Millstream Mines Ltd.
Management Discussion & Analysis
August 31, 2009

Exploration Properties Status

This Management Discussion & Analysis was prepared using information that is current as of December 21, 2009, unless otherwise stated.

Airport Property Project, Falconbridge Township, Sudbury area, midnorth, Ontario
Potential Minerals: Nickel, Copper, Cobalt, + Platinum Group Metals

Core assays of drill hole M003 confirm the presence of Sudbury Geochemical Signature and logging identifies numerous zones of Sudbury Breccia; the thickest and most consistent of which measuring 34.5 metres of core length from a section 349.20 to 338.71 metres downhole. The hole appears to be in a footwall environment, 1.2 km east of Falconbridge's past producer, the Norduna Mine. A strong off-hole anomaly, was detected by an in-hole E.M. survey in this environment.

During 2004 Millstream increased eastward the Airport property land mass from 47 mining claim units to 174 contiguous mining claim units. An in-hole E.M. survey of drill hole M003 detected a strong off-hole anomaly 60 metres north of the drill hole. Drill hole M004 was drilled to define the anomaly's northern configuration about 100 metres north of M003, and to position the location of a further drill hole AP05-M03.

In 2005 two shallow drill holes, AP05-M01 and AP05-M02, were drilled in the southern part of the property to test geophysical indicated anomalies with the results not conclusive. Drill hole AP05-M03 had to be abandoned due to stuck drill rods and drill hole AP05-M04 was drilled as a replacement but deflected further north away from the targeted anomaly. In the latter part of 2005 the company's joint venture partner declined to participate in the additional 127 contiguous mining claim units leaving the company to hold 100% of these claim units.

In early 2006, the company's joint venture partner was diluted from 50% to 30% working interest, with the company retaining a 70% working interest, and taking over management of the project. Negotiations with a senior diamond drilling contractor concluded with an attempt to recover drill hole AP05-M03, but was not successful.

In 2007 no work has been carried out and management is reviewing the property for further assessment. On re-surveying of the 2007 diamond drill hole collars it was established that hole MAE-07-05 was actually collared on this property and not the Airport East property. A review of the drill core identified mineralized sections that warranted sampling and assaying. The results of the assays from Swastika Laboratories show anomalous values of copper, cobalt, nickel, palladium and other minerals.

Airport East Property Project, Falconbridge & Street Township, Sudbury area, midnorth, Ontario
Potential Minerals: Nickel, Copper, Cobalt, + Platinum Group Metals

The company has a100% undivided interest in 18 contiguous staked mining claims, consisting of 127 mining claim units that abut the east boundary of the Airport Property, and are now designated as the "Airport East Property". In 2007 the company has secured the services of Ronkor Drilling in order to drill test 2 significant anomalies discovered on the claims.

One of the sites targeted on the Street Township is in the vicinity of a past copper geochemical anomaly over which an airborne E.M. was flown in the late 1980's detecting strong conductors. In the spring of 2006, known excavated trenches were visited and a representative sample from the blasted rock was taken by the company's consultant Phil A. Brown, P. Geo., Qualified Person. The sample was later sent to Swastika Laboratories Ltd. for assay and returned values of 3.977 g/tonne gold, 0.86% copper along with detectable amounts of nickel and platinum.

The other site to be tested is in the vicinity of a gravity anomaly picked up by ground geophysical induced polarization surveys conducted in 2003 by Insight Geophysics. The location of the target is near to the western boundary of the Airport East claims. In 2007 the Company drilled five (5) diamond drill holes on this site. A downhole geophysical E.M. survey was completed in December 2007 and January 2008 in the five (5) drill holes on the claims in the Falconbridge Township.

In 2008 on the claims held in the Street Township that abuts the Falconbridge Township a ground Magnetic and an I.P. surveys were done and five (5) holes were drilled to test the indicated targets. A review of the drill core of both the drill holes of 2007 and 2008 identified mineralized sections that warranted sampling and assaying. The results of the assays from Swastika Laboratories show anomalous values of copper, cobalt, nickel, palladium and other minerals.

The company with its consultants conclude that further investigation of the above mentioned two sites should be undertaken to possibly discover the mineralization source.

Potter Project Munro Township, Matheson area, northeast Ontario

Minerals drill discovered to date: Copper, Zinc, Cobalt, Magnesium, + Gold & Silver to continuous depths of 3,000+ vertical feet in the past producing mine area.

Downhole geophysical (EM) surveys were recently carried out on DDH's (Diamond Drill Holes) S97-06, S99-01, and S99-05. All surveys utilized Crone Geophysics & Exploration Limited and were carried out under the supervision of Insight Geophysics Inc.

In DDH S97-06, an off-hole anomaly was detected approximately 25 metres at an azimuth from the hole axis of 135 deg. at 55 metres downhole depth. Insight recommends that this geophysical significant anomaly warrants follow-up testing. DDH S97-06 is located at grid lines L8+65mw; 10+00ms, Azimuth 025, Dip -45, end of hole (EOH) 681 ft.

