



Galway Metals Consolidates the Estrades Mining District, Provides
an Updated NI 43-101 Estrades Resource Estimate and Consolidates
31 Km of Strike Along the Adjacent Casa Berardi Break | 1

(Toronto, Ontario, August 18, 2016) – Galway Metals Inc. (TSX-V: GWM) (the “Company” or “Galway”) is pleased to announce that it has acquired an undivided 100% ownership interest in the former producing, high grade Estrades mine, related Newiska concessions, and adjacent Casa Berardi claims in western Quebec, Canada, located approximately 95 km north of the town of La Sarre. The claims are largely contiguous and comprise 14,854 hectares, or 36,689 acres. Galway recently commissioned Roscoe Postle Associates (RPA) to provide an updated NI 43-101 compliant Estrades resource estimate, which included Indicated Resources of 1,300,000 tonnes grading 8.0% Zn, 3.9 g/t Au, 1.1% Cu, 137.9 g/t Ag, and 0.65% Pb, plus Inferred Resources of 1,219,000 tonnes grading 4.3% Zn, 1.5 g/t Au, 1.5% Cu, 68.6 g/t Ag, and 0.26% Pb. Please see [Figure 1](#) and [Galway’s Estrades presentation](#) for more details.

Breakwater Resources Ltd. spent CDN\$20 million in 1990 developing Estrades, including the installation of a 200-metre deep by 150-metre along strike decline, a ventilation raise and associated infrastructure. Production in 1990-91 totalled 174,946 tonnes grading 12.9% Zn, 6.4 g/t Au, 1.1% Cu and 172.3 g/t Ag. Breakwater closed the mine amid weak metal prices and excessive contract mining and processing costs. In order to consolidate the Estrades, Newiska and Casa Berardi claim blocks, Galway completed deals with Mistango River Resources Inc., CR Capital Corporation, First Quantum Minerals Ltd., Globex Mining Enterprises Inc. and a private company, plus the Company staked additional claims.

Robert Hinchcliffe, President and CEO of Galway Metals, said, “This marks the second major value-creating acquisition that Galway has announced in the past two weeks. On [August 3, 2016](#), Galway announced the consolidation of the large and highly prospective, resource-containing Clarence Stream project in New Brunswick, and now the Company has followed up with its Estrades and related acquisitions in Quebec. Galway plans on aggressively exploring both the Estrades and Clarence Stream properties to maximize shareholder value within the context of market conditions.”

Table 1: Mineral Resource Summary, Estrades Project, August 12, 2016

| Class | Lens Name | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|------------------------|-----------|------------------|-------------|--------------|-------------|-------------|-------------|
| Indicated | Main | 912,000 | 4.25 | 158.4 | 8.84 | 1.22 | 0.71 |
| | Central | 388,000 | 3.05 | 89.6 | 5.87 | .88 | 0.50 |
| Total Indicated | | 1,300,000 | 3.89 | 137.9 | 7.95 | 1.12 | 0.65 |
| Inferred | Main | 354,000 | 1.72 | 83.4 | 4.82 | 1.17 | 0.41 |
| | Central | 233,000 | 2.57 | 55.8 | 4.04 | .45 | 0.35 |
| | East | 631,000 | 1.05 | 65.0 | 4.11 | 1.99 | 0.15 |
| Total Inferred | | 1,219,000 | 1.54 | 68.6 | 4.31 | 1.46 | 0.26 |



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Notes:

- 1) CIM definitions were followed for Mineral Resources.
- 2) No Mineral Reserves are present.
- 3) All metal prices, the US\$/CDN\$ exchange rate and cut-off grade were provided by RPA.
- 4) Mineral Resources are estimated at long-term metal prices (USD) as follows: Zn \$1.15/lb, Cu \$3.50/lb, Pb \$1.00/lb, Au \$1,450/oz, and Ag \$21.00/oz.
- 5) Mineral Resources are estimated using an average long-term foreign exchange rate of US\$0.80 per CDN\$1.00.
- 6) Mineral Resources are estimated at a cut-off grade of CDN\$140/tonne NSR, which included provisions for metallurgical recoveries, freight, mining, milling, refining and G&A costs, smelter payables for each metal and applicable royalty payments.
- 7) A minimum mining width of approximately 1.5 m was used.
- 8) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- 9) Numbers may not add due to rounding.

