



NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWS WIRES.

Vancouver, British Columbia: January 20, 2006 - Galway Resources Ltd. ("Galway") is pleased to announce that it has entered into a Letter of Intent with Geological Services Inc. dated January 10, 2006 pursuant to which Galway has obtained the option to acquire a 100% interest in the Indian Springs Tungsten Property, Elko County, Nevada (the "Acquisition").

Galway is a capital pool company and intends that the Acquisition will constitute its Qualifying Transaction under the policies of the TSX Venture Exchange. The Acquisition is an arm's length transaction.

Overview of Acquisition

Galway may exercise its right to acquire an undivided 100% interest in the Indian Springs Property by paying an aggregate of US\$300,000 and issuing a total of 1,000,000 common shares in the capital of Galway ("Shares") as follows:

- payment of US\$12,500 on or before February 15, 2006;
- issuance of 200,000 Shares upon the closing of the Qualifying Transaction (the "Closing Date");
- payment of US\$40,000 and issuance of 200,000 Shares on the 1st anniversary of the Closing Date;
- payment of US\$60,000 and issuance of 200,000 Shares on the 2nd anniversary of the Closing Date;
- payment of US\$75,000 and issuance of 200,000 Shares on the 3rd anniversary of the Closing Date; and
- payment of US\$112,500 and issuance of 200,000 Shares on the 4th anniversary of the Closing Date.

On completion of the Acquisition, Galway intends to explore and, if successful, develop, and produce tungsten from the Indian Springs Property.

The Seller

Geological Services Inc., the owner of the Indian Springs Property, is organized under the laws of Nevada, USA and is 100% owned by Donald L. Merrick.

Indian Springs Property

The Indian Springs Property is located 25 miles north of Montello, in northeastern Elko County, Nevada.

The Property was explored from 1968 to 1986 by various companies, including Placer Amex, Union Carbide and Utah International. Utah International worked on the Property from 1977 to 1986 and ceased work due to the then bleak outlook for tungsten prices. Utah International was later acquired by BHP.

Exploration work on the Property has included, among other things, in excess of 82,000 feet of drilling and extensive metallurgical testing, for an estimated historical cost of between US\$3 to 5 million.

Various historical mineral resource and reserve estimates exist. The most recent historical reserve estimate was made by Utah International Inc. in 1984 (internal Company documentation) ranging from 8.85 million tons @ 0.257% WO₃ at a 0.17% cutoff grade to 21.94 million tons @ 0.179% WO₃, a 0.10% cut-off grade; with strip ratios of 4.8 and 1.3 respectively. These historical reserve numbers should not be relied upon. They have not been classified according to CIM reserve categories and Galway is not treating them as current mineral reserves. The potential quantity and grade is conceptual in nature and there is insufficient documentation to categorize the historical reserves and therefore to reconcile the reserves with current National Instrument 43-101 resource/reserve categories. It is uncertain if further exploration will result in the property being delineated as a mineral reserve or resource. While current resources or reserves are not established, Galway considers the project data to be substantial and relevant.

Proposed Work Program

An independent geological report is in the process of being completed by SRK Consulting (U.S.) Inc. ("SRK") for the Indian Springs Property in accordance with National Instrument 43-101.

Galway intends, based on the recommendations of SRK, to undertake a recommended work program in the approximate amount of C\$1.5-2.0 million. The work program will entail digitizing historical drilling data, compiling a NI 43-101 compliant resource estimation using

the historical data, confirmatory and exploration drilling and additional metallurgical test work. Subsequently, Galway intends to initiate a Scoping Study as a prelude to a Pre-Feasibility Study.

Capitalization and Private Placement

Galway currently has 3,069,000 common shares issued and outstanding. In addition, there are 200,000 options issued to directors and officers under its current stock option plan and 100,000 options issued to Haywood Securities Inc. in connection with Galway's initial public offering.

Galway intends to complete a private placement for gross proceeds of up to C\$2.0 million (the "Private Placement") prior to or concurrently with the completion of the Qualifying Transaction with the net proceeds being used to undertake the proposed work program and for general corporate purposes.

Principals of Galway Upon Completion of the Qualifying Transaction

Galway intends to retain its current management team and directors, consisting of Robert Hinchcliffe, David De Witt and Tim Searcy, upon completion of the Qualifying Transaction. Please refer to Galway's prospectus filed on www.sedar.com for detailed backgrounds of those individuals.

In addition, the directors of Galway are pleased to announce that Marshall Himes has agreed to join the board of directors on the closing of the Qualifying Transaction. Marshall Himes' career as a geologist and manager in the mining industry spans 32 years primarily in metals exploration, with some mine operations experience as well. Mr. Himes worked on the Indian Springs Project with Utah International beginning in 1977 and was responsible for the day-to-day geologic activities of mapping, sampling, drilling and resource estimates and also coordinated the metallurgical bulk sampling and worked with the mining engineers in developing a preliminary mine plan. After a series of promotions, Mr. Himes was appointed as the Chief Geologist for advanced projects for BHP worldwide. This role involved evaluating projects at the advanced exploration stage for acquisition, or managing existing advanced projects to move them along to development. Mr. Himes received a B.S. in Geology from the University of Washington and an M.S. in Economic Geology at the University of Arizona.

Sponsorship

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies or waived by the Exchange. Galway intends to apply for an exemption or waiver from sponsorship requirements. However, there is no assurance that Galway will be able to obtain this exemption or waiver.

Significant Conditions to Closing

Completion of the Acquisition is subject to a number of conditions including but not limited to, the completion of satisfactory due diligence, the negotiation and execution of a Definitive Agreement relating to the Acquisition, the closing of the Private Placement, Exchange acceptance and other necessary regulatory approvals. There can be no assurance that the Acquisition will be completed as proposed or at all.

Filing Statement

Galway will be required to file a Filing Statement under Exchange policies in connection with the Qualifying Transaction. Investors are cautioned that, except as disclosed in a Filing Statement to be prepared in the connection with the Acquisition, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

As the Acquisition is an arm's-length transaction, Galway will not be required to obtain shareholder approval under Exchange policies.

In accordance with Exchange policy, Galway's shares are currently halted from trading.

Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to the completion of transactions, the timing and amount of payments and share issuances, the completion of financings, the use of proceeds, future exploration, development and production activities and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the ability to complete contemplated transactions, payments, share issuances and financings, the use of proceeds, the timing and success of future exploration, development and production activities and the timing and amount of expenditures.



Allan V. Moran, Principal Geologist with SRK Consulting (U.S.) Inc., is the Qualified Person preparing the National Instrument 43-101 geological report, and has reviewed the content of this press release.

For further information contact:

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The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.