

Toronto, Ontario: July 21, 2011 - Galway Resources Ltd. (GWY: TSX-V) is pleased to announce assay results from holes GWY-113 to GWY-116 from the ongoing diamond drill exploration program at its California gold-silver property in Colombia. This property is located adjacent to, and on strike with the La Bodega/La Mascota deposit (acquired for \$1.5 billion in cash by AUX Canada). The mineralization on Galway's property has been identified over a 1 km strike length and is at the lowest elevation among the major deposits along the California gold trend. Galway also owns a 360 meter-long fractional land position that appears to be directly within the La Mascota mineralized structure. Galway also has two diamond drill rigs operating in Vetas at the high-grade El Volcan gold-silver mine, which is located 8 km southeast of California and is the largest gold producer in the region. Results from the first set of holes at El Volcan contained significant high-grade gold and silver (see [June 22, 2011](#) news release).

"We are very encouraged that our drill results at California have improved over the past few months. Our geologists have been better able to hone in on the high grade veins within the longer intervals of mineralization. In addition, while we have identified high grade gold from surface to a depth of 380 meters, the mineralization remains open to depth as well as along strike. Aside from the fact that GWY-115 has by far the highest grade we've ever seen on our property, this hole is significant because it further bridges the gap between the Pie de Gallo and Northeast Zones. GWY-116 is significant because it helps define the width of the main mineralized trend at California and demonstrates continuity both vertically and laterally," cites Robert Hinchcliffe, President and CEO of Galway Resources.

Highlights from recent drill results at California are as follows:

GWY-115

- 26.0 meters grading 129.0 grams per tonne gold (g/t Au) and 22.3 g/t silver (Ag), including 1.0 meter of 3,310.0 g/t Au and 454.0 g/t Ag
- 21.5 meters grading 8.5 g/t Au and 11.3 g/t Ag, including 2.0 meters of 78.3 g/t Au and 17.1 g/t Ag, and 1.0 meter of 13.7 g/t Au

GWY-116

- 92.5 meters grading 2.9 g/t Au, including 6.0 meters of 19.6 g/t Au (that includes 1.0 meter of 28.4 g/t Au, 1.0 meter of 59.6 g/t Au and 14.5 g/t Ag, and 1.0 meter of 24.2 g/t Au and 13.4 g/t Ag), 1.0 meter of 7.0 g/t Au, and 1.0 meter of 45.7 g/t Au and 11.0 g/t Ag

- 114.0 meters grading 1.1 g/t Au, including 2.0 meters of 25.4 g/t Au (that includes 1.0 meter of 44.9 g/t Au)

Details of Galway's California drill results are provided in the Assay Result Highlights Table on the Company's website at www.galwayresources.com. Also on the website are all maps and sections associated with this press release and pictures of significant visible gold from GWY-115. A 0.5 g/t Au lower cutoff grade was applied in determining all intervals provided in this news release. No upper cutoff grade was applied. True widths are unknown unless specified. In hole GWY-115, if the one, one-meter sample that grades 3,310.0 g/t Au is excluded, the average grade of the remaining 25.0 meters is 1.8 g/t Au.

Not only are the results from hole GWY-115 significant because of the very high grade received, they are perhaps even more significant because they are located 95 meters to the northeast and 110 meters to the southwest of strong results seen in holes GWY-54 and GWY-76, respectively. Thus, GWY-115 further improves the continuity along strike between the Gap Zone (that bridges the NE Zone with the Pie de Gallo Zone) and the Pie de Gallo Zone. Holes GWY-54 and GWY-76 returned the following:

GWY-54

- 19.5 meters grading 11.0 g/t Au, including 1.5 meters of 108.0 g/t Au
- 4.5 meters grading 11.1 g/t Au, including 1.5 meters of 29.8 g/t Au and 80.2 g/t Ag
- 19.5 meters grading 1.2 g/t Au, including 1.5 meters of 8.4 g/t Au and 45.3 g/t Ag

GWY-76

- 16.5 meters grading 8.1 g/t Au, including 1.5 meters of 80.0 g/t Au
- 1.5 meters grading 4.8 g/t Au and 231 g/t Ag

