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**ABITIBI ("AGB") GRASSROOTS EXPLORATION PROJECT UPDATE  
109g/t Gold, 91g/t Silver and 1.90% Molybdenum Prospecting Sample Results**

**Val-d'Or, Québec- December 21, 2011 - Golden Valley Mines Ltd. ("Golden Valley" or the "Company", TSX-V symbol: GZZ)** is pleased to report on the Company's exploration activities in the Abitibi Greenstone Belt, Québec and Ontario.

**Abitibi ("AGB") Grassroots Exploration Project - Québec and Ontario, 100%-owned Prospects:**

The exploration budget for the Company's AGB "Grassroots Exploration Project" for 2011 is approximately \$615,000. Exploration activities for the 2011 program have been focused primarily on preliminary fieldwork consisting of "boot and hammer" prospecting and sampling, grid establishment and follow-up ground geophysical surveys with the objective of upgrading and advancing each property to the group of "drill-ready" prospects for the Company's self-funded AGB Project. The 2011 exploration program is mainly directed towards gold and/or copper-rich volcanogenic massive sulphide (VMS) ore deposit model-type targets.

To date, a total of seventeen (17) grids have been established on separate properties for a total of 255.5 line kilometres; and eighteen (18) individual property geophysical surveys (ground magnetic: 216.0 line kilometres, horizontal loop electromagnetic: 85.9 line kilometres and induced polarization: 95.4 line kilometres) have been completed. Based on these geophysical results (including additional geophysical survey data results from the 2010 exploration program), fifty-two (52) "higher priority targets" were interpreted and have been proposed for drill testing (approximately 6,915 metres of drilling).

In addition, a summer 2011 prospecting and sampling program was completed targeting geophysical anomalies and historical surface showings, over the Company's 100%-owned properties acquired by the Company over the last several years. A total of twenty-four (24) prospects and/or areas of interest were prospected and sampled. As a result, a total of 102 rock samples were collected and submitted for assaying. Highlights from the prospecting and sampling program include 109.0 g/t Au & 22.8 ppm Ag from the Baden Prospect, 5.81 g/t Au & 19.4 ppm Ag from the Gosselin Prospect, 91.0 ppm Ag; 2.10 % Zn; 7670 ppm Pb from the Jonsmith Prospect, 20.4 g/t Au from the Oregon Prospect and 1.900% Mo & 2.9 ppm Ag from the Steeley Prospect. Rock assay results from the program are summarized in the table below:

Property	Region	Sample Number and Description	Assay Result
Baden	Matachewan	3938-Blastrock from historic trench. Contains quartz carbonate and feldspar. 2% sulphides.	3.47 g/t Au; 1.6 ppm Ag
Baden	Matachewan	3964-Quartz carbonate vein in historic trench. 12 inches wide. Contains cubic pyrite.	<b>109.0 g/t Au;</b> <b>22.8 ppm Ag</b>
Baden	Matachewan	3965-Wallrock in historic trench. Altered syenite. Sulphide mineralization.	4.23 g/t Au; 3.1 ppm Ag
Baden	Matachewan	3966-Wall rock in historic trench. Altered syenite with quartz carbonate. Sulphide mineralization.	2.42 g/t Au; 2.6 ppm Ag
Baden	Matachewan	3969-Blastrock from historic trench. Quartz. Albitized and chloritized. Contains cubic pyrite.	3.88 g/t Au; 1.4 ppm Ag
Baden	Matachewan	3670-Blastrock from historic trench. Quartz with dark mineral.	3.91 g/t Au
Gosselin	Shiningtree	3911-Overburden stripped area. Quartz vein. Chloritized. 1% cubic pyrite. Trace chalcopyrite.	<b>5.81 g/t Au;</b> <b>19.4 ppm Ag</b>
Gosselin	Shiningtree	3912-Overburden stripped area. Mafic volcanic. 1% fine cubic pyrite. Quartz-carbonate alteration.	0.250 g/t Au
Gosselin	Shiningtree	3913-Overburden stripped area. Rusty quartz with mafic volcanic rock included. 2% disseminated pyrite.	0.7 g/t Au; 2.3 ppm Ag
Gosselin	Shiningtree	3915- Overburden stripped area. Quartz vein. Less than 1% disseminated pyrite.	0.390 g/t Au
Gosselin	Shiningtree	3916- Historic drillcore from core dump. Rusty. Quartz-carbonate alteration. 1% disseminated pyrite. Contains a black mineral.	0.638 g/t Au
Jonsmith	Shiningtree	3923-Blastrock from historic trench. Mafic volcanic. 3% cubic pyrite. 1% chalcopyrite. Galena in blebs.	<b>91.0 ppm Ag;</b> 2.10 % Zn; 7670 ppm Pb
Blue Mountain	Kirkland Lake	12711-Blastrock from muckpile at Blue Mountain shaft. Intermediate volcanic with quartz. 2% to 3% pyrite.	4480 ppm Pb; 9970 ppm Zn
Blue Mountain	Kirkland Lake	12714-Blastrock from muckpile at Blue Mountain shaft. Intermediate volcanic with quartz. 2% pyrite.	9820 ppm Pb; 4990 ppm Zn
Blue Mountain	Kirkland Lake	12715-Blastrock from muckpile at Blue Mountain shaft. Intermediate volcanic with quartz. Trace pyrite.	5030 ppm Pb; 3290 ppm Zn

