Management's Discussion and Analysis
Golden Valley Mines Ltd.
For the year ended December 31, 2016
Dated: April 28, 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 year ended December 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee. This discussion and analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year 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 99 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 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. <u>Abitibi Greenstone Belt ("AGB") Grassroots Exploration Project, located in Québec and Ontario, 100%-owned Projects</u>

The AGB properties are comprised of gold (44), copper-zinc-silver (36), nickel-copper-PGE (2), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (60) and Ontario (25). 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 year ended December 31, 2016, 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. A soil sampling program was also conducted over the Island 27 Prospect to identify areas for follow-up prospecting and sampling.

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 has 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 Corporation agreed to extend this date to April 15, 2017, in consideration for which Bonterra paid $25,000 to the Corporation. A drill program is planned for the spring of 2017.

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. Alexandria Minerals Corporation - Centremaque Property, Québec

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.

James Bay Properties

E. Sirios Resources Ltd. – Cheechoo Prospect

Pursuant to an agreement dated October 23, 2013, Golden Valley granted Sirios Resources Ltd. ("Sirios") an option to acquire Golden Valley's remaining 55% interest in the Cheechoo prospect. Also on October 23, 2013, Sirios abandoned the claims comprising the Cheechoo B East and Sharks property claims resulting in Golden Valley Mines retaining a 100% interest in the Cheechoo B East and Sharks Prospects.

The option was conditional on certain obligations being fulfilled by Sirios. On May 11, 2016, Sirios provided notice to Golden Valley that it had completed all its obligations under the agreement to earn a 100% interest in the Cheechoo prospect, including the issuance of 1,250,000 common shares to the Company at a deemed price of $0.40 per share for a total value of $500,000. As a result, Sirios now holds 100% of the Cheechoo prospect, subject to the royalty described below. The Company recorded a loss of $1,106,927 as a result of the transfer to Sirios of its remaining 55% interest in the Cheechoo prospect.

As additional consideration for the grant of the option, Sirios granted to Golden Valley Mines a royalty (the "Royalty") equal to 4% of the net returns from all mineral products mined or removed from the Cheechoo gold project. Notwithstanding the foregoing, the royalty relevant to gold mineral products mined or removed from the Cheechoo gold prospect may vary between 2.5% and 3.5% depending on the market price of gold at the time of the payment. The parties are currently finalizing a royalty agreement that reflects the grant of the Royalty. For accounting purposes, no value has been assigned to the Royalty, as the project is still at an early stage of exploration and future cash flow cannot be reliably estimated.

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

3. Property Interests Assigned to the Reporting Subsidiaries:

A. Abitibi Royalties Inc.

Golden Valley Mines holds an approximate 49.66% interest in Abitibi Royalties as at April 28, 2017.

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

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

The area covered by the 3% net smelter royalty (“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) Canadian Malartic 2% NSR Royalty – Malartic, Québec

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

On June 9, 2015, Abitibi Royalties launched the “Abitibi Royalty Search”, by which it would reimburse a company for the renewal fees on existing claims or staking fees on new claims and receive in exchange a net smelter return royalty. The program offers junior mining companies an alternative to dropping potentially interesting claims or projects due to a lack of funds. Projects have to meet specific criteria to be eligible, such as being located in the close vicinity of an existing mine and showing good geology or signs of mineralization through previous exploration programs. As of December 31, 2016, Abitibi Royalties had closed ten NSR royalty acquisitions for a total investment of $173,398 ($93,624 in 2016 and $79,774 in 2015). These amounts were expensed in the corresponding years because Abitibi Royalties does not expect to receive royalty income in the foreseeable future.

Abitibi Royalties has 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 December 31, 2016 year end, 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 April 28, 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) Chibougamau-Chapais Prospect – Central Québec

The Chibougamau-Chapais Prospect is a non-contiguous group of 40 claims, covering 2,203.65 hectares, located in the Chibougamau area in central 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 year ended December 31, 2016, is included in Nunavik Nickel’s Management’s Discussion and Analysis, which has been electronically filed with regulators by Nunavik Nickel and is available for viewing at the SEDAR website (www.sedar.com) under Nunavik Nickel’s issuer profile.

C. Uranium Valley Mines Ltd.

Golden Valley Mines holds an approximate 22.36% interest in Uranium Valley as at April 28, 2017.

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 to July 17, 2017.

