Management's Discussion and Analysis
Golden Valley Mines Ltd.
For the period ended March 31, 2016
Dated: May 30, 2016

INTRODUCTION

The following is Management's Discussion and Analysis of the financial condition and results of operations of Golden Valley Mines Ltd. (the "**Company**" or "**Golden Valley Mines**") for the period ended March 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee. This discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and notes thereto for the period ended March 31, 2016 and the audited consolidated financial statements of the Company for the year ended December 31, 2015, and the related notes thereto. All figures are in Canadian dollars unless otherwise specified. The technical content in this Management's Discussion & Analysis has been prepared under the supervision of Glenn J. Mullan who is a "Qualified Person" as such term is defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Forward-Looking Statements

This document contains certain forward-looking statements. In some cases, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur, be achieved or continue, have been used to identify these forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict and are not to be interpreted as guarantees for future performance. These forward-looking statements could cause actual events or results to differ materially from those anticipated in such forward-looking statements. All forward-looking statements speak only as of the date hereof and, except as required by law, the Company does not undertake any obligation to update or publicly release any revisions to such forward-looking statements to reflect events, circumstances, or changes in expectations after the date hereof. Accordingly, readers should not place undue reliance on such forward-looking statements.

NATURE OF OPERATIONS

Golden Valley Mines is a mineral exploration company whose assets and those of its subsidiaries (including the Reporting Subsidiaries (as hereinafter defined), include 96 exploration properties located in the following areas: (i) the Abitibi Greenstone Belt (Ontario and Québec); (ii) the James Bay, Mistassini and Otish regions of northern Québec; (iii) the Nunavik (Ungava and Labrador) region of northern Québec; (iv) the Athabasca Basin of Saskatchewan; and (v) the James Bay Lowlands of Ontario.

Golden Valley Mines' primary objective is to conduct basic exploration while the Company owns 100% of most of its properties. In instances where the exploration results are less than conclusive (such as when favourable geological conditions are encountered, but without an economically significant discovery) the Company will typically seek joint-venture partners (normally other public mining companies) to conduct follow-up exploration programs and continue the exploration effort. In most instances, Golden Valley Mines continues to act as the operator during the earn-in phase thus allowing the Company to reduce dilution to its share capital and decrease the amount of self-funded expenditures, while continuing exploration on these same properties with larger budgets than its own initial investment (most of the agreements allow the partner to earn into a property by incurring exploration expenditures typically over periods of three to six years). Furthermore, in addition to third party disbursements for exploration funding, the Company's option agreements typically provide for receipt by Golden Valley Mines of either cash or shares, or both from its partners and the retention of a free-carried interest or an NSR royalty. This allows the Company to focus primarily on other early-stage, 100%-owned properties while partners fund exploration on more expansive option/joint ventures and remote projects.

The Company has three subsidiaries: Abitibi Royalties Inc. ("Abitibi Royalties"), Nunavik Nickel Mines Ltd. ("Nunavik Nickel"), and Uranium Valley Mines Ltd. ("Uranium Valley"), together, the "Reporting Subsidiaries"). See section 3 herein, *Property Interests Assigned to the Reporting Subsidiaries*.

The information detailed in this report and pertaining to Abitibi Royalties, Nunavik Nickel, and Uranium Valley, has been extracted from Management's Discussion and Analysis prepared by each of the Reporting Subsidiaries and electronically filed with regulators, which are publicly available for viewing through the internet on the SEDAR website (www.sedar.com) under the respective issuer profile.

OVERALL PERFORMANCE

1. Exploration Activity:

A. <u>Abitibi Greenstone Belt ("AGB") Grassroots Exploration Project, located in Québec and Ontario, 100%-owned Projects</u>

The AGB properties are comprised of gold (35), copper-zinc-silver (28), nickel-copper-PGE (1), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (49) and Ontario (18). Golden Valley Mines' exploration strategy consists of a systematic approach designed to reduce grassroots exploration risk, and increase the possibility of exploration success, through the sequential exploration of a large number of grassroots properties. Preliminary fieldwork conducted over the Company's 100%-owned properties includes grid establishment, geophysical and/or geochemical surveys, prospecting, reconnaissance and grid mapping and sampling, with the objective of upgrading and advancing each property to the group of "drill-ready" prospects. This exploration pattern is consistently being repeated throughout the year as much as financial and logistical circumstances permit.

During the first quarter ended March 31, 2016, the Company's exploration work was focused on the completion of property compilations (for mandatory government assessment report filing and business development purposes), and on project generation activities directed to identifying and evaluating new opportunities.

