Management's Discussion and Analysis

Golden Valley Mines Ltd.

For the period ended September 30, 2013

Dated: November 29, 2013

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 nine-month period ended September 30, 2013 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, 2012 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 118 exploration properties located in the following areas: (i) the Abitibi Greenstone Belt (Ontario and Québec); (ii) the James Bay, Mistassini and Otish regions of northern Québec; (iii) the Nunavik (Ungava and Labrador) region of northern Québec; (iv) the Athabasca Basin of Saskatchewan; and (v) the James Bay Lowlands of Ontario.

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

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

On July 19, 2011, the Company effected a plan of arrangement (the "Arrangement") resulting in Abitibi Royalties Inc. ("Abitibi Royalties"), Nunavik Nickel Mines Ltd. ("Nunavik Nickel"), and Uranium Valley Mines Ltd. ("Uranium Valley", together, the "Reporting Subsidiaries") becoming reporting issuers. See section 3 herein, *Property Interests Assigned to the Reporting Subsidiaries* with respect to each of the Reporting's Subsidiaries Property holdings.

OVERALL PERFORMANCE

1. Exploration Activity:

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

The AGB properties are comprised of gold (53), copper-zinc-silver (34), nickel-copper-PGE (8), molybdenum (2) and cobalt-silver-nickel (2) prospects located in Québec (75) 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 third quarter ending September 30, 2013, the Company's exploration work focused primarily on activities related to the "AGB" Grassroots Exploration Project drill program. Additional activities included (i) the completion of regional and property compilation maps and reports (for mandatory government assessment report filing and business development purposes); (ii) project generation activities, directed at identifying and evaluating new opportunities; and (iii) a prospecting and sampling program.

In and subsequently to the third quarter ending, the Company announced diamond drilling results on the Lac Barry (8-hole, 999 metres program) Prospect. The objective of this first-phase drill program was targeting the Barry West Shear Zone that hosts the historical Lac Barry Gold Showing on the property (SW grid area) with the first five (5) holes (609 metres). Drilling successfully extended the known extent of the Lac Barry Showing mineralization 300 metres to the southwest along strike with the intersection of a mylonitized (silicified and biotite altered) and mineralized (mainly pyrite) shear zone over a wide and shallow intersection from 23.20-35.75 metres in hole GLBO-13-01. In the core of the shear zone, an anomalous zone of gold mineralization was intersected averaging 3.70 metres (from 24.26-27.96 metres) grading 0.177 g/t gold, including 0.49 metres assaying 0.734 g/t gold (24.26-24.75 metres). Based on the current and historical drilling results, further drilling is warranted along the axis of the chargeability anomaly and testing for the depth extensions of the Lac Barry Showing gold mineralization. In addition, a new type of intrusion-hosted gold mineralization was intersected deeper in hole GLBO-13-01, hosted in a massive, dark grey, diorite- intrusive unit, versus the more common shear-zone hosted environments observed in the local area. Anomalous gold mineralization grading 0.19 g/t (from 135.18-135.32 metres), 0.128 g/t (from 137.35-137.53 metres) and 0.617 g/t (from 137.53-138.00 metres) was intersected in this section. Further prospecting, mapping and detailed sampling is recommended in this area of the property to check for the surface trace of the mineralization.

The last three (3) holes (390 metres) of the Lac Barry drill program targeted untested electromagnetic and chargeability anomalies south of the regional structure (Barry Fault) associated with gold mineralization on the property to the SW (Barry West Shear Zone - Lac Barry Showing) and to the NE (Eastern Extension deposit) from the NE grid area of the property. Drillhole GLBE-13-01 (335 degrees /-50 degrees) intersected 2.21% Cu with 0.176 g/t Au, 14.5 g/t Ag and 718 ppm Zn from 67.27-67.36 metres. Mineralization is hosted in a quartz-carbonate vein within a variable chloritized (black) and fractured mafic (basaltic) volcanic hostrock. An increase in fracturing, shearing and alteration (chloritization, carbonatization, silicification and sericitization) is evident downhole to 70.0 metres, suggesting this style of mineralization may represent parts of a copper-rich stringer feeder zone to the zinc-rich VMS mineralization intersected downhole. The drillhole then proceeded to intersect a zone of VMS (volcanogenic massive sulfides) mineralization hosted in a graphitic horizon with ptygmatically folded bands of chert from 70.00-72.10 metres. Mineralization consisted of 10% stringers of pyrite and pyrrhotite with minor amounts of chalcopyrite, and 20% extremely fine, anastomosing stringers of sphalerite over centimetre-scale widths increasing with depth with the highest grade zinc recorded being 5830 ppm from 71.80-72.10 metres. The electromagnetic (Max-Min) anomaly tested by drillhole GLBE-13-01 is defined over a minimum distance of 100 metres and is open to the southwest along strike. Drillholes GLBE-13-02 (335 degrees /-50 degrees) and GLBE-13-03 (335 degrees /-50 degrees) intersected two separate and parallel fractured zones hosting mineralized smoky quartz veins grading 4.48 g/t Au over 0.35 metres and 0.242 g/t Au over 0.51 metres respectively, over an area of the property previously untested for its gold potential. The two drillholes lie within 200 metres (south) of the Barry Fault that is associated with the Eastern Extension Deposit located 2.8 kilometres along strike to the northeast.