Transfer of Listing to NEX

The shares of Uranium Valley commenced trading on NEX, which is a separate board of the TSX Venture Exchange that provides a trading forum for listed issuers that have fallen below the Exchange's ongoing listing standards, on May 6, 2016 as a result of its inactivity as an issuer classified as a Tier 2 Mining issuer.

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

CORPORATE DEVELOPMENTS

Change on the Board of Directors

At the Annual General Meeting of shareholders held in Montréal on June 27, 2016, the shareholders voted to elect a new director, Mr. William D. McCartney. Dr. C. Jens Zinke and John Caldbick, who had served as directors of Golden Valley since June 25, 2003 and September 30, 2014, respectively, did not stand for re-election.

Change of auditors

At the Annual General Meeting, shareholders also appointed MNP LLP as the Company’s new auditor for the ensuing year.

Selected information

This table represents selected information for the Company and its Subsidiaries for the years ended December 31, 2016, 2015 and 2014:

	2016	2015	2014
Total Revenue ($)	$342,966	$770,406	$10,979
Net income (loss) and total comprehensive income (loss) for the year ($)	$9,454,688	$14,780,114	($6,794,166)
Net income (loss) and total comprehensive income (loss) attributable to shareholders of Golden Valley Mines Ltd. ($)	$3,340,426	$7,388,988	($5,298,471)
Net income (loss) and total comprehensive income (loss) attributable to the Non-controlling interest ($)	$6,114,262	$7,391,126	($1,495,695)
Basic earnings (loss) per share ($)	$0.029	$0.080	($0.058)
Diluted earnings per share	$0.028	$0.070	--
Total Assets ($)	$46,736,978	$35,346,720	$10,738,648
Total Liabilities ($)	$4,635,744	$7,298,252	$792,075

DISCUSSION AND RESULTS OF OPERATIONS

During the year ended December 31, 2016, the Company reported a net income and total comprehensive income of $9,454,688 compared to a net income and total comprehensive income of $14,780,114 for the same period in 2015. An amount of $3,340,426 ($7,388,988 in 2015) is attributable to shareholders of Golden Valley Mines Ltd. and $6,114,262 ($7,391,126 in 2015) for the non-controlling interest. The change in fair value of financial assets at fair value through profit and loss of $14,375,391 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 for the current year. Last year’s period included a gain of $25,158,174 on the sale of the Malartic CHL Property.

Other components of revenues and expenses were as follows:

Revenues

In 2016, a final payment of $1,542 in royalties were earned from the 2% NSR owned by Abitibi Royalties on the Canadian Malartic Property ($348,795 in 2015). Abitibi Royalties received dividend income of $341,424 as a shareholder of Agnico and Yamana ($420,117 in 2015).

No income was generated from the Company’s active option and joint-venture properties for the year ended December 31, 2016 ($1,494 for the same period in 2015).

Other Income

For the year ended December 31, 2016, the Company recorded a total net income of $9,454,688, as compared to $14,780,114 for the period ended December 31, 2015.

Other sources of income are interest and dividend income from cash and short-term financial assets ($18,850 for the year ended December 31, 2016 compared to $16,693 for 2015).

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 $2,072,465 as at December 31, 2016, compared to $333,206 as at the year ended December 31, 2015. The Company also has a guaranteed investment certificate, in the amount of $250,000, at an interest rate of 0.5% maturing in December 2016 and $910,000 as at December 31, 2015.

The Company has a realized foreign exchange loss of $6,985, compared to a foreign exchange gain of $39,906 in 2015.

Operating Expenses

For the year ended December 31, 2016, the Company recorded a total operating loss of $3,719,762, as opposed to an operating income of $21,689,119 in 2015.

The largest operating expense is salaries and other employee benefits, which increased to $3,382,638 for the year ended December 31, 2016 (compared to $953,467 for the same period in 2015). The increase in this amount is attributable to $2,308,889 of share-based payments for restricted share units granted to Abitibi Royalties’ officers, directors and consultants ($1,305,380), as well as share-based payments for incentive stock options granted to Golden Valley’s officers, directors and consultants ($982,721) and to Nunavik Nickel’s officers, directors and consultants ($20,788). See “Capital Stock Information – Abitibi Royalties – Restricted Share Units” below. Also included in this amount are director’s fees, in the amount of $268,863 ($226,129) in 2015 for Golden Valley Mines’ and Abitibi Royalties’ directors. A portion of the director’s fees ($52,011) were paid by the issuance of 148,603 common shares of the Company. See “Capital Stock Information – shares for debt” below.

