Management's Discussion and Analysis

Golden Valley Mines Ltd.

For the period ended June 30, 2014

Dated: August 29, 2014

INTRODUCTION

The following is Management's Discussion and Analysis of the financial condition and results of operations of Golden Valley Mines Ltd. (the "**Company**" or "**Golden Valley Mines**") for the period ended June 30, 2014 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee. This discussion and analysis should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2013 and the related notes thereto. All figures are in Canadian dollars unless otherwise specified. The technical content in this Management's Discussion & Analysis has been prepared under the supervision of Glenn J. Mullan who is a "Qualified Person" as such term is defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Forward-Looking Statements

This document contains certain forward-looking statements. In some cases, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur, be achieved or continue, have been used to identify these forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict and are not to be interpreted as guarantees for future performance. These forward-looking statements could cause actual events or results to differ materially from those anticipated in such forward-looking statements. All forward-looking statements speak only as of the date hereof and, except as required by law, the Company does not undertake any obligation to update or publicly release any revisions to such forward-looking statements to reflect events, circumstances, or changes in expectations after the date hereof. Accordingly, readers should not place undue reliance on such forward-looking statements.

NATURE OF OPERATIONS

Golden Valley Mines is a mineral exploration company whose assets and those of its subsidiaries (including the Reporting Subsidiaries (as hereinafter defined), include 107 exploration properties located in the following areas: (i) the Abitibi Greenstone Belt (Ontario and Québec); (ii) the James Bay, Mistassini and Otish regions of northern Québec; (iii) the Nunavik (Ungava and Labrador) region of northern Québec; (iv) the Athabasca Basin of Saskatchewan; and (v) the James Bay Lowlands of Ontario.

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

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

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

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 (50), copper-zinc-silver (28), nickel-copper-PGE (7), molybdenum (1) and cobalt-silver-nickel (2) prospects located in Québec (65) and Ontario (23). 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 second quarter ending June 30, 2014, the Company's exploration work was focused on the completion of property compilations (for mandatory government assessment report filing and business development purposes) and project generation activities directed to identifying and evaluating new opportunities.

Field exploration will resume in the 3rd quarter of 2014 on the Company's 100%-owned prospects located in the Abitibi Greenstone Belt region. During the course of the year in response to market conditions, the Company curtailed the majority of its field expenditures on its self-funded exploration activities and instead directed activity primarily on in-house project generation activities, property compilations and assessment report filing.

Exploration work will be focused on preliminary fieldwork consisting of conventional "boot and hammer" prospecting and sampling over selective geophysical anomalies identified in the 2013 exploration program, where a total of four (4) grids were established (total of 81 line kilometres) and geophysical surveys (ground magnetic: 81 line kilometres and induced polarization: 63.5 line kilometres) completed on three (3) 100%-owned AGB properties (Arbade, Baden and Victoria Creek #1, #2 & #3 prospects), in addition to the Recession Larder Prospect (Integra Gold Corp AGB Joint Venture). The objective of this work is to identify priority targets for detailed follow-up geological-structural mapping, selective surface stripping, channel sampling, and if warranted, diamond drilling.

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. 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.

No exploration work was conducted on this property during the quarter ending June 30, 2014

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.

Fieldwork for the first year exploration program is set to get underway in the third quarter of 2014 as part of the initial work commitment of $250,000 of the option agreement.

Phase I of the 2014 first-year field program is budgeted at $125,000 and will be primarily focused on preliminary fieldwork consisting of the establishment of grids over priority target areas (prospective geological and ore deposit model attributes and/or previously untested geophysical anomalies) to facilitate the completion of detailed ground geophysical surveys. Initial fieldwork activities are planned for the North Contact, Venus New and Bogside prospects located in the Val-d'Or-Cadillac Abitibi region of Québec and the Cook Lake and Claw Lake prospects located in the Kirkland Lake and Shining Tree Abitibi regions in Ontario (please refer to the Company's January 18, 2012 news release for details on the property descriptions). The objective of this work will be directed to upgrading and advancing each of the properties to a "drill-ready" status.

