

Management's Discussion and Analysis
Golden Valley Mines Ltd.
For the third quarter ended September 30, 2007

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 third quarter ended September 30, 2007. This management discussion and analysis should be read in conjunction with the Company's unaudited financial statements for the third quarter ended September 30, 2007 and the related notes thereto. All figures are in Canadian dollars unless otherwise noted.

Nature of Operations

Golden Valley Mines is a mining exploration Company, whose assets include approximately 136 exploration properties located in: (i) the Abitibi Greenstone Belt (100 projects are located between Timmins, Matachewan and Kirkland Lake, Ontario and Rouyn-Noranda, Cadillac, Malartic, Val-d'Or, Chibougamau, and Québec; (ii) the James Bay, Mistassini, and Otish regions of northern Québec; (iii) the Nunavik (Ungava and Labrador) region of northern Québec; and (iv) the Athabasca Basin of Saskatchewan.

Golden Valley Mines' exploration strategy is based on three principles: (a) majority ownership during the initial early stage exploration program; (b) wide variety of commodities including precious and base metals, uranium prospects; and (c) drill testing of priority anomalous targets during the early stage grassroots exploration, generally while the properties are 100%-owned.

Abitibi Greenstone Belt: The 100 Abitibi Greenstone Belt properties are comprised of gold (59) and/or base metals (31), and molybdenum (10) prospects located in Québec (78) and Ontario (22). Golden Valley Mines exploration strategy consists of a systematic approach designed to reduce exploration risk, and increase the possibility of exploration success, through the sequential exploration of a large number of properties. Preliminary work (grid establishment, prospecting, geophysical and/or geochemical surveys, reconnaissance and grid mapping and channel sampling) is completed on one property while diamond drilling of up to five prospective targets is being completed on another, with the pattern then consistently being repeated.

Exploration Activity by Region

Cheechoo Gold Project, James Bay, Québec: In December 2004, Golden Valley Mines acquired an interest in the Cheechoo gold property located in the vicinity of Virginia Gold Mines Éléonore gold discovery in James Bay, Québec. In 2005 Golden Valley increased its land position on the project to 535 square kilometres. The Phase 1 ground follow-up program as announced on May 30, 2007, continued unabated over the quarter. The principal objective of the program was to complete detailed ground follow-up of encouraging rock sample results obtained in 2006 over the Sharks and Cheechoo B properties. Four detailed grid systems are to be established (total of 250 line kilometers or ~175 land-based line kilometres), including over the "Marchand" Showing (up to 11.96 g/t gold in rock grab sample results and "Garrioch" Showing (up to 0.39 g/t gold rock grab sample results) mineralized corridors. In addition, follow-up prospecting, grid mapping, and geochemical sampling at the "Letang" Showing (up to 209.24 g/t gold in rock grab samples) on the Cheechoo A property block, and along with other areas on the property deemed as high priority target areas. The following property exploration work was completed as of October 10, 2007 including the above mentioned 4 new establishment grids on the Sharks and Cheechoo "B" properties; 5,339 grid and reconnaissance humus soil samples; Detailed grid-mapping and sampling completed over five separate mineralized trends; 115.6

linear metres of channel sampling over showings and / or mineralized corridors; and 40.1 line kilometers of induced polarization (I.P.), 36.2 line kilometers of Horizontal Loop Electromagnetic (H.L.E.M.) and 168.8 line kilometers of magnetic surveying. Subsequent to quarter end, I.P. surveying was also completed on the Marchand and Garrioch showing grids. A 3,000 metre drill program commenced at quarter end to test up to thirty (30) targets based on results received from the Phase I exploration program results. Initial drilling activities focused on the Cheechoo "A" Block claims located immediately west of Les Mines d'Or OPINACA's (Goldcorp) Éléonore property and contiguous with Beaufield's Opinaca property. Targets to be tested include the high-grade "Letang Showing" and a well-developed and mineralized shear (2.3 kilometers northwest-trending corridor along the property's northeast boundary), associated with a series of airborne electromagnetic, magnetic and induced polarization anomalies, hosted in similar altered and mineralized "Roberto-style" sediments, along a quartz-diorite and granodiorite-amphibolitized basalt contact. This mineralized corridor may represent the up-ice and up-slope source area for the five separate and discreet shoreline boulder fields (please refer to January 29, 2007 press release for additional details), where sampling results of 2.14 g/t gold; 24.2 g/t silver and 2.743% copper and 1.65 g/t gold have been recorded. As previously announced, the exploration budget for the joint venture properties is currently estimated at a minimum of \$1,000,000.

