

GALWAY GOLD INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

GALWAY GOLD INC., 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

Item 2. Date of Material Change

January 10, 2014

Item 3. News Release

The Press Release was sent on January 10, 2014 via Marketwired – Toronto, Ontario.

Item 4. Summary of Material Change

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

Item 5. Full Description of Material Change

For further information, attached hereto is a copy of the Press 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 & CEO – 1-800-761-2770.

Item 9. Date of Report

January 10, 2014.



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Galway Gold Announces Status of Exercise of Rights for Reina de Oro Option Contract, Colombia

Toronto, Ontario – January 10, 2014 - Galway Gold Inc. (TSX V: GLW) ("Galway Gold", "Galway" or the "Company") announces that it has exercised its right to acquire the Vetás gold-silver project in the Vetás-California-Surata gold region of Colombia. The total option exercise price is approximately US \$4.3 million (cash balance as of September 30, 2013 was US \$13.5 million). Galway Gold has been advised that the counterparty to the Reina de Oro Option Contract has rejected the exercise of the option. Galway Gold is seeking arbitration of this matter pursuant to the terms of the Option Contract. Management feels confident of a positive outcome from the arbitration hearing based on the following facts.

- According to contractual provisions, exercise of the Option required a sole autonomous decision by Galway only and did not require a justification.
- Cash payments in excess of US\$800,000 plus 500,000 shares of Galway Resources were paid to the owners on a timely basis.
- A total of US \$13.5 million was spent on exploration of the Vetás project, which was performed according to internationally recognized standards. Galway conducted extensive surface geochemical sampling, underground channel sampling, a geophysical survey and surface and underground drilling programs (46,838 meters in 91 diamond drill holes) over a 4 year period.
- Galway used internationally recognized drilling companies and assay labs as well as internationally experienced, well-respected geologists and staff to carry out the exploration program at Vetás.
- The Company regularly provided presentations to the owners who had the ability to review the exploration program on a regular basis and were entitled to conduct a third-party audit. No complaints were ever received by Galway over the course of the exploration program that was conducted on the property.
- The Reina de Oro option contract cites immediate and automatic transfer upon exercise, as well as technical and administrative autonomy in the management of the exploration project.

Contract calls for payment on Measured and Indicated ounces

Pursuant to the Reina de Oro Option Contract, Galway Gold can acquire the mining rights for the Reina de Oro License concession by exercising the option and thereby own a 100% interest in the Vetás gold-silver project. The option exercise price is that amount equal to 1.5% of the 30-day average spot prices of gold and silver in the Measured and Indicated categories.

Galway Gold has calculated the option exercise price based on 229,978 gold equivalent ounces in the Measured and Indicated categories. The respective average spot prices per ounce of gold and silver used in this calculation were US \$1,246.17 and US \$19.96 on the London Metals Exchange for the last thirty days prior to the effective date of exercise. The total option exercise price is therefore approximately US \$4.3 million. Galway Gold had a cash balance of US \$13.5 million on September 30, 2013.

On **November 27, 2013**, Galway Gold announced an initial mineral resource estimate at its Vetás gold-silver project. The mineral resource estimate was prepared in accordance with NI 43-101 standards by Roscoe Postle Associates Inc. (RPA) of Toronto, Ontario.

TABLE 1: MINERAL RESOURCE ESTIMATE SUMMARY
Galway Gold Inc. - Vetás Project

Category	Tonnes	Grade		Contained Ounces	
		(g/t Au)	(g/t Ag)	(oz Au)	(oz Ag)
Measured	23,900	7.79	12.4	6,100	9,400
Indicated	641,000	10.62	14.9	218,800	307,700
Measured & Indicated	664,900	10.52	14.8	224,900	317,100
Inferred	1,146,000	10.30	15.3	377,000	563,000

- (1) *Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
- (2) *The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.*
- (3) *The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
- (4) *Grade capping of 50 g/t Au was utilized on raw assays.*
- (5) *A bulk density of 2.74 t/m³ was used for all tonnage estimates.*
- (6) *A gold price of US\$1,500/oz and an exchange rate of US\$0.95US=C\$1.00 was utilized in the Au cut-off grade calculations of 3.0 g/t Au. Underground mining costs were assumed at US\$75/t, with process costs of US\$25/t and G&A of US\$20/t. Process recovery was assumed at 90%. The government royalty was taken as the 4% NSR.*
- (7) *Values in the table may differ due to rounding.*
- (8) *The measured area of influence was 12.5m, indicated was 25m, and the inferred was 50m*
- (9) *A minimum 1.52m (5') horizontal mining width was used.*

Supervision, Qualified Person and Quality Control

The Vetás Project is under the supervision of Project Manager Alex Cruz, of Quito, Ecuador. In compliance with National Instrument 43-101, Mr. Mike Sutton, P.Geo. is the Qualified Person responsible for the accuracy of this news release. Samples from the Vetás Project are sent to the Acme Labs preparation facility in Medellín, Colombia, for processing and are analyzed at Acme Labs laboratory in Vancouver, Canada. There is no relationship between the assay laboratory and Galway Gold. Surface rock samples are analyzed for Au by a 30g fire assay and AAS finish method (code G601) plus a multi-element suite with an aqua regia digestion and ICP-MS finish (code 1F04). Underground samples are analyzed by G601 and 1F04 methods and over limits of Ag >100ppm and Cu-Pb-Zn >1% by an ore grade determination with an aqua regia digestion and analysis by ICP-ES (Code 7AR2). If strong mineralization or visible gold is observed, then a screen metallic assay for Au (code G615) is used. Acme Labs is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls. Quality control protocols by Galway that are in place consist of the insertion of one blank at least every 20 samples, a reject duplicate every 20 samples, and one of three different certified reference standard material for every 20 rock samples. Core recovery in the mineralized zones has averaged over 90%. Quarter coring of some select samples will take place. Assays reported in this press release may have screen and quarter core assays pending and will be updated in the table on the website as needed.

For further information contact:

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Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

CAUTIONARY STATEMENT: 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, but is not limited to, Galway Gold's objectives, goals or future plans, statements regarding the estimation of mineral resources, exploration results, potential mineralization, exploration and mine development plans, timing of the commencement of operations, the status of the exercise of the Reina de Oro Option Contract 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, failure to convert estimated mineral resources to reserves, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, an inability to resolve the dispute with the counterparty to the Reina de Oro Option agreement whereby Galway Gold cannot complete the purchase of a 100% interest in the Vetás Project, 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 and the other risks involved in the mineral exploration and development industry, and those risks set out in Galway Gold's public documents filed on SEDAR. Although Galway Gold believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, 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. Galway Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.