In DDH S90-01, a sub-parallel off-hole anomaly was detected below and to the east of the drill hole at 425 metres downhole depth. The indications of this anomaly if projected towards the drill hole would have the top near 300 metres and the bottom near 550 metres downhole depths. D.D.H S99-01 is located at grid lines L17+60mw, 8+75ms, Azimuth 345, Dip -60, EOH 1002m.

In DDH S99-05, a wedge branch off DDH S 99-01A which is a wedge off DDH S 99-01, the presence of in-hole massive sulphides mineralization was detected further downhole from the 1040 metres downhole mark. DDH S99-05 is ended at a combined downhole depth of 1184m. The probe could go no further from this point due to blockage of the hole. Review of the drill hole logs and core assays confirmed further downhole an intersection of 23.29 metres of a sulphide mineralized zone having the highest assay values of 3.06% copper and 2.90% zinc.

In 2004, the company submitted an application to Discover Abitibi Initiative 3D Deposit Model Project for the Potter property which was accepted and completed by July 2005. The company management and consultants have assessed the significance of these results and follow-up work programs are justified on the property. Additionally, management is of the opinion that with this 3D imaging of the Potter mineralization potential investors should be better attracted.

In 2006 management elected to continue with consultants Edward Bettiol, P. Eng and David Gamble, P. Geo, both involved in the NI 43101 report on the Potter Property, to manage and direct follow – up work programs. Mr. Gamble has elected to structure a program which will commence with a surface diamond drill program to further enhance the area from a vertical depth of 1100 ft. to 1800 ft. below the past mine workings in order to establish an initial resource as per NI 43101. The drilling program commenced in November, 2006.

In February, 2008, the Company discovered additional intervals of rich copper and zinc sulphide mineralization beyond the previous limits of drill hole S-07-02 along with the results of a further drilled five holes on the property.

These new 4th and 5th Intervals were arrived at due to a management decision to lengthen S-07-02 after receiving positive results from a downhole electromagnetic (EM) survey. This survey indicated further mineralization existed beyond the downward limits of the hole. The latest assay returns are as follows:

Hole No.	**From** (metres)	**To**	**Core Length** (metres)	**Cu** (%)	**Zn** (%)	**Co** (%)	**Ag** (oz/T)
S-07-32	(Az 5.00, Dip-56.0)						
	348.9	349.25	0.35	0.98	3.74	0.018	0.16
	418.05	418.6	0.55	0.38	1.82	0.032	0.15
S-07-31	(Az 0.00, Dip-56.4)						
	299.65	300.80	1.15	0.05	1.58	0.005	0.03
	419.25	419.6	0.35	1.47	0.58	0.012	0.31
	346.10	346.95	639	0.07	0.70	0.007	0.04
S-07-26	(Az 355, Dip-56.6)						
	380.35	387.35	7.0	0.52	0.57	0.023	0.11
Including	380.35	384.0	3.65	0.71	1.26	0.006	0.14
	444.1	444.2	0.10	0.03	15.51	0.020	0.02
S-07-24	(Az 350, Dip-56.0)						
	431.75	435.5	3.75	0.21	0.29	0.016	0.09
	454.8	458.2	3.40	0.47	0.06	0.008	0.04
	465.35	467.75	2.40	0.53	1.54	0.009	0.09

S-07-22							
1st Interval	518.1	522.3	4.2	0.32	3.88	0.021	0.20
Including	521.4	521.8	0.4	0.33	30.90	0.018	0.69
2nd Interval	604.0	611.5	7.5	1.16	0.45	0.043	0.24
3rd Interval	860.6	862.5	1.9	0.41	0.59	0.018	0.10
S-07-19	(Az 350, Dip-61.0)						
1st Interval	647.00	665.0	18.0	2.57	1.84	0.080	0.54
2nd Interval	751.50	758.65	7.15	1.11	2.23	0.012	0.27
3rd Interval	809.15	817.75	8.6	2.07	2.41	0.051	0.42
S-07-17							
Interval	173.0	188.0	15.0	0.16	Anamalous Values	Anamalous Values	Anomalous Values
S-07-15 (Az 350, Dip-58.4)	710.75	742.00	31.25	1.64	0.78	0.031	0.33
Including	710.75	719.00	8.25	2.53	0.74	0.028	0.57
Including	721.50	725.70	4.20	2.24	2.22	0.051	0.50
Including	731.25	736.30	5.05	2.54	0.96	0.058	0.40
Including	738.80	742.00	3.20	1.99	1.19	0.014	0.33
S-07-14	(Az 350, Dip-56.4)						
1st Interval	506.00	507.40	1.40	8.14	7.06	0.038	1.14
2nd Interval	665.50	669.30	3.80	6.05	0.20	0.040	0.85
S-07-13 (Az 5.00, Dip-60.5)	546.50	585.10	38.60	1.88	1.17	0.044	0.55
Including	566.50		8.65	3.20	2.03	0.112	0.94

S-07-12 (Az 5.00, Dip-56.0) intersected various short mineralized low grade intervals ranging from 1.05 metres to 2.75 metres in length.

