the mill equipment is in place and ready to go, and we are hiring personnel to begin operation as soon as possible."

I'm happy to report that the past year brought a great deal of positive news to Bralorne-Pioneer shareholders. Gold prices were up significantly, we raised over C$2.5 million for development and exploration (including $1.2 million subsequent to year end), and new discoveries continued to expand Bralorne's gold resource. Also, in June of 2002 we acquired the remaining 50% interest in the Bralorne project from former joint venture partner Avino Silver & Gold Mines Ltd. These events brought us to the most important news of all: the Bralorne-Pioneer mine is expected to start up within the next six months.

We've travelled a long road to reach this milestone, with our primary obstacle being low gold prices. However, the gold market has remained above US$300 for over 12 months, and the price appears to be more resilient than at any time in the past five years. Thus we made our decision this year to open the mine.

We expect to start production by bulk sampling as a mine tune-up. Most of the mill equipment is in place and ready to go, and we are hiring personnel to begin operation as soon as possible.

Initial sustained production should reach about 150 tons per day from 476,835 tons of proven and probable ore grading .31 oz. Au/ton. The mine is permitted for 500 tons per day. An additional resource estimated at 600,000 tons grading 0.30 oz Au/ton lies below the 800 level. Accessing this material would require dewatering, which will be considered once the operation is running at full capacity.

We're most excited, however, by the exploration potential of a network of veins discovered over the past 13 years on the Loco property. The Loco adjoins the original Bralorne mine boundary to the north of the King mine (see map). This area contains the Peter, Millchuck, Big Solly, Maddy and newly-discovered Loki veins. The Peter vein, in particular, has produced outstanding assays since its discovery in 1990.

Underground exploration to date on the Peter vein has encountered an average grade of .38 oz. Au/ton over a strike length of 215 feet. This zone correlates with a similar zone intersected 300 metres below surface on the 800 level that assayed .40 oz. Au/ton over a width of 6 feet and a strike length of 100 feet.

Recent trenching and drilling have expanded the Peter vein for at least another 1500 feet.

Perhaps most important, geological modeling in 2002 confirmed that the veins of the Loco area are extensions of the rich Bralorne-Pioneer vein system.

The modeling program was conducted by Matt Ball, Ph.D, P.Geo. In his report dated September 16, 2002, Mr. Ball identified several areas of the Loco property as significant exploration targets for expansion of Bralorne mineralization. This report led to further trenching in mid-2003 that located the Loki vein and further expanded the Peter vein.

In his report, Mr. Ball stated that "Conceptual exploration areas with a potential for 3.4 million ounces have been identified at Bralorne-Pioneer."

Of further significance is his premise that "the level of exploration drilling that was done in this mine is a fraction of that typically conducted in similar deposits.

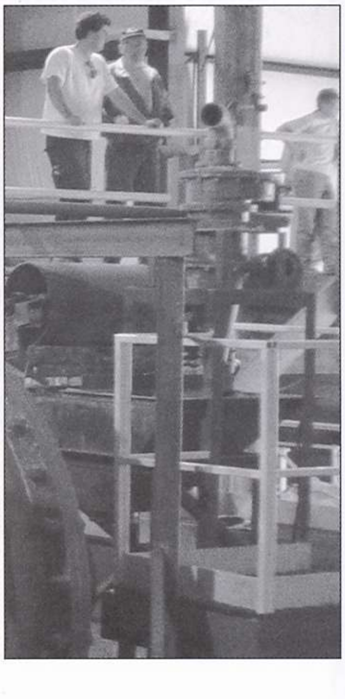
It's also important to note that throughout the colourful history of the Bralorne-Pioneer mine, recovered grades were generally higher than drill-indicated grades. This factor was due primarily to the "nugget effect," a phenomenon whereby the concentrated placement of gold in the Bralorne-Pioneer veins meant that drilling and trenching missed a lot of high-grade gold. It was only after the ore was mined and milled that this "missing" gold turned up.

We are closer than ever to re-opening what was once British Columbia's richest and most productive gold mine. However, considering our recent discoveries and new geologcial information, we may be on the verge of realizing Bralorne-Pioneer's greatest era ever.

None of this success would be possible without the hard work and sound judgment of our management and staff. With their continued dedication, we look forward to a prosperous future at Bralorne-Pioneer Gold Mines.

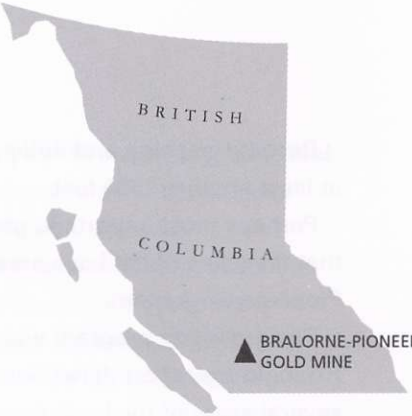
Louis Wolfin
CEO

"Conceptual exploration areas with a potential for 3.4 million ounces have been identified at Bralorne-Pioneer."



Final work is underway to prepare the mill for bulk testing in December.

Bralorne-Pioneer Gold Mine



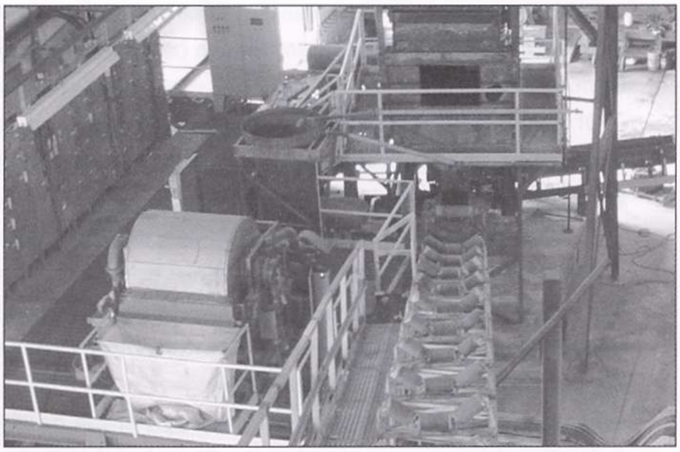
Statistics

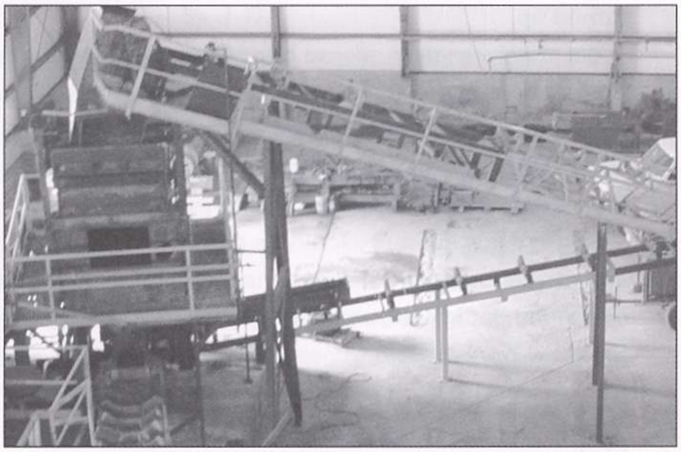
Location:	Bralorne, British Columbia, approximately 100 miles northeast of Vancouver.
Current Reserves:	476,835 tons (excludes ore below 800 level and discoveries since 1990) Access requires no de-watering.
Avge Grade:	.31 oz. Au/ton
Recovery Method:	Standard gravity and flotation
Avge Recovery:	94%
Planned start-up:	December, 2003

With most of the mill construction completed, the Bralorne-Pioneer mine can begin bulk sampling tests very quickly. All mill feed for the first several years will come from stockpiled and readily available material above the 800 level. A significantly larger resource exists below the 800 level, and this material will be approached as funding allows.

