GOLDEN VALLEY MINES LTD.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2017

Dated: November 20, 2017

INTRODUCTION

The following is Management's Discussion and Analysis of the financial condition and results of operations of Golden Valley Mines Ltd. (the "**Company**" or "**Golden Valley**") for the three and nine months ended September 30, 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee. This discussion and analysis should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2017 and the audited consolidated financial statements of the Company for the period ended December 31, 2016, and the related notes thereto. All figures are in Canadian dollars unless otherwise specified.

The technical content in this Management's Discussion & Analysis has been prepared under the supervision of Mr. 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 is a mineral exploration company whose assets and those of its subsidiaries (including the Reporting Subsidiaries (as hereinafter defined), include 99 exploration properties located in the following areas: (i) the Abitibi Greenstone Belt (Ontario and Québec); (ii) the James Bay; (iii) the Nunavik (Ungava and Labrador) region of northern Québec; and (v) the James Bay Lowlands of Ontario.

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

The Company has three subsidiaries: Abitibi Royalties Inc. ("Abitibi Royalties"), Val-d'Or Mining Corporation ("Val-d'Or Mining") (previously Nunavik Nickel Mines Ltd.), and Calone Mining Ltd. ("Calone") together, the "Reporting Subsidiaries"). See section herein, *Property Interests Assigned to the Reporting Subsidiaries*.

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

The information detailed in this report and pertaining to Abitibi Royalties and Val-d'Or Mining, has been extracted from the Management's Discussion and Analysis prepared by each of the Reporting Subsidiaries and electronically filed with regulators, which are publicly available for viewing through the internet on the SEDAR website (www.sedar.com) under their respective issuer profile.

CORPORATE DEVELOPMENT

Mining Option Agreement with Val-d'Or Mining Corporation

On July 17, 2017, the Company announced that the TSX Venture Exchange has issued its final acceptance of the Mining Option Agreement (the "Option Agreement") made as of April 18, 2017, pursuant to which Golden Valley has granted to Val-d'Or Mining effective July 31, 2017 an option to acquire a 100% interest in 61 of its grassroots properties. Val-d'Or Mining is a reporting subsidiary of Golden Valley by virtue of Golden Valley's own percentage holding of 44.49% in Val-d'Or Mining combined with interest of certain members of its Board of Directors in Val-d'Or Mining as well as its ability to appoint key management who have the ability to direct its activities.

Pursuant to the terms of the Option Agreement, Val-d'Or Mining must incur $4,000,000 of expenditures with respect to exploration and other mining operations on the properties before December 31, 2021 (with $500,000 to be incurred on or before December 31, 2018; $750,000 to be incurred on or before December 31, 2019; $1,000,000 to be incurred on or before December 31, 2020 and $1,750,000 to be incurred on or before December 31, 2021).

As consideration for the option, Val-d'Or Mining will issue 16,666,668 common shares to Golden Valley at a deemed price of $0.12 per share for an aggregate deemed value of $2,000,000 (issuable as to 25% on or before each of December 31, 2018, 2019, 2020 and 2021). In addition, Val-d'Or Mining has granted Golden Valley a royalty equal to 1.25% of the net smelter returns from the properties on the terms set out in the Option Agreement. One (1) percent of the royalty may be bought back by Val-d'Or Mining by paying Golden Valley $5,000,000 at Val-d'Or Mining's option, in cash or shares at a deemed price per share equal to the market price of Val-d'Or Mining's shares at the time of such election. If Val-d'Or Mining has issued the shares and incurred the expenditures provided for in the Option Agreement, it may exercise the option on or before December 31, 2021.

Golden Valley will retain 17 of its currently held properties (in whole or in part pursuant to its interests in the various joint venture agreements it has entered into with third parties) and will continue to meet the listing requirements to be a Tier 2 mining issuer on the TSX Venture Exchange.

PROPERTIES AND INTEREST

Abitibi Greenstone Belt ("AGB") Grassroots Exploration Project

The AGB properties (including the 61 grass roots properties optioned to Val-d'Or Mining as discussed above) are comprised of gold (43), copper-zinc-silver (30), nickel-copper-PGE (1), molybdenum (2) and cobalt-silver-nickel (2) prospects located in Québec (54) and Ontario (24).

Golden Valley Mines' exploration strategy consist 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.

The Company’s exploration work to date in 2017 was focused primarily on the completion of regional and property compilations for exploration planning and business development purposes, and on project generation activities directed to identifying and evaluating new opportunities and business development purposes. In addition, an initial remote sensing study was completed over the Richore Prospect, located northwest of Matachewan Ontario. The property is host to several historical gold showings and is part of a larger exploration land package held by the Company.

Option and Joint Venture Properties

Abitibi Greenstone Belt Programs

a) Integra Gold Corp. (“Integra”) Joint Venture – AGB

In 2008, the Company earned a 70% interest in the group of nine (9) properties (8 gold and 1 copper-zinc-silver) located on the AGB (Québec and Ontario) and a joint venture was formed thereon with Integra. The Company is the operator during the joint venture phase.

A phase II prospecting and sampling program was completed over the property as part of the agreement with Abitibi Royalties to fund the claim renewal fees in exchange for a 2% NSR on the property. Dependent on these results, a follow-up program will be planned, including diamond drilling along an untested induced polarization anomaly over an area of no outcrop.

b) BonTerra Resources Inc. – Lac Barry, Québec

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

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

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

On September 19, 2017, the Company announced the receipt from BonTerra of results of a diamond drill program on the Lac Barry Prospect. A new gold and silver bearing horizon ("Temica Gold Zone") was discovered. The disclosed drill intersections described below are located on the Lac Barry Property claims. The information that follows have been prepared by BonTerra and has not been independently verified by the Company:

- Hole CL-17-14 discovery of new mineralized zone (Temica Gold Zone) with an intersection of 4.7 g/t Au and 44.6 g/t Ag over 2.7 m at 250 m below surface. This drill hole is located over 4 kilometers to the southwest of the Gladiator deposit.

