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**Golden Valley Mines Announces Shareholder Approval of Proposed Reorganization,
Date for Final Order Application and Corporate Update**

Val-d'Or, Québec – July 5, 2011: Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V symbol: **GZZ**) is pleased to announce the results of its Annual General and Special Meeting of Shareholders (the “**Meeting**”) held on June 30th, 2011 in Montréal, Québec. At the Meeting, shareholders approved all resolutions put before them by management, including the election of all director nominees, the re-appointment of the incumbent auditor, approval of the proposed reorganization to be carried out by plan of arrangement (the “**Arrangement**”) pursuant to the *Canada Business Corporations Act*, and the ratification of the shareholders rights plans and stock option incentive plans adopted by each of Abitibi Royalties Inc., Nunavik Nickel Mines Ltd. and Uranium Valley Mines Ltd. (the “**Subsidiaries**”), which are parties to the Arrangement.

As a result of the proposed Arrangement, each Golden Valley shareholder will receive one common share in the capital of each of the Subsidiaries for every 25 shares of Golden Valley held by that shareholder on the effective date of the reorganization and a capital taxable dividend will be deemed to be paid to each of the Golden Valley shareholders having received such Subsidiaries' shares equal to the value of the Subsidiaries' shares distributed to such Golden Valley shareholders. Completion of the proposed reorganization is subject to the approval of the Supreme Court of British Columbia and final acceptance by the TSX Venture Exchange.

At 9:45 a.m. on July 8, 2011, Golden Valley plans to apply to the Supreme Court of British Columbia (the “**Court**”) at 800 Smithe Street, Vancouver, British Columbia, to obtain the Final Order of the Court approving the Arrangement pursuant to the Interim Order of Master Bishop dated May 26, 2011, as amended by the Order of Master Taylor dated May 31, 2011. At the hearing, any registered shareholders of Golden Valley and any other interested parties who wish to participate or to be represented or to present evidence or arguments may do so, subject to filing with the Court and delivering a notice of such intention to appear to Shane D. Coblin, Kornfeld Mackoff Silber LLP, 1100 One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia V7X 1M5, counsel for Golden Valley, no later than 4:00 p.m. on July 7, 2011, the day immediately preceding the date of the hearing.

The following is a summary of results of the Meeting.

Election as Directors

Golden Valley's incumbent directors, namely: Joseph Groia, Blair F. Morton, Glenn J. Mullan, the Hon. Dr. Arthur T. Porter, Robert D. Smith, Chad Williams and Dr. C. Jens Zinke, were elected as directors of Golden Valley for a further term of one year.

Re-appointment of incumbent Auditor

Raymond Chabot Grant Thornton LLP, Golden Valley's auditor since August 2000, was re-appointed by Golden Valley shareholders at the Meeting.

The Arrangement

Golden Valley shareholders approved by special resolution the proposed Arrangement to reorganize Golden Valley's business by spinning-out to Golden Valley shareholders partial ownership of the Subsidiaries, with 99.68% of the votes cast at the Meeting voting in favour of the Arrangement Resolution. Assuming the Court issues its Final Order approving the Arrangement and the Exchange gives final acceptance of the transactions, Golden Valley proposes effecting the Arrangement on or about July 19, 2011.

Please refer to Golden Valley's news release dated June 2, 2011, for a description of the Subsidiaries' respective property interests.

No assurance can be given that the proposed reorganization will be completed as envisaged, nor that Golden Valley will achieve its reorganization objectives.

Shareholder Rights Plans and Stock Option Plans of the Subsidiaries

By ordinary resolutions, Golden Valley shareholders ratified and approved the adoption by each of the Subsidiaries of a Shareholder Rights Plan and a Stock Option Plan. It is proposed that the Stock Option Plans will be implemented, subject to acceptance by the Exchange in conjunction with the listing on the Exchange of the common shares of each of the Subsidiaries.

Corporate Update

Officer Appointments

Golden Valley's Board has also reappointed the following individuals as officers of Golden Valley:

Glenn J. Mullan: Chairman of the Board, President, and Chief Executive Officer.

Annie J. Karahissarian: Chief Financial Officer.

Michael P. Rosatelli: Vice-President, Exploration.

Luciana Zannella: Vice-President, Corporate and Legal Affairs, and Corporate Secretary.

Board Committees

Golden Valley's Board has crystallized its standing board committees, which include the Audit Committee (Blair F. Morton, the Hon. Dr. Arthur T. Porter and Robert Smith/Chair), the Compensation and Corporate Governance Committee (Joseph Groia/Chair, the Hon. Dr. Arthur T. Porter and Chad Williams), and the Environmental Excellence in Exploration/Corporate Social Responsibility ("E3CSR") Committee (Glenn J. Mullan/Chair, the Hon. Dr. Arthur T. Porter and Dr. Jens Zinke). With the exception of the E3/CSR Committee, all of the committees are comprised of independent directors.

Lead Director

Given that the positions of the Chair of the Board and President/CEO are held by the same individual, the Board has re-appointed Mr. Joseph Groia as lead director.

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 through the Company's wholly owned Canadian subsidiary, Calone Mining Ltd., the parent of Calone Mining Company (S.L.) Ltd.

For additional information, please contact:

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Forward Looking Statements:

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