The mill, as permitted, will achieve standard recoveries by jigs and tables followed by flotation. The gravity concentrate will be furnaced and poured into dore bars on site, with the flotation concentrate shipped to a smelter for final processing.

New discoveries on the Loco property could add significantly to mineable reserves. These veins will undergo further exploration as the mine increases production.

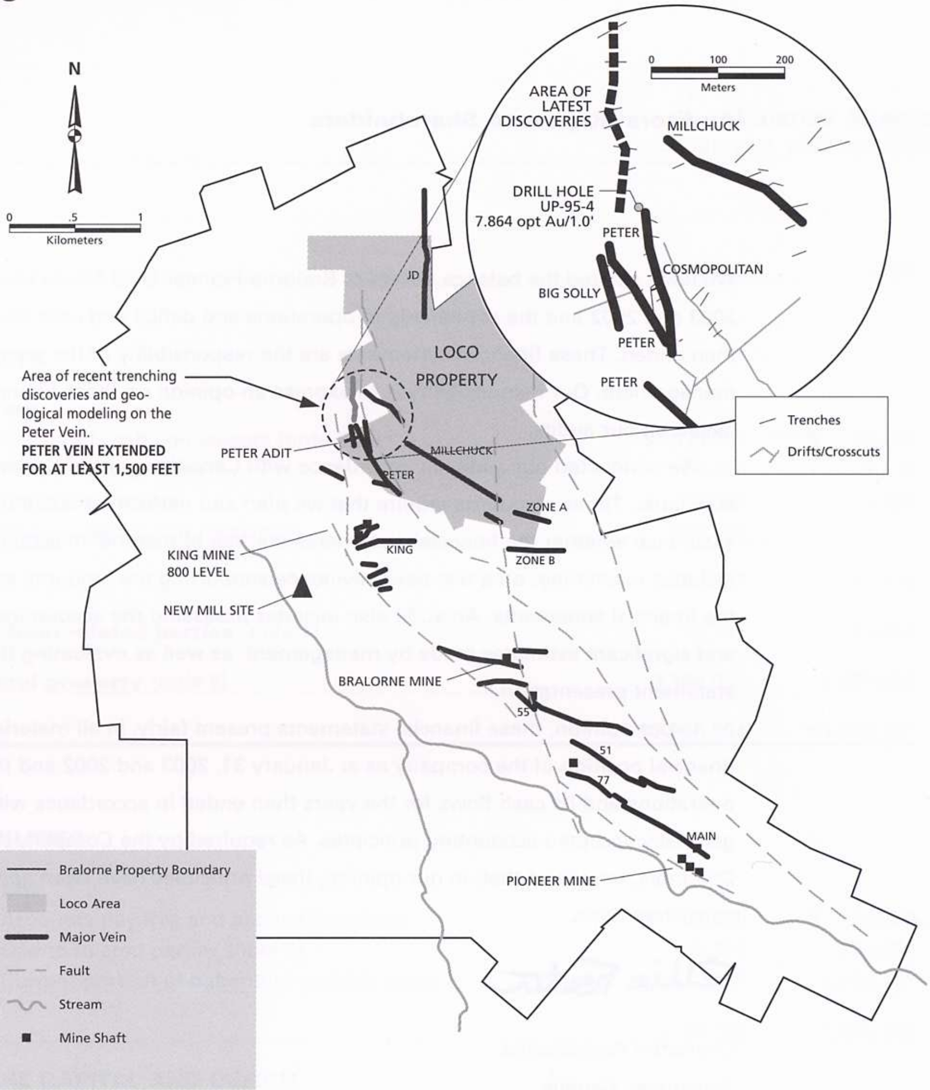




The Bralorne-Pioneer mill is permitted for 500 tons per day. Initial production will start at about 150 tons per day.

"All mill feed for the first several years will come from stockpiled and readily available material above the 800 level. A significantly larger resource exists below the 800 level."

Principal Vein Systems



"New discoveries on the Loco Property have increased the potential for expansion of the Bralorne-Pioneer gold resource."

Exploration

Perhaps the greatest attraction of the Bralorne-Pioneer project is the potential to vastly increase reserves. The Loco property discoveries have added significantly to the potential for resource expansion. In addition, a large tract of very prospective ground between the Bralorne and Pioneer mines remains unexplored.

Underground explorations of the Peter vein indicate the potential of a large block of ore between the 800 level and the surface. So far, we've yet to find the limits of this vein structure and it may well prove to be one of the largest of the entire Bralorne-Pioneer complex.

We plan to conduct further drilling and underground exploration, particularly on the Peter vein. Based on additional trenching and drilling results, we may begin underground exploration of other veins on the Loco property as well.

Drilling on the Loco Property in May.

Statements of Operations and Deficit

Years Ended January 31, 2003 and 2002

	2003	2002
General and administrative expenses		
Administrative services	$ 22,585	$ 14,330
Consulting fees	58,000	30,000
Interest	145,553	102,635
Listings & filings	19,298	1,543
Office, occupancy & miscellaneous	23,933	32,986
Professional fees	51,783	17,917
Shareholder information	18,868	3,481
Stock-based compensation	15,050	-
Transfer fees	19,072	7,290
Travel & accommodation	1,890	1,613
	376,032	211,795
Operating loss	(376,032)	(211,795)
Other income and expenses		
Interest income	3,696	1,789
Foreign exchange loss (gain)	107,561	(83,404)
Writedown of advances receivable	(186,645)	-
Writedown of mineral property	-	(1,930,789)
Loss for the year	(451,420)	(2,224,199)
Deficit, beginning of year		
As previously reported	(4,583,116)	(2,323,057)
Accounting changes (note 2(b))	(3,848)	(39,708)
As restated	(4,586,964)	(2,362,765)
Deficit, end of year	$ (5,038,384)	$ (4,586,964)
Loss per share - basic and diluted	$ (0.03)	$ (0.19)
Weighted average number of common shares outstanding - basic and diluted	14,083,999	11,881,304

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows
Years Ended January 31, 2003 and 2002

	2003	2002
Cash flows from (used in) operating activities		
Loss for the year	$ (451,420)	$ (2,224,199)
Adjustments for items not involving cash		
- Writedown of advances receivable	186,645	-
- Writedown of mineral property	-	1,930,789
- Stock-based compensation expense	15,050	-
	(249,725)	(293,410)
Changes in non-cash working capital:		
- Decrease (increase) in accounts receivable	(5,934)	1,262
- Decrease (increase) in prepaid expenses	(6,119)	134
- Increase in share subscription receivable	(135,750)	-
- Increase (decrease) in accounts payable and accrued liabilities	(4,180)	149,626
	(401,708)	(142,388)
Cash flows used in investing activities		
Purchase of mineral property	(1,449,950)	-
Deferred exploration expenditures incurred, net of tax recovery	(138,105)	(59,335)
	(1,588,055)	(59,335)
Cash flows from (used in) financing activities		
Funds advanced to (received from) related parties, net	(114,924)	(88,346)
Issuance of common shares, net	1,320,900	210,400
Increase in debenture payable	1,383,678	80,084
	2,589,654	202,138
Increase in cash and cash equivalents	599,891	415
Cash and cash equivalents, beginning of year	38,433	38,018
Cash and cash equivalents, end of year	$ 638,324	$ 38,433

The accompanying notes form an integral part of these financial statements.

