

Toronto, Ontario: October 9, 2012 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce assay results from 17 underground diamond drill holes and 11 surface drill holes 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. Galway also has an ongoing exploration program at its California project, located 8 km northwest of Vetas. On [September 12, 2012](#), Galway announced initial resource estimates for California prepared by SRK Consulting, Inc., which contained indicated gold resources of 424,385 ounces grading 5.5 g/t plus inferred gold resources of 666,470 ounces grading 5.4 g/t.

Three New High Grade Zones Discovered:

- New surface discovery returned **26.0 grams per tonne gold (g/t Au)** over **4.19 meters (m)**, **29.2 g/t Au over 1.34 m**, and **14.5 g/t Au** and **572.0 g/t silver (Ag)** over **0.98 m** in drill hole 61, located 200 m from hole 28 and 150 meters northeast of CB Gold's recent discovery
- 8 separate intersections greater than 6.6 g/t Au, including two new veins that assayed **34.3 g/t Au** and 83.0 g/t Ag over **6.44 m**, plus **18.9 g/t Au over 11.81 m** from underground hole 49
- 7.3 g/t Au over 1.33 m, located 180 m west of Corteros, which was the western-most vein known to exist when drilling began, and 140 m west of La Virgen 2

"The initial corporate goal was to delineate resources of 1,000,000 ounces from each of our California and Vetas projects at a combined grade of 10 g/t Au. The California goal has been achieved — at a higher grade than initially expected. The California resource is open to expansion from newly-discovered extensions at Machuca and Santa Catalina, within the fractions and at depth. For Vetas, the initial goal was to drill off an area of 500 m along strike by 500 m depth below the mine workings. Using an average horizontal mining width of 1.5 m, a grade of 15 g/t, and with a 25% success ratio over the mines' 8 veins would give 1,000,000 ounces. **The actual average horizontal mining width has been exceeded, the success ratio has been exceeded, the depth has been exceeded, and the number of veins present is greater than the 8 originally thought to exist,"** cites Robert Hinchcliffe, President and CEO of Galway Resources.

New underground drill result highlights

Hole ID	From (Meters)	To (Meters)	Interval (Meters)	Au	Ag	Vein Name, Notes
				g/t	g/t	
GWY-V0041	116.82	117.89	1.07	17.53	37.00	Chocolatua
	200.06	203.47	3.41	40.13	35.79	Manzanilla
including	202.21	203.47	1.26	94.26	55.00	Manzanilla
GWY-V0042	114.18	116.43	2.25	6.29	20.07	Loscas
including	115.32	116.43	1.11	10.28	15.00	Loscas
	284.06	285.33	1.27	22.77	5.70	Tajo Abierto
GWY-V0045	200.38	202.56	2.18	12.49	14.82	New 18
including	200.38	201.46	1.08	22.82	23.50	New 18
	229.72	231.95	2.23	12.38	13.63	New5 - VG
GWY-V0046	210.31	213.60	3.29	10.09	1.30	Loscas
including	210.31	211.38	1.07	25.20	2.00	Loscas
	279.88	280.41	0.53	283.58	99.00	Green - VG
	294.13	294.63	0.50	27.81	2.00	Green
GWY-V0049	157.73	158.98	1.25	86.90	16.00	Tajo Abierto
	243.37	244.49	1.12	15.16	162.00	Loscas
	320.87	327.31	6.44	34.34	83.03	New 17
including	320.87	322.17	1.30	98.79	154.00	New 17
	335.66	347.47	11.81	18.85	3.78	New 5
including	344.10	345.42	1.32	52.85	2.00	New 5
GWY-V0053	48.07	49.51	1.44	9.96	121.00	Loscas - VG
	91.19	93.58	2.39	41.76	102.00	Manzanilla
including	91.19	92.44	1.25	76.64	102.37	Manzanilla
GWY-V0055	156.29	159.82	3.53	6.10	16.60	Chocolatua
including	158.68	159.82	1.14	10.11	36.30	Chocolatua
GWY-V0056	42.52	43.91	1.39	25.70	7.00	New 19
	161.03	178.03	17.00	8.94	17.27	El Burro
including	161.03	162.21	1.18	19.65	22.00	El Burro
	164.48	169.29	4.81	17.72	49.90	Tajo Abierto - VG
	176.98	178.03	1.05	27.18	1.00	Chocolatua

