Management's Discussion and Analysis
Golden Valley Mines Ltd.
For the period ended March 31, 2017
Dated: May 29, 2017

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, 2017 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 condensed consolidated interim financial statements for the period ended March 31, 2017 and the audited consolidated financial statements of the Company for the period ended December 31, 2016, 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 98 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, thereby allowing the Company to monetize its assets. 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 four subsidiaries: Abitibi Royalties Inc. ("Abitibi Royalties"), Nunavik Nickel Mines Ltd. ("Nunavik Nickel"), Uranium Valley Mines Ltd. ("Uranium Valley"), and Calone Mining Ltd. ("Calone") together, the "Reporting Subsidiaries"). See section 3 herein, *Property Interests Assigned to the Reporting Subsidiaries*.

The Company's most significant assets are the shares that it holds in other mining or exploration companies, the fair market value of which has a continuing impact on the Company's financial condition. As the shares of these companies are publicly listed securities, the value of the Company's assets tend to fluctuate from time to time depending on the trading price of these shares, thereby causing the Company's quarterly earnings to fluctuate correspondingly.

The information detailed in this report and pertaining to Abitibi Royalties, Nunavik Nickel, and Uranium Valley, has been extracted from the 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 their 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 (44), copper-zinc-silver (30), nickel-copper-PGE (1), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (54) and Ontario (24). Golden Valley Mines' exploration strategy consists of a systematic approach designed to reduce grassroots exploration risk, and increase the possibility of exploration success, through the sequential exploration of a large number of grassroots properties. Preliminary fieldwork conducted over the Company's 100%-owned properties includes grid establishment, geophysical and/or geochemical surveys, prospecting, reconnaissance and grid mapping and sampling, with the objective of upgrading and advancing each property to the group of "drill-ready" prospects. This exploration pattern is consistently being repeated throughout the year as much as financial and logistical circumstances permit.

During the first quarter ended March 31, 2017, the Company's exploration work was focused primarily on the completion of regional and property compilations (for 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 (9) properties (8 gold and 1 copper-zinc-silver) located on the AGB (Québec and Ontario) and a joint venture was formed thereon with Integra. The Company is the operator during the joint venture phase.

During the year ended December 31, 2016, exploration fieldwork was conducted on the Cook Lake and Bogside prospects, consisting of a ground GPS VLF-magnetic survey and prospecting program respectively. Further work is planned on these two properties during the field season of 2017.

B. BonTerra Resources Inc. – Lac Barry, Québec

On March 16, 2016, Golden Valley Mines entered into an option agreement with BonTerra Resources Inc. ("BonTerra") on the Lac Barry Prospect located in the Abitibi Greenstone Belt, northeast of Val-d'Or, Québec. In accordance with the option agreement, (i) BonTerra issued to Golden Valley Mines 519,480 common shares in the capital of BonTerra having an aggregate value of $200,000, and (ii) BonTerra must incur expenditures in an aggregate amount of $2,000,000 over a three (3) year period.

Upon BonTerra exercising the option, it will obtain an 85% interest in the property and, Golden Valley Mines will retain a 15% free carried interest and a 3% net smelter royalty ("NSR"), with 1% of the NSR being subject to a buyback in favour of BonTerra for $1 million payable by BonTerra to Golden Valley Mines.

BonTerra agreed to a $250,000 work commitment in the first year. Prospecting, till sampling, line-cutting, geophysical surveys and data compilation were conducted on the property during the year ended December 31, 2016. As BonTerra did not incur $250,000 in exploration expenditures by March 15, 2017 in accordance with the terms of the option agreement, the Company agreed to extend this date to April 15, 2017, in consideration for which BonTerra paid $25,000 to the Company. A drill program was completed during the first quarter of 2017, and results are pending.

