



# NEWS RELEASE

GLAMIS GOLD LTD.

*For Immediate Release*

Trading symbol: NYSE, TSX – GLG

July 18, 2006

---

## GLAMIS REACHES TAX AGREEMENT WITH GUATEMALA

**July 18, 2006 - Reno, Nevada – Glamis Gold Ltd. (“Glamis”)** (NYSE, TSX: GLG), today announced that the Company has finalized an agreement with the Guatemalan Government to begin payment of income tax effective July 1, 2006. The agreement culminates discussions initiated by Glamis with the Government and facilitated by the World Bank and International Finance Corporation (IFC), the private sector arm of the World Bank Group. The Guatemalan Congress will be asked by President Berger to dedicate tax payments derived under this agreement to the Department of San Marcos, which includes the communities in the proximity of the Marlin Mine, to be used for local services, and civil and social improvements.

Kevin McArthur, President and CEO of Glamis praised the Guatemalan Government’s participation in the discussions and thanked the World Bank and IFC for their role in facilitating the undertaking. “We intend to remain part of the social and economic fabric of Guatemala for a long time. This agreement recognizes the mutual responsibilities of the Government and Glamis for the continued betterment of the local communities and Guatemala.”

The temporary exemption from the payment of income tax would have expired at the end of 2007. The earlier payment of the income tax will accelerate improvements to services and infrastructure in areas near the Marlin Mine and complement the employment and economic benefits currently being provided (current activity details can be found on the Glamis website under Properties-Marlin-Reports/Technical Items-2005 AMR). The funds will also be used for increased capacity building within government ministries with mining responsibilities. Assuming \$600 gold and \$10 silver prices the income tax will be approximately \$4.8 million in 2006 and \$10 million in 2007 based on current production guidance.

Over 600 Guatemalans are employed by the Company at the mine which began commercial production in December 2005. The Marlin Mine is expected to average approximately 250,000 ounces of gold and 4 million ounces of silver production annually over the current ten year mine life.

Glamis Gold Ltd. is a premier intermediate gold producer with low cost mines and development projects in Nevada, Mexico and Central America. Plans call for growth to over 700,000 ounces of gold by 2007. The company remains 100 percent unhedged. For more information about Glamis and its operations, visit the Company on the Internet at [www.glamis.com](http://www.glamis.com).

*Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995:* Except for the statements of historical fact contained herein, the information presented constitutes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, include, but are not limited to those with respect to, the price of gold, the estimation of mineral reserves and resources, the realization of mineral reserves estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, Glamis’ hedging practices, permitting time lines,

currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or statements that certain actions, events or results, “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Glamis to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual results of current exploration activities, actual results of current reclamation activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labor disputes and other risks of the mining industry, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed under Item 5 in the section entitled “Risk Factors” in the Company’s Annual Information Form. Although Glamis has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained herein.

###

---

Contact: Jeff Wilhoit - Director, Investor Relations  
Glamis Gold Ltd.  
5190 Neil Road, Suite 310  
Reno, Nevada 89502  
(775) 827-4600 Ext. 3104  
[jeffw@glamis.com](mailto:jeffw@glamis.com)