Note that the Cheechoo "A", "B", and "C" Prospect as well as the Sharks Prospect are under option from Sirios Resources Inc. ("Sirios") pursuant to which the Company, in each case, will earn an initial 60% interest by funding \$1,000,000 in exploration over 4-years. Following initial vesting, the Company may then earn an additional 20% interest by completing a bankable feasibility study within 6 years of vesting. Should Sirios then elect to allow the Company to provide the production financing, the Company would then acquire an additional 5% interest (aggregate 85% interest) in the property.

Golden Valley Mines now holds a 100%-interest, or is earning an interest pursuant to option joint venture agreements, in a total of 1,017 claims covering 53,377 ha (534- km²) in the James Bay (Opinaca) region. The Company is earning an interest in contiguous claim blocks on both the west and east sides of Les Mines d'Or OPINACA's (Goldcorp) Éléonore property, which hosts the Roberto Zone gold discoveries.

Top-Corner Gold Prospect, James Bay Québec: The reconnaissance mapping and prospecting program initiated in the second quarter of 2007 was completed over fifteen (15) 100%-owned property blocks (440 claims for 23,187 ha). A total of 269 samples were collected and submitted for assaying. The objective of the exploration program is to define priority areas for detailed ground follow-up.

Uranium Joint Ventures: Saskatchewan and Otish-Mistassini, Québec: The Company acts as operator in two mutually exclusive option / joint ventures for uranium as a primary commodity. The Saskatchewan project is located on Lake Athabasca centered on Beartooth Island along the northwest margin of the Athabasca Basin. During the quarter, final interpretations and recommendations were received from Quantec for the Titan-Logger Tensor Magnetotelluric Survey (MT) ground geophysical follow-up program of the 2006 MEGATEM[®] II airborne geophysical survey. A number of high priority drill targets were defined and plans are now underway for a multi-hole diamond drill program slated to commence in the first quarter 2008. Additional MT ground surveying is also planned over a fourth target area located in the northeast section of the property, and follow-up in-fill lines over the three previously surveyed grids.

The terms of the Beartooth Island Option/Joint Venture agreement with Ditem Explorations Inc. (“**Ditem**”) allows Ditem to earn an initial 50% interest by incurring aggregate exploration expenditures of \$1,000,000 over three years. In the fourth year of the agreement, Ditem may then elect to increase its interest by 10% (aggregate 60% interest) by incurring an additional \$2,000,000 in exploration expenditures. Finally, Ditem may then enhance its position by acquiring an additional 6% interest (aggregate 66%) in the property provided that it deliver a bankable feasibility study within 10-years from the signing of the final agreement. Golden Valley will retain an aggregate 34% interest following vesting.

An option/joint venture was announced in early January, 2007 with Lexam Explorations Inc. (“**Lexam**”) on the Company’s Otish and Mistassini Basin uranium project in central Québec. Staking of the properties was motivated by the “unconformity-type” uranium deposit model that is inferred to occur in the Otish and Mistassini Basins based on geological conditions analogous to those found in the Athabasca Basin, Saskatchewan. Much of the historical work done in the area (1976-83) was conducted by companies also then active in northern Saskatchewan and using similar prospecting techniques. The Phase I 2007 exploration program of airborne surveying was completed on the **Mistassini Basin** block of claims (3,090 line kilometres helicopter-borne radiometric and magnetic survey). At the larger and more expansive **Otish Basin** property assemblage to the east, the high resolution radiometric, magnetic and VLF-EM (very low frequency – electromagnetic) fixed-wing survey system continued operations into the fourth quarter. The estimated survey coverage is estimated at 13,500 line kilometres. During the quarter, a field crew mobilized to the properties to complete detailed geological and geophysical survey work, with the objective of re-locating and re-sampling the historical uranium showings. Fieldwork consisted of prospecting, geological mapping, geochemical sampling, and geophysical surveying (magnetic / VLF-EM and hand held spectrometer prospecting) over approximately 98 line kilometres of detailed grids on seven (7) of the most significant reported historical showings on each of the **Mistassini** and **Otish** property blocks. In addition, ground follow-up prospecting and sampling of a number of airborne radiometric anomalies defined over the **Mistassini** prospect claims will also be conducted to identify prospective areas for further detailed ground follow-up. The objective of this Phase II surface exploration program is to identify radioactive mineralized zones for drill testing in 2008. The 2007 exploration program has been budgeted at a minimum of \$750,000 for 2007. Pursuant to the terms of the option/joint venture agreement Lexam may earn a 50% interest by funding \$3,000,000 in exploration expenditures over a 3-year period.