C. Battery Mineral Resources - Island 27 Property, Ontario

On March 4, 2017, the Company entered into a term sheet with Battery Mineral Resources Limited pursuant to which the Company will grant to Battery Minerals an option to acquire up to an 80% interest in the Island 27 Property, in consideration for which the Company will receive $500,000 in cash payments and Battery Minerals will incur $5,000,000 in expenditures over a 4 year period. Once the option is exercised, the Company will have a 20% free carried interest in the property and a 1% NSR. The Company received a $25,000 non-refundable deposit in accordance with the term sheet. The term sheet is subject to a definitive agreement being entered into on or before June 4, 2017.

D. <u>Alexandria Minerals Corporation - Centremaque Property, Québec</u>

On April 20, 2017, the Company entered into a mining option agreement with Alexandria Minerals Corporation ("Alexandria") on the Centremaque Prospect located in the Abitibi Greenstone Belt, northeast of Val-d'Or, Québec. In accordance with the option agreement, in order to acquire an 80% interest in the property, Alexandria must: (i) issue to Golden Valley Mines such number of common shares in its capital having an aggregate value of $250,000 based on the closing price of Alexandria's shares on the Exchange the day prior to the date of issuance of each tranche of payment shares, and (ii) incur expenditures in an aggregate amount of $4,000,000 over a four (4) year period. Once the option is exercised, the Company will retain a 20% free carried interest and a 1.5% net smelter royalty ("NSR"), with 0.5% of the NSR being subject to a buyback in favour of Alexandria for $1 million payable to Golden Valley Mines.

3. <u>Property Interests Assigned to the Reporting Subsidiaries:</u>

A. Abitibi Royalties Inc.

Golden Valley Mines holds an approximate 49.54% interest in Abitibi Royalties as at May 15, 2017.

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

a) <u>Malartic CHL 3% NSR Royalty - Malartic, Québec</u>

The area covered by the 3% net smelter royalty ("NSR") is located immediately east of the Canadian Malartic Mine GP (50% owned by Agnico Eagle Mines Limited ("Agnico") and Yamana Gold Inc. ("Yamana")). The 3% net smelter royalty covers a number of known mineralized zones; the eastern extension of the Barnat Zone, the Jeffrey Zone, the Shaft Zone and Porphyry 12 Zone, the Norrie Zone, the Hal Zone, the Geo Zone and the recent Odyssey North discovery. No value for accounting purposes has been assigned to the 3% NSR royalty.

b) <u>Canadian Malartic 2% NSR Royalty – Malartic, Québec</u>

The area covered by the 2% NSR is on a single claim located just to the south of the Canadian Malartic main pit, and covers the eastern portion of the Gouldie Zone and the historic Charlie Zone. Production on the 2% net smelter royalty area started in 2014 and total royalty payments of $348,795 were received in 2015: $191,869, covering the last two quarters of 2014, $80,236 for the first quarter of 2015, $48,492 for the third quarter of 2015 and a last payment of $28,198 received in October 2015. Abitibi Royalties received a final adjustment payment of $1,542 on April 29, 2016. Canadian Malartic reported that mining at the Gouldie deposit, stopped at the end of June 2015.

c) Odyssey North (Malartic CHL 3% NSR Royalty)

Abitibi Royalties holds a 3% NSR on the Odyssey North Zone located inside the Malartic CHL property. Odyssey North is proximate to the Odyssey South Zone and together, these zones comprise the "Odyssey Zones", "Odyssey deposit" or "Odyssey" that is east of the main Canadian Malartic Mine open pit.

The Abitibi Royalty Search

Abitibi Royalties invested $20,977 since January 1, 2017 and acquired two new royalties in the province of Ontario in the areas of Rainy River and Red Lake.

Further discussion and analysis of the financial condition and results of operations of Abitibi Royalties for the first quarter ended March 31, 2017 , 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 44.49% interest in Nunavik Nickel as at May 29, 2017.

