Management's Discussion and Analysis

Golden Valley Mines Ltd.

For the period ended March 31, 2015

Dated: May 29, 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 March 31, 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 audited consolidated financial statements of the Company for the year ended December 31, 2013 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 103 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.

Golden Valley Mines' exploration strategy is based on four principles: (a) majority ownership during the initial early stage exploration program; (b) exploration for a wide variety of commodities including precious and base metals; (c) drill testing of priority anomalous targets during the early stage grassroots exploration; and (d) retention of largest possible interest (carried interest or NSR) following vesting of the option and formation of the joint venture.

On July 19, 2011, the Company effected a plan of arrangement (the "Arrangement") resulting in 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* with respect to each of the Reporting's Subsidiaries Property holdings.

The information detailed in this report and pertaining to Abitibi Royalties, Nunavik Nickel, and Uranium Valley, has been extracted from each of the respective issuer profiles of the Reporting Subsidiaries, which are publicly available for viewing through the internet on the SEDAR website at www.sedar.com.

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 (53), copper-zinc-silver (28), nickel-copper-PGE (4), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (58) and Ontario (30). 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 ending March 31, 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 C herein. As of the date hereof, the GZZ-I JV is in good standing.

No exploration fieldwork was conducted during the quarter ending March 31, 2015

B. Cambrian Corp. Option Agreement – Broker's Fee Prospect

Pursuant to a Third Amended and Restated Mining Option Agreement dated April 2, 2013 (the "Cambrian Option Agreement") Cambrian Corp. ("Cambrian"), a private company, holds an option on the Company's Broker's Fee Prospect located in Arnold Township, 20 km northeast of Kirkland Lake, Ontario. Pursuant to the terms of the Cambrian Option Agreement, Cambrian may earn a 70% undivided interest in the property by incurring aggregate exploration expenditures of $6,000,000 over a six year period, of which $200,000 had to be spent on or before October 7, 2013, making a $5,000 cash payment (paid), issuing 600,000 common shares (issued), and by delivering a definitive feasibility study on the property on or before the 6th anniversary of the effective date of the Cambrian Option Agreement.

On January 12, 2015, the Cambrian Option was terminated. As a result, the Corporation retains a 100% interest in the Broker's Fee Prospect.

C. 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 agreement governing the Option was amended and restated by the parties on January 10, 2013. In order to maintain in force the Option granted to it, and to exercise the Option, Golden Cariboo must: (i) issue to the Company 770,961 common shares (the "GCC Payment Shares") (issued); (ii) incur expenditures in an aggregate amount of $4,500,000 over a 6 year period (the "Expenditures") to be allocated between the GZZ Properties and the GZZ-I Properties as Golden Cariboo may determine provided that no more than $4,000,000 of the Expenditures shall be incurred with respect to the GZZ Properties and at least $500,000 of the Expenditures shall be incurred with respect to the GZZ-I Properties; and (iii) reimburse Golden Valley Mines for all costs related to the preparation of any technical reports. Upon the GZZ Option being exercised, Golden Valley Mines shall retain a 30% free carried interest to production in respect of the GZZ Properties. 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). The agreement governing the Option is in good standing as of the date hereof.

No exploration fieldwork was conducted during the first quarter ending March 31, 2015.

James Bay Properties

F. 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.

No new exploration results on the Cheechoo Prospect have been announced by Sirios since the last quarterly and year ending 2014 reporting period.

3. Property Interests Assigned to the Reporting Subsidiaries:

A. Abitibi Royalties Inc.

Sale of Malartic CHL Property – March 19, 2015

The Malartic CHL Property was acquired through staking by Golden Valley in 2006. Golden Valley and Osisko Mining Corporation ("**Osisko**") entered into an option agreement pursuant to which Osisko acquired a 70% interest in the Malartic CHL Property. Pursuant to an Amended and Restated Transfer and Assignment and Assumption Agreement dated March 31, 2011, among Abitibi Royalties, Golden Valley, and Osisko, Golden Valley's interest in the property was assigned to Abitibi Royalties.

On April 16, 2014, Osisko, Agnico Eagle Mines Limited ("**Agnico**") and Yamana Gold Inc. ("**Yamana**") entered into an arrangement agreement pursuant to which Osisko agreed to transfer its Canadian Malartic assets to a new partnership that would ultimately be owned by Agnico and Yamana as to 50% each.