- Drillhole 17-14 returned 44.6 g/t Ag with the presence of galena as additional sulphide mineralization.

- Hole CL-17-06 intersects new mineralized zone (Temica Gold Zone) with an intersection of 13.0 g/t Au over 1.0 m at 200 m below surface, and located over 5 kilometers to the southwest of the Gladiator Gold Deposit.

- Hole CL-17-01 also intersected the Temica Zone near surface with close proximity to drill hole CL-17-14, but was located too close to the zone and resulted in a partial intersection.

- Three drill holes now exist in the Temica Zone over a one kilometer length as described above.

- The previously completed till sampling and induced polarization surveys led to the drilling and discovery of the Temica Zone. Further drilling will be conducted on additional targets and identified trends as well as on the Temica Zone.

- Both CL-17-06 and CL-17-14 intersected shear zone hosted mineralized quartz-carbonate veining with pyrite and sphalerite.

c) Battery Mineral Resources - Island 27 Property, Ontario

On June 1, 2017, the Company entered into mining option agreement with Battery Mineral Resources Limited (“Battery Minerals”) (which superceded a term sheet dated March 4, 2017) pursuant to which the Company will grant to Battery Minerals an option to acquire up to an 80% interest in the Island 27 Property, located in the Matachewan area, west of Kirkland Lake, Ontario, in consideration for which the Company will receive $500,000 in cash payments and Battery Minerals will incur $5,000,000 in expenditures over a 4 year period. Once the option is exercised, the Company will have a 20% free carried interest in the property and a 1% NSR. The Company received a $25,000 non-refundable deposit in accordance with the term sheet, and an additional $75,000 upon execution of the option agreement, for an aggregate of $100,000 towards the $500,000 cash payment.

A ground follow-up prospecting, mapping and sampling program is planned in advance of a Winter 2018 drill program. In addition, selective historical drill holes will be reviewed and re-sampled if warranted.

d) Alexandria Minerals Corporation - Centremaque Property, Québec

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

In May 2017, the Company received 357,143 common shares of Alexandria relating to this mining option agreement.

The project operator, Alexandria has reported that the following work has been completed on the property per the first-year work commitment. As of August 2017, Alexandria has compiled all of the drill holes from 1940 to 1994 in preparation for a Winter 2018 drill program. Based on this compilation work, the mineralization intersected on the property is similar to that at Zone #4 on the Orenada deposits. Mineralization consists of traces to 7% arsenopyrite and 1-5% pyrite with local traces of pyrrhotite and chalcopyrite. The arsenopyrite and pyrite are localized in the wallrock of the veins and veinlets, composed of smokey quartz, carbonate and tourmaline. The veins and veinlets are hosted in intermediate and felsic tuffs, sediments of the Malartic Group and talc-chlorite schists of the Piché Group. The next step in advance of drilling will be to try and locate the drill holes from 1987, 1988 and 1994 to verify their locations between the historical work reports verses the government geological database (SIGÉOM).

James Bay Properties

a) Sirios Resources Ltd. – Cheechoo Prospect

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

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

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

The operator of the Cheechoo Gold Project, Sirios has recently provided three (3) exploration updates on the project. Please see Sirios press releases dated September 7, 2017 (release of the final drill hole results from the Winter 2017 drill campaign completed in April for a total of 5,397 metres including 14 NQ drill holes from #94 to #107 and extensions of drill holes #36, 37, 58 and 82), September 14, 2017 (announcing the start of a new 2017-2018 drill program) and October 3, 2017 (announcing surface channel results) for further information.

Property Interests Assigned to the Reporting Subsidiaries

1) Abitibi Royalties Inc.

Abitibi Royalties has the objective to build a premium quality royalty company by acquiring first class royalties and by exploring, evaluating and promoting its mineral properties and other projects. Golden Valley holds an approximate 49.14% interest in Abitibi Royalties as at September 30, 2017. As of the date of this Management's Discussion and Analysis ("MD&A"), Abitibi Royalties holds interests amongst others, in the following assets.

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

The area covered by the 3% net smelter royalty ("NSR") is located immediately east of the current Canadian Malartic Mine open pit operated by Canadian Malartic GP (50% owned by Agnico Eagle Mines Limited ("Agnico Eagle") and Yamana Gold Inc. ("Yamana"). The 3% net smelter royalty covers a number of known mineralized zones; the eastern part of the Barnat Extension, the Jeffrey Zone, the Norrie Zone (part of the East Malartic Mine that is not in production), Odyssey North, the extreme northwest portion of Odyssey South and Abitibi Royalties believes the majority of the recently published assays results from the Jupiter and North Internal Zones. No value for accounting purposes has been assigned to the 3% NSR royalty.

b) Canadian *Malartic 2% NSR Royalty – Malartic, Québec*

The area covered by the 2% NSR is on a single claim located just to the south of the Canadian Malartic main pit, and covers the eastern portion of the Gouldie Zone and the historic Charlie Zone. Production on the 2% NSR area started in 2014 and total royalty payments of $348,795 were received. Canadian Malartic GP reported that mining at the Gouldie deposit, stopped at the end of June 2015.

c) Abitibi Royalty Search Program

In June 2015, Abitibi Royalties launched the "Abitibi Royalty Search Program", by which it would reimburse renewal fees on existing claims or staking fees on new claims and will receive in exchange a net smelter return royalty. The program offers mining companies and prospectors an alternative to dropping potentially interesting claims or projects due to a lack of funds. Projects have to meet specific criteria to be eligible, such as being located close to an existing mine, have good geology and signs of mineralization through previous exploration.