Estrades Contains High-Grade Polymetallic Resources

Galway contracted RPA to complete a CIM resource estimate as required by National Instrument 43-101 and dated August 12, 2016 on the Estrades property, where approximately 94,000 metres of historic drilling occurred. A full report will be posted on Galway's website and on Galway Metals' issuer profile at www.sedar.com within 45 days. As seen in Table 1 above, tonnages are approximately evenly divided between the Indicated and Inferred Resource categories. Indicated Resources total 1,300,000 tonnes grading 8.0% Zn, 3.9 g/t Au, 1.1% Cu, 137.9 g/t Ag and 0.65% Pb, while Inferred Resources amount to 1,219,000 tonnes grading 4.3% Zn, 1.5 g/t Au, 1.5% Cu, 68.6 g/t Ag and 0.26% Pb. As seen in Table 2 below, at the higher NSR cut-off of CDN\$180/tonne, grades increase by an average of 15%, which should provide excellent flexibility in weaker metal price environments. Preliminary analysis indicates that no metal is dominant; however, gold and zinc are the main contributors.

Michael Sutton, Director and VP of Exploration for Galway Metals notes, "It's not every day a deposit comes along that has both high gold and zinc contents at a time when those commodities have risen and are forecast to rise significantly further. The presence of wide intersections of copper stringer mineralization in several holes likely indicates proximity to massive sulphide vent areas, and it is felt that exploration in those vicinities can significantly increase the resource. The Newiska area is particularly interesting with up to 300 m widths of the right kind of alteration and other signatures indicating a gold rich VMS environment."

Table 2: Sensitivity Analysis, Estrades Project

NSR\$180 Cut-off grade

| Class | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|-----------|-----------|----------|----------|--------|--------|--------|
| Indicated | 1,138,000 | 4.30 | 150.8 | 8.70 | 1.19 | 0.70 |
| Inferred | 834,000 | 1.80 | 76.4 | 4.65 | 1.83 | 0.26 |

NSR\$160 Cut-off grade

| Class | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|-----------|-----------|----------|----------|--------|--------|--------|
| Indicated | 1,202,000 | 4.13 | 145.5 | 8.38 | 1.17 | 0.68 |
| Inferred | 1,034,000 | 1.65 | 72.7 | 4.50 | 1.60 | 0.26 |

NSR\$140 Cut-off grade (Base Case)

| Class | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|-----------|-----------|----------|----------|--------|--------|--------|
| Indicated | 1,300,000 | 3.89 | 137.9 | 7.95 | 1.12 | 0.65 |
| Inferred | 1,219,000 | 1.54 | 68.6 | 4.31 | 1.46 | 0.26 |

NSR\$120 Cut-off grade

| Class | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|-----------|-----------|----------|----------|--------|--------|--------|
| Indicated | 1,371,000 | 3.73 | 132.5 | 7.62 | 1.10 | 0.62 |
| Inferred | 1,571,000 | 1.36 | 63.2 | 3.81 | 1.30 | 0.24 |

NSR\$100 Cut-off grade

| Class | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|-----------|-----------|----------|----------|--------|--------|--------|
| Indicated | 1,435,000 | 3.60 | 128.7 | 7.41 | 1.08 | 0.60 |
| Inferred | 1,841,000 | 1.27 | 59.0 | 3.54 | 1.20 | 0.23 |

Source: RPA Inc.