GWY-116 is a strategic, in-fill hole near the northeast portion of the Pie de Gallo Zone. It is strategic because it enhances continuity of mineralization across the width of the mineralized structure, along strike both to the northeast and southwest, and vertically. It hosts two thick mineralized intervals, one that is 92.5 meters grading 2.9 g/t Au and the other that is 114.0 meters grading 1.1 g/t Au. The two wide intervals are separated by 19.0 meters grading 0.28 g/t Au, which is below Galway's cut-off of 0.5 g/t. Together, the intervals in GWY-116 would equal **225.5 meters grading 1.8 g/t Au.**

GWY-116 was drilled at a -60 degree dip and a 190 degree azimuth (10 degrees west of due south). This hole was collared 80 meters NNE of GWY-10, but drilled in a nearly opposite direction (-65 degree dip and a 5 degree azimuth, or 5 degrees east of due north), which was one of the most encouraging holes that Galway encountered in its early exploration program. Thus, the top interval in hole GWY-116 crossed and confirmed results seen in GWY-10 (**89.0 meters grading 2.9 g/t Au, including 13.5 meters of 15.6 g/t Au and 181.5 g/t Ag**), while the bottom interval extended the mineralization further across the width of the structure.

GWY-116 was also drilled almost perpendicular to, and above, the strong results seen in holes GWY-99 and GWY-104. The mineralization encountered in GWY-116 was located 75 meters and 65 meters, respectively, above the intersections seen in GWY-99 and GWY-104.

GWY-116 was also drilled 105 meters and 160 meters to the northeast of holes GWY-74 and GWY-103, respectively, and 15 meters southwest of holes GWY-109 and GWY-112, and 40 meters southwest of hole GWY-62. Given hole GWY-116's continuity to many other holes, the Pie de Gallo Zone has now been identified from surface to a depth of 380 meters, across 100 meters of width, and along a strike length of 240 meters (with potential to extend this such that it joins with mineralization identified in the Northeast and San Celestino Zones for a strike length in excess of 1,000 meters).

Highlights from these earlier holes, which provide enhanced vertical continuity, strong continuity of mineralization along strike in both the southwest and northeast directions, and an extension of continuity along the width of the structure, are provided below.

GWY-10 (Width Continuity)

- 89.0 meters grading 2.9 g/t Au, including 13.5 meters of 15.6 g/t Au and 181.5 g/t Ag (which includes 3.0 meters of 50.0 g/t Au and 383.0 g/t Ag)

GWY-99 (Vertical and Strike Continuity to the SW)

- 150.0 meters grading 3.0 g/t Au and 12.0 g/t Ag, including 36.0 meters of 8.4 g/t Au (which includes 9.5 meters of 28.1 g/t Au, which includes 2.0 meters of 103.2 g/t Au), 1.0 meter of 11.9 g/t Au, and 2.0 meters of 17.5 g/t Au
- 15.0 meters of 4.2 g/t Au, including 1.0 meter of 54.1 g/t Au
- 85.0 meters grading 1.1 g/t Au, including 14.0 meters of 3.1 g/t Au (which includes 1.0

meter of 25.6 g/t Au and 1.0 meter of 12.5 g/t Au)

GWY-104 (Vertical and Strike Continuity to the SW)

- 50.0 meters grading 7.0 g/t Au, including 29.0 meters of 11.5 g/t Au (which includes 1.0 meter of 177.8 g/t Au and 23.2 g/t Ag, 3.0 meters of 27.3 g/t Au, 1.0 meter of 35.9 g/t Au, and 1.0 meter of 27.5 g/t Au)
- 16.0 meters grading 1.2 g/t Au
- 1.0 meter grading 17.0 g/t Au

GWY-74 (Strike Continuity to the SW)

- 22.5 meters grading 7.8 g/t Au and 16.5 g/t Ag, including 1.5 meters of 102.5 g/t Au
- 16.0 meters grading 1.1 g/t Au and 17.5 g/t Ag

GWY-103 (Strike Continuity to the SW)

- 16.0 meters grading 10.9 g/t Au, including 1.0 meter of 12.4 g/t Au and 1.0 meter of 154.5 g/t Au
- 45.0 meters grading 0.9 g/t Au, including 6.0 meters of 3.0 g/t Au

GWY-109 (Strike Continuity to the NE)

- 86.0 meters grading 2.7 g/t Au, including 2.0 meters of 11.2 g/t Au, 2.0 meters of 14.9 g/t Au, 3.0 meters of 35.8 g/t Au (which includes 1.0 meter of 100.5 g/t Au
- 48.0 meters grading 2.0 g/t Au, including 1.5 meters of 7.7 g/t Au, 1.0 meter of 30.0 g/t Au, and 1.0 meter of 7.3 g/t Au