Golden Valley Mines’ primary objective is to conduct basic exploration, including initial diamond drilling, while the Company owns the properties 100%. In instances where the exploration results are less than conclusive (such as when favourable geological conditions are encountered, with no significant discovery) the Company will typically seek partners (other public companies) to conduct follow-up exploration programs and continue the exploration effort. In most of these agreements, Golden Valley Mines continues to act as operator. In this manner, the Company reduces dilution to its share capital and decreases expenditures but continues exploration on these same properties with larger budgets than its own initial investment (most of the agreements allow the partner to earn-in to properties by spending exploration funds over three to four years), and the Company acquires securities in the form of share or cash from its partners in addition to the exploration funding. This allows Golden Valley Mines to focus on other early-stage, 100%-owned properties while partners fund more expansive joint venture and remote projects.

Golden Valley Mines acquired 3 new 100%-owned projects at the end of the third quarter ended September, 30 2007 within the Abitibi Greenstone Belt and in northern Québec. The targets included both volcanogenic massive sulphide zinc-copper-silver deposits and an intrusive-hosted molybdenum prospect.

Other Joint Venture Activities: At the Malartic CHL Prospects, Osisko Exploration Ltd. completed a property compilation that lead to the identification of a new zone for drill testing, located immediately to the northeast of their 100%-owned Canadian Malartic gold property. A 2,000 metre drill program is currently being planned for completion before year end 2007.

Work continued on the **Kalahari Joint Venture** where the Company is earning up to an 85% interest by funding \$1,000,000 in exploration expenditures on a group of nine (9) properties located in the Abitibi Greenstone Belt (Québec and Ontario). Diamond drilling programs have been completed at the Perestroika Prospect (gold target: Courville, Québec) and Claw Lake Prospect (gold target: Shiningtree, Ontario), in progress at the Munro prospect (VMS target; Matheson; eastern strike extension of the Potter Mine stratigraphy where Millstream Mines is actively exploring) and planned for the Bogside Prospect (gold target: Cadillac, Québec; immediately south of the Agnico Eagles “Lapa advanced exploration project).

No work was preformed on either the Arbade-Richore Prospect (Matachewan, Ontario) by Quinsam Capital and at the Amikougami Prospect (Kirkland Lake, Ontario) by Amseco explorations.

During the quarter, the Company amended the option joint venture agreement initially entered into on June 22, 2006 in respect of it Arbade Richore Properties located in Kirkland Lake with Quinsam Capital Corporation (“**Quinsam**”). so that a portion of the aggregate exploration expenditures (\$300,000) must be complete before the second anniversary of the closing date of the agreement. As consideration for the amendment Quinsam made an additional \$5,000 (\$10,000 on the aggregate) cash payment and issued an additional 50,000 common shares to the Company (450,000 in the aggregate). The Company retains a 2% NSR in the property of which Quinsam my buyback 1% for 1,000,000\$ within 12 months from the commencement of commercial production. Pursuant to the agreement, as amended Quinsam may acquire up to a 51% interest in the property.

Selected Quarterly Information as at September 30

	September 30, 2007	September 30, 2006	September 30, 2005
Total Revenue	\$336,851	\$80,000	\$16,000
Net (loss)	(\$160,999)	(\$269,331)	(\$653,184)
Basic and diluted net gain (loss) per share	(\$0.003)	(\$0.007)	(\$0.023)

Results of Operations

As at September 30, 2007, the Company reported a net loss of \$160,999 compared to a net loss of \$269,331 as at September 30, 2006. This change is due mostly to property options received as revenue; an increase in interest and other revenue earned on the Company’s cash balance, to increased geological fees, as well as to a favorable return on its short-term investments during the quarter-ended September 30, 2007.

