Galena Capital Corp.

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NEWS RELEASE

Galena to Acquire Mexican Gold Assets

Vancouver, B.C., August 29,2007 – **Galena Capital Corp. (TSXV: FYI.P)** (the "Company"), a Vancouver based Capital Pool Company listed on the TSX Venture Exchange (the "Exchange") is pleased to announce that it has entered into a Letter Agreement effective August 29, 2007 with Mines Vallarta Resources Ltd. ("MV Canada"), to purchase all of the issued securities of MV Canada (the "Acquisition").

MV Canada owns six advanced stage mineral exploration leases known as the La Suerte Project located near to Puerto Vallarta, Mexico (the "Project") through its wholly-owned subsidiary Mines Vallarta SA de CV.

The Acquisition, if completed, will constitute the Company's "Qualifying Transaction" under the Exchange's policies. The Acquisition is an arm's length transaction and shareholder approval will not be required by the Exchange.

Proposed Acquisition

Under the terms of the Letter Agreement, the Company will acquire all of the issued securities of MV Canada in exchange for the issue of common shares and common share purchase warrants of the Company on a one for one basis. This will result in the Company issuing an aggregate 12,800,000 common shares and 7,800,000 warrants to acquire MV Canada. Each of the 7,800,000 warrants will entitle the holder to acquire one additional common share of the Company at a price of C$0.15 per share for a period of two years from the closing of the Acquisition.

Upon completion of the Acquisition, all common shares held by Principals of the Company (as such term is defined in the Exchange's policies) will be held in escrow in accordance with the policies of the Exchange.

Proposed Private Placement

The Company proposes to complete, concurrently with the closing of the Acquisition, a brokered private placement consisting of the issuance of up to 4,500,000 units of the Company at a price of C$0.95 per unit, for gross proceeds of up to C$4,275,000. Each unit will consist of one common share and one-half of one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at a price of C$1.65 a share for a period of two years from closing.

Canaccord Capital Corporation has agreed to act as the Company's agent with regards to the private placement.

The proceeds of this private placement will be used to fund the costs associated with completing the Acquisition, the proposed work programs on the La Suerte Project, and for general working capital purposes.

Securities Issued on Closing

On the closing of the Acquisition and the brokered private placement, the Company will be classified as a natural resource issuer and will have approximately 21,300,000 issued common shares and 10,250,000 warrants outstanding that entitle the holders to purchase an equal number of common shares. In addition, options entitling directors and officers of the Company to purchase a total of up to 2,130,000 common shares at a price of $0.95 per share will be issued on closing.

Name Change and Consolidation

Subject to all necessary approvals, the Company intends to change its name to "Galeena Metals & Mining Corp." or a similar name, effective upon the closing of the Acquisition.

Conditions Precedent

The parties' obligations to complete the Acquisition are subject to the satisfaction of the usual conditions precedent including:

(a) all necessary approvals of the Exchange and all other regulatory authorities and third parties to the Acquisition and the private placements being obtained;

(b) no adverse material change shall have occurred in the business, affairs, financial condition assets or operations of the Company, MV Canada, Minas Vallerta SA de CV or the Project prior to completion of the Acquisition;

(c) the completion of the brokered private placement on the terms set forth above; and

(d) the Company being satisfied with the results of its due diligence review in connection with the Acquisition.

Directors, Officers and other Insiders

On completion of the Acquisition, the directors, senior officers, insiders and senior advisors of the resulting issuer are anticipated to be:

Arni Johannson, CEO and Chairman
Mr. Johannson is the Founder, Chairman and partner of The Fortress Group, a company involved in raising investment capital for public companies. Mr. Johannson has extensive experience in working with publicly listed companies and is presently a director of Mega Uranium Inc. (TSX: MGA) and the founder and a director of Titan Uranium Inc. (TSXV: TUE)

Stu Blattner, Director
Mr. Blattner is the President of Stu Blattner, Inc. an internationally recognized raise boring company with operations in Peru, Australia, Chile and the United States. Mr. Blattner has over 25 years industry experience in technical drilling and mining including heading up and engineering over 110 ore body holes in Molycorp Mines in New Mexico, creating a new "y" system for ore passes. Mr. Blattner has a BSc. in Mechanical Engineering and is a Professor in Hydraulics.

