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**NEW OPTION AGREEMENT SIGNED  
CENTREMAQUE PROSPECT – BOULAMAQUE TOWNSHIP, QUÉBEC**

**VAL-D'OR, QUÉBEC- August 4, 2011) - Golden Valley Mines Ltd. ("Golden Valley" or the "Company", TSX VENTURE:GZZ)** is pleased to announce that it has entered into an option agreement with Monarch Energy Limited ("Monarch Energy"), in respect of its Centremaque Prospect (the "Property") located in Bourlamaque Township, 6 km southeast of Val-d'Or, Québec.

Pursuant to the terms of the agreement, Monarch Energy can earn up to a 70% interest in the Centremaque Prospect by incurring aggregate exploration expenditures of \$2,250,000 over three years (\$250,000 in year-1; \$500,000 in year-2 and \$1,500,000 in year-3). In addition, Monarch Energy has to complete a Definitive Feasibility Study for the Property at its sole cost within 10 years of signing, leaving Golden Valley with a free carried interest of 30% in the Property. Monarch must also issue to Golden Valley such number of shares in the capital of Monarch Energy as is equal to 9.9% of its issued capital on the later of TSXV approval and August 31, 2011, together with a \$35,000 cash payment and reimbursement of its legal expenses due within 6-months of signing. Golden Valley will be operator during the option phase.

The Centremaque Gold Property is comprised of six mining claims, located approximately 6 km southeast of the town of Val-d'Or, Québec along the Cadillac-Larder Fault Zone of the Abitibi Greenstone Belt. At least twenty-seven (27) diamond drillcore holes (5,865 m) are reported to be drilled on the property between 1940 and 1994 with the majority of the historical drilling taking place in 1947 and 1987-1988. The drillholes encountered numerous intersections assaying gold grades greater than 1.0 g/t Au and including an intersection grading 15.87 g/t Au over 0.31 m (Ministère de l'Énergie et des Ressources naturelles, Documentation technique GM 04715, GM 06851-A, GM 06851-B, GM 36084, GM 46225, GM 47483, GM 52639, GM 58144).

The Property is located within the Val-d'Or gold mining camp, located approximately 6 km to the south (of the Sigma and Lamaque Mines where from 1937 to 2000, the Sigma Underground Mine continuously operated and produced 24.8 Mt grading 5.48 g/t Au totalling of 4.4 million oz Au. The adjacent Lamaque underground mine, which is part of the same vein system as Sigma, produced 24.2 Mt grading 5.81 g/t Au totalling of 4.55 million oz Au was closed due to low gold prices – Century Mining Website, August 2011). Exploration activity in the area of the Property is high with a number of companies engaged in large-scale exploration programs on adjacent and nearby claims.

Recent geophysical surveying conducted by Golden Valley Mines over the claims (magnetic and Induced Polarization surveys) along lines spaced 50 metres apart, have outlined several anomalies warranting further drill testing based on an initial interpretation of the data.

The first years' proposed work program will include a compilation of pre-existing exploration data and completion of a 3-D drillhole model of the historical drill data and the drilling of approximately 1,400 metres of new drill core to confirm previous assays and evaluate the new geophysical targets.

**About Golden Valley Mines Ltd.:** The Company typically tests initial grassroots targets while owning a 100% interest therein and then seeks partners to continue exploration funding. This allows the Company to carry on its generative programs and systematic exploration efforts at other majority-owned grassroots projects. The Company (together with its various subsidiaries) holds majority property interests in projects in Canada (Saskatchewan, Ontario and Québec) and in the Republic of Sierra Leone in West Africa.

Mr. Glenn J. Mullan, P. Geo., (OGQ) and (APGO (Temporary)), is the Qualified Person (as that term is defined in National Instrument 43-101) who has reviewed this news release and is responsible for the technical information reported herein.

**Forward-Looking Statement:** This news release contains certain 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 of this news release and 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, except as required by law. Accordingly, readers should not place undue reliance on such forward-looking statements.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**For additional information please contact:**

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