S-07-11	(Az 5.00, Dip-58)						
1st Interval	513.35	532.10	18.75	3.09	0.96	0.067	0.88
Including	514.85	515.35	0.50	6.62	8.02	.123	2.02
Including	522.15	522.80	0.65	13.10	1.29	.020	2.59
2nd Interval	556.40	558.40	2.00	2.81	0.85	.026	0.56

S-07-10 (Az 0.50, Dip-61.5) located on the same Azimuth as S07-08 & S-07-09 intersected various short mineralized low grade intervals ranging from 1.45 metres to 4.0 metres in length.

S-07-09	(Az 0.50, Dip -56)						
1st Interval	463.10	470.30	7.20	0.28	3.33	0.011	0.14
Including	468.40	468.90	0.50	0.91	17.51	0.008	0.21
2nd Interval	546.00	554.75	8.75	2.84	0.61	0.118	0.61
Including	546.50	547.00	0.50	10.24	0.27	0.075	1.89
S-07-08	(Az 360, Dip -58.5)						
1st Interval	567.30	570.50	3.20	1.90	1.04	0.041	0.48
2nd Interval	674.25	698.00	23.75	3.51	3.44	0.042	0.62
Including	682.80	683.30	0.50	0.75	27.30	0.017	0.26
Including	695.80	696.30	0.50	10.88	0.31	0.037	1.95
S-07-07							
1st Interval	552.0	556.0	4.0	0.108	1.426	0.0633	1.525
Including	552.0	554.0	2.0	0.084	2.185	0.0525	1.05
2nd Interval	582.0	586.0	4.0	1.064	0.049	0.0297	2.72
3rd Interval	593.0	597.0	4.0	1.024	0.0153	0.0295	2.25

GOLD ASSAYS NOT INCLUDED; ALL ASSAYS OBTAINED FROM SWASTIKA LABS, ONTARIO

The above 3 intervals were contained within a larger mineralized zone measuring 47 metres in core length grading 0.456% Copper, 0.1492% Zinc, .0152% Cobalt and 1.66 grams/ton silver.

S-07-06							
Interval	641.70	648.40	6.70	2.16	1.48	0.043	0.49
Including	642.20	646.20	4.00	3.42	2.46	0.068	0.72
Including	644.70	645.20	0.50	6.68	13.18	0.097	1.09
S-07-04							
1st Interval	628.20	637.35	9.15	1.50	1.44	0.059	0.49
Including	632.00	637.35	5.35	2.07	2.43	0.073	0.67
2nd Interval	674.45	684.60	10.15	2.65	2.89	0.099	0.69
Including	674.45	683.60	9.15	2.93	3.20	0.109	0.76
Including	674.45	675.00	0.55	0.37	14.18	0.038	0.32
Including	675.00	675.50	0.50	5.03	1.47	0.058	1.21
3rd Interval	724.35	750.50	26.15	1.96	1.55	0.050	0.44
Including	724.35	747.50	23.15	2.04	1.74	0.052	0.46
Including	724.35	734.90	10.55	2.72	2.33	0.059	0.65
S-07-02							
5th Interval	578.85	585.65	6.8	2.17	1.54	0.080	0.47
Including	578.85	584.75	5.9	2.47	1.68	0.068	0.37
4th Interval	534.5	536.3	1.8	2.11	0.20	0.011	0.52
3rd Interval	503.20	505.5	2.30	1.18	0.91	0.046	0.38
2nd Interval	478.05	485.5	7.45	3.34	2.34	0.092	1.02
Including	478.05	483.05	5.00	4.82	3.43	0.191	1.46
Including	478.05	478.75	0.70	15.10	2.54	0.165	4.61
Including	479.60	480.0	0.40	1.15	14.70	0.047	0.71
1st Interval	312.50	325.8	13.3	2.08	2.54	0.039	0.37
Including	318.0	325.80	7.8	3.29	4.33	0.061	0.58
Including	318.85	319.3	0.45	7.51	0.76	0.013	1.10
Including	321.8	322.3	0.50	2.28	14.78	0.102	0.61
S-07-01							
1st Interval	477.75	505.0	27.25	1.68	2.39	0.011	0.73
Including	486.15	505.0	18.85	2.40	3.28	0.039	1.02
Including	495.80	505.0	9.20	3.68	5.03	0.052	1.51

Including	495.80	502.3	6.50	3.70	6.13	0.050	1.46
2nd Interval	527.60	530.1	2.50	1.45	3.29	0.054	0.36
S-06-01			passed through open mined stope, hit a section of the its sill (floor)				
1st Interval	388.00	389.2	1.20	4.67	2.41	0.149	0.87
2nd Interval	439.90	466.1	26.20	1.57	1.22	0.047	0.47
Including	448.65	466.1	17.45	2.09	1.64	0.049	0.57
Including	459.80	466.1	12.60	2.26	1.94	0.046	0.61
Including	459.80	466.1	6.30	2.57	3.07	0.053	0.66