Schedules of Deferred Exploration Expenditures

Years Ended January 31, 2003 and 2002

	2003	2002
Assessment taxes and staking	$ 2,999	$ 5,557
Consulting	23,116	-
Equipment rental & repairs	1,879	1,391
Geochemical & assay	8,023	-
Insurance	-	4,197
Licenses & permits	271	513
Meals, transportation & accommodation	554	4,442
Mine development	69,239	16,810
Mine office	5,042	2,478
Mine power	321	8,345
Property maintenance	-	100
Wages and benefits	5,891	7,542
Other	1,265	7,960
Increase in deferred exploration expenditures	118,600	59,335
Deferred exploration expenditures, beginning of year	101,102	1,972,556
Deferred exploration expenditures, charged to operations	-	(1,930,789)
Deferred exploration expenditures, end of year	$ 219,702	$ 101,102

Notes to Financial Statements

January 31, 2003 and 2002 (Canadian Dollars)

1. Nature of Business and Going Concern

These financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company is the process of exploring its mineral interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The continued operations of the Company and the recoverability of mineral property costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production. The Company has incurred recurring operating losses and has a working capital deficiency of $2,396,853 which requires additional funds to meet its obligations and maintain its operations. Management's plan in this regard is to raise equity financing as required.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from this uncertainty.

The Company has not generated any operating revenues to date.

2. Change in Accounting Policies

(a) Effective February 1, 2002, the Company adopted, on a prospective basis, the Canadian Institute of Chartered Accountants ("CICA") Handbook, Section 3870, Stock-based compensation and other stock-based payments. As permitted by the CICA Handbook, Section 3870, the Company has chosen not to recognize any compensation cost on the grant of stock options to its employees. Any consideration paid by employees on exercise of stock options is credited to capital stock. The Company is required to provide pro-forma information with regard to its net income as if the compensation cost for the Company's stock option plan had been determined in accordance with the fair value based method prescribed in the CICA Handbook, Section 3870.

For stock options awards granted to non-employees and all direct awards of stocks, the Company applies the fair value method. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options. The fair value of direct awards of stocks is determined by the market price of the Company's stock.

The adoption of the new accounting policy has no cumulative effect on the prior period's financial statement.

(b) Effective from February 1, 2002, the Company retroactively adopted a new standard for *Foreign Currency Translation*, as recommended by the Canadian Institute of Chartered Accountants. As a result of the adoption of the new standard, all exchange gains or losses arising on translation of monetary assets and liabilities are included in income or loss for the year.

The effect of the change in policy is an increase in deficit as at February 1, 2002 by $3,848 (2001 by $39,708).

(c) Effective February 1, 2002, the Company adopted the new recommendations of the CICA Handbook, Section 3062, *Goodwill and Other Intangible Assets*, prospectively. Under the recommendation, a recognized intangible asset should be amortized over its useful life to an enterprise unless the life is determined to be indefinite. An intangible asset with an indefinite life will not be amortized but will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

The impairment test will consist of a comparison of the fair value of the intangible asset with its carrying amount. When the carrying amount of the intangible asset exceeds its fair value, an impairment loss will be recognized in an amount equal to the excess and charged to operations.

The adoption of the new accounting policy has no cumulative effect on the prior period's financial statement.

3. Significant Accounting Policies

The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Mineral Property

The Company is in the exploration stage and defers all acquisitions and exploration expenditures related to its mineral property until such time it is put into commercial production, sold or abandoned. Under this method all direct costs related to exploration are capitalized and do not necessarily reflect current or future values. If the property is put into commercial production the expenditures will be depleted based upon the proven reserves available. If the property is sold or abandoned, or a permanent impairment in value has occurred, the carrying value will be adjusted through a charge to operations. The Company does not accrue the estimated future expenditures of maintaining in good standing its mineral property.

(b) Joint Venture

The Company's investment in the joint venture with Avino Silver & Gold Mines Ltd. is accounted for by the proportionate consolidation method. The accompanying financial statements include the Company's proportionate share, being 50%, of the assets, liabilities and expenses of the joint venture (see note 6).

(c) Use of Estimates

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

(d) Property Option Agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral property costs or recoveries when the payments are made or received.

(e) Long-Lived Assets Impairment

Long-term assets of the Company are reviewed when changes in circumstrances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to fair value.

(f) Loss Per Share

Loss per share is computed using the weighted average number of common shares outstanding during the year. Fully-diluted loss per share has not been disclosed as the effect of common shares issuable upon the exercise of warrants and options would be anti-dilutive. Potential equity issuances in notes 7, 8(b) and 8(c) may dilute earnings per share in the future.

(g) Cash Equivalents

Cash equivalents usually consist of highly liquid investments, which are readily convertible into cash with maturities of three months or less when purchased. As at January 31, 2003, cash equivalents include a term deposit of $70,212 (2002 - $33,995).

(h) Income Taxes

Income taxes are accounted for using the asset and liability method pursuant to Section 3465, Income Taxes, of *The Handbook of the Canadian Institute of Chartered Accountants.* Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statements carrying amounts and the tax basis of existing assets and liabilities. The effect on deferred taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, Section 3465 requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

(i) Flow-Through Shares

The Company finances a portion of its exploration programs with flow-through common share issues. Income tax deductions relating to these expenditures are claimable only by the investors. Proceeds from common shares issued pursuant to flow-through financings are credited to capital stock.

(j) Foreign Currency Translations

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date for monetary items and at exchange rates prevailing at the transaction dates for non-monetary items. Revenues and expenses are translated at the average exchange rates prevailing during the year except for amortization, which is translated at historical exchange rates. Gains and losses on translations are included as income for the year.

4. Due from/to Related Parties

The amounts due from/to companies under common control are non-secured, non-interest bearing with no stated terms of repayment.

5. Mineral Property

Bralorne Mines and Loco Property:

	2003	2002
Acquisition costs	$2,317,347	$ 847,892
Deferred exploration expenditures (schedule)	219,702	101,102
Mine and plant construction costs	651,006	651,006
Total	$3,188,055	$1,600,000

Bralorne-Pioneer Gold Mines Ltd. ("Bralorne") has acquired a 50% interest in certain mineral properties located in the Lillooet Mining Division, Province of B.C. subject to a Joint Venture Agreement dated July 21, 1993 (amended July 12, 1995) with Avino Silver & Gold Mines Ltd. ("Avino"), a company with common directors. The Properties consist of 154 Crown granted mineral claims, ten freehold parcels of land, five reverted Crown granted claims, four located mineral claims and two placer leases, all known as the "Bralorne property".

In order to exercise its 50% interest under the above agreement, the Company was required to make option payments totaling $350,000 and issue 200,000 common shares, both by scheduled installments, and incur exploration expenditures of a minimum of $1,000,000 on the Bralorne property.

The Company fulfilled all of the financial commitments necessary to acquire its interest in the Bralorne property in July 1995 and continues to explore and develop the property under the joint venture.

