Uranium Valley Mines Ltd

Management's Discussion and Analysis for the third quarter ended September 30, 2014.

Introduction

The following Management's Discussion and Analysis ("**MD&A**") reviews the financial position and results of operations of Uranium Valley Mines Ltd. (**TSXV: VZZ**, hereinafter "**Uranium Valley**" or the "**Company**") for the third quarter ended September 30, 2014. It should be read in conjunction with the unaudited financial statements and notes thereto for the period ended September 30, 2014, and with the audited financial statements for the year ended December 31, 2013 and related notes thereto, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standard Board (IASB). All these documents can be viewed through the internet at the SEDAR website (www.sedar.com) by accessing the Company's issuer profile.

All figures are in Canadian dollars unless otherwise specified.

The following information is prepared as at November 26, 2014.

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.

COMPANY OVERVIEW, NATURE OF OPERATIONS, AND OVERALL PERFORMANCE

The Company was incorporated on February 18, 2010, pursuant to the *Business Corporations Act* (British Columbia) as a wholly owned subsidiary of Golden Valley Mines Ltd. ("Golden Valley"), a Canadian public corporation with an office located in Val-d'Or, Québec, Canada, involved, together with its various subsidiaries, in initial grassroots exploration projects.

In 2011, as part of a plan of arrangement (the "**Arrangement**") Golden Valley and Lexam VG Gold Inc. (formerly Lexam Explorations Inc., hereinafter "**Lexam**") transferred certain of their properties and carried interests in certain properties to the Company along with a $600,000 cash infusion against the issuance of 11,099,998 common shares and subsequently, Golden Valley distributed to its shareholders, by way of a dividend, a part of its holding in the Company's capital stock. As a result of the Arrangement, Uranium Valley became a reporting issuer in Alberta, British Columbia, Ontario and Québec. Uranium Valley is considered a "venture issuer" as such term is defined by applicable securities legislation. Since July 15, 2011 (the "**Trading Date**") the Company's common shares trade on the TSX Venture Exchange (the "**Exchange**") under the symbol VZZ.

The business objectives of the Company are to hold title to and to promote and develop certain advanced projects, and to acquire, manage, and promote other projects focused on uranium exploration in Canada and elsewhere. Please refer to the "Property Interests" section herein for detail on the moratorium imposed by the Québec Government and to "Critical Risks Inherent to the Company's Business".

Property Interests

The Company acquired an undivided 50% interest in the Otish and Mistassini Prospects located in North Central Québec from Golden Valley pursuant to an Amended and Restated Transfer, Assignment and Assumption Agreement (the "**Mistassini-Otish Agreement**") made the 30th day of March 2011, among Golden Valley, Uranium Valley and Lexam. On the Trading Date, the Company acquired the other undivided 50% interest in the Otish and Mistassini Prospects from Lexam pursuant to the terms of a Property Transfer and Share Purchase Agreement (the "**Lexam Purchase Agreement**") made as of May 12th, 2011, between Uranium Valley and Lexam. As a result of the Mistassini-Otish Agreement and the Lexam Purchase Agreement, the Company holds a 100% interest in the Otish and Mistassini Prospects.

On March 28, 2013, the Government of Québec announced it had decreed a "moratorium" on all exploration, development and mining for uranium. The Québec Government intends to order certain scientific studies to examine the issues and concerns relating to the security of exploration, exploitation and disposal of uranium and to mandate the *Bureau d'audiences publiques sur l'environnement* ("**BAPE**") to make recommendations after having reviewed the environmental impact and conducted public consultations with communities and stakeholders. The Company understands that the BAPE is expected to have full latitude to recommend various scenarios including a permanent moratorium. Until this process evolves towards the eventual BAPE conclusions and recommendations, no permits, licenses, or claims for the exploration, development and mining of uranium on the territory of the Province of Québec will be granted or otherwise issued.

Following this announcement, the Company is currently of the view that it will be difficult, and potentially impossible, to conduct exploration programs on its Otish and Mistassini Prospects. Consequently, the Company made the decision to impair the carrying value of its uranium properties located in the Province of Québec. The decision to impair its properties in the province of Québec has been reflected in the December 31, 2012 financial statements. Any further uranium exploration activities will be executed outside the Province of Québec.

On March 25, 2014, the Company received a letter from the Compliance & Disclosure department of the Exchange which indicated that the Company had not met the activity requirement for mining issuers. The Company made a submission to the Exchange evidencing that it meets the Exchange's continued listing requirements and the file was closed.