Galway Metals: High-Grade Resources

Table 3 below provides Galway Metals' Resource Statement, which includes both Estrades and the recently acquired Clarence Stream deposits. It shows that Galway has Indicated Resources of approximately 345,000 oz of gold at 5.0 g/t and 228 mm lb of zinc at 8.0%, plus Inferred Resources of approximately 310,000 oz at 4.0 g/t Au and 115 mm lb at 4.3% Zn, plus additional Ag, Cu and Pb resources in both categories from Estrades.

Table 3: Galway Metals Resource Statement, Clarence Stream and Estrades Projects

| Deposit | Class | Tonnes | Au (g/t) | Ag (g/t) | Zn (%) | Cu (%) | Pb (%) |
|-----------------------------|-----------|------------------|-------------|----------|--------|--------|--------|
| Clarence Stream | Indicated | 822,000 | 6.90 | | | | |
| Estrades | Indicated | 1,300,000 | 3.89 | 137.9 | 7.95 | 1.12 | 0.65 |
| Sub Total, Indicated | | 2,122,000 | 4.98 | | | | |
| Clarence Stream | Inferred | 1,226,000 | 6.34 | | | | |
| Estrades | Inferred | 1,219,000 | 1.54 | 68.6 | 4.31 | 1.46 | 0.26 |
| Sub Total, Inferred | | 2,445,000 | 3.95 | | | | |



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| Deposit | Class | Au (oz) | Ag (oz) | Zn (000 lb) | Cu (000 lb) | Pb (000 lb) |
|-----------------------------|-----------|----------------|------------------|----------------|----------------|----------------|
| Clarence Stream | Indicated | 182,000 | | | | |
| Estrades | Indicated | 162,666 | 5,762,325 | 227,950 | 32,057 | 18,552 |
| Sub Total, Indicated | | 344,666 | 5,762,325 | 227,950 | 32,057 | 18,552 |
| Clarence Stream | Inferred | 250,000 | | | | |
| Estrades | Inferred | 60,131 | 2,685,915 | 115,544 | 39,126 | 7,084 |
| Sub Total, Inferred | | 310,131 | 2,685,915 | 115,544 | 39,126 | 7,084 |

Estrades Notes: Refer to Notes above.

Clarence Stream Notes:

- 1) CIM Definitions were followed for mineral resources.
- 2) Mineral Resources were estimated using an average gold price of US\$1,000 per ounce (oz) and assumed operating costs.
- 3) Mineral Resources are based on a cutoff grade of 3.0 grams per tonne (g/t) gold (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 grades are listed for comparative purposes.
- 6) Several blocks less than 3.0 g/t Au were included to expand the lenses to the two metre minimum thickness.
- 7) Clarence Stream Mineral Resource estimate is current as of September 7, 2012.
- 8) Estrades Mineral Resource estimate is current as of August 12, 2016.

Galway is Planning Aggressive Exploration Programs at Estrades and Newiska

The land package Galway has acquired along large extents of the Estrades and Newiska horizons provide numerous opportunities for the Company to expand the existing resource, and to seek new discoveries. Key aspects of Galway’s planned exploration program for these properties are as follows:

- **Infill drill Estrades to increase the resource where gaps exist along the 1.6 km strike length of mineralization;** drilling is planned to start in January upon sufficient freeze-up.
- **Drill mineralized structures to depth below the Estrades resource where they remain open.** Much of the 1.6 km of strike remains open to depth. This is highly prospective ground in which the Main, Central and East Zones are hosted in essentially one long sheet of mineralization with small breaks between the zones. A post mineralized cross fault moved the Central and Eastern Zones approximately 225 m south, but the location of all three zones are traceable along the full length of the favourable horizon. This represents very good continuity of mineralization.
- **Conduct a gravity geophysical survey along the current Estrades resource,** along extensions east and west of the resource, and along the Newiska

horizon to find VMS vent areas.

