



GOLDEN VALLEY MINES LTD.

152, chemin de la Mine École

Val-d'Or, Québec J9P 7B6

819.824.1030 (main)

819.824.1003 (fax)

info@goldenvalleymines.com

Announces Uranium Joint Venture in Saskatchewan

Montreal, Québec – January 20th, 2006 - Golden Valley Mines Ltd. (TSX-V symbol: GZZ) announces the principal terms of a letter of intent with **Ditem Explorations Inc. (TSX-V symbol: DIT)** allowing Ditem to earn up to a 60% interest in the Beartooth Island prospect, a 23,760 hectare (58,712 acre) uranium exploration property located in the northwest portion of the Athabasca Basin, Saskatchewan. The property is situated approximately 72 kilometers southwest of Uranium City.

About the Athabasca Basin: Saskatchewan now accounts for 100% of Canadian production of uranium, and is the world's largest producing region (producing approximately 30% of global supply), and hosts reserves of approximately 40 years at current production rates. Several world-class deposits are located in the Athabasca Basin including Rabbit Lake, Cluff Lake, and Key Lake. An imbalance between current new mine supply versus current nuclear power plant consumption trends (www.world-nuclear.org) are among factors contributing to a steady increase in the spot price of uranium from US \$10.10/pound in March 2003 to over US \$37/pound at present.

The Athabasca Basin uranium mines produce from deposits that occur at an erosional unconformity marking the contact of sediments with underlying basement crystalline rocks. At the **Beartooth Island** property, sedimentary rocks of the Athabasca Basin are gently dipping, and consist essentially of orthoquartzite with numerous thin beds of siltstone, mudstone and occasional sub-arkose.

Exploration History: In the 1970's, exploration on the Beartooth Island property followed the discovery of 222 radioactive glacial erratics located on Beartooth Island with an average scintillometer reading of 1000 counts per second ("cps") and isolated readings exceeding 15,000 cps (74N04-NE-0001). Two radioactive sources were identified in the area: the first consists of a low-grade fracture zone with a topographic low within 300 meters of the up-glacier advance direction. The second source consists of a "very large, high-grade" zone 1 to 3 kilometres long located northeast from the island at 60° (Saskatchewan Mineral Deposits Index – Mineral Property #: 2072). The initial claims were staked in the fall of 1976. Follow-up exploration programs from 1978 to 1980 included soil sampling and ground scintillometer surveys, an airborne EM and magnetic survey, surficial geological survey, radioactive boulder fan study, limited diamond drilling (five drill holes totalling 1007 meters), ground geophysical surveys as well as marine seismic and radiometric surveys.

Terms of the Option/Joint Venture: Ditem may earn an initial 50% interest by incurring aggregate exploration expenditures of \$1,000,000 over three years. In the fourth year of the agreement, Ditem may then elect to increase its interest by 10% (to an aggregate 60% interest) by incurring an additional \$2,000,000 in exploration expenditures. Finally, Ditem may then enhance its position by acquiring an additional 6% interest (aggregate 66%) in the property provided that it deliver a bankable feasibility study within 10-years from the signing of the final agreement. Golden Valley will be operator during the option period. Golden Valley will retain an aggregate 34% interest following vesting.

In conjunction with this transaction, and as partial consideration for the work commitment, Ditem shall issue to Golden Valley an aggregate 2,000,000 share purchase warrants. Each warrant shall entitle Golden Valley to acquire one common share of Ditem (aggregate 2,000,000) for a period of 2 years from the date of issuance at a price of \$0.10 per common share., and Golden Valley has undertaken to exercise half of the warrants within 45 days of issuance. No commissions are payable in connection with this transaction, and all securities issued will be subject to the regulatory four month hold period. The transactions disclosed herein are subject to all the required board and regulatory approvals of both companies.

Ditem is now planning an initial state of the art high-resolution, deep-penetrating airborne magnetic and electromagnetic survey.

About Golden Valley Mines: Golden Valley is adequately funded for the continuance of its current exploration programs. Further updates are forthcoming from the Abitibi Greenstone Belt (Au, Cu-Zn) and Baie James (Au, Cu-Zn) programs as drilling and survey results are received, and additional drill targets selected.

For additional information, please visit www.goldenvalleymines.com, or contact:

Glenn J. Mullan

President

Suite #1525, 800 Boul. René-Lévesque W.

Montreal, QC H3B 1X9

Phone : 877.879.1688, ext 222

Email: mullan@goldenvalleymines.com

Bruce R. Durham

Vice-President, Exploration

Suite #1525, 800 Boul. René-Lévesque W.

Montreal, QC H3B 1X9

Phone : 877.879.1688, ext 252

Email: durham@goldenvalleymines.com

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