B. <u>Henley Prospect - McFauld’s Lake “Ring of Fire” – James Bay Lowland, Ontario</u>

The Henley Prospect consists of two (2) claims totaling 24 units or 384 ha. This property lies along the western strike extension of the favourable geological trend hosting nickel-copper-platinum group element (Ni-Cu-PGE), chromium (Cr) and copper-zinc-silver (Cu-Zn-Ag) mineralization, known as the McFauld's Lake ("Ring of Fire") regional exploration play. The Bourdon West Prospect held by

Abitibi Royalties, the Company's subsidiary is located about 30 km to the east. No exploration fieldwork was completed on the property during the third quarter ending September 30, 2013.

2. Option and Joint Venture Properties Portfolio Review:

Abitibi Greenstone Belt Programs

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

In 2008, the Company earned a 70% interest in the group of nine properties located on the AGB (Québec and Ontario) and a joint venture was formed thereon with Integra (the "GZZ-I JV"). The Company is the operator during the joint venture phase. In January 2012, the Company and Integra granted an option (the "GZZ-I Option") to Golden Cariboo Resources Ltd. ("Golden Cariboo") to acquire a 70% interest in certain properties comprising the GZZ-I JV. Upon the GZZ-I Option being exercised, Golden Valley Mines and Integra shall retain a combined 30% free carried interest to production (22.5% Golden Valley Mines/7.5% Integra. For additional information with respect to the transaction between the Company, Integra, and Golden Cariboo, and the exploration activities conducted on the properties under option by the Company and Integra to Golden Cariboo, please refer to Section C herein. As of the date hereof, the GZZ-I JV is in good standing.

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

Pursuant to a Third Amended and Restated Mining Option Agreement dated April 2, 2013 (the "Cambrian Option Agreement") Cambrian Corp. ("Cambrian"), a private company, holds an option on the Company's Broker's Fee Prospect located in Arnold Township, 20 km northeast of Kirkland Lake, Ontario. Pursuant to the terms of the Cambrian Option Agreement, Cambrian may earn a 70% undivided interest in the property by incurring aggregate exploration expenditures of $6,000,000 over a six year period, of which $200,000 must be spent on or before October 7, 2013, making a $5,000 cash payment (paid), issuing 600,000 common shares (issued), and delivering a definitive feasibility study on the property on or before the 6th anniversary of the effective date of the Cambrian Option Agreement. The Cambrian Option Agreement is in good standing as of the date hereof. Subsequent to the quarter ended June 30, 2013, a GPS claim reference survey was completed over the claims comprising the Brokers Fee Prospect. No additional exploration fieldwork has been conducted on the Broker's Fee Prospect. As at November 29, 2013, Cambrian has not fulfilled its obligations under the Cambrian Option Agreement. The Company has a right to terminate the option agreement and retain 100% interest in the property, however in view of prevailing market conditions; the Company is reviewing the alternatives.

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

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

The agreement governing the Option was amended and restated by the parties on January 10, 2013. In order to maintain in force the Option granted to it, and to exercise the Option, Golden Cariboo must: (i) issue to the Company 770,961 common shares (the "GCC Payment Shares") (issued); (ii) incur expenditures in an aggregate amount of $4,500,000 over a 6 year period (the "Expenditures") to be allocated between the GZZ Properties and the GZZ-I Properties as Golden Cariboo may determine provided that no more than $4,000,000 of the Expenditures shall be incurred with respect to the GZZ Properties and at least $500,000 of the Expenditures shall be incurred with respect to the GZZ-I Properties; and (iii) reimburse Golden Valley Mines for all costs related to the preparation of any technical reports. Upon the GZZ Option being exercised, Golden Valley Mines shall retain a 30% free carried interest to production in respect of the GZZ Properties. Upon the GZZ-I Option being exercised, Golden Valley Mines and Integra shall retain a combined 30% free carried interest to production (22.5% Golden Valley Mines/7.5% Integra). The agreement governing the Option is in good standing as of the date hereof.