- **Drill previously delineated but never followed up downhole geophysical anomalies, and undertake hole-to-hole geophysics (induced polarization) on key deeper holes to locate potentially thick source-vents of copper-rich mineralization.** Evidence of these copper-rich vents exist at both Estrades and Newiska. At Estrades, several historic drill results near the bottom of the Main and Central Zones intersected thick chloritized felsic volcanics that are normally found proximal to massive sulphide vents systems. Encouraging is that subsequent downhole electromagnetic surveys indicate conductor anomalies. A similar feature was also identified at Newiska to the south.

Key drill intersects that may lead Galway to new discoveries of copper-rich mineralization are as follows:

Main Zone:

- Hole H-182 — 2.0% Cu, 5.9% Zn, 118.2 g/t Ag, and 0.3 g/t Au over 5.1 m (true width (TW) = 3.7 m), including 3.2% Cu, 3.1% Zn, 129.0 g/t Ag, and 0.3 g/t Au over 2.8 m (TW) = 2.0 m). This drill intersect is located approximately 423 m from surface on the west side of the resource
- Hole 116 — 1.7% Cu, 1.5% Zn, 0.5 g/t Au, and 33.2 g/t Ag over 8.9 m (TW = 7.3 m), including 4.2% Cu, 2.1% Zn, 1.3 g/t Au, and 54.1 g/t Ag over 2.4 m (TW = 2.4 m). This drill intersect is located approximately 226 m below the intersect in Hole H-182
- Hole H-281 — 1.0% Cu, 9.6% Zn, 0.85% Pb, 1.1 g/t Au, and 142.3 g/t Ag over 2.6 m (TW = 2.5 m). This drill intersect is located approximately 105 m down plunge from Hole 116

East Zone:

- Hole EME 07 — 0.84% Cu and 7.6 g/t Ag over 23.2 m (TW = 16.5 m), including 4.0% Cu and 50.0 g/t Ag over 0.5 m (TW = 0.4 m), and including 2.4% Cu over 6.5 m (TW = 4.6 m) (which includes 7.4% Cu and 51.2 g/t Ag over 0.6 m (TW = 0.4 m))
- Hole 221 — 8.2% Cu, 4.1% Zn, 1.5 g/t Au, and 138.1g/t Ag over 2.4 m (TW = 1.9 m)
- Hole 230 — 5.9% Cu, 9.4% Zn, 0.5% Pb, 2.8 g/t Au, and 164.5 g/t Ag over 3.3 m (TW = 2.7 m)
- Hole EME 02 — 1.3% Cu over 3.85 m (TW = 3.0 m) (not in resource)
- Hole H 82 — 9.3% Cu, 2.7% Zn, and 101.1 g/t Ag over 0.9 m (TW = 0.6 m)
- Hole H 293 — 0.9% Cu over 9.2 m (TW = 7.9 m), including 2.6% Cu over 1.0 m (TW = 0.9 m) (not in resource)

Newiska:

- Hole NK 04 — 1.1% Cu and 41.5 g/t Ag over 9.4 m, plus five other intersects above 0.8% Cu over core lengths of between 0.5 m and 1.6 m, plus 0.9% Zn over 3.9 m
- Hole NK 05 — 0.34 g/t Au over 22.4 m. According to RPA (2006), “this interval also averaged 259 ppm As, which is a common feature in gold-rich VMS systems. This mineralized zone is therefore considered as an indication of potential for a gold-rich massive sulphide deposit in the property.”

Note: TW for Newiska are unknown.

Metallurgical Recoveries are Well Established

Estrades was an operating mine with concentrates produced via toll milling at Matagami, located 128 km to the east. Recovery rates using conventional methods of crushing, grinding, gravity, flotation and cyanidization were 93% Zn, 90% Cu, 86% Pb, 78% Au and 63% Ag. After milling was completed, Breakwater transported the concentrates 290 km south to Rouyn-Noranda for smelting.