2. Option and Joint Venture Properties Portfolio Review:

<u>Abitibi Greenstone Belt Programs</u>

A. <u>Integra Gold Corp. ("Integra") Joint Venture – AGB</u>

In 2008, the Company earned a 70% interest in the group of nine (9) properties (8 gold and 1 copper-zinc-silver) located on the AGB (Québec and Ontario) and a joint venture was formed thereon with Integra (the "GZZ-I JV"). The Company is the operator during the joint venture phase. In January 2012, the Company and Integra granted an option (the "GZZ-I Option") to Golden Cariboo Resources Ltd. ("Golden Cariboo") to acquire a 70% interest in certain properties comprising the GZZ-I JV.

Upon the GZZ-I Option being exercised, Golden Valley Mines and Integra shall retain a combined 30% free carried interest to production (22.5% Golden Valley Mines/7.5% Integra).

No exploration fieldwork was conducted on any of the joint venture property claims during the quarter ended March 31, 2016.

B. Golden Cariboo Resources Ltd. – GZZ Properties and GZZ-I Properties

The Company granted an option to Golden Cariboo to acquire a 70% interest in certain properties held as to a 100% interest by the Company (the "GZZ Option") and located in the Abitibi Greenstone Belt of northwestern Québec and northeastern Ontario (the "GZZ Properties"). Concurrently, and subject to net smelter return royalty interests and advance royalty interests in favour of the original vendors (one of which is a director and officer of the Company), Golden Valley Mines and Integra granted an option to Golden Cariboo to acquire a 70% interest in certain properties located in the Abitibi Greenstone Belt of northwestern Québec (the "GZZ-I Option"); these properties are held as to a 70% interest by Golden Valley Mines and as to a 30% interest by Integra pursuant to a joint venture agreement between Integra and Golden Valley Mines (the "GZZ-I Properties"). The GZZ Option and the GZZ-I Option are together referred to herein as "the Option". Golden Valley Mines is the operator during the Option phase.

The Option was terminated effective January 3, 2016, in accordance with its terms.

C. BonTerra Resources Inc. – Lac Barry, Québec

On March 16, 2016, Golden Valley Mines entered into an option agreement with BonTerra Resources Inc. ("BonTerra") on the Lac Barry Prospect located in the Abitibi Greenstone Belt, northeast of Val-D'Or, Québec. In accordance with the option agreement, (i) BonTerra must issue to Golden Valley Mines such number of common shares in the capital of BonTerra having an aggregate value of $200,000 based on the closing price of BonTerra's shares on the Exchange on the day prior to the date that the Exchange issues its written acceptance of the option agreement and the transaction contemplated thereby, and (ii) BonTerra must incur expenditures in an aggregate amount of $2,000,000 over a three (3) year period.

Upon exercising the option, Golden Valley Mines shall retain a 15% free carried interest in the Lac Barry Prospect and a 3% net smelter royalty ("NSR"), with 1% of the NSR being subject to a buyback in favour of BonTerra for $1 million payable by BonTerra to Golden Valley Mines.

BonTerra has agreed to a $250,000 work commitment in the first year, which will consist of a detailed evaluation of all existing technical data on the property with the objective of implementing a follow-up drill program to Golden Valley Mines' initial results which confirmed three target categories.

No field exploration work was conducted on the property during the quarter ended March 31, 2016.

James Bay Properties

D. Sirios Resources Ltd. – Cheechoo Prospect

Golden Valley Mines currently owns a 55% interest in the Cheechoo gold project, with Sirios owning the remaining 45% interest. Under the terms of a revised JV agreement, Sirios may acquire Golden Valley Mines' remaining 55% interest subject to the following general conditions:

(a) Sirios must spend an aggregate $4,200,000 in exploration expenditures prior to June 13, 2016 (which the Company has been advised has been spent by Sirios as of the date of this report);

(b) Sirios issued 9.9% of its share capital to Golden Valley Mines as of December 31, 2013 (2,898,374 shares, currently representing approximately 4% of Sirios); and

(c) Sirios must make a payment to Golden Valley Mines of $500,000 (cash or equivalent in SOI shares) prior to June 13, 2016 (notwithstanding the foregoing, Sirios shall have the obligation to pay in cash that portion of the $500,000 which would result in Golden Valley Mines becoming an insider of Sirios).

As additional consideration for the grant of the Option and in order for Sirios to acquire Golden Valley Mines' remaining 55% interest in the Cheechoo gold project, Sirios has granted to Golden Valley Mines a royalty (the "Royalty") equal to 4% of the net returns from all mineral products mined or removed from the Cheechoo gold project. Notwithstanding the foregoing, the royalty relevant to gold mineral products mined or removed from the Cheechoo gold prospect (the "Gold Portion") may vary between 2.5% and 3.5% depending on the market price of gold at the time of the payment of the Gold Portion.