GOLD ASSAYS NOT INCLUDED; ALL ASSAYS OBTAINED FROM SWASTIKA LABS, ONTARIO

Highlights From Other Recent Potter Drilling Activity

Hole No.	From (metres)	To	Core Length (metres)	Cu (%)	Zn (%)	Co (%)	Ag (oz/T)
S-97-08A							
1st Interval	482.40	483.90	1.50	3.62	3.19	0.136	0.86
2nd Interval	491.86	494.40	2.54	2.33	9.09	0.073	1.08
3rd Interval	504.20	506.20	2.00	6.00	4.37	0.082	1.91
4th Interval	537.40	543.70	6.30	2.32	3.14	0.000	0.12
S-97-09							
Interval	604.60	627.50	22.90	2.65	2.70	0.080	0.76
Including	613.60	623.00	9.40	3.86	4.57	0.128	1.153
S-98-01							
1st Interval	695.15	702.90	7.75	5.34	3.24	0.067	1.16
Including	695.15	700.40	5.25	7.81	4.76	0.096	1.69
2nd Interval	773.50	776.50	3.00	2.17	3.90	0.047	0.46
Including	774.35	776.50	2.15	2.95	5.42	0.053	0.61
S98-05							
1st Interval	420.12	423.75	3.63	2.69	0.29	0.079	0.49
2nd Interval	507.40	519.70	12.30	1.53	2.05	0.131	0.42
Including	513.00	519.70	6.70	2.14	2.47	0.174	0.58
Including	515.00	519.70	4.70	2.54	3.38	0.168	0.70
S98-06							
1st Interval	653.90	680.66	26.76	2.57	1.68	0.082	0.61

Including	653.96	665.50	11.60	4.34	2.18	0.122	0.94
Including	656.90	663.49	9.59	5.01	2.63	0.131	1.09
2nd Interval	696.62	705.30	8.68	3.39	0.80	0.071	0.67
S99-01A							
4th Interval	1171.9	1179.72	7.82	1.96	3.18	0.085	0.53
Including	1171.9	1176.4	4.50	1.98	4.55	0.098	0.61
Including	1171.9	1175.2	3.30	2.19	5.96	0.116	0.71
3rd Interval	1165.2	1166.2	1.00	1.26	1.18	0.036	0.29
2nd Interval	1161.0	1162.0	1.00	1.71	0.46	0.037	0.34
1st Interval	1158.4	1159.95	1.55	2.11	1.40	0.093	0.50

In addition, the Company has discovered nickel bearing sulphides on the Property. The area sampled is a bedrock showing located near and at the surface exposed base of the Centre Hill Layered Igneous Complex (CHLIC) 600 m southeast of the past producing Potter Mine shaft and 850 m southwest of Pyke Hill, a famous komatiite outcrop visited by geologists and students of geology from far and wide. The base of the CHLIC is composed of an ultramafic assemblage of alternating layers of peridotite and pyroxenite. Within this geological environment, there may be larger concentrations of the mineralization.

The 6 rock chip samples containing mainly pyrrhotite mineralization returned the following assay values:

Sample No.	**Nickel** (%)	**Copper** (%)	**Cobalt** (%)
1	0.526	0.0335	0.0339
2	0.461	0.0541	0.0301
3	0.124	0.497	0.0079
4	0.241	0.123	0.0162
5	0.0223	0.0351	0.0120
6	0.0220	0.0354	0.0091

In November, 2007, the Company increased the size of the property by exercising its option on 5 mining claims consisting of 10 claim units, abutting the principal property, for an undisclosed monetary consideration. The Potter Mine Property now consists of 16 patented mining claim units, 12 leased mining claim units, and 10 staked mining claim units. The land package of 38 claim units covers 1520 acres or 608 hectares and covers parts of Lots 5 to 9 in Concessions IV and V in north central Munro Township, Larder Lake Mining Division.

A downhole geophysical Electrical Continuity (E.C.) survey conducted in selected drill holes at the property was completed by November 2007. The report interpreting the results establishes that certain massive sulphide intervals from hole to hole are connected while others are not. On May 21, 2008, the Company filed a N143-101 technical resource report on SEDAR for its Potter Property located in northeastern Ontario, Canada, situated approximately mid-way between Xstrata¢s large deposits of Kidd Creek Mine (in Ontario) and Horne Mine (in Quebec) with milling, smelting and refining capabilities.

Eleven (11) parallel to subparallel mineralized zones have been identified to date that remain open horizontally on strike in both east and west directions, and vertically on dip both downward and upward. The exception to upward is the zone that was previously mined in the past operations from surface to 1100 feet below surface. The multiple zones were defined with a high degree of confidence using the three dimensional (3D) modeling software Datamine Studio in conjunction with Datamine Downhole Explorer.

An interactive 3D geological model of the 11 mineralized zones is available for public viewing on Millstream's website at the address: http://www.millstreammines.com/3dmodels.html.