On July 3, 2014, The Company entered a Mining Option Agreement with 2973090 Canada Inc, (**"2973090"**) pursuant which the Company has the option to acquire a 100% ownership interest in the Porcupine Miracle Prospect. The Porcupine Miracle Prospect is constituted of four (4) mineral claims located in the Langmuir Township in the province of Ontario, Canada. In consideration for the option the Company will issue 200,000 common shares as follows: 66,666 common shares (which shares have been issued), 66,667 common shares on July 17, 2015 and, 66,667 common shares on July 17, 2016. In order to exercise the option, the Company is required to incur exploration expenditures of $50,000 by July 17, 2016 and, in addition, to maintain the property in good standing. The property will be subject to a royalty in favour of 2973090 equal to 3% of net smelter returns. Advance royalty payments of $10,000 per annum are payable by the Company commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty. The transaction received approval from the Exchange on July 16, 2014.

The Company has designed an exploration program to be conducted on the Porcupine Miracle Prospect and adopted a $52,619 budget for the realization of its Phase 1. The Phase 1 of the exploration program includes: compilation of all available property data, ground magnetic and induced polarization geophysics surveys and a sampling program on any geophysical anomalies and other potential targets identified on the property.

Results of Operations

For the nine months ended September 30, 2014 the Company incurred a loss of $67,407 compared to a loss of $56,324 for the corresponding nine month period in 2013. The major expenses having led to the current loss are professional fees of $51,954.

Professional fees of $51,954 includes audit, tax and accounting fees of $15,600, legal fees paid to external counsel of $16,559 and fees of $19,795 paid to the Exchange and the registrar and transfer agent. In comparison for the nine month period ended on September 30, 2013 the professional fees amounted to $45,119 and were comprised of audit, tax and accounting fees of $18,720, legal fees paid to external counsel of $5,244 and $21,155 paid to the Exchange and the registrar and transfer agent.

Office expenses of $11,357 consist of insurance premiums of $7,508, of communication expenses (telephone, internet and mailing costs) of $3,766 and other miscellaneous expenses of $83. For the nine month period ended on September 30, 2013, office expenses were $10,844 comprised of insurance premiums for $8,664, communication expenses of $2,111 and other miscellaneous expenses of $69.

In addition the Company incurred exploration expenses of $5,589 on the exploration and evaluation assets it had previously impaired, compared to $22 of same during the nine month period ended September 30, 2013.

For a more detailed breakdown of these expenses by quarter refer to "Summary of Quarterly Results" below.

Summary of Quarterly Results

The following table presents selected quarterly financial information for the last eight quarters which were prepared in accordance with **IFRS**:

	(1) Dec 31, 2012 $	(2) Mar 31, 2013 $	(3) Jun 30, 2013 $	(4) Sep 30, 2013 $	(5) Dec 31, 2013 $	(6) Mar 31, 2014 $	(7) Jun 30, 2014 $	(8) Sep 30, 2014 $
Total Revenues	-	-	-	-	-	-	-	-
Net Loss	(1,435,023)	(21,909)	(29,234)	(5,181)	(6,071)	(22,097)	(27,746)	(17,564)
Net Loss per shares Basic & diluted	(0.130)	(0.002)	(0.003)	-	-	(0.002)	(0.002)	(0.002)

(1) During the fourth quarter ended December 31, 2012 the Company incurred a loss of $1,435,023. The largest single component of this loss was the impairment of the carrying value of the Otish/Mistassini Prospect that represents $1,403,948 or 97.8% of the total loss incurred for the fourth. The part of the loss incurred from current activities amounted to $31,075 or $0.03 per share and the majority of which is comprised of the $24,000 ($8,000 per month) management fees paid to Golden Valley pursuant to the Management Agreement. Other expenses were as follows: i) professional fees of $3,570, composed of audit, tax and accounting fees of $700, legal fees paid to external counsel of $1,468 and Exchange, regulatory and transfer agent fees of $1,402, ii) Office expenses of $3,489, composed of insurance premiums of $2,931, communication expenses of $35 and miscellaneous travel expenses of $523, and iii) bank fees of $16.

(2) A loss of $21,909 was incurred by the Company during the first quarter ended March 31, 2013. The components of this loss, incurred from current activities are as follows: i) professional fees of $18,703, composed of audit, tax and accounting fees of $11,440, legal fees paid to external counsel of $306 and Exchange, regulatory and transfer agent fees of $6,957, ii) Office expenses of $3,000 consisting of insurance premiums of 2,931 and miscellaneous travel expenses of $69, iii) expenses related to the exploration and evaluation assets impaired as at December 31, 2012, of $148 and iv) bank fees of $58.

(3) A loss of $29,234 was incurred by the Company during the second quarter ended June 30, 2013. The components of this loss, incurred from current activities are as follows: i) professional fees of $23,697, composed of audit, tax and accounting fees of $7,280, legal fees paid to external counsel of $3,938 and Exchange, regulatory and transfer agent fees of $12,479), ii) Office expenses of $4,942 consisting of insurance premiums of $2,931 and communication expenses of $2,011, iii) expenses related to the exploration and evaluation assets impaired as at December 31, 2012, of $337, iv) travel expenses of $239 and v) financial costs of $19.