<b>Property</b>	<b>Region</b>	<b>Sample Number and Description</b>	<b>Assay Result</b>
Oregon	Val-d'Or	3777-Outcrop. Fractured granodiorite. 1% coarse cubic pyrite.	1.585 g/t Au
Oregon	Val-d'Or	3780-Blastrock from pit. Granodiorite with some quartz. Less than 1% cubic pyrite.	5.76 g/t Au
Oregon	Val-d'Or	3781-Outcrop. Granodiorite with rusty quartz. 3% pyrite.	4.75 g/t Au.
Oregon	Val-d'Or	3861-Blastrock from historic trench. Altered granodiorite with quartz. Trace pyrite.	2.64 g/t Au
Oregon	Val-d'Or	3907-Blastrock from historic trench. Rusty quartz. 4% to 5% cubic pyrite.	0.994 g/t Au
Oregon	Val-d'Or	3908-Outcrop. A patch of rusty quartz on granodiorite outcrop. 3-4% pyrite.	<b>20.4 g/t Au</b>
Oregon	Val-d'Or	3909-Outcrop. Granodiorite. Silicified. 2% to 3% pyrite.	0.380 g/t Au
Steeloy	Cadillac	12701-Outcrop. Granite. Highly mineralized quartz vein. 8% molybdenite. 1% pyrite.	<b>1.900% Mo; 2.9 ppm Ag</b>

\* 1ppm = 1g/t per silver values

Ground follow-up programs as part of the Company's 2012 Abitibi "Grassroots Exploration Project" are currently in the process of being formulated on these properties.

All rock sample assays results reported above were completed by ALS Chemex with sample preparation in Val-d'Or, Québec and analyses at ALS Chemex in Vancouver, British Columbia. A standard 33 multi-element, ICP-AES analysis was completed on all samples with over limits (greater than 10,000 ppm) for zinc and molybdenum determined by a Four Acid Digestion with ICP-AES (Zn-OG62 and Mo-OG62) ore-grade analysis. Gold values were determined by 30g FA-AA finish with over limits (greater than 10g/t Au) determined by a 30g FA-GRAV finish.

#### **Integra Gold Corp. Joint Venture – Abitibi Grassroots Exploration Project:**

At the Abitibi joint venture with Integra Gold Corp. (formerly Kalahari Resources Inc., hereinafter "Integra"), exploration work during 2011 has been focused on the Claw Lake Prospect where grid (51.3 line kilometres) and ground geophysical (magnetic: 58.8 line kilometres and induced polarization: 53.78 line kilometres) surveys were completed. Based on these geophysical results, four (4) "higher priority targets" were interpreted and have been proposed for drill testing (approximately 555 metres of drilling).

In 2008, the Company earned a 70% interest in a group of nine properties located in the AGB region (Québec and Ontario) and a joint venture was formed thereon with Integra. Golden Valley is the operator during the joint venture phase.

### **New Opportunities – Property Acquisitions:**

Golden Valley through its in-house project generation activities has staked a total of 30 new 100%-owned claims covering approximately 1,632 ha that included three (3) new properties. These properties were generated following a comprehensive review and interpretation of the *Ministère des Ressources naturelles et de la Faune* (MRNF) publication release of MegaTEM® II Surveys of the Abitibi Greenstone Belt, Québec, prospective for copper-rich VMS and lode-gold deposits, located in the Abitibi Greenstone Belt within the La Sarre, Val-d’Or and Chibougamau mining camps.

### **Big North Capital Inc. – Luciana Prospect - Lebel-sur-Quévillon, Québec:**

On December 13, 2011, Big North Capital Inc. (“Big North”) announced the closing of its qualifying transaction involving the acquisition from Golden Valley on August 30, 2011 (the “Effective Date”) of an option to acquire a 70% interest (the “Option”) in the Luciana prospect gold property located in Lebel-sur-Quévillon, Québec.