During the year ended January 31, 2002, there were no proven mineral reserves discovered and the Company operated with a working capital deficiency. These conditions raised substantial doubt regarding the recovery of the capitalized exploration expenditures. Therefore, pursuant to the guidelines, "Accounting for the Impairment of Long-Lived Assets", the Company wrote down the capitalized exploration expenditures by way of a charge of $1,930,789 to operations. Management will continue to evaluate the mineral property on a regular basis to ensure that the mineral property is recorded at its recoverable amount.

On June 20, 2002, the Company entered into an assignment agreement with Avino (under common control) and acquired an additional 50% interest of Joint Venture and now owns a 100% undivided interest in the Joint Venture's mineral property. Pursuant to the assignment agreement, the Company paid cash consideration of $1 with the assumption of the full rights, interest and obligations of Joint Venture as at June 20, 2002 excepting for specified liabilities totalling $250,572. During the fiscal year 2003, the Company recorded an increase of $1,469,455 to acquisition costs in relation to the above noted mineral property acquisition. A breakdown of assets and liabilities acquired are as follows:

Mineral property	$1,469,455
Current assets	36,722
Accounts payable and accrued liabilities	(13,982)
Debenture payable	(1,492,196)
Sale proceed	$ (1)

Ownership in mineral properties involves certain inherent risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

6. Joint Venture Operations

The Company's share of the joint venture operations as at January 31, 2002 is summarized as follows:

	2002
Assets	
Current assets	$ 37,993
Mineral property	1,826,132
Total assets	1,864,125
Liabilities	
Accounts payable and accrued liabilities	396,022
Debentures payable	1,492,196
Total liabilities	1,888,218
Net liabilities	$ (24,093)
Interest income	$ 1,105
Operating expenses	$ 226,830

7. Debenture Payable

The Company, together with Avino completed a joint venture offering of 2,000 mortgage bond units. Each unit consists of one US$1,000 subordinated Convertible Debenture issued jointly and severally by the Company and Avino and one hundred shares of the Company, fifty percent of which were issued by the Company and fifty percent of which were delivered by Avino from its shareholdings, to raise US$2,000,000 for the purposes of placing the Bralorne property into commercial production. This placement netted the treasury of the joint venture US$1,821,000 after commissions, Bralorne's portion being US$910,500.

Each bond bears interest at the rate of 7% per annum. The bonds are not redeemable prior to the maturity date and principal plus unpaid accrued interest will be paid on the maturity date.

Subsequent to January 5, 1998 the bonds are exchangeable, at the holder's option, into gold certificates issued by a Canadian Chartered Bank on the basis of one gold certificate representing 2.5 troy ounces of gold for every US$1,000 principal amount of bonds exchanged.

Further to the assignment agreement entered into on June 20, 2002, the Company and Avino entered into an Amending Agreement to extend the maturity date of the mortgage bonds to October 25, 2003, and to provide a revised conversion feature into units of Bralorne (the "Units") at $0.75 per unit, each Unit consisting of one common share of Bralorne and one non-transferable share purchase warrant, exercisable at $0.17 per share.

Application of the provisions of CICA accounting Recommendetion 3860 "Financial Instruments" to the above noted convertible debt instrument resulted in immaterial equity elements being attributable to the instruments. Accordingly, all of the instruments have been recorded as debt.

The bonds are secured by way of a first charge over Bralorne's interests in the Bralorne-Pioneer Mines ("Mine") and all personal property of Bralorne which is used in connection with the Mine including, without limitation, all mine equipment located at the Mine, all books and records relating to or used in connection with the Mine and all drill and assay results from the Mine.

The payment of principal and interest on the bonds are subordinated in priority of right of payment to future indebtedness of the Issuers to a Canadian Chartered Bank or Trust Company, up to a maximum of US$2,000,000.

As at January 31, 2003, the Company's full obligation under the mortgage bonds (2003 - U.S. $2,000,000; 2002 - U.S.$1,000,000) is as follows:

	2003	2002
Principal balance outstanding	$ 2,878,167	$ 1,496,044
Accrued interest payable	134,682	133,127
	3,012,849	1,629,171
Less: current portion	(3,012,849)	(1,629,171)
	$ -	$ -

8. Share Capital

a) Authorized: 100,000,000 common shares without par value.
Issued:

	Shares	Amount
Balance, January 31, 2001	10,871,770	$4,300,548
For cash:		
Private placements	1,780,000	210,400
Balance, January 31, 2002	12,651,770	4,510,948
For cash:		
Private placements, net of share issuance costs of $15,210	3,729,500	604,700
Exercise of warrants	510,000	57,750
Exercise of stock options	360,000	64,200
Issued pursuant to flow-through share agreements	2,925,000	594,250
Balance, January 31, 2003	20,176,270	$5,831,848

During the year, the Company issued 2,925,000 flow-through common shares. A portion of the proceeds were spent on Canadian Exploration Expenses ("CEE") with a cash balance of $491,951 remaining on hand and included in cash and cash equivalent as at January 31, 2003 designated solely for Canadian exploration activities.

(b) 375,000 of the issued and outstanding common shares are subject to escrow conditions and may not be released except on receipt of written approval by the regulatory authorities.

(c) At January 31, 2003, the Company had issued share purchase warrants entitling the holders to acquire additional common shares on the following basis.

Number of Shares	Exercise Price	Expiry Date
400,000*	$0.11	April 12, 2003
575,000	0.25	June 21, 2003
1,080,000	0.20	July 19, 2003
1,795,000	0.28	September 23, 2004
2,084,500	0.30	January 3, 2005
2,050,000	0.30	January 15, 2005
7,984,500		

*Exercised

(d) At January 31, 2003, the Company has issued directors, employees and consultants stock options entitling the holders to acquire additional common shares on the following basis:

Number of Shares	Exercise Price	Expiry Date
354,000	$0.25	February 10, 2003
90,000	0.25	September 25, 2006
905,000	0.20	December 17, 2007
120,000	0.25	December 17, 2007
1,469,000		

(e) During the year, the Company granted 935,000 and 90,000 stock options to employees and consultants, respectively, with an exercise price of $0.20 and $0.25. The Company does not record compensation cost for stock options granted to employees and has accounted for stock options granted to consultants using the fair market value method. As at January 31, 2003, the Company recorded stock-based compensation expense totalling $15,050.

A summary of stock options outstanding as at January 31, 2003 is as follows:

	Shares	Weighted Average Exercise Price
Options outstanding at January 31, 2002	804,000	$ 0.22
Granted	1,025,000	0.21
Exercised	(360,000)	0.18
Options outstanding, January 31, 2003	1,469,000	$ 0.22

The weighted average fair value of the option granted during the year ended January 31, 2003 was $0.24.

Options Outstanding & Exercisable			
Range of Excercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (yr)	Weighted Average Exercise Price
$0.20 - $0.25	1,469,000	3.6	$ 0.22

Under CICA Handbook, Section 3870, the Company is required to calculate and present the pro forma effect of all awards granted. For disclosure purposes, the fair value of each option granted to an employee has been estimated as of the date of the grant using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.5%, dividend yield 0%, volatility of 81%, and expected life of approximately 5 years.

Based on the computed option values and the number of the options issued, had the Company recognized compensation expense, the following would have been its effect on the Company's net loss:

	January 31, 2003
Loss for the year:	
- as reported	$ (451,420)
- pro-forma	(607,660)
Basic and diluted (loss) per share:	
- as reported	(0.03)
- pro-forma	(0.04)

9. Subsequent Events

Subsequent to January 31, 2003, the following transactions took place:

(a) The Company issued 107,000 units as finder fees pursuant to a non-brokered private placement of two million shares. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.30 on or before January 15, 2005.

