



Toronto, Ontario: April 8, 2011 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce that underground diamond drilling has commenced at its Vetás gold project, with a second drill rig scheduled to arrive in May. The El Volcan mine is located within the Reina de Oro property, which is 8 kilometers southeast of Galway's California gold project, and has been the site of gold mining since the 1590's. It is the largest mine in the California-Vetas gold mining district and has not benefitted from modern exploration and no drilling has previously occurred.

The underground sampling program focused on the two main levels of the mine, the Reina de Oro Level (formerly known as the Lower Level; refer to [Figure 1](#)), and the Tajo Abierto Level (formerly known as the Upper Level; refer to [Figure 2](#)). Galway's initial drilling campaign is designed to focus on vein depth and strike extensions below the Reina de Oro Level.

The sampling program has identified the following mineralized veins:

Reina de Oro Level

Vein	Average Gold Sample Grade (g/t Au)	Average Silver Sample Grade (g/t Au)	Average Width (m)	Total Strike (m)
Corteros Vein	17.0	66.1	0.99	98.9
Loscas Vein	80.7	48.2	0.95	124.9
including	250.9	75.5	1.00	33.0
which includes	2,744.9	488.0	0.90	2.4
Manzanilla Vein	49.5	99.7	.99	219.2
including	91.0	168.7	1.10	81.7
which includes	905.6	829.4	0.98	5.0
Chocolatua Vein	4.8	4.5	1.04	56.4
Tajo Abierto Vein	7.3	25.6	1.03	115.3
Total Reina Level	37.9	60.8	0.99	614.7

Tajo Abierto Level

Vein	Average Gold Sample Grade (g/t Au)	Average Silver Sample Grade (g/t Au)	Average Width (m)	Total Strike (m)
Manzanilla Vein	24.8	47.6	1.17	202.6
including	211.5	295.7	0.9	9.0
Burro Vein	6.1	5.6	1.20	13.1
Tajo Abierto Vein	19.1	26.5	1.20	137.0
Hueso Duro Vein	15.8	15.8	0.99	103.0
Ancha Vein-Lower	26.1	23.4	1.35	72.5
Ancha Vein-Upper	20.9	33.6	1.10	34.8
Total Tajo Level	21.5	31.9	1.17	563.0

The high-grade nature of the veining is indicated by the average sampled grade for both levels is 29.4 g/t gold plus 45.9 g/t silver over a total of 614.7 meters of veining, together with an additional 172 meters of veining that has already been mined.

Sampling Overview

The geophysical and soil surveys have identified numerous coincident anomalous linear zones with similar characteristics to, and away from, the current known workings that could represent additional veining. Of particular interest is the possibility of gold-rich porphyry style mineralization, with associated copper-molybdenum. As well, veins trending perpendicular to the strike of the mine's main veins is indicated, with this perpendicular trend similar in orientation to other nearby mines. For a Mobile Metal Ion (MMI) soil survey response ratio map, which clearly shows a set of perpendicular trending targets, as well as other targets outside the main Vetás mine block, please refer to [Figure 3](#).

The El Volcan mine contains favourably steep-dipping veining in competent host rocks that could be successfully mined using modern bulk-tonnage longhole mining methods. Rapid development of resources is possible using channel sampling and drilling results. The existing multiple vein structures provide an excellent opportunity to build a robust gold resource as they are open in all directions, and their proximity to one another, coupled with very competent host rocks and the fact that the mine has already been developed should allow for rapid, comparatively low cost development of a larger scale operation.

Underground Sampling and Mapping

Starting in January 2010 Galway has had a geological team conducting an exploration

campaign on the Vetás Gold Project. The campaign commenced with the mapping and sampling of the drifts at the El Volcan mine on the two main work levels—Reina de Oro and Tajo Abierto. A total of 7,345 meters of drifts were mapped and 3,769 chip 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. The mine hosts nine different epithermal veins and numerous subordinate splay veins, which have been exploited semi-continuously since the Spanish Colony era and continuously for the past 60 years for high grade gold and silver.

During mapping of the drifts, it was noted that sulphide mineralization (pyrite) was significantly more prevalent on the Reina de Oro Level than on the Tajo Abierto Level. Surface mapping has shown the sulphide mineralization to be almost absent in the veining. Sampling also generally shows stronger grades with depth.