On October 23, 2013, Sirios abandoned the claims comprising the Cheechoo B West and Sharks property claims resulting in Golden Valley Mines retaining a 100% interest in the Cheechoo B West and Sharks Prospects.

For additional details with respect to the exploration and field work completed to date on the Cheechoo project, as well as for the details on the expenditures made to date by Sirios on the project, please refer to Sirios' continuous disclosure documents available for viewing by the public through the internet at the SEDAR website (www.sedar.com) by accessing Sirios' issuer profile.

Property Interests Assigned to the Reporting Subsidiaries:

A. Abitibi Royalties Inc.

Golden Valley Mines holds an approximate 51% interest in Abitibi Royalties as at May 30, 2016.

As of the date of this Management's Discussion and Analysis, Abitibi Royalties holds interests amongst others, in the following assets.

a) Malartic CHL 3% NSR Royalty - Malartic, Québec

The area covered by the 3% net smelter royalty is located immediately east of the Canadian Malartic Mine operated by Agnico Eagle Mines Limited ("Agnico") and Yamana Gold Inc. ("Yamana"). The 3% net smelter royalty covers a number of known mineralized zones; the historic Shaft Zone and Porphyry 12 Zone, the Norrie Zone, the Mammoth Zone (eastern extension of the Barnat Zone), the Jeffrey Zone, the Hal Zone, the Geo Zones and the recent Odyssey North discovery. No value has been assigned to the 3% NSR royalty. See the news release of Abitibi Royalties publicly disseminated and filed with regulators on February 22, 2016.

Abitibi Royalties has not received any additional assay results or drill hole locations, since it last reported exploration results on February 23, 2015, and there are no assurances that all or any of the recent drilling at Odyssey has encountered additional mineralization on the Malartic CHL property that is covered by the Company's 3% NSR.

b) Canadian Malartic 2% NSR Royalty – Malartic, Québec

Golden Valley Mines assigned to Abitibi Royalties a 2% net smelter royalty interest (the "**NSR**") on a claim block originally acquired by Golden Valley Mines through staking and subsequently sold to Osisko. The NSR is located on a single claim just south of the Canadian Malartic main pit, and covers the historic Charlie Zones and the Eastern portion of the Gouldie Zone. Production on the 2% net smelter royalty area started in 2014 and total royalty payments of $348,795 were received by Abitibi Royalties: $191,869, covering the last two quarters of 2014, $80,236 for the first quarter of 2015, $48,492 for the second quarter of 2015 and $28,198, as a final payment, received in October 2015. Abitibi Royalties received a final adjustment payment of $1,542 on April 29, 2016. Canadian Malartic GP (50% owned by Agnico and Yamana) reported that mining at the Gouldie deposit, stopped at the end of June 2015.

The Abitibi Royalty Search

On June 9, 2015, Abitibi Royalties launched the "Abitibi Royalty Search", by which it would reimburse a company for the renewal fees on existing claims or staking fees on new claims and receive in exchange a net smelter return royalty. The program offers junior mining companies an alternative to dropping potentially interesting claims or projects due to a lack of funds. Projects have to meet specific criteria to be eligible, such as being located in the close vicinity of an existing mine and showing good geology or signs of mineralization. As of the date of this report, Abitibi Royalties has spent , $41,193 (of which one of the royalty agreements in the amount of $11,693, was signed with Golden Valley Mines) to acquire new royalties or finalize deals already announced. The properties are located in the provinces of Québec, Ontario and Manitoba and in Turkey. The amounts spent to acquire mining royalties are expensed.

Further discussion and analysis of the financial condition and results of operations of Abitibi Royalties for the period ended March 31, 2016, is included in Abitibi Royalties' Management's Discussion and Analysis, which has been electronically filed with regulators by Abitibi Royalties and is available for viewing at the SEDAR website (www.sedar.com) under Abitibi Royalties' issuer profile.

B. Nunavik Nickel Mines Ltd.

Golden Valley Mines holds an approximate 60% interest in Nunavik Nickel as at May 30, 2016.

As of the date of this Management's Discussion and Analysis, Nunavik Nickel holds interests in the following assets:

a) 2973090 Canada Inc. - Boston Bulldog Prospect

On February 16, 2015, Nunavik Nickel was granted an option to acquire a 100% interest in the Boston Bulldog Prospect from 2973090 Canada Inc. ("2973090"). The Boston Bulldog Prospect is a group of three mineral claims located in Kirkland Lake, Ontario. In consideration of the grant of the option Nunavik Nickel paid 2973090 $5,000 to cover 2973090's costs of staking the property and issued 300,000 common shares to 2973090. Nunavik Nickel must incur mining operation expenditures of $50,000 by April 7, 2017 and must keep the property in good standing.