GWY-V0059	142.34	142.88	0.54	15.66	6.00	Tajo abierto - VG
	290.28	291.45	1.17	143.73	216.00	New 5 - VG
	402.37	403.90	1.53	17.29	10.00	Corteros - VG
	542.42	543.75	1.33	7.29	4.00	La Virgen 3
GWY-V0062	190.27	192.42	2.15	25.16	9.30	Tajo Abierto - VG
including	190.27	191.39	1.12	43.84	19.00	Tajo Abierto - VG
GWY-V0064	99.56	100.79	1.23	9.45	32.00	Loscas
	142.31	144.78	2.47	50.40	12.01	Green
including	142.31	143.56	1.25	94.18	13.00	Green - VG
GWY-V0066	137.50	139.03	1.53	13.13	5.00	New 5 - VG
GWY-V0067	343.08	352.41	9.33	9.73	116.95	Manzanilla
including	343.08	343.97	0.89	17.78	305.00	Manzanilla
including	345.03	346.23	1.20	26.97	308.41	Manzanilla
GWY-V0068	102.10	103.63	1.53	11.65	10.20	New 4
	416.36	417.88	1.52	10.28	90.60	New 19

Highlights of Underground Drilling Program Include:

- New discoveries in hole 49 are wide open to the east and northeast ([Figure 1](#))
- Drill rigs will be moved to Pads 3 and 4 to extend El Volcan's drill-defined strike length beyond the current 410 m in order to bring in ounces toward the north ([Figure 2](#) and [Figure 3](#))
- La Virgen 3 discovered 180 m west of Corteros, which was the western-most known vein, and 140 m west of La Virgen 2
- New Veins show deposit remains open to the west
- Drilling continues to show excellent continuity of El Volcan's high grades along strike and to depth

Successful Hit Ratio Far Exceeds Expectations for Underground Drilling Program

To put the success Galway has achieved in its underground drill program at Vetas into perspective, since [June 22, 2011](#), when Galway released the first set of Vetas drill results, 45 of the 52 underground holes that have been reported host at least one assay in excess of 10 g/t Au (the average is 2.8 per hole, or 146 times in total), and all holes except hole 25

contained multiple mineralized intersects. In the first 52 underground drill holes, Galway has intersected 5 g/t Au or more 237 times, 20 g/t Au or more 76 times, 30 g/t Au or more 44 times, 100 g/t Au or more 13 times and 1,000 g/t or more two times.

Vetas Surface Drill Results Summary

A new discovery has returned **26.0 g/t Au over 4.19 meters** (including 105.0 g/t Au over 1.0 m) from surface drilling (hole 61) northwest of the mine ([Figure 4](#)). This hole also intersected other zones such as **29.2 g/t Au over 1.34 m, 14.5 g/t Au and 572.0 g/t Ag over 0.98 m**, 5.3 g/t Au over 1.5 m, and 4.9 g/t Au over 1.52 m. It is located 150 meters northeast of CB Gold’s recent intersections in hole RM-DDH12-119 of 17.3 g/t Au over 15.5 m (including 234.9 g/t Au over 1.03 m and 14.0 g/t Au over 1.54 m), 78.1 g/t Au over 3.31 m (including 227.6 g/t Au over 1.13 m), 17.0 g/t Au over 2.27 m (including 35.9 g/t Au over 1.06 m), 7.4 g/t Au over 4.85 m (including 25.5 g/t Au over 1.00 m), and 3.1 g/t Au over 7.86 m (including 21.7 g/t Au over 1.05 m). The zones in the area appear to dip to the northeast, and so the new discovery, which range up to 369 m below surface, appears to correlate with CB’s intersections. Because of the dip of the zones, the current drilling is not ideal for intersecting the zones (drilling appears to have been sub-parallel to the zones; thus several veins may have been missed); better-located drill pads are to be constructed in order that all zones can be drilled across.