In order to exercise the Option, Big North must: (i) incur aggregate exploration expenditures of \$2,000,000 over a three year period (\$250,000 in year-1; \$500,000 in year-2 and \$1,250,000 in year-3); (ii) complete a definitive feasibility study at its sole cost on or before the 10th year anniversary of the Effective Date; (iii) issue to Golden Valley 396,000 shares in the capital of Big North; (iv) make cash payments of \$10,000 in the aggregate; and (iv) reimburse Golden Valley for legal expenses incurred with respect to the grant of the Option. Golden Valley is the operator during the option phase. Upon Big North exercising the Option, Golden Valley will retain a 30% free carried interest to production.

**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.

Mr. Glenn J. Mullan, P. Geo., (OGQ) and (APGO (Temporary)), is the Qualified Person (as that term is defined in National Instrument 43-101) who has reviewed this news release and is responsible for the technical information reported herein.

**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 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.*

**For additional information please contact:**

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**Glenn J. Mullan**

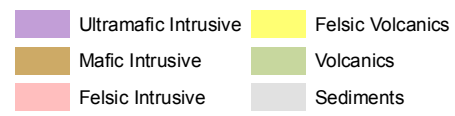
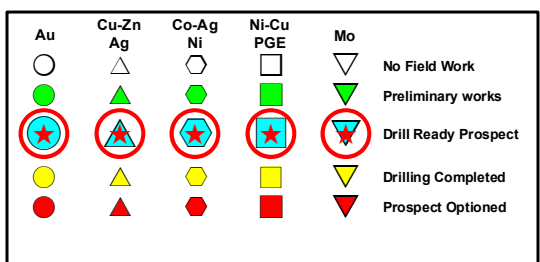
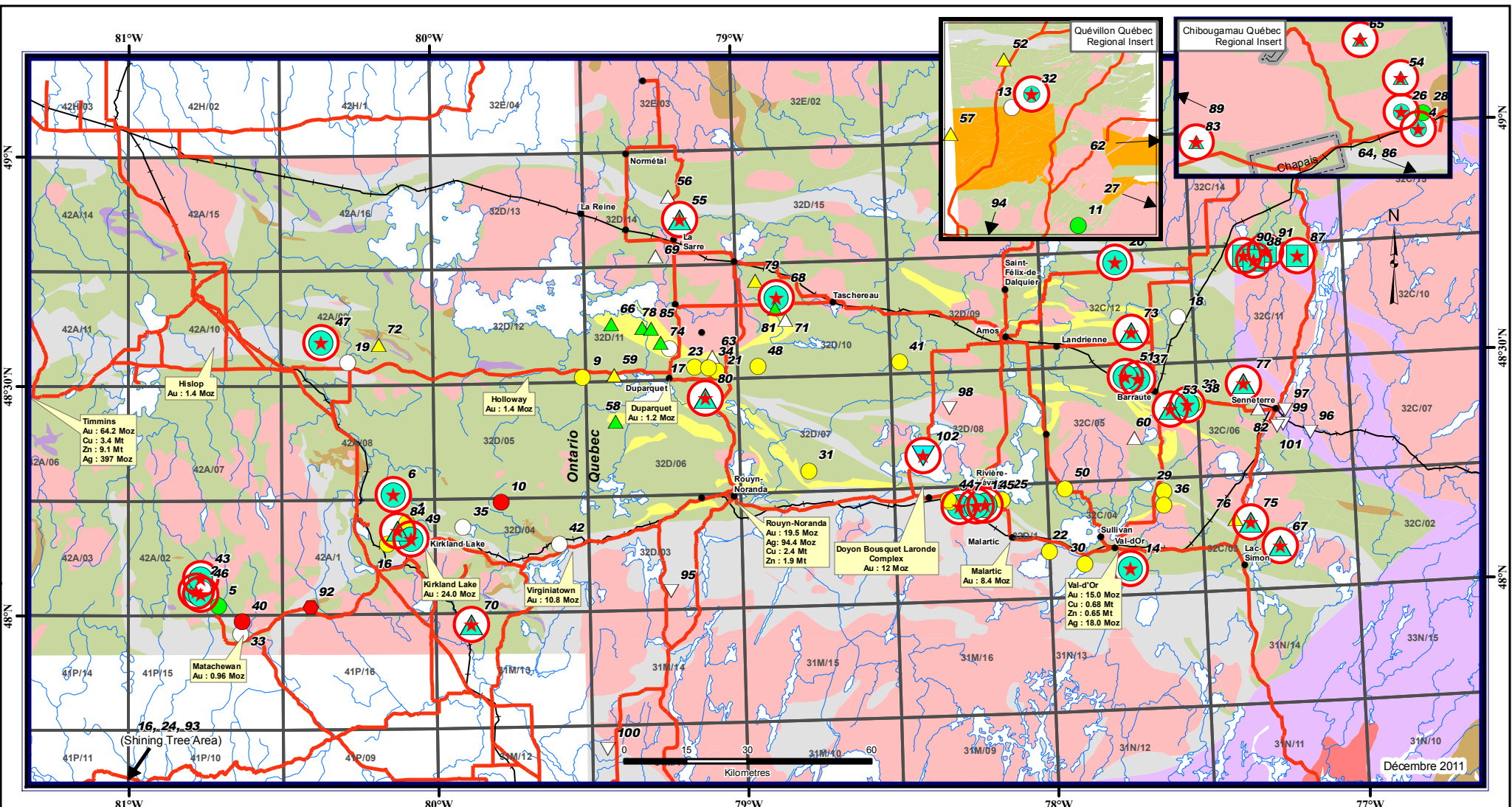
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**Au Prospects**

