

Toronto, Ontario: August 29, 2012 - Galway Resources Ltd. (GWY: TSX-V) (“Galway”) is pleased to announce that it has entered into a loan agreement with Bank of Montreal providing for a senior non-revolving term facility in an aggregate principal amount of up to C\$10,000,000 to be used to continue its current drilling program in Colombia, and for general corporate purposes (the “**Credit Facility**”). The Credit Facility has a maturity date of February 24, 2014 and bears interest at a rate per annum equal to the prime rate (currently 3.0%) plus 0.5%, being an effective interest rate of 3.5% based on today’s prime rate. Galway may prepay amounts outstanding under the 18 month Credit Facility at any time without premium, penalty or bonus.

Funding pursuant to the Credit Facility is subject to the satisfaction of certain conditions precedent, which Galway expects to satisfy in the ordinary course. Upon satisfaction of such conditions precedent, Galway intends to make a drawdown of C\$9,000,000 of the Credit Facility, and is entitled to make additional monthly drawdowns up to the aggregate principal amount of the Credit Facility for the purpose of paying interest and fees. The Credit Facility does not require a charge on the assets of Galway or its subsidiaries or a pledge of the shares of Galway or its subsidiaries.

About Galway Resources Ltd.

Galway Resources is primarily focused on the exploration of gold in northeast Colombia, with drill programs occurring at the California and Vetás gold projects. Galway 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.

For further information contact:

Galway Resources Ltd.

Robert Hinchcliffe

1-800-475-2412

www.galwayresources.com

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:

Certain statements contained in this release containing words like “believe”, “intend”, “may”, “will”, “expect”, “would” and other similar expressions, are forward-looking statements that involve a number of risks and uncertainties. This forward-looking information relates to, among other things, the satisfaction of conditions precedent, the release of the principal amount of the Credit Facility from escrow and the use of proceeds of the Credit Facility. 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 Galway’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. Galway does not assume the obligation to update any forward-looking statement.