



**Toronto, Ontario: January 26, 2010 - Galway Resources Ltd. (GWY: TSX-V)** is pleased to announce that it has entered into a binding agreement to acquire a 100% interest in the Reina de Oro and Coloro properties in the center of the historic Vetas Gold Mining District in Colombia. The properties are mostly contiguous and collectively comprise 542 hectares (1,339 acres). The Reina de Oro property's main asset at present, the El Volcan Mine, has been the site of gold mining since the 1590's. In fact, the mine has produced among the most gold of any in the historic California-Vetas gold mining district. The town of Vetas is located approximately 8 kilometers southeast of California, the sight of the company's on-going gold exploration program, on strike with Ventana's and Greystar's major gold discoveries.

"We are extremely pleased to gain a significant foothold in the most prolific gold producing area in the California-Vetas district, a mine that has been producing gold for over 400 years and enjoys comparatively good infrastructure. We are very excited to be the first company to initiate a technologically advanced exploration campaign on these properties, which compliment on many different fronts our current activities in the nearby California gold trend. In short, this acquisition along with our on-going exploration program, on trend with Ventana's La Mascota gold discovery, adds significant up-side potential to the Company's exploration efforts in the California-Vetas gold district," cites Robert Hinchcliffe, President and CEO of Galway Resources.

The U.S. Geological Survey in collaboration with the Colombian Geological Survey (INGEOMINAS) sampled the Reina de Oro property in 1969. Forty-two underground samples were taken from several veins. The samples ranged from no gold to 87.5 grams/tonne. Approximately 31% (13) of the samples were less than 0.5 g/t, 7% (3) from 0.5-1 g/t, 19% (8) from 1-3 g/t, 7% (3) from 3-5 g/t, and 36% (15) were greater than 5 g/t Au (gold). Looked at another way, 62% of the samples taken contained 1 g/t Au or more. This provides another indication to Galway's management that the Company's Reina de Oro property contains unusually high levels of anomalous gold. In fact, grades as high as 76.0 g/t Au over 1.2 meters and 76.65 g/t Au over 0.9 meters were returned. In addition, sampling work done on tailings by the USGS during the late 1960's found the tailings to contain about 90,000 tonnes of 18 g/t Au and 38 g/t Ag (silver) in the sand fraction, and 26 g/t Au and 44 g/t Ag in the silt fraction. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resource and the historical estimate should not be relied upon.

"Galway plans an aggressive exploration program of underground and surface sampling, geophysics and drilling to rapidly advance this project. The Vetas district contains a very large area of intense iron staining and argillic alteration at surface. Initial survey results



indicate the potential not only for the obvious underground mining target, but also for a large tonnage, open pittable gold deposit at surface. The opportunity to be the first company to apply modern exploration techniques on such a large mineralized gold district is very exciting," says Mike Perkins, Chief Geologist for Galway Resources.

Gold mineralization is contained in steeply dipping veins that appear to be controlled by regional, northeast trending strike-slip faults, much like the northeast trending La Baja fault in the California gold district. The quartz veins are within the same porphyry and gneiss rocks as well. Reina de Oro contains the historic El Volcan gold mine which is the largest gold producer in the California and Vetas gold mining districts. The Reina de Oro property is 124 hectares, while the Coloro property comprises 418 hectares, of which 390 hectares are contiguous with the Reina de Oro property to the north, south and east and 28 hectares are located to the south of the town of Vetas ([see Figure 1](#)).

The El Volcan mine was started in 1912, has been in continuous production for 60 years and is currently producing from five separate veins. Over the years more than 5,000 meters of underground workings have been developed on several levels, of which approximately 2,000 meters are currently accessible for immediate exploration. This represents the largest underground development of any mine in the California-Vetas district. The accessible underground workings cover 8 veins over 570 meters in length, a vertical distance of 230 meters, and a combined width of 200 meters. The veins are generally 0.3 to 1.5 meters wide. There has been limited exploration undertaken on the property by the mine owners, with no drilling whatsoever. The steep nature of the veins (sub vertical), combined with the highly competent wall rocks, is ideal for modern bulk mining methods (long-hole mining). There is also potential for open pit mining. Galway plans an aggressive exploration program of underground and surface sampling, geophysics and drilling to rapidly advance this project. The main focus will be to ascertain in a relatively short timeframe, reserves and resources, and to explore the many veins below the bottom level of the mine where no exploration has occurred to date. All veins are open along strike (horizontally) and to depth and there are indications that additional veining may be discovered to the southeast, as seen by surface exposure.

### **Recent Exploration Developments - California Gold District**

On January 14th, Galway announced assay results from outcrop samples taken from its California gold properties in Colombia, where drilling is currently taking place. The sample results provided below were taken from the Pie de Gallo pit, the eastern portion of which is 200 meters to the southwest of the property line with Ventana. Sampling 25 meters from the boundary has also returned significant results.



## Galway Announces Acquisition Of Largest Gold Mine In The California-Vetas Mining District Of Colombia | 3

Some of the higher-grade assays associated with the Pie de Gallo pit include:

- 28m of 16.6 g/t Au, including 18m of 24.4 g/t Au, including 2m of 118.3 g/t Au
- 34m of 3.8 g/t Au, including 2m of 35.6 g/t Au
- 16m of 4.5 g/t Au, including 4 m of 9.7 g/t Au

In addition to sampling in and around the Pie de Gallo pit, Galway also tested outcrops along other parts of the NE/SW structure. The following surface channel sample results were taken in close proximity to the Galway-Ventana property boundary and were also reported in the January 14th news release.

- 36m of 2.6 g/t Au, including 8m of 6.6 g/t Au
- 4m of 3.8 g/t Au, including 2m of 6.3 g/t Au
- 2m of 5.9 g/t Au

In compliance with National Instrument 43-101, Mr. Mike Sutton Geo., is the Qualified Person responsible for the accuracy of this news release. Although the historical numbers noted for Vetas are not verifiable, it is felt that the operators were well-respected and that the results are representative. The California Pie de Gallo pit and Galway-Ventana boundary sampling details can be found in the previous press release.

### **About the Company**

Galway Resources is a well capitalized company, primarily focused on the exploration of gold and coal in Colombia. While the core focus of the Company at the moment is gold exploration in Colombia, the Company recently reported that drilling has commenced at the GALCA coal project in Colombia. The initial 19 hole drill program on the GALCA property will be managed and funded by Prodeco, the Colombian subsidiary of Xstrata. For more details see the press release dated November 17, 2009.

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## Galway Announces Acquisition Of Largest Gold Mine In The California-Vetas Mining District Of Colombia | 4

### 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.