

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

February 24, 2016

Item 3. News Release

The Press Release was sent on February 24, 2016 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

February 24, 2016.



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FOR IMMEDIATE RELEASE

Galway Gold Comments on Colombia's Constitutional Court Rescinding Mining Operations in the Paramo

Toronto, Ontario – February 24, 2016 – Further to its news release dated February 10, 2016, Galway Gold Inc. (TSX-V: GLW) (“**Galway Gold**” or the “**Company**”) announces that the Colombian Constitutional Court (the “**Court**”) has published its ruling, which deems certain provisions to the National Development Plan (Law 1753) issued in July, 2015, in respect of exemptions to mining operations in areas of Colombia considered to be *páramos* (high altitude eco-systems) to be unconstitutional. Prior to the Court’s new ruling, mining titles issued before 2010, such as Reina de Oro, were allowed to continue to mine. As a result of the Court’s new unfavorable ruling, mining in all *páramo* eco systems throughout the country has been declared to be damaging to the *páramos* and to the water supply. As such, all mining and petroleum operations in the *páramos* will be ordered to stop. Moreover, according to the new ruling, the Company will not be able to transfer title of the Reina de Oro project and the mining permit will no longer be valid. [Click here for a copy of the Court’s ruling.](#)

The main consideration of the court appears to be the protection of the *páramos*, which provides approximately 70% of the country’s water supply. According to industry sources, there are 36 *páramos* in Colombia and at least 350 titles in *páramo* areas. The court appears to be suggesting that mining affects the quantity and quality of water the area produces. The court has also declared that public interests supersede private interests, which eliminates the ability of the Company to sue the Colombian government for damages.

Due to the ruling of the Court, mining activities in Vetás’ Reina de Oro area are expected to be stopped. Galway Gold will study the legal effects of the Court’s ruling on the option agreement, the pending arbitration award in favor of the Company, and the subsequent embargo of the title that is currently in effect. Management will proceed based on the advice of local Colombian counsel as well as Canadian counsel in order to move forward in an informed manner.

As at September 30, 2015, Galway Gold had a cash balance of US\$10,143,759 and no debt. The Company is thus extremely well positioned to focus its attention on investigating other corporate opportunities. During the past year the Company has reviewed many potential M&A opportunities and looks forward to finding an opportunity to create further shareholder value. The Company will update shareholders as soon as events occur.

For further information contact:

Galway Gold Inc.

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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, but is not limited to, Galway Gold's objectives, goals or future plans, statements regarding the ruling by the Colombian Constitutional Court that National Development Plan (Law 1753) is unconstitutional, that mining at the Reino do Oro project will not be permitted, the inability to transfer the Reina de Oro Option Contract, the invalidity of the Reina de Oro permit and the Company's strategy to consider new opportunities. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, negative repercussions from the court ruling that National Development Plan (Law 1753) is unconstitutional, a prohibition on mining activities in Vetás' Reina de Oro area, the legal effects of the Court's ruling on the Reina de Oro option agreement, the pending arbitration award in favor of the Company, and the subsequent embargo of the title that is currently in effect, the inability to identify a project of merit or the inability to successfully conclude a purchase of such an undertaking at all or on terms which are commercially acceptable, 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.

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