Subsequent to the quarter ending September 30, 2013, a GPS georeferencing survey was completed over the Claw Lake Prospect claims (GZZ-I Properties). The report at the time of writing has not yet been filed for assessment credits with the Ontario Ministry of Northern Development and Mines. No other additional exploration fieldwork has been conducted on this group of properties during or subsequently to the quarter ending September 30, 2013.

D. <u>Big North Graphite Corp. – Luciana Prospect</u>

Pursuant to an amended and restated mining option agreement dated October 10, 2012, Big North Graphite Corp. (formerly Big North Capital Inc., hereinafter "Big North") was granted an option to acquire a 70% interest in the Luciana Prospect (the "Big North Option") provided that Big North: (i) incur aggregate exploration expenditures of $2,000,000 over a three year period from August 30, 2012 (the "August Effective Date"), of which $250,000 must be spent on or before May 30, 2013; (ii) complete a definitive feasibility study at its sole cost on or before the 10th year anniversary of the August Effective Date; (iii) issue to Golden Valley Mines 396,000 shares in the capital of Big North upon Exchange approval (issued); (iv) make cash payments of $10,000 (paid) in the aggregate; and (v) reimburse Golden Valley Mines for legal expenses incurred with respect to the grant of the Option (reimbursed). Golden Valley Mines is the operator during the option phase. Upon Big North exercising the Big North Option, the Company will retain a 30% free carried interest in the property with no further expenditure requirements until the property achieves commercial production. In May, 2013, the option was terminated by Big North; the Company retains a 100% interest in and to the Luciana Prospect.

E. <u>West Kirkland Mining Ltd. ("WKM") Options - Island 27 and Plumber Prospects</u>

In March, 2013, WKM advised the Company of its intent to terminate the option on each of the Island 27 and Plumber prospects, effective April 19, 2013. Pursuant to information provided to the Company by WKM, aggregate expenditures incurred by WKM on the Island 27 Prospect amounted to $815,385, inclusive of acquisition costs. Expenditures incurred by WKM totaled $59,839.64 on the Plumber Prospect, inclusive of acquisition costs. Exploration work completed consisted of sixteen (16) drill holes totaling 3,639.70 metres pursuant to 3 different drill campaigns, in addition to geochemical mapping and sampling on the Island 27 Prospect and reconnaissance mapping on the Plumber

Prospect. Subject to a 2% NSR in favour of the original vendor, the Company retains a 100% interest in each of the Island 27 and Plumber prospects.

James Bay Properties

F. Sirios Resources Ltd. – Cheechoo and Sharks Prospects

On June 12, 2012, the Company granted an option (the "SOI Option") to Sirios Resources Ltd. ("Sirios") to acquire the Company's 60% interest in the Sharks and Cheechoo prospects (the "S&C Properties") located in the James Bay area of northern Québec and in which Sirios now holds a 45% interest following completion of the Initial Expenditures (as defined below); the Company retains a 55% interest therein.

Pursuant to the terms of the SOI Option, Sirios has provided the Company with notice (the "Option Notice") of its intent to acquire the remaining 55% interest in the S&C Properties from Golden Valley Mines. Additionally, Sirios must on or before December 31, 2013, issue to Golden Valley Mines, that number of common shares equal to the lesser of 9.9% of its share capital or $1,000,000 (the "Payment Shares"). In addition, within 3 years of the Option Notice Sirios will have to: (i) further complete approximately $4,000,000 in exploration expenditures; and (ii) pay $500,000 in cash or in shares to the Company. The Company retains a royalty equal to 4% of the net returns from all mineral products mined or removed from the S&C Properties. Notwithstanding the foregoing, the royalty relevant to gold mineral products mined or removed from the S&C Properties (the "Gold Portion") may vary between 2.5% and 4% depending on the market price of gold at the time of the payment of the Gold Portion.

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

During and subsequent to the third quarter ending on September 30, Sirios, as operator of the program on the S&C Properties provided a series of exploration updates via news release (September 4, October 15, October 22 and October 31) with respect to drilling results from their 2012 and 2013 drill programs (for additional details with respect to the exploration and filed work completed to date or to be completed on the project, as well as for the details on the expenditures made to date by Sirios on the Properties, please refer to Sirios' continuous disclosure documents available for viewing by the public through the internet at the SEDAR website (www.sedar.com) by accessing Sirios' issuer profile). In addition, subsequent to the quarter ending, Sirios advised the Company of its intent to terminate the option on the Sharks prospect: the Company retains a 100% interest in the property.