On March 19, 2015, Abitibi Royalties entered into an acquisition agreement with Canadian Malartic GP, a general partnership, Yamana and Agnico to sell its 30% free carried interest in the Malartic CHL Property in consideration for 3,549,695 shares of Yamana and 459,197 shares of Agnico and a 3% net smelter return royalty on the Malartic CHL Property. Based on the closing prices of the shares of Yamana ($4.93) and Agnico Eagle ($38.11) on the TSX (on February 20, 2014 the day before the announcement of the transaction), the consideration received by Abitibi Royalties amounted to $35 million excluding the royalty.

The Abitibi Royalties has recorded a gain of $29,534,734 on the sale of its 30% free carried interest in the Malartic CHL Property, which was calculated as follows:

		March 19,2015
Market value of consideration received		33,489,813
Less	Fair value of mandatory retention period (1)	(3,374,856)
Fair value of consideration received		30,114,957
Less	Transaction costs	(443,953)
Fair value of consideration received net of transaction costs		29,671,004
Less	Book value of exploration and evaluation asset sold	(136,270)
Gain on the sale of the Malartic CHL Property (no tax impact)		29,534,734

(1) As per securities regulations, shares received from Agnico Eagle and Yamana are subject to a mandatory retention period of four months and one day.

After this transaction Abitibi Royalties retains the following assets:

a) 3,549,695 shares of Yamana and 459,197 shares of Agnico –

b) a 3% net smelter return royalty on the Malartic CHL Property,

c) a 2% net smelter return royalty, and

d) a 100% interest in the Luc Bourdon and Bourdon West Prospects.

These assets are described below:

Malartic CHL 3% NSR Royalty - Malartic, Quebec

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, Quebec

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 the 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 first royalty payment of $254,537, covering the last two quarters of 2014 and the first quarter of 2015 (to March 31, 2015), has been received on May 13, 2015.

Investments

	Number of shares held at March 31, 2015	Value at March 19, 2015	Value at March 31, 2015
Yamana Gold Inc.	3,459,695	16,825,554	16,115,615
Agnico Eagle Mines Ltd.	459,197	16,664,259	16,195,878
Fair value of retention period (1)		(3,374,856)	(3,222,186)
Total fair value		30,114,957	29,089,307
Variation during the period			(1,025,650)

(1) As per securities regulations, shares received from Agnico Eagle and Yamana are subject to a mandatory retention period of four months and one day.

McFauld's Lake ("Ring of Fire") Area

In contemplation of the Arrangement, the Company assigned its 100% interest in the Luc Bourdon and Bourdon West prospects (the "Bourdon Prospects") to Abitibi Royalties. As a result of the option granted to White Pine Resources Inc. ("White Pine") and Noront Resources Ltd. ("Noront") on the Bourdon Prospects being terminated, Abitibi Royalties retains a 100% interest in 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 information detailed above has been has been extracted from Abitibi Royalties' issuer profile which is publicly available for viewing through the internet on the SEDAR website at www.sedar.com.

Golden Valley Mines holds an approximate 53% interest in Abitibi Royalties as at May 26, 2015.

B. Nunavik Nickel Mines Ltd.:

In contemplation of the Arrangement, the Company assigned its interest in each of the Marymac Prospect (Labrador Trough, Nunavik, and Québec), Fortin Prospect, Shoot Out Prospect (East and West), Donnybrook and Overtime Prospects (South Raglan Trend, Nunavik, Québec) to Nunavik Nickel.

Marymac Prospect

The Company holds a 100% interest in the Marymac Prospect located in the Labrador Trough of Québec. The Company 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. The Company holds a 100% interest in this property, subject to a 1.5% NSR in favour of the original vendors. The Company 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. The Company 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 the Company.

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. (the "optionor"). The Boston Bulldog Prospect is a group of three mineral claims located in Kirkland Lake, Ontario. In consideration of the grant of the option the Company paid the optionor $5,000 to cover the optionor's costs of staking the property and issued 300,000 common shares to the optionor. The Company must incur mining operation expenditures of $50,000 by the second anniversary of the Exchange approval date and must keep the property in good standing. The Company received Exchange approval on April 7, 2015.

The property is subject to a 3% NSR, which in accordance with the terms of the option agreement, the Company 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 at www.sedar.com.
Golden Valley Mines holds an approximate 60% interest in Nunavik Nickel as at May 29, 2015.