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

a) 2973090 Canada Inc. - Boston Bulldog Prospect

On February 16, 2015, as amended, 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, 2018 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 a 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.

b) Chapais-Chibougamau Prospect – North-Central Québec

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

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

Further discussion and analysis of the financial condition and results of operations of Nunavik Nickel for the first quarter ended March 31, 2017, 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 22.36% interest in Uranium Valley as at May 29, 2017.

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

2973090 Canada Inc. - Porcupine Miracle Prospect

On July 3, 2014, Uranium Valley entered into a Mining Option Agreement to acquire up to 100% interest in the property in the Porcupine Miracle Prospect from 2973090 Canada Inc., a company owned and controlled by Mr. Glenn J. Mullan, the CEO of Uranium Valley.

The Porcupine Miracle Prospect is constituted of four (4) mineral claims located in the Langmuir Township in the province of Ontario, Canada. In consideration for the option, Uranium Valley will issue 200,000 common shares as follows: 66,666 common shares (issued on July 25, 2014 at a price of $0.10 per share), 66,667 common shares on July 17, 2015 (issued on July 17, 2015 at a price of $0.05 per share), and, 66,667 common shares on July 17, 2016. In order to exercise the option, the 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. Unless the Option has then lapsed or been terminated, advance royalty payments of $10,000 per annum will be payable by the Company commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

On July 4, 2016, the agreement was amended to postpone the third share payment of 66,667 common shares and the requirement to incur exploration expenditures of $50,000 until July 17, 2017.

Further discussion and analysis of the financial condition and results of operations of Uranium Valley for the first quarter ended March 31, 2017, 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.

CORPORATE DEVELOPMENTS

Selected information

This table represents selected information for the Company and its Subsidiaries for the first quarter ended March 31, 2017, 2016 and 2015:

	2017	2016	2015
Total Revenue ($)	92,792	71,504	322,180
Net income (loss) and total comprehensive income (loss) for the period ($)	(1,011,941)	11,705,864	25,148,875
Net income (loss) and total comprehensive income (loss) attributable to shareholders of Golden Valley Mines Ltd. ($)	(699,586)	5,837,629	13,950,127
Net income (loss) and total comprehensive income (loss) attributable to the Non-controlling interest ($)	(312,355)	5,868,235	11,198,748
Basic earnings (loss) per share ($)	(0.006)	0.053	0.147
Diluted earnings (loss) per share	(0.006)	0.051	0.139
Total Assets ($)	46,283,609	45,644,974	40,323,512
Total Liabilities ($)	4,684,172	5,072,856	4,091,979

DISCUSSION AND RESULTS OF OPERATIONS

During the three-month period ended March 31, 2017, the Company reported a net loss and total comprehensive loss of $1,011,941 compared to a net income and total comprehensive income of $11,705,864 for the same period in 2016. An amount of $699,586 ($5,837,629 in 2016) is attributable to shareholders of Golden Valley Mines Ltd. and $312,355 ($5,868,235 in 2016) for the non-controlling interest. The change in fair value of financial assets at fair value through profit and loss of $9,131,288 and the $4,157,110 reversal of the success fee liability are the two most significant elements that allow the Company to report positive results in 2016.

Other components of revenues and expenses were as follows:

Revenues

In the first quarter ended March 31, 2017, the Company received an option payment in the amount of $25,000 from BonTerra Resources. Abitibi Royalties received dividend income of $67,282 as a shareholder of Agnico and Yamana ($69,962 in 2016). In 2016, in addition to receiving dividends, royalties of $1,542 were earned from the 2% NSR owned by Abitibi Royalties on the Canadian Malartic Property.

An amount of $510 was generated from the Company's active option and joint-venture properties for the three-month period ended March 31, 2017 (Nil for the same period in 2016).

Other Income

Other sources of income are interest and dividend income from cash and short-term financial assets ($2,358 for the three-month period ended March 31, 2017 compared to $2,828 for 2016).

The Company held 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 $1,962,925 as at March 31, 2017, compared to $2,071,611 as at the same period of

2016. The Company also has a guaranteed investment certificate, in the amount of $300,000, at an interest rate of 0.5% maturing in December 2017 and March 2018 ($250,000 in 2016).