Professional and legal fees increased from $771,642 in 2015 to $985,164 for the year ended December 31, 2016. It comprised audit, tax and accounting fees of $257,684, legal fees of $272,344, consulting fees of $155,126, investor relations fees of $155,044, and other consultation fees, which includes transfer agent and filing fees, of $144,966.

The following expenditures increased - advertising and exhibition (from $32,143 in 2015 to $144,610 in 2016) and travelling (from $76,792 in 2015 to $80,187 in 2016). 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 $27,075 in 2015 to $130,932 in 2016, 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 increased from $22,867 in 2015 to $31,107 in 2016. Office expenses decreased to $141,910 for the year 2016 (compared to $176,411 for 2015).

Other expenses incurred in the year ended December 31, 2016, included the following: royalty purchases of $93,624 ($74,774 in 2015), commissions of $24,100 (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 December 31, 2016, Abitibi Royalties recorded an adjustment of $13,336,132 to reflect the increase in the fair value of its investment compared to December 31, 2015.

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 $3,826,422 at December 31, 2016, an increase of $1,185,624 from December 31, 2015.

Investments

	Number of shares held at December 31, 2016	Value at December 31, 2016	Value at December 31, 2015
Yamana Gold Inc.	3,549,695	13,382,350	9,122,716
Agnico Eagle Mines Ltd.	444,197	25,074,921	16,155,445
Total fair value		38,457,271	25,278,161
Variation during the period			13,179,110

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 14,734 call option contracts during the year ended December 31, 2016, covering 1,350,400 shares of its investment in Yamana and 123,000 in Agnico Eagle, for total cash proceeds of $521,574 (USD $382,991).

The status of the call option contracts as at December 31, 2016 is presented in the table below:

Title	Price $ (USD)	Number of shares	Option Expiry Date		Market value (USD)
					$
Agnico Eagle	40	65,100	January 20, 2017	Exercised	213,528
	45	43,600	January 20, 2017	Exercised	35,752
	50	31,000	January 20, 2017	Expired	5,270
	55	27,800	January 20, 2017	Expired	1,946
Agnico Eagle Total		**167,500**			**256,496**
Yamana Gold	4.5	2,000	January 20, 2017	Expired	40
	5	97,900	January 20, 2017	Expired	979
	5	200,100	January 19, 2018		62,031
	5.5	19,700	January 20, 2017	Expired	394
	7	925,900	January 20, 2017	Expired	9,259
	10	99,200	January 20, 2017	Expired	992
	10	338,800	January 19, 2018		33,880
	12	21,800	January 20, 2017	Expired	218
Yamana Gold Total		**1,705,400**			**107,793**
Total market value at December 31, 2016				**USD**	**364,289**
Total market value at December 31, 2016				**CAD**	**489,131**

The table below shows the actual status of the put option contracts:

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	**5,922,357**

Abitibi Royalties also sold call option contracts covering 113,900 shares of Agnico Eagle and 1,187,400 shares of Yamana.

The table below shows the actual call option contracts outstanding:

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%**

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 puts have been priced below the amount that the shares were sold. The contract expiry for the puts has 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.

	Dec 16	**Sep 16**	**Jun 16**	**Mar 16**	**Dec 15**	**Sep 15**	**Jun 15**	**Mar 15**
Total revenues ($)	122,071	81,010	68,381	71,504	152,859	164,554	130,813	322,180
Net income (loss) and total comprehensive income (loss) for the year ($)	(14,429,386)	(36,722)	12,214,932	11,705,864	2,262,625	(5,813,736)	(6,817,650)	25,148,875
Net earnings (loss) per share								
- Basic	(0.078)	0.006	0.048	0.053	(0.016)	(0.028)	(0.023)	0.147
- Diluted	(0.073)	0.01	0.04	0.051	(0.02)	(0.027)	(0.022)	0.139

During the first quarter ended March 31, 2016, the Company reported a net income of $11,705,864, resulting mainly from the net effect of the $9,587,606 increase in market value of the investment in namely, the Agnico Eagle, the Yamana and the Sirios shares, from the reversal of the $4,157,110 success fee liability, from the increase in the call options obligation of $449,166 and the deferred tax expense of $1,134,522.

For the three-month period ended December 31, 2016, the net loss of $14,429,386 is composed of the following: a net loss of $8,778,390 to the shareholders of Golden Valley Mines and a net loss of $5,650,996 to the non-controlling interest. The Company's net loss is attributable to a net loss in fair value of $13,114,283 on the financial assets held by Abitibi Royalties. Another component which increased the net loss was the impairment of exploration and evaluation assets made by Nunavik Nickel in the amount of $1,420,017 on its Marymac property.

