



**GOLDEN VALLEY MINES LTD.**

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**Golden Valley Mines Announces Incentive Stock Option Grant**

**Val-d'Or, Québec – December 23, 2010 – Golden Valley Mines Ltd.** (“Golden Valley Mines” or the “Company”, TSX-V symbol: GZZ) announces that it has granted incentive stock options (the “Options”) pursuant to its stock option incentive plan, as amended, to its directors, officers, consultants, and employees to purchase an aggregate 1,050,000 of its common shares. The Options are exercisable at a price of \$0.50 until December 22, 2015. 950,000 Options are exercisable immediately, and 100,000 Options (in the aggregate) granted to two consultants of the Company vest as to 25,000 Options (in the aggregate) on a quarterly basis.

**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.

**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.

**For additional information please contact:**

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*Neither 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 release.*