The Resources estimate is based only on seven (7) of the eleven (11) parallel zones and is summarized in the following table *of* results:

TABLE 8 - POTTER PROJECT: SUMMARY INDICATED RESOURCE ESTIMATION FORA, B, C, D, E, F, and Y ZONES

ZONE NUMBER	Tonnes	Cu % Grade	Cu Tonnes x Grade	Zn % Grade	Zn Tonnes x Grade	CO ppm Grade	Co Tonnes x Grade	Ag ppm Grade	Ag Tonnes x Grade	Au ppb Grade	Au Tonnes x Grade
A	345,968	1.1218	388,108	1.0773	372,715	323.6	111,952,516	8.9	3,084,551	63.0	21,812,734
B	109,446	1.5583	170,554	0.9101	99,603	329.4	36,049,380	14.3	1,561,182	126.6	13,856,476
C	1,082,330	1.8695	2,023,427	1.3358	1,445,728	554.0	599,645,293	15.7	17,014,475	232.8	251,994,126
D	450,740	1.5039	677,846	0.9161	412,901	324.4	146,221,882	9.2	4,134,055	93.0	41,922,969
E	302,649	1.6636	503,483	1.8731	566,881	284.1	85,972,775	10.1	3,043,081	74.5	22,542,264
F	422,891	0.9060	383,159	1.0985	464,556	340,4	143,956,117	8.2	3,450,722	64.5	27,295,116
Y	314,743	0.7564	238,063	0.7737	243,512	1795	56,497,911	4.2	1,315,559	21.8	6,854,224

SUMMARY OF INDICATED RESOURCE ESTIMATION FOR A, B, C, D, E, F, and Y ZONES

3,028,767 Tonnes @ 1.45% Cu, 1.19%Zn, 389.7 ppm Co, 11.1 ppm Ag, 127.5 ppb Au

TABLE 8A - POTTER PROJECT: SUMMARY INFERRED RESOURCE ESTIMATION FORA, B, C, D, E, F, and Y ZONES

ZONE NUMBER	Tonnes	Cu % Grade	Cu Tonnes x Grade	Zn% Grade	Zn Tonnes x Grade	CO ppm Grade	Co Tonnes x Grade	Ag ppm Grade	Ag Tonnes x Grade	Au ppb Grade	Au Tonnes x Grade
A	169.007	0.5851	98,891	0.6364	107,553	217.4	36,744,348	3.8	637,259	70.3	11,880,504
B	280	1.5300	428	03300	92	345.2	96,656	16.5	4.620	78.3	21,924
C	715,127	1.8067	1.292,051	1.2654	904,933	403.5	288,527,648	14.8	10,594,909	142.1	101,613,051
O	212,027	0.3586	76,028	0.8221	174,315	136.3	28.904,898	2.6	543.298	32.1	6.808,627
E	148,326	0.4903	72,730	1.0625	157,592	157.2	23,319,148	3.29	488,474	35.0	5.194,565
F	598,762	0.8864	530,717	1.0980	657,423	340.0	203,604,496	8.16	4,883,893	65.1	38,978,420
Y	227,572	0.7296	166,043	0.7828	178,148	189.5	43,114,376	3.73	849,365	20.7	4,715,160
Total Tonnes	2,071,101										
I (Tonnes x Grade)			2,236,888		2,180,056		624,311,570		18,001,818		169,212,251
Weighted Average Grades = L (Tonnes x Grade) / (Total Tonnes)			1.0800 %Cu		1.0526 %Zn		301.44 ppm Co		8.69 ppm Aq		81.7 ppb Au

SUMMARY OF INFERRED RESOURCE ESTIMATION FOR A, B, C, D, E, F, and Y ZONES

2,071,101 Tonnes @ 1.08 % Cu, 1.05 % Zn, 301.4 ppm Co, 8.7 ppmAa, 81.7 ppb Au

An important factor derived from these multiple parallel zones is the vast increased mineral inventory per vertical metre that has a heavy impact on the economics of future mining plans.

To date, a total of seventy-one (71) diamond drill holes have been drilled on the Potter Project property of which a total of forty-six (46) diamond drill holes including wedged holes have been drilled specifically for exploration in the Potter Mine area. Twenty-five (25) diamond drill holes have been drilled on exploration targets elsewhere on the property away from the immediate Potter Mine area.

Based on the intersections of the forty-six (46) diamond drill holes and wedged holes a preliminary estimate of the size of the resource has been completed. A total of seven

(7) significant massive to semi massive sulphide mineralized zones are geometrically arranged in a parallel to sub parallel stacked arrangement. The zones are identified from south to north as the Y Zone, the A Zone (down dip continuation of the Potter mined zone), the B Zone, the C Zone, the D Zone, the E Zone, and the F zone. Each of the mineralized zones are separated by barren unmineralized host rock. All seven (7) zones currently occur within the mine area along a strike length of 250 meters, lie within a horizontal across strike (stratigrahic) thickness of 225 meters, and occur within a vertical distance of 725 meters from +50 meters above sea level down to -675 meters below sea level. The seven zones have been determined by using the criteria of a 2.0 meter as minimum true thickness in conjunction with minimum true thickness X grade cutoff of 0.74% copper equivalent. The copper equivalency "Cu Equivalent" was based on an historical price relationship between copper and zinc of 1:0.42 such that Cu Equivalent = Cu (wt %) + 0.42 Zn (wt %). The assay values for the other elements reported that include cobalt, silver, and gold were not incorporated into the chosen cut-off criteria. All final indicated and inferred resource estimations for each zone are reported with the individual grades for copper (wt%), zinc (wt%), cobalt (ppm), silver (ppm), and gold (ppb).

The Indicated and Inferred Resources were estimated based on analysis of a series of cross sections, horizontal plans, and vertical longitudinal sections for each mineralized zone showing all intersection pierce points for all drill holes that cut each individual zone. Industry standard polygonal estimation of final volumes and grades were completed for all polygons for each mineralized zone. A thorough review of the assay database, weighted-average composite assays, and estimation of horizontal widths of all intersections perpendicular to the plane of each vertical longitudinal section were completed.