James Bay Properties

F. Sirios Resources Ltd. – Cheechoo and Sharks Prospects

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

Properties. Notwithstanding the foregoing, the royalty relevant to gold mineral products mined or removed from the S&C Properties (the "Gold Portion") may vary between 2.5% and 3.5% depending on the market price of gold at the time of the payment of the Gold Portion.

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

On November 5, 2013, Sirios advised the Company of its intent to terminate the option on the Sharks Prospect; the Company now retains a 100% interest in the property.

Sirios, as operator of the program on the Cheechoo Prospect, announced the start-up of a diamond drilling campaign via a news release dated June 4, 2014 and subsequently the drill results from two drill holes dated June 9, 2014 (for additional details with respect to the exploration and field 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 property, 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.

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.

The initial reserve and resource estimates for the Malartic CHL Prospect and Royalty Claim were provided by Osisko in 2011. Subsequent year-end reserve and resource updates have been received by the Company for the years 2012 and 2013 and subsequently disclosed.

Please 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, March 6, 2013 and March 28, 2013.

For details pertaining to 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 Royalty 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 regards to the details pertaining the year-end 2013 gold reserve and resource estimate completed by Osisko in respect of Abitibi Royalties' interest in the Malartic CHL Prospect and the Royalty Claim, please refer to Abitibi Royalties' news release dated March 28, 2014.

In addition to the above property information, Abitibi Royalties announced a previously reported bulk tonnage mineralized target area known as the Norrie Zone. Highlights from the previously reported drilling (reported by Golden Valley Mines in 2008 prior to the Abitibi Royalties spinout) on the zones included 1.71 g/t over 236.2 meters, 1.41 g/t over 234.7 meters, 1.86 g/t over 120.7 meters and 1.47 g/t over 107.0 meters. The complete details on the Norrie Zone target can be found in Abitibi Royalties' news release dated August 19, 2014, which is available for viewing through the internet at the SEDAR website (www.sedar.com) by accessing Abitibi Royalties' issuer profile.

Osisko, Agnico Eagle Mines Limited and Yamana Gold Inc. entered into an arrangement agreement dated April 16, 2014 pursuant to which Osisko agreed to transfer its Canadian Malartic assets to a new partnership that would ultimately be owned by Agnico and Yamana as to 50% each. The Malartic CHL Property, however, was not transferred to the partnership and is still held by Osisko.

In other corporate developments, Abitibi Royalties announced it has appointed Ian Ball as President effective August 5, 2014.

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 58.75% 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.

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. No further work has been done in the past 12-months.

SELECTED QUATERLY INFORMATION [1]

	2014	2013	2012
Total Revenue ($)	2,523	2,023	360
Net loss and total comprehensive loss for the period ($)	(966,611)	(332,509)	(637,835)
Basic and diluted net loss per share ($)	(0.008)	(0.003)	(0.008)
Total Assets ($)	12,331,299	15,047,081	17,517,389
Total Liabilities ($)	1,426,661	1,112,839	1,462,847

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

DISCUSSION AND RESULTS OF OPERATIONS

In the second quarter ended June 30, 2014, the Company reported a loss before income taxes of $966,611 compared to $$332,509 in 2013, due to an increase in operating expenses from $230,570 to $955,030. There was an increase in both salaries and other employee benefits, due to the accrual of salaries and director's fees and in professional and legal fees, due to Abitibi Royalties having retained external counsel for its legal proceedings in the Malartic CHL matters. For further information, see also "Contingencies" below.

Revenues

Revenue in the amount of $2,522 was generated from the Company's active option and joint-venture properties for the second quarter ended June 30, 2014 ($2,023 in June 30, 2013).

Other Revenue

Other sources of income are interest and dividend income from cash and short-term financial assets ($4,311 for the second quarter ended June 30, 2014 compared to $5,461 for the same period in 2013). The Company did not sell any short-term investments held in its portfolio during the second quarter ended June 30, 2014 (loss on sale of short-term investments of $754 in the same period in 2013).

The Company held money market investment and mutual funds having a market value of $106,993 as at June 30, 2014 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 $454,998 as at June 30, 2014. The Company also has a guaranteed investment certificate (at an interest rate of 0.95% maturing in January 2015) in the amount of $300,000.