The Company has a realized foreign exchange loss of $25,040, compared to a foreign exchange gain of $105,972 in 2016.

Operating Expenses

For the three-month period ended March 31, 2017, the Company recorded a total operating loss of $1,174,017, as opposed to an operating income of $3,160,018 in 2016.

The largest operating expense is salaries and other employee benefits, which increased to $789,375 for the period ended March 31, 2017 (compared to $739,639 for the same period in 2016). The amount is attributable to $170,418 of share-based payments for restricted share units granted to Abitibi Royalties' officers, directors and consultants ($133,500), as well as share-based payments for incentive stock options granted to a consultant of Golden Valley Mines ($36,918). See "Capital Stock Information – Abitibi Royalties – Restricted Share Units" below. Also included in this amount are director's fees, in the amount of $73,750 ($53,750 in 2016) for Golden Valley Mines' and Abitibi Royalties' directors. A bonus of $335,250 was paid to officers, directors and consultants of Abitibi Royalties (nil in 2016).

Professional and legal fees increased from $208,982 in 2016 to $274,189 for the first quarter ended March 31, 2017. It comprised audit, tax and accounting fees of $48,667, legal fees of $61,777, consulting fees of $86,876, investor relations fees of $8,325, and other fees, which includes transfer agent and filing fees, of $68,544.

The following expenditures increased – advertising and exhibition (from $11,140 in 2016 to $52,524 in 2017) and travelling (from $11,512 in 2016 to $41,820 in 2017). The Company is actively searching for new business opportunities and ways to enhancing shareholder value via participation in different trade shows and corporate venues conducting due diligence on many properties and corporate transactions, and more actively assisting its related-party subsidiaries in enhancing their own corporate development, in Canada, the United States, Central and South America, Europe and Africa.

Management fees also increased from $25,032 in 2016 to $41,550 in 2017, the increase being attributable to the adjustment in consulting fees payable to Glenn J. Mullan, President and CEO of the Company pursuant to an amendment to his consulting agreement effective July 2016.

Exploration and evaluation expenditures decreased from $4,205 in 2016 to $4,194 in 2017. Office expenses decreased to $41,503 for the three-month period ended March 31, 2017 (compared to $44,260 for 2016). Depreciation of property and equipment also decreased from $1,875 in 2016 to $677 in 2017.

Other expenses incurred in the three-month period ended March 31, 2017, included the following: royalty purchases of $20,977 ($21,950 in 2016), commissions of $18,501 ($15,350 in 2016) (included in finance cost) paid by Abitibi Royalties on the sale of option contracts or Abitibi Royalties' repurchase of its shares under the normal course issuer bid.

The value of Abitibi Royalties’ investment in the shares of Agnico and Yamana, received as consideration for the sale of the Malartic CHL Property, are accounted for at fair value. At March 31, 2017, Abitibi Royalties recorded an adjustment of $25,040 to reflect the increase in the fair value of its investment compared to December 31, 2016.

The Company’s tax cost for its investment in the shares of Agnico Eagle and Yamana is insignificant compared to the market value of those shares. The potential tax liability on the capital gain to be realized on the eventual sale of those shares had the largest impact on the recognized deferred tax liability of $3,585,420 at March 31, 2017, a reduction of $241,002 from December 31, 2016.

Investments

	Number of shares held at March 31, 2017	Value at March 31, 2017	Value at December 31, 2016
Yamana Gold Inc.	3,549,695	13,027,381	13,382,350
Agnico Eagle Mines Ltd.	335,497	18,928,740	25,074,921
Total fair value		31,956,121	38,457,271
Variation during the period			(6,501,150)

On January 20, 2017, Abitibi Royalties was called to deliver 108,700 shares of Agnico Eagle (43,600 at US $45 and 65,100 at US $40) and received, net of commission paid, CA $6,071,202 (using a conversion rate of 1.33) from the covered call options it had sold.