Since the program has been launched, Abitibi Royalties invested a total of $195,375 in 13 projects located in Canada, in the provinces of Ontario, Quebec and Saskatchewan, and in Turkey. These amounts were expensed in the corresponding years because Abitibi Royalties does not expect to receive royalty income in the foreseeable future.

2) Val-d'Or Mining Corporation

Val-d'Or Mining is involved in the process of exploring, evaluating and promoting its mineral properties and other projects. Golden Valley holds an approximate 44.49% interest in Val-d'Or Mining as at September 30, 2017 and as of the date of this MD&A.

Val-d'Or Mining concentrated its effort during the third quarter ending on September 30, 2017 on three properties (Baden Prospect, Magoma Prospect and the Oregon Prospect) under which NI 43-101 Technical Reports were completed by the Geologica Groupe Conseil, an independent geological Consultant group based in Val-d'Or, Quebec. The Baden Prospect NI 43-101 Technical report was subsequently filed and accepted by the Exchange on behalf of Val-d'Or Mining for filing proposes. Further details can be accessed from the technical report entitled "Val-D'Or Mining Corporation (formerly Nunavik Nickel Mines Ltd.) NI 43-101 Technical Report of Baden Property" dated September 21, 2017 by accessing Val-d'Or Mining's issuer profile through the internet on the SEDAR website (www.sedar.com).

Val-d'Or Mining holds interests amongst others, in the following assets:

a) 2973090 Canada Inc. - Boston Bulldog Prospect

The Boston Bulldog Prospect is a group of three mineral claims located in Kirkland Lake, Ontario.

On February 16, 2015, as amended, Val-d'Or Mining was granted an option to acquire a 100% interest in the Boston Bulldog Prospect from 2973090 Canada Inc. ("2973090"), a company controlled by officer and director of the Company. In consideration of the grant of the option, Val-d'Or Mining paid 2973090 $5,000 to cover 2973090's costs of staking the property and issued 300,000 common shares to 2973090. Val-d'Or Mining must incur mining operation expenditures of $50,000 by April 7, 2018 and must keep the property in good standing.

The property is subject to a 3% NSR, which in accordance with the terms of the option agreement, Val-d’Or Mining can reduce from a 3% to 2% NSR by paying $1,000,000 at any time on or before February 16, 2022. To this date there is no known mineral deposit on the Boston Bulldog Prospect.

On December 30, 2016, three mining claims expired and Val-d’Or Mining attempted to re-stake the claims, but was met with competition for the said claims and they were staked by another party. However, Val-d’Or Mining was of the opinion that the other party did not follow proper staking procedures on one of the claims, re-staked it and subsequently submitted a claim dispute to Mining Recorder at the Ministry of Northern Development and Mines ("MNDM"). No decision has been made by the MNDM on the ongoing claim dispute at this time. Consequently, Val-d’Or Mining determined that the Boston Bulldog Project is impaired.

b) Chapais-Chibougamau Prospect – North-Central Québec

The Chibougamau-Chapais Prospect is a non-contiguous group of 40 claims, covering 2,203.65 hectares, located in the Chibougamau area in north-central Québec, which were staked by Val-d’Or Mining in the second quarter of 2016. A prospecting and sampling program was completed by Val-d’Or Mining. Assay results remain pending.

c) Shoot-Out Prospect - Northern Quebec

The Shoot-Out Prospect is the combination of two properties, Shoot-Out East and Shoot-Out West, and consists of 62 claims located in the Raglan Belt of northern Quebec. Val-d’Or Mining has a 100% ownership interest in this property that is subject to a 3% NSR in favour of the original vendors, one of which is a director and officer of Val-d’Or Mining. Since it is not planning any work in the near future, Val-d’Or Mining made the decision to impair its Shoot-Out Prospect.

d) Fortin Prospect - Abitibi, Quebec

The Fortin Prospect is located in the central part of Ducros Township, approximatively 80 kilometres northeast of the City of Val-d'Or, Quebec, and consists of 5 contiguous mining claims. Val-d’Or Mining holds a 100% interest in this property that is subject to a 1.5% NSR in favour of the original vendors. Val-d’Or Mining retains the right to buyback the NSR at anytime; 0.5% buyback for $500,000 and 1% buyback for $1,000,000. This prospect was impaired in the year ended December 31, 2013. No work is planned in the near future.

e) Marymac Prospect – Labrador, Quebec

The Marymac Prospect located in the Labrador Trough of Quebec, consists of 32 Map Designated Units (each an "MDU"). Val-d’Or Mining holds a 100% interest in the Marymac Prospect that is subject to a 2% net smelter royalty ("NSR") interest in favour of Capex Group Inc. (formerly 862539 Alberta Ltd.), which was granted pursuant to an agreement dated March 1, 2001. Since it is not planning any work in the near future, Val-d’Or Mining made the decision to impair its Marymac Prospect at December 31, 2016.

Investment in Associate

International Prospect Ventures (formerly "Uranium Valley Mines Ltd.")

Golden Valley Mines holds an approximate 20.8% interest in Uranium Valley Mines Ltd ("Uranium Valley") as at September 30, 2017 and as of the date of this MD&A.

In October 27, 2017, Uranium Valley changed its name to International Prospect Ventures. In addition, Uranium Valley received acceptance for its common shares to graduate from NEX and commenced trading on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ".

Uranium Valley is involved in the process of exploring, evaluating and promoting its mineral property interest. It owns a 100% interest in the Porcupine Miracle Prospect consisting of four mineral claims located in Langmuir Township in Ontario; a 40% interest in the Beartooth Island Prospect located in the Athabasca Basin in Saskatchewan, which is the subject of an agreement with Ditem Explorations Inc ("Ditem") and of which Ditem is the operator; and a 100% interest in the Otish and Mistassini Prospects located in the North central region of Quebec. Uranium Valley is also in the process of identifying and evaluating other mineral property opportunities in Canada and internationally.