Cut-off Grade

Using its cost estimates for mining, transportation, milling, refining and G&A, and estimates for metallurgical recoveries, smelter payables for each metal and applicable royalty payments, RPA arrived at a net smelter return (NSR) cut-off grade of CDN\$140/tonne. Breakwater closed the mine amid falling metal prices, with zinc, copper, lead, gold and silver dipping below (USD) \$0.45/lb, \$1.00/lb, \$0.25/lb, \$350/oz and \$4.00/oz, respectively. Galway intends to initially focus on creating shareholder value by expanding the Estrades resource through exploration.

Estrades Resources are Readily Accessible with Good Geometry

Estrades has good continuity vertically and horizontally (sheet of mineralization). It is vertical, and at near 90 degrees dip is ideal for long-hole mining methods. The 200-metre deep by 150-metre along strike decline that was driven in the Main Zone is available to be extended to the east to access extensive mineralization in the Central and East Zones. When mining ended, mineralization was developed but not mined.

Deal Terms: Total Payment For All Properties Was CDN\$1.35 mm and 800,000 Units

Cash payment for all the properties Galway acquired, including the Estrades, Newiska and Casa Berardi claims, was CDN\$1.35 million. In addition, Galway will issue 800,000 units, subject to regulatory approval, with each unit comprised of a share valued at CDN\$0.25 and a three-year warrant exercisable at CDN\$0.52 (deal terms were established when Galway's

shares were at CDN\$0.14). The Company has also agreed to issue three royalties on portions of the properties (see below). Excluding any value for the royalties and warrants, the price that Galway paid was US\$5.57/oz, giving zero credit for all the other metals; on an in-situ gold equivalent basis the purchase price was US\$1.47/oz. Now that both the Clarence Stream ([August 3, 2016](#) press release) and Estrades acquisitions have been completed, Galway has a cash balance of approximately CDN\$9.4 million and no long-term debt.

Mistango River Resources (CSE: MIS): Cash payment of CDN\$700,000, plus a 1% NSR royalty on portions of three claims that comprised part of the old mining lease, which hosts the Main Zone and part of the Central Zone. This royalty has a buyout option at any time for CDN\$1.0 mm. Mistango also contributed seven km of strike length along the Casa Berardi Break.

CR Capital (TSXV: CIT-H): Cash payment of CDN\$150,000 on CR Capital's property in which it held an approximate 64.6% interest. CR Capital's property hosts a portion of the Central Zone, the East Zone and the Newiska Block.

First Quantum Minerals (TSX: FM): No cash or share payment. First Quantum exchanged its approximate 35.4% minority interest in CR Capital's property for a 2% NSR royalty. There is no buyout option on this royalty. First Quantum's share of the CR Capital property hosts a portion of the East Zone and the Newiska Block.

Private Company: CDN\$300,000 cash and 800,000 units as described above, subject to regulatory approval. The private company held rights to all historic data on the Estrades property.

Globex Mining Enterprises (TSX: GMX, G1M — Frankfurt, Stuttgart, Berlin, Munich, Tradegate, Lang & Schwartz Stock Exchanges and GLBXF — OTCQX International): CDN\$200,000 cash and a 1% Gross Metal Royalty (similar to an NSR royalty). There is no buyout option on this royalty. Globex held approximately 24 km of strike length along the Casa Berardi Break.

Claim Staking: Galway staked 1,396 hectares for CDN\$1,500 along the favourable Estrades and Newiska felsic rhyolite horizons.

Pre-Existing Royalty Agreements

There are pre-existing NSR royalties of 2.0% on Mistango's and Globex's Casa Berardi claims. On Globex's claims, 1.5% of the 2.0% royalty can be purchased at any time for



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CDN\$1.5 mm.

Note: There were no finders fees associated with the agreements, all transactions occurred on arms-length bases and the date of the agreements was August 17, 2016.

