TORONTO, ONTARIO--(Marketwired - Aug. 3, 2016) - Galway Metals Inc. (TSX VENTURE:GWM) (the "Company" or "Galway") is pleased to announce that it has entered into an Option Agreement to acquire a 100% undivided interest in Wolfden Resources Corp.'s Clarence Stream property located 70 kilometres (km) south-southwest of Fredericton in south-western New Brunswick, Canada. In conjunction with this acquisition, Galway has also acquired Jubilee Gold Exploration Ltd.'s Birneys Lake property, which is adjacent on the south side of Wolfden's Clarence Stream property, and the Company has staked a significant number of additional claims both to the east and west of Clarence Stream. The consolidated land position comprises 45 km of strike length of the Sawyer Brook Fault System and straddles several intrusives, which are believed to have created the conditions necessary for gold deposition at Clarence Stream (Figure 1 and for more information please review Galway's presentation).

Robert Hinchcliffe, President and CEO of Galway Metals, said, "We are extremely pleased to have put together a project with such high potential. Not only are we optimistic about expanding the known resource at Clarence Stream, from a broader perspective we are also enthusiastic about the prospects for the region. In short, we believe this gold district is an undeveloped gem. For the last three years, Galway management has prudently protected its cash reserves while embarking on an exhaustive analysis of potential acquisitions. This project was the first to meet all of our criteria. The wide zones of near-surface, high-grade mineralization, existing resource, abundant infrastructure and drill ready targets give Galway a formidable camp-scale property centered on a structure that is akin to the world-class Larder Lake Break in Ontario and Quebec. With a strong treasury, Galway plans to aggressively advance this exciting new project, with initial drilling set to begin in September."

Galway views the following aspects of the acquisitions as being positive:

- Clarence Stream hosts Indicated Resources of 182,000 ounces of gold at 6.9 g/t (9.1 g/t uncut), plus Inferred Resources of 250,000 oz at 6.3 g/t (8.0 g/t uncut). The property also hosts antimony, with Indicated Resources totaling 7.3 mm lb at 2.9% Sb.
- Galway considers resource expansion potential at Clarence Stream to be excellent:
  - The existing resource represents two km out of 45 km of strike length, leaving approximately 90% of the Sawyer Brook Fault System to be explored.
  - Average depth of the 428 holes drilled for resource estimation was shallow at 127 metres, leaving significant potential for expansion at depth.
  - All zones are open in at least one direction; many are open in multiple directions.
  - Many resource-grade drill intersects in multiple zones are located outside the resource.
  - Gold-bearing boulders that assayed up to 16.5 g/t Au, 11.5 g/t Au and 7.9 g/t Au are closely associated with a 700 m by 200 m soil anomaly that has never been drilled.
- Galway's newly staked claims host many high-grade chip samples, including 20.2 g/t Au and 9.4 g/t Au to the west and 17.9 g/t Au and two samples of 9.6 g/t Au to the east.
- Numerous large strong geochemical and geophysical targets have not been drilled.
- Potential for increasing shallow and deeper resources from multiple zones. The steep dip of the main South (Proximal) Zone is conducive to cheaper longhole mining methods.
- Wide high-grade gold intersects occur, including 14.3 g/t over 21.6 m, 22.7 g/t over 9.0 m, and 12.6 g/t over 14.5 m (see below for TW, includings and cut grades).
- Continuity along strike is good, with individual shoots ranging up to 400 metres.
- Metallurgical tests have estimated gold and antimony recoveries in excess of 90% using gravity, flotation and conventional CIL milling.
- Galway's consolidation of land around Clarence Stream has made the Company by far the largest mineral rights owner in the area with 43,800 hectares, or 108,000 acres, including a strategic 45 km along the major, regional Sawyer Brook Fault System.
- Infrastructure is excellent with two airports within 110 km, rail in close proximity, a highway and power line bisecting the property, three nearby towns to source employees, services and supplies and a major seaport in Saint John.
- New Brunswick is an excellent place to operate, having ranked first worldwide for Mining Policy Perception by the Fraser Institute in 2011/12, and has ranked in the top-10 each year since.
- Galway is paying CDN$3.5 million over three years, with first year payments totaling CDN$1.0 million, plus NSR's on portions of the property, most of which provide buyback rights. The acquisition price is US$6.23/oz of gold, or US$6.00/oz after antimony credits.

Michael Sutton, Director and VP of Exploration for Galway Metals said, "With so many targets, boulders and showings, and with numerous intrusives, major faults, fold hinges and a multiplicity of lithologic contacts providing such strong sources for gold-bearing fluids and traps for gold deposition, it is felt that there is excellent potential to significantly increase the gold resource."

Gold resources exist; excellent potential for expansion

A National Instrument (NI) 43-101 resource report published on September 7, 2012 for Wolfden by Roscoe Postle Associates (RPA) estimated that Clarence Stream hosts Indicated Resources of 182,000 ounces (oz) of gold at 6.9 grams per tonne (g/t), plus Inferred Resources of 250,000 oz at 6.3 g/t (Table 1). Clarence Stream is also host to high-grade antimony (Sb) resources, with Indicated Resources totalling 7.3 million pounds (mm lb) at 2.9% Sb. To the best of Galway Metals' knowledge, information and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources in the Technical Report inaccurate or misleading. Since the report was written, only 18 holes were drilled by Wolfden, of which only seven could potentially have a minor impact on the resource. As such, Galway Metals considers the Technical Report to be current, pending further investigation/work by Galway Metals. Michael Sutton, P. Geo., Director of Galway Metals and a

Qualified Person for the purposes of NI 43-101, has reviewed the Report on behalf of Galway Metals and has approved the scientific and technical content of this news release. A NI 43-101 report will be completed within 180 days to support the resource estimate.