C. Uranium Valley Mines Ltd.:

Mistassini-Otish Basins Project

In contemplation of the Arrangement, the Company assigned its interest in the *Mistassini-Otish Projec*t to Uranium Valley. Until May 12, 2011, the property was the object of a joint venture with Lexam VG Gold Inc. (formerly Lexam Explorations Inc., hereinafter "Lexam"). Effective May 12, 2011, Uranium Valley purchased Lexam's interest in the property, as a result of which Uranium Valley now holds a 100% interest in the property and the joint venture with Lexam was terminated.

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 will issue to 2973090 common shares as follows: 66,666 common shares (which shares have been issued), 66,667 common shares on July 17, 2015 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. The transaction received approval from the Exchange on July 16, 2014.

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

Golden Valley Mines holds an approximate 37% interest in Uranium Valley as at May 29, 2015.

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

Calone Canada is Golden Valley Mines' wholly-owned Canadian subsidiary. No work has been done in the past 12-months.

SELECTED ANNUAL INFORMATION [1]

	2015	2014	2013
Total Revenue ($)	322,180	0	0
Net income (loss) and total comprehensive income (loss) for the period ($)	25,148,875	(364,149)	(381,273)
Basic earnings (loss) per share ($)	0.147	(0.004)	(0.004)
Diluted earnings per share	0.139		
Total Assets ($)	40,323,512	12,192,583	15,408,897
Total Liabilities ($)	4,091,979	1,004,524	1,142,748

[1] This table represents selected annual information for the Company and its Subsidiaries.

DISCUSSION AND RESULTS OF OPERATIONS

In the period ended March 31, 2015, the Company reported net income before income taxes of $28,355,209 compared to a net loss before income taxes of $364,149 in 2014. The gain of $29,534,734 realized on the sale of the Malartic CHL Property by Abitibi Royalties is the major factor behind the improvement of the results. For more details on the transaction and the calculation of the net gain realized, refer to the Property Interests section above.

Revenues

Royalties of $254,537 were earned from the 2% NSR on the Canadian Malartic Property. The amount received in May 2015 covers the last two quarters of 2014 and the first quarter ended March 31, 2015. In addition, Abitibi Royalties received in April 2015 its first dividend of $67,531 as shareholders of Yamana. Abitibi Royalties received the shares of Yamana as a consideration for the sale of its interest in the Malartic CHL Property on March 19, 2015. The dividend was payable to shareholders of record on March 31, 2015.

An amount of $112 was generated from the Company's active option and joint-venture properties for the period ended March 31, 2015 (None for the same period in 2014).

Other Revenue

Other sources of income are interest and dividend income from cash and short-term financial assets ($2,209 for the period ended March 31, 2015 compared to $3,371 for 2014). The Company sold short-term investments held in its portfolio and realized a loss of $1,512 during the period ended March 31, 2015 (none in 2014).

The Company held money market investment and mutual funds having a market value of $61,812 as at March 31, 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 $262,638 as at March 31, 2015.

Non-Exploration Expenditures

For the first quarter ended March 31, 2015, the Company recorded a total operating income of $29,382,263, as opposed to an operating loss of 340,093 in 2014.

The sale of the Malartic CHL Property was made without generating any immediate income tax payable. The Company received shares in payment that are worth $29,089,307 at March 31, 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 $3,206,334 at March 31, 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 March 31, 2015, Abitibi Royalties recorded an adjustment of $1,205,650 to reflect the variation in the fair value of the investment between March 19, 2015 and March 31, 2015.

One of the largest operating expenses, salaries and other employee benefits increased to $210,657 in 2015 (compared to $180,387 in 2014). Included in this amount are director's fees, in the amount of $33,750 ($33,750 in 2014) for Golden Valley Mines' directors that are accrued but not paid and $42,379 ($65,000 in 2014) for Abitibi Royalties' directors fees paid or accrued

The second largest operating expense is professional and legal fees in the amount of $188,648 ($91,595 in 2014). The increase in professional fees can be attributed to Abitibi Royalties. Its professional fees for the first quarter ended March 31, 2015 is in the amount of $119,747. For further details, please review the Management Discussion and Analysis for Abitibi Royalties for the three-month period ended March 31, 2015 which can be accessed under Abitibi Royalties' issuer profile at www.sedar.com.

The following expenditures, travelling (from $7,214 in 2014 to $18,055) and advertising and exhibition (from $2,078 to $12,178) increased as a result of the Company's subsidiary Abitibi Royalties having expanded its investor relations activities. Office expenses decreased slightly to $33,533 (compared to $42,268 in 2014). Part XII.6 and other taxes decreased from $6,630 to $2,613. Management remained the same, $4,125 in 2014 and 2015.

