

Toronto, Ontario - December 17, 2012 - Galway Resources Ltd. (GWY: TSX V)

("Galway") announced today that Galway shareholders and warrant holders (collectively, the **"Galway Securityholders"**) have approved a statutory plan of arrangement (the **"Arrangement"**) with AUX Acquisition 2 S. à r.1, its wholly-owned Ontario subsidiary AUX Canada Acquisition 2 Inc. (**"AUX Canada"**), Galway Metals Inc. (**"Galway Metals"**) and Galway Gold Inc. (**"Galway Gold"**). The Arrangement was approved by the affirmative vote of approximately 99.57% of the votes cast by Galway Securityholders, present in person or represented by proxy at the special meeting held December 17, 2012 (the **"Meeting"**), and the affirmative vote of approximately 99.56% of the votes cast by Galway Securityholders, present in person or represented by proxy at the Meeting, after excluding votes cast in respect of insiders of Galway that are entitled to a benefit, whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders In Special Transactions*. Galway obtained an interim order of the Ontario Superior Court of Justice (Commercial List) under the Business Corporations Act (Ontario) to authorize the Meeting in connection with the Arrangement. Galway will return to court on December 19, 2012 to seek a final order to implement the Arrangement. The closing of the Arrangement is subject to certain conditions and regulatory approvals and is expected to close on December 20, 2012.

Pursuant to the Arrangement, AUX Canada will acquire all of the outstanding common shares of Galway for a per share cash consideration of Cdn. \$2.05, plus 1.0 share in Galway Gold, which will hold the Vetas gold project currently held by Galway and 1.0 share in Galway Metals, which will hold the Victorio tungsten-molybdenum project currently held by Galway. Galway Gold and Galway Metals will be well capitalized with US\$18 million of cash and US\$12 million of cash, respectively. This transaction will result in AUX Canada acquiring the California project and owning approximately 17.5% of the common shares of Galway Gold, namely 10% from the Arrangement and approximately 7.5% from its pro rata share of Galway Gold common shares as a result of holding Galway common shares.

At the Meeting, Galway Securityholders also voted to:

- pass an ordinary resolution approving the adoption by Galway Gold of a rolling 10% stock option plan; and
- pass an ordinary resolution approving the adoption by Galway Metals of a rolling 10% stock option plan.

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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:

Certain statements contained in this release containing words like “believe”, “intend”, “may”, “will”, “expect”, “would” and other similar expressions, are forward-looking statements that involve a number of risks and uncertainties. This forward-looking information relates to, among other things, the timing and prospects for completion of the Arrangement, which is subject to a number of conditions precedent, such as the approval of the Arrangement by the Superior Court of Justice of Ontario and by regulatory authorities. Accordingly, there can be no assurances that the Arrangement will be consummated. 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” in the management information circular related to the Meeting and elsewhere in Galway’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. Galway does not assume the obligation to update any forward-looking statement, except as required by law.