3. Property Interests Assigned to the Reporting Subsidiaries:

A. Abitibi Royalties Inc.

Malartic CHL Prospect

In contemplation of the Arrangement, the Company assigned its interest in the Malartic CHL Prospect to Abitibi Royalties along with a 2% net smelter royalty interest on a claim (the "Royalty Claim") held by Osisko Mining Corporation ("Osisko"), which is located immediately southeast of the Canadian

Malartic deposit held by Osisko. The Malartic CHL Prospect is the object of a joint venture between Osisko and Abitibi Royalties. Abitibi Royalties retains a 30% free carried interest in the Malartic CHL Prospect until commercial production of the property.

Please also refer to Abitibi Royalties' news releases dated January 17, 2012, and March 2, 2012, detailing the results of the technical audit completed by Micon International Ltd. ("Micon") on the internal mineral resource estimate prepared by Osisko. Further details thereon can also be retrieved from the technical report entitled "*A Review of Osisko Mining Corporation's Mineral Resource Estimate for the Jeffrey Zone, Malartic CHL Joint Venture Property, Val-d'Or, Québec*" *dated March 1, 2012* by accessing Abitibi Royalties' issuer profile at www.sedar.com. With respect to the details pertaining to the initial gold resource estimates received by Abitibi Royalties on the portion of the Charlie and Gouldie Gold deposits that lie within the Royalty Claim, please refer to Abitibi Royalties' news releases dated September 20, 2012 and March 6, 2013.

For details pertaining of the year-end 2012 gold reserve and resource estimate completed by Osisko in respect of Abitibi Royalties' interest in the Malartic CHL Prospect and the claim in respect of which Abitibi Royalties' holds a 2% net smelter return royalty please refer to Abitibi Royalties' news release of March 6, 2013. For additional information on the technical audit completed by Micon in respect of the year-end 2012 gold reserve and resource estimate completed by Osisko and limited to the Mammoth/Barnat and Jeffrey zones located on the Malartic CHL Prospect, amongst other things, please see Abitibi Royalties' news release dated April 19, 2013; further details can also be retrieved from the technical report entitled: "*A Mineral Resource Update And Mineral Reserve Estimate For Abitibi Royalties Inc.'s Malartic CHL Property Joint-Venture*", dated April 17, 2013 by accessing Abitibi Royalties' issuer profile at www.sedar.com.

In addition to the above property information, Abitibi Royalties provided a summary on exploration and development activities completed by project operator Osisko during 2012 on the Malartic CHL Prospect. The exploration program consisted of thirty-one (31) new drillholes in addition to two (2) drillhole extensions, totaling 5,660.2 metres on the Malartic CHL Property. A total of six (6) separate targets were tested. The complete details of the drill program and assay results (namely Abitibi Royalties' news releases dated May 6, 2013; June 4, 2013; July 2, 2013; and July 15, 2013) are available for viewing through the internet at the SEDAR website (www.sedar.com) by accessing Abitibi Royalties' issuer profile.

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

In contemplation of the Arrangement, Golden Valley Mines assigned its 100% interest in the Luc Bourdon and Bourdon West prospects (the "Bourdon Prospects") to Abitibi Royalties. As a result of the option granted to White Pine Resources Inc. ("White Pine") and Noront Resources Ltd. ("Noront") on the Bourdon Prospects being terminated, Abitibi Royalties retains a 100% interest therein. For details on the expenditures made on the Bourdon Prospects and anticipated timing of exploration activities, please refer to Abitibi Royalties' continuous disclosure documents available for viewing by the public through the internet at the SEDAR website (www.sedar.com) by accessing Abitibi Royalties' issuer profile.

Golden Valley Mines holds an approximate 66.3% interest in Abitibi Royalties.

B. Nunavik Nickel Mines Ltd.:

In contemplation of the Arrangement, Golden Valley Mines assigned its interest in each of the Marymac Prospect (Labrador Trough, Nunavik, Québec), Fortin Prospect, Shoot Out Prospect, Donnybrook and Overtime Prospects (South Raglan Trend, Nunavik, Québec) to Nunavik Nickel. For details on expenditures and anticipated timing of exploration activities of the above mentioned properties held by Nunavik Nickel, please refer to Nunavik Nickel's continuous disclosure documents available for viewing by the public through the internet at the SEDAR website (www.sedar.com) by accessing Nunavik Nickel's issuer profile.

