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Bayfield Ventures Corp.

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Defining the Extension of a Multi-Million Ounce Gold Deposit



Drilling continues on Bayfield Venture's Burns Block.



In geological exploration parlance, “close-ology” is the science of getting ground “close” to a known or emerging deposit. The simple theory is that if there is something valuable right beside you, there’s a better-than-average chance that it is underneath you too.

The old saw, “If you want to find a mine, look in the shadow of a head-frame,” shows there is tried-and-true wisdom to running exploration programs where someone else has already had success.

Such was the motivation for Bayfield Ventures and a number of junior explorers to obtain ground in the Rainy River District of northwestern Ontario. The Rainy River Greenstone Belt underlies the region and while not one of Canada’s well-known historic gold belts, in late 2006 Rainy River Resources announced that step out drilling in a new area had intersected 5.42 g/t gold over 43.0 metres! That announcement served to wake up other explorers to the region’s potential, including Bayfield Ventures who immediately began looking for prospective claims. They had

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soon assembled a strong suite of properties in the district.

THE BURNS BLOCK

One of the properties, the “Burns” claim block, covers only 80 acres but its small size belies its importance. The Burns Block abuts the Rainy River’s claims where that great intersection was pulled from. Rainy River has already defined measured and indicated mineral resources of 5.72 million ounces of gold and inferred mineral resources of 2.25 million ounces of gold at their project.

Late 2007 actually saw Bayfield grant Rainy River Resources an option to earn 60% of the Burns Block, and Rainy River’s drill results—including intersections like 4.5 m of 7.34 g/t gold and 4.5 m of 11.91 g/t gold—established that their 17 East Zone did extend onto the Burns Block. The 2008 financial meltdown caused Rainy River to focus drilling dollars on their own core near-surface mineralization and they terminated the Burns Block agreement, returning the ground to Bayfield.

By then Bayfield was quite happy to continue the drilling themselves. Since 2010, Bayfield has completed 70,000 metres of diamond drilling, and is budgeting for another 30,000 metres of drilling in 2012. Happily for Bayfield, a significant attribute of the Rainy River area is its relatively low cost of exploration. The properties are road-accessible, near power lines and a railway. And because Bayfield is able to draw its workforce from the nearby town of Fort Frances, it doesn’t need a camp on site.

The drilling along the western border of the Burns Block early on intersected a high grade gold and silver shoot with assays of 31.71 g/t gold and 50.23 g/t silver over 3 m and 35.93 g/t gold and 360 g/t silver over 10 m. Since then the program has found significant bulk-tonnage type lower grade mineralization along with additional high grade shoots. Recently hole RR11-71 tied into 60.05 g/t gold and 362.96 g/t silver over 11.2 m, which is interpreted as the up-plunge extension of the structure where 35.93 g/t gold and 359.65 g/t silver over 10.0 m was intersected in RR10-18.

The eastern side of the Burns Block was looked at more closely in 2011, following encouraging surface mapping and sampling. Initial wide-spaced drilling there returned multi-gram gold intercepts, including values up to 5.58 g/t gold and 32.87 g/t silver over 1.9 m. Much like was found in the western portion of the Burns Block, Bayfield anticipates they will intercept richer shoots within the key geological structures. In fact, the wide shear zone currently being drilled has been determined to be the easterly strike extension of the main ODM/17 gold deposit, meaning the entire width of the Block could host gold and silver mineralization. Just across the Burns Block’s northeastern claim border, Rainy River Resources has been drilling continually for several weeks.

ADDITIONAL ADVANTAGES

While the gold-silver on the Burns Block is its main value driver, the ground is valuable even without that mineralization. Of particular importance are the plans of neighbour Rainy River Resources. Their Preliminary Economic Assessment for the Rainy River Gold Project includes a planned underground decline development looping right around the Burns Block property in close proximity to the property’s high grade shoots. As well, conceptual open pit designs for the ODM/17 gold zone extend right up to the western boundary of the Burns Block.

Structurally, the Burns Block is significant, too. Much of the district is covered by glacial till overburden and boggy ground. That helped hide the gold till now, but it also makes the outcropping areas on the Burns Block valuable as building locations, say for a large mill.

BLUE SKY POTENTIAL

The nearby **B Block** and the **C Block** properties have similar geology to that found on both the Rainy River ground and the Burns Block, and this winter Bayfield is giving them additional attention.

Diamond drilling is underway on the 800 hectare C Block property, aimed at establishing the character of the bedrock across the property.

Geophysical data from earlier ground and airborne programs shows clear evidence of mafic volcanic rocks in the northern portion of the property that are separated from interpreted intermediate volcanic rocks by a sharp contact. The interpreted fault contact and the area of interpreted intermediate volcanic rocks are considered top quality drill targets.

Bayfield drilled the 480 hectare B Block holding in 2008 with encouraging results, including 2 m of 5.84 g/t gold in the south-central portion of the B Block. More recently, Rainy River intercepted 5.2 m of 12.17 g/t gold just southwest of the B Block. A series of east to west trending holes is underway to best intercept the predominant north-south trending structures.

Shares Outstanding: 62.2 Million

52-Week Trading Range: \$0.41 to \$1.02

DYNAMIC CONCLUSION

The distinctive attribute about Bayfield Ventures For investors in junior exploration companies, is that the company doesn’t need to make a new discovery to create value for shareholders. There is great blue-sky potential with the C and B Blocks, but it’s the notion that the Burns Block must eventually become part of Rainy River’s overall deposit that is the real attraction for speculators; there are so many compelling reasons to consolidate the ground that it’s hard to see it not taking place, and perhaps sooner rather than later. As Bayfield’s drilling continues to return attractive intersections, the Burns Block will only gain value and become more expensive for a suitor.

FOR FURTHER INFORMATION:

Bayfield
VENTURES CORP.

T: 604-687-3376

F: 604-687-3119

Toll Free: 1-800-567-8181

E: info@bayfieldventures.com

www.bayfieldventures.com

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