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Golden Valley Mines Announces \$415,000 Convertible Debenture Financing

Val-d'Or, Québec – January 12, 2016 – Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V:GZZ) announces subject to acceptance by the TSX Venture Exchange (the “Exchange”), it proposes borrowing \$415,000 from an arm’s length existing shareholder pursuant to a convertible debenture. The debenture will not bear interest and is payable on maturity, 12 months from the date of advance of funds. Golden Valley may repay the debenture in whole or in part prior to maturity without notice, bonus or penalty, at its sole discretion. The debenture is convertible into Units of Golden Valley at a deemed price of \$0.10 per Unit, each Unit comprised of one common share in the capital of Golden Valley and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share of Golden Valley at a per share price of \$0.14 for two years from the date of issuance.

The debenture will automatically convert into Units upon confirmation from the Exchange that it has completed satisfactory background searches on the lender, who will become an insider of Golden Valley on conversion of the debenture. If by the end of the one year term of the debenture, the Exchange has not completed its background searches, or if the background search results are unsatisfactory to the Exchange, Golden Valley will repay the loan.

The warrants to be issued on conversion of the debenture will be subject to the condition that the warrants cannot be exercised until such time as Golden Valley obtains disinterested shareholder approval for the potential creation of the lender as a new control person. Golden Valley intends to hold its next annual shareholder meeting by no later than June 30, 2016, and will seek shareholder approval at that meeting. The lender has signed an undertaking that he will not exercise any warrants such that he would become a shareholder holding 20% or more of Golden Valley’s issued and outstanding shares until such time as Golden Valley has obtained disinterested shareholder approval, satisfactory to the Exchange, of the potential for the lender to become a control person.

All shares issued under the debenture and shares which may be acquired upon the exercise of the warrants to be issued under the debenture will be subject to a hold period of four months and one day from the date of issuance of the debenture, in accordance with applicable securities legislation and Exchange policy.

No finder’s fees are payable in connection with the convertible debenture financing.

The proceeds raised from the debenture will be used by Golden Valley for general corporate purposes.

On November 13, 2015, Golden Valley announced a non-brokered private placement offering of 14,900,000 Units at a per Unit price of \$0.10 for gross proceeds of \$1,490,000. On November 30, 2015, Golden Valley announced closing of the \$1,075,000 first tranche of the private placement

offering. Assuming Exchange acceptance of the proposed \$415,000 loan arrangement, issuance of the convertible debenture by Golden Valley will constitute the second and final tranche of the private placement offering.

The private placement offering has been conditionally accepted by the Exchange and remains subject to final acceptance by the Exchange.

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 multiple property interests in gold, base-metal and energy mineral projects in Canada (Québec and Ontario).

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Forward Looking Statements:

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