(b) The Company completed the following common share issuances:

(i) Issued 50,000 common shares from the exercise of warrants at a price of $0.25 per share.

(ii) Issued 400,000 common shares from the exercise of warrants at a price of $0.11 per share.

(iii) Issued 20,000 common shares from the exercise of stock option at a price of $0.25 per share.

(iv) Issued 15,000 common shares from the exercise of stock option at a price of $0.20 per share.

(c) The Company is in the process of completing a short form offering document. Pursuant to the service agreement, the Agent will receive a commission of 10%, a fee of 1% of the gross proceeds of the financing and two-year share purchase warrants which will allow the Agent to purchase up to 10% of the common shares issued as a part of the financing.

(d) On February 5, 2003, the Company entered into a Secured Gold Loan (the "Loan") agreement on the following terms:

- issued a £5,000,000 loan, bearing interest at the rate of 10% per annum, payable on the last date of December and June of each year, commencing June 30, 2003. The loan is secured by a charge over all the present property of the Company subordinated to the existing bondholder's interest. The loan is repayable by delivering gold bullion at the value of US$315 per ounce before February 3, 2006, and
- issued 4,250,000 share purchase warrants, each warrant entitling the holder to acquire one common share of the Company for a period of two years at the greater of (the "Warrant Price") (1) £0.50 per share in the first year and £0.58 in the second year or (2) the market price of the Company's share on the TSX Venture Exchange on the date of issuance of the warrants, for the first year (increasing by 15% in the second year), and in return
- received as consideration 1,000,000 units of the debtor at a deemed price £0.50 per unit, each unit consisting of one ordinary share and one share purchase warrant. Each warrant will entitle the holder to subscribe for one-third of a common share at £0.75 per share for the first year and £1 per share for the second year.

(e) Share subscription proceeds totalling $135,750 were received in February 2003 in respect of the issuance of 742,500 common shares issued.

10. Related Party Transactions

Related party transactions not disclosed elsewhere in tbese statements are as follows:

(a) Consulting fees of $30,000 (2002 - $30,000) were paid to a private company owned by a director and were expensed.

(b) An allowance in the amount of $186,645 has been accrued in respect of advances made to a Company with common management.

(c) See note 4 and 5.

11. Commitments

(a) Cost Sharing Agreement

The Company entered into a cost sharing agreement dated October 1, 1997 to reimburse a company under common control for 20% of its overhead expenses, to reimburse 100% of its out of pocket expenses incurred on behalf of the Company and to pay a 10% fee based on the total overhead and corporate expenses referred to above. The agreement may be terminated with one month notice by either party.

During the year, a total of $101,339 (2002 - $31,477) was charged to operations in relation to the cost sharing agreement referred above.

(b) Management Service Agreement

The Company has entered into a management services and consulting agreement, dated February 1, 1996 at a rate of $2,500 per month, with a private company controlled by a director.

12. Income Taxes

The components of the future income tax assets are as follows:

	2003	2002
Future income assets:		
Non-capital loss carry-forwards	$ 510,000	$ 660,000
Unused cumulative Canadian exploration expenses	955,000	948,000
Unused cumulative Canadian development expenses	360,000	360,000
	1,825,000	1,968,000
Less: valuation allowance	(1,825,000)	(1,968,000)
Net future income assets	$ -	$ -

The valuation allowance reflects the Company's estimate that the tax assets, more likely than not, will not be realized.

The non-capital losses of $1,248,000 are carried forward for tax purposes and are available to reduce taxable income of future years. These losses expire beginning in 2004 through 2010. The exploration and development expenses, $2,140,000 and $800,000 respectively, can be carried forward indefinitely.

13. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, amounts due from related parties, accounts payable and accrued liabilities, amounts due to related parties and debenture payable. 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 approximate their carrying values.

14. Comparative Figures

Certain 2002 comparative figures have been reclassified to conform with the financial presentation adopted in 2003.

Corporate Information

Shares Traded
TSX Venture Exchange
Symbol: BPN
U.S. Pink Sheets
Symbol: BPGMF

Head Office
Suite 400
455 Granville Street
Vancouver, British Columbia
Canada V6E 1T1
Tel: (604) 682-3701
Fax: (604) 682-3600
Website: www.bralorne.com
E-mail: mining@bralorne.com

Officers
Louis Wolfin, CEO
Matt Warynen, President
Lloyd Andrews, Chairman
Andrea Regnier, Secretary

Directors
David Wolfin
Louis Wolfin
Ernest Calvert
William Glasier
Florian Riedl-Riedenstein
William Kocken
Howard Lonsdale
Richard Narveson

Auditors
Ellis Foster Chartered Accountants
1650 West 1st Avenue
Vancouver, British Columbia
Canada V6J 1G1
Tel: (604) 734-1112

Investor Relations
David Wolfin, Manager
Jim Baylis
John Ross
Tel: (604) 682-3701
E-mail: mining@bralorne.com

Registrar and Transfer Agent
Pacific Corporate Trust Co.
10th Floor, 625 Howe Street
Vancouver, BC V6C 3B8
(604) 689-9853

Bralorne-Pioneer Gold Mines Ltd.
Suite 400, 455 Granville Street
Vancouver, British Columbia
Canada V6C 1T1

Tel: (604) 682-3701
Fax: (604) 682-3600
Website: www.bralorne.com
Email: mining@bralorne.com

MILL BAY VENTURES INC.

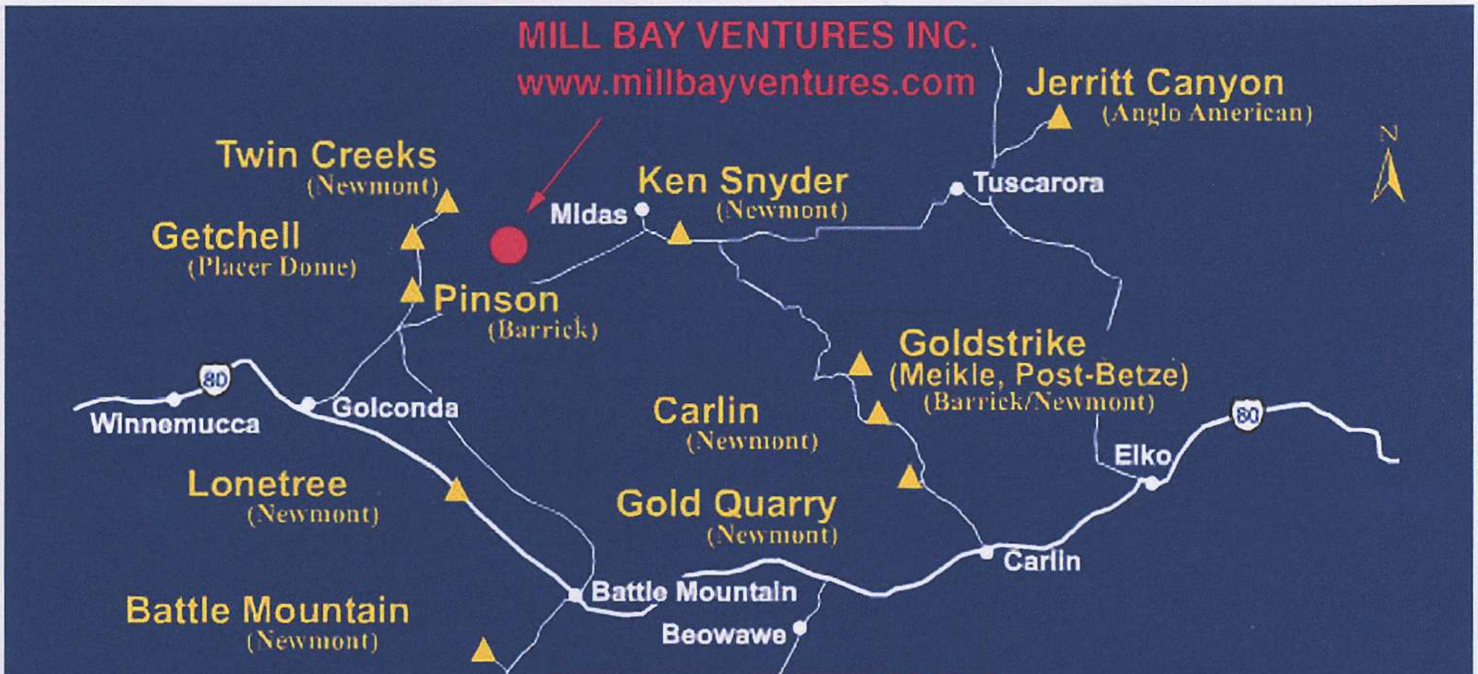
Suite 1407, 675 W. Hastings Street
Vancouver, BC V6B 1N2