Further discussion and analysis of the financial condition and results of operations of Uranium Valley for the third quarter ended September 30, 2017, is included in Uranium Valley's Management's Discussion and Analysis, which has been electronically filed with regulators by Uranium Valley and is available for viewing at the SEDAR website (www.sedar.com) under Uranium Valley's issuer profile.

SELECTED INFORMATION

This table represents selected information for the Company and its subsidiaries for the nine months ended September 30, 2017, 2016 and 2015:

	2017	2016	2015
Total Revenue ($)	288,073	220,895	617,547
Net income (loss) and total comprehensive income (loss) for the period ($)	(4,519,988)	23,884,074	16,133,827
Net income (loss) and total comprehensive income (loss) attributable to shareholders of Golden Valley Mines Ltd. ($)	(3,322,469)	12,118,815	9,013,419
Net income (loss) and total comprehensive income (loss) attributable to the Non-controlling interest ($)	(1,197,519)	11,765,259	7,120,408
Basic earnings (loss) per share ($)	(0.027)	0.107	0.094
Diluted earnings (loss) per share	(0.027)	0.101	0.090
Total Assets ($)	44,141,947	64,341,050	35,346,720
Total Liabilities ($)	4,124,109	9,281,686	7,298,252

In prior years and up to May 23, 2017, the Company had control over Uranium Valley. On May 23, 2017, Uranium Valley issued 1,400,000 common shares pursuant to an exercise of share purchase warrants further reducing Golden Valley's interest in Uranium Valley to 20.8% (December 31, 2016 - 22.8%). As a result of this transaction, the Company reviewed the criteria for previously consolidating its investment in Uranium Valley and determined the Company no longer controls Uranium Valley but just has significant influence.

Consequently, effective May 23, 2017, the Company recognized the investment in Uranium Valley using the equity method, under which the investment is recognized at fair value. Comparative figures as at and for the nine months ended September 30, 2016 and 2015 have not been restated. For further details, refer to Note 10 of the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2017.

DISCUSSION AND RESULTS OF OPERATIONS

For the three months ended September 30, 2017, the Company recognized consolidated net loss of $1,854,520 compared to a consolidated net loss of $36,722 for the same period in 2016. The increase in consolidated net loss for the quarter is a result of higher share-based compensation recognized in the current quarter of $1,347,606 compared to $nil for the same period in 2016. Shares-based compensation expense includes the amount of $1,211,139 from Golden Valley's September 2016 grant of 9,305,934 common shares at an exercise price of $0.35 per share, which vest equally over a period of 3 years, that is allocated for the three months ended September 30, 2017.

For the nine months ended September 30, 2017, the Company recognized consolidated net loss of $4,519,988 (or $0.027 loss per share) compared to a consolidated net income of $23,884,074 (or $0.107 earnings per share) for the same period in 2016. The better results in 2016 are mainly from the change in fair value of Abitibi Royalties' investment and derivative instruments in the common shares of Agnico Eagle Ltd. ("Agnico") and Yamana Gold Inc. ("Yamana") and from a gain of $4,157,110 on the reversal of a success fee liability.

In the first nine months of 2016, the value of Abitibi Royalties' investment in the common shares of Agnico and Yamana increased to $51,571,554 from $25,278,161 at December 31, 2015 and accordingly Abitibi Royalties recorded an increase in fair value of $26,293,393. The reversal of the success fee liability of $4,157,110 in 2016 is the result of Abitibi Royalties terminating a Management Success Fees Agreement on March 11, 2016. Following the sale of the Malartic CHL Property in 2015, a success fee payable of $4,290,000 was recognized under this Management Success Fees Agreement. Prior to its termination, an amount of $132,890 was paid out ($117,000 paid in 2015 and $15,890 paid in January 2016) under the terms of the Management Success Fees Agreement, with no further amounts payable Following this termination, the remaining liability of $4,157,110 was derecognized in the first quarter of 2016.

Revenues

For the three and nine months ended September 30, 2017, the Company recognized consolidated revenues of $70,201 and $288,073 ($81,010 and $220,895 for the three and nine months ended September 30, 2016), respectively.

For the nine months ended September 30, 2017, the Company received an option payment in the amount of $100,000 from Battery Minerals; an option payment in the amount of $25,000 from BonTerra and shares in the amount of $25,000 from Alexandria Minerals. A portion of the cash consideration received by the Company directly from Battery Minerals ($42,933) and BonTerra ($25,000) was credited against the costs previously capitalized to the properties. No option revenue was received from the Company's active option and joint-venture properties for the three months ended September 30, 2017.

For the three and nine months ended September 30, 2017, Abitibi Royalties received dividend income of $62,213 and $196,966 from its investment in the common shares of Agnico and Yamana compared to $81,010 and $219,353 for the same period in 2016, respectively. For the three and nine months ended September 30, 2017 and 2016, Val-d'Or Mining had no operating revenues.

Operating Expenses

Three months ended September 30, 2017 compared to three months ended September 30, 2016:

For the three months ended September 30, 2017, the Company recognized consolidated operating expenses of $2,074,621 compared to $730,538 for the same period in 2016. The increase in consolidated operating expenses is due to higher share-based compensation of $1,347,606 (compared to $nil for 2016) substantially relating share-based payments of $1,211,139 from Golden Valley's September 2016 grant of 9,305,934 common shares at an exercise price of $0.35 per share, which vest equally over a period of three years, and share-based payments of $136,467 from Abitibi Royalties' 2016 restricted share units grants that are allocated to the current quarter.

