



GOLDEN VALLEY MINES LTD.

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Golden Valley Mines Proposes to Spin Out Four New Companies

Val-d'Or, Québec – May 21, 2010, Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V symbol: **GZZ**) announces that it intends to transfer certain of its properties, and carried interests in certain properties, to the following of its four subsidiaries, with the intention of making an application for the shares of each of the subsidiaries for listing on the TSX Venture Exchange (the “Exchange”):

- **Abitibi Royalties Inc.**, which will initially hold the title to two of Golden Valley’s carried interests and a single net smelter royalty interest, and may acquire and generate other royalty interests;
- **Calone Mining Ltd.**, which will acquire the shares of Calone Mining Company (S.L.) Ltd., Golden Valley’s subsidiary which conducts local operations in the Republic of Sierra Leone, West Africa;
- **Nunavik Nickel Mines Ltd.**, which will hold title to Golden Valley’s nickel properties in Nunavik, Quebec, Canada and may acquire and generate other nickel ventures in Canada and elsewhere; and
- **Uranium Valley Mines Ltd.**, which will hold title to Golden Valley’s joint venture interests in uranium properties in Saskatchewan and Quebec, Canada and may acquire and generate other uranium ventures in Canada and elsewhere.

At this time, Golden Valley has not made a formal listing application for each of the subsidiaries to the Exchange, and there can be no assurance that the transactions will be accepted by the Exchange as proposed, or at all. In addition, completion of the proposed transactions is subject to the approval of the Company’s shareholders and the Supreme Court of British Columbia. Accordingly, no assurance can be given that the proposed transactions will be completed as envisaged, nor that Golden Valley will achieve its objectives with the proposed transactions.

Glenn J. Mullan, the President, CEO, and Chairman of Golden Valley said “The purpose of the proposed transfer of certain of Golden Valley’s more strategic properties and carried interests to its various subsidiaries is to create operational efficiencies and to increase the Company’s financing capacity. The transactions are based on either, or both, the geographic location of the properties (in the case of the Company’s recent Sierra Leone, West African acquisitions) and the commodities being explored for (in the case of the Nunavik nickel properties, and in respect of the Company’s uranium projects). If the proposed transactions and listing of the subsidiaries on the TSX Venture Exchange are accepted by the various regulatory

bodies, we are hoping that in addition to maximizing liquidity, it will also maximize shareholder value as it is intended that shareholders of Golden Valley will also become shareholders of the various subsidiaries. We believe that the proposed spin out will also enable Golden Valley to pursue its core business plan more efficiently, which is the generation of new projects and grassroots exploration”.

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 May 20, 2010, the Company holds majority property interests in 157 projects in Canada consisting of 4,085 mining titles (232,430 hectares) and 2 projects consisting of approximately 710 km(2) in the Republic of Sierra Leone in West Africa.

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Forward Looking Statement:

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 Mines 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 Mines’ management on the date the statements are made. Except as required by law, Golden Valley Mines 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.