Exploration Activities and Expenditures

For the year ended December 31, 2016, total investments in exploration and evaluation assets decreased to $3,029,712, compared to $6,687,723 as at December 31, 2015.

The Company reviewed certain of its exploration and evaluation assets and determined to record an amount of $2,117,178 ($2,092,434 in 2015) as an impairment of exploration and evaluation assets in accordance with IFRS 6 and consistent with its accounting policies.

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 2016 exploration program, 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, and (iii) selective ground follow-up fieldwork.

Claim acquisition and maintenance fees for year ended December 31, 2016 on the Company’s AGB properties amounted to $56,867, including $3,212 for the Golden Valley Mines/Integra Joint Venture related property costs.

Geophysical survey fieldwork of $5,250 was incurred for a ground GPS VLF-magnetic survey during the fourth quarter of 2016, related to the Golden Valley Mines/Integra Joint Venture AGB program.

Technical and field staff expenditures amounted to $129,143 in 2016 for the Company’s self-funded AGB Grassroots Exploration Project, project generation activities and/or related corporate developments, including $2,401 for the Golden Valley Mines/Integra Joint Venture relate property costs.

No drilling activities were completed during the year ended December 31, 2016.

Sampling and testing related costs incurred over the year ended December 31, 2016 was $8,976.

Related exploration program expenditures incurred during the twelve-month period ended December 31, 2016, included $25,525 for amortization, office and general expenses, $89,261 for program management and consultants ($1,038 attributed to the Golden Valley Mines/Integra Joint Venture), $1,381 for travel and transport, and $666 for communications.

FINANCIAL CONDITION

Liquidity and Capital Resources

As at December 31, 2016, the Company had cash and cash equivalents of $2,725,177 ($1,905,367 in 2015) and a working capital of $4,429,031 compared to a working capital deficiency of $496,586 as of December 31, 2015. The increase in working capital is mainly attributable to increase in fair value of short-term financial assets of $1,039,259 and the reversal of success fees liability in the amount of $4,157,110, in the first quarter ended March 31, 2016. On March 11 2016, Abitibi’s Board of Directors terminated the Management Success Fees Agreement with no further amounts payable. See “Contractual Obligations – Abitibi Royalties – Management Success Fees Agreement” below.

Also attributable to the increase in working capital is the issuance of a convertible debenture in the amount of $415,000 on January 25, 2016 and the exercises of incentive stock options and warrants by employees and consultants. For more details, see section entitled “Financing”.

During the year ended December 31, 2016, Abitibi Royalties collected an aggregate $1,147,099 from the exercise of incentive stock options, and the Company collected $37,000 from the exercise of incentive stock options and $210,000 from the exercise of warrants.

Subsequent to year end, some of the call options sold on Agnico Eagle shares were exercised, resulting in an additional cash amount of $6,071,202 (US $4,564,813 at exchange rate of 1.33).

FOURTH QUARTER

A. Private Placement

On October 31, 2016, Uranium Valley Mines closed a non-brokered private placement offering by issuing 2,050,000 units at a price of $0.10 for gross proceeds of $205,000, each unit consisting of one common share and one non-transferable warrant at a price of $0.13 per share until October 31, 2017. See "Financing – Private Placement" below.

B. Share capital issued as part of debt settlement

On November 15, 2016, the Company issued 148,603 common shares in settlement of an aggregate of $52,011 in accrued management and director fees covering the period July 1, 2015 to June 30, 2016. Shares issued by the Company in settlement of the debt was issued at a deemed per share price of $0.35 in accordance with the policies of the TSX Venture Exchange and was subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

FINANCING

A. Convertible debenture

On January 25, 2016, Golden Valley Mines issued a $415,000 principal amount convertible debenture to an arm's length existing shareholder, which constituted the second and final tranche of a non-brokered private placement offering. The Exchange issued its final acceptance of the offering on February 3, 2016

The debenture was converted into 4,150,000 units of the Company. Each unit was comprised of one common share and one non-transferable share purchase warrant; each warrant entitles the holder to purchase one common share of the Company at a per share price of $0.14 for two years from the date of issuance of the warrants.