Nine months ended September 30, 2017 compared to nine months ended September 30, 2016:

For the nine months ended September 30, 2017, the Company recognized consolidated operating expenses of $4,359,418 compared to $68,821 for the same period in 2016. The increase in consolidated operating expenses is due to higher salaries and other employee benefit expense of $1,221,657 (compared to $747,582 for 2016) and higher share-based compensation of $1,653,008 (compared to $1,123,386 for 2016).

The increase in salaries and other employee benefits relate to a general salary increase that came into effect in June 2016 as well as a bonus of $247,500 and additional cash award of $87,750 that were paid to officers, directors and consultants of Abitibi Royalties. No bonus or cash awards were given in 2016. The higher share-based compensation expense relates to Golden Valley's September 2016 grant of 9,305,934 common shares at an exercise price of $0.35 per share, which vest equally over a period of 3 years, that is allocated for the nine months ended September 30, 2017.

Operating expenses for 2016 also includes a gain of $4,157,110 on the reversal of the success fee liability as described above and a loss on disposal of exploration and evaluation assets of $1,106,927. The loss on disposal of exploration and evaluation assets of $1,106,927 in 2016 relates to Golden Valley's transfer to Sirios Resources Ltd. ("Sirios") of its remaining 55% interest in the Cheechoo prospect pursuant to Sirios having completed all of its obligation under an option agreement dated October 23, 2013 to earn 100% interest in the Cheechoo prospect.

Other Income (loss)

Three months ended September 30, 2017 compared to three months ended September 30, 2016:

For the three months ended September 30, 2017, the Company recognized consolidated other income of $15,340 compared to $143,062 for the same period in 2016. The decrease in consolidated other income is from a higher foreign exchange loss recognized in 2017 relating to the translation of US dollar denominated cash balances into Canadian dollars at Abitibi Royalties. The Company also recorded a loss of $22,648 in the current quarter on its investment in Uranium Valley, an investment that is equity accounted starting May 23, 2017.

Other Income (loss)

<u>Nine months ended September 30, 2017 compared to nine months ended September 30, 2016:</u>

For the nine months ended September 30, 2017, the Company recognized consolidated other loss of $1,074,880 compared to consolidated other income of $26,968,102 for the same period in 2016. Other income from 2016 includes a fair value adjustment of $26,861,680 which substantially relates to the unrealized gain recognized on Abitibi Royalties' investment in the shares of Agnico and Yamana.

Other loss in 2017 stems from the unfavourable fair value adjustment of $1,070,784 resulting from lower valuations of Abitibi Royalties' investments and higher foreign exchange loss of $402,907, offset by a gain of $450,912 resulting from the loss of control of Uranium Valley, a former subsidiary at Golden Valley. For further details on Uranium Valley, refer to Note 10 of the unaudited condensed consolidated interim financial statements as at September 30, 2017.

Deferred Income Taxes

For the three and nine months ended September 30, 2017, the Company recognized consolidated deferred tax recovery of $134,560 and $626,237 compared to deferred tax recovery (expense) of $469,744 and ($3,236,102) for the same period in 2016, respectively.

Deferred income tax is impacted by the change in the fair value of Abitibi Royalties' investment in the common shares of Agnico and Yamana as Abitibi Royalties' tax cost on these investments is insignificant compared to the market value of those common shares. The potential tax liability on the capital gain to be realized on the eventual sale of those common shares, net of the tax reduction from the operating losses realized in past years, has been recognized in the deferred tax liability of $3,200,185 at September 30, 2017, a reduction from the deferred tax liability balance of $3,826,422 as at December 31, 2016.

FINANCIAL CONDITION REVIEW

Cash and cash equivalents

The Company ended the third quarter of 2017 with cash and cash equivalents of $6,435,972 compared to $2,725,177 as at December 31, 2016. The Company holds cash balances in both Canadian and U.S. dollars.

Restricted cash

Restricted cash of $1,344,878 (or US$1,077,627) relates to funds held as collateral on the put option contracts of 108,600 shares of Agnico referred to in the *Deferred financial instruments* below. The funds will become unrestricted once the put option contracts are exercised, repurchased or expired.

Short-term Financial Assets

The Company holds publicly traded securities, comprised of common shares of third party optionees issued to the Company in accordance with the terms of option agreements described above, having a market value of $1,340,649 as at September 30, 2017, compared to $2,071,611 as at December 31, 2016.

The Company also has guaranteed investment certificates of $480,000 (compared to $250,000 as at December 31, 2016) at an interest rate of 0.5% maturing in March and July of 2018.

Investment in Associate

The investment in associate relates to the Company's investment in Uranium Valley. As at September 30, 2017, the Company has a 20.8% interest in Uranium Valley.

For the three months ended September 30, 2017, the Company recognized a loss of $22,648 from its share in the associate. The Company has no contingent liabilities relating to its interest in the associate.

Exploration and evaluation assets

Exploration and evaluation assets totaled $3,139,641 as at September 30, 2017 compared to $3,029,712 as at December 31, 2016. The Company's consolidated exploration and evaluation assets consist of projects and interest as follows:

a) Golden Valley's Abitibi Greenstone Belt Grassroots exploration projects comprising of gold, copper-zinc-silver, nickel-copper-PGE, molybdenum and cobalt-silver-nickel prospects located in Québec and Ontario, with a carrying amount of $3,058,677 as at September 30, 2017 (December 31, 2016 - $2,916,231);
b) Abitibi Royalties' 100% interest in the Luc Bourdon Prospect located in the lowland region of James Bay, Ontario, with a carrying amount of $39,252 as at September 30, 2017 (December 31, 2016 - $38,977); and,
c) Val-d'Or Mining's Chibougamau-Chapais Prospect (Quebec) and Abitibi Greenstone Belt Prospect (Quebec and Ontario), with a carrying amount of $41,712 as at September 30, 2017 (December 31, 2016 - $60,009).