New surface drill result highlights

Hole ID	From (Meters)	To (Meters)	Interval (Meters)	Au	Ag	Vein Name
				g/t	g/t	
GWY-VS0043	258.64	271.41	12.77	1.18	1.05	New
including	258.64	259.64	1.00	7.05	10.80	New
GWY-VS0044	182.66	183.94	1.28	2.50	1.30	La Araña
	336.64	338.52	1.88	2.60	1.86	New3
including	336.64	337.64	1.00	4.20	2.80	New3
GWY-VS0047	211.38	215.83	4.45	1.24	2.38	El Brinco
	349.24	350.49	1.25	3.04	2.30	New3
GWY-VS0048	354.19	355.19	1.00	3.15	12.00	New3
GWY-VS0050	96.15	96.71	0.56	14.44	5.90	La Araña
GWY-VS0054	230.49	231.53	1.04	45.91	9.90	El Brinco - VG

GWY-VS0061	289.78	290.76	0.98	14.55	572.00	El Brinco
	302.65	306.84	4.19	26.00	26.88	El Brinco
including	302.65	303.65	1.00	104.99	76.60	El Brinco - VG
	374.58	375.92	1.34	29.18	6.20	New
GWY-VS0063	142.68	143.68	1.00	4.78	3.80	La Araña

As reported on [March 14, 2012](#), hole 28 was the first surface hole drilled on Galway’s Vetas property - located in the northwest as well. This hole contained 17.4 g/t Au over 1.38 m, including 45.2 g/t Au over 0.51 m in the Piedra Colorada structure and 4.0 g/t Au over 12.38 m, including 7.8 g/t Au over 1.58 m, 12.0 g/t Au over 0.97 m and 8.3 g/t Au over 2.30 m in the La Araña structure. The La Araña intersect appears to be a 160 m down-dip extension at a 358 meter vertical depth below surface from CB Gold’s discovery of 7.6 g/t Au over 114.98 m, including 17.2 g/t Au over 40.89 m (which included 316.7 g/t Au over 2.09 m), and 5.4 g/t Au over 30.35 m. Both of these results appear to be contained in the same stockwork zone that runs on both sides of the common border.

As seen in [Figure 4](#), only two of the eleven new surface drill holes reported herein were drilled in the direction of CB Gold’s discoveries noted above. The rest targeted other zones, from which early sampling yielded encouraging results. Noteworthy of these are holes 43, 50, and 54 that intersected 7.0 g/t Au over 1.0 m plus 1.2 g/t Au over 12.77 m, 14.4 g/t Au over 0.56 m, and **45.9 g/t Au over 1.04 m**, respectively.

In order to optimize Galway’s ability to intersect high-grade targets within the stockwork zone, the Company has chosen to temporarily suspend surface drilling until it receives the necessary pad construction approvals.

Notes: GWY-VS052 and GWY-V057 returned multiple, narrow, low-grade intersects that ranged up to 4.9 g/t Au and 2.15 m; a 2.0 g/t Au lower cutoff grade was applied to all underground drill holes; a 0.5 g/t Au lower cutoff grade was applied to all surface drill holes; no upper cutoff grade was applied; only gold grades of 9.0 g/t Au or higher were highlighted for underground drill holes unless drill core thickness exceeded 2.0 m; only gold grades of 1.0 g/t or higher or drill core lengths of 5 m or more were highlighted for surface drill holes; true widths for assays reported to date for underground holes at Vetas are 28% to 98% of downhole widths. True widths for all surface holes reported to date have not been established as the zones are of unknown orientations.

Pictures of visible gold from Galway’s Vetas 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 Vetas drill results released to date can be viewed in [Table 1](#). A preliminary NI 43-101 technical report on Galway's Vetas 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, vuggs and drussy quartz, with fine pyrite crystals are typical. The mineralization has been intersected up to 670 meters below the bottom level of the El Volcan mine, and 860 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. The Company has reported on the first 68 holes (including 16 surface holes).

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 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 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 mineral exploration company primarily focused in northeast Colombia, with gold exploration 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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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.