GWY-112 (Strike Continuity to the NE)

- 97.0 meters grading 3.0 g/t Au, including 13.5 meters of 9.9 g/t Au (which includes 3.0 meters of 25.5 g/t Au and 1.0 meter of 38.9 g/t Au), and 1.0 meter of 20.0 g/t Au
- 51.0 meters grading 1.7 g/t Au, including 1.0 meter of 21.8 g/t Au and 11.8 g/t Ag
- 14.0 meters grading 1.4 g/t Au

GWY-62 (Strike Continuity to the NE)

- 24.0 meters grading 8.4 g/t Au, including 1.5 meters of 112.0 g/t Au and 28.9 g/t Ag
- 21.0 meters grading 1.7 g/t Au, including 3.0 meters of 6.5 g/t Au
- 19.5 meters grading 1.2 g/t Au, including 1.5 meters of 5.2 g/t Au
- 4.5 meters grading 20.0 g/t Au, including 1.5 meters of 45.1 g/t Au

Hole GWY-113 intersected several lower grade intervals, including 34.5 meters grading 0.9 g/t Au and 25.9 g/t Ag, 10.0 meters grading 0.8 g/t Au, 3.0 meters grading 1.7 g/t Au and 15 g/t Ag, and 4.5 meters grading 0.8 g/t Au. This hole was drilled along the same azimuth (direction) but at a steeper dip (angle of inclination) than holes GWY-109 and GWY-112, which as noted above, returned significant mineralization. It is thought that the zone plunges west of GWY-113. Hole GWY-114, which was drilled west of the Pie de Gallo Zone, intersected several moderately mineralized intervals including 4.0 meters grading 1.8 g/t Au and 79.9 g/t Ag, and 6.0 meters grading 1.1 g/t Au.

Drill holes completed in the Pie de Gallo Zone were drilled generally at 20 to 30 meter centers. These holes continue to extend continuity of mineralization both vertically and laterally along structure in multiple overlapping lenses typical of the district. Mineralization in the Pie de Gallo Zone remains open in all directions. Drilling is continuing with 3 drills targeting gap areas between the San Celestino, Pie de Gallo and Northeast Zones. More complete drill hole results are provided on Galway's website.

Mineralization

Intercepts reported above and in previously reported drill holes are hosted by silicified zones, breccias, fracture zones and stockwork, typical of the district, which includes Greystar Resources' and Ventana Gold's National Instrument 43-101 compliant resources, Angostura and La Bodega, respectively. The principal geologic control in the California-Angostura District is a linear structural corridor that trends northeast-southwest and dips steeply to the north. Segments of this zone host the resources reported by both Greystar and Ventana, and Galway is exploring another segment along the same structural corridor. The entire corridor may be one continuous mineralized zone through all three properties. The mineralized Zone identified on Galway's properties to date is approximately 150-200 meters wide and 1,000 meters long, characterized by hydrothermal alteration and mineralization within various phases of pervasively altered intrusive porphyries. Mineralization remains open along strike where untested, at depth along the entire Zone, and across the width of the structure in most places.

Review by Qualified Person, Quality Control and Reports

In compliance with National Instrument 43-101, Mr. Mike Sutton, P. Geo. is the Qualified Person responsible for the accuracy of this news release. All samples are assayed by ALS Chemex in Lima, Peru, after preparation at the Chemex facility in Bogota, Colombia. All core is under watch from the drill site to the core processing facility. Samples are fire assayed with an AA with gravimetric finish. Samples returning in excess of 3.0 g/t Au are sent for metallic screens. Assays reported in this press release may have screen assays pending and will be updated in the table on the website as needed. The Company's QA/QC program includes the regular insertion of blanks and standards into the sample shipments, as well as instructions for duplication. Standards, blanks and duplicates are inserted at one per 20 samples. Approximately five percent (5%) of the pulps and rejects are sent for check assaying at a second lab with the results averaged and intersections updated when received. True widths are unknown at this time, except for those shown. Core recovery in the mineralized zones has averaged over 92%.

About The Company

Galway Resources is a well-capitalized company, primarily focused on the exploration of gold and coal Colombia. The core focus of the Company is gold exploration in northeast Colombia, with drill programs 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



Galway's Best Gold Intersect Yet: 26 m of 129 g/t and 21.5 m of 8.5 g/t in One Hole, and 92.5 m of 2.9 g/t and 114 m of 1.1 g/t in Another

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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.