The Casa Berardi Break – Numerous Targets Exist

Concurrent with the Estrades and Newiska consolidations, Galway has acquired an undivided 100% ownership interest in approximately 31 km of strike length along the Casa Berardi Break, a major but underexplored gold-bearing fault system immediately adjacent to the north of Estrades. In total at Estrades, Newiska and Casa Berardi, Galway has acquired a large 14,854 hectare, or 36,689 acre, highly prospective land position along two important current and historically producing horizons. The Estrades and Casa Berardi structures are different, with Estrades (and Newiska) mineralization hosted in Archean volcanogenic massive sulphides (VMS) containing gold, silver, zinc, copper and lead, while Casa Berardi is classified as an Archean sediment-hosted lode gold system.

Galway's Casa Berardi property is located 24 km along strike from the Casa Berardi mine (owned by Hecla Mining), which has produced approximately 1.9 million ounces (mm oz) of gold grading 6.9 grams per tonne (g/t), and has Proven and Probable Reserves of 1.3 mm oz grading 4.5 g/t Au, Indicated Resources of another 1.3 mm oz grading 4.1 g/t Au, and Inferred Resources adding a further 0.5 mm oz grading 6.2 g/t Au. Given the significant production history and future of the mine, Galway considers the major and underexplored Casa Berardi Fault System to be a high-priority target for new discoveries. As noted above, in order to acquire its Casa Berardi property, Galway completed agreements with Mistango River Resources and Globex Mining Enterprises Inc.

The 31 km of Casa Berardi Break that Galway acquired has had 92,878 metres of drilling in 314 drill holes, of which Placer Dome drilled a significant portion. Galway intends to undertake a gravity survey in an attempt to delineate buried intrusions and contacts. Drilling will follow, primarily targeting geophysical anomalies identified from the gravity survey and deeper areas under the better previous intersections. Some of the more notable historic drill intersects along Galway's Casa Berardi properties are as follows:

Globex Property

- 8.2 g/t Au over 3.2 m, including 20.9 g/t Au over 1.0 m
- 10.4 g/t Au over 1.0 m
- 0.75 g/t Au over 19.5 m, including 8.2 g/t Au over 1.5 m
- 3.4 g/t Au over 2.9 m, including 10.4 g/t Au over 0.8 m

- 3.8 g/t Au over 3.7 m
- 5.3 g/t Au over 1.2 m
- 6.3 g/t Au over 1.0 m
- 6.2 g/t Au over 0.5 m
- 1.1 g/t Au over 10.6 m
- 2.3 g/t Au over 4.5 m, including 5.3 g/t Au over 1.5 m
- 1.2 g/t Au over 9.7 m, including 3.0 g/t Au over 0.8 m, plus 2.0 g/t Au over 0.6 m, plus 2.2 g/t Au over 0.9 m
- 5.3 g/t Au over 1.2 m, plus 1.8 g/t Au over 1.8 m, plus 0.8 g/t Au over 4.5 m, plus 0.6 g/t Au over 4.2 m
- 1.9 g/t Au over 7.1 m
- 10.5 g/t Au over 0.6 m, plus 1.0 g/t Au over 4.5 m

Mistango River Property

- 10.4 g/t Au over 1.1 m
- 4.1 g/t Au over 1.2 m
- 1.3 g/t Au over 11.3 m, plus 25.2 g/t Au over 0.4 m
- 1.3 g/t Au over 6.4 m, including 4.1 g/t Au over 0.6 m
- 2.0 g/t Au over 10.4 m, including 7.6 g/t Au over 0.7 m and including 8.6 g/t Au over 0.5 m
- 1.3 g/t Au over 14.3 m, including 5.2 g/t Au over 1.8 m, plus 1.2 g/t Au over 11.5 m, including 4.1 g/t Au over 1.0 m (All of the mineralization in this hole was contained in 0.9 g/t Au over 42.0 m)
- 0.9 g/t Au over 16.7 m, including 2.8 g/t Au over 1.1 m
- 1.25 g/t Au over 9.5 m, including 5.0 g/t Au over 0.4 m, and including 4.3 g/t Au over 0.5 m

Note: TW are unknown for Globex and Mistango River properties.

