



Galway's Vetas Intersects Very High Grade Gold, Discoveries To Depth Extended Over 100% To Nearly 700M Below Reina De Oro Level And Strong Results Seen In First Surface Hole | 1

Toronto, Ontario: March 14, 2012 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce assay results from six underground diamond drill holes and the first-ever surface drill hole at its Vetas gold-silver project, host of the El Volcan gold-silver mine that has been in operation for over 400 years and is the largest mine in the Vetas-California-Surata gold region of Colombia. The focus of Galway's exploration efforts at Vetas is to test for a continuation of mineralization below the El Volcan mine, strike and lateral extensions to the mine as well as to test the 6 surface anomalies that have been identified. There are currently two drills operating underground and one on surface that is targeting the stockwork intrusive located west of the mine.

"Our exploration efforts at Vetas continue to yield encouraging results that exceed our original expectations. We are intersecting high grade gold in numerous veins and we have more than doubled the depth at which gold mineralization has been identified below the Reina de Oro level to nearly 700 meters. In addition, our first surface drill hole along our common border with CB Gold appears to have intersected the same structure they discovered 160 meters away," cites Robert Hinchcliffe, President and CEO of Galway Resources.

Bonanza Grade Gold Intersects Continue

Very high-grade results continue to be received below the El Volcan mine as noted by holes 26, 27, 29 and 31. These new results are in addition to the previously reported 1,082.6 grams per tonne gold (g/t Au) and 718.0 g/t silver (Ag) over 1.21 meters in the El Burro vein from hole 21 ([Figure 1](#)). Noteworthy is that the bonanza grades were intersected in four separate veins, as follows:

- **Hole GWY-V026:** 679.6 g/t Au and 164.0 g/t Ag over 1.16 meters in the El Burro vein, located 34 meters below the 1,082.6 g/t intersect noted above
- **Hole GWY-V027:** 1,034.3 g/t Au over 0.91 meters in the Loscas vein and 27.4 g/t Au over 3.38 meters, including 49.4 g/t Au over 1.16 meters in a New Unnamed vein
- **Hole GWY-V029:** 203.4 g/t Au over 1.25 meters in the Green vein
- **Hole GWY-V031** (partial results received): 40.0 g/t Au and 34.8 g/t Ag over 2.51 meters, including 69.4 g/t Au and 56.0 g/t Ag over 1.21 meters in the Loscas vein

Mineralization Extended to Depth By More Than 100%

Mineralization continues to be extended to depth as noted in Hole 30, the first steeply dipping hole (-65 degrees) drilled in excess of 500 meters (the total depth of this hole was 800 meters with results received for the upper 767 meters). Of note is that this hole returned seven separate intersects in seven separate veins below the previous deepest intersect, which was 310 meters and is now more than twice as deep at 670 meters

vertically below the Reina de Oro level. As such, Galway has now intersected gold mineralization 860 meters below surface ([Figure 2](#)). These seven intersects, which range in grade from 2.0 g/t Au to 18.4 g/t Au, are as follows:

- 323 meters*: 2.0 g/t Au over 1.29 meters in a New Unnamed vein
- 360 meters*: 2.2 g/t Au over 1.32 meters in Manzanilla vein
- 373 meters*: 3.9 g/t Au over 1.53 meters in Chocolatua vein
- 404 meters*: 15.2 g/t Au over 2.27 meters, including 18.4 over 0.95 meters in Tajo Abierto vein
- 482 meters*: 7.0 g/t Au over 2.35 meters in Green vein
- 578 meters*: 7.0 g/t Au over 1.25 meters in Loscas vein
- 670 meters*: 2.5 g/t Au over 1.53 meters in New Unnamed vein
 - Vertical meters below the Reina de Oro level, the lowest level of the El Volcan mine, located up to 300 meters below surface.

Vetas Surface Drill Results Summary: First Hole Hits Mineralized Structures

Hole 28 was the first surface hole drilled on Galway's Vetás property. It targeted extensions on Galway's side of the common border to CB Gold's discovery of 7.57 g/t Au over 114.98 meters in what appears to be the same stockwork zone that Galway initially discovered through extensive sampling and geophysical exploration programs in late 2010 and early 2011. The CB Gold intersection includes 17.17 g/t Au over 40.89 meters (which includes 316.67 g/t Au over 2.09 meters), and 5.36 g/t Au over 30.35 meters. This surface program is drilling the anomaly #6 area (the stockwork zone) along the western border as shown in [Figure 3](#). Anomalies #4 and #5, which are also to be drilled, are characterized by high Au-Ag MMI ratio responses with high chargeability targets 40 to 60 meters down, and may be related to strong argillic alteration that is part of the porphyry system. Overall, there are a total of 6 surface anomalies that will be explored.

Visible gold was intersected twice in Hole 28 in two separate structures, Piedra Colorada and La Araña. Of note is that Piedra Colorada contained high grade gold in excess of one ounce per ton while La Araña intersected a thicker structure of lower grade mineralization, with three distinct higher grade veins interspersed within. Highlights of drill results contained in surface hole GWY-VS028 are as follows:

GWY-VS028

- 17.4 g/t Au over 1.38 meters, including 45.2 g/t Au over 0.51 meters in Piedra Colorada
- 4.0 g/t Au over 12.38 meters, including 7.8 g/t Au over 1.58 meters, 12.0 g/t Au over



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0.97 meters and 8.3 g/t Au over 2.30 meters in La Araña. This appears to be the down-dip extension of CB Gold's strong results noted above. If so, it represents a 160 meter down-dip extension at a 358 meter vertical depth below surface.