Golden Valley Mines holds an approximate 70.4% interest in Nunavik Nickel.

C. Uranium Valley Mines Ltd.:

Mistassini-Otish Basins Project

In contemplation of the Arrangement, the Company assigned its interest in the *Mistassini-Otish Projec*t to Uranium Valley. Until May 12, 2011, the property was the object of a joint venture with Lexam VG Gold Inc. (formerly Lexam Explorations Inc., hereinafter "Lexam"). Effective May 12, 2011, Uranium Valley purchased Lexam's interest in the property, as a result of which Uranium Valley now holds a 100% interest in the property and the joint venture with Lexam was terminated. As of December 31, 2012, despite its belief in the ore potential of its claims, Uranium Valley, as a result of the moratorium imposed by the Québec Government on the issuance of exploration and exploitation permits for uranium in the province of Québec, made the decision to write-off its Mistassini/Otish Prospect.

Ditem Explorations Joint Venture - Beartooth Island Prospect

The Beartooth Island Prospect (the "Beartooth Prospect") located in Saskatchewan is the object of a joint venture with Ditem Explorations Inc. ("Ditem") effective July 4, 2008 (the "Beartooth Island JV"). In contemplation of the Arrangement, the Company assigned its 40% interest in this property to Uranium Valley, as a result of which Uranium Valley is now a party to the Beartooth Island JV.

For details on expenditures and anticipated timing of exploration activities of the properties described above and held by Uranium Valley, please refer to Uranium Valley's continuous disclosure documents available for viewing by the public through the internet at the SEDAR website (www.sedar.com) by accessing Uranium Valley's issuer profile.

Golden Valley Mines holds an approximate 37.6% interest in Uranium Valley.

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

Calone Canada, Golden Valley Mines' wholly-owned Canadian subsidiary acquired all of the shares held by the Golden Valley Mines in Calone SL. Subsequently, Calone Canada divested of its interest in Calone SL in favour of K&K Investment GMBH ("K&K") pursuant to an amended and restated share purchase agreement (the "SPA"). Pursuant to the SPA, K&K and Calone SL have agreed to pay to Calone Canada a royalty (the "Royalty") equal to 5% of net returns from mineral products mined or removed from the property within 10 years of closing of the transactions contemplated by the SPA. K&K and Calone SL shall have the right to repurchase a portion of the Royalty as follows: (i) 1% for the price of US$2M leaving Calone Canada with a 4% royalty; or (ii) 2% for the price of US$4M, leaving Calone Canada with a 3% royalty, or (iii) 3% for the price of US$6M, thereby leaving Calone Canada with a 2% royalty.

SELECTED QUARTERLY INFORMATION [1]

	2013	2012	2011
Total Revenue ($)	Nil	2,721	337,078
Net loss and total comprehensive loss for the period ($)	(349,324)	(371,311)	(1,180,692)
Basic and diluted net loss per share ($)	(0.004)	(0.005)	(0,018)
Total Assets ($)	14,791,157	18,089,091	21,970,878
Total Liabilities ($)	1,025,850	1,498,877	1,739,431

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

DISCUSSION AND RESULTS OF OPERATIONS

In the third quarter ended September 30, 2013, the Company reported a net loss and comprehensive loss of $349,324 compared to $371,311 in 2012, due to an increase in operating expenses from $458,868 to $674,930. This increase relates to the incentive stock options granted in each of Golden Valley Mines (share-based payments of $187,994) and Abitibi Royalties (share-based payments of $339,037). The foregoing amount also includes an aggregate $33,750 in directors fees for the quarter that have not been paid, but have been accrued. Had it not been for the non-cash entry relating to the grant of incentive stock options in each of Abitibi Royalties and Golden Valley Mines, the Company's operating expenses would have decreased to $147,899.

Revenues

No revenues were generated from the Company's active option and joint-venture properties for the third quarter ended September 30, 2013 ($2,721 for the same period in 2012).

Other revenue

Other sources of income are interest and dividend income from cash and short-term financial assets ($1,410 for the quarter ended September 30, 2013). The Company sold short-term investments held in its portfolio and realized a gain of $3,916 during the third quarter ended September 30, 2013. The realized loss, on the disposal of short-term investments, for the same period of 2012 were in the amount of $1,465.