The warrants were subject to the condition that they could not be exercised until such time as the Company obtained disinterested shareholder approval for the potential creation of the lender as a new control person. The Company received shareholder approval during the Annual General and Special Meeting of Shareholders held on June 27, 2016.

The $415,000 gross proceeds raised from the debenture was used by the Company for general corporate purposes.

B. Private placement

Uranium Valley Mines Ltd.

On September 23, 2016, Uranium Valley closed a non-brokered private placement offering for gross proceeds of $390,000 as follows:

Uranium Valley issued 291,666 flow-through units (the "FT Units") at a per FT Unit price of $0.12 for gross proceeds of $35,000, each FT Unit consisting of one common share in the capital of Uranium Valley issued on a flow-through basis under the Canada Income Tax Act and one-half of one non-transferable non-flow-through common share purchase warrant, each whole warrant entitling the holder to purchase one non-flow-through common share in the capital of Uranium Valley at a per share price of $0.15 until September 23, 2017.

Uranium Valley issued 4,733,333 units (the "Units") at a per Unit price of $0.075 for gross proceeds of $355,000, each Unit consisting of one non-flow-through common share in the capital of Uranium Valley and one non-transferable common share purchase warrant, entitling the holder to purchase one common share in the capital of Uranium Valley at a per share price of $0.10 until September 23, 2017.

In connection with this placement, Uranium Valley paid finder's fees to various parties with the issuance of an aggregate of 258,666 common shares at a deemed price per share of $0.075 in satisfaction of an aggregate $19,400 representing 8% of the purchase proceeds received from subscribers introduced to Uranium Valley by the finders, plus Uranium Valley issued to the finders non-transferable warrants entitling the purchase of an aggregate 258,666 common shares at a per share price of $0.10 until September 23, 2016, representing 8% of the number of Units placed with the assistance of the finders. Uranium Valley also incurred legal fees in relation with the private placement of $20,132.

On October 31, 2016, Uranium Valley closed a non-brokered private placement offering for gross proceeds of $205,000 as follows:

Uranium Valley issued 2,050,000 units (the "Units") at a per Unit price of $0.10 for gross proceeds of $205,000, each Unit consisting of one common share in the capital of Uranium Valley and one non-transferable common share purchase warrant, entitling the holder to purchase one common share in the capital of Uranium Valley at a per share price of $0.13 until October 31, 2017.

In connection with this private placement, Uranium Valley paid finder's fees of $10,400 (in cash and shares) to various parties representing 8% of the purchase proceeds received from subscribers introduced to Uranium Valley by the finders, of which $1,600 was paid in cash. An aggregate 88,000 common shares were issued at a deemed price per share of $0.10 and 104,000 non-transferable common share purchase warrants, entitling the holder to purchase one common share in the capital of Uranium Valley at a per share price of $0.13 until October 31, 2017. Uranium Valley also incurred legal fees in relation with the private placement of $8,414.

CONTRACTUAL OBLIGATIONS

A. Golden Valley Mines Ltd.

Office Lease

		Payments due by period	
Obligation	Total	1 year or less	More than 1 year
Office Lease	$ 36,021	$ 36,021	$ 0

On August 1, 2016, the Corporation renewed its Montreal office lease for twelve months terminating on July 31, 2017.

B. Abitibi Royalties Inc.

Management Success Fees Agreement

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

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

CAPITAL STOCK INFORMATION

Authorized

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

Issued and Outstanding

The following details the issued and outstanding securities of the Company as at April 28, 2017:

Common shares: 119,693,575
Preferred Shares: Nil
Escrowed Shares: Nil
Share Purchase Warrants: 11,900,000

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**	

On June 27, 2016, the Company granted an aggregate 2,775,000 incentive stock options with an exercise price of $0.30 to its directors, officers, employees and consultants. The options are exercisable for a period of 5 years from the date of grant. All options are exercisable immediately. The fair value of the stock options granted has been estimated using the Black-Scholes option-pricing model at $643,469.

On September 30, 2016, the Company granted an aggregate 9,305,934 incentive stock options with an exercise price of $0.35 to its directors, officers, employees and consultants. The options are exercisable for a period of 10 years until September 30, 2026, subject to earlier termination in accordance with the terms of the Corporation's Stock Option Plan. All of the options vest equally over a period of 3 years unless there is a change of control event (as determined by the Board of Directors acting reasonably), in which case the options will vest immediately on occurrence of the change of control. To date, none of the options have vested. The fair value of the stock options granted has been estimated using the Black-Scholes option-pricing model at $2,715,377. The estimated percentage of options granted that are expected to be forfeited or canceled before becoming fully vested is 10%. This percentage is derived from historical experience. The 10% forfeiture rate has decreased compensation expense by $46,094 in 2016.