(4) A loss of $5,181 was incurred by the Company during the third quarter ended September 30, 2013. The components of this loss, incurred from current activities are as follows: i) professional fees of $2,719, composed of legal fees paid to external counsel of $1,001 and Exchange, regulatory and transfer agent fees of $1,718, ii) Office expenses of $2,902 consisting of insurance premiums of $2,802 and communication expenses of $100, iii) a recovery of expenses related to the exploration and evaluation assets impaired as at December 31, 2012, of $462, and iv) financial costs of $22.

(5) During the fourth quarter ended December 31, 2013 the Company incurred a loss of $6,071. The components of this loss were as follows: i) professional fees of $3,164, composed of legal fees from external counsel of $331 and Exchange, regulatory and transfer agent expenses of $2,833, ii) Office expenses of $2,626, composed of insurance premiums of $2,534, and communication expenses of $92, iii) exploration expenses of $263 and iv) bank fees of $18.

(6) During the first quarter ended March 31, 2014 the Company incurred a loss of $22,097. The components of this loss were as follows: i) exploration expenses of $3,334 incurred on the Otish and Mistassini Prospects previously impaired, ii) professional fees of $17,365, composed of Audit, tax and accounting fees of $9,360, legal fees from external counsel of $1,073 and Exchange, regulatory and transfer agent expenses of $6,932), iii) office expenses of $2,839, composed of insurance premiums of $2,534, and communication expenses of $305, and iv) interest income of $1,441.

(7) During the second quarter ended June 30, 2014 the Company incurred a loss of $27,746. The components of this loss were as follows: i) exploration expenses of $2,092 incurred mostly on the Otish and Mistassini Prospects previously impaired ($167 on Porcupine Miracle Prospect), ii) professional fees of $19,716, composed of Audit, tax and accounting fees of $6,240, legal fees from external counsel of $6,276 and Exchange, regulatory and transfer agent expenses of $7,200, iii) office expenses of $5,955, composed of insurance premiums of $2,534, and communication expenses of $3,421, and iv) interest income of $17.

(8) For a description of the results of the third quarter ended September 30, 2014, please see below.

Third Quarter Results

During the third quarter ended September 30, 2014 the Company incurred a loss of $17,564. The components of this loss were as follows: i) exploration expenses of $163 incurred mostly on the Otish and Mistassini Prospects previously impaired, ii) professional fees of $14,874, composed of legal fees from external counsel of $9,210 and Exchange, regulatory and transfer agent expenses of $5,664, iii) office expenses of $2,562, composed of insurance premiums of $2,439, communication expenses of $40 and other expenses of $83, and iv) interest income of $35.

Liquidity and Capital Resources

As at September 30, 2014, the Company had cash and cash equivalents of $100,890 and working capital of $109,150 compared to cash and cash equivalents of $169,087 and working capital of $177,934 at December 31, 2013. The reduction in cash and cash equivalents is resulting from the current loss (excluding the items that did not necessitate cash outlay as shown in the statement of cash flow).

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. The Company's capital is composed of its shareholders' equity. The Company is not subject to any externally imposed capital requirements. The Company has not issued any dividends, other than as disclosed under the section "Company Overview, Nature of Operations, and Overall Performance" above.

As at September 30, 2014, shareholders' equity amounted to $325,059 compared to $385,799 at December 31, 2013. Shareholder's equity was reduced from the net result of the $67,407 loss incurred in the nine month period ended September 30, 2014 (refer to "Results of Operations" and "Summary of Quarterly Results" above) and the value of the 66,666 common shares issued. The Company's investment policy is to keep its cash treasury on deposit with a Canadian chartered bank.

Contractual Obligations

Golden Valley and the Company entered into a Management and Administrative Services Agreement dated October 1, 2010 (the "**Management Agreement**"), pursuant to which Golden Valley agreed to provide certain administrative, management and financial services to the Company, such as office space and administrative support, including the use of Golden Valley's in house legal counsel, for day to day general inquiries, services of a chief financial officer and basic investor relations services in consideration of a fee of $96,000 per year. The Management Agreement can be terminated at any time and by either party, upon delivery of a twelve month written notice. The Management Agreement provides for the fee to be reviewed on an annual basis.

To preserve cash for the Company's operations, Golden Valley agreed to suspend indefinitely the management fees under the Management Agreement effective January 1, 2013. Accordingly, the Company did not incur management fees during the nine month periods ended September 30, 2014 and 2013, notwithstanding that Golden Valley continues to provide the services under the agreement. Charges for management fees will resume when the Company's treasury situation will permit.

