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GOLDEN VALLEY MINES LTD.

152, Chemin de la Mine École
Val-d'Or, Québec J9P 7B6
819.824.2808 (main)
819.824.3379 (fax)
info@goldenvalleymines.com

Golden Valley Mines Closes \$3.61 Million Non-Brokered Private Placement

Val-d'Or, Québec – December 21, 2010 – Further to its news release of December 6, 2010, **Golden Valley Mines Ltd.** (“**Golden Valley**” or the “**Company**”) (**TSX-V symbol: GZZ**) is pleased to announce that it has closed a non brokered private placement consisting of 992,003 flow-through common shares (the “**FT Shares**”) at a subscription price of \$0.62 per FT Share and of 6,666,664 units (the “**Units**”) at a subscription price of \$0.45 per Unit resulting in gross proceeds of \$3.61 million.

Each Unit consists of one common share (a “**Common Share**”) and one-half of a share purchase warrant (a “**Warrant**”). Each whole Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$0.75 per common share for a period of eighteen months from December 20, 2010 (the “**Closing Date**”). The Common Shares, the Warrants, and the FT Shares acquired by the placees are subject to a hold period of four months plus one day from the Closing Date in accordance with applicable securities legislation.

Directors and officers of the Company subscribed under the offering, in addition to Fonds régional de solidarité FTQ Abitibi-Témiscamingue, Fonds de solidarité FTQ, Sodémex II, société en commandite, and SIDEX, limited partnership.

The Company will use the proceeds raised through Quebec based financial institutions to incur grass roots exploration expenditures on Golden Valley’s property portfolio located in Quebec and Ontario, and for general working capital; a portion of the other funds may be used to finance exploration activities on the Company’s property interests located in Sierra Leone, West Africa.

The private placement is a related party transaction for the purposes of TSX Venture Policy 5.9, however is exempt from the minority approval and valuation requirements of such policy.

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:

Golden Valley Mines Ltd.

Glenn J. Mullan

Chairman, President, and CEO

152, Chemin de la Mine Ecole

Val-d'Or, Québec J9P 7B6

Toll Free: 877.879.1688 ext. 1222

Email : glenn.mullan@goldenvalleymines.com

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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.