

GALWAY METALS INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

GALWAY METALS INC.

82 Richmond Street East, Suite 200, Toronto, Ontario, M5C 1P1.

Item 2. Date of Material Change

February 1st, 2017.

Item 3. News Release

The News Release was disseminated on February 1st, 2017 via Marketwired.

Item 4. Summary of Material Change

For further information, attached hereto is a copy of the News Release.

Item 5. Full Description of Material Change

For further information, attached hereto is a copy of the News Release.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Executive Officer

Robert Hinchcliffe – President & Chief Executive Officer, 1-800-771-0680.

Item 9. Date of Report

February 1st, 2017.

Galway Metals Intersects 10.0 g/t Au over 31.0m and 10.1 g/t Au over 13.0m at Clarence Stream

(Toronto, Ontario, February 1, 2017) - Galway Metals Inc. (TSX-V: GWM) (the "Company" or "Galway") is pleased to announce assay results from four diamond drill holes from its Clarence Stream gold property located in south-western New Brunswick, Canada. On [August 3, 2016](#), the Company announced that it had secured an Option Agreement to acquire a 100% interest in the property. Highlights of the latest four holes include:

- **4.6 g/t Au over 24.0 metres**, including **9.6 g/t Au over 8.0 metres** starting at a vertical depth of 12 meters,
- **10.0 g/t Au over 31.0 metres**, including **24.2 g/t Au over 12.0 metres** starting at a vertical depth of 10 meters,
- **7.9 g/t Au over 18.0 metres**, including **30.1 g/t Au over 4.0 metres** starting at a vertical depth of 16 meters, and
- **10.1 g/t Au over 13.0 metres**, including **24.9 g/t Au over 5.0 metres** starting at a vertical depth of 115 meters.

Robert Hinchcliffe, President and CEO of Galway Metals, said, "Galway is very encouraged by the wide, near-surface and high-grade mineralization encountered in these four holes, as well as in other similarly rich nearby holes that demonstrate excellent continuity. Management is beginning to better understand the positive impacts that these intersects have on the project. Drilling of the North Zone, which will commence shortly, has similar high grade and near surface intersects."

Drill Results: Wide, Near-Surface, High-Grade Intersects

The drill results highlighted below are significant because they enhance continuity of wide intersects of near-surface mineralization in the central area of the South Zone, which may be amenable to open pit mining. This area continues to exhibit excellent continuity along 100+ m of strike length and depth, and is open to expansion, especially to the west and to depth where other similar wide and high-grade veins have been intersected.

Clarence Stream South Zone Drill Hole Results						
Hole ID	From (m)	To (m)	Intercept (m)	TW (m)	Au g/t	Au (cut) g/t
CS 16-345*	17.0	41.0	24.0	23.2	4.6	
Including**	19.0	27.0	8.0	7.7	9.6	
includes	30.0	31.0	1.0	1.0	8.6	
CS 16-346*	15.0	46.0	31.0	29.9	10.0	6.6
Including**	15.0	27.0	12.0	11.6	24.2	15.3
includes	15.0	16.0	1.0	1.0	55.8	30.0
includes	19.0	20.0	1.0	1.0	20.5	
includes	24.0	25.0	1.0	1.0	59.2	30.0
includes	25.0	26.0	1.0	1.0	81.7	30.0
includes	26.0	27.0	1.0	1.0	25.2	
CS 16-347*	23.0	41.0	18.0	17.4	7.9	5.6
Including**	23.0	27.0	4.0	3.9	30.1	19.7
includes	23.0	24.0	1.0	1.0	50.6	30.0
Includes	26.0	27.0	1.0	1.0	50.8	30.0
CS 16-348*	165.0	178.0	13.0	12.2	10.1	4.1
Including**	165.0	170.0	5.0	4.7	24.9	9.3
includes	165.0	166.0	1.0	0.9	108.0	30.0

Notes: *Intersects are calculated with a 0.5 g/t Au bottom cut. **Intersects are calculated with a 3.0 g/t Au bottom cut.

TW= true width. Overburden along the entire 2.0 km of the known mineralization in the South Zone is generally thin. For all of Galway's drill results at Clarence Stream, refer to [Table 1](#).

The wide, high-grade intersect encountered in new drill hole CS16-348, which returned **10.1 g/t Au over 13.0 m***, including **24.9 g/t Au over 5.0 m**** (which included 108.0 g/t over 1.0 m), is significant because it is located approximately 120 metres under holes CS16-345, CS16-346 and CS16-347 noted above, 100 metres above Freewest hole CS07-264, which returned **6.6 g/t Au over 7.0 m****, including 49.1 g/t over 0.5m and 18.4 g/t over 0.5m; 6.8m true width (TW); 5.2 g/t cut, and 190 metres above Freewest hole CS08-272, which returned **8.3 g/t Au over 11.5 metres****, including 84.9 over 0.5 m and 50.2 over 0.5 m; 9.8 m TW; 5.1 g/t cut. Hole CS16-348 was drilled in an attempt to link the wide intersects of high-grade mineralization found near surface with the similarly wide intersect of high-grade mineralization encountered 330 metres below surface in hole CS08-272. Given the success of Hole CS16-348, Galway has resumed this program with the first three holes completed in 2017 with the goal of expanding the resource and defining the plunge and controls of mineralization in the area.