The Company held money market investment and mutual funds having a market value of $109,859 as at September 30, 2013 as well as publicly traded securities comprised of common shares of third party optionees issued to the Company in accordance with the terms of certain property option agreements having a market value of $163,278 as at September 30, 2013. Additionally, the Company holds an aggregate of 16,906,456 common shares in the capital of the Reporting Subsidiaries of which 5,071,935 are currently subject to escrow pursuant to the policies of the TSX Venture Exchange. The market value of these shares is $2,773,888, as at November 25, 2013. The Company also invested $200,000 of the funds received from its private placements into guaranteed investment certificates (at an interest rate of 1% maturing in January 2014).

Non-Exploration Expenditures

In response to the economic uncertainties which have negatively impacted the markets, making it difficult for exploration companies to finance their exploration and prospecting campaigns, prior to the quarter ended September 30, 2013, the Company deemed it appropriate to reinstate certain austerity measures to curb and or eliminate, as much as possible, discretionary expenses and maintain, as much as possible, its financial position resulting in similar general and administrative expenses in this quarter compared to the corresponding period in 2012. Total operating expenses increased from $458,868 in 2012 to $674,930 in 2013 due to value attributed to the incentive stock options granted to directors, officers, employees and consultants. This expense, included in salaries and other employee benefits, is in the amount of $527,031. Also included in salaries and other employee benefits are director's fees, in the amount of $33,750 in 2013, that are being accrued but not being paid as a result of the austerity measures implemented in 2012 and reinstated in the second quarter of 2013. Office expenses also increased from $27,086 to $38,576 in 2013. The Company reported a gain on the disposal of short-term financial assets in the amount of $3,916 (a loss of $1,465 in 2012). There was a decrease in most of the individual expenses, such as advertising and exhibitions (from $7,872 to $2,702 in 2013); management fees (from $5,625 to $4,125 in 2013); travelling from $7,190 to $140in 2013) and professional and legal fees (from $67,642 to $27,921 in 2013).

Exploration Activities and Expenditures

For the nine-month period ended September 30, 2013, total investments in exploration and evaluation assets increased to an aggregate $13,732,554 from $13,022,994.

The Company's and the Reporting Subsidiaries' property interests in Québec, Ontario and Saskatchewan are considered to be prospective for precious (i.e. gold, silver and platinum group metals) and base-metals (i.e. nickel, copper, zinc, and cobalt), energy minerals (i.e. uranium) and industrial minerals (i.e. iron ore). During the quarter ended September 30, 2013, all of the new property acquisitions were the result of an on-going, project generative program conducted by the Company's in-house exploration staff.

Over the course of the Company's 2013 program, exploration expenditures were allocated mainly to the following activities: (i) diamond drilling and related field costs, but excluding technical/staffing, assaying and travel/transportation, (ii) regional and property compilation maps and reports for mandatory government assessment report filing and business development purposes; and (iii) project generation activities, directed at identifying and evaluating new opportunities.

The primary focus for the Company's project generation activities during the third quarter ending September 30, 2013 was in the Abitibi Greenstone Belt ("AGB") region of Québec and Ontario. No new properties were acquired. Claim maintenance fees as of the third quarter of 2013 on the Company's AGB properties amounted to $14,241.

Technical and field staff expenditures amounted to $59,744, as at quarter end for the Company's self-funded AGB Grassroots Exploration Project, project generation activities and/or related corporate developments.

During the third quarter of 2013, drilling activities on the Company's AGB Grassroots Exploration Project related for a total cost of $3,853. The Company has drilled a total of 195 targets (25,475m) on 51 properties (49 100%-owned and 2 joint-venture funded properties) in the AGB Grassroots Exploration Project since the program was originally initiated in 2003.

Related exploration program expenditures included $23,964 for sampling and testing, and $6,591 for travel and transport.

SUMMARY OF QUARTERLY RESULTS

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

	Sep 13	**Jun 13**	**Mar 13**	**Dec 12**	**Sep 12**	**Jun 12**	**Mar 12**	**Dec 11**
Total revenues ($)……….	0	2,023	0	0	4,633	2,721	360	470
Net loss($)	(695,966)	(332,509)	(380,120)	(381,273)	(2,802,693)	(371,311)	(637,835)	(669,105)
Basic and diluted net loss per share($).......................	(0.004)	(0.003)	(0.004)	(0.004)	(0.021)	(0.005)	(0.008)	(0.008)

FINANCIAL CONDITION

Liquidity and Capital Resources

Working capital as at September 30, 2013 was $712,276 compared to $2,276,896 as of December 31, 2012.

