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Golden Valley Mines Announces Non-Brokered Private Placement

Val-d'Or, Québec – October 31, 2012 – Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V symbol: **GZZ**) announces a non-brokered private placement of up to \$755,000 and pursuant to which Toronto based AlphaNorth, amongst others will be subscribing. Golden Valley President and CEO Glenn J. Mullan commented “We are very pleased to have AlphaNorth as a participant in this transaction.”

Golden Valley will issue up to 555,555 flow through units (each a “Flow Through Unit”) at a per unit price of \$0.18 for gross proceeds of up to \$100,000. Each Flow Through Unit will consist of one common share issued on a flow-through basis and one-half of one non-transferable share purchase warrant. Each whole warrant shall entitle the holder to purchase one additional common share (non-flow through) of Golden Valley at a per share price of \$0.20 for a period of 24 months from the closing of the offering.

Additionally, Golden Valley will issue up to 4,366,667 non-flow through units (each a “Non-Flow Through Unit) at a per unit price of \$0.15 for gross proceeds of up to \$655,000. Each Non-Flow Through Unit will consist of one common share (non-flow through) and one whole non-transferable share purchase warrant, each warrant entitling the holder to purchase of one common share (non-flow through) of Golden Valley at a per share price of \$0.20 for a period of 24 months from closing of the offering.

The proceeds raised from issuance of the Flow Through Units will be used by Golden Valley to incur exploration expenditures on its properties located in Ontario, such expenditures to constitute “Canadian exploration expenses” and “flow through mining expenditures” as defined in the *Income Tax Act* (Canada), which will be renounced to purchasers for the 2012 taxation year under Canadian federal, and Ontario provincial, tax legislation. Net proceeds raised from issuance of the Non-Flow Through Units will be used by Golden Valley for general corporate purposes.

In connection with this private placement and prior to this announcement, the Company filed a Form 4A – Price Protection Form with the TSX Venture Exchange (the “Exchange”). The private placement is subject to the approval of the Exchange and is expected to close on or before November 9, 2012. All securities issued will be subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation.

Additionally, subject to Exchange acceptance, a cash finder’s fee of \$40,600 will be paid, and warrants (“Finder’s Warrants”) to acquire 190,555 common shares of the Company will be issued, to an arm’s length finder who introduced the Company to investors. Each Finder’s Warrant shall entitle the holder to purchase one additional common share of Golden Valley at a per share price of \$0.15 for a period of 24 months from the date of issuance.

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 property interests in projects in Canada (Saskatchewan, Ontario and Québec).

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.

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.

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