The Company reviewed certain of its exploration and evaluation assets and determined an amount of $52,666 (none in 2016) as an impairment on its exploration and evaluation assets.

Investments

	As at September 30, 2017		As at December 31, 2016	
	Number of shares	Fair value	Number of shares	Fair value
Yamana Gold Inc.	3,549,695	$ 11,713,993	3,549,695	$ 13,382,350
Agnico Eagle Mines Limited	335,497	18,918,676	444,197	25,074,921
		$ 30,632,669		$ 38,457,271

On January 20, 2017, Abitibi Royalties was called to deliver 108,700 shares of Agnico (43,600 shares at US $45 per share and 65,100 shares at US$40 per share) and received, net of commission paid, $6,096,765 (or US$4,564,813) from the covered call contract it had sold.

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

Derivative Financial Instruments

For the nine months ended September 30, 2017, Abitibi Royalties sold 29,417 calls and 4,444 put option contracts (3,476 calls and 4,444 puts on Agnico Eagle shares and 25,941 calls on Yamana Gold shares) for total cash proceeds of $1,225,554 (or US$937,112).

For the nine months ended September 30, 2016, Abitibi Royalties sold 11,346 call option contracts covering 1,1011,600 share of its investment in Yamana and 123,000 in Agnico, for total cash proceeds of $451,318 (or US$347,168).

The status of the call option contracts as at November 20, 2017 is presented in the table below:

	Price in US Dollars	Number of shares	Option Expiry Date	% of shares held
Yamana Gold	$ 4.00	318,900	January 19, 2018	8.98%
	$ 4.00	142,700	January 18, 2019	4.02%
	$ 4.00	3,000	January 17, 2020	0.08%
	$ 4.50	145,000	January 19, 2018	4.08%
	$ 4.50	100,000	January 18, 2019	2.82%
	$ 5.00	342,700	January 19, 2018	9.65%
	$ 5.00	247,400	January 18, 2019	6.97%
	$ 5.00	88,900	January 17, 2020	2.50%
	$ 5.50	727,300	January 19, 2018	20.49%
	$ 5.50	194,700	January 18, 2019	5.48%
	$ 7.00	251,900	January 19, 2018	7.10%
	$ 7.00	786,600	January 18, 2019	22.16%
	$ 7.00	189,600	January 17, 2020	5.34%
		3,538,700		**99.69%**

	Price in US Dollars	Number of shares	Option Expiry Date	% of shares held
Agnico Eagle	$ 60	27,000	January 19, 2018	8.05%
	$ 60	23,000	February 16, 2018	6.86%
	$ 60	5,000	May 18, 2018	1.49%
	$ 60	45,000	January 18, 2019	13.41%
	$ 65	17,400	January 19, 2018	5.19%
	$ 65	10,000	February 16, 2018	2.98%
	$ 65	34,600	May 18, 2018	10.31%
	$ 65	2,500	January 18, 2019	0.75%
	$ 65	7,500	January 17, 2020	2.24%
	$ 70	46,300	May 18, 2018	13.80%
	$ 70	75,000	January 18, 2019	22.35%
	$ 75	20,400	January 18, 2019	6.08%
		313,700		**93.50%**

The status of the put option contracts as at November 20, 2017 is presented in the table below:

	Purchase	Number of shares	Option Expiry Date	Potential Costs
Agnico Eagle				
	$ 39	65,100	February 16, 2018	$2,538,900
	$ 44	43,500	December 15, 2017	1,914,000
Total		108,600		

Potential costs if put options are exercised:	USD	$4,452,900
Potential costs if put options are exercised:	CDN	$5,696,595

Abitibi Royalties only sells call options when it owns the underlying shares. Should covered calls be sold, it is Abitibi Royalties' objective to use strike prices that are anticipated to be well above the share price of Agnico and Yamana at the time the contract is written, with contracts generally expiring between 1 month and 2 years. Abitibi Royalties only writes put contracts when it has the required funds (in the currency which the contract was written) to purchase the underlying shares should the put contract be exercised. To date, put contracts have been written on Agnico in order to repurchase the 108,700 shares which Abitibi Royalties was called on in January 2017. The put contracts have been priced below the amount that the shares were sold. The contract expiry for the put contracts ranged from 1 to 4 months.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include an amount of $36,154 (December 31, 2016 - $36,154) due to officers and a director of the Company and an amount of $268,415 (December 31, 2016 - $284,037) consisting of trade and salaries payables.

Deferred income liability

The deferred tax liability totaled $3,200,185 as at September 30, 2017 compared to $3,826,422 at December 31, 2016. As previously discussed, the deferred tax liability relates to the tax liability on the capital gain to be realized on the eventual sale of Abitibi Royalties' investment in the common shares of Agnico and Yamana, net of the tax reduction from operating losses realized in the prior years.

Equity

a) Exercise of incentive stock options

For the three and nine months September 30, 2017, certain employees and consultants exercised 600,000 and 1,235,000 incentive stock options at prices ranging from $0.07 to $0.15 for gross proceeds of $73,400 and $128,650, respectively.

b) Exercise of Share Purchase Warrants

For the three and nine months September 30, 2017, the Company issued 3,000,000 and 9,000,000 of its common shares for a total consideration of $420,000 and $1,260,000, respectively from the exercise of share purchase warrants at $0.14 per share. Subsequent to quarter end, the Company issued 1,125,000 of its common shares for a total of $157,500 from the exercise of share purchase warrants at $0.14 per share.

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.