The property is subject to a 3% NSR, which in accordance with the terms of the option agreement, Nunavik Nickel can reduce from 3% to 2% NSR by paying $1,000,000 at any time on or before February 16, 2022. To this date there is no known mineral deposit on the Boston Bulldog Prospect. See "Related Parties Transactions" in this report.

b) Chibougamau-Chapais Prospect – Central Québec

The Chibougamau-Chapais Prospect is a non-contiguous group of 40 claims, covering 2,203.65 hectares, located in the Chibougamau area in central Quebec, which were staked by the Nunavik Nickel in the first quarter of 2016. Nunavik Nickel intends to design and conduct a grassroots exploration program on this property in the coming future.

The information detailed above has been extracted from Nunavik Nickel's issuer profile which is publicly available for viewing through the internet on the SEDAR website (www.sedar.com).

Further discussion and analysis of the financial condition and results of operations of Nunavik Nickel for the period ended March 31, 2016, is included in Nunavik Nickel's Management's Discussion and Analysis, which has been electronically filed with regulators by Nunavik Nickel and is available for viewing at the SEDAR website (www.sedar.com) under Nunavik Nickel's issuer profile.

C. Uranium Valley Mines Ltd.

Golden Valley Mines holds an approximate 37% interest in Uranium Valley as at May 30, 2016.

As of the date of this Management's Discussion and Analysis, Uranium Valley holds interests, among others, in the following asset:

2973090 Canada Inc. - Porcupine Miracle Prospect

On July 3, 2014, Uranium Valley entered a Mining Option Agreement with 2973090 Canada Inc., ("2973090") pursuant which Uranium Valley has the option to acquire a 100% interest in the Porcupine Miracle Prospect. The Porcupine Miracle Prospect is constituted of four mineral claims located in the Langmuir Township in the province of Ontario, Canada. In consideration for the option, Uranium Valley agreed to issue to 2973090 common shares as follows: 133,332 common shares (which shares have been issued) and, 66,667 common shares on July 17, 2016. In order to exercise the option, Uranium Valley is required to incur exploration expenditures of $50,000 by July 17, 2016 and, in addition, to maintain the property in good standing. The property will be subject to a royalty in favour of 2973090 equal to 3% of net smelter returns. Advance royalty payments of $10,000 per annum are payable by Uranium Valley commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty. See "Related Parties Transactions" in this report.

Transfer of Listing to NEX

By letter dated November 3, 2015, the TSX Venture Exchange placed Uranium Valley on notice that its listing would be transferred to NEX if it did not, by May 3, 2016, resolve a continued listing deficiency under Exchange Policy 2.5. The deficiency identified relates to activity for an issuer classified as a Tier 2 Mining issuer. NEX is a separate board of the TSX Venture Exchange that provides a trading forum for listed issuers that have fallen below the Exchange's ongoing listing standards. Management of Uranium Valley has determined that it will take the required steps to transfer its listing to NEX and carry on its business as a NEX listed issuer. The shares of Uranium Valley commenced trading on NEX on May 6, 2016.

Further discussion and analysis of the financial condition and results of operations of Uranium Valley for the interim period ended March 31, 2016, is included in Uranium Valley's Management's Discussion and Analysis, which has been electronically filed with regulators by Uranium Valley and is available for viewing at the SEDAR website (www.sedar.com) under Uranium Valley's issuer profile.

SELECTED ANNUAL INFORMATION[1]

	2016	2015	2014
Total Revenue ($)	71,504	322,180	0
Net income (loss) and total comprehensive income (loss) for the period ($)	11,705,864	25,148,875	(364,149)
Basic earnings (loss) per share ($)	0.053	0.147	(0.004)
Diluted earnings per share	0.051	0.139	
Total Assets ($)	45,644,974	40,323,512	12,192,583
Total Liabilities ($)	5,072,856	4,091,979	1,004,524

(1) This table represents selected annual information for the Company and its Subsidiaries.

DISCUSSION AND RESULTS OF OPERATIONS

During the three-month period ended March 31, 2016, the Company reported a net income before income taxes of $12,840,386 compared to a net income before income taxes of $28,355,209 for the same period in 2015. The change in fair value of financial assets at fair value through profit and loss of $9,587,606 is a contributing factor towards the positive results. Last year's quarter included a gain of $29,534,734 on the sale of the Malartic CHL Property. Other components of revenues and expenses were as follows:

Revenues

Royalties of $1,542 were earned from the 2% NSR owned by Abitibi Royalties on the Canadian Malartic Property. In addition, Abitibi Royalties received dividend income of $69,962 as a shareholder of Agnico and Yamana. In the first quarter of last year, Abitibi Royalties had NSR revenues of $254,537 and dividend income of $67,531.

