



GOLDEN VALLEY MINES LTD.

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Update: Abitibi Grassroots Drill Program and Sierra Leone, West Africa

Val-d'Or, Québec – December 16, 2010 – Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V symbol: GZZ) announces that drilling activities on the Company's Abitibi "Grassroots Exploration Project" are continuing with initial diamond drilling programs completed at the Agar Prospect (Quebec & Ontario Prospects Location Map: copper-zinc-silver Target #59; 1-hole, 150 metre program) located in Currie Township, Quévillon Québec and the Salve Lake Prospect (Quebec & Ontario Prospects Location Map: gold Target #52; 2-hole, 451 metre program) located in Beatty Township, east of Matheson Ontario. Drill program assay results remain pending and/or logging and sampling of the core is in progress for these programs.

Additionally, drilling activities are presently on-going. Drilling programs at the Blue Mountain Prospect (Quebec & Ontario Prospects Location Map: gold Target #8) located in Bernhardt Township, northwest of Kirkland Lake, Ontario.

Sierra Leone, West Africa

Calone Mining Company (S.L.) Ltd., the Company's subsidiary in Sierra Leone, West Africa, has been informed by the Ministry of Mineral Resources of the Mines Division of Sierra Leone, that two of the 5 licenses that it holds in Sierra Leone, have been cancelled. The Company believes that all renewal fees have been duly paid and that all work performed to date has been executed in compliance with local mining regulations.

The Company is currently working in conjunction with its team of advisors in Sierra Leone to clarify the situation with the local authorities so as to understand the reasons behind this decision. The Company will review its options accordingly. The proceeds of the non brokered private placement offering announced on December 6, 2010 and scheduled to close on December 20, 2010 are not and were never intended to be used by the Company for work in Sierra Leone on the portion of land described above.

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 four 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) with the intention of making an application 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., 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), (3) Uranium Valley Mines Ltd. (which holds the Company's 40% interest in the Beartooth Island Project and which is anticipated to hold other advanced uranium joint venture projects), and (4) Calone Mining Ltd. (to pursue grassroots exploration in the Republic of Sierra Leone, West Africa through the acquisition of the common shares of Calone Mining Company (S.L.) Ltd.). At this time, the Company has yet to make a formal listing application to the Exchange and the completion of the foregoing proposed transactions is subject to, amongst other things, the approval of the Exchange, the Company's shareholders, the Court of British Columbia, and all other applicable regulatory bodies.

For additional information please contact:

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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.

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.