- 1 Amikougami
- 2 Arbade (2)
- 3 Baden
- 4 Bearmac
- 5 Bench Depth
- 6 Blue Mountain
- 7 Bogside NW (ICG)
- 8 Bogside NW (ICG)
- 9 Borderline
- 10 Broker's Fee (Cambrian)
- 11 Bustag
- 12 Cadillac High
- 13 Carbo
- 14 Centremaque (MNL)
- 15 Claw Lake (ICG)
- 16 Cook Lake (ICG)
- 17 Cupric
- 18 Dangeville
- 19 Denovo (ICG)
- 20 Dionne
- 21 Double Trouble
- 22 Dubuisson
- 23 Golden Jet
- 24 Gosselin Discovery
- 25 Heva Minor
- 26 Ile Joe

**Cu-Zn-Ag Prospect**

- 27 Lac Barry
- 28 Lac Dulieux
- 29 Lac Laverdiere
- 30 Lac Lemoyne
- 31 LockOut
- 32 Luciana
- 33 Matachewan (ICG)
- 34 Mona Lisa
- 35 Murdoch Creek (ICG)
- 36 North Contact
- 37 Oregon
- 38 Perestroika (ICG)
- 39 Perestroika West
- 40 Plumber (WKM)
- 41 Princesse Annie (2)
- 42 Recession Larder (ICG)
- 43 Richore
- 44 Riverside
- 45 Riviere Heva
- 46 Ronda
- 47 Salve Lake
- 48 Sea Serpent
- 49 Shamrock
- 50 Vassan
- 51 Venus New

**Co-Ag-Ni Prospects**

- 52 Agar
- 53 Barraute
- 54 Bejopipa
- 55 Calamity
- 56 Clermont
- 57 D'Orso
- 58 Digueudou
- 59 Entre Deux Lacs
- 60 Fiedmont
- 61 Harricana Fault
- 62 Hazen
- 63 Hunter Mine Group (4)
- 64 Jolt
- 65 Kharlamov
- 66 Kirkland
- 67 Lac Guéguen
- 68 Magoma
- 69 Midway
- 70 Mindoka
- 71 Moose
- 72 Munro (ICG)
- 73 Odie Cleghorn
- 74 Palmarolle
- 75 Pascalis Cu-Zn
- 76 Pascalis West
- 77 Petit Lac Noir (2)

**Ni-Cu-PGE Prospects**

- 78 Playa Dolce
- 79 Poularies North
- 80 Riviere D'Alembert
- 81 Riviere Lois
- 82 Senneterre
- 83 Threshold-85
- 84 Winnie Lake
- 85 Witch Hunt

**Mo Prospects**

- 86 Cataract
- 87 Ducros Sill (4)
- 88 Lac Ducros
- 89 Titan
- 90 Township Line
- 91 U Turn

**Co-Ag-Ni Prospects**

- 92 Island 27 (WKM)
- 93 Jonsmith

**Mo Prospects**

- 94 Alix
- 95 Cheabella
- 96 Gilligan
- 97 Grenier-Bilodeau
- 98 Lavandin
- 99 Lavoie-Simard
- 100 Nedelec W
- 101 O.Thibault
- 102 Steely

# Québec & Ontario Prospects Location



Golden Valley Mines Ltd.  
Mines de la Vallée de l'Or Itée

Ref: MNDM Web site, Ore Deposits at depth 2003  
Abitibi 2004, ET-96-01, MM-89-04, DV-98-04, DV-1991-01 to DV-2004-01 Map 2109

Décembre 2011