

Toronto, Ontario: August 29, 2012 - Galway Resources Ltd. ("Galway") (GWY: TSX-V) is pleased to announce that it has successfully negotiated to obtain title to nine mining concessions located in the municipality of California in Santander, Colombia, where the vast majority of drilling has taken place to date. Galway has received confirmation from the Colombian Mining Ministry that mining titles for 100% of six concessions were successfully transferred and registered to Galway Resources, including the "fractions" that appear to be directly within AUX's La Mascota mineralized structure. The three remaining mining titles are anticipated to be transferred in the next several weeks.

Pursuant to the terms of the various agreements, Galway has made payments of approximately US\$6.6 million in cash, which includes an advance payment on estimated gold resources, and \$7.8 million in share payments will be made upon approval by the TSX Venture Exchange. Pro rata payments will be made on additional NI 43-101 compliant measured and indicated gold resources established until June 15, 2013, payable in both cash and shares. The initial gold resource estimate on Galway's California concessions is anticipated to be released in early September.

After assessing drill results of our geological targets, Galway did not renew the option on the Tronadora concession 0204-68, which is located 2.5 km southwest of Galway's main California concessions, as well as concession 107-68.

Maps can be viewed on the Company's website at www.galwayresources.com.

About the Company

Galway Resources is primarily focused on the exploration of gold in northeast Colombia, with drill programs occurring at the California and Vetás gold projects. Galway 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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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.