Additionally, the Company’s liquidity is adequate to cover its exploration commitments for 2013 given that the Company has an option to participate in any exploration program carried out under its the joint venture agreements, notwithstanding that should the Company elect not to participate in such programs, its respective interests in the particular property shall be correspondingly diluted. The Company also has flow-through funds on hand as a result of the sale of the FT Units completed in September and November of 2012.

Tax Credits and Mining Duties Receivable

The Company received $72,681 in August 2013 for a refundable income tax credit that it had claimed in 2012.

Contractual Obligations

		Payments due by period	
Obligation	Total	1 year or less	2 years or more
Office Lease	$ 151,236	$ 54,995	$ 96,241

CAPITAL STOCK INFORMATION

Authorized

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

Issued and Outstanding

The following details the issued and outstanding securities of the Company as at November 29, 2013:

Common shares: 85,859,356

Preferred Shares: Nil

Escrowed Shares: Nil

Share Purchase Warrants: 8,301,192

Incentive Stock Options:

Expiry Date	Outstanding	Exercise Price
December 22, 2013	525,000	$0.20
August 6, 2014	310,000	$0.30
December 22, 2015	865,000	$0.50
October 5, 2016	2,400,000	$0.35
July 23, 2017	745,000	$0.15
August 1, 2018	3,275,000	$0.07
TOTAL:	**8,120,000**	

On August 1, 2013, the Company granted incentive stock options (the "Options") pursuant to its Amended and Restated 2007 Stock Option Incentive Plan to its directors, officers, consultants, and employees to purchase an aggregate 3,275,000 of its common shares. The Options are exercisable at a price of $0.10 and are exercisable for a term of 5 years from the date of grant.

As a result of a bulletin issued by the TSX Venture Exchange on August 14, 2013, amending amongst other things the minimum pricing rules for convertible securities, the Corporation advises that it has amended the exercise price of an aggregate 3,275,000 incentive stock options originally granted on August 1, 2013 from $0.10 to $0.07. The re-pricing of the options has been approved by the TSX Venture Exchange on September 17, 2013.

OFF BALANCE SHEET ARRANGEMENTS

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

RELATED PARTIES TRANSACTIONS

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

	Nine-month period ended September 30	
	2013	2012
Short-term employee benefits		
Salaries including bonuses and benefits (1)	170,826	269,928
Benefits	14,717	21,690
Total short-term employee benefits (2)	185,543	291,618
Other transaction with consultants		
Rent (3)		5,000
Management Fees (4)	23,338	29,375
Professional fees (5)	30,000	15,000
Expenses capitalized in exploration and evaluation assets (4)	94,063	92,280
Total transactions with consultants	147,401	141,655
Share base payments	472,851	30,636
Total remuneration	805,795	463,909

(1) An amount of $101,958 has been accrued as an amount due to related parties. This amount represents director's fees which have been deferred and not yet paid as a result of the adoption by the Company of austerity measures in 2013. Notwithstanding that austerity measures were lifted by the Board of Directors during the first quarter of 2013, director's fees continue to be accrued indefinitely until the Board resolves otherwise.

(2) Includes amounts paid to the board of directors of the Company, and to Ms. Annie J. Karahissarian and Ms. Luciana Zannella, who are both officers of the Company.

(3) Amount paid to 2973090 Canada Inc., a company controlled by Mr. Glenn J. Mullan who is an officer and a director of the Company.

(4) Aggregate amount paid to 2973090 Canada Inc., a private company controlled by Mr. Glenn J. Mullan, an officer and director of the Company, and Rosatelli Exploration Services Enr., a company controlled by Mr. Michael P. Rosatelli, an officer of the Company.

(5) Aggregate amount paid to 9184-0876 Quebec Inc., a private company controlled by Mr. C. Jens Zinke, a director of the Company.

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

CORPORATE DEVELOPMENTS

On June 12, 2013, the Company held its annual general meeting of shareholders (the "Meeting") in Montreal. At the Meeting, shareholders approved the re-election of all of the members of the Company's board of directors, namely Messrs. Joseph Groia, Blair F. Morton, Glenn J. Mullan, Robert D. Smith, Chad Williams, and Dr. C. Jens Zinke. The board of directors is comprised of a majority of independent directors.

Additionally, amongst the other resolutions passed at the Meeting, shareholders confirmed the adoption of an amendment to the Company's by-laws requiring that advance notice be given to Golden Valley Mines in circumstances where a shareholder wishes to nominate a person for election as a director of the Company (the "By-Law Amendment"). A copy of the By-Law Amendment has been filed with regulators and is available for viewing under the Company's issuer profile on SEDAR through the internet at www.sedar.com.

