



Galway Intersects 19.0 Meters of 18.9 g/t Gold at New California South Extension; Infill Hole Returns 42.0 Meters of 6.8 g/t Gold | 1

**Toronto, Ontario: May 9, 2012 - Galway Resources Ltd. (GWY: TSX-V)** announced today assay results from 18 drill holes on the new Machuca extension at the Company's California gold-silver property in Colombia, and also provided results for the infill drilling of 42 drill holes. The property is located adjacent to, and on strike with, the La Bodega/La Mascota deposit (acquired for \$1.5 billion by AUX Canada), and also includes a land parcel that is 360 meters-long and appears to be directly within AUX's La Mascota mineralized structure. Given the successful results seen at Machuca, Galway has deferred completing its initial resource estimate in order to incorporate the Machuca results into the estimate.

Galway has three drill rigs operating in California and has now completed its infill program (mineralization still open at depth) and will continue to drill Machuca while the third rig is testing the neighboring Santa Catalina Zone. The Company continues to aggressively drill at its Vetás gold project, which is located 8 km southeast of California. Galway has recently added a second surface rig and a third drill operating underground.

Robert Hinchcliffe, President and CEO of Galway Resources, said, "We are delighted with the emergence of the new Machuca zone, which reveals a new exploration dimension to the project that could significantly add to the total strike length and total potential resources. We believe our Machuca results will have a positive impact on our resource estimate that we expect to be completed about the end of the current quarter. Machuca is a notable addition to the abundance of strategic assets that Galway controls and we are pursuing numerous options to realize their full value."

At Machuca, three interesting new vein systems that appear to splay off California in a different direction have been uncovered by drilling. The main vein zone is Machuca 1, where limited mining shows it extends at least 200 meters, and where drilling has delineated a 70 m true width wide zone of multiple vein structures from surface to 110 m below surface. Drill intersections include **19.0 meters of 18.9 g/t Au**, including **1.0 meter of 339.0 g/t Au** (GWY-199), and **6.0 meters of 10.7 g/t Au**, including **1.8 meters of 33.4 g/t Au** (GWY-182). Machuca 2 appears to be located 100 meters east and extends 100 meters, and Machuca East appears to be another 70 meters east at its closest point. Machuca East, which appears to be trending more east-west than the Machuca system, consists of five holes over a 300 meter horizontal length, is drilled over 80m vertical (from 80 to 160m depth below surface), and includes intersections such as **4.5 meters of 9.0 g/t Au** at a boundary with the AUX Canada property (GWY-165), and **7.5 meters of 13.5 g/t Au**, including 3.0 meters of 32.8 g/t Au (previously released GWY-001). All zones are open in all directions.

Highlights from recent drill results at Machuca, which is subdivided between Machuca 1,

Machuca East and Machuca 2, are as follows:

### **GWY-199**

- Machuca 1- **19.0 meters grading 18.9 grams per tonne gold** (g/t Au) and 14.2 g/t silver (Ag) (TW=12.9m), including **1.0 meter of 339.0 g/t Au** and 33.3 g/t Ag (TW=0.7m)
- Machuca East- 6.0 meters grading 4.7 g/t Au and 39.3 g/t Ag (TW=4.1m), including 1.0 meter of 12.5 g/t Au and 49.2 g/t Ag plus 1.3% Zinc (Zn) (TW=0.7m)
- Machuca 2- 1.0 meter grading 5.5 g/t Au and 22.9 g/t Ag (TW=0.7m)

### **GWY-165**

- Machuca 1- **8.5 meters grading 2.3 g/t Au** and 25.0 g/t Ag (TW=7.5m), including **1.0 meter of 14.5 g/t Au** and 76.6 g/t Ag (TW=0.9m)
- Machuca 1- **10.0 meters grading 3.8 g/t Au** and 12.9 g/t Ag (TW=8.8m), including **2.5 meters of 8.4 g/t Au** and 14.3 g/t Ag (TW=2.2m)
- Machuca East- **4.5 meters grading 9.0 g/t Au** and 32.2 g/t Ag (TW=4.0m), including **1.6 meters of 23.5 g/t Au** and 10.9 g/t Ag (TW=1.4m)