The Indicated and Inferred Resources are in-situ and based upon a maximum of a 50 metre and a 100 metre radius of influence respectively around drill hole intersections. The specific gravity used has been 3.5 derived from the records of the past mining.

The authors of the resource estimate recommend further diamond drilling to be undertaken both from surface as well as underground at the Potter Property to further delineate the limits of the mineralization. To pursue drilling underground, they recommend the de-watering of the existing 388m shaft in order to achieve access to the past mine workings for drill station set-up. Millstream is now in the process of complying with all the necessary requirements and regulations to attain a permit to de-water.

Upon completion of the current work program coincident with a favourable conclusion, a detailed plan and feasibility study will be undertaken with the objective of achieving a bankable feasibility for a possible production decision.

In 2009 the Company management and consultants continued reviewing the data files to locate an off-set potential repeat of the NI 43-101 Resource Report mineralized zones and the possible processes to best investigate this matter.

Potter Mine Tailings Metal Recovery Project

Potential minerals: Copper, Zinc, Cobalt, Precious metals + others

Work is continuing on the process of metal recovery with the fabrication of sufficient quantities of leachate solution (derived from the Potter Mine Tailings with proprietary solvents). The objective is to test and confirm the viability of extracting targeted metals out of the produced leachate. Independent labs will be utilized to perform the necessary laboratory bench tests. These bench tests will enable the company to assess more fully the merits of the entire process from tailings to leachate to end products and determine the likelihood of the economic viability. This will set the stage for further scale-up tests with the potential of eventually leading to a commercial production module. In 2004 a collaboration with the Nipissing University was established to further the process, and is on going to date.

Tamarack Project Madison County, Sheridan, Montana U.S.A. area
Potential minerals: Gold and Silver

In the latter part of 2004, Millstream retained the services of geologist Cam Cheriton, PhD. (Economic Geology) a registered professional Engineer (Ontario) who was appointed as Millstream's designated qualified person (QP) for the property.

Gold Fields Mining Corp., under option, in search of a potential open pit discovery, drilled 11 vertical reverse circulation holes on the Tamarack property. They reported, in 1991, results from the drilling and in their hole TR-2 gold assays of 0.244 oz. per ton (opt) over a 100 ft. interval. Dr. Cheriton and management located a diamond drill hole DDH04-01 to be drilled 35 feet southwest of TR-2 to test and produce core of the gold bearing horizons reported by Gold Field's in their TR-2 hole.

Hole DDH04-01 was completed in December, 2004 and upon receiving the assay results Dr. Cheriton reviewed and compared the Gold Field assays of TR-2 hole and those of DDH1104-01. Hole TR-2 reported a 20 ft. interval from 70 ft. to 90 ft. having a weighted average grade of 0.97 opt, and hole DDH04-01 reported a 9 ft. interval from 102 ft. to 111 ft. having a weighted average grade or 0.36 opt. Dr. Cheriton interprets these stated gold intersections are part of an enriched blanket (zone) and recommends follow-up drilling to extend the geometry and confirm continuity.

It is the company's view that there is a good possibility of discovering a relatively hi-grade deposit sufficient to support a low tonnage operation to suit the existing infrastructure on the property. The property has road access, power transmission lines with sub-station, buildings and two separate mills that, if necessary, can be up-graded, and an assortment of equipment. The company's current plans are to try and support a gold production operation in the range of 150 to 200 tons per day. Additionally, Dr. Cheriton is encouraged that base minerals are reported and established in the area and that it enhances the exploration potential of the property.

In 2005, Phil A. Brown, P Geo., qualified person per NI 43-101, visited the property to investigate the geology and structures controlling the deposition of gold mineralization.

In late 2005 to the current date, modification and rehabilitation of one of the mills continues with the intentions of running small quantities of material to assess the potential recovery rate and establish flow sheets.

In 2006 and 2007 the Company advanced a decline into the targeted mineralized area as indicated by drill holes DDH 04-01 and TR-2 in order to access and further delineate the ore production potential from this discovered gold bearing structure. The decline reached the area just north of DDH 04-01 at the 53.3 metre (m) marker. In relation to the first interval reported in DDH 04-01 (from 22.25 m to 23.77 m downhole) the decline is in elevation immediately located above this intersection ie. at this point the interval is dipping below the decline. It is planed to obtain drill cutting samples from percussion drilling into the back, walls and sill in order expand the dimensions of the mineralized zone.

Sampling results in the mineralized area are as follows:

A sample of the right wall located 44.5 m down the decline assayed Au 17.38 grams per ton (g/t) and Ag 22.07 g/t over a .366 m channel.

A sample of the right wall located 50.59 m down the decline carried a weighted average assay of Au 3.97 g/t and Ag 3.62 g/t over a 2.95 m channel. Included within this average was a sample assaying Au 8.83 g/t and Ag 1.38 g/t over a 1.19 m channel.

Samples of the right and left wall located between 51.81 m and 53.34 m down the decline carried a weighted average value of Au 8.97 g/t and Ag 2.76 g/t over panels on each wall of 1.52 m by 2.74 m.