The reported holes were drilled in a 100+ metre long area in the central portion of the South Zone to enhance continuity, to understand the controls to mineralization, for metallurgical purposes, and to test the area closer to surface to better determine the potential for open-pit resource estimation. Drilling was undertaken at 12-22 metre offsets from holes previously drilled. The results returned have suggested that Galway should evaluate the open pit potential of the property. To date, all resources were prepared using a 3.0 g/t lower cutoff grade, which implies underground mining scenarios. The use of a much lower cutoff that would be more appropriate for open pit mining is expected to bring more ounces into resource.

Previous Galway Drill Results:

On January 12, Galway released the first two shallow holes it drilled in this area, which returned the following:

- CS16-343: (open pit mining using a 0.5 g/t Au cutoff) **4.6 g/t Au over 30.0 m***, including 28.0 g/t over 1.0 m, 20.7 g/t over 1.0 m, and 32.1 g/t over 1.0 m; 29.1 m TW; 4.5 g/t cut; from 33.0 m to 63.0 m
OR (underground mining using a 3.0 g/t Au cutoff) **8.9 g/t Au over 14.0 m****; 13.6 m TW; 8.8 g/t cut; from 33.0 m to 47.0 m
- CS16-344: (open pit mining) **4.3 g/t Au over 23.0 m***, including 21.4 g/t over 1.0 m, and 13.6 g/t over 2.0 m; 22.3 m TW; from 28.0 m to 51.0 m
OR (underground mining) **5.6 g/t Au over 16.0 m****; 15.5 m TW; from 29.0 m to 45.0 m

Previous Freewest Drill Results:

Similarly, shallow holes drilled in this 100+ metre long area by Freewest in 2001 returned intersections such as:

- CS01-37: **3.2 g/t Au over 30.0 m*** (2.2 g/t cut; (29.1 m TW) including **7.1 g/t Au over 9.5 m**** (9.2 m TW) = 3.9 g/t cut), (incl. 90.3/0.5 m, 5.6/2.0 m, 7.6/0.5 m, 8.0/1.0 m)
- CS01-39: **14.3 g/t Au over 21.6 m*** (6.4 g/t cut; (20.9 m TW) including **15.9 g/t Au over 19.0 m**** (18.4 m TW) = 7.0 g/t cut) (incl. 147.5/0.5 m, 49.8/0.5 m, 210.8/0.5 m, 49.7/0.5 m),
- CS01-42: **6.7 g/t Au over 12.5 m*** (6.4 g/t cut; (11.7 m TW) including **7.1 g/t Au over 11.5 m**** (10.8 m TW) = 6.8 g/t cut) (incl. 25.0/1.0 m, 21.7/0.5 m),
- CS01-44: **5.1 g/t Au over 42.9 m*** (2.9 g/t cut; (41.9 m TW) including **25.4 g/t Au over 8.0 m**** (7.8 m TW) = 13.5 g/t cut), (incl. 86.0/0.5 m, 95.8/0.5 m, 95.2/0.5 m; 12.2 g/t cut), and
- CS01-41: **7.3 g/t Au over 15.9 m*** (15.4 m TW) (including **8.6 g/t Au over 12.9 m**** (12.5 m TW) (incl. 30.0/0.5 m, 15.5/1.4 m, 15.8/1.0 m).

Galway is also pleased to provide the following additional announcements:

Drilling Commenced at the Target South of the South Zone: Galway has drilled its first hole in the new target area south of the South Zone. Glacial till, soil, boulder and chip samples have identified a significant anomaly, similar in size and adjacent to the South Zone, which extends for two km along strike by 400 metres wide. Management is keen on drilling this area, where no prior drilling has occurred, to better understand its potential ([Figure 1](#)).

Updated Map Shows Anomalies Along the Regional Fault System: In addition to exploring south of the South Zone, [Figure 2](#) shows the many other areas that Galway has identified along its 65-km strike length that are prospective for new discoveries. Galway plans on drilling several of these this year (refer to the [December 20, 2016](#) and [January 12, 2017](#) press releases). Galway also plans to continue to drill extensions to the existing resource in both the South and North Zones.

Estrades Drilling: Galway has completed the first four holes at Estrades in northwest Quebec as part of its planned 6,000-metre, 20-hole drill program for 2017. Drilling can occur only during the winter freeze period, and as such is expected to last approximately three months. The Company is also planning on completing a paired downhole induced polarization (IP)

program at both its Estrades and nearby Newiska properties in late February to search for deeper source vents rich in copper and other metals. This IP program is expected to enhance Galway's ability to find areas rich in sulphides, which often hosts copper and other metal-bearing minerals. Drilling will initially focus on near surface targets that are outside the resource, and will shift to deeper targets once the IP results have been received and interpreted.