### **GWY-168**

- Machuca 1- **5.5 meters grading 4.0 g/t Au** and 14.3 g/t Ag (TW=4.3m)
- Machuca 1- 7.0 meters grading 2.5 g/t Au and 71.0 g/t Ag (TW=5.5m)
- NEW- 1.0 meter grading 5.9 g/t Au (TW=0.8)

### **GWY-170**

- Machuca 1- **1.0 meter grading 18.9 g/t Au** and 95.0 g/t Ag plus 2.4% Zn (TW=0.7m)
- Machuca 1- 4.0 meters grading 3.4 g/t Au and 39.4 g/t Ag (TW=2.7m)
- Machuca 1- 2.2 meters grading 4.4 g/t Au and 17.2 g/t Ag (TW=1.5m)

### **GWY-171**

- Machuca 1- 4.7 meters grading 3.2 g/t Au and 20.3 g/t Ag (TW=2.5m), including **1.4 meters of 9.2 g/t Au** and 52.1 g/t Ag (TW=0.74m)
- Machuca 1- **10.5 meters grading 1.6 g/t Au** and 21.5 g/t Ag (TW=5.6m), including 1.3 meters of 5.2 g/t Au and 64.9 g/t Ag plus 1.7% Zn (TW=0.7m)
- Machuca 1- 8.4 meters grading 1.6 g/t Au and 22.9 g/t Ag (TW=4.5m)
- Machuca 1- 1.5 meters grading 4.1 g/t Au and 25.3 g/t Ag (TW=0.8m)

### GWY-173

- Machuca 1- **3.5 meters grading 11.4 g/t Au** (TW=1.3m), including **1.0 meter of 36.8 g/t Au** and 18.7 g/t Ag (TW=0.4m)
- Machuca 1- 7.3 meters grading 1.5 g/t Au and 14.8 g/t Ag (TW=2.7m), including 1.0 meter of 4.5 g/t Au and 35.8 g/t Ag (TW=0.4m)

### GWY-175

- Machuca 1- **6.5 meters grading 5.1 g/t Au** and 25.9 g/t Ag plus 1.1% Zn (TW=1.9m), including **1.0 meter of 29.0 g/t Au** and 111.0 g/t Ag plus 6.9% Zn (TW=0.3m)
- Machuca 1- **38.5 meters grading 1.3 g/t Au** and 19.2 g/t Ag (TW=11.2m), including 1.0 meter of 5.6 g/t Au and 64.9 g/t Ag (TW=0.3m)

### GWY-176

- Machuca 1- **3.0 meters grading 9.8 g/t Au** and 17.0 g/t Ag (TW=2.4m), including **1.0 meter of 27.6 g/t Au** and 44.3 g/t Ag plus 1.3% Zn (TW=0.8m)

### GWY-178

- Machuca 1- 4.0 meters grading 4.7 g/t Au and 60.8 g/t Ag plus 1.1% Zn (TW=2.9m), including **1.0 meter of 11.9 g/t Au** and 135.0 g/t Ag plus 3.6% Zn (TW=0.7m)

### GWY-180

- Machuca 1- **13.0 meters grading 4.5 g/t Au** and 36.6 g/t Ag (TW=8.1m), including 1.0 meter of 47.2 g/t Au and 307.0 g/t Ag plus 5.2% Zn (TW=0.6m)
- Machuca 1- **5.0 meters grading 4.6 g/t Au** and 42.4 g/t Ag (TW=3.1m)
- Machuca 1- 2.0 meters grading 6.8 g/t Au and 228.2 g/t Ag (TW=1.2m)
- Machuca 1- 2.0 meters grading 4.3 g/t Au and 80.8 g/t Ag plus 1.2% Zn (TW=1.2m)

### GWY-182

- Machuca 1- **6.0 meters grading 10.7 g/t Au** and 161.9 g/t Ag plus 1.6% Zn (TW=3.0m), including 1.8 meters of 33.4 g/t Au and 500.0 g/t Ag plus 5.1% Zn and 1.6% Copper (Cu) (TW=0.9m)
- NEW- 3.0 meters grading 4.8 g/t Au and 335.3 g/t Ag (TW=1.5m)
- Machuca 1- 4.0 meters grading 2.5 g/t Au (TW=2.0m), including 1.0 meter of 5.8 g/t Au (TW=0.5m)