Surface Sampling and Mapping

In addition to tunnel sampling, a surface line cutting and geological mapping program was conducted. The cut lines were also utilized for a MMI survey and an IP/MAG survey. A total of 40.3 line kilometers of grid has been cut (20 lines at 100 meter intervals), mapped and sampled. A total of 215 samples were taken. Gold results range from 0.05 g/t to 25.3 g/t with silver results ranging from 0.01 g/t to 109.0 g/t. In addition to the gold and silver, Vetás surface sampling returned anomalous results for base metals, with up to 0.13% molybdenum and up to 0.14 % copper.

The main NE-SW trend of the mine mineralization was located and mapped on surface. In addition, a number of NW-SE perpendicular trends were also identified. Numerous intrusive lithologies were mapped.

MMI Soil Survey

The geology grid was also used in a Mobile Metal Ion (MMI) soil geochemistry study. All 20 lines were sampled at 25 meter centers, comprising a total of 1,598 samples.

The MMI response ratios over the mine trend generates a NE-SW anomaly having a continuous strike length of 500 meters that is coincident with the mineralized structures mapped on surface and within the tunnels underground. In addition, there are also three strong gold anomalies to the West, North and to the Northwest of the main mine (these are evident in [Figure 3](#)). Low to moderate response ratios are associated with a NW-SE direction that is parallel to a secondary cross structural vein system. Silver and gold MMI response ratios are strongly related. Response ratios of ~10 for gold outlines the broader mineralized structures, while a response ratio above 50 coincides with the high-grade



tunnels mapped in the underground. Furthermore, there are a number of weaker gold anomalies throughout the property that will require geological follow up. The follow up will consist of hand trenching and detailed mapping.

The MMI study has also revealed a copper-molybdenum-silver anomaly to the south of the workings that may be related to a buried porphyry system. There are a number of high copper response ratios throughout the property that are related to intrusive lithologies that were mapped during the field season. These areas will require hand trenching and detailed mapping as was recommended above for the gold anomalies.

IP/MAG Geophysical Surveys

In January 2011, Galway retained KTTM Geophysics of Medellin, Colombia to complete an Induced Polarization (IP) and Ground Magnetic (MAG) survey over the geology grid on the Vetas Project.

Results show that the main mine trend has strong chargeability anomalies at moderate depths below surface (starting at ~30 meters). These chargeability anomalies are coincident with the high MMI gold response ratios and surface structures mapped over the main mine trend. In addition, there are a number of other chargeability anomalies outboard of the main trend that are also fairly deep on the IP profiles (30 to 60 meters). These chargeability anomalies are either associated with gold MMI anomalies and veining/faulting on surface, or with intrusive lithologies and stronger base metal (Cu-Mo) MMI signatures. Increasing pyrite mineralization with depth (noted above) may be the reason for stronger chargeability noted deep on the IP profiles.

Future surface drilling should focus on deeper targets in favor of shallow targets based on the deeper chargeability anomalies seen in the IP survey. Drilling will begin with a 5,000 meter underground diamond drill program, testing the mineralization open below the high-grade Reina de Oro Level.

Vetas Spin-Out

After consulting with our attorneys and financial advisors, Galway's Board of Directors has decided to not proceed with the Vetas spin-out at this time as it does not want to dilute the Company's asset base to one key gold exploration project from two currently. However, Galway may revisit the spinout option at a later date.

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 Vetás Project are sent to the ALS-Chemex preparation facility in Bogotá, Colombia for processing and are analyzed in the ALS-Chemex laboratory in Lima, Peru (ISO 9001:2000 certified). Surface rock samples were analyzed by methods Au-AA23 and ME ICP41. Underground samples were analyzed by methods Au-AA23 and Ag AA46. If a sample yields more than 10 g/t Au, a screen metallic Au SCR 21 is used. The quality control protocols that are in place consist of the insertion of one blank at least every 20 samples, a field or lab duplicate every 20 samples, and one of 3 different certified reference standard material for every 20 rock samples.

MMI soils samples were sent to SGS Group (ISO 19011 certified) preparation facility in Medellín, 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 coal in Colombia. The core focus of the Company is gold exploration in northeast Colombia, with drill programs occurring at the California and Vetás gold projects. The Company has also reported that drilling occurred in 2010 at the GALCA coal project, which is being managed and funded by Prodeco, the Colombian subsidiary of Glencore. Efforts are underway to secure access from GALCA property owners to move the drill rig to the next set of planned drill sites.

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