As at the date of this report, Abitibi Royalties holds 3,549,695 shares of Yamana and 335,497 shares of Agnico Eagle.

Derivative Financial Instruments

Abitibi Royalties sold 10,999 (9,058 in the first quarter of 2016) call/put option contracts during the period ended March 31, 2017, (3,011 on Agnico Eagle shares and 7,988 on Yamana shares) covering 1,099,900 (905,800 in the first quarter of 2016) shares of its investment in Yamana, for total cash proceeds of $415,993 ($313,135 in the first quarter of 2016). Also, 13,339 (none in 2016) option contracts expired (1,674 on Agnico Eagle and 11,665 on Yamana) and 1,087 (none in 2016) option contracts were exercised on the Agnico Eagle shares.

The status of the call option contracts as at May 15, 2017 is presented in the table below:

Title	Price $ (USD)	Number of shares	Option Expiry Date	% of shares held
Agnico Eagle	75	30,000	January 19, 2018	8.9%
	85	83,900	January 19, 2018	25.0%
Agnico Eagle Total		**113,900**		**33.9%**
Yamana Gold	5	200,100	January 19, 2018	5.6%
	5.5	681,600	January 19, 2018	19.2%
	7	246,900	January 19, 2018	7.0%
	7	250,000	January 18, 2019	7.0%
	10	347,700	January 19, 2018	9.8%
Yamana Gold Total		**1,726,300**		**48.6%**

During the first quarter of 2017 Abitibi Royalties received option premiums of CA $ 243,158 (using an exchange rate of 1.33) on short term put option contracts: if exercised, Abitibi Royalties undertakes to buy back the Agnico Eagle shares it sold in January, at a pre-determined price.

The status of the put option contracts as at May 15, 2017 is presented in the table below:

Title	Purchase price in USD	Number of shares	Option Expiry Date		Potential cost in USD
					$
Agnico Eagle	39	65,100	May 19, 2017		2,538,900
	44	43,500	May 19, 2017		1,914,000
Agnico Eagle Total		**108,600**			
Potential cost if put options are exercised				USD	**4,452,900**
Potential cost if put options are exercised				CAD	**6,234,060**

Abitibi Royalties only sells call options when it owns the underlying shares. It is Abitibi Royalties' policy to write covered calls on a maximum of 25% of its shareholdings each quarter. Should covered calls be sold, it is Abitibi Royalties' objective to use strike prices that are anticipated to be well above the share price of Agnico Eagle and Yamana at the time the contract is written, with contracts generally expiring between 1 month and 2 years. Abitibi Royalties only writes put contracts when it has the required funds (in the currency which the contract was written) to purchase the underlying shares should the put contract be exercised. To date, put contracts have been written on Agnico Eagle in order to repurchase the 108,700 shares which Abitibi Royalties was called on in January 2017. The put contracts have been priced below the amount that the shares were sold. The contract expiry for the put contracts ranged from 1 to 3 months.

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 17	Dec 16	Sep 16	Jun 16	Mar 16	Dec 15	Sep 15	Jun 15
Total revenues ($)	92,792	122,071	81,010	68,381	71,504	152,859	164,554	130,813
Net income (loss) and total comprehensive income (loss) for the period ($)	(1,011,941)	(14,429,386)	(36,722)	12,214,932	11,705,864	2,262,625	(5,813,736)	(6,817,650)
Net earnings (loss) per share								
- Basic	(0.006)	(0.078)	0.006	0.048	0.053	(0.016)	(0.028)	(0.023)
- Diluted	(0.006)	(0.073)	0.01	0.04	0.051	(0.02)	(0.027)	(0.022)

For the three-month period ended March 31, 2017, the net loss of $1,011,941 is composed of the following: a net loss of $699,586 to the shareholders of Golden Valley Mines and a net loss of $312,355 to the non-controlling interest. Refer to Discussions and Results of Operations section for a description of the first quarter ended March 31, 2017.