Jeff Scott - Director
Mr. Scott is the President of Postell Energy Inc. a private oil and gas producer with approximately 150 producing wells in Saskatchewan, Alberta and British Columbia. Mr. Scott has extensive M&A and

public company experience. Presently he is the President of Suroco Energy Inc. (TSXV); Chairman of Gran Tierra Energy Inc. (OTCBB) and a director of Essential Energy Services Trust (TSX)

Tracey Moore, CFO
Mr. Moore is the President of MCSI Consulting, where he is responsible for overall client contact and relations, project management, planning and quality control. Tracy qualified as a Chartered Accountant in 1979 and worked for several international accounting firms in restructuring and consulting positions before founding MCSI in 1990. In addition to his consulting practice, he has owned and operated a variety of businesses. He serves on boards of directors and advises boards on corporate finance matters, business planning issues, mergers, acquisitions and divestitures and is currently a director of Alberta Star Development Corp. (TSXV) and a director and CFO of New Legend Group Limited (TSXV)

John Seaman, Director
Mr. Seaman has served as the Chief Financial Officer of Pediment Exploration Ltd., a mining exploration company, since April 2007, as the Chief Financial Officer and Director of Premier Goldmines Limited, a mineral exploration company, since May 29, 2006 and is also the Controller for Apex Investigation & Security Inc. (private security firm) since 1992. From October 1, 2002 to May 11, 2007, Mr. Seaman served as the Chief Financial Officer and Director of Wolfden Resources Inc., a mineral exploration and development company. In addition Mr. Seaman sits on the Board of Directors of the following Junior Companies: MBMI Resources, Valor Resources, and Skybridge Development Corp.

Darren Devine, Corporate Secretary
Mr. Devine is the principal of Chelmer Consulting Corp. that provides corporate finance advisory services to private and public companies. Mr. Devine is qualified as a barrister and solicitor in British Columbia and in England & Wales and has practiced exclusively in the areas of Corporate Finance and Securities law. Prior to founding Chelmer Consulting Corp. Mr. Devine practiced at the law firm DuMoulin Black LLP. Mr. Devine is a director and secretary of Titan Uranium Inc. (TSXV: TUE); West Africa Energy Inc. (TSXV: WAE) and Texada Capital Corp. (TSXV.TXC.P) as well as a board advisory to a number of private companies. Mr. Devine holds a Bachelor of Sciences and Economics degree from the University of Northumbia, England and a Diploma of Law from the Royal College of Law, York, England.

Summary of the La Suerte Project

The following is a brief summary of the Project. Further quantitative information concerning the Project will be disclosed following completion of a “qualifying report” in accordance with National Instrument 43-101, which is presently being prepared.

The Project is comprised on three (3) non-contiguous claim blocks covering a combined total area of 186.2 hectares covering potential high-grade gold and silver mineralization of a typical low-sulfication, epithermal gold – silver deposit type. There are three main gold and silver mineralization hosting structures observed on the Project being the La Escondida Vein, the La Suerte Vein (excavated in the working of the former San Francisco Mine) and the Tepehuaje and Zapote lenses. The Project has previously been both explored and locally mined. A report (not in compliance with NI 43-101) by Miera Ixtlan in 2003 reported a compilation of the results of 75 samples taken during previous field programs calculating an average width of 1.3 meters, average grade of gold of 7.8g/ton and average grade of silver of 236 g/t with a potential area of 600 meters to a depth of 400 meters. This report does not conform to the standards of National Instrument 43-101 and should not be relied upon.

The Project, which is readily accessible, is located 17 km’s south of Tepic on the Federal Highway 200 Tepic to Puerto Vallarta, in Central Mexico. The climate is moderate and the Project can be worked year round.

A work program consisting of the drilling of at least 1,000 meters of diamond drilling over 5 holes to establish grade control for a resource definition exploration program is proposed as a Phase 1 of exploration on the Project.

General

Completion of this transaction is subject to a number of conditions, including but not limited to Exchange acceptance. The transaction cannot close until the required Exchange approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Filing Statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Trading in the Company's common shares on the Exchange will be halted pending completion of the Qualifying Transaction.

ON BEHALF OF GALENA CAPITAL CORP.

"Arni Johannson"

ARNI JOHNANNSON
CHAIRMAN

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