The Company entered into an amending agreement (an "**Amending Agreement**") with Golden Valley dated May 21, 2014, amending the terms of the Management Agreement. The Amending Agreement confirms, among other things, that if there is a change of control of the Company and Golden Valley terminates the Management Agreement within six months of the change of control or the Company terminates the Management Agreement within twelve months of the change of control or if the Company and Golden Valley agree to terminate the Management Agreement within six months of the change of control, then the Company will pay Golden Valley a termination payment equal to the aggregate of the amounts that would have been payable by the Company to Golden Valley as the fee for the period from the date of the Amending Agreement to the date on which the Management Agreement is terminated if payment of the fee had not been suspended during such period.

Off balance Sheet Arrangements

The Company has no off balance sheet arrangements as at September 30, 2014 or as at the date of this MD&A.

Commitments and Proposed Transactions

As of the date of this MD&A, there are no undisclosed pending proposed transactions that would materially affect the performance or operation of the Company.

Related Party Transactions

The following transactions took place between the Company and Golden Valley:

Pursuant to the terms of the Management Agreement, Golden Valley has agreed to provide the Company with the services of a qualified geologist at an hourly rate equal to the hourly charge to Golden Valley, plus 10% ("**Geological Fees**"). During the nine month period ended September 30, 2014, the Company incurred Geological Fees in the amount of $3,054, of which $1,677 was expensed and $1,377 was capitalized in exploration and evaluation assets ($347 which was entirely expensed, during the nine months ended September 30, 2013). As at September 30, 2014 the Company had net indebtedness of $1,006 to Golden Valley.

The Company did not pay any compensation or any other form of employment benefits or perquisites to its directors and officers in the nine month period ended September 30, 2014.

In July 2014, the Company entered into a Mining Option Agreement to acquire up to 100% property in the Porcupine Miracle Prospect from 2973090 Canada Inc, a company owned and controlled by Mr. Glenn J. Mullan, the CEO of the Company. For more information on this transaction, please refer to the Property Interests section of this report.

CAPITAL STOCK

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.

Issued and Outstanding

The following details the issued and outstanding securities of the Company as at the date of this MD&A:

	Total outstanding	Escrowed
Common shares	11,166,664	Nil
Preferred shares	Nil	Nil
Incentive stock options	Nil	Nil

Issue of common shares

On July 25, 2014, The Company issued 66,666 common shares at a deemed price of $0.10 per share as the first tranche of a total of 200,000 common shares to be issued in accordance with the Mining Option Agreement to acquire the Porcupine Miracle Prospect. For more information on this transaction, please refer to the Property Interest Section of this report.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The Company's management manages the Company's financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are the following:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The main risk related to credit risk through cash which is managed by dealing with one reputable financial institution.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company has the financial resources such as bank loans for a sufficient authorized amount. The Company establishes budget and cash estimates so as to ensure it has the necessary funds to fulfill its obligations. Accounts payable and accrued liabilities are due within less than 90 days.

The fair value of these financial instruments approximates their carrying value given their short-term maturity date. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

At September 30, 2014, the Company had cash and cash equivalents in hand amounting to $100,890 and sales taxes receivable of $1,407 from Canada Revenue Agency and Quebec Revenue Agency combined. The Company had accounts payable and accrued liabilities of $1,387, all of which are current liabilities of the Company. See also "Liquidity and Capital Resources" above.

CRITICAL RISKS INHERENT TO THE COMPANY'S BUSINESS

- **Moratorium imposed by the Government of Québec**

There is no assurance that the Company will be able to continue exploration on its uranium properties located in Québec as contemplated, or at all.

- **Investment of Speculative Nature**

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

- **Nature of Mineral Exploration and Mining**

There is no known mineral resource on the Company's properties. 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.

- **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.

- **Stress in the Global Economy and Financial Condition**

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing.

- **Permits and Licenses**

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. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration

- **No Assurance of Title to Property**

The Company's claims may be subject to prior unregistered agreements or transfers or third party and native land claims and title may be affected by undetected defects.

- **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.

- **Environmental Risks for Current and Past Activities and other Regulatory Requirements**

The Company may be liable for environmental contamination and natural resource damages relating to properties that it currently owns, operates or have an interest in, or at which environmental contamination occurred while or before it owned, operated or acquired an interest in the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company.

- **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.

- **Conflicts of Interest**

The directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

- **Insurance**

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

- **Influence of Third Party Stakeholders**

Claims by third parties on the lands in which the Company hold interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting 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. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.

ADDITIONAL INFORMATION

Additional information about the Company may be obtained on SEDAR at www.sedar.com by accessing the Company's issuer profile.