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Galway Gold Receives Favorable Ruling in Vetas Arbitration

Toronto, Ontario – March 5, 2015 - Galway Gold Inc. (TSX V: GLW) ("Galway Gold", "Galway" or the "Company") is pleased to announce that it received a favorable ruling in the arbitration over the Vetas gold-silver project. Galway was awarded damages of COP\$79,341,923 (approximately US\$35,000) per month from December 18, 2013 until February 13, 2015 for a total of approximately US\$490,000.

Under terms of this award, owners of the Reina de Oro concession were required to make the payment for damages by February 20, 2015. Payment was not received by the required date and therefore Galway has proceeded with legal action to collect the payment of damages. The option agreement remains in effect until title can be transferred into Galway's name, which is anticipated to require several months.

As background, on **January 10, 2014**, the Company announced that it had attempted to exercise its right to acquire the Vetas gold-silver exploration and exploitation mining rights in the Vetas-California-Surata gold region of Colombia. The total option exercise price was approximately US \$4.3 million (cash balance at September 30, 2014 was US \$11.2 million). Galway Gold was then advised that the counterparty to the Reina de Oro Option Contract had rejected the exercise of the option. Galway Gold sought arbitration of this matter pursuant to the terms of the Option Contract.

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 Vetas 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. As Table 1 below shows, Measured and Indicated resources amount to 224,900 ounces grading 10.5 grams per tonne gold and 317,100 ounces grading 14.8 g/t silver. No payment is required on Inferred resources, which amount to a further 377,000 ounces grading 10.3 g/t gold and 563,000 ounces grading 15.3 g/t silver.

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.

On **November 27, 2013**, Galway Gold announced an initial mineral resource estimate at its Vetas 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. - Vetas 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 mineral resource estimate was completed by Pierre Landry, P.Geo., a Qualified Person under NI 43-101. The Vetas 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 Vetas Project are sent to the Acme Labs preparation facility in Medellin, 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.

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Forward-Looking Statements

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information 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, the Company's objectives, goals or future plans, statements regarding the completion of the transfer of title to the Vetas gold-silver project and related permitting and joint property owner arrangements which support further exploration and exploitation in an effective manner, payment of the outstanding damages award pursuant to the Vetas gold-silver project arbitration, acquisition of another mineral exploration property should the Company not be able to obtain title to the Vetas gold-silver project which is the Company's primary project, exploration results, potential mineralization, the estimation of mineral resources, 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 an inability to transfer title to the Vetas gold-silver project and/or effect related permitting and joint property owner arrangements which support further exploration and exploitation in an effective manner, an inability to collect the outstanding damages award pursuant to the Vetas gold-silver project arbitration, an inability to acquire another mineral exploration property on attractive terms or at all should the Company not be able to obtain title to the Vetas gold-silver project which is the Company's primary project, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, delays in obtaining or failures to obtain required governmental, environmental or other project approvals including permits, 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, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company 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. The Company 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.