**GWY-184**

- Machuca 1- 20.0 meters grading 1.1 g/t Au and 15.4 g/t Ag (TW=7.4m)
- Machuca 1- 10.5 meters grading 1.2 g/t Au (TW=3.9m)

**GWY-187**

- Machuca 1- **25.0 meters grading 1.6 g/t Au** and 30.8 g/t Ag (TW=18.8m), including **2.0 meters of 9.9 g/t Au** and 108.6 g/t Ag (TW=1.5m)
- Machuca 1- 5.5 meters grading 2.0 g/t Au (TW=4.1m)

**GWY-191**

- Machuca 1- 4.5 meters grading 4.8 g/t Au and 24.7 g/t Ag (TW=2.1m), including **1.5 meters of 13.0 g/t Au** and 30.3 g/t Ag (TW=0.7m)

**GWY-204**

- Machuca 1- **1.0 meter grading 8.8 g/t Au** and 274.0 g/t Ag (TW=0.6m)
- Machuca 1- 5.0 meters grading 3.0 g/t Au and 23.1 g/t Ag (TW=3.0m), including 1.0 meter of 7.8 g/t Au and 30.2 g/t Ag (TW=0.6m)

**GWY-208**

- Machuca 1- **29.0 meters grading 1.8 g/t Au** and 22.4 g/t Ag (TW=24.1m), including **1.0 meter of 25.6 g/t Au** and 193.0 g/t Ag and including 1.0 meter of 8.1 g/t Au and 56.5 g/t Ag (TW=0.8m)
- Machuca 1- 10.5 meters grading 1.1 g/t Au and 12.3 g/t Ag (TW=8.7m), including 1.0 meter of 3.9 g/t Au and 27.4 g/t Ag (TW=0.8m)

**GWY-209**

- Machuca 1- **9.0 meters grading 2.5 g/t Au** and 27.0 g/t Ag (TW=4.6m), including **1.0 meter of 11.9 g/t Au** and 120.0 g/t Ag plus 5.2% Zn (TW=0.5m)
- Machuca 1- 20.0 meters grading 0.9 g/t Au and 10.1 g/t Ag (TW=10.2m)

[Results from 7 previously released drill holes that intersected Machuca can be seen by clicking here.](#)

**California Infill Drilling**

Infill drilling has taken place primarily in the two gap zones between San Celestino, Pie de Gallo, and the NE zone. Results appear to be in keeping with previous intersections. California mineralization is open to depth. Infill drilling of the California vein system has returned the following highlights:

#### **GWY-164**

- **42.0 meters grading 6.8 g/t Au**, including **1.0 meter of 113.0 g/t Au** and 1.0 meter of 63.7 g/t Au
- **3.6 meter grading 6.9 g/t Au**, including 1.1 meter of 20.0 g/t
- 24.5 meters grading 1.1 g/t Au, including 1.0 meter of 4.6 g/t Au

#### **GWY-206**

- **5.1 meters grading 8.1 g/t Au** and 297.1 g/t Ag, including **1.0 meter of 22.7 g/t Au** and 1160.0 g/t Ag
- 7.1 meters grading 4.3 g/t Au including **1.0 meter of 23.6 g/t Au**

#### **GWY-205**

- 24.0 meters grading 2.1 g/t Au, including **1.0 meter of 18.7 g/t Au** and 2.0 meters of 8.7 g/t Au

#### **GWY-203**

- **2.1 meter grading 34.9 g/t Au**

#### **GWY-202**

- **1.0 meter grading 25.3 g/t Au**
- 25.0 meters grading 1.4 g/t Au and 20.6 g/t Ag, including 1.5 meters of 9.7 g/t Au

#### **GWY-190**

- **72.4 meters grading 1.1 g/t Au** and 17.9 g/t Ag, including 2.0 meters of 6.6 g/t Au and 1.5 meters of 4.5 g/t Au

#### **GWY-189**

- **52.0 meters grading 2.5 g/t Au**, including 3.0 meters of 19.0 g/t Au and 1.0 meter of