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 June 30, 2014, 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 2013. Total operating expenses increased from $610,690 in 2013 to $1,295,123I in 2014. Salaries and other employee benefits increased to $603,290 in 2014 (compared to $259,950 in 2013). Included in this amount are director's fees, in the amount of $200,083 ($34,458 in 2013) and salaries in the amount of $80,000 payable to the former president of Abitibi Royalties, 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. Part XII.6 and other taxes increased to $9,002 (compared to $3,049 in 2013) because of the taxes paid to both governments following the 2012 flow-through private placements. Professional and legal fees increased from $345,868 to $509,149 in 2014. The increase can be attributed to the increased professional fees expended by Abitibi Royalties Inc. in connection with the motion brought against Osisko Mining Corp., and the consequent legal proceedings arising as a result. For further details, please review the Management Discussion and Analysis for Abitibi Royalties for the 6 month period ended June 30, 2014 which can be accessed under Abitibi Royalties' issuer profile at www.sedar.com.Travelling increased from $41,875 in 2013 to $50,896. Office expenses remained the same $79,011 in 2014 (compared to $80,216 in 2013). There was a decrease in most of the individual expenses, such as; management fees (from $21,138 to $8,250 in 2014); advertising and exhibitions (from $33,273 to $23,773 in 2014) and exploration and evaluation expenditures (from $25,786 to $7,216 in 2014).

Exploration Activities and Expenditures

For the six month period ended June 30, 2014, total investments in exploration and evaluation assets increased to an aggregate $11,061,680 from $10,941,564 as at December 31, 2013.

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 second quarter of 2014, one new property was acquired in the Matachewan area of Ontario, totaling 3 claims comprised of 11 claim units and covering 176 hectares. This new property acquisition was the direct result of an on-going, project generation (PGEN) program conducted by the Company's in-house exploration staff.

During the second quarter ending June 30, 2014, the Company's 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.

The primary focus for the Company's project generation activities during the second quarter ending June 30, 2014 was in the Abitibi Greenstone Belt ("AGB") region of Québec and Ontario. One (1) new property was acquired by staking in the first quarter ending March 31, 2014. Claim acquisition and maintenance fees for this period on the Company's AGB properties amounted to $10,314.

No preliminary fieldwork consisting of the establishment of new grids and/or geophysical surveying was completed on any of the Company's and/or joint ventured-optioned properties.

Technical and field staff expenditures amounted to $33,236 during the second quarter ending June 30, 2014 for the Company's self-funded AGB Grassroots Exploration Project, project generation activities and/or related corporate developments.

No drilling activities were completed during the second quarter ending June 30, 2014. The Company has drilled a total of 195 targets (25,475m) on 51 properties (50 100%-owned and 2 optioned/joint-venture funded properties) in the AGB Grassroots Exploration Project since the program was originally initiated in 2003.

No sampling and testing expenditures were incurred during the period.

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.

	Jun 14	Mar 14	Dec 13	Sep 13	Jun 13	Mar 13	Dec 12	Sep 12
Total revenues ($)……….	2,523	0	8,108	0	2,023	0	4,633	2,721
Net loss($)	(966,611)	(364,149)	(2,592,937)	(695,966)	(332,509)	(380,120)	(2,802,693)	(371,311)
Basic and diluted net loss per share($).......................	(0.008)	(0.004)	(0.028)	(0.004)	(0.003)	(0.004)	(0.021)	(0.005)

FINANCIAL CONDITION

Liquidity and Capital Resources

Working capital as at June 30, 2014 was $95,844 compared to $849,265 as of December 31, 2013. The reduced working capital position stems from the lower cash and cash equivalents arising from reduced financing activities by the Company.

Financings

Non-brokered private placement, closed May 30, 2014 and June 6, 2014

The Company has closed a non-brokered private placement for gross proceeds of $450,000. Under the offering, Golden Valley issued 2,999,998 Units at a per Unit price of $0.15. Each Unit consists of one common share in the capital of Golden Valley and one-half of one non-transferable share purchase warrant, each whole warrant entitling the holder to purchase one common share of Golden Valley at a per share price of $0.22 until November 30, 2015 and December 5, 2015.