Exploration Activities and Expenditures

For the quarter ended March 31, 2015, total investments in exploration and evaluation assets decreased from $8,647,860 to $8,571,433 as at December 31, 2014. Part of this decrease is due to the sale of the Malartic CHL Prospect by Abitibi Royalties.

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 first quarter ended March 31, 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 first quarter period ended March 31, 2015 on the Company's AGB properties amounted to $12,011.

Technical and field staff expenditures amounted to $35,877 during the quarter ended March 31, 2015 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 related property costs.

No drilling activities were completed during 2014. 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 $260 for travel and transport, and $527 for communications were incurred during the first quarter ended March 31, 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.

	Mar 15	Dec 14	Sep 14	Jun 14	Mar 14	Dec 13	Sep 13	Jun 13
Total revenues ($)……….	322,180	2,981	5,475	2,523	0	8,108	0	2,023
Net income (loss) ($)........	25,148,875	(4,661,186)	(802,220)	(966,611)	(364,149)	(2,592,937)	(695,966)	(332,509)
Net earnings (loss) per share								
- Basic..........................	0.147	0.04	(0.002)	(0.008)	(0.004)	(0.028)	(0.004)	(0.003)
- Diluted	0.139	0.04	(0.002)	(0.008)	(0.004)	(0.028)	(0.004)	(0.003)

FINANCIAL CONDITION

Liquidity and Capital Resources

Working capital as at March 31, 2015 was $1,765,278 compared to $1,283,555 as of December 31, 2014. In March 2015, Abitibi Royalties collected an aggregate $620,250 from the exercise of incentive stock options. In April 2015, Golden Valley Mines collected $9,000 from the exercise of warrants.

Financings

Nunavik Nickel Mines

On January 30, 2015, Nunavik Nickel Mines closed a non-brokered private placement financing pursuant to which it has issued 2,500,000 units at a price of $0.10 per unit for gross proceeds of $250,000. Each unit consists of one common share in the capital of Nunavik Nickel and one-half of one non-transferable share purchase warrant, each whole warrant entitling the purchase of one common share at a per share price of $0.12 until January 30, 2017. In connection with the private placement, Nunavik Nickel paid finder's fees of $3,300 and issued finder's fee warrants entitling the purchase of 41,250 of its common shares at a per share price of $0.10 until January 30, 2017 to a non-arm's length person.

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	$ 76,326	$ 57,244	$ 19,081

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, and 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". This agreement provides that upon the Company completing a transaction or series of transactions (in either case, a "**Transaction**") pursuant to which:

- the Company is acquired by or combined with a third party,
- a third party acquires any of the Company's material assets or operations,
- the Company completes an equity or debt financing that meets particular thresholds, subject to Exchange approval, or
- there is a change of control of the Company,

The Company will get an independent determination of the value of the Transaction based on the value of the consideration received by Abitibi Royalties or its shareholders for the shares or assets subject to the Transaction. Once the value of the Transaction has been determined, Abitibi Royalties will pay to the Trustee a success fee (the "**Success Fee**") which the Trustee will then allocate among the members of Abitibi Royalties' management and/or its key consultants and/or members of the Abitibi Royalties' board. After a consultation with the Abitibi Royalties' Compensation and Corporate Governance Committee, the Trustee will have sole discretion to determine how the Success Fee is to be allocated. The amount of the Success Fee is to be based on the value of the Transaction.

As at March 31, 2015 and as of the date of this report no payout has been made and no amount has been approved for payment by the Board of Directors under the Management Success Fees Agreement. The Management Success Fees Agreement has, however, been 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 the Company 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.

b) Advisory Agreement (expired)

On April 10, 2014, Abitibi Royalties entered into an advisory agreement with Red Cloud Mining Capital Inc. ("**Red Cloud**") as a non-exclusive independent contractor to provide strategic advisory services to the Company. The term of the agreement was for a period of 8 months and expired on December 10, 2014. In January 2015, Abitibi Royalties issued Red Cloud 50,000 common shares.

c) Advisory Agreement

On February 2015, Abitibi Royalties entered into an advisory agreement with Maxit Capital LP to provide advisory services and a fairness opinion in relation with the sales of the Malartic CHL Property. The advisory fee and the fairness opinion could be settled in cash ($367,500 including sales taxes) or in shares (100,791 shares), at the option of Abitibi Royalties. Abitibi Royalties chose to issue 100,791 common shares on April 21, 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 May 29, 2015:

Common shares: 95,033,664

Preferred Shares: Nil

Escrowed Shares: Nil

Share Purchase Warrants: 3,410,000

Incentive Stock Options:

Expiry Date	Outstanding	Exercise Price
December 22, 2015	765,000	$0.50
October 5, 2016	2,200,000	$0.35
July 23, 2017	675,000	$0.15
August 1, 2018	2,875,000	$0.07
June 30, 2019	854,025	$0.17
TOTAL:	**7,369,025**	

Abitibi Royalties Inc.