9.7 g/t Au

#### **GWY-186**

- **27.0 meters grading 3.3 g/t Au**, including **1.0 meter of 46.0 g/t Au** and 24.6 g/t Ag and 1.0 meter of 8.4 g/t Au
- 34.0 meters grading 1.6 g/t Au, including **1.0 meter of 16.1 g/t Au** and 115.0 g/t Ag and 0.8 meter of 14.1 g/t Au and 15.5 g/t Ag

#### **GWY-179**

- 36.0 meters grading 1.9 g/t Au, including **1.5 meters of 16.4 g/t Au** and 1.0 meter of 7.6 g/t Au and 1.0 meter of 6.1 g/t Au

#### **GWY-177**

- **30.0 meters grading 3.4 g/t Au** and 85.5 g/t Ag, including **2.0 meters of 35.5 g/t Au** and 1071.0 g/t Ag
- 33.2 meters grading 0.9 g/t Au and 11.5 g/t Ag, including 1.0 meter of 8.8 g/t Au

#### **GWY-174**

- 29.0 meters grading 2.2 g/t Au, including **2.0 meters of 13.3 g/t Au** and 1.0 meter of 10.0 g/t Au

#### **GWY-172**

- **14.1 meters grading 3.6 g/t Au**, including **1.0 meter of 38.5 g/t Au**
- **5.0 meter grading 12.0 g/t Au**, including **1.0 meter of 52.3 g/t Au**

#### **GWY-169**

- **9.5 meters grading 6.5 g/t Au**, including 1.3 meter of 18.4 g/t Au and **2.0 meters of 18.1 g/t Au**

#### **GWY-167**

- **65.5 meters grading 2.2 g/t Au**, including **4.0 meters of 5.8 g/t Au** and 16.1 g/t Ag and 1.0 meter of 6.6 g/t Au and 18.8 g/t Ag

**GWY-162**

- 43.0 meters grading 1.9 g/t Au, including 1.0 meter of 9.4 g/t Au and 1.0 meter of 6.5 g/t Au and 2.0 meter of 6.4 g/t Au
- **52.0 meters grading 1.1 g/t Au**, including 3.7 meters of 2.8 g/t Au and 31.1 g/t Ag

**GWY-159**

- 14.0 meters grading 3.4 g/t Au and 16.8 g/t Ag, including **1.0 meter of 20.9 g/t Au**
- 1.0 meter grading 8.4 g/t Au
- 1.0 meter grading 8.0 g/t Au

**GWY-158**

- **3.5 meters grading 54.0 g/t Au** and 109.2 g/t Ag, including **1.5 meters of 125.0 g/t Au** and 241.0 g/t Ag

**GWY-157**

- 16.0 meters grading 4.0 g/t Au and 38.3 g/t Ag, including 1.0 meter of 14.5 g/t Au and 95.0 g/t Ag
- 3.6 meter grading 6.9 g/t Au, including **1.1 meter of 20.0 g/t**
- 24.5 meters grading 1.1 g/t Au, including 1.0 meter of 4.6 g/t Au

**GWY-153**

- 54.0 meters grading 1.1 g/t Au, including 1.0 meter of 9.2 g/t Au and 1.0 meter of 6.1 g/t Au
- 1.0 meter grading 5.2 g/t Au

**GWY-152**

- 5.0 meters grading 3.1 g/t Au and 47.1 g/t Ag, including 1.0 meter of 10.4 g/t Au and 142.0 g/t Ag
- 9.9 meter grading 2.5 g/t Au, including 1.0 meter of 19.6 g/t
- 2.0 meters grading 8.7 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](http://www.galwayresources.com). Also on the website are all maps and sections associated with this press release, and pictures of significant visible gold

from California and Vetás. 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.

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, two of which are targeting the Machuca zone, while the third is testing the neighboring Santa Catalina Zone. 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 Eco Oro's (formerly Greystar Resources') and AUX's (formerly 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 Eco Oro and AUX, 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 is 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 10.0 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. In addition, assay results are as reported; some results may have changed due to screen assays or have been averaged with check assays from the second lab. Please see Table 1 for updated assay results. 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





Galway Intersects 19.0 Meters of 18.9 g/t Gold at New California South Extension; Infill Hole Returns 42.0 Meters of 6.8 g/t Gold | 9

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 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 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.

### **For further information contact:**

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***Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***

### ***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.*