Revenues

Revenue generated from property options during the nine month period ended September 30, 2007 was in the amount of \$254,750 (\$76,000 for the same period in 2006). Interest and other revenue income totaled \$161,252 in 2007, a significant increase from \$23,305 in 2006. Interest income fluctuates during this period from year to year depending on the Company’s cash balance, and interest rates. For this quarter, the Company also recorded an amount of \$82,101, such amount representing geological fees charged as operator under the Beartooth Island and Otish-Mistassini joint-venture agreements.

As at September 30, 2007, the Company held publicly traded securities and other short-term investments having a market value of \$2,301,670 comprised of guaranteed investment certificates and common shares of third party optionees issued to the Company in accordance with the terms of certain property option agreements. During the third quarter ended September 30, 2007, the Company incurred investment losses on these securities of \$3,096, compared to gain of \$32,218 for the same period in 2006. The Company also recorded an unrealized loss of \$121,941, compared to a loss of \$35,583 for the same period in 2006. This loss can be attributed to the change in accounting policies effective January 1, 2007 (see note 3 of the financial statements). The ability to realize any gains depends largely on the prevailing market conditions, and the amounts may fluctuate.

Non-Exploration Expenditures

The Company's total amount of administrative expenses for this quarter increased compared to the same period in 2006 (\$181,313 compared to \$87,206). Salaries, rent and office expenses remain the same, whereas stock-based compensation (\$43,989 compared to \$0), advertising and exhibitions expenses (\$54,837 compared to \$21,341), stock based services (\$4,073 compared to \$0), professional fees (\$39,163 compared to \$28,329), traveling (\$11,849, compared to \$3,833), and filing fees with respect to news release dissemination (\$8,259 compared to \$695) all increased for this quarter. The foregoing increases are a direct result of the Company's greater visibility at trade shows, contributions, and additional job postings, as well as to the addition of administrative personnel. Management fees decreased (\$2,250 compared to \$9,750).

Exploration Activities and Expenditures

At the end of the quarter ended September 30, 2007, total investments in mineral properties increased to an aggregate \$9,299,075. As at the end of September 2007, Golden Valley Mines had drilled a total of 102 targets (11,712 metres) on 29 properties in the Abitibi Greenstone Belt Grassroots Exploration Project since the program was originally initiated in 2003. The Company's 136 property interests in Québec, Ontario, and Saskatchewan include 3 new 2007 land acquisitions, considered prospective for base metal and molybdenum deposits, following in-house project generative work.

Active exploration programs undertaken during third quarter ending September 30, 2007 on 100% owned Golden Valley Mines properties located in the Abitibi Greenstone Belt, included a channel sampling program at the Ducros Prospect north of Senneterre, Québec and commencement of a 183 line kilometre ground geophysical and ground follow-up program on selective targets. The primary objective of the program is to add to the "pipe-line" of drill ready prospects for the current and planned winter 2008 diamond drilling campaigns. At the Ducros Prospect, a drill program is planned to commence in the forth quarter for follow-up of new, high-grade channel sample results that graded up to 6,980 ppm nickel, 1.59% copper, 1.115 g/t platinum, 1.295 g/t palladium and 1.32 g/t gold over widths horizontal widths ranging from 0.60 to 0.85 metres. Also, a drill program is planned on the Riviere Lois Prospect (VMS target; north of Rouyn-Noranda) where an untested felsic volcanic sequence associated with positive geophysical responses.

Subsequent to the third quarter, the company acquired through staking, two separate claim blocks in the McFaulds Lake area, in response to Noront's recent *Double Eagle* Ni-Cu-PGE discovery announcement in the Webequie are of James Bay Ontario. The target selection process was based on the identification of similar geophysical responses within extensions of the favourable geological terrain associated with the *Double Eagle* Ni-Cu-PGE discovery to the northeast along strike. Future exploration and joint venture plans will be announced once official claim certificates have been received from Ontario Ministry of Mines and Development.

No new work was performed at the Marymac nickel-copper-PGE project in Nunavik, Québec or at the Shoot Out Nickel-Copper-PGE project in Québec, the Bijoux diamond venture, located in the James Bay/Nunavik region of Québec.

