

Toronto, Ontario: August 22, 2011 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce assay results from an additional three diamond drill holes and the completion of results from two others at its Vetas gold project, host of the El Volcan gold mine, located 8 kilometers southeast of the Company's California gold project in northeastern Colombia. The multiple veins targeted in the current drill program have, in just six holes, returned 26 gold assays of 5 g/t or more, 16 assays of 10 g/t or more, 10 assays of 25 g/t or more and 5 assays of 50 g/t or more. The focus of Galway's initial exploration efforts at Vetas is to test for a continuation of mineralization below the existing 500 meter by 300 meter El Volcan mine, which has been operating for over 400 years and is the largest gold mine in the California-Vetas-Surata gold districts.

"The early drill program at Vetas has been far more successful than originally contemplated. When Galway first looked at the resource potential of the deposit, the Company expected the first six holes to yield 12 separate intersections of over 5 g/t gold. Instead, the drill program has returned 19 such intersections, with several intersections containing more than one sample of over 5 g/t or more. The Company also believed that it would identify new veins, which is exactly what happened in the first six holes drilled. Also important is that the Vetas drill program has now intersected mineralization 200 meters vertically below the lowest level of the El Volcan mine, nearly double the 105 meter depth previously identified," cites Robert Hinchcliffe, President and CEO of Galway Resources.

On [June 22, 2011](#), Galway released the first-ever drill results from its Vetas project in Colombia. Included were results from the first three holes, but a complete set of drill results were available only for GWY-V001; portions of GWY-V002 and GWY-V003 were pending. As such, below is a complete set of result highlights from the first six holes drilled at Vetas, with new results denoted in bold and previous results italicized. Of note are the strong results received for GWY-V006 and GWY-V003, although all holes host at least one assay in excess of 10 g/t, and all holes contain multiple mineralized intersects.

GWY-V001

- *13.4 grams per tonne gold (g/t Au) and 28.2 g/t silver (Ag) over 1.0 meter*
- *6.1 g/t Au and 6.6 g/t Ag over 4.9 meters*
- *4.7 g/t Au and 51.6 g/t Ag over 1.5 meters*

- *4.0 g/t Au and 11.6 g/t Ag over 1.5 meters*

GWY-V002

- *9.7 g/t Au and 37.4 g/t Ag over 9.4 meters, including 15.5 g/t Au and 25.6 g/t Ag over 4.6 meters*
- *9.2 g/t Au and 31.1 g/t Ag over 2.6 meters, including 49.8 g/t Au and 113.0 g/t Ag over 0.3 meters*
- **8.6 g/t Au and 13.5 g/t Ag over 2.3 meters**
- *12.5 g/t Au and 17.1 g/t Ag over 0.6 meters*
- *4.7 g/t Au and 28.0 g/t Ag over 2.1 meters, including 6.6 g/t Au and 43.7 g/t Ag over 1.2 meters*

GWY-V003

- *82.5 g/t Au and 39.1 g/t Ag over 2.7 meters, including 202.0 g/t Au and 53.5 g/t Ag over 1.1 meters*
- *21.9 g/t Au and 63.0 g/t Ag over 6.7 meters, including 69.1 g/t Au and 81.6 g/t Ag over 1.5 meters*
- **7.5 g/t Au and 4.8 g/t Ag over 7.6 meters, including 25.1 g/t Au over 1.5 meters**
- *9.7 g/t Au and 12.9 g/t Ag over 1.2 meters*
- *5.3 g/t Au and 23.3 g/t Ag over 1.5 meters*

GWY-V004

- **30.7 g/t Au and 17.1 g/t Ag over 0.7 meters**

- **8.6 g/t Au and 36.9 g/t Ag over 1.3 meters**

GWY-V005 (One 0.7 meter interval is pending)

- **26.8 g/t Au and 132.8 g/t Ag over 1.9 meters, including 50.3 g/t Au and 251.0 g/t Ag over 1.0 meter**

- **6.3 g/t Au over 1.3 meters**

GWY-V006 (Additional assays for GWY-V006 are pending)

- **138.0 g/t Au and 21.3 g/t Ag over 1.1 meters**
- **44.7 g/t Au and 1,120.0 g/t Ag over 1.2 meters**
- **64.4 g/t Au and 110.0 g/t Ag over 0.7 meters**

- **12.7 g/t Au and 16.1 g/t Ag over 1.1 meters**

Note: true widths are 76%-92% of down-hole widths, except for GWY-V006, which is 61%.