Quebec: An excellent place to operate in Canada

Quebec is an excellent place to conduct business in the mining industry, having ranked 8th and 9th by the Fraser Institute (2015) in its Investment Attractiveness and Best Practices Mineral Potential indices, respectively, out of 109 locations around the world. Estrades is accessible via Highway 109 and 78 km of gravel roads (most of which is year round), or via Highway 810 and a 7.3 km bush road, although a Bailey bridge over a river would need to be erected to complete the connection. Highway 810 connects to both the Casa Berardi mine and Matagami mill (via Hwy 109), as well as to the town of La Sarre (via Hwy's 109 and 111). As part of Breakwater's mine development, power was brought to Estrades, but in

the intervening years power lines were taken down. However, two power lines that exist within 25 km of Estrades can be tapped into, thereby re-establishing power to the mine. Quebec's electricity rates have consistently been second lowest among Canadian provinces, with large-consumer industrial costs as of May 2016 at approximately CDN\$0.05/kWh. Quebec has a large and experienced mining labour force, which can be sourced from the nearby towns of Matagami, La Sarre and Amos.

Estrades Geology and Mineralization

During the preparation of the RPA resource estimate, a new understanding of where the mineralization sits in the stratigraphy was developed. Two mineralized intervals appear to be kept separate by a Key Marker Horizon. It has been logged as an intermediate or mafic unit — often an intrusive. The presence of two separate horizons was recognized in the 2006 Resource estimate, but the scope of that assignment was limited to the Main Zone only, which lessened its impact as, in this area, most of the mineralization sits in the footwall (FW) layer. As work was undertaken along strike to the east through the Central and East Zones, these two layers were traceable along the entire strike length of the Mine Unit package. Two sets of longitudinal section projections are used (one for the hanging wall (HW) layer and one for the FW layer). As mentioned above, most of the mineralization in the Main Zone sits in the FW layer, but the mineralized pods to the east that form the current Mineral Resource can be found in both horizons.

The following is taken from various sections of the Scott Wilson RPA NI 43-101 Technical Report dated November 20, 2006. RPA considers the information in this Estrades and the subsequent Casa Berardi Geology and Mineralization sections to be current and plans on incorporating key elements of it in its updated August 12, 2016 Technical Report that will be published within the next 45 days. The Estrades area is constituted in meta-volcanic and sedimentary rocks of the Harricana-Turgeon Belt (HTB), which is located in the NW part of the Abitibi Subprovince. The regional metamorphism is of greenschist facies. The lithology is generally east-west striking and vertically dipping. Rocks of the Estrades Unit and the Taibi sediments (Casa Berardi) are cut by two major ENE to NE trending diabase dykes.

The Main Felsic Unit refers to the immediate felsic volcanoclastic hanging wall and footwall rocks that envelope the Estrades Unit. The Main Felsic Unit is referred to as a felsic schist or felsic tuff or lapilli tuff, depending on the degree of deformation. The common fragmental appearance of this unit is generally deformation induced, and does not represent a primary pyroclastic feature. This unit has been described as a rhyolite, mainly schistose, though locally flow-banded. Generally, this unit is light yellow to grey in colour, with variable quartz crystal content, and is typically schistose and/or brecciated.