	Sept 2017	Jun 2017	Mar 2017	Dec 2016	Sep 2016	Jun 2016	Mar 2016	Dec 2015
Total revenues ($)	70,201	125,080	92,792	122,071	81,010	68,381	71,504	152,859
Net income (loss) and total comprehensive income (loss) for the period ($)	(1,854,520)	(1,653,527)	(1,011,941)	(14,429,386)	(36,722)	12,214,932	11,705,864	1,353,713
Net income (loss) and total comprehensive income (loss) attributable to shareholders of Golden Valley Mines Ltd. ($)	(1,561,757)	(1,061,126)	(699,586)	(8,778,389)	735,955	5,545,231	5,837,629	1,624,431
Net income (loss) and total comprehensive income (loss) attributable to the Non-controlling interest ($)	(292,763)	(592,401)	(312,355)	(5,650,997)	(772,677)	6,669,701	5,868,235	(270,718)
Net earnings (loss) per share								
- Basic	(0.012)	(0.009)	(0.006)	(0.078)	0.006	0.048	0.053	(0.016)
- Diluted	(0.012)	(0.009)	(0.006)	(0.073)	0.006	0.040	0.051	(0.020)

For the three months ended March 31, 2016, the Company reported consolidated net income of $11,705,864, resulting mainly from the $9,587,606 increase in market value of the investment in namely, the Agnico, the Yamana and the Sirios shares, from the gain on reversal of the $4,157,110 success fee liability, net of deferred tax expense of $1,134,522.

For the three months ended June 30, 2016, the Company reported consolidated net income of $12,214,932, resulting mainly from the $17,133,957 increase in market value of the investment in namely, the Agnico, the Yamana and the Sirios shares, net of deferred tax expense of $2,571,324 and of a loss of $1,106,927 as a result of the transfer to Sirios of Golden Valley's remaining 55% interest in the Cheechoo prospect.

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

EXPLORATION ACTIVITIES

As at September 30, 2017, total investments in exploration and evaluation assets increased to $3,139,641 compared to $3,029,712 as at December 31, 2016.

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

Exploration expenditures were allocated primarily to the following activities: (i) regional and property compilation maps for exploration planning and business development purposes; (ii) project generation activities, directed at identifying and evaluating new opportunities.

The primary focus for the Company's project generation activities during the third quarter ended September 30, 2017 was in the Abitibi Greenstone Belt ("AGB") region of Québec and Ontario. Additional mining claims were re-staked on four (4) existing properties totaling 7 claims, covering 1,168 hectares. Claim acquisition and maintenance fees for this period on the Company's AGB properties amounted to $13,708.

No line cutting nor geophysical surveys were conducted on any of the Company's AGB properties during the third quarter ended September 30, 2017.

An initial remote sensing survey was completed over parts of the Richore Prospect in the amount of $7,200.

Technical and field staff expenditures amounted to $50,939 during the quarter ended September 30, 2017 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 quarter ended September 30, 2017.

Related exploration program expenditures incurred during the quarter ended September 30, 2017, included $7,107 for sampling and testing, $5,166 for amortization, office and general expenses and $3,552 for travel and transport.

LIQUIDITY AND CAPITAL RESOURCES

Consolidated total assets of the Company as at September 30, 2017 totaled $44,141,947 (December 31, 2016 - $46,736,978), which included cash and cash equivalents of $6,435,972 (December 31, 2016 - $2,725,177), restricted cash of $1,344,878 (December 31, 2016 - $nil), short-term financial assets consisting of guaranteed investment certificates and marketable securities totaling $1,821,503 (December 31, 2016 - $2,322,465) and long-term investments consisting of common shares in Agnico and Yamana totaling $30,632,669 (December 31, 2016 - $38,457,271). The Company had also working capital of $9,040,586 as at September 30, 2017, compared to $4,429,031 as at December 31, 2016.

Cash outflow from operating activities, excluding changes in non-cash working capital, for the nine months ended September 30, 2017 totaled $2,730,987 million compared to $1,669,867 for the same period in 2016. The increase is primarily due to higher salaries and other employee benefits and traveling expenses related to business development activities.

Investing activities resulted in net cash inflows of $5,380,774 in the nine months ended September 30, 2017, compared with cash outflows of $57,036 for the same period in 2016. The increase in cashflows is due to Abitibi Royalties being called to deliver 108,700 shares of Agnico (43,600 shares at US $45 per share and 65,100 shares at US$40 per share) and received, net of commission paid, $6,096,765 (or US$4,564,813) from the covered call options it had sold, net of cash loss of $536,673 from loss of control of subsidiary and additions of $206,071 to exploration and evaluation assets.

Financing activities resulted in net cash inflows of $1,235,845 for the nine months ended September 30, 2017 compared with cash inflows of $2,250,500 in the comparative period. Cash flows from financing activities relate primarily to proceeds of $1,260,000 from the exercise of 9,000,000 share purchase warrants at $0.14 per share and Abitibi Royalties' sale of calls and put option contracts for total cash proceeds of $1,216,939, net of funds being held as restricted cash in the amount of $1,344,878 (or US$1,077,627).

Private Placement by Val-d'Or Mining

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

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 20, 2017:

Common shares:	127,463,575
Preferred Shares:	Nil
Escrowed Shares:	Nil

Share Purchase Warrants:

Expiry date	Number of warrants		Exercise price
November 30, 2017	2,125,000	$	0.14
March 18, 2018	2,650,000		0.14
	4,775,000	$	0.14

Incentive Stock Options:

	Outstanding options			
Expiry date	Number of options		Weighted average exercise price	Exercisable options
August 1, 2018	1,300,000	$	0.07	1,300,000
June 30, 2019	559,025		0.17	559,025
July 24, 2020	875,000		0.11	875,000
January 1, 2021	100,000		0.10	100,000
June 30, 2021	2,575,000		0.30	2,575,000
February 3, 2022	100,000		0.47	100,000
September 30, 2026	8,269,164		0.35	2,773,055
	13,778,189	$	0.29	8,282,080

CAPITAL STOCK INFORMATION OF REPORTING SUBSIDIARIES

Abitibi Royalties Inc.

