



**Toronto, ON: July 29, 2008 - Galway Resources Ltd. (GWY: TSX-V)** is pleased to announce metallurgical results from the Victorio molybdenum-tungsten project located in southern New Mexico. Overall, the results confirmed the historical metallurgical test work done in the early 1980s and which formed the basis for the assumptions regarding recoveries that were included in the recently published Scoping Study. Conclusion of the phase 2 metallurgical program, which is expected in the first quarter 2009, will allow for finalizing of the concentrator flowsheet and better estimation of the capital and operating costs implications on the metallurgical side in order to support the pre-feasibility study.

“We are very pleased with these results from our metallurgical testing program and believe there is room for further improvement which would only further enhance the economics of this project,” cites Robert Hinchcliffe, President and CEO of Galway Resources.

### **Phase 1 of Metallurgical Program Just Completed**

The first phase of the metallurgical program which has been ongoing at Hazen Research, Inc. over the past year has been successfully concluded. The purpose of the program was to confirm the results of the testwork performed in 1982 by Hazen on behalf of Gulf Mineral Resources Co. That original study concluded that a molybdenum concentrate grade of 55-56% Mo was achievable at a recovery of 85% and a low grade tungsten concentrate could be produced at a 75% recovery, which would then have to be further processed to produce a marketable ammonium paratungstate (APT). The first phase has achieved similar results to those achieved in the past.

### **Phase 2 Metallurgical Program to Commence at Hazen**

The phase 2 program will soon be launched utilizing fresh core samples from the 2008 drilling program. The initial emphasis will be on producing a marketable tungsten concentrate by gravity concentration and pre-concentration methods. Production of a marketable concentrate will have a significant positive impact on the project economics by significantly reducing both operating and capital costs associated with an APT plant.

“The molybdenum testwork continues to show that we can make a clean, marketable molybdenum concentrate at high recoveries. However, we are most excited about the possibility of improving the tungsten metallurgical performance and economics. The potential to eliminate or reduce the need to produce APT will have a significant positive impact on the economics of the Victorio project. Additionally, every 1% improvement in molybdenum recovery boosts the NPV of the project by approximately 6%,” cites Paul Valenti, VP of Project Development for Galway Resources.

### **New Metallurgical Advisor Hired**

We have recently retained H.M. (Matt) Bolu, P. Eng., consulting metallurgist and expert on tungsten metallurgy to oversee the work at Hazen. Matt is a consulting process engineer and has worked in the mining industry for over 31 years. His professional career includes process design/development, plant operations/management, project feasibility/economic studies, detail design, and plant commissioning.

Matt has worked at Uludag Wolfram and CanTung mines as well as in tantalum, gold, and copper mines from the 1970's through to 2000, and has been involved in engineering and design/development of a number of tungsten projects around the globe including MacTung and Nui Phao.

### **Highlights of Scoping Study**

As reported on February 27, 2008, the highlights of the Scoping Study completed by SRK Consulting U.S. Inc., which contemplated two different mining scenarios using an average life of a mine price of \$15/lb molybdenum (**versus the current price of \$33 per pound**) and \$8/lb tungsten price (**versus the current price of \$13 per pound**) include:

**Block Caving Scenario:** This scenario is a larger project that considers producing an average of 9.4 million pounds of molybdenum and 9.0 million pounds of tungsten annually for 17 years. The preliminary economics suggest an NPV (discount rate of 6%) of over US\$270 million, a pre-tax (unlevered) IRR of 15%, and a required investment of US\$442 million.

**Selective Mining Scenario:** This is a smaller scale project that offers higher returns with a pre-tax (unlevered) IRR of 26%, and a NPV of US\$95 million. Under this scenario only a portion of the target resource is extracted, with an average of 6.2 million pounds of molybdenum and 5 million pounds of tungsten annually for 10 years. The capital required is estimated to be US\$242 million, the mining methods are a combination of long-hole stoping with paste backfill and room-and-pillar mining.

### **About the Company**

The company is focused on developing and commercializing the Victorio project, which has 165,000 feet of historical drilling and an additional 40,000 feet drilled by Galway. The Company has retained John Tumazos to investigate strategic alternatives to advance this project. The Company also has an exploration initiative underway in Colombia that is focused on coal and gold exploration. Management believes that its strategic portfolio of properties offers investors an interesting exposure to a unique blend of commodities (molybdenum, gold, tungsten, metallurgical and thermal coal) in varying stages of development.



**For further information contact:**

Galway Resources Ltd.  
Robert Hinchcliffe  
President and Director  
1-800-475-2412  
[www.galwayresources.com](http://www.galwayresources.com)

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Forward Looking Statements:

Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to the completion of transactions, the timing and amount of payments and share issuances, the completion of financings, the use of proceeds, future exploration, development and production activities and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the ability to complete contemplated transactions, payments, share issuances and financings, the use of proceeds, the time and success of future exploration, development and production activities and the timing and amount of expenditures.