The stratigraphy of the Estrades Unit is over 5 km wide and known as the Joutel-Raymond Basaltic-Rhyolite Domain. The Estrades Unit is the mineralized unit that includes (from west to east) the West (intersected by two drill holes), Main, Central and East Zones of the Estrades deposit. Alteration is typically a strong pervasive sericite with local chlorite depending on proximity to the stringer zone. Pyrite is the dominant sulphide, however sphalerite is common, as is chalcopyrite and galena. Elevated values of both silver and gold occur in the hanging wall and footwall. This mineralization has been identified as classic Archean age of the syngenetic exhalative type. The deepest drill hole (Hole H-281AW) targeting the Estrades Unit under the mine intersected sulphide mineralization 900 m below surface; it returned 3.3% Zn, 0.5% Cu, 1.1 g/t Au and 38.7 g/t Ag over 1.9 m. The Estrades deposit is covered by glacial silt, clays and sandy gravels of variable thickness.

Main Zone

The Main Zone is mineralized over a strike length of 600 m and extends to at least 650 m below surface with an average width of 3.8 m. All historic production originated in this zone. Pyrite is the predominant sulphide mineral, followed by, in decreasing abundance, sphalerite, chalcopyrite, galena and pyrrhotite. The precious metals content is represented by a silver-gold amalgam, ranging from silver-rich electrum to gold-rich kustelite. There is a major fault associated with the Main Zone deposit, known as the Main Fault, which is the dominant structure within the deposit. The Main Fault strikes 338° and dip 65° SW, separating the Main Zone from the Central and East Zones.

Central Zone

The Central Zone has a strike length of 500 m and an average width of two metres. Drilling to a depth of 400 m indicates a massive sulphide orebody that appears to be cut by several faults. The western limit of the Central Zone appears to terminate against the Main Fault.

East Zone

The East Zone, which lies 100 m east of the Central Zone, has a strike length of 500 m and has been identified to a depth of 600 m. Massive sulphide thicknesses generally range from 1.0 m to 2.5 m.

Newiska Block

A broad sericite-chlorite alteration zone and chalcopyrite-sphalerite stringer mineralization that cuts the felsic volcanic rocks have been intersected in drill holes over a strike length of 3.8 km, with the alteration zone up to 300 m wide. There tends to be a zonation of Zn and Cu mineralization along strike, with drill intersects on the western portion of the Newiska Block being Zn-rich whereas grades to the east have higher Cu values.



Galway Metals Consolidates the Estrades Mining District, Provides an Updated NI 43-101 Estrades Resource Estimate and Consolidates 31 Km of Strike Along the Adjacent Casa Berardi Break | 12

Casa Berardi Geology and Mineralization

A major regional deformation zone, the Casa-Berardi Break, is located approximately two km north of the Estrades Unit within the 700 m to 1.5 km-wide Taibi sediments. The Casa-Berardi Break is a graphitic fault with injections of quartz-carbonate veining. Iron formations, which are well defined on magnetic maps, occur in the southern portion of the Taibi sediments.

Taibi sedimentary rocks are composed of sandstone, siltstone, greywacke and argillite. The unit hosts the Casa Berardi Fault, a four-metres wide graphitic fault with quartz-carbonate veining. Iron formation occurs in the southern portion of the sedimentary package and is evident on magnetic maps as a series of magnetic highs traversing the centre of the property block. This iron formation consists of fine-grained alternating laminae and beds of magnetite and chert. The Casa Berardi sediments are variably sericitized and carbonatized. The alteration increases toward the Casa Berardi Fault where the sediments are strongly sericitized and contain up to 20% ankerite and locally, pyrite, arsenopyrite-bearing, smoky to dark quartz veins containing pyrite and arsenopyrite. Anomalous gold occurs locally.

Review by Qualified Person

In compliance with National Instrument 43-101, Mr. Mike Sutton, P. Geo. is the Qualified Person responsible for the accuracy of this news release. Mr Reno Pressacco, P. Geo, is the Qualified Person responsible for preparation and disclosure of the Estrades Mineral Resource estimate, and is independent of the Company.

About the Company

Galway Metals is well capitalized with approximately CDN\$9.4 in cash, after accounting for the Clarence Stream and Estrades acquisitions. 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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