Exercise of incentive stock options

During the year of 2016, the Company issued 330,000 of its common shares for a total consideration of $37,000 from the exercise of stock options at share prices ranging from of $0.07 to $0.17.

Subsequent to year end, the Company issued 590,000 of its common shares for a total consideration of $43,120 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

During the year of 2016, 1,499,998 common shares were issued pursuant to the exercise of share purchase warrants at an exercise price of $0.14 per warrant for a total of $210,000.

Subsequent to year end, 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.

Shares for debt

On November 21, 2016, the Company received final acceptance from the TSX Venture Exchange to issue an aggregate 148,603 common shares at a deemed price of $0.35 per share in settlement of an aggregate of $52,011 in accrued management and director fees covering the period July 1, 2015 to June 30, 2016.

A. Abitibi Royalties Inc.

a) Incentive stock options

No incentive stock options were granted during the year ended December 31, 2016. The balance of incentive stock options as April 29, 2016 is 766,003.

Exercise of incentive stock options

During the year ended on December 31, 2016, Abitibi Royalties issued 458,975 of its common shares for a total consideration of $1,144,790 from the exercise of stock options at prices of $2.18 (1,059 shares) and $2.50 (457,916 shares) per share.

b) Restricted Share Units

Abitibi Royalties' Board of Directors has implemented a Restricted Share Unit Plan (the "RSU Plan"), which provides that restricted share units ("Share Units") may be granted by Abitibi Royalties' Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, bona-fide full or part-time employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance, or in satisfaction of dividends declared by Abitibi Royalties and payable to Participants. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 896,769 common shares, among other limits with respect to individual grants under the RSU Plan. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be the third anniversary of its date of grant, or subject to accelerated expiry in the event of a change of control of Abitibi Royalties. As of the date of this report 583,365 RSUs have been granted to Participants.

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

On October 2, 2015, Abitibi Royalties received the Exchange acceptance of its notice to commence a normal course issuer bid ("NCIB"). This approval allows Abitibi Royalties to purchase back up to 546,300 of its common shares (representing 5% of the Company's total issued and outstanding common shares as of September 21, 2015), from October 6, 2015 to October 5, 2016. Common shares that will be purchased under the NCIB will be cancelled. On October 6, 2016, Abitibi Royalties renewed its NCIB for another year until October 5, 2017. In 2016, Abitibi Royalties had repurchased and cancelled 52,100 of its common shares at prices varying from $2.90 to $4.15 for a total of $181,805. In 2017, 42,700 common shares were repurchased and cancelled at prices from $9.25 to $9.55 for a total of $396,084.

B. Nunavik Nickel Mines Ltd.

a) Incentive Stock Options granted

On May 16, 2016, Nunavik Nickel granted 446,801 incentive stock options to directors, officers and consultants at an exercise price of $0.065 per common share. The incentive stock options are exercisable at the date of grant and expire 5 years from the date of grant on May 16, 2021.

On July 25, 2016, Nunavik Nickel cancelled 675,000 incentive stock options granted to directors, officers and consultants, exercisable at $0.20 and expiring on July 24, 2017.

The following incentive stock options are currently outstanding:

Issue Date	Expiry Date	Options Outstanding	Options Exercisable	Exercise Price
April 3, 2014	April 3, 2019	60,000	60,000	$ 0.065
November 20, 2014	November 20, 2019	58,199	58,199	$ 0.08
May 16, 2016	May 16, 2021	446,801	446,801	$ 0.065
		565,000	565,000	

b) Restricted Share Units

At the Annual General and Special meeting of shareholders held on June 27, 2016, the shareholders of Nunavik Nickel approved the adoption and implementation of a Restricted Share Unit Plan (the " RSU Plan"). The RSU Plan will be adopted and implemented by Nunavik Nickel's Board of Directors upon receipt of acceptance by the Exchange. 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. Nunavik Nickel has yet to make the submission to the Exchange to obtain its acceptance of the RSU Plan. As of the date of this report no Restricted Share Units have been granted.

RELATED PARTIES TRANSACTIONS

The information pertaining to related party transactions are disclosed in Note 19 of the audited F/S.

In addition, in April 2017, bonuses in the amount of $335,250 were approved for payment to officers, directors and consultants.

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.