In March 2015, 330,000 common shares were issued pursuant to the exercise of 225,000 incentive stock options at a price per share of $2.50, and 105,000 incentive stock options at a price per share of $0.55 by former directors, officers and consultants of and to Abitibi Royalties.

In April 2015, Abitibi Royalties elected to settle Maxit Capital LP's advisory and fairness opinion fees of $367,500 by issuing 100,791 common shares.

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:

	Year ended March 31	
	2015	2014
Short-term employee benefits		
Salaries including bonuses (1)	110,031	88,031
Benefits	55,145	17,216
Director's Fees (2)	42,379	98,750
Total short-term employee benefits	207,555	203,997
Other transaction with consultants		
Management Fees	4,125	4,125
Expenses capitalized in exploration and evaluation assets	23,751	23,528
Total transactions with consultants	27,876	27,653
Total remuneration	235,431	231,650

(1) All 2015 amounts have been paid out. An amount of $40,000 has been accrued in salaries including bonuses by the Corporation in 2014.

(2) An amount of $42,379 ($33,750 by the Corporation and $65,000 by Abitibi Royalties in 2014) has been accrued in director's fees which have been deferred and not yet paid. $8,629 by Abitibi Royalties and $33,750 by the Corporation.

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

Effective March 25, 2015, Luciana Zannella resigned as Corporate Secretary and Vice President, Corporate and Legal Affairs. Annie J. Karahissarian was appointed Corporate Secretary effective March 31, 2015.

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

POST-REPORTING DATE EVENTS

There are no post-reporting date events

RISKS AND UNCERTAINTIES

The Company does not generate income or cash flows from its operations. As at March 31, 2015, the Company had an accumulated deficit of $4,446,631 ($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.

Arbitration Proceedings

There can be no assurance that the Company will be successful in protecting all of its rights and interests in the Malartic CHL Project as intended, or at all. An unfavourable decision by the arbitrator in the proceedings could have a material adverse effect on the Company and its properties.

Investment of Speculative Nature

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

Nature of Mineral Exploration and Mining

There is no known mineral resource on the Company's properties. 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. Metal prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors beyond the control of the Company, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. 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. The grade of any ore ultimately mined from a mineral deposit may differ from that predicted from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that any gold or other minerals recovered in small scale laboratory tests will be repeated under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to risks such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

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.

Stress in the Global Economy

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing.

Global Financial Condition

Global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by various factors and the liquidity crisis affecting the asset-backed commercial paper market. As such, the Company is subject to counterparty risk and liquidity risk. The Company is exposed to various counterparty risks: (i) through financial institutions that hold the Company's cash;

(ii) through companies that have payables to the Company, and: (iii) through the Company's insurance providers. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future or may result in terms unfavourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Company's shares could be adversely affected.

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. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

No Assurance of Title to Property

While Golden Valley Mines has conducted title searches on its properties, and to the best of its knowledge, title to its properties are in good standing this should not be construed as a guarantee of title. The Company's claims may be subject to prior unregistered agreements or transfers or third party and aboriginal land claims and title may be affected by undetected defects. If any such title issues arise and are unresolved, any mineral prospect or mineral deposit defined or delineated may fail to meet the definition of a "mineral reserve" pursuant to applicable legislation. Furthermore, there is no assurance that the interests of the Company are free of risk from being challenged or impugned.

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. Golden Valley Mines believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company may undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. The Company may be liable for environmental contamination and natural resource damages relating to properties that it currently owns, operates or has an interest in, or at which environmental contamination occurred while or before it owned, operated or acquired an interest in the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Company may be liable for environmental contamination and natural resource damages relating to properties that they currently own, operate or have an interest in, or at which environmental contamination occurred while or before they owned, operated or acquired an interest in the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

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.

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. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

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 at www.goldenvalleymines.com or on SEDAR at www.sedar.com by accessing the Company's issuer profile.