All shares acquired by the placees under the private placement and shares which may be acquired upon the exercise of the warrants are subject to a hold period until October 1, 2014, in accordance with applicable securities legislation. The proceeds raised from the private placement offering will be used by Golden Valley for general corporate purposes.

The Company received $71,978 in February 2014, for a refundable income tax credit that it had claimed in 2011 and 2012 ($19,372 for Golden Valley Mines and $52,606 for Nunavik Nickel Mines).

Management is of the view that the Company's liquidity position is adequate to cover its exploration commitments for 2014, given that the Company has an option to participate in any exploration program carried out under its joint venture agreements. However, should the Company elect not to participate in such programs, its respective interests in the particular property shall be correspondingly diluted.

Contractual Obligations

		Payments due by period	
Obligation	Total	1 year or less	2 years or more
Office Lease	$ 112,242	$ 56,121	$ 56,121

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 August 29, 2014:

Common shares: 92,601,354

Preferred Shares: Nil

Escrowed Shares: Nil

Share Purchase Warrants: 8,244,996

Incentive Stock Options:

Expiry Date	**Outstanding**	**Exercise Price**
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
June 30, 2019	854,025	$0.17
TOTAL:	**8,139,025**	

On June 30, 2014, 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 854,025 of its common shares. The Options are exercisable at a price of $0.17 and are exercisable for a term of 5 years from the date of grant.

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:

	Period ended June 30	
	2014	2013
Short-term employee benefits		
Salaries including bonuses (1)	121,984	107,440
Benefits	18,450	12,611
Director's Fees (2) (3)	200,083	34,458
Total short-term employee benefits	340,517	154,509
Other transaction with consultants		
Management Fees (4)	8,250	19,213
Professional fees (5)		30,000
Expenses capitalized in exploration and evaluation assets (4)	46,590	71,485
Total transactions with consultants	54,840	120,698
Share-based payments	250,418	
Total remuneration	645,775	275,208

(1) An amount of $80,000 (Nil in 2013) has been accrued in Salaries including bonuses by Abitibi Royalties to cover the salary of its president as an amount due to related parties. This amount has been deferred and not yet paid.

(2) An amount of $70,084 ($34,458 in 2013) has been accrued in Director's Fees as an amount due to related parties. This amount represents director's fees which have been deferred and not yet paid.

(3) An amount of $130,000 (Nil in 2013) has been accrued in Director's Fees by Abitibi Royalties to remunerate its three independent directors.

(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

At the Company’s Annual General Meeting held on June 30, 2014, shareholders re-elected five incumbent directors, being Joseph Groia, Blair F. Morton, Glenn J. Mullan, Chad Williams and Dr. C. Jens Zinke; and also elected as a director John S. Caldbick. Mr. Caldbick was a nominee of management to fill the vacancy created by the retirement of Robert D. Smith as a director of Golden Valley, who did not stand for re-election at the meeting. The Board of Directors extends sincere thanks to Mr. Smith for his contributions to Golden Valley during the years he served as a director, on the various committees of the directors, and in particular, acting as Chair of the Audit Committee. The Board wishes Mr. Smith well with his Halifax Mooseheads hockey club in the Québec Major Junior Hockey League (QMJHL) of the Canadian Hockey League and welcomes Mr. Caldbick to the Board.

John Caldbick is a Professional Engineer with a BSc, Mining Engineering from Queen’s University. He is currently the President of Advanced Mine Solutions, a privately-owned consulting company. Mr. Caldbick previously served as President and Chief Operating Officer of Canadian Royalties Inc. and as Vice President, Operations and Chief Operating Officer of Jien Canada Mining Ltd., the Canadian subsidiary of Jilin Jien Nickel Industry Co. Ltd. He has also worked with Silvercorp Metals Inc., New Pacific Metals Corp. and North American Palladium Ltd. Mr. Caldbick was the General Manager/Vice President Operations of the Lac des Iles mining complex from July 2008 to February 2011.