Exploration Activities and Expenditures

For the first quarter ended March 31, 2017, total investments in exploration and evaluation assets increased to $3,099,000, compared to $3,029,712 as at December 31, 2016.

The Company's and the Reporting Subsidiaries' property interests in Québec, Ontario and Saskatchewan are considered to be prospective for precious metals (i.e. gold, silver and platinum group metals), base-metals (i.e. nickel, copper, zinc, and cobalt), and energy minerals (i.e. uranium).

During the quarter ended March 31, 2017, exploration expenditures were allocated to the following activities: (i) regional and property compilation maps and business development purposes; and (ii) project generation activities, directed at identifying and evaluating new opportunities.

The primary focus for the Company's project generation activities during the first quarter ended March 31, 2017 was in the Abitibi Greenstone Belt ("AGB") region of Québec and Ontario. Two (2) new properties were acquired in the Val-d'Or area of Québec, totaling 23 claims, covering ---- hectares. Additional mining claims were re-staked to eight (8) existing property totaling 20 claims, covering ---

hectares. Claim acquisition and maintenance fees for this period on the Company's AGB properties amounted to $13,530, including $5,161 for the Golden Valley Mines/Integra Joint Venture related property costs.

No line cutting nor geophysical surveys were conducted on any of the Company's AGB properties during the first quarter ended March 31, 2017.

Technical and field staff expenditures amounted to $35,544 during the quarter ended March 31, 2017 for the Company's self-funded AGB Grassroots Exploration Project, project generation activities and/or related corporate developments, including $2,248 for the Golden Valley Mines/Integra Joint Venture AGB program activities.

No drilling activities were completed during the quarter ended March 31, 2017.

Related exploration program expenditures incurred during the quarter ended March 31, 2017, included $6,279 for amortization, office and general expenses, $7,645 for program management and consultants ($774 attributed to the Golden Valley Mines/Integra Joint Venture AGB program activities), $83 for travel and transport, and $275 for communications.

FINANCIAL CONDITION

Liquidity and Capital Resources

On January 30, 2017, Nunavik Nickel Mines collected an aggregate $106,800 from the exercise of 890,000 share purchase warrants at a price of $0.12.

As at March 31, 2017, the Company had cash and cash equivalents of $8,734,217 ($2,725,177 as at December 31, 2016) and a working capital of $10,119,079 compared to a working capital of $4,429,031 as at December 31, 2016. The increase in cash and working capital in the first quarter came from the call options sold on the Agnico Eagle shares that were exercised, resulting in additional funds of $6,071,202 (US $4,564,813 at the exchange rate of 1.33).

In May 2017, Abitibi Royalties collected an aggregate $66,000 from the exercise of incentive stock options, and the Company collected $48,500 from the exercise of incentive stock options and $420,000 from the exercise of warrants.

FINANCING

Private placement by Nunavik Nickel Mines Ltd.

On March 30, 2017, Nunavik Nickel Mines closed a non-brokered private placement pursuant to which it has issued 4,353,461 units at a price of $0.065 per unit for gross proceeds of $282,975. Each Unit consists of one common share in the capital of Nunavik Nickel and one non-transferable share purchase warrant, entitling the holder to purchase one common share in the capital of Nunavik Nickel at a per share price of $0.085 until March 30, 2019.

In connection with this private placement, Nunavik Nickel issued and aggregate 225,200 common shares at a deemed price per share of $0.04 for $9,008 representing 8% of the purchase proceeds received from subscribers introduced to Nunavik Nickel by the finders and issued 225,200 non-transferable finder's purchase warrants, entitling the holder to purchase one common share in the capital of Nunavik Nickel at a per share price of $0.085 until March 30, 2019. Nunavik Nickel also incurred regulatory fees in relation with the private placement of $2,238.

CONTRACTUAL OBLIGATIONS

Office Lease

		Payments due by period	
Obligation	Total	1 year or less	More than 1 year
Office Lease	$ 20,583	$ 20,583	$ 0

The Montreal office lease expires on July 31, 2017.