	Sept 07	June 07	March 07	Dec 06	Sept 06	June 06	March 06	Dec 05
Total revenues	52,786	261,300	22,765	107,749	26,000	39,000	15,000	4,000
Net (loss)	(188,078)	(51,726)	36,760	471,066	(55,580)	(75,462)	(138,289)	27,839
Basic and diluted net (loss) per share	(0.003)	(0.001)	0.001	0.017	(0.001)	(0.002)	(0.004)	0.001

Financial Condition

Liquidity and Capital Resources

Working capital increased from \$2,000,484 as at December 31, 2006 to \$7,024,386 as at September 30, 2007. As of September 30, 2007, the Company has an unspent balance of \$613,870 in flow-through exploration funds. During the period ended September 30, 2007, \$224,700 was raised through the exercise of convertible securities namely warrants and options.

As at September 30, 2007, the Company had sufficient cash liquidity to carry out its exploration commitments for 2007. The non-flow-through portion of working capital will cover the Company's general and administrative expenses in 2007, provided that no extraordinary circumstances or expenses arise. The flow-through reserve of \$613,870 will cover the Company's obligations under its agreements with Sirios Resources Inc. for the 2007 exploration program in the James Bay area of Québec.

Given that the Company is a small corporate entity focused on exploration, with a limited revenue stream, the Company budgets exploration and administrative expenses, and closely monitors its general and administrative operating costs, its investments, as well as its cash position.

Contractual Obligations

Obligation	Total	Payments due by period	
		1 year or less	2 years or more
Flow-through exploration expenditures	\$613,870	\$613,870	-
Property Options/Purchase ⁽¹⁾	\$2,600,000	\$500,000	\$2,100,000
Vehicle rental ²⁾	\$11,147	\$7,040	\$4,107

Notes

(1) The following is the detail of the optional expenditure commitments of the Company should it elect to maintain property options, as optionee of the various properties in which the Company is earning an interest:

- (i) \$800,000 over the next three (3) years to earn up to an 80% interest from Sirios Ressources Ltd. on the Cheechoo Prospect;
- (ii) \$800,000 over the next three (3) years to earn up to 80% interest in the Sharks prospect pursuant to an assignment of interest by Canadian Royalties Inc.; and
- (iii) \$1,000,000 on any one of or a combination of nine mineral properties to acquire up to an 85% interest from Kalahari Ressources Ltd.

- (2) The Company has entered into a loan agreement with General Motors Acceptance Corporation of Canada Ltd. repayable over three (3) years in monthly installments \$587 (including interest) for an aggregate total cost of \$21,120 of which \$11,147 remains unpaid.

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 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 dividend as the Board of Directors of the Company in their discretion shall declare.

Issued and Outstanding

The following details the issued and outstanding securities of the Company as at November 29, 2007:

Common shares: 61,112,612

Share Purchase Warrants:

Expiry Date	Exercise Price	Outstanding
December 15, 2007	\$0.40	500,000
January 10, 2009	\$0.50	3,977,271
April 5, 2009	\$0.70	2,363,400
	TOTAL:	<u>6,840,671</u>

Incentive Stock Options:

Expiry Date	Outstanding	Exercise Price
		\$
June 25, 2008	871,430	0.35
February 04, 2009	2,000	0.35
July 7, 2009	890,000	0.20
March 21, 2010	200,000	0.35
July 14, 2010	445,500	0.30
July 20, 2010	84,500	0.30
June 16, 2011	300,000	0.31
September 27, 2011	1,786,100	0.30
	<u>4,579,530</u>	

Transactions with Related Parties

Other than as detailed in the Company's audited financial statements for the year ended December 31, 2006 (see Note 14, *Related Party Transactions* therein), there were no significant transactions with related parties during the fiscal period ended September 30, 2007 save for routine payments for management and exploration services in the aggregate amount of \$37,500.

Subsequent Events

Private Placement Financing

On October 25, 2007, the Company closed a flow-through private placement offering (the “**Offering**”). The Offering consisted of the issuance of an aggregate 3,200,000 flow-through common shares from treasury at a price of \$0.63 per share for gross proceeds of CND\$ 2,016,000. All of the securities issued pursuant to the Offering are subject to a hold period of four months and one day from the closing date.

