



**GOLDEN VALLEY MINES LTD.**

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**Golden Valley Mines Announces Court Approval of Proposed Reorganization  
and Effective Date of Arrangement**

**Val-d'Or, Québec – July 8, 2011:** Further to its news release of July 5, 2011, **Golden Valley Mines Ltd.** (“**Golden Valley**” or the “**Company**”) (**TSX-V: GZZ**) announces that the Supreme Court of British Columbia has issued the final order (the “**Final Order**”) declaring that the proposed reorganization to be carried out by plan of arrangement (the “**Arrangement**”) pursuant to the *Canada Business Corporations Act* is fair to the shareholders of Golden Valley.

Subject to final acceptance by the TSX Venture Exchange, Golden Valley proposes effecting the Arrangement on or about Tuesday, July 19, 2011, which will also be the record date (the “**Record Date**”) to determine those Golden Valley shareholders entitled to receive shares of each of Abitibi Royalties Inc., Nunavik Nickel Mines Ltd. and Uranium Valley Mines Ltd. (the “**Subsidiaries**”) to be distributed by Golden Valley under the terms of the Arrangement. Shareholders of Golden Valley on the Record Date will receive for each 25 common shares of Golden Valley held by such shareholder:

- one common share in the capital of Abitibi Royalties Inc.;
- one common share in the capital of Nunavik Nickel Mines Ltd.; and
- one common share in the capital of Uranium Valley Mines Ltd.;

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, being \$0.16 per common share of Abitibi Royalties Inc., \$0.30 per common share of Nunavik Nickel Mines Ltd. and \$0.235 per common share of Uranium Valley Mines Ltd.

Certificates, or a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, representing shares of each of the Subsidiaries are proposed to be issued on or about Friday, July 22, 2011. No fractional shares of the Subsidiaries will be distributed to registered Golden Valley shareholders. The residual Subsidiaries' shares not distributed to registered Golden Valley shareholders as a result of the treatment of fractional interests will be surrendered by Golden Valley for cancellation and returned to the treasury of the respective Subsidiary.

As a result of the Arrangement, Golden Valley shareholders will hold shares in Golden Valley and in each of the Subsidiaries thereby directly holding an interest in certain of Golden Valley's assets that were previously held indirectly.

Trading, on an “ex-dividend” basis, in the common shares of Golden Valley is proposed to commence on Friday, July 15, 2011, as is the trading, on a “when issued” basis, of the common shares of each of the Subsidiaries, subject to final acceptance of the three new listings by the TSX Venture 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 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. Assuming completion of the Arrangement, the Company will hold an approximate 67% interest in Abitibi Royalties Inc., an approximate 71% interest in Nunavik Nickel Mining Ltd. and an approximate 38% interest in Uranium Valley Mines Ltd.

**For additional information, please contact:**

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**Forward Looking Statements:**

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.

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