



GOLDEN VALLEY MINES LTD.

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Golden Valley Mines Provides Update on Corporate Reorganization

Val-d'Or, Québec – April 4, 2011, Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V symbol: **GZZ**) is pleased to announce that it has entered into an Arrangement Agreement with three of its subsidiaries, being Abitibi Royalties Inc., Nunavik Nickel Mines Ltd. and Uranium Valley Mines Ltd. (the “**Subsidiaries**”) to effect its previously announced corporate reorganization. It has also submitted to the TSX Venture Exchange (the “**Exchange**”) formal applications to list the common shares of the Subsidiaries on the Exchange. Golden Valley intends to seek shareholder approval of this proposed reorganization at an annual and special meeting of its shareholders scheduled to be held on or about June 30, 2011.

There can be no assurance that the reorganization will be accepted by the Exchange as proposed, or at all. In addition, completion of the proposed reorganization is subject to the approval of the Company's shareholders and the Supreme Court of British Columbia. Accordingly, no assurance can be given that the proposed reorganization will be completed as contemplated, nor that Golden Valley will achieve its reorganization objectives.

Additionally, Golden Valley will not, at this time, be making an application to list the common shares of Calone Mining Ltd., one of its subsidiaries, on the Exchange as previously announced.

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.

The Company has formed three subsidiaries to hold advanced projects and/or projects that are peripheral to its core business plan (grassroots exploration) and/or outside of its main area of operations (Abitibi Greenstone Belt) and has made applications for the listing of their shares on the Exchange, namely (1) Abitibi Royalties Inc. (which holds the Malartic CHL project, an option/joint venture project with Osisko Mining Corp. (“**Osisko**”), a 2% NSR on the Malartic CHL prospect held by Osisko, and the Luc Bourdon and Luc Bourdon West Project, an option/joint venture project with Noront Resources Ltd. and White Pine Resources Inc.), (2) Nunavik Nickel Mines Ltd. (which holds the Company's advanced nickel-copper-PGE projects situated in the Nunavik Region of Québec, including the Fortin property), and (3) Uranium Valley Mines Ltd. (which holds the Company's 40% interest in the Beartooth Island Project, a joint venture with Ditem Explorations Inc., and the Company's 50% interest in the Otish/Mistassini Project, a joint venture with Lexam VG Gold Inc. (formerly Lexam Explorations Inc.) and which is anticipated to hold other advanced uranium joint venture projects). There can be no assurance that the reorganization will be accepted by the Exchange

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For additional information, please contact:

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Forward Looking Statement: This news release contains certain statements that may be deemed "forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although Golden Valley believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or realities may differ materially from those in forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of Golden Valley's management on the date the statements are made. Except as required by law, Golden Valley undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Neither the 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 news release.