Desjardins Securities Inc. acted as agent in respect of the closing of the Offering and received a cash commission equal to 6.5% of the gross proceeds raised thereunder. Additionally, as part of the selling group, Becher McMahon Capital Markets (“**Becher**”), a limited market dealer is to receive a special selling commission of 5% on a portion of the Offering which is to be paid to Becher directly by Desjardins.

The funds raised pursuant to the Offering will be used by the Company to finance exploration and development activities in respect of its James Bay, Abitibi, and other grass-roots properties located in Quebec.

Outlook

Golden Valley Mines exploration results to date have been summarized in the Exploration Activities and Expenditures section of this document. The Company’s principal exploration strategy and business plan are related to the Abitibi Greenstone Belt, James Bay, and Uranium Joint Venture projects (Quebec and Saskatchewan), in addition to on-going grassroots project generation activities, with the objective to identify new targets in existing project areas or new opportunities. The capital markets for exploration companies have shown some volatility and recent weakness despite continued strength in the commodities prices of the Company’s principal exploration targets such as base metals, gold, uranium and molybdenum.

These public market gyrations are expected by many investors and market observers to continue as the effects of the US “subprime” crisis and resulting influence on global credit markets remains a significant concern to many investors, and may continue for some time. Furthermore, the effects of high prices for petroleum continue to exert a significant influence on energy intensive environments, including North America. Closer to home, the impact of the Canadian dollar having reached parity, and surpassed the US dollar, are additional influences on public markets for which the results may not yet be apparent.

Golden Valley Mines ability to option exploration properties for third party exploration, and fund its own exploration projects is correlated to the general strength of commodities markets and the exploration and mining sectors, and accordingly, is considered to have a cautiously positive outlook for the near term, even in periods of broader market uncertainty .

Risks and Uncertainties

The exploration of mineral deposits involves significant risks and uncertainties over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate, and few properties which are explored are ultimately developed into producing mines. The long-term profitability of the Company’s operations will be in part related to the cost and success of its exploration programs, which may be affected by a number of factors out of the Company’s control, such as commodity prices, the availability of skilled personnel, qualified vendors, and critical equipment.

Substantial expenditures are required to establish reserves through drilling, to determine the technical and economic feasibility of mining and extracting them, 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, it is impossible to ensure that the current or proposed exploration programs on properties in which the Company has an interest will result in profitable mining operations.

Changes in Accounting Policies

Effective January 1, 2007, the Company prospectively adopted the recommendations of the CICA Handbook Section 3855, Financial Instruments Recognition, which establish standards for recognition and measurement of financial assets, financial liabilities and non financial derivatives. These recommendations require that fair market value be used to measure financial assets that are held for trading or available for sale, financial liabilities that are held for trading or all derivative financial instruments.

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for establishing and maintaining controls and procedures regarding the communication of information about the Company, as well as internal controls over its financial reporting. As required by securities legislation, the Chief Executive Officer and Chief Financial Officer have conducted an evaluation of the controls and procedures regarding communication of information and have concluded that these controls and procedures were effective for the period ended September 30, 2007. In addition, the Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or for causing it to be designed under their supervision. During the third quarter of 2007, all existing systems have been documented and inadequacies have been corrected, as necessary. The Chief Executive Officer and the Chief Financial Officer have evaluated whether there were changes to internal control over financial reporting during the period ended September 30, 2007 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. No such changes were identified through their evaluation.

Additional Information

Additional information about Golden Valley Mines is available through the Company's website at www.goldenvalleymines.com or through the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Forward Looking Statement

Certain statements contained in this Management's Discussion and Analysis constitute forward-looking statements, including, without limitation, anticipated developments in the Company's operations in future periods, planned exploration activities and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "targeted", "plans", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. Forward-looking statements are statements about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included herein should not be unduly relied upon by investors. These statements speak only as of the date hereof. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Forward looking statements include statements with respect to Mineral Reserves and Mineral Resources, the realization of Mineral Reserve estimates, the timing and amount of estimated**

future production, capital expenditures, environmental risks, title disputes or claims and limitations on insurance coverage. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

(s) Glenn J. Mullan

**(Signed) Glenn J. Mullan
President and Chief Executive Officer
Val-d'Or, Québec (Canada)
November 29, 2007**

(s) Annie J. Karahissarian

**(Signed) Annie J. Karahissarian
Chief Financial Officer
Val-d'Or, Québec (Canada)
November 29, 2007**