A representative bulk sample of the surface stock pile from the mineralized zone (approx. 200 tons) carried an assay value of Au 10.28 g/t and Ag 3.45 g/t.

Drill Hole No.	**Down hole interval** (m)	**Width** (m)	**Gold Assay** (g/t)
TR-2	15.24 to 45.72	30.48	8.41
Including	21.33 to 27.43	6.1	33.62
Including	32 to 35.05	3.05	4.24
DDH 04-01	22.25 to 23.77	1.52	11.65
Including	22.25 to 22.55	.3	36.55
	31.08 to 33.83	2.75	12.41

In 2007 the Company entered into an agreement with its partner at the Tamarack Mine Property to buy out the remaining 49.5% interest. In exchange for US$300,000, Millstream will acquire a 100% ownership of the property. The ex-partner will retain a 0.5% NSR on the gold output alone with Millstream having the right to buy it back for US$400,000.

Millstream continues operations on the property in order to achieve gold production in the near future. Ore material is being hauled out of the recently excavated decline and stockpiled on surface. There is presently an approximate 1500 tons to be processed. The mill has been refurbished and upgraded to achieve a capacity of 100 tons per day. A bond will be posted for the tailings impoundment and a liner has been ordered so that any potential seepage into the ground water system is mitigated. The liner has been installed and the site environmentally approved. An initial mill feed of low grade gold material will be run to adjust the process, line the circuit and act as a bulk sample recovery test. The process will produce a table gravity gold concentrate and a flotation gold concentrate. The flotation concentrate will be further treated using a proprietary leaching process and resin gold recovery system.

During the week of November 12, 2007, Company management, together with Company consultant, Phil Brown, P. Geo. and Dave Dawson of Insight Geophysics visited the mine site and witnessed first hand mine and mill operations. Management is pleased to report that the mill has now completed its initial tune-up period and is now being fed with higher grade ore (.4 opt. or 12.4 g/t) intermingled with lower grade ore (.1 opt. or 3.1 g/t) in order to maintain a uniform consistency. The mill is now running an 8 hour shift, 5 days a week and the throughput is now roughly 30 to 40 tons per day. This will be eventually scaled up to 100 tons per day over a period of time. The crushing and grinding circuit, electrics, piping, flow cells, and a full size Deister gravity table are now in efficient working order. In December 2007 the mill was temporarily shut down for lack of sufficient water supply. Additional water wells scheduled to be drilled and completed in January 2008 will remedy this situation.

As a result of a recent ground geophysics magnetic survey over the Tamarack Property, six (6) potential targets have been identified. The surface decline is currently exploring in and around the smallest magnetic survey target area in which GoldField¢s TR-2 drill hole is expected to be located. Historic assay results provide the following returns from vertically drilled hole TR-2 (see PR Nov. 26, 07):

Drill Hole No.	**Down hole Interval** (ft.)	**Width** (ft.)	(m)	**Gold Assay** (oz/ton)	(g/t)
TR-2	50 to 150	100	30.47	.244	7.56
Including	70 to 90	20	6.1	.975	30.22
Including	105 to 115	10	3.05	.123	3.81

At 138 feet down the surface decline (Az 103 deg), a branch drift heading south (Az150 deg) was excavated. Within it was discovered a rich gold bearing zone (PR Feb 19, 07) apparently striking NE-SW and dipping West. Thereafter, the decline at 110 feet down from surface was directed northward on a spiral path to intersect at depth this discovered rich gold zone. The decline, while extending downwards at the westward turn, intersected a 3 ft wide **LEAD-ZINC** vein striking NE-SW, dipping East (assays pending on samples taken from the face). The decline continued westward through a fault striking NE-SW, dipping East and then through a porphyry. Hereafter, it entered into a rich gold bearing zone striking NE-SW and dipping West (see PR March 4, 08). This gold zone is approximately 27 feet below and 40 feet east of the zone discovered in the branch drift down the decline at 138 feet. Currently, a branch drift heading south is following the **LEAD-ZINC** vein while back in the decline, 15 feet of the gold zone has been exposed.

Management and the company consultants are of the opinion that the two (2) discovered gold zones are separate and most likely parallel each other. The decline will be continued westward in anticipation of intersecting the downward extension of the other gold zone.

At the Lead-Zinc vein intersection (see PR March 11, 2008), a horizontal channel chip sample was taken across a 2 ft. wide section of the drift face (heading is 5ft. wide x 8ft. high) that returned assays of 29.88% lead, 19.42 opt silver, 0.120 opt gold, and 0.609% zinc.

The drift following the vein is being advanced and to date it has confirmed that the high grade Lead-Zinc section both persists and remains strong. Currently, the vein has been followed for a distance of 12 feet in a southern direction from the surface decline. Additionally, there is a 2 ft. wide section (fault gouge) laying against the right side of the Lead-Zinc section that a horizontal sample across it returned assays of 0.308 opt gold, 0.24 opt silver, .069% lead and 0.203% zinc.

