

**Toronto, Ontario: October 6, 2011 - Galway Resources Ltd. (GWY: TSX-V)** is pleased to announce assay results from an additional five diamond drill holes 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. El Volcan has been operating for over 400 years and is the largest gold mine in the California-Vetas-Surata gold districts. The focus of Galway's initial exploration efforts at Vetas is to test for a continuation of mineralization below the existing 500 meter long by 300 meter wide by 300 meter deep El Volcan gold mine. Thus far, results confirm that mineralization extends at least 200 meters below current workings. Discussions are underway to bring a third drill rig to the project, which would focus on exploring extensions of known mineralization that remains open in all directions.

"Results from Vetas thus far have exceeded our expectations. Recent improvements to existing energy infrastructure, coupled with the addition of a third rig, should allow for much improved drill productivity. It is management's belief that both the California and Vetas gold projects have the potential to host significant gold and silver deposits. With the addition of a third drill rig, plus the previously announced addition at California, Galway will have a total of seven rigs operating in Colombia," 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. All holes drilled to date host at least one assay in excess of 10 g/t, and all holes contain multiple mineralized intersects. The new drilling has returned 21 intersections greater than 5 g/t Au and 13 intersections greater than 10 g/t Au in 5 holes. Highlights from these five holes are as follows:

#### **GWY-V007**

- 10.5 grams per tonne gold (g/t Au) and 26.5 g/t silver (Ag) over 1.7 meters
- 4.6 g/t Au and 20.1 g/t Ag over 2.1 meters, including 6.6 g/t Au and 24.4 g/t Ag over 1.1 meters
- 4.9 g/t Au and 15.7 g/t Ag over 1.9 meters, including 7.5 g/t Au over 1.0 meter

#### **GWY-V008**

- 17.7 g/t Au and 16.7 g/t Ag over 1.3 meters
- 10.9 g/t Au and 65.9 g/t Ag over 1.5 meters
- 14.5 g/t Au and 12.3 g/t Ag over 0.7 meters
- 12.2 g/t Au over 0.6 meters

- 7.9 g/t Au and 11.6 g/t Ag over 0.9 meters

### **GWY-V009**

- 11.7 g/t Au and 11.8 g/t Ag over 2.7 meters
- 21.5 g/t Au and 82.2 g/t Ag over 0.9 meters
- 4.3 g/t Au and 12.0 g/t Ag over 2.5 meters
- 4.1 g/t Au and 16.8 g/t Ag over 1.3 meters
- 6.8 g/t Au over 1.1 meters

### **GWY-V010**

- 46.0 g/t Au and 375.9 g/t Ag over 2.3 meters, including 89.3 g/t Au over 1.0 meter
- 25.2 g/t Au and 29.0 g/t Ag over 1.0 meter
- 16.1 g/t Au over 1.2 meters
- 9.9 g/t Au and 86.9 g/t Ag over 1.2 meters
- 5.8 g/t Au over 1.2 meters

### **GWY-V011** (One 0.7 meter interval is pending)

- 42.0 g/t Au over 1.5 meters
- 39.9 g/t Au and 39.3 g/t Ag over 1.4 meters
- 19.3 g/t Au and 57.0 g/t Ag over 1.0 meter
- 9.0 g/t Au over 1.1 meters
- 5.2 g/t Au and 18.7 g/t Ag over 2.0 meters, including 7.7 g/t Au and 21.5 g/t Ag over 1.0 meter
- 5.0 g/t Au and 19.8 g/t Ag over 1.1 meters

### **Vein Strike Lengths Extend Beyond 200 Meters**

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 along strike. In the table below are notable gold-bearing intervals, within the El Volcan mine. This table reveals that in just 11 holes drilled, Galway has identified a strike length of 100 meters or more in four veins, and in excess of two hundred meters of strike in two veins. Moreover, gold mineralization has been identified in excess of 200 meters below the Reina de Oro level, which is the lowest level of the mine, and only about 30% of the mine's 300 meters of vertical extent has been depleted. As such, the company has identified gold and silver mineralization beginning from surface to a depth of 500 meters, and mineralization remains open in all directions.



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Two holes reported, holes GWY-V007 and GWY-V009, are the first from the second drill rig, drilling in the opposite orientation to the first drill rig. This drilling is necessary to effectively drill off veins located too close to the first drill rig.

Visible gold has been seen in 8 of the first 11 holes drilled. Pictures of visible gold from Galway's Vetás 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's website at [www.galwayresources.com](http://www.galwayresources.com). A preliminary NI 43-101 technical report on Galway's Vetás property, which was prepared by Roscoe Postle Associates, was filed on SEDAR on August 24, 2011.

In the 11 holes reported to date, 4,381 meters have been drilled from 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, and as a result of the strong early results, the Company is in discussions to bring a third rig to the project. 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.

### **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 61%-92% of down-hole widths.

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 4,381 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.

### **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](http://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 were 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



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Intersects Greater Than 5.0 g/t Gold In 5 New Holes At Vetás | 5

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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Forward Looking Statements:

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