Of note in the results provided above is that, in the first six holes ever drilled at Vetas, Galway has received a large number of high grade assays, as follows:

- 5 g/t Au or more, 26 times
- 10 g/t Au or more, 16 times
- 25 g/t Au or more, 10 times
- 50 g/t Au or more, 5 times

Note: provided in the bullets are the number of samples in which assays equaled or exceeded the specified grade. Several intersects contain multiple samples above that grade.

Also of note in the results provided above is that one of the main structures in the El Volcan mine, the Corteros Vein, was not targeted by the first rig that drilled the first six holes. This occurred because the rig is collared in front of this structure. As such, the Corteros Vein, as well as many other structures, is being targeted by the second drill rig that began with GWY-V007. Thus, drill results to date exclude any information from the Corteros Vein.

A review of [Figures 1-6](#), which contains a plan view and cross sections of the drill holes and veins they intersected below the El Volcan mine, reveals good continuity of vein structures both down dip and along strike. For example, the intersections of **21.9 g/t Au and 63.0 g/t Ag over 6.7 meters** in hole GWY-V003 appears to align well with **6.1 g/t Au and 6.6 g/t Ag over 4.9 meters** in hole GWY-V001 along the Manzanilla vein at 28 meters apart (diagonally down dip and along strike). An intersection of **9.7 g/t Au and 37.4 g/t Ag over 9.4 meters** in hole GWY-V002, 13.4 g/t Au and 28.2 g/t Ag over 1.0 meter in hole GWY-

V001, and 8.6 g/t Au and 36.9 g/t Ag over 1.3 meters in GWY-V004 are all along the Tajo Abierto vein, covering 45 meters of strike. Similarly, the intersections of **138.0 g/t Au and 21.3 g/t Ag over 1.1 meters** in GWY-V006, **26.8 g/t Au and 132.8 g/t Ag over 1.9 meters** (including 50.3 g/t Au and 251.0 g/t Ag over 1.0 meter) in GWY-V005, 3.34 g/t Au and 131.0 g/t Ag over 0.9 meters in GWY-V001, 12.5 g/t Au and 17.1 g/t Ag over 0.6 meters in GWY-V002, and **30.7 g/t Au and 17.1 g/t Ag over 0.7 meters** in GWY-V004 are all along the Loscas vein, covering 20 meters of strike. The El Burro vein has been extended southwest by 37 meters with hole GWY-V003 returning **82.5 g/t Au and 39.1 g/t Ag over 2.7 meters** (including 202.0 g/t Au and 53.5 g/t Ag over 1.1 meters) in hole GWY-V003 from 4.7 g/t Au and 51.5 g/t Ag over 1.5 meters in GWY-V001.

New veins have been identified in the first six holes drilled. Among the new results received, new veins have been identified in all holes GWY-V003 through GWY-V006, highlights of which are as follows:

- 7.5 g/t Au and 4.8 g/t Ag over 7.6 meters (including 25.1 g/t Au over 1.5 meters) in GWY-V003,
- 9.7 g/t Au and 12.9 g/t Ag over 1.2 meters in hole GWY-V003,
- 30.7 g/t Au and 17.1 g/t Ag over 0.7 meters in GWY-V004,
- 6.3 g/t Au and 6.2 g/t Ag over 1.3 meters in hole GWY-V005,
- 44.7 g/t Au and 1,120.0 g/t Ag over 1.2 meters in GWY-V006,
- 64.4 g/t Au and 110.0 g/t Ag over 0.7 meters in GWY-V006, and
- 6.9 g/t Au and 12.3 g/t Ag over 2.2 meters (including 12.7 g/t Au and 16.1 g/t Ag over 1.1 meters) in GWY-V006.

Visible gold has been seen in 5 of the first 6 holes drilled, and from 4 of the 6 main veins intersected to date, plus in one new vein that returned 7.5 g/t Au over 7.6 meters, including 25.1 g/t Au over 1.5 meters in GWY-V003. Pictures of visible gold from Galway's Vetas and California projects can be viewed in the [photo gallery](#). A map, cross sections and a detailed table of assay results can be viewed on the Company website at www.galwayresources.com. A preliminary NI 43-101 technical report on Galway's Vetas property, which was prepared by Roscoe Postle Associates, will be filed on SEDAR on August 24, 2011.

With results provided herein, 2,193 meters of drilling has been reported on the first phase of Galway's 10,000 meter, or 25-hole drill program that began in April 2011. Drilling is continuing with two diamond drill rigs. The next phase of exploration will continue to delineate a resource and will test for lateral extensions beyond the current limits of the existing mine.