Tel: 604 - 682 - 3701
David Wolfin: Investor Relations

Fax: 604 - 629 - 0688
www.millbayventures.com

**The British Columbia Properties are located in the historic Bralorne area.
A project is currently in process to do a bulk sampling (10,000 ton) of a very interesting vein.
See the web site for news releases and information.**

MILL BAY VENTURES INC., Nevada Properties: Goldstrike hosts two deposits: the Meikle underground mine (5.3 million ounces) and the Betze-Post open pit mine (23 million ounces). (Figures are combined reserves & resources, as at December 1999).
For those not familiar with high-grade vein deposits on the Carlin Trend, an overview of the Ken Snyder Mine is useful for comparison purposes. This successful operation is a rich, gold-silver bearing vein deposit, located 14 miles (22 km) northwest of Great Basin's Ivanhoe property alor the strike continuation of the Carlin Trend. At Ken Snyder, geological modeling and persistent drilling led to the discovery of the deposit. The Ken Snyder mine is a 650-ton per day underground operation, opened in 1999 at a capital cost of less than US$100 million. Annual production is about 250,000 equivalent ounces of gold at a cash cost of around US$100 per ounce



BRALORNE PIONEER GOLD MINES

Bralorne Mine Progress Report - February 2004

HIGHLIGHTS

- December financings raised an additional C$5.2 million.
- Debt-free.
- Construction progress continues. All major equipment in place.
- Project proceeding on budget with some weather-related delays.
- New miners hired as underground development moves to the next phase.
- Mr. John Cox, former superintendent at Miramar's Con Mine, takes over as underground mining superintendent.

Construction progress continued at the Bralorne-Pioneer gold mine during the last part of the year. We experienced some weather-related delays in October and November, but the project remained on budget with pilot operation expected in the first quarter of 2004.

> *"Funding of C$5.2 million was obtained in December. These funds ensure that progress will continue towards the Bralorne Mine pilot operation."*

Debt-Free

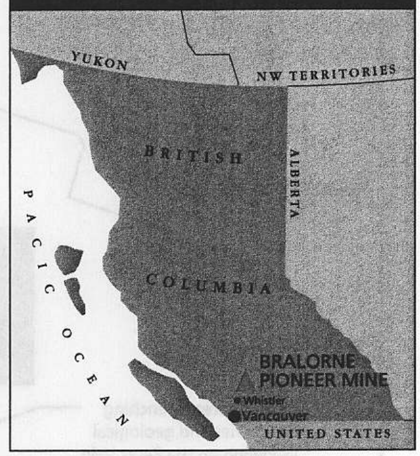
With the long-awaited financing through Ocean Resources (UK) completed, Bralorne received C$4.2 million in December. An additional $1 million was raised via a private placement. These funds ensure timely, debt-free development of the Bralorne project as well as ongoing exploration to locate new resources on the Bralorne-Pioneer claims.

Further key personnel were hired. Mr. John Cox assumed the role of underground mining superintendent. Mr. Cox, with over 25 years' experience, was previously a superintendent for Miramar's Con Mine at Yellowknife.

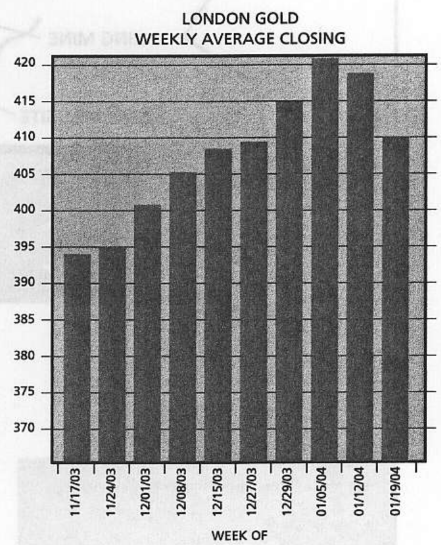
By year-end, all major pieces of equipment were in place at the mill. Progress toward pilot operation has been steady, although cold weather caused delays. These problems were surmounted, and we are back on track.

The new assay lab is now in operation. This facility will expedite assaying and sampling as the pilot operation progresses.