Issued and Outstanding

The following details the issued and outstanding securities of Abitibi Royalties as at the date of this report:

	Total Outstanding	Escrowed
Common shares	11,406,935	Nil
Preferred shares	Nil	Nil
Warrants	Nil	Nil
Incentive stock options	625,311	Nil
Restricted share units	583,365	Nil

Incentive Stock Options

The particulars of the outstanding incentive stock options at the date of this report are as follows:

Exercise price		Number of options	Expiration Date
$	0.55	483,630	September 27, 2018
$	2.18	64,288	June 2, 2019
$	3.62	57,393	Septemebr 15, 2019
$	3.70	20,000	September 17, 2019
		625,311	

Restricted Share Units

As of the date of this report 583,365 RSU had been granted to officers, directors and consultant of Abitibi Royalties, as follows:

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

Val-d'Or Mining Corporation

Issued and Outstanding

The following details the issued and outstanding securities of Val-d'Or Mining as at the date of this report:

	Total Outstanding
Common shares	18,350,655
Warrants	4,578,661
Incentive stock options	565,000

Warrants

The particulars of the outstanding warrants at the date of this report are as follows:

Expiry date	Number of warrants	Exercise price
March 30, 2019	4,578,661	$ 0.085

Incentive Stock Options

The particulars of the outstanding incentive stock options at the date of this report are as follows:

Expiry date	Number of options	Weighted average exercise price	Exercisable options
April 3, 2019	60,000	$ 0.065	60,000
November 20, 2019	58,199	0.080	58,199
May 16, 2021	446,801	0.065	446,801
	565,000	$ 0.067	565,000

RELATED PARTY TRANSACTIONS

The information pertaining to related party transactions are disclosed in Note 15 of the unaudited condensed consolidated interim financial statements as at September 30, 2017.

SUBSEQUENT EVENT

On August 28, 2017, Val-d'Or Mining announced it has engaged Canaccord Genuity Corp pursuant to a proposed commercially reasonable effort public offering of $1,200,000 (12,000,000 units at a price of $0.10 per unit) by short form prospectus. On October 12, 2017, Val-d'Or Mining further announced that it will conduct a non-brokered private placement offering, pursuant to which it will issue up to 1,000,000 units at a price of $0.10 per unit for gross proceeds of up to $100,000. On closing of these transactions, the Company will need to review its own percentage holding in Val-d'Or Mining combined with interest of certain members of its Board of Directors in Val-d'Or Mining as well as its ability to appoint key management who have the ability to direct its activities to determine if consolidating the financial results of Val-d'Or Mining is still appropriate.

OFF BALANCE SHEET ARRANGEMENTS

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

OUTLOOK

The Company is evaluating certain strategic business opportunities and potential acquisitions in the exploration/mining industry. A number of internal reviews have been completed, or are in progress for distressed companies and assets, both in Canada and abroad.

CONTRACTUAL COMMITMENTS

a) The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

   These tax rules set deadlines for carrying out the exploration work, which must be performed no later than the first of the following dates:

   - Two years following the flow-through placements;
   - One year after the Company has renounced the tax deductions relating to the exploration work.

   However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

b) The Company has entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination, the officers and consultants are entitled to an amount equal to a multiple (ranging from one to two times) the annual base fee payable. In the case of a change of control, the officers and consultants are entitled to an amount equal to a multiple (ranging from one to three times) the sum of the annual base fee. As at September 30, 2017, the total annual base fee of the officers and consultants under the agreements is $460,900. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in note 4 of the unaudited consolidated interim financial statements.

JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

NON-IFRS MEASURE

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following tables provide a reconciliation of working capital to the financial statements as at September 30, 2017 and December 31, 2016:

	September 30, 2017	December 31, 2016
ASSETS		
Current		
Cash and cash equivalents	$ 6,435,972	$ 2,725,177
Restricted cash	1,344,878	-
Short-term financial assets	1,821,503	2,322,465
Other assets	227,505	168,746
Prepaid expenses	134,652	21,965
	9,964,510	5,238,353
Current		
Accounts payable and accrued liabilities		
Due to related parties	$ 36,154	$ 36,154
Other liabilities	268,415	284,037
Derivative financial instrument	619,355	489,131
	923,924	809,322
Working Capital	$ 9,040,586	4,429,031

RISK AND UNCERTAINTIES

Investment of Speculative Nature
Investing in the Company is of a highly speculative nature.

Nature of Mineral Exploration and Mining
There is no known mineral resource on any of the Company's property interests. Mineral exploration and development involves a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

Mineral Deposits and Production Costs; Metal Prices
The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of the Company's mineral property interests is heavily influenced by metal prices. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's properties can be mined profitably.

Exploration and Development Risks
Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

Additional Financing
Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

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

Competition
The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company's, in the search for and the acquisition of attractive mineral properties. There is no assurance that the Company will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

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

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

Environmental and other Regulatory Requirements
The operations of the Company require permits from various levels of government. Such operations are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Political Regulatory Risks
Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

Currency Risk
Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in U.S. dollars. The Company's costs are incurred primarily in Canadian dollars.

Conflicts of Interest
The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as Golden Valley Mines. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance
The Company does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if they were to obtain insurance, the Company will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons.

Influence of Third Party Stakeholders
The lands in which the Company holds interests, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out work programs or general exploration mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the work programs of the

Company may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Fluctuation in Market Value of Shares

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

ADDITIONAL INFORMATION

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