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**Golden Valley Mines enters into Binding Term Sheet
for Non Brokered Private Placement**

Val-d'Or, Québec – December 23, 2011 – Golden Valley Mines Ltd. (“Golden Valley” or the “Company”) (TSX-V symbol: **GZZ**) announces that it has entered into a binding term sheet pursuant to which a single investor will subscribe for an aggregate 2,000,000 units (the “Units”) at a subscription price of \$0.30 per Unit resulting in total gross proceeds of \$600,000.

Each Unit shall consist of one common share (a “Common Share”) and one-half of a share purchase warrant (a “Warrant”). Each whole Warrant shall entitle the holder thereof to acquire one additional common share at a price of \$0.40 per common share for a period of eighteen months from the date of completion of the financing (the “Closing Date”). The Common Shares and the Warrants to be acquired by the placee will be subject to the required hold period prescribed by applicable securities legislation.

Concurrently with the above mentioned subscription, insiders of the Company are to subscribe for up to 333,333 Units, upon the same terms and conditions described above for aggregate gross proceeds of up to \$100,000. The subscription by insiders of the Company constitutes 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. The Company intends to use those proceeds raised for general working capital. The private placement is subject to the approval of the Exchange and is expected to close on or before January 20, 2011.

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.

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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.

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