No income was generated from the Company's active option and joint-venture properties for the three-month period ended March 31, 2016 ($112 for the same period in 2015).

Other Revenue

Other sources of income are interest and dividend income from cash and short-term financial assets ($2,828 for the three-month period ended March 31, 2016 compared to $2,209 for the same period in 2015).

The Company held money market investment and mutual funds having a market value of $854 as at March 31, 2016 as well as publicly traded securities comprised of common shares of third party optionees issued to the Company in accordance with the terms of certain property option agreements having a market value of $744,515 as at March 31, 2016, compared to $332,352 as at the year ended December 31, 2015. The Company also has two guaranteed investment certificates, for a total amount of $1,175,000, at an interest rate of 0.65% to 1% maturing in August and December 2016.

Investments

	Number of shares held at March 31, 2016	Value at March 31, 2016	Value at December 31, 2015
Yamana Gold Inc.	3,549,695	13,985,798	9,122,716
Agnico Eagle Mines Ltd.	444,197	20,872,817	16,155,445
Total fair value		34,858,615	25,278,161
Variation during the period			(9,580,454)

As of March 31, 2016, Abitibi Royalties sold call option contracts, covering 905,800 shares of its holding in Yamana and Agnico, for total cash proceeds of $313,135 (US $259,273). As at March 31, 2016, Abitibi Royalties has 13,053 (3,995 as at December 31, 2015) call options contracts outstanding covering a total of 1,305,300 shares (399,500 as at December 31, 2015) shares of its investment in Yamana and Agnico. The call options are exercisable until January 20, 2017 and January 19, 2018 at prices varying from US $40 to $55 for the contracts covering the Agnico shares and from US $5 to $12 for those on Yamana Shares.

Non-Exploration Expenditures

For the three-month period ended March 31, 2016, the Company recorded a total operating income of $3,160,018, as compared to an operating loss of $29,382,263 in 2015.

The sale of the Malartic CHL Property by Abitibi Royalties was made without generating any immediate income tax payable. Abitibi Royalties has received shares in payment that are worth $34,858,615 at March 31, 2016 and for which the tax value is minimal. There is a potential tax liability on the capital gain to be realized on the eventual sale of those shares, which Abitibi Royalties has recognized by recording a deferred income tax liability of $3,775,320 at March 31, 2016.

The value of Abitibi Royalties' investment in the shares of Agnico and Yamana, received as consideration for the sale of the Malartic CHL Property, has to be shown at fair value. In the first quarter of 2016 the value of this investment increased to $34,858,615 from $25,278,161 at December 31, 2015, and accordingly Abitibi Royalties recorded an increase in fair value of $9,580,454. It also recorded an increase in the fair value of the obligation related to the call option contracts of $449,166.

The largest operating expense for the quarter ended March 31, 2016 is the reversal of success fee liability in the amount of $4,157,110. Other operating expenses include salaries and other employee benefits, which increased to $739,639 in 2016 (compared to $210,657 in 2015). Included in this amount are director's fees, in the amount of $20,000 ($33,750 in 2015) for Golden Valley Mines' directors that are accrued but not paid and $526,925 of share-based payments for restricted share units granted to Abitibi Royalties' officers, directors and consultants. See "Capital Stock Information – Abitibi Royalties – Restricted Share Units" below.

The increase in professional fees to $208,982 for the quarter ended March 31, 2016 from $188,648 for the same period in 2015 can be attributed to Abitibi Royalties. Its professional fees for the first quarter ended March 31, 2016 amounted to $109,727 ($119,747 for the same period in 2015). For further details, please review the Management Discussion and Analysis for Abitibi Royalties for the three-month period ended March 31, 2016 which can be accessed under Abitibi Royalties' issuer profile at www.sedar.com.

The following expenditures - travelling (from $18,055 for the period ended March 31, 2015 to $11,512 for the same period in 2016) and advertising and exhibition (from $12,178 as of March 31, 2015 to $11,140 for the same period in 2016) decreased. Office expenses increased to $42,757 for the period ended March 31, 2016 (compared to $33,533 for the same period in 2015). Management fees also increased from $4,125 to $25,032 in 2016, the increase being attributable to the increased consulting fees payable to Glenn J. Mullan, President and CEO of the Company pursuant to an amendment to his consulting agreement effective September 2015. Part XII.6 and other taxes decreased from $2,613 in 2015 to $1,503 in 2016.

Other expenses incurred in the first quarter ended March 31, 2016, included the following: royalty purchases of $21,950 (for description of the royalty purchases refer to section Abitibi Royalty Search of this report), commissions of $15,350 (included in finance cost) paid by Abitibi Royalties on the sale of option contracts or Abitibi Royalties' repurchase of its shares under the normal course issuer bid.

Exploration Activities and Expenditures

For the first quarter ended March 31, 2016, total investments in exploration and evaluation assets decreased to $6,542,591, compared to $6,687,723 as at March 31, 2015.

The Company's and the Reporting Subsidiaries' property interests in Québec, Ontario and Saskatchewan are considered to be prospective for precious metals (i.e. gold, silver and platinum group metals), base-metals (i.e. nickel, copper, zinc, and cobalt), and energy minerals (i.e. uranium). During the quarter ended March 31, 2016, all of the new property acquisitions were the result of an on-going, project generative program conducted by the Company's in-house exploration staff.

During the quarter ended March 31, 2016, exploration expenditures were allocated to the following activities: (i) regional and property compilation maps and business development purposes; and (ii) project generation activities, directed at identifying and evaluating new opportunities.

The primary focus for the Company's project generation activities during the first quarter ended March 31, 2016 was in the Abitibi Greenstone Belt ("AGB") region of Québec and Ontario. Four new properties were acquired in the Chibougamau-Chapais area of Québec, totaling 9 claims, covering 489 hectares. Additional mining claims were added to one (1) existing property totaling 2 claims (comprised of 19 claim units), covering 144 hectares. Claim acquisition and maintenance fees for this period on the Company's AGB properties amounted to $8,393.

No line cutting and geophysical surveys were conducted on any of the Company's AGB properties during the quarter ended March 31, 2016.

Technical and field staff expenditures amounted to $26,699 during the quarter ended March 31, 2016 for the Company's self-funded AGB Grassroots Exploration Project, project generation activities and/or related corporate developments.

No drilling activities were completed during the quarter ended March 31, 2016.

Related exploration program expenditures incurred during the quarter ended March 31, 2016, included $6,354 for amortization, office and general expenses, $3,646 for program management and consultants, $148 for travel and transport, and $183 for communications.

SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements and "Results of Operations" herein.

	Mar 16	Dec 15	Sep 15	Jun 15	Mar 15	Dec 14	Sep 14	Jun 14
Total revenues ($)	71,504	152,859	164,554	130,813	322,180	2,981	5,475	2,523
Net income (loss) ($)	11,705,864	2,262,625	(5,813,736)	(6,817,650)	25,148,875	(4,661,186)	(802,220)	(966,611)
Net earnings (loss) per share								
- Basic	0.053	(0.016)	(0.028)	(0.023)	0.147	0.04	(0.002)	(0.008)
- Diluted	0.051	(0.02)	(0.027)	(0.022)	0.139	0.04	(0.002)	(0.008)

FINANCIAL CONDITION

Liquidity and Capital Resources

As at March 31, 2016, the Company had cash and cash equivalents of $1,898,547 and a working capital of $2,938,634 compared to a working capital deficiency of $496,586 as of December 31, 2015. The working capital deficiency related to the success fees liability in the amount of $4,157,110 was reversed in the first quarter ended March 31, 2016. On March 11 2016, Abitibi's Board of Directors terminated the Management Success Fees Agreement with no further amounts payable. See "Contractual Obligations – Abitibi Royalties – Management Success Fees Agreement" below.

During the period ended March 31, 2016, Abitibi Royalties collected an aggregate $1,059 from the exercise of incentive stock options. Subsequent to the quarter ended March 31, 2016, Golden Valley Mines collected $7,000 from the exercise of share purchase warrants.

Private Placement

On November 13, 2015, Golden Valley Mines announced a non-brokered private placement offering pursuant to which it would issue up to 14,900,000 units (each a "Unit") at a per Unit price of $0.10 for gross proceeds of up to $1,490,000. Each Unit consisted of one common share in the capital of Golden Valley Mines and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share of Golden Valley Mines at a per share price of $0.14 for a period of two years from the closing of the offering. The TSX Venture Exchange provided its conditional acceptance of the financing on November 26, 2015, and the first tranche of the offering closed on November 30, 2015. The second and final tranche of the offering closed on January 25, 2016, and the Exchange issued its final acceptance of the offering on February 3, 2016.

On January 25, 2016, Golden Valley Mines issued a $415,000 principal amount convertible debenture to an arm's length existing shareholder, which constituted the second and final tranche of a non-brokered private placement offering.

The debenture was automatically convertible into Units of Golden Valley Mines at a deemed price of $0.10 per Unit upon confirmation from the TSX Venture Exchange that it has completed satisfactory background searches on the lender, who would become an insider of the Company on conversion of the debenture. On conversion, each Unit would be comprised of one common share in the capital of the

Company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share of the Company at a per share price of $0.14 for two years from the date of issuance of the warrants.

The debenture automatically converted on March 18, 2016 into 4,150,000 Units of the Company. The warrants are subject to the condition that they cannot be exercised until such time as the Company obtains disinterested shareholder approval for the potential creation of the lender as a new control person. The Company is seeking this shareholder approval at its upcoming Annual and Special Meeting of Shareholders to be held on June 27, 2016.

All common shares issued on conversion of the debenture and shares which may be acquired upon the exercise of the warrants issued on conversion of the debenture are subject to a hold period until May 26, 2016, in accordance with applicable securities legislation and Exchange policy.

No finder's fees were paid in connection with the convertible debenture. The $415,000 gross proceeds raised from the debenture, will be used by the Company for general corporate purposes.

Contractual Obligations

1. Golden Valley Mines Ltd.

Office Lease

		Payments due by period	
Obligation	Total	1 year or less	2 years or more
Office Lease	$ 19,321	$ 19,321	$ -

2. Abitibi Royalties Inc.

Management Success Fees Agreement

Abitibi Royalties entered into an Amended and Restated Management Success Fees Agreement, as amended, with 2973090 Canada Inc., a company of which Glenn J. Mullan is the sole shareholder, director and officer, as the "Trustee" pursuant to which a success fee would be paid in certain circumstances.

Effective March 11, 2016, Abitibi's Board of Directors terminated the Management Success Fees Agreement. Prior to its termination, $132,890 was paid ($117,000 as at December 31, 2015 and $15,890 in January 2016) under the terms of the Management Success Fees Agreement, with no further amounts payable. In March 2016, the liability of $4,157,110 representing the unpaid balance of the success fee was reversed.

CAPITAL STOCK INFORMATION

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value, issuable in one or more series with restrictions as determined by the Company's Board of Directors. The holders of the common shares of the Company shall be entitled to vote at all shareholder meetings and to receive such dividends as the Board of Directors of the Company in their discretion shall declare.

Issued and Outstanding

The following details the issued and outstanding securities of the Company as at May 30, 2016:

Common shares: 114,174,974

Preferred Shares: Nil

Escrowed Shares: Nil

Share Purchase Warrants: 16,350,000

Incentive Stock Options:

Expiry Date	Outstanding	Exercise Price
October 5, 2016	1,615,000	$0.35
July 23, 2017	520,000	$0.15
August 1, 2018	2,125,000	$0.07
June 30, 2019	654,025	$0.17
July 24, 2020	1,200,000	$0.11
TOTAL:	**6,114,025**	

Exercise of Share Purchase Warrants

On May 25, 2016, 50,000 common shares were issued pursuant to the exercise of share purchase warrants at a price of $0.14 per warrant for a total of $7,000.

Abitibi Royalties Inc.

a) Exercise of incentive stock options

In January 2016, 755 common shares were issued pursuant to the exercise of incentive stock options at a price per share of $2.18.

In February 2016, 304 common shares were issued pursuant to the exercise of incentive stock options at a price per share of $2.18.

No incentive stock options were granted by Abitibi Royalties in 2016.

b) Restricted Share Units

Abitibi Royalties' Board of Directors has implemented a Restricted Share Unit Plan (the "RSU Plan"), which provides that restricted share units ("Share Units") may be granted by Abitibi Royalties' Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, bona-fide full or part-time employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance, or in satisfaction of dividends declared by Abitibi Royalties and payable to Participants. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 896,769 common shares, among other limits with respect to individual grants under the RSU Plan. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share

Unit will be the third anniversary of its date of grant, or subject to accelerated expiry in the event of a change of control of Abitibi Royalties. As of the date of this report 583,365 RSUs have been granted to Participants.

c) Normal Course Issuer Bid

On October 2, 2015, Abitibi Royalties received acceptance from the TSX Venture Exchange of its notice to commence a normal course issuer bid ("NCIB"). This approval allows Abitibi Royalties to purchase back up to 546,300 of its common shares (representing 5% of Abitibi Royalties' total issued and outstanding common shares as of September 21, 2015) from October 6, 2015 to October 5, 2016. Common shares that will be purchased under the NCIB will be cancelled. As of March 31, 2016, Abitibi Royalties had repurchased and cancelled 35,700 of its common shares at a total cost of $118,380.

RELATED PARTIES TRANSACTIONS

The compensation paid or payable to key management includes directors and senior executives. The compensation paid to key management for employee and consulting services is presented below:

	Three-Month Period ended March 31	
	2016	**2015**
Short-term employee benefits		
Salaries including bonuses	127,690	110,031
Benefits	26,190	55,145
Director's Fees[1]	53,750	42,379
Total short-term employee benefits	207,630	207,555
Other transaction with consultants		
Rent[2]	4,985	
Management Fees	25,032	4,125
Expenses capitalized in exploration and evaluation assets	27,755	23,751
Professional Fees[3]	15,000	
Success Fee included in gain on the disposal of exploration and evaluation assets[4]	15,890	
Total transactions with consultants	88,662	27,876
Share-based payments	525,050	
Total remuneration	821,342	235,431

(1) An amount of $23,750 are accrued in director's fees. They have been deferred and not yet paid.

(2) $3,000 paid to 2973090 Canada Inc., a private company controlled by Mr. Glenn J. Mullan, an officer and director of the Company. $1,985 paid by Abitibi Royalties to its President.

(3) Consulting Fees paid to Jackie Koh, the spouse of Glenn J. Mullan, President and CEO of Golden Valley, pursuant to a consulting agreement related to corporate finance services dated January 1, 2016.

(4) Effective March 11, 2016, the Board of Directors of Abitibi Royalties terminated the Management Success Fees Agreement and the unpaid balance of $4,157,110 was reversed. See "Contractual Obligations – Abitibi Royalties – Management Success Fees Agreement" above.

The fees detailed above are equivalent to what the Company would otherwise pay to an unrelated third party in the industry and were completed in the normal course of the Company's operations.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance-sheet arrangements.

CORPORATE DEVELOPMENTS

Golden Valley Mines Ltd.

On March 15, 2016, Jimmy S.H. Lee was appointed as a director of Golden Valley Mines.

OUTLOOK

The Company is actively searching and evaluating certain strategic business opportunities and potential acquisitions in the exploration/mining industry due to the current volatile financing conditions in capital markets. A number of internal reviews have recently been completed or are in progress for distressed companies and certain assets, both in Canada and abroad.

Furthermore, the general public market volatility that has continued to affect the overall state of the exploration industry has offered Golden Valley Mines new opportunities for its project generation ("PGEN") activities, where previously the demand for prospective land was at a much more competitive state. One of the Company's most important attributes is its ability to identify new high priority exploration opportunities and flexibility to adapt quickly to changing market conditions. Our exploration team routinely assesses government data and/or historical work reports to acquire prospective mining claims. The results of this grassroots exploration generative business model have led to the identification of new mineral discoveries (Co-Ag-Ni, Ni-Cu-PGE and Au-VMS) in the Abitibi Greenstone Belt on 100%-owned properties; it has also assisted the Company in the successful creation of several option/joint venture agreements allowing for diamond drilling, in particular on those projects on which reconnaissance work has already been completed to identify prospective drill targets. In this manner, the Company remains focused on its core business of early-stage acquisitions, PGEN and drill target definition, while working with partners to conduct the more expensive and detailed drill-based exploration programs.

RISKS AND UNCERTAINTIES

As at March 31, 2016, the Company had an accumulated deficit of $4,867,571 ($10,947,451 as at December 31, 2015).

Investment of Speculative Nature
Investing in the Company is of a highly speculative nature.

Nature of Mineral Exploration and Mining
There is no known mineral resource on any of the Company's property interests. Mineral exploration and development involves a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

Mineral Deposits and Production Costs; Metal Prices
The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of the Company's mineral property interests is heavily influenced by metal prices. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's properties can be mined profitably.

Exploration and Development Risks
Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

Additional Financing
Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

Permits and Licenses
The operations of the Company require licenses and permits from various governmental and non-governmental authorities. There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

Competition
The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company's, in the search for and the acquisition of attractive mineral properties. There is no assurance that the Company will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

Dependence on Key Individuals
The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of their exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Environmental and other Regulatory Requirements
The operations of the Company require permits from various levels of government. Such operations are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Political Regulatory Risks
Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

Moratorium imposed by the Government of Québec
There is no assurance that the Company will be able to continue exploration on its uranium properties located in Québec.

Currency Risk
Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in U.S. dollars. The Company's costs are incurred primarily in Canadian dollars.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as Golden Valley Mines. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance

The Company does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if they were to obtain insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons.

Influence of Third Party Stakeholders

The lands in which the Company holds interests, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out work programs or general exploration mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the work programs of the Company may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity, including the market in which it is traded, the strength of the economy in general, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The future effect of these and other factors on the market price of the Company's shares on the Exchange cannot be predicted.

ADDITIONAL INFORMATION

Additional information about Golden Valley Mines may be obtained from the Company's website (www.goldenvalleymines.com) or through the SEDAR website (www.sedar.com) by accessing the Company's issuer profile.