OUTLOOK

Notwithstanding that Calone Canada (a wholly owned subsidiary of the Company) divested 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 discoveries (Co-Ag-Ni, Ni-Cu-PGE and Au-VMS) in the Abitibi Greenstone Belt on 100%-owned properties; it has also assisted the Company in the successful creation of several option/joint venture agreements allowing for diamond drilling, in particular on those projects on which reconnaissance work has already been completed to identify prospective drill targets. In this manner, the Company remains focused on its core business of early-stage acquisitions, PGEN and drill target definition, while working with partners to conduct the more expensive and detailed drill-based exploration programs.

CONTINGENCIES

Abitibi Royalties Inc.

On May 30, 2014, following the approval by Osisko's shareholders of the plan of arrangement (the " Plan of Arrangement") among Osisko, Agnico Eagle Mines Limited and Yamana Gold Inc. dated April 16, 2014, the Company has filed a motion with the Quebec Superior Court to institute proceedings for the issuance of an injunction for the protection and enforcement of its contractual rights under the joint venture (refer to Note 9 - Exploration and Evaluation Assets). The Plan of Arrangement was approved by the Court with the following modifications; the Malartic CHL Property will not be transferred to the partnership along with the other Canadian Malartic assets and will be retained by Osisko and the proposed 5% NSR to be granted on the Canadian Malartic assets does not include the Malartic CHL Property. In addition, Osisko undertook not to transfer the Malartic CHL Property without first notifying the Company.

The Company also advised the Court that, at this stage of the proceedings, its primary claim is that Osisko has triggered the Company's right to re-acquire Osisko's 70% interest in the Malartic CHL Property, where recent exploration drilling has returned significant gold mineralization at the Odyssey Zone, as referenced in the Company's news release of April 23, 2014. On June 13, 2014, the Québec Superior Court ordered that the Company's claims and most importantly, whether the Company is entitled to a right of first refusal on Osisko's interest in the Malartic CHL Property as a result of Osisko's actions, be sent to arbitration without costs to either party, with the detailed reasoning for its decision to follow. The Company will carefully consider the Court's reasons once they have been received and will consider all of its options at that time in order to protect all of its rights and interests in the Malartic CHL Property.

POST-REPORTING DATE EVENTS

Uranium Valley Mines Ltd

On July 3, 2014, Uranium Valley Mines entered a Mining Option Agreement with 2973090 Canada Inc, ("2973090") pursuant to which the company has the option to acquire a 100% interest in the Porcupine Miracle Prospect. The Porcupine Miracle Prospect is comprised of four mineral claims located in the Langmuir Township in the province of Ontario, Canada. In consideration for the option, the company will issue 200,000 common shares as follows: 66,666 common shares (which shares have been issued), 66,667 common shares on July 17, 2015 and, 66,667 common shares on July 17, 2016. In order to exercise the option, the company is required to incur exploration expenditures of $50,000 by July 17, 2016 and, in addition, to maintain the property in good standing. The property will be subject to a royalty in favour of 2973090 equal to 3% of net smelter returns. Advance royalty payments of $10,000 per annum are payable by the company commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty. The transaction received approval from the TSX Venture Exchange on July 16, 2014.

2973090 Canada Inc., is a Canadian company owned and controlled by Mr. Glenn J. Mullan, the CEO of the Company.

RISKS AND UNCERTAINTIES

The Company does not generate income or cash flows from its operations. As at June 30, 2014, the Company had a cumulated retained deficit of $15,758,165 ($14,715,129 as at December 31, 2013). 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 its shareholdings in 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 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 repeated under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to risks such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Exploration and Development Risks

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

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

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

No Assurance of Title to Property

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

Dependence on Key Individuals
The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of their exploration and development activities. There can be no guarantee that such contractors and third parties will be

available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

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

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

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

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

Influence of Third Party Stakeholders
The lands in which the Company holds interests, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out work programs or general exploration mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the work programs of the Company may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Fluctuation in Market Value of Shares
The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity, including the market in which it is traded, the strength of the economy in general, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The future effect of these and other factors on the market price of the Company's shares on the Exchange cannot be predicted.

ADDITIONAL INFORMATION

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