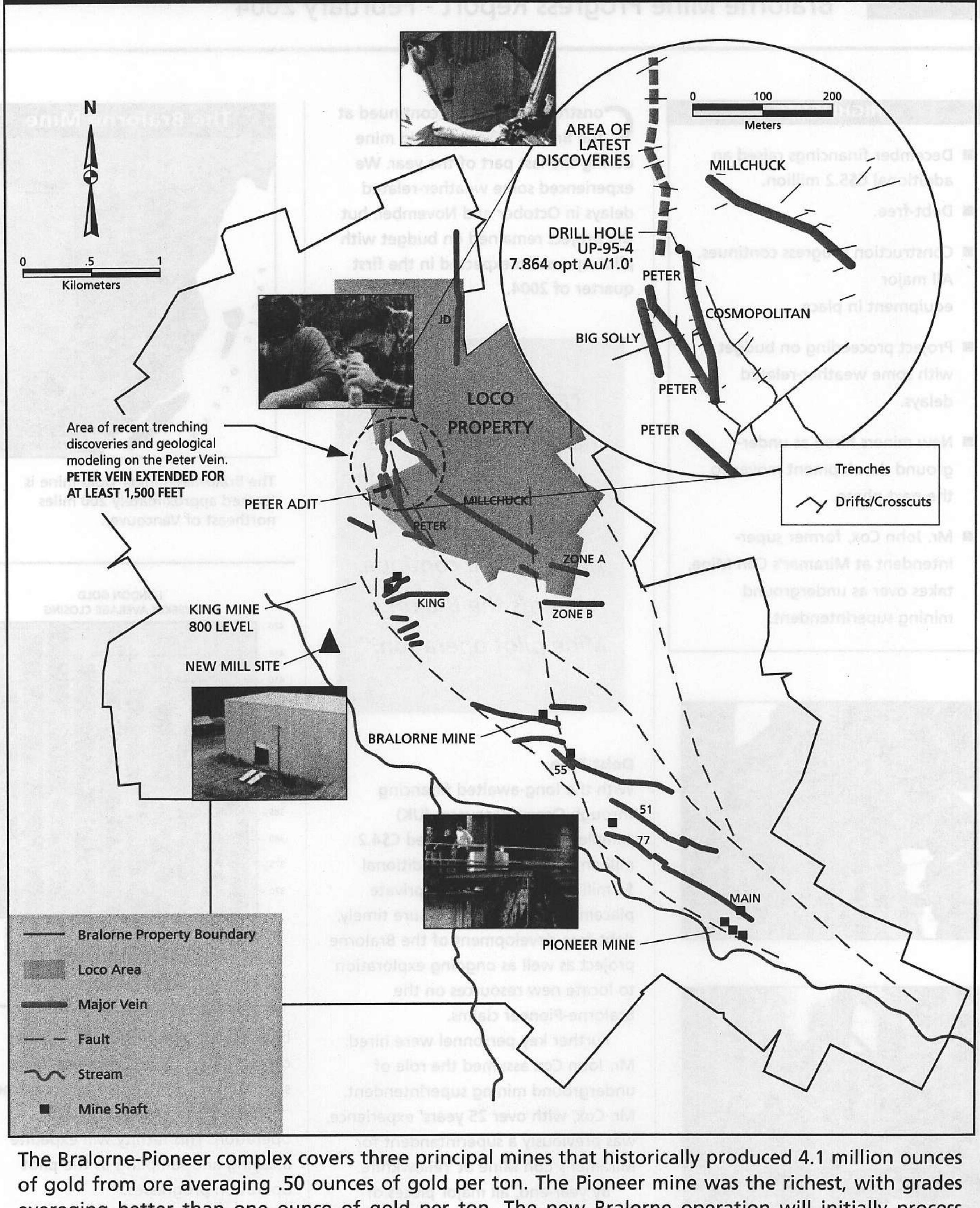
The Bralorne Mine



The Bralorne-Pioneer Gold mine is located approximately 200 miles northeast of Vancouver.



The Bralorne and Loco Properties



The Bralorne-Pioneer complex covers three principal mines that historically produced 4.1 million ounces of gold from ore averaging .50 ounces of gold per ton. The Pioneer mine was the richest, with grades averaging better than one ounce of gold per ton. The new Bralorne operation will initially process material from the Peter Vein.

www.bralorne.com

Shares Traded:
TSE Venture Exchange, Symbol **BPN**

For Information Contact:
David Wolfin (604) 682-3701
e-mail: mining@bralorne.com

MILL BAY VENTURES INC. (MBV-TSX)

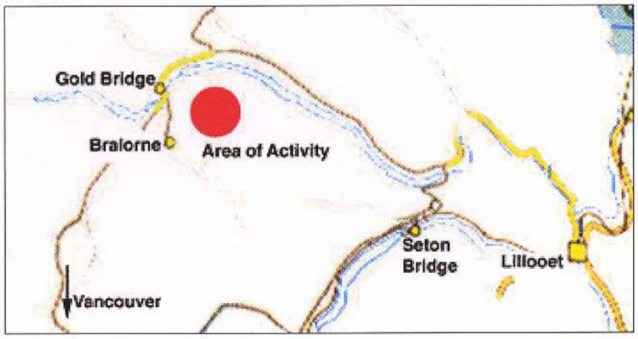
(MLBVF - US PINK)

Suite 400-455 Granville Street, Vancouver, BC Canada V6C 1T1
Telephone: (604) 682-3701 Fax: (604) 682-3600

CORPORATE PROFILE:

March 4, 2004

Mill Bay Ventures is an aggressive growth-oriented junior exploration and development natural resource company with high potential exploration/development mineral properties located in British Columbia and Nevada.



EQUITY PROFILE:

Shares Issued:	17.5	million
Closely Held:	10.0	million
Fully Diluted:	17.5	million
Debt:	None	
Cash:	$642,000	

MANAGEMENT:

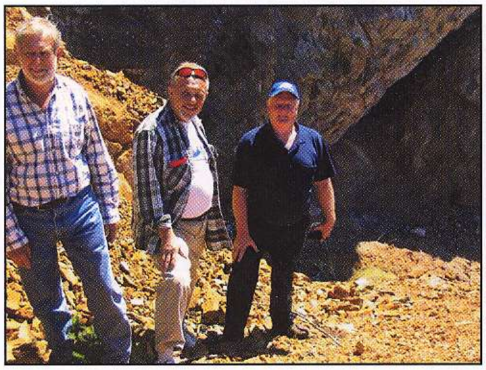
The Company's officers and directors are seasoned mining professionals with years of successful company financing, exploration and production experience. William Glasier, President, has over 30 years of varied business financial experience, including working for 12 years as a senior investment adviser, analyst and professional options trader for major brokerage companies. He was frequently one of the top producers while with a Prudential Bache Canada office for 6 years. Much of his financial expertise and experience have been in the mining industry where he has helped to raise several millions of dollars to finance a number of small-cap natural resource companies.

He has served as an officer and/or director of several public and private companies. He is noted for his abilities in project management, and has been instrumental in expediting redevelopment of the Bralorne Gold Mine in British Columbia. The other officers, directors and project managers are also highly qualified mining executives with diverse areas of mining exploration and production expertise.

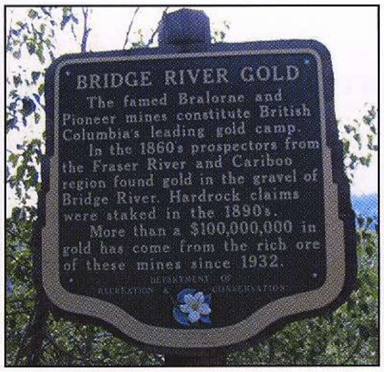
PROJECT HIGHLIGHTS:

A. British Columbia

Mill Bay Ventures has an option to earn a 50% interest in the **Why Not Claims**, an exploration/development project located in the Lillooet mining region near the town of Bralorne in southern B.C. Historically, this is where the Bralorne/King/Pioneer became one of Western Canada's richest and most productive gold mines, producing over 4 million ounces of gold since its discovery in 1897. A newly refurbished Bralorne Mine is scheduled to run a 10,000+ ton bulk test by the spring of 2004. A recent 9-hole diamond-drilling program on the California vein encountered gold mineralization in every hole, with excellent structure and with evidence of a potentially much larger system yet to be defined. The purpose of the 2003 drilling program was to investigate the California vein strike for about 1500 feet. The best result was in the DDH 03-CAL -05, **0.158oz/t- Au over 18.51 ft. including 0.27 oz/t-Au over 6.2 ft. True vein width is about 14 feet.**



Altered California Vein
Ten minutes from BPN camp



This government sign is just above the California portal. At $400/oz/Au it equals $1.6 billion recovered from the area since 1932.

Bralorne Mining Camp (BPN)
Start up early 2004

MILL BAY VENTURES PLANS TO FURTHER EXPLORE THIS VEIN POTENTIAL IN 2004 BY DRIFTING ON THE VEIN AND UNDERGROUND DRILLING. The gold in this vein system appears to be compatible with ore to be run through the newly renovated Bralorne Mill, which is only a five-minute haul away. Overall, work on the **Why Not Claims** has been very encouraging.