On [April 8, 2011](#), Galway announced results from a comprehensive exploration campaign at Vetas. The campaign entailed extensive underground and surface sampling and mapping, Mobile Metal Ion (MMI) soil surveys and Induced Polarization (IP) and Ground Magnetic (MAG) geophysical surveys, with the geophysical surveys conducted by KTTM Geophysics of Medellin, Colombia. Refer to the press release issued on that date for details.

Mineralization

Ore at the El Volcan mine contains favorable steeply-dipping quartz veins in competent host rocks that could be successfully mined using modern bulk-tonnage longhole mining methods. The known vein system comprises nine different epithermal veins and numerous subordinate splay veins trending NNE and dipping sub-vertically to the NW. The main quartz veins, together with splay veins, are spatially associated with shear zones hosted in porphyry and metamorphic gneiss, much like the California gold district. Visible gold in the sampling almost invariably indicates higher gold and silver assay grades. Galway's geologists are impressed and surprised by the widths of mineralization attained in the first tier of drill holes relative to the narrower veining seen in the mine workings above, and by the classic low sulfidation vein textures seen. Grey chalcedonic quartz, colloform banded texture, vugs and drussy quartz, with fine pyrite crystals are typical. The mineralization has been intersected up to 200 meters below the bottom level. True widths are 76%-92% of down-hole widths, except for GWY-V006, which is 61%.

Rapid development of resources is possible using channel sampling from the 2,000 meters of accessible underground workings, and from drill results. Existing multiple vein structures that are in close proximity to one another and open in all directions provide an excellent opportunity to build a robust gold resource. A total of 7,345 meters of drifts were mapped and 3,769 chip and channel samples were taken from vein, wall rock and stockwork mineralization between vein sets. To date, Galway has received results from 2,193 meters of drilling at Vetas. The mine covers an area of 500 meters x 300 meters with a vertical extent of 300 meters.

The El Volcan mine has been the site of gold mining since the 1590's and is the largest mine in the California-Vetas-Surata gold mining districts. The focus of Galway's exploration efforts at Vetas is within, below, and extensions both along strike and laterally from the El Volcan mine. This mine is contained within the Reina de Oro concession, which is not subject to development restrictions associated with Páramo legislation.

Granting of Incentive Stock Options

Galway also reports that it has awarded 550,000 incentive stock options exercisable at \$1.45 per common share to officers, directors, employees and consultants of the Company

and expiring on August 22, 2016. This grant of options is in compliance with the terms of the Company's Stock Option Plan and remains subject to acceptance by the TSX Venture Exchange.

Supervision, Qualified Person and Quality Control

The Vetas Project is under the supervision of Project Manager Alex Cruz, of Quito Ecuador. In compliance with National Instrument 43-101, Mr. Mike Sutton, P.Geo., and Mr. Dale Schultz, P.Geo. (Manitoba and Saskatchewan) of Buscore Consulting Limited (www.buscore.net) are the Qualified Persons responsible for the accuracy of this news release. Samples from the Vetas Project are sent to the ALS Chemex preparation facility in Bogota, Colombia for processing and are analyzed in the ALS Chemex laboratory in Lima, Peru (ISO 9001:2000 certified). Surface rock samples were analyzed by methods Au-AA25 and ME ICP41. Underground samples were analyzed by methods Au-AA25 and ME-MS41. If a value of greater than 100 g/t Ag is returned for ME-MS41, then an over limit method of Ag AA46 is used. If strong mineralization or visible gold is observed, then a screen metallic (Au SCR 21) is used. Quality control protocols that are in place consist of the insertion of one blank at least every 20 samples, a reject duplicate every 20 samples, and one of three different certified reference standard material for every 20 rock samples. Core recovery in the mineralized zones has averaged over 90%. Quarter coring of some select samples will take place. Assays reported in this press release may have screen, and quarter core assays pending and will be updated in the table on the website as needed.

MMI soil samples were sent to SGS Group (ISO 19011 certified) preparation facility in Medellin, Colombia for processing and are analyzed in SGS's laboratory in Lima, Peru.

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 drill programs occurring at the California and Vetas gold projects. The Company also has the Victorio molybdenum-tungsten project, with excellent infrastructure, in southwestern New Mexico. A positive scoping study was completed by SRK in 2008. The recent surge in tungsten pricing, coupled with a steady molybdenum price, has prompted management to reassess strategic alternatives to advance the Victorio project.

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Galway Intersects 138 G/T Au over 1.1m, 44.7 G/T Au and 1,120 G/T Ag over 1.2m, 26.8 G/T Au over 1.9m, and 7.5 G/T Au over 7.6 M at
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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.