As announced in a press release May 14, 2009, the Company received from Met-solve Laboratories Inc., of Burnaby, B.C., results of metallurgical test work, the primary objective of which was to determine the overall gravity recoverable gold (GRG) content and the distribution of the GRG by particle size from material derived from the property. A 40 kg sample was sent to Met-solve Laboratories Inc. on April 3, 2009 for the above mentioned test work. The calculated head grade of the sample was 3.70 g/t Au. The three-stage GRG test yielded an overall GRG value of 74.85% at a grade of 132.8 g/t Au at a final grind size of P80 – 74 microns. The first recovery stage yielded the most gold (46.4%) while the second and third stage recovered and additional 21.8% and 6.7% respectively. The final tailings grade was 0.95 g/t Au and contained 25.2% of the gold. This tailings material will then be treated further through the flotation circuit thereby liberating much of the remaining gold.

The significance of the results of the test work lies in the discovery that almost ¾ or 74.85% of the gold, contained in material representative of the ore types found at the property, can be liberated via simple gravity methods. The gravity circuit plan now contemplates the use of a Falcon concentrator along with the Deister gravity table in order to achieve the aforementioned results. This will go a long way to improving the efficiencies of the gravity circuit while also improving its increased capability at minimal additional cost.

The Company announced in a press release dated December 1, 2009 that is has signed a Letter of Intent with Soma Petroleum Limited (SA1 – Frankfurt) to further develop the Tamarack Gold Property into a 100 ton per day mine operation. The contemplated deal has Soma providing the development funds in exchange for an equity participation in the Tamarack venture.

Currently, the underground program and the milling operations are suspended with minor metallurgical test work being done to facilitate the gold winning from the gravity table and the flotation concentrates.

Uncle Sam Gold Mine, Madison County, Montana

The Company has negotiated a 50% ownership interest in the Uncle Sam lode gold/silver bearing claims, located in the southwestern part of the State of Montana. Millstream's interest is fully

vested based on consideration that it has completed a substantial amount of development work and exploration expenditures on the property in the past.

The Property is a high grade, former gold producer in the Tobacco Root Mountains, Madison County, Montana. The Property, accessible year round on a maintained gravel road, is situated ten (10) miles to the east of Sheridan, Montana and just 6 miles to the east of the Tamarack Gold Property. Detailed geophysical, geochemical and geological surveys have extended the previous workings to cover a gold/graphite bearing structure over 8,000 feet long. The investigation has indicated the presence of other lode gold occurrences associated with the known mineralized Uncle Sam Fault zone. All previous mining has come within or at the Uncle Sam Fault over a width of three (3) to ten (10) feet, adjacent to a competent hanging wall porphyry, that is part of a Fault zone about sixty (60) feet in true thickness.

In the past, Millstream investigated, surveyed and sampled the Property underground workings and surface waste piles. The samples collected and tagged were sent for assaying at Assay Lab, Inc., West Jordan, Utah, USA, Norris Lab., Norris, Montana, USA and Swastika Laboratories, Swastika, Ontario, Canada. Samples taken from the hanging wall assayed at 36.2 grams (1.164 oz) of gold and 82.7 grams (2.66 oz) of silver per ton. Vein material assayed at 16.04 grams (0.516 oz) of gold and 15.24 grams (0.49 oz) of silver per ton with minor lead and zinc values.

Mr. Phil Brown, P. Geo; a Qualified Person under the NI 43-101 guidelines has visited the Property, reviewed the assay maps and reports, and the gold Geochemical anomaly coincident with an E.M. conductor, striking for a distance of 4,000+ feet on the Property. Phil Brown confirms that all the above assays are relevant information, and when viewed as a whole, indicate the high grade potential of the Uncle Sam Property. The company did not access the property in 2008 and currently the property is idle.

Financing

On December 31, 2008 the Company announced a non-brokered flow through private placement of 7,800,000 units for gross proceeds of $390,000. Each unit consists of one flow through common voting share and one half common voting share purchase warrant. Each full purchase warrant will entitle the holder to purchase an additional common voting share for a period of one year at a price of $0.20. The above share issuance and attached warrants were subject to a four month hold period from the date of closing.

On September 10, 2009, the Company announced a non-brokered private placement of 2,000,000 units for gross proceeds of $100,000. Each unit consists of one common voting share and one half common voting share purchase warrant. Each full purchase warrant will entitle the holder to purchase an additional common voting share for a period of one year at a price of $0.20. The above share issuance and attached warrants are subject to a four month hold period from the date of closing.

Listing on Frankfurt Exchange

The Company has been accepted to trade on the Frankfurt Exchange under the symbol NJD. The corresponding WKN code is A0CAG0 while the ISIN is CA6009001042. The Company management believes that this decision to list on the Frankfurt Exchange is the first step in its endeavour to make the European investment community aware of its attractive resource assets.

Additional Information

Additional information can be found on Sedar at www.Sedar.com and the company's below stated web site.

Source of Funds

The company relies on advances from shareholders, exercise of options, exercise of share purchase warrants, offering of flow-through shares and private placements, and joint ventures to fund exploration costs and working capital.

Shares Issued and Structure

The reported financials contain the information on the issued shares and type of shares.

Millstream, further wishes to announce and remind the interested public of its web site location, **WWW.MILLSTREAMMINES.COM**.