B. NEVADA

Mill Bay Ventures has interests in three properties in Nevada, all of which are located in known gold-bearing regions. Two of the properties, the **JDN Claims** and the **E&E Claims**, lie in the Battle Mountain Trend, which is best known for the Pipeline Gold Mine (Placer/Kennecott JV), which produces over 1 million ounces of gold per year. **The JDN Claims** (Mill Bay 50% interest) are situated about 10 miles northwest of the Pipeline deposit and immediately adjacent to Placer Dome's Hilltop Mine. Located in the middle of the Battle Mountain Trend, the **JDN Claims** are highly prospective for gold-bearing structures.

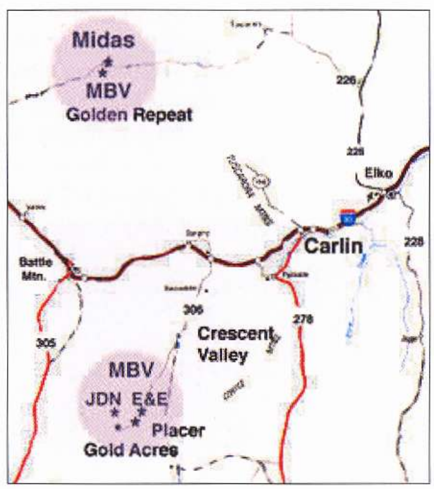
TRENCHING AT THE E&E CLAIMS SHOWING TRACES OF GOLD

The E&E Claims (Mill Bay Ventures 100% owned) are located approximately 15 miles North East of the Pipeline Mine, also along the gold bearing trend, and also with very good gold exploration potential. Surface sampling and trenching on these claims have confirmed the presence of gold traces on/near surface.

The third Nevada property is the **Golden Repeat**, which consists of 49 mineral claims located 10 miles southwest of the town of Midas. This property (Mill Bay 100% owned) has many geological similarities to the well-known Midas gold district. Three major sediment hosted gold mines (Getchell, Pinson & Twin Creeks) lie within 10 to 15 miles of the **Golden Repeat Claims**. Two distinct targets exist on this property: first, a volcanic-hosted, epithermal, bonanza type, gold/silver bearing quartz system similar to the Ken Snyder deposit (Franco-Nevada - 6 million oz. gold resource): and second, a sediment-hosted gold mineralized structure beneath the tertiary volcanic cover.

MILL BAY IS PLANNING TO FURTHER EXPLORE THESE NEVADA PROPERTIES THIS SUMMER.

BASED ON PROFESSIONAL ADVICE, THE RECOMMENDED DRILLING PROGRAM WILL BE CAREFULLY EVALUATED AND WE ANTICIPATE IMPLEMENTED.



CONTACT INFORMATION:

Head Office: 400-455 Granville Street
Vancouver, B.C., Canada V6C 1T1
Telephone: (604)-682-3701
Fax: (604) 682-3600
Website: www.millbayventures.com
Email: ir@millbayventures.com

MILL BAY VENTURES WILL HAVE REPRESENTATIVES AT THE FOLLOWING GOLD SHOWS IN 2004:

CANADA: VANCOUVER AND TORONTO

UNITED STATES: ORLANDO, NEW YORK, SAN FRANCISCO AND LAS VEGAS

BP **BRALORNE • PIONEER GOLD MINES LTD.**

SUITE 400-455 GRANVILLE STREET, VANCOUVER, B.C. V6C 1T1 • PHONE (604) 682-3701 • FAX (604) 682-3600
www.bralorne.com, mining@bralorne.com

March 11, 2004

TSX-V Trading symbol: BPN
U.S. symbol: BPGMF.PK

MILL PROCESSING SET TO COMMENCE

After 33 years, once again ore will be processed at the Bralorne-Pioneer Gold Mine operation. Starting on March 15th, on a continuous basis, the crushing and milling circuits will be activated and debugging procedures will commence prior to full scale commencement of the bulk sampling operations. All qualified mill personnel have been hired to keep the plant running on a 24 hours per day, seven days per week basis. Bill Kocken, Bralorne-Pioneer Gold Mines President advises "We will be pouring our first gold bar sometime in April and the flotation concentrate will be stored on the property until a buyer is found. Negotiations are currently underway with Barrick Gold Strike in Elko Nevada for sale of the flotation concentrate product. Discussions are also underway with other potential buyers."

Another milestone has been achieved in that the underground emergency escapeway route rehabilitation as requested by Mines Inspection, has now been completed. This rehab work has also opened access to additional outlined mining blocks on the main haulage level, that will provide future mill feed.

An initial 50 foot length of stope undercut has been completed on the 800 level Peter vein stoping block. The 50 foot length of mine opening gave assay results of 0.58 ounce per ton gold over an average width of 5.2 feet. These results almost double the gold values obtained from the original access drift on the Peter vein about 15 feet below, which gave 0.29 ounces per ton gold over a width of 5.5 feet along the same 50 foot length. Samples from the stope undercut were taken from the working faces at 6 foot intervals and processed through the on site fire assay lab by the companies certified assayer.

The foregoing technical information has been compiled by Hank Sanche, P. Geol., a qualified person pursuant to National Instrument 43-101.

ON BEHALF OF THE BOARD OF DIRECTORS

"David Wolfin"

David Wolfin
Vice President and Director

MILL BAY VENTURES INC.
Suite 400 – 455 Granville Street
Vancouver, BC V6C 1T1
Ph: (604) 682-3701 Fax: (604) 682-3600

March 23, 2004

TSX-V Trading symbol: MBV

U.S. Trading symbol: MLVF.PK

Website: www.millbayventures.com
E-mail: www.info@millbayventures.com

UNDERGROUND EXPLORATION PROGRAM SET TO COMMENCE

Mill Bay Ventures Inc. announces an underground crosscut and drifting program scheduled to commence this month on the California vein in the proliferous Bridge River Gold Mining District of BC. A minimum of $C200,000 will be directed at opening up the vein area that gave surface drill hole intersection results of 5.65 g/t gold over a true width of 5.4 metres.

The mineral claims on which the program will be conducted are owned 100% by Levon Resources Ltd. and are subject to an Option Agreement between Mill Bay Ventures Inc. and Levon Resources Ltd., whereby Mill Bay can earn an undivided 50% interest in the property.

The property lies 165 air kilometers due north of Vancouver and adjoins to the north, the Bralorne-Pioneer Gold Mines Ltd property. The property is very extensive consisting of 73 reverted crown grants and 4 modified grid claims that cover a surface area of 1065 hectares. The property is underlain by Bralorne intrusives, the same units that host the gold mineralization on the Bralorne-Pioneer property.

The underground exploration program will consist of establishing a new portal entry and crosscutting about 30 meters using trackless methods to intersect the California vein and then drifting each way on the vein for a total length of 60 meters. The point of intersection of the crosscut with the vein will be close to a 2003 surface diamond drill hole intersection that gave 5.65 g/t gold over a true vein thickness of 5.4 meters. The objective of this program is to determine the potential for extracting a 10,000 ton bulk sample from this portion of the California vein. An understanding has been reached with Bralorne-Pioneer Gold Mines Ltd. to process this bulk sample through their nearby bulk sample processing plant later this year. Preliminary test work done on drill core from the California vein shows that a 96.8% gold recovery can be obtained using regular gravity recovery processes currently in use at the Bralorne plant.

The foregoing technical information has been compiled by Hank Sanche, P. Geol., a qualified person pursuant to National Instrument 43-101.

On behalf of the Board

"William Glasier"

William Glasier
President