OUTLOOK

Notwithstanding that Calone Canada (a wholly owned subsidiary of the Company) divested of its interest in Calone SL, the Company continues to review other international exploration opportunities, although no new acquisitions have been committed to, or have been completed as of the date hereof.

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

Furthermore, the general public market volatility that has continued to affect the overall state of the exploration industry has offered Golden Valley Mines new opportunities for its project generation ("PGEN") activities, where previously the demand for prospective land was at a much more competitive state. One of the Company's most important attributes is its ability to identify new high priority exploration opportunities and flexibility to adapt quickly to changing market conditions. Our exploration team routinely assesses government data and/or historical work reports to acquire prospective mining claims. The results of this grassroots exploration generative business model have led to the identification of new mineral occurrences (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.

POST-REPORTING DATE EVENTS

Financings

On November 21, 2013, the Corporation announced that it will conduct a non-brokered private placement offering pursuant to which it will issue up to 2,200,000 units (each a "Unit") at a per Unit price of $0.05 for gross proceeds of up to $110,000. Each Unit will consist of one common share and one-half of one non-transferable share purchase warrant, each whole warrant entitling the holder to purchase one common share at a per share price of $0.09 for a period of 18 months from the closing of the offering. The offering is subject to acceptance by the TSX Venture Exchange. All securities issued will be subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation.

Also, on November 21, 2013, the Corporation proposed, subject to acceptance by the TSX Venture Exchange, privately selling up to 500,000 common shares in the capital of Abitibi Royalties Inc. at a per share price of $0.40 for gross cash proceeds of up to $200,000. Each share purchased will include a right to purchase one-half of a further share of Abitibi Royalties (or, expressed as whole shares, an aggregate of up to 250,000 common shares) for a period of 18 months at a price of $0.45 per whole share of Abitibi Royalties. Further, as certain insiders of Golden Valley and Abitibi Royalties will participate in the proposed transaction, related party considerations will apply.

The proceeds raised from these offerings will be used for general corporate purposes.

RISKS AND UNCERTAINTIES

The Company does not generate income or cash flows from its operations. As at September 30, 2013, the Company had a cumulated retained deficit of $12,529,395 ($11,551,543 as at December 31, 2012). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

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

Nature of Mineral Exploration and Mining

There is no known mineral resource on the Company's properties (except with respect to Abitibi Royalties). Development of the Company's properties will occur only if satisfactory exploration results are obtained. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is, therefore, no assurance that the Company's mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of any of the Company's or the Reporting Subsidiaries' operations will be, in part, directly related to the cost and success of their respective exploration programs, which may be affected by a number of factors out of the Company's control. Substantial expenditures are required to establish reserves through drilling and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome.

Mineral Deposits and Production Costs; Metal Prices

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

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration programs planned by the Company will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or landslides, floods, power outages or fuel shortages, labour disruptions, fires, explosions, and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines. The Company has no experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company will rely upon consultants for expertise with respect to the construction and operation of a mining facility.

Additional Financing

Future exploration and development activities will require additional financing. There is no assurance that additional funding will be available to the Company when needed or that, if available, the terms of such financing will be commercially reasonable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests. The effects of these factors cannot be accurately predicted, but any of these issues could impede development or render it uneconomic. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. Any additional equity financing will cause dilution to shareholders and may result in a change of control.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar and the price of metals, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's businesses, operating results, and financial condition.

Global Financial Condition
Global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by various factors and the liquidity crisis affecting the asset-backed commercial paper market. As such, the Company is subject to counterparty risk and liquidity risk. The Company is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold the Company's cash; (ii) through companies that have payables to the Company's; and (iii) through the Company's insurance providers. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Company's shares could be adversely affected.

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

Competition
The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company's, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

No Assurance of Title to Property

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

Dependence on Key Individuals
The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of their exploration and

development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Environmental and other Regulatory Requirements

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

Unknown Environmental Risks for Past Activities

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

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as their ability to continue to explore, develop and operate those properties in which they have an interest or in respect of which they have obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

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 the Golden Valley Mines. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance

The Company does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if they were to obtain insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Influence of Third Party Stakeholders

The lands in which the Company hold interests, or the exploration equipment and road or other means of access which the Company intend 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 generally, 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 Company's shares on the Exchange cannot be predicted.

ADDITIONAL INFORMATION

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