

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

May 31st, 2017.

Item 3. News Release

The News Release was disseminated on May 31st, 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

June 1, 2017

Galway Metals Undertakes Clarence Stream Maiden Pit Constrained Resource to Unlock Potential of Near-Surface, High-Grade Gold Mineralization

(Toronto, Ontario, May 31, 2017) - Galway Metals Inc. (TSX-V: GWM) (the "Company" or "Galway") is pleased to announce that it has contracted SRK Consulting (U.S.), Inc. to undertake a new NI 43-101 resource estimate for the 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. The new resource will include—for the first time—a pit constrained component that will apply a much lower cutoff grade more suitable to open pit mining scenarios compared with the previous 3.0 g/t Au global cutoff grade that is more suitable for underground mining. Successful shallow drilling, both in the South and North Zones, has provided Galway with confidence that a significant portion of the deposits may be able to be included in a pit constrained resource, and the Company believes that the lowering of the cutoff grade for these pit constrained resources will result in an increase in contained ounces.

Robert Hinchcliffe, President and CEO of Galway Metals, said, "Galway is pleased to proceed with a new resource, taking into account, for the first time, a pit constrained scenario in order to unlock the true potential of the deposit. Our current efforts are to expand both near surface and underground mineralization."

On [January 12, 2017](#) and [February 1, 2017](#), Galway released drill results from the South Zone which encountered wide, high-grade, very near surface mineralization.

- **4.6 grams per tonne (g/t) gold (Au) over 30.0 metres (m)**, including **8.9 g/t Au over 14.0 m** (that includes 28.0g/t over 1.0m, 20.7g/t over 1.0m, and 32.1g/t over 1.0m) in CS 16-343 from 33.0 m to 63.0 m
- **4.3 g/t Au over 23.0 m**, including **5.6 g/t Au over 16.0 m** (that includes 21.4g/t over 1.0m, and 13.6g/t over 2.0m) in CS 16-344 from 28.0 m to 51.0 m
- **4.6 g/t Au over 24.0 m**, including **9.6 g/t Au over 8.0 m** in CS 16-345 starting at a vertical depth of 12 m,
- **10.0 g/t Au over 31.0 m**, including **24.2 g/t Au over 12.0 m** in CS 16-346 starting at a vertical depth of 10 m,
- **7.9 g/t Au over 18.0 m**, including **30.1 g/t Au over 4.0 m** in CS 16-347 starting at a vertical depth of 16 m, and
- **10.1 g/t Au over 13.0 m**, including **24.9 g/t Au over 5.0 m** in CS 16-348 starting at a vertical depth of 115 m.

Clarence Stream hosts Indicated Resources of 182,000 ounces of gold at 6.9 g/t (241,000 oz at 9.1 g/t uncut), plus Inferred Resources of 250,000 oz at 6.3 g/t (313,000 oz at 8.0 g/t uncut) (see NI 43-101 resource, prepared by Roscoe Postle Associates (RPA), [October 3, 2016](#) press release and criteria below). To date, all gold 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 the global resource. True widths, drill hole locations and orientations, and tables of results can be found in the three press releases noted herein. They can also be found in [Table 1](#) on the Company's website at www.galwaymetalsinc.com.

Overburden along the entire 2.0 km of the known mineralization in the South Zone is generally thin. The reported holes Galway drilled were 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 pit constrained resource estimation. Drilling was undertaken at 12-22 metre offsets from holes previously drilled.

Previous Freewest Drill Results:

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

- **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)
- **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),
- **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),
- **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

- **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).

The first intervals use 0.5 g/t cut-off while the bracketed intervals use 3.0 g/t. These drill intersections are all within 19-56 metres of surface.

Potential Areas for Resource Growth

Other strong zones of mineralization that exist at depths of 38 to 50 metres are located a further **100 metres west**, which contained:

- **5.7 g/t Au over 13.2 m** (12.9 m TW) (5.3 g/t cut; including 9.3 g/t Au over 7.7 m (7.5 m TW) = 8.7 g/t cut), and
- **3.6 g/t Au over 19.0 m** (18.6 m TW) (3.5 g/t cut; including 5.9 g/t Au over 8.5 m (8.3 m TW) = 5.8 g/t cut).

Similarly, a further **150 metres east** and at depths of 33 to 56 metres contains intersections such as:

- **6.3 g/t Au over 27.0 m** (26.5 m TW) (2.3 g/t cut; including 32.2 g/t Au over 5.0 m (4.9 m TW) = 10.3 g/t cut) (4.75 m TW) (incl. 236.0/0.5 m; 10.3 g/t cut), and
- **6.4 g/t Au over 8.3 m** (8.1 m TW) (including 6.8 g/t Au over 7.5 m (7.4 m TW)).

The **North Zone** has also returned shallow mineralization amenable to pit constrained resources. On [March 28, 2017](#), Galway released:

- **56.2 g/t Au over 0.6 m** in a quartz vein zone that grades **2.8 g/t Au over 13.95 m** in AD 17-96 at a vertical depth of 36.0 m.

North Zone Drill Results: Wide, High-Grade Intersects

Hole AD17-96 intersected **56.2 g/t Au over 0.6 metres** in a quartz vein zone that grades **2.8 g/t Au over 13.95 metres** between the main North Zone resource (240 metres to the north) and previously-drilled intersections, such as **5.8 g/t Au over 5.0 metres**, **1.1 g/t Au over 19.0 metres**, **5.3 g/t Au over 13.0 metres**, and **9.0 g/t Au over 3.0 metres**. These other previously drilled holes are located in two separate areas 550 metres south, and 840 metres southeast of the main North Zone resource. **Galway believes that the main North Zone resource, the new drill intersection and the two separate areas of gold mineralization represent the same deposit, and the Company plans to continue to confirm this through additional drilling of the gaps in between.** No cut has been determined for this new area in the North Zone. The 13.95 metre intersection in AD17-96 is the width of the quartz vein zone. The grade of the middle portion may not have sufficient grade to carry both contacts (it averages 0.4 g/t) but is included here because the distribution of higher grades may not always be on the outside contacts. The appropriate lower cutoff grade for potential open pit mining has not yet been determined but Galway has been applying a 0.5 g/t cut for illustrative purposes.

Galway Metals would like to acknowledge financial support received from the New Brunswick Junior Mining Assistance Program, which funded the drilling of the shallow, high-grade holes that are being followed up.

Resource Criteria

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources were estimated using an average gold price of US\$1,100/oz and assumed operating costs.
3. Mineral Resources are based on a cut-off grade of 3.0 g/t Au.
4. Wireframes at 3.0 g/t Au and a minimum thickness of two metres were used to constrain the grade interpolation.
5. High gold grades were cut to 30 g/t Au prior to compositing. Uncut average grades are listed for comparative purposes only.
6. Several blocks less than 3.0 g/t Au were included for continuity or to expand the lenses to the two-metre minimum thickness.

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.

About the Company

Galway Metals is well capitalized with two gold projects in Canada, Clarence Stream, an emerging 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

1-800-771-0680

www.galwaymetalsinc.com

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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.