Vetas Underground Drill Results Summary: High Grade Intercepts With A High Success Rate

On [June 22, 2011](#), Galway released the first set of drill results from its Vetás project, which began in April 2011. To date, 28 of the 31 holes that have been reported on host at least one assay in excess of 10 g/t Au (the average is 3 per hole, or 93 times in total), and all holes except hole 25 contain multiple mineralized intercepts. In fact, in the first 31 holes drilled (Holes 30 and 31 have some assays pending), Galway has intersected 5 g/t Au or more 147 times, 20 g/t Au or more 49 times, 30 g/t Au or more 33 times, 100 g/t Au or more 10 times and 1,000 g/t or more two times. The Company has reported on the first 31 holes, with results pending for an additional 8 holes, comprising over 17,000 meters drilled to date

Highlights of results from underground drilling in this press release are provided below:

GWY-V026

- 679.6 g/t Au and 164 g/t Ag over 1.16 meters (m)
- 11.8 g/t Au and 14.9 g/t Ag over 2.28 m
- 12.3 g/t Au over 1.07 m
- 11.7 g/t Au over 1.36 m

GWY-V027

- 1,034.3 g/t Au over 0.91 m
- 27.4 g/t Au over 3.38 m, including 49.4 g/t Au over 1.16 m
- 5.8 g/t Au over 1.44 m
- 5.5 g/t Au over 1.07 m

GWY-V029

- 203.4 g/t Au over 1.25 m
- 13.2 g/t Au over 0.76 m
- 5.4 g/t Au over 1.41 m

GWY-V030

- 15.2 g/t Au over 2.27 m at -404 m below bottom of workings**

- 7.0 g/t Au over 2.35 m at -482 m below bottom of workings**
- 7.0 g/t Au over 1.25 m at -578 m below bottom of workings**
- 2.5 g/t Au over 1.53 m at -670 m below bottom of workings**
- Pending: -767.15 m to -800.1 m

GWY-V031

- 40.0 g/t Au and 34.8 g/t Ag over 2.51 m, including 69.4 g/t Au and 56.0 g/t Ag over 1.21 m
- 9.4 g/t Au and 170.9 g/t Ag over 2.71 m
- 8.2 g/t Au over 2.20 m, including 13.8 g/t Au over 1.05 m
- 9.6 g/t Au over 1.13 m
- 4.9 g/t Au and 36.0 g/t Ag over 1.24 m
- Pending: 221.98 total m

** Bottom of workings below hole GWY-V030 is 190 meters below surface.

Notes: a 2.0 g/t lower cutoff grade was applied; no upper cutoff grade was applied; GWY-V025 returned nothing more than 2.6 g/t Au over 0.98 meters. Silver assays are pending for many intervals at this time. True widths for assays reported to date at Vetás are 48% to 92% of downhole widths, except 32% for hole GWY-V031. True width for GWY-VS028 has not been established as the zones are of unknown orientations.

Pictures of visible gold from Galway's Vetás and California projects can be viewed in the [photo gallery](#). Maps, cross sections and a detailed table of assay results can be viewed on the Company's website at www.galwayresources.com. All Vetás drill results released to date can be viewed in [Table 1](#). 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.

Mineralization

For the surface geology along the western border of the Reina de Oro concession, mineralization is hosted by veins and stockwork zones in gneiss and a quartz diorite with potassic alteration (secondary biotite and K feldspar). The mineralization also includes zones of high-grade gold-silver veins (La Araña, Piedra Colorada and El Coco, among others).

Gold mineralization 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 670 meters below the bottom level, and the bottom level is up to 300 meters below surface.

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. The mine covers an area of 500 meters x 300 meters with a vertical extent of 300 meters. Drilling is testing multiple veins at 25-50 meter centers.

Supervision, Qualified Person and Quality Control

The Vetás 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 Vetás Project are sent to the Acme Labs preparation facility in Medellin, Colombia, for processing and are analyzed at Acme Labs laboratory in Vancouver, Canada. Surface rock samples are analyzed for Au by a 30g fire assay and AAS finish method (code G601) plus a multi-element suite with an aqua regia digestion and ICP-MS finish (code 1F04). Underground samples are analyzed by G601 and 1F04 methods and over limits of Ag >100ppm and Cu-Pb-Zn >1% by an ore grade determination with an aqua regia digestion and analysis by ICP-ES (Code 7AR2). If strong mineralization or visible gold is observed, then a screen metallic assay for Au (code G615) is used. Acme Labs is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls. Quality control protocols by Galway 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



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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 silver in Colombia. The Company has two drill programs underway at the California and Vetás gold-silver projects, located in northeastern Colombia. The Company also has the Victorio tungsten-molybdenum project, with excellent infrastructure, in southwestern New Mexico. A positive scoping study was completed by SRK in 2008. The sustained 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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