Table 1: Clarence Stream Resource Estimate

Gold

Area	Category	Tonnes	Gold Grade (g/t) Cut	Contained Gold Cut Ounces	Gold Grade (g/t) Uncut	Contained Gold Uncut Ounces
South	Indicated	636,000	6.71	137,000	9.28	190,000
	Inferred	991,000	6.33	202,000	7.64	243,000
North	Indicated	186,000	7.56	45,000	8.51	51,000
	Inferred	235,000	6.38	48,000	9.22	70,000
Total	Indicated	822,000	6.90	182,000	9.11	241,000
	Inferred	1,226,000	6.34	250,000	7.95	313,000

Antimony

Area	Category	Tonnes	Antimony Grade (%) Cut Grade	Contained Antimony Cut Pounds
North	Indicated	114,000	2.9%	7,300,000

1. CIM Definitions were followed for mineral resources.
2. Mineral Resources were estimated using an average gold price of $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.

Wide intersects and good continuity exist at Clarence Stream

Galway plans to target extensions to anomalously wide intersects in its drill program in an effort to quickly increase the gold resource. There is also good continuity of mineralization at Clarence Stream, with individual shoots ranging up to 400 metres of strike. Notable wide intersects drilled at Clarence Stream are as follows:

- 14.3 g/t Au over 21.6 m (20.9 m TW) (incl. 147.5/0.5 m, 49.8/0.5 m, 210.8/0.5 m, 49.7/0.5 m; 6.2 g/t cut)
- 22.7 g/t Au over 9.0 m (8.6 m TW) (incl. 86.0/0.5 m, 95.8/0.5 m, 95.2/0.5 m; 12.2 g/t cut)
- 7.7 g/t Au over 14.9 m (14.2 m TW) (incl. 33.6/1.0 m, 15.5/1.4 m, 15.8/1.0 m; 7.5 g/t cut)
- 8.3 g/t Au over 11.3 m (9. 3m TW) (incl. 84.9/0.5 m, 50.2/0.5 m; 5.1 g/t cut)
- 6.7 g/t Au over 12.5 m (11.7 m TW) (incl. 29.0/1.0 m, 21.7/0.5 m; 6.4 g/t cut)
- 32.2 g/t Au over 5.0 m (4.75 m TW) (incl. 236.0/0.5 m; 10.3 g/t cut)
- 3.6 g/t Au over 26.5 m (25.2 m TW) (incl. 30.3/0.5 m, 90.2/0.5 m; 2.5 g/t cut)
- 4.9 g/t Au over 11.0 m (11.0 m TW) (incl. 36.8/1.0 m, 13.0/1.0 m; 3.5 g/t cut)
- 12.6 g/t Au over 14.5 m (12.6 m TW) (incl 42.7/0.5 m, 67.8/0.5 m, 102.2/0.5 m, 23.0/1.0 m, 23.5/0.5 m; 8.4 g/t cut)

TW = True Width. Top cut used as per NI 43-101 resource is 30 g/t

Potential for increases in shallow and deeper resources

Most of the 428 drill holes used for the gold and antimony global resource estimate were shallow, averaging 127 metres. This suggests that there is excellent potential to expand the resource to depth, especially in the South Zone where structures are steeply dipping and where the majority of resources have been identified to date. As most of the resource is within 150 metres of surface, there is excellent potential for both high-grade shallow and deeper opportunities in multiple zones.

With 43,800 hectares, Galway is by far the largest mineral rights owner in the area

The size of Galway's Clarence Stream property is quite large at 43,800 hectares, or 108,000 acres. This makes Galway by far the largest owner of mineral rights in the Clarence Stream region. The property hosts 45 km of the Sawyer Brook structural corridor and associated granodiorite intrusive, of which only about four km have been drilled, and only two of those km are host to the majority of reported gold resources. Of the two kilometres drilled outside the resource but along strike of the Sawyer Brook Fault System, one was on Jubilee's ground located five km to the west, while the other was immediately west of the resource. Drilling in both areas outside the resource returned resource-grade intersections such as 10.1 g/t Au over 1.4 meters (within a broader interval containing 1.1 g/t Au over 23.9 meters) and 8.3 g/t Au over 1.4 meters (within 2.1 g/t Au over 8.5 meters) on Jubilee's ground, and 10.4 g/t Au over 1.0 meter and 3.0 g/t Au over 3.0 metres immediately west of the South Zone resource. True widths for Jubilee's drill program and for Wolfden's drill intersects west of the South Zone resource are unknown at this time. The Jubilee intersections span a 200 metre strike length along the fault and are open in every direction.

Galway has consolidated 45 km of the major, regional Sawyer Brook Fault System

As Table 1 above shows, the Clarence Stream resource is subdivided into the steeply dipping South (Proximal) Zone and the mostly flat-lying (potentially open pitable) North (Distal) Zone (also known as Anomaly-A). The Sawyer Brook structural corridor hosts the South Zone resource where 78% of gold resources have been identified to date along just two km. With 45 km of strike length now consolidated along a major ore-bearing structure (similar to the Cadillac-Larder Lake Break) and with geochemical and geophysical anomalies identified along this trend, Galway plans on exploring these high priority targets. In addition, the Clarence Stream property is host to an approximate 10 km by four km geochemical anomaly, the vast majority of which has not been drill tested. Geochemical and geophysical anomalies have coincided well with gold discoveries to date.

Neither Wolfden nor Jubilee drilling were part of the resource estimate

Wolfden completed its 4,000-metre, 18 hole drill program at Clarence Stