

Management's Discussion and Analysis
Golden Valley Mines Ltd.
For the period ended September 30, 2015
Dated: November 27, 2015

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 September 30, 2015, 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 interim financial statements for the third quarter ended September 30, 2015, and the audited consolidated financial statements of the Company for the year ended December 31, 2014, and the related notes thereto, as well as Management's Discussion and Analysis for the year ended December 31, 2014. 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 92 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") becoming reporting issuers. 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. Abitibi Greenstone Belt ("AGB") Grassroots Exploration Project, located in Québec and Ontario, 100%-owned Projects

The AGB properties are comprised of gold (46), copper-zinc-silver (27), nickel-copper-PGE (2), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (51) and Ontario (27). 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 third quarter ending September 30, 2015, 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:

Abitibi Greenstone Belt Programs

A. Integra Gold Corp. ("Integra") Joint Venture – AGB

In 2008, the Company earned a 70% interest in the group of nine properties 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). For additional information with respect to the transaction between the Company, Integra, and Golden Cariboo, and the exploration activities conducted on the properties under option by the Company and Integra to Golden Cariboo, please refer to Section B herein.

A prospecting and sampling program was completed on the Matachewan Prospect at the beginning of October 2015. The report was filed for assessment purposes and the property claims renewed. The assay results remain outstanding at the time of writing. No other exploration fieldwork was conducted during the quarter ending September 30, 2015.

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.

No exploration fieldwork was conducted during the quarter ended September 30, 2015.

James Bay Properties

C. Sirios Resources Ltd. – Cheechoo and Sharks Prospects

Pursuant to an binding term sheet dated June 12, 2012, as amended and restated October 23, 2013, Sirios provided the Company with notice (the "Option Notice") of its intent to acquire the remaining 55% interest in the Sharks and Cheechoo prospects (the "S&C Properties"), located in the James Bay area of northern Québec, from Golden Valley Mines. In accordance with the agreement Sirios issued 2,898,374 common shares to Golden Valley Mines (the "Payment Shares"). In addition, within 3 years of the Option Notice Sirios will have to: (i) further complete approximately \$4,000,000 in exploration expenditures; and (ii) pay \$500,000 in cash or in shares to the Company. The Company retains a royalty equal to 4% of the net returns from all mineral products mined or removed from the S&C Properties. Notwithstanding the foregoing, the royalty relevant to gold mineral products mined or removed from the S&C Properties (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.

Sirios is the operator and the exploration expenditures incurred on the S&C Properties shall include an amount representing 10% of same in lieu of the payment of operator's fees in cash by the Company. Sirios must keep the S&C Properties in good standing during the Option period and for a period of at least one year from the lapse or termination of the Option.

On October 23, 2013, Sirios abandoned the claims comprising the Sharks Prospect resulting in Golden Valley Mines retaining a 100% interest in the Sharks Prospect.

On September 22, 2015 and October 1, 2015, Sirios, as operator of the program on the S&C Properties provided an exploration update via news releases with respect to 2015 exploration activities and drill program on the S&C Properties (for additional details with respect to the exploration and filed work completed to date or to be completed on the project, as well as for the details on the expenditures made to date by Sirios on the Properties, 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).

3. Property Interests Assigned to the Reporting Subsidiaries:

A. Abitibi Royalties Inc.

Golden Valley Mines holds an approximate 51% interest in Abitibi Royalties as at November 27, 2015.

As of the date of this Management's Discussion and Analysis, Abitibi Royalties holds interests in the following assets, as further described below:

- a) 3,549,695 shares of Yamana Gold Inc. ("Yamana") and 444,197 shares of Agnico Eagle Mines Ltd. ("Agnico Eagle"),
- b) a 3% net smelter return royalty on the Malartic CHL Property,
- c) a 2% net smelter return royalty on the Canadian Malartic Property, and
- d) a 100% interest in the Luc Bourdon and Bourdon West Prospects, and
- e) various royalty interests on early stage properties near operating mines.

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 and 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; the Project still being at the early stage, future cash flow could not be reliably estimated.

Canadian Malartic 2% NSR Royalty - Malartic, Québec

Also pursuant to a separate agreement, Golden Valley assigned to Abitibi Royalties a 2% net smelter royalty interest (the "NSR") on a claim block originally acquired by Golden Valley through staking and subsequently sold to Osisko. The NSR is located on a single claim located just to the south of the Canadian Malartic main pit, and covers the historic Charlie Zones and the Eastern portion of the Gouldie Zone. On May 21, 2015, Abitibi Royalties announced the receipt of the year-end 2014 gold reserve and resource estimate completed by Canadian Malartic GP in respect of Abitibi Royalties' interests in the 2% NSR, details of which can be found by accessing Abitibi Royalties' issuer profile through the internet on the SEDAR website at www.sedar.com. Production on the 2% net smelter royalty area started in 2014 and the following royalty payments were received: \$191,869, covering the last two quarters of 2014, \$80,236 for the first quarter of 2015 and \$48,492 for the second quarter of

2015, for a total as of September 30, 2015 of \$320,597. Canadian Malartic GP (50% owned by Agnico Eagle and Yamana) reported that mining at the Gouldie deposit, stopped at the end of June 2015.

McFauld's Lake ("Ring of Fire") Area – Bourdon Prospects

Abitibi Royalties holds a 100% interest in the Luc Bourdon and Bourdon West prospects (the "Bourdon Prospects"). Abitibi Royalties is now seeking new partnerships to fund future exploration programs and, if warranted by the results, to further develop the Bourdon Prospects.

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 acquired royalties on eight properties for a total investment of \$79,773 (7 properties for \$73,573 as of September 30, 2015). 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 interim period ended September 30, 2015, 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 November 27, 2015.

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

Marymac Prospect

Nunavik Nickel holds a 100% interest in the Marymac Prospect located in the Labrador Trough of Québec. Nunavik Nickel acquired its interest in the Marymac Prospect pursuant to a Further Amended and Restated Property Transfer Agreement dated March 30, 2011, between Golden Valley Mines and Nunavik Nickel. The Marymac Prospect consists of 182 Map Designated Units that collectively encompass approximately 10,000 hectares. The Marymac Prospect is subject to a 2% net smelter royalty interest in favour of Capex Group Inc. (formerly 862539 Alberta Ltd.), which was granted to 862539 Alberta Ltd. pursuant to an agreement dated March 1, 2001.

Fortin Property

The Fortin Property is located in the central part of Ducros Township, approximately 80 km northeast of the Town of Val-d'Or, Québec, and consists of five contiguous mining claims. Nunavik Nickel holds a 100% interest in this property, subject to a 1.5% NSR in favour of the original vendors. Nunavik Nickel retains the right to buy back the NSR at any time as follows: (i) 0.5% in exchange for

\$500,000; and (ii) 1% in exchange for \$1,000,000. The Fortin Property is without known resources or reserves.

Shoot Out Prospect

The Shoot Out Prospect (Shoot Out East and Shoot Out West) consists of 161 claims covering a surface area of approximately 7,526 hectares located in the Raglan Belt of Northern Québec. Nunavik Nickel holds a 100% interest in this property. The Shoot Out Prospect is subject to a 3% NSR in favour of the original vendors, one of which is a director and officer of Nunavik Nickel.

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.

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 interim period ended September 30, 2015, 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 November 27, 2015.

As of the date of this Management's Discussion and Analysis, Uranium Valley holds interests in the following assets.

Mistassini-Otish Basins Project

Uranium Valley holds a 100% interest in the Mistassini Otish Project.

On March 28, 2013, the Government of Québec announced it had decreed a "moratorium" on all exploration, development and mining for uranium. Following this announcement, Uranium Valley has indicated that it is of the view that it will be difficult and potentially impossible, to conduct exploration programs on its Otish and Mistassini prospects, which are located in Québec. Consequently, Uranium Valley's financial statements for the year ended December 31, 2012 reflect its decision to impair the carrying value of its uranium properties located in the Province of Québec. As a result, any further uranium exploration activities by Uranium Valley will be executed outside the Province of Québec.

2973090 Canada Inc. - Porcupine Miracle Prospect

On July 3, 2014, Uranium Valley entered a Mining Option Agreement with 2973090 Canada Inc., ("2973090") pursuant which the Company 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: 66,666 common shares (which shares have been issued), 66,667 common shares on July 17, 2015 (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.

Further discussion and analysis of the financial condition and results of operations of Uranium Valley for the interim period ended September 30, 2015, 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.

4. Calone Mining Company (S.L.) Ltd. ("Calone SL") /Calone Mining Ltd. ("Calone Canada"):

Calone Canada is Golden Valley Mines' wholly-owned Canadian subsidiary. During the quarter, the Company reviewed its previous holdings and others in Sierra Leone in terms of land status, access, recent work and general geological potential. The Company continues to assess its alternatives.

SELECTED ANNUAL INFORMATION ⁽¹⁾

	2015	2014	2013
Total Revenue (\$)	617,547	13,252	Nil
Net income (loss) and total comprehensive income (loss) for the period (\$)	16,133,827	(2,132,981)	(349,324)
Basic earnings (loss) per share (\$)	0.094	(0.014)	(0.004)
Diluted earnings per share	0.090		
Total Assets (\$)	34,569,576	13,847,608	14,791,157
Total Liabilities (\$)	4,000,494	1,170,531	1,025,850
⁽¹⁾ This table represents selected annual information for the Company and its Subsidiaries.			

DISCUSSION AND RESULTS OF OPERATIONS

In the nine months ended September 30, 2015, the Company reported a net income before income taxes of \$17,531,992 compared to a net loss before income taxes of \$2,227,570 for the same period in 2014. The gain of \$25,246,624 realized on the sale of the Malartic CHL Property by Abitibi Royalties is a contributing factor towards the increase.

Revenues

Royalties of \$320,597 were earned from the 2% NSR on the Canadian Malartic Property. In addition, Abitibi Royalties received dividend income of \$295,593 as a shareholder of Agnico Eagle and Yamana.

An amount of \$1,357 was generated from the Company's active option and joint-venture properties for the period ended September 30, 2015 (\$13,252 for the same period in 2014).

Other Revenue

Other sources of income are interest and dividend income from cash and short-term financial assets. The Company held money market investment and mutual funds having a market value of \$854 as at September 30, 2015 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 \$374,547 as at September 30, 2015 compared to \$288,910 for the same period in 2014). The Company sold short-term investments held in its portfolio and realized a loss of \$1,282 during the period ended September 30, 2015 (none in 2014). The Company and its subsidiaries also has 2 guaranteed investment certificates. One in the amount of \$50,000, at an interest rate of 0.65% maturing in June 2016) and the second in the amount of \$250,000, at an interest rate of 0.50% maturing in August 2016.

On August 5, 2015, Abitibi Royalties sold 15,000 of its Agnico Eagle shares at price of \$28.49 each for net proceeds after brokerage commission of \$426,900.

In August and September 2015, Abitibi Royalties sold call option contracts, covering 172,500 shares of its holding in Yamana and 22,200 shares of its holding in Agnico Eagle, for total cash proceeds of US \$42,238. The call options are exercisable until January 20, 2017 at prices varying from US \$40 to \$45 for the contracts covering the Agnico Eagle shares and from US \$7 to \$12 for those on Yamana Shares. The obligations related to the call option contracts has been valued at September 30, 2015 at \$64,987 and has been included in the accrued liabilities.

Non-Exploration Expenditures

For the nine months ended September 30, 2015, the Company recorded a total operating income of \$24,072,417, as opposed to an operating loss of \$2,068,851 in 2014.

The sale of the Malartic CHL Property was made without generating any immediate income tax payable. Abitibi Royalties has received shares in payment that are worth \$23,013,998 at September 30, 2015 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 \$1,398,165 at September 30, 2015.

The value of Abitibi Royalties' investment in the shares of Agnico Eagle and Yamana, received as consideration for the sale of the Malartic CHL Property, has to be shown at fair value. At September 30, 2015, Abitibi Royalties recorded an adjustment of \$6,686,236 to reflect the variation in the fair value of the investment between March 19, 2015 and September 30, 2015.

One of the largest operating expenses - salaries and other employee benefits decreased to \$769,481 for the 9 month period ended September 30, 2015 (compared to \$1,110,110 for the same period in the prior year). Included in this amount are director's fees, in the amount of \$67,500 (\$103,833 in 2014 not being paid as a result of the austerity measures implemented in 2012 and reinstated in the third quarter of 2013) for Golden Valley Mines' directors that were paid in September by the issuance of shares and \$68,629 (\$157,419 in 2014) for Abitibi Royalties' directors fees paid or accrued.

The second largest operating expense for the period ended September 30, 2015 consisted of professional and legal fees in the amount of \$680,727 (\$709,683 in 2014). Most of the professional

fees can be attributed to Abitibi Royalties. Its professional fees for the nine month period ended September 30, 2015 amounted to \$344,559. For further details, please review the Management Discussion and Analysis for Abitibi Royalties for the nine-month period ended September 30, 2015, which can be accessed under Abitibi Royalties' issuer profile at www.sedar.com.

The following expenditures - travelling (from \$73,466 in 2014 to \$60,271 for the period ended September 30, 2015) and advertising and exhibition (from \$30,594 for the period ended September 30, 2014 to \$26,840 for the same period in 2015) decreased. Office expenses increased to \$140,285 for the period ended September 30, 2015 (compared to \$122,102 for the same period in 2014). Part XII.6 and other taxes decreased from \$9,444 for the period ended September 30, 2014 to \$5,428 for the same period in 2015. Management fees remained the same, \$12,375 in 2014 and 2015.

Exploration Activities and Expenditures

For the quarter ended September 30, 2015, total investments in exploration and evaluation assets increased to \$8,772,371, compared to \$8,647,860 as at December 31, 2014.

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).

Over the course of the Company's 2015 exploration program in the second quarter ended September 30, 2015, expenditures were allocated to the following activities: (i) regional and property compilation maps and reports for mandatory government assessment report filing and business development purposes; and (ii) project generation activities, directed at identifying and evaluating new opportunities.

Claim acquisition and maintenance fees for third quarter ended September 30, 2015 on the Company's AGB properties amounted to \$18,675. These expenditures included claim re-staking (4 separate prospects) and a single prospect "cash-lieu" of work claim renewal.

Technical and field staff expenditures amounted to \$24,532 for the Company's self-funded AGB Grassroots Exploration Project, project generation activities and/or related corporate developments. No expenditures were incurred for the Golden Valley Mines/Integra Joint Venture and related property costs.

No drilling activities were completed during 2015. The Company has drilled a total of 195 targets (25,475m) on 52 properties (50 100%-owned and 2 optioned/joint-venture funded properties) in the AGB Grassroots Exploration Project since the program was originally initiated in 2003.

Related exploration program expenditures including \$3,523 for amortization, office and general expenses, \$16,820 for program management and consultants, \$92 for travel and transport, and \$181 for communications were incurred during the third quarter ended September 30, 2015.

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.

	Sep 15	Jun 15	Mar 15	Dec 14	Sep 14	Jun 14	Mar 14	Dec 13
Total revenues (\$)	345,442	198,456	322,180	2,981	5,475	2,523	0	8,108
Net income (loss) (\$)	(5,632,848)	(6,750,007)	25,148,875	(4,661,186)	(802,220)	(966,611)	(364,149)	(2,592,937)
Net earnings (loss) per share								
- Basic	(0.028)	(0.023)	0.147	0.04	(0.002)	(0.008)	(0.004)	(0.028)
- Diluted	(0.027)	(0.022)	0.139	0.04	(0.002)	(0.008)	(0.004)	(0.028)

FINANCIAL CONDITION

Liquidity and Capital Resources

As at September 30, 2015, the Company had cash and cash equivalents of \$1,921,719 and a working capital deficit of \$1,229,858 compared to a positive working capital of \$1,283,555 as of December 31, 2014. The negative working capital stems from the inclusion in current liabilities of the \$3,425,000 payable portion of the Success Fee generated from the sale of the Malartic CHL property by Abitibi Royalties.

During the nine month period ended September 30, 2015, Abitibi Royalties collected an aggregate \$683,017 from the exercise of incentive stock options. Golden Valley Mines collected \$210,400 from the exercise of incentive stock options and warrants.

Abitibi Royalties also received royalties and dividends payments of \$160,032 during the third quarter in 2015.

Contractual Obligations

1. Golden Valley Mines Ltd.

a) Office Lease

		Payments due by period	
Obligation	Total	1 year or less	2 years or more
Office Lease	\$ 47,704	\$ 47,704	\$ -

b) Advisory Agreement

On April 4 2015, the Company entered into an advisory agreement with Maxit Capital LP to provide advisory services. The engagement is for an indefinite term and either Golden Valley Mines or Maxit may terminate the engagement at any time upon five days written notice to the other party. For its services under the engagement, Maxit is entitled to a fee on delivery of a fairness opinion in connection with a potential future transaction, should preparation of a fairness opinion be requested by Golden Valley Mines, and is entitled to a transaction fee should a potential future transaction be completed and, in certain circumstances, a termination fee should a transaction be announced by Golden Valley Mines and not completed, all plus any applicable taxes. Maxit is also entitled to be reimbursed for its reasonable out-of-pocket expenses incurred in entering into and providing services

under the engagement. A transaction or termination fee may be paid in cash or satisfied by issuance of shares (subject to acceptance by the TSX Venture Exchange) at the election of Golden Valley Mines.

2. Abitibi Royalties Inc.

a) Management Success Fees Agreement

On May 28, 2014, Abitibi Royalties entered into an Amended and Restated Management Success Fees Agreement, as amended on September 11, 2014, 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.

The Management Success Fees Agreement was triggered on March 19, 2015, when Abitibi Royalties sold its 30% interest in the Malartic CHL Property. The amount of the Success Fee payable with respect to the sale is \$4,290,000 of which \$3,500,000 of the Success Fee is payable in one or more payments, from time to time as and when Abitibi Royalties has the funds available to do so, as determined by its Board of Directors, in accordance with the Management Success Fees Agreement. Abitibi Royalties and the Trustee have agreed, however, that portions of the remaining \$790,000 (the "Contingent Amount") will become payable in the same way but only as Proven and Probable Reserves are established on the Malartic CHL Project in accordance with National Instrument 43-101, provided that if Abitibi Royalties undergoes a Change of Control (as defined in the Management Success Fees Agreement), any remaining portion of the Contingent Amount that has not already become payable will be paid on the Change of Control.

As of the date of this report, two payouts under the Management Success Fees Agreement had been approved by the Board of Directors of Abitibi Royalties. \$75,000 was paid in August 2015 and \$42,000 was paid in November 2015.

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 November 27, 2015:

<i>Common shares:</i>	99,224,974
<i>Preferred Shares:</i>	Nil
<i>Escrowed Shares:</i>	Nil
<i>Share Purchase Warrants:</i>	1,500,000

Incentive Stock Options:

Expiry Date	Outstanding	Exercise Price
December 22, 2015	655,000	\$0.50
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	779,025	\$0.17
July 24, 2020	1,200,000	\$0.11
TOTAL:	6,894,025	

On July 24, 2015, the Company granted an aggregate 1,200,000 incentive stock options with an exercise price of \$0.11 to its directors, officers, employees and consultants. The options are exercisable for a period of 5 years from the date of grant. All options are exercisable immediately.

On August 13, 2015 an ex-director of Golden Valley Mines exercised 250,000 options at \$0.07 for a total consideration of \$17,500. The share price at the day before the exercise was \$0.115.

On September 1, 2015, Golden Valley issued an aggregate 1,831,310 common shares in settlement of an aggregate of \$201,444 in accrued management and director fees covering the period April 1, 2012 to June 30, 2015.

The Company's Board of Directors implemented a new 2015 Stock Option Incentive Plan (the "2015 Plan") following receipt of approval by the Company's disinterested shareholders and by the TSX Venture Exchange. The 2015 Plan replaces the Company's prior stock option plan, which terminated on implementation of the 2015 Plan by the Board of Directors, and all incentive stock options then outstanding under the prior plan are now outstanding under and governed by the 2015 Plan.

Directors, officers, employees and consultants are eligible under the 2015 Plan to receive incentive stock options for the purchase of common shares of the Company. Under the terms of the 2015 Plan, the aggregate number of shares issuable upon the exercise of options may not exceed 19,006,732, which represents 20% of the Company's issued and outstanding common shares as of May 25, 2015. The exercise price of options granted under the 2015 Plan will be fixed by the Board of Directors at the time of grant and shall not be less than the closing price of the Company's shares on the trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange; and if no sales were reported on such day, the exercise price shall be based on the closing sales price on the last trading day prior to the time of determination on which sales were reported. The term of any options granted under the 2015 Plan will be fixed by the Board of Directors and may not exceed ten years and the vesting period of options granted under the 2015 Plan, if any, shall be determined by the Board of Directors at the time of grant. All options granted under the 2015 Plan will be in accordance with the rules and regulations of the TSX Venture Exchange.

Abitibi Royalties Inc.

In August 2015, 28,792 common shares were issued pursuant to the exercise of 19,848 incentive stock options at a price per share of \$1.80, and 8,944 incentive stock options at a price per share of \$2.50 by directors of Abitibi Royalties.

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:

	Nine-Month Period ended September 30	
	2015	2014
Short-term employee benefits		
Salaries including bonuses ⁽¹⁾	313,976	182,152
Benefits	91,428	50,715
Director's Fees ⁽²⁾	166,129	262,920
Total short-term employee benefits	<u>571,533</u>	<u>495,787</u>
Other transaction with consultants		
Rent ⁽³⁾	39,000	
Management Fees	12,375	12,375
Expenses capitalized in exploration and evaluation assets	112,643	70,955
Professional Fees	8,177	
Success Fee included in gain on the disposal of exploration and evaluation assets	4,290,000	
Total transactions with consultants	<u>4,462,195</u>	<u>83,330</u>
Share-based payments	<u>118,740</u>	<u>554,785</u>
Total remuneration	<u><u>5,152,468</u></u>	<u><u>1,133,902</u></u>

⁽¹⁾ All 2015 amounts have been paid. An amount of \$80,000 has been accrued in salaries including bonuses by the Company in 2014.

⁽²⁾ An amount of \$30,000 (\$70,084 by the Company and \$135,000 by Abitibi Royalties in 2014) has been accrued in director's fees which have been deferred and not yet paid.

⁽³⁾ Amount paid to 2973090 Canada Inc., a private company controlled by Mr. Glenn J. Mullan, an officer and director of the Company. This amount represents 3 years of rent owing for the Val-d'Or Office.

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.

SUBSEQUENT EVENTS

On November 13, 2015, Golden Valley announced a non-brokered private placement offering pursuant to which it will 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 will consist of one common share in the capital of Golden Valley and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share of Golden Valley 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.

Abitibi Royalties Inc. – Normal Course Issuer Bid

On October 2, 2015, Abitibi Royalties received the Exchange acceptance 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 October 31, 2015, Abitibi Royalties had repurchased and cancelled 6,400 of its common shares at a total cost of \$15,830.

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.

CONTINGENCIES

RISKS AND UNCERTAINTIES

The Company does not generate income or cash flows from its operations. As at September 30, 2015, the Company had an accumulated deficit of \$9,394,351 (\$18,855,041 as at December 31, 2014). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

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.