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, 2017:

Common shares: 121,193,575
Preferred Shares: Nil
Escrowed Shares: Nil
Share Purchase Warrants: 10,400,000
Incentive Stock Options:

Expiry Date	**Outstanding**	**Exercise Price**
July 23, 2017	400,000	$0.15
August 1, 2018	1,500,000	$0.07
June 30, 2019	579,025	$0.17
July 24, 2020	1,100,000	$0.11
January 1, 2021	100,000	$0.10
June 27, 2021	2,775,000	$0.30
February 3, 2022	100,000	$0.465
September 30, 2026	9,305,934	$0.35
TOTAL:	**15,859,959**	

Exercise of incentive stock options

During the first quarter ended March 31, 2017, the Company issued 590,000 of its common shares for a total consideration of $48,500 from the exercise of stock options at prices from $0.07 (500,000 shares) to $0.15 (90,000 shares) per share.

Exercise of Share Purchase Warrants

In the first quarter ended March 31, 2017, the Company issued 3,000,000 of its common shares for a total consideration of $420,000 from the exercise of share purchase warrants at $0.14 per share. On May 3, 2017, the Company issued 1,500,000 of its common shares for a total consideration of $120,000 from the exercise of share purchase warrants at $0.14 per share.

A. Abitibi Royalties Inc.

a) Incentive stock options

No incentive stock options were granted during the period ended March 31, 2017.

Exercise of incentive stock options

In May 2017, Abitibi Royalties issued 30,275 of its common shares for a total consideration of $66,000 from the exercise of stock options at a price of $2.18 per share.

b) Restricted Share Units

The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 896,769 common shares, among other limits with respect to individual grants under the RSU Plan. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be the third anniversary of its date of grant, or subject to accelerated expiry in the event of a change of control of Abitibi Royalties. As of the date of this report 583,365 RSUs have been granted to Participants.

Date of Grant	Market Price	RSU Granted	RSU Vested	Expiration Date
February 4, 2016	$ 3.00	72,500	36,250	February 4, 2019
March 16, 2016	$ 3.70	510,865	255,432	March 16, 2019
		583,365	291,682	

c) Normal Course Issuer Bid

In 2017, 52,000 common shares were repurchased and cancelled at prices from $8.93 to $9.55 for a total of $480.417.

B. <u>Nunavik Nickel Mines Ltd.</u>

a) Exercise of share purchase warrants

On January 30, 2017, Nunavik Nickel Mines collected an aggregate $106,800 from the exercise of 890,000 share purchase warrants at a price of $0.12.

RELATED PARTIES TRANSACTIONS

The information pertaining to related party transactions are disclosed in Note 13 of the unaudited condensed consolidated interim financial statements as at March 31, 2017.

OFF BALANCE SHEET ARRANGEMENTS

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

OUTLOOK

The Company is evaluating certain strategic business opportunities and potential acquisitions in the exploration/mining industry. A number of internal reviews have been completed, or are in progress for distressed companies and 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 past results of this grassroots exploration generative business model have led to the identification of new mineral discoveries (Co-Ag-Ni, Ni-Cu-PGE and Au-VMS) in the Abitibi Greenstone Belt on 100%-owned properties; it has also assisted the Company in the successful creation of several option/joint venture agreements allowing for diamond drilling, in particular on those projects on which reconnaissance work has already been completed to identify prospective drill targets. In this manner, the Company remains focused on its core business of early-stage acquisitions, PGEN and drill target definition, while working with partners to conduct the more expensive and detailed drill-based exploration programs.

RISKS AND UNCERTAINTIES

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in note 3 of the audited consolidated financial statements.

JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The judgements, estimates and assumptions used by management are described in note 5 of the audited consolidated financial statements.

FINANCIAL INSTRUMENTS

The risks pertaining to Financial Instruments are described in note 23 of the audited financial statements.

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.