

**Toronto, Ontario: May 11, 2011 - Galway Resources Ltd. (GWY: TSX-V)** is pleased to provide an update on progress of the Company's main projects, California, Vetás, Victorio and GALCA. Galway is a well capitalized company after having completed a C\$25.7 million equity financing in January 2011. The Company is primarily focused on the exploration of gold in the California and Vetás gold districts of northeastern Colombia, with ongoing drill programs occurring at both projects. Recent surges in the tungsten price, coupled with a steady molybdenum price, have prompted management to reassess strategic alternatives to advance the Victorio project, located in southwestern New Mexico. An update on the GALCA coal project (funded by Prodeco) is provided below. Details from previous press releases, a complete list of drill hole assay results, maps, pictures of visible gold, and NI 43-101 reports on the Victorio project can be viewed on the Company's website at [www.galwayresources.com](http://www.galwayresources.com).

### **California Gold Project, Colombia: Ongoing drill program**

Galway has been drilling for the past fifteen months and is currently operating three diamond drill rigs and has completed 111 holes, with the last reported hole being the top 140 meters of GWY-99 (out of a total depth of 422 meters; assays are pending for the remainder of GWY-99). Drilling has identified significant gold mineralization along 1,000 meters of strike, although potential to extend this to the full 1.2 kilometer length of its main California property exists. Galway plans on issuing an initial resource estimate on its California property in the fourth quarter of 2011.

The California property is not subject to development restrictions associated with Páramo legislation and is located adjacent to, along strike southwest of, and at lower elevations than Ventana's La Bodega/La Mascota project and 3 km along strike, southwest of, and at lower elevations than Greystar's Angostura project. Galway's California property includes a 360 meter-long fractional land position within Ventana's main La Mascota mineralized structure. Ventana was recently acquired by Mr. Eike Batista's wholly-owned AUX Canada for in excess of \$1.5 billion in cash.

One notable drill result from each of California's four main drilling areas, the NE Zone, the Gap Area, the Pie de Gallo Zone and the San Celestino Zone, are as follows:

- NE Zone: 121.5 meters grading 2.7 grams per tonne gold (g/t Au) and 10.0 g/t silver (Ag) (true width equals 81.0 meters; TW=), including 79.5 meters of 3.8 g/t Au and 10.1 g/t Ag (TW=53.0m), which also included 1.5 meters of 151.5 g/t Au and 190.0 g/t Ag in GWY-37;
- Gap Area: 16.5 meters grading 8.1 g/t Au, including 1.5 meters of 80.0 g/t Au in

GWY-76;

- Pie de Gallo Zone: 125.0 meters grading 3.8 g/t Au and 11.9 g/t Ag, including 36.0 meters of 8.9 g/t Au and 12.0 g/t Ag in GWY-99; and
- San Celestino Zone: 25.0 meters grading 3.6 g/t Au and 18.1 g/t Ag, including 16.0 meters of 5.4 g/t Au and 24.9 g/t Ag, which included 4.0 meters of 16.5 g/t Au and 84.9 g/t Ag, which included 1.5 meters of 27.4 g/t Au and 146.0 g/t Ag in GWY-26.

It is noteworthy that all of the drill holes provided above exhibited multiple intervals of gold mineralization; full details are provided on Galway's website. A 0.5 g/t Au lower cutoff grade was applied. No upper cut was applied. True widths are unknown unless otherwise stated.

### **Vetas Gold Project, Colombia: Drilling commenced April 2011; the second hole ever drilled at Vetas encountered five intervals of visible gold**

Galway's Vetas property contains the El Volcan underground mine, the largest gold mine in the Vetas and California gold trends and the site of gold mining for over 400 years. However, the property had never been drilled, nor had it been explored with modern exploration methods. Galway's Vetas project is on a parallel gold trend which is 8 km southeast of the structures and within the same rock types that comprise the California Gold District. A second drill rig remains on schedule to arrive at the end of the month. Galway plans on using a combination of chip and channel sample results and results from its initial drill program of up to 10,000 meters to arrive at a preliminary resource estimate by year-end 2011. A preliminary NI 43-101 technical report is being prepared by Roscoe Postle Associates and will be filed on SEDAR within the next few weeks. The El Volcan mine is contained within the Reina de Oro concession, which is not subject to development restrictions associated with Páramo legislation.

Over the past 16 months a total of 7,345 meters of drifts have been mapped and 3,769 chip and channel samples have been taken, in addition to recent Mobile Metal Ion (MMI) soil surveys and Induced Polarization (IP) and MAG geophysical programs conducted by KTTM Geophysics. Total average sample grades from the two main levels of the El Volcan mine include:

- Reina de Oro Level: 37.9 g/t Au and 60.8 g/t Ag along 614.7 meters of veining (average TW=0.99m); and
- Tajo Abierto Level: 21.5 g/t Au and 31.9 g/t Ag along 563 meters of veining (average TW=1.17m).

### **Victorio Molybdenum-Tungsten Project, Southwestern New Mexico: A surge in**

### **tungsten prices bodes well for the project**

The Victorio Project was subject to a positive Scoping Study completed by SRK Consulting, results of which were reported in May 2008. The study was based on NI 43-101 resource estimates from 109 drill holes comprising a total of 66,000 meters of drilling, which included a larger block caving scenario and a smaller selective mining scenario.

The Victorio property has excellent infrastructure, including access by paved road to within a few miles of the site, a nearby railway and a gas pipeline. In 2008, historically low prices for tungsten and molybdenum prompted management to put the project on care and maintenance until metal prices recovered. Current combined prices for both metals is, on average, 60% higher than prices used in the Scoping Study, with tungsten 150% higher and currently at an all time high of \$20 per pound, while molybdenum is at \$17 per pound. Management has engaged John Tumazos of Very Independent Opinion to explore strategic alternatives to once again advance this project.

### **GALCA Coal Project, Colombia: Drilling to re-commence in the second half of 2011**

The GALCA coal project in Colombia comprises 132,000 hectares that Galway believes could host a new, near-surface, undiscovered coal basin. A 19-hole drill program has been designed for GALCA, which is being entirely managed and funded by Prodeco (a Colombian subsidiary of Glencore with 11 million tonnes of annual coal production). The first phase of drilling encountered a near-surface coal-bearing formation which will be further explored during the second half of 2011. Galway received two mining titles and is waiting for an additional four concessions to be granted in the short term to begin the next phase of drilling. The next drilling program will be focused on the northern-central area that is believed to have the highest prospect for a near-surface coal discovery.

Under terms of the exploration and joint venture agreement Prodeco will fund the first 19 drill holes, up to \$7.5 million, and in consideration for agreeing to fund the feasibility drilling program thereafter will earn 60% of the project. Prodeco will then earn the remaining 40% of the project by paying Galway \$0.80 per tonne of economically viable coal tonnage up to \$70 million. Feasibility costs that are not associated with drilling will be spent based on a pro rata basis.

### **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 from California returning in excess of 3.0 g/t are sent for metallic screens, which may be pending at the time of this press release and will be updated in the table on the website as needed. 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%.

At Vetas, surface rock samples were analyzed by methods Au-AA23 and ME ICP41. Underground samples were analyzed by methods Au-AA23 and Ag-AA46. If a sample yields more than 10 g/t Au, a screen metallic Au-SCR21 is used. MMI soil samples were sent to SGS Group (ISO 19011 certified) preparation facility in Medellin, Colombia for processing and were analyzed in SGS's laboratory in Lima, Peru.

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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.