

**Toronto, Ontario: January 19, 2011 - Galway Resources Ltd. (GWY: TSX-V)** is pleased to announce assay results from eleven additional drill holes from its diamond drill exploration program on the Company's California property in Colombia. Nine of the holes were drilled in the Pie de Gallo Zone, with the remaining two in the Northeast Zone. Ten of the eleven holes contained significant intervals of gold mineralization, with the eleventh prematurely terminated as a result of a stuck drill rod just 111.5 meters downhole. Of the ten drill holes that returned significant gold mineralization, nine of them encountered multiple significant intervals. A complete summary of drill hole assay results is provided in [Table 1](#). All maps and sections associated with this press release can be found on Galway's website at [www.galwayresources.com](http://www.galwayresources.com).

"We continue to be very encouraged by the strong results received from our California exploration program. With the \$25.7 million equity financing now completed, we are well positioned to advance not only California, but our Vetas property as well. We look forward to providing additional drill results from California in the weeks ahead, and to begin drilling Vetas later in the first quarter. We will update shareholders with regard to our previously announced Vetas spin-out later in the first quarter as well. With strong drill results at California, drilling set to commence at Vetas and the completion of our equity financing, 2011 is shaping up to be an exciting year for Galway," cites Robert Hinchcliffe, President and CEO of Galway Resources.

Gold intercept highlights from the Pie de Gallo Zone are as follows:

#### **GWY-74**

- 22.5 meters grading 7.8 grams per tonne gold (g/t Au) and 16.5 g/t silver (Ag), including 1.5 meters of 102.5 g/t Au
- 16.0 meters grading 1.1 g/t Au and 17.5 g/t Ag
- 20.2 meters grading 0.90 g/t Au

#### **GWY-71**

- 10.0 meters grading 10.0 g/t Au, including 4.0 meters of 22.4 g/t Au
- 59.0 meters grading 1.7 g/t Au, including 4.0 meters of 6.4 g/t Au, 2.0 meters of 6.7 g/t Au and 2.0 meters of 5.7 g/t Au
- 26.0 meters grading 1.8 g/t Au, including 2.0 meters of 9.3 g/t Au
- 11.8 meters grading 1.4 g/t Au

### **GWY-69**

- 6.0 meters grading 32.8 g/t Au, including 2.0 meters of 92.4 g/t Au
- 4.0 meters grading 8.5 g/t Au, including 2.0 meters of 16.5 g/t Au
- 11.5 meters grading 1.0 g/t Au

### **GWY-64**

- 16.5 meters grading 3.9 g/t Au and 30.5 g/t Ag, including 4.5 meters of 9.1 g/t Au and 37.6 g/t Ag
- 8.0 meters grading 3.8 g/t Au, including 2.0 meters of 11.0 g/t Au
- 10.0 meters grading 2.1 g/t Au, including 2.0 meters of 6.5 g/t Au
- 12.0 meters grading 1.7 g/t Au
- 2.0 meters grading 6.9 g/t Au

### **GWY-72**

- 16.0 meters grading 4.4 g/t Au, including 2.0 meters of 27.8 g/t Au
- 26.0 meters grading 0.95 g/t Au and 14.4 g/t Ag
- 15.0 meters grading 0.85 g/t Au and 19.5 g/t Ag

### **GWY-66**

- 12.0 meters grading 2.2 g/t Au, including 3.0 meters of 5.9 g/t Au
- 6.0 meters grading 3.4 g/t Au, including 1.5 meters of 9.1 g/t Au
- 10.0 meters grading 1.2 g/t Au
- 10.0 meters grading 1.1 g/t Au

### **GWY-68**

- 60.0 meters grading 0.69 g/t Au
- 12.0 meters grading 1.0 g/t Au

### **GWY-67**

- 24.0 meters grading 1.0 g/t Au and 34.7 g/t Ag

The additional nine holes completed in the Pie de Gallo Zone were drilled generally at 25 to 30 meter centers to offset previous gold bearing intercepts. These holes continue to extend continuity of mineralization both vertically and laterally along structure in multiple overlapping lenses typical of the district. On Section 8240E, GWY-71 intersected **59.0 meters of 1.7 g/t Au**. This appears to align with a steep vertical dip with GWY-62 (**24.0 meters of 8.4 g/t Au**), GWY-53 (**67.3 meters of 1.1 g/t Au**), and GWY-54 (**19.5 meters of 11.0 g/t Au**), plus GWY-59 (**25.0 meters of 2.4 g/t Au**) at a further 75 meters down-dip (December 15, 2010 press release). These intercepts also appear to demonstrate continuity with GWY-10 (**89.0 meters of 3.2 g/t Au**) on Section 8200E. To the north of this, the **16.5 meters of 3.9 g/t Au** (GWY-64) appears to line up well with **67.3 meters of 1.1 g/t Au** (GWY-67) and **11.8m of 1.4 g/t Au** (GWY-71). Drill hole GWY-71 has filled in the full width of the mineralized corridor of 150 meters on this section. The intersection of **10.0 meters of 10.0 g/t Au** is open down dip, as is the result at the end of GWY-64 of **8.0 meters of 3.8 g/t Au**. This represents one of the deepest intersections Galway has encountered to date, at 300 meters below surface, and the mineralization remains open to depth.

On Section 8140E, the 150 meter wide mineralized corridor has also been in-filled. GWY-69, GWY-72 and GWY-74, drilled at successively steeper angles along the same line as the high grade gold intercepts in GWY-42 and GWY-43 (**34.5 meters of 4.1 g/t Au** and **6.0 meters of 39.5 g/t Au**, respectively, reported on October 21, 2010), returned similar high grade discoveries. GWY-66 and GWY-68, along with previously announced GWY-63 (**16.0 meters of 3.3 g/t Au** and **8.0 meters of 2.1 g/t Au**), have extended this zone of mineralization to the southwest.

Drilling in the Pie de Gallo Zone to date demonstrates mineralization along a 270 meter strike length beginning from surface to a depth of 350 meters. Mineralization in the Pie de Gallo Zone remains open in all directions.

Gold intercept highlights from the Northeast Zone are as follows:

### **GWY-65**

- 95.5 meters grading 1.0 g/t Au and 15.0 g/t Ag, true width equals 20.0 meters (TW=), including 1.5 meters (TW=0.32m) of 3.5 g/t Au
- 7.5 meters (TW=1.57m) grading 5.5 g/t Au and 43.1 g/t Ag, including 1.5 meters (TW=0.32m) of 22.1 g/t Au and 189.0 g/t Ag
- 55.5 meters (TW=11.65m) grading 0.88 g/t Au and 13.1 g/t Ag, including 3.0 meters (TW=0.64m) of 4.6 g/t Au



Galway Intercepts 22.5 Meters of 7.8 g/t, 10.0 Meters of 10.0 g/t, 6.0 Meters of 32.8 g/t, and 59.0 Meters of 1.7 g/t Gold | 4

- 28.5 meters (TW=5.9m) grading 0.82 g/t Au and 16.4 g/t Ag
- 24.0 meters (TW=5.0m) grading 0.69 g/t Au and 10.6 g/t Ag

## **GWY-70**

- 3.0 meters (TW=1.8m) grading 47.0 g/t Au, including 1.5 meters (TW=0.9m) of 92.7 g/t Au
- 30.0 meters (TW=18.0m) grading 1.4 g/t Au and 29.1 g/t Ag

A 0.5 g/t Au lower cutoff grade was applied in determining all intervals provided above. No upper cutoff grade was applied.

The two holes completed in the Northeast Zone offset and continue to expand upon the thick zone of gold mineralization encountered in GWY-37 (**121.5 meters of 2.7 g/t Au** reported on September 8, 2010) and GWY-58 (**96.0 meters of 1.6 g/t Au** reported on December 15, 2010). As demonstrated by section 8440E, continuity is excellent. Galway has now identified approximately 100 meters of strike length in the NE Zone, and the intercept of **95.5 meters of 1.0 g/t Au** in GWY-65 announced here effectively extends known mineralization in this part of the structure from surface to 350 meters below surface. Mineralization remains open in all directions.

## **Mineralization**

Intercepts reported above and in previously reported drill holes are hosted by silicified zones, breccias, fracture zones and stockwork, typical of the district, which includes Greystar Resources' National Instrument 43-101 compliant resource, Angostura, and Ventana Gold's National Instrument 43-101 documented project, La Bodega. The principal geologic control in the California-Angostura District is a linear structural corridor that trends northeast-southwest and dips steeply to the north. Segments of this zone host the resources reported by both Greystar and Ventana, and Galway is exploring another segment along the same structural corridor. The entire corridor may be one continuous mineralized zone through all three company's properties. The mineralized Zone identified on Galway's properties is approximately 150-200 meters wide and 1,000 meters long, characterized by hydrothermal alteration and mineralization within various phases of pervasively altered intrusive porphyries. Mineralization remains open along strike where untested, at depth along the entire Zone, and across the width of the structure in most places. Galway believes potential for high grade gold occurrences as well as lower grade bulk resources has been demonstrated by the first 74 core drill holes reported to date.

### **Vetas Spin-Out**

On December 16, 2010, Galway announced its intention to spin-out its Vetas gold project into a newly incorporated, wholly-owned subsidiary to be distributed to its shareholders. Galway believes the Spin-Out Transaction will help maximize shareholder value, allowing the Company to focus on the California projects while shareholders enjoy growth opportunities in the development of the Vetas gold project. Upon completion of the transfer of the Vetas gold project and a portion of the proceeds from the recently completed \$25.7 million equity financing as working capital for the subsidiary, Galway intends to distribute common shares of the subsidiary to its shareholders on a pro rata basis (the "Spin-Out Transaction").

It is anticipated that the Spin-Out Transaction will be completed pursuant to a plan of arrangement or other suitable transaction and will be subject to TSX Venture Exchange, regulatory and court approval, as well as shareholder approval. Further details of the Spin-Out Transaction are expected to be announced later in the first quarter.

In January 2010, Galway announced that it had entered into a binding agreement to acquire a 100% interest in the Reina de Oro and Coloro properties in the center of the historic Vetas Gold Mining District in Colombia. The properties are mostly contiguous and collectively comprise 542 hectares (1,339 acres). The Reina de Oro property's main asset at present, the El Volcan Mine, has been the site of gold mining since the 1590's and has produced among the most gold of any in the historic California-Vetas gold mining district. The town of Vetas is located approximately 8 kilometers southeast of California, the sight of the Company's ongoing gold exploration program that is on strike with Ventana's and Greystar's major gold discoveries. Drilling is expected to commence underground after the necessary infrastructure is in place, later in the first quarter.

Grades returned from Galway's channel sampling program include 104.8 g/t Au over a strike length of 70.1 meters (0.8 meter true width), and 317.6 g/t Au over a strike length of 25 meters (0.8 meter true width) including 1,374.8 g/t Au over a strike length of 5.0 meters from two different veins. Results from over 1,400 samples have been reported. Visit Galway's website at [www.galwayresources.com](http://www.galwayresources.com) for additional information.

### **Review by Qualified Person, Quality Control and Reports**

In compliance with National Instrument 43-101, Mr. Mike Sutton, P.Geo. is the Qualified Person responsible for the accuracy of this news release. All samples are assayed by ALS Chemex in Lima, Peru, after preparation at the Chemex facility in Bogota, Colombia. All core is under watch from the drill site to the core processing facility. Samples are fire assayed with an AA with gravimetric finish. Samples returning in excess of 3.0 g/t are sent for



Galway Intercepts 22.5 Meters of 7.8 g/t, 10.0 Meters of 10.0 g/t, 6.0 Meters of 32.8 g/t, and 59.0 Meters of 1.7 g/t Gold | 6

metallic screens. The Company's QA/QC program includes the regular insertion of blanks and standards into the sample shipments, as well as instructions for duplication. Standards are inserted at one per 20 samples. Approximately five percent (5%) of the pulps and rejects are sent for check assaying at a second lab with the results averaged and intersections updated when received. True widths are unknown at this time, except for those shown. Core recovery in the mineralized zones has averaged over 92%.

### **About the Company**

Galway Resources is a well capitalized company, primarily focused on the exploration of gold and coal in Colombia. The core focus of the Company is gold exploration in northeast Colombia, with a drill program occurring at the California gold project and a geophysical program occurring at the Vetás gold project, which will be followed by a drill program later in the first quarter. The Company has also reported that drilling occurred in 2010 at the GALCA coal project, which is being managed and funded by Prodeco, the Colombian subsidiary of Glencore. Efforts are underway to secure access from GALCA property owners to move the drill rig to the next set of planned drill holes.

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***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 release.***

### **Forward Looking Statements:**

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the Company's periodic filings with Canadian Securities Regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statement.