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**OTISH BASIN URANIUM EXPLORATION PROJECT UPDATE PHASE I
DRILL PROGRAM and AIRBORNE SURVEY**

Val-d'Or, Québec – August 29, 2008 - Golden Valley Mines Ltd. (“Golden Valley Mines” or the “Company”) (TSX-V symbol: GZZ) (TSX-V: GZZ), and its partner Lexam Explorations Inc. (TSX-V: LEX /OTC: LEXEF / Frankfurt: D2Q), are pleased to report on their exploration activities on the Mistassini-Otish Basins Uranium Project, located in north-central Québec, Canada.

Phase I Drill Program: Drilling was completed this week with a total of forty-two (42), shallow diamond drill holes for a total of 1,711 linear metres. Initial assay results are expected to be released in the next few weeks. Four of the originally planned holes were deferred to the phase II program according to planning and logistical considerations.

Drilling was focused on confirming and expanding the identified zone of uranium mineralization in the Mistassini portion of the project area that was originally discovered in 1979 by Western Mines Ltd (*Ministère de l'Énergie et des Ressources naturelles documentation technique GM 35584*). Drillholes within the zone were reported in 1979 to reach up to 5,100 ppm (0.51%) U_3O_8 and ten holes returned values better than 850 ppm (0.085%) U_3O_8 over a strike length of approximately 80 meters (262.5 ft.). A total of twenty-six vertical holes tested this zone.

The targeted uranium mineralization is shallow, located about 20 meters (65.5 ft.) below surface along the sides of a small hill. The mineralized zone is spatially related to the unconformity (up to 5 meters [16.4 ft.] above it) occurring next to the margin of the sedimentary basin along a bedding facies contact characterized by a upper coarser grained arkose-conglomerate in contact with finer-grained greywacke beds. The approximate thickness of the mineralized zone is 5 meters (16.4 ft.). The inferred strike extension of the zone was intersected in drilling by SOQUEM (*Ministère de l'Énergie et des Ressources naturelles, documentation technique GM 36262*) in 1979 about 2.4 km to the north, along the geological trend. Here a single hole intersected a best value of 1,040 ppm (0.1040%) U_3O_8 . A total of sixteen vertical holes tested this zone.

A 2,000 metre **Phase II** program of follow-up drilling is planned as part of the current exploration program. Drilling will be focused to test two objectives: 1) expanding upon the initial assay results and, (2) test other prospective targets on the large property. Drilling will resume in the second week of September and will continue until freeze-up.

Airborne Survey: An airborne geophysical (radiometric-magnetic-VLF) survey was completed over the eastern Otish portion of the project area that was previously delayed from last year's program because of adverse weather conditions. The survey totalled approximately 13,500 line

kilometres. The final data from the contractor (EON Geosciences Inc.) is expected within approximately six weeks.

About Golden Valley Mines Ltd.: The Company typically tests initial grassroots targets while owning a 100% interest and then seeks partners to continue exploration funding. This allows the Company to continue its generative programs and systematic exploration efforts at other majority-owned grassroots projects. As of August 28, 2008, the Company holds majority property interests in 135 projects consisting of 4,510 mining titles (260,244 hectares) in Saskatchewan, Ontario and Québec.

Michael P. Rosatelli, P. Geo. Vice-President, Exploration for Golden Valley Mines Inc., is a Qualified Person (as such term is defined in National Instrument 43-101-Standards of Disclosure for Mineral Projects), and is responsible for the geological information presented herein.

Forward-Looking Statement: This news release contains certain forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict and are not to be interpreted as guarantees for future performance. These forward-looking statements could cause actual events or results to differ materially from those anticipated in such forward-looking statements. All forward-looking statements speak only as of the date of this news release and the Company does not undertake any obligation to update or publicly release any revisions to such forward-looking statements to reflect events, circumstances, or changes in expectations after the date hereof, except as required by law. Accordingly, readers should not place undue reliance on such forward-looking statements.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy of this release

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