Acquired and Staked Additional Claims: Galway has acquired 34 claims adjacent to its Estrades, Newiska and Casa Berardi concessions from GREG Exploration, Inc. for CDN\$34,000. Galway has also staked a further 28 claims in several locations around Galway's existing claims in the area. As a result of the acquisition and claim staking, Galway's land position at Estrades, Newiska and Casa Berardi has increased by 23% to 18,314 hectares from 14,854 hectares previously ([Figure 3](#)).

Clarence Stream Geology and Mineralization

Clarence Stream is located along, and controlled by, the Sawyer Brook Fault boundary of the Gander and Avalon terranes of the Canadian Appalachians in Palaeozoic age intrusive and sedimentary rocks, which are the primary hosts of gold mineralization. The deposits are intrusion-related quartz-vein hosted fault-controlled gold with pyrite, base metal sulphides, and stibnite plus anomalous concentrations of bismuth, arsenic, antimony and tungsten, with sericitization and chloritization. Gold is present in two main areas—the South Zone along the Sawyer Brook Fault and the North Zone 3.5 km NW. The South Zone is steeply dipping, east-northeast trending, with two horizons identified to date, and multiple shoots extending over more than 2 km and drilled to a depth of 350 metres to date along contacts and within sheared and altered metagabbro and microgranite sills and dikes that crosscut the meta-sedimentary rocks and are related to the Saint George Batholith to the south (presence of hornfels + veined and altered auriferous microgranite dikes + high concentrations of Bi, As and Sb). The North Zone consists of five lenses within a one km by two km area, is hosted within metagreywacke and argillite, with its resource in a bowl-shaped structure ~ 3 metres thick from surface to 100 metres, and in quartz with stringers and semi-massive stibnite, arsenopyrite, and pyrite.

Review by Qualified Person, Quality Control and Reports

In compliance with National Instrument 43-101, Mr. Mike Sutton, P.Geo. is the Qualified Person who supervised the preparation of the scientific and technical disclosure in this news release. All core, chip/boulder samples, and soil samples are assayed by Activation Laboratories, 41 Bittern Street, Ancaster, Ontario, Canada, who have ISO/IEC 17025 accreditation. All core is under watch from the drill site to the core processing facility. All samples are assayed for gold by Fire Assay, with gravimetric finish, and other elements assayed using ICP. 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 are sent for check assaying at a second lab with the results averaged and intersections updated when received. Core recovery in the mineralized zones has averaged 99%. Early exploration activities and results from till, soil, boulder and chip samples, and findings from geophysical surveys, are preliminary in nature and not representative of the mineralization hosted on the property, nor are they conclusive evidence of the likelihood of a mineral deposit.

Hole ID	Azimuth	Dip	Northing	Easting	Total Depth (m)
Galway Metals Drilling					
CS16-343	145°	-45°	5023694N	658305E	180
CS16-344	145°	-45°	5023677N	658286E	100
CS16-345	145°	-45°	5023669N	658293E	51
CS16-346	145°	-45°	5023680N	658331E	51
CS16-347	145°	-45°	5023658N	658269E	51
CS16-348	154°	-50°	5023769N	658184E	198
Historical Drilling					
CS01-37	145°	-45°	5026079N	655441E	102
CS01-39	145°	-45°	5026099N	655427E	117
CS01-41	145°	-45°	5026008N	655310E	141
CS01-42	145°	-45°	5026007N	655311E	102
CS01-44	145°	-45°	5025986N	655270E	102
CS07-264	145°	-50°	5023868.2	658063.54	400
CS08-272	145°	-60°	5023904.1	658103.62	400

About the Company

Galway Metals is well capitalized with approximately CAD\$9.7 million at September 30, 2016. The Company has two gold projects in Canada, Clarence Stream, the next major gold district in New Brunswick, and Estrades, the former producing, high-grade VMS mine in Quebec. The Company began trading on January 4, 2013, after the successful spinout to existing shareholders from Galway Resources following the completion of the US\$340 million sale of that company. With substantially the same management team and Board of Directors, Galway Metals is keenly intent on creating similar value as it had with Galway Resources.

Should you have any questions and for further information, please contact (toll free):

Galway Metals Inc.

Robert Hinchcliffe

President & Chief Executive Officer

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This news release contains forward-looking information, which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes statements made herein with respect to, among other things, the Company's objectives, goals or future plans, potential corporate and/or property acquisitions, exploration results, potential mineralization, exploration and mine development plans, timing of the commencement of operations, and estimates of market conditions. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, exploration results being less favourable than anticipated, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, risks associated with the defence of legal proceedings and other risks involved in the mineral exploration and development industry, as well as those risks set out in the Company's public disclosure documents filed on SEDAR. Although the Company believes that management's assumptions used to develop the forward-looking information in this news release are reasonable, including that, among other things, the Company will be able to identify and execute on opportunities to acquire mineral properties, exploration results will be consistent with management's expectations, financing will be available to the Company on favourable terms when required, commodity prices and foreign exchange rates will remain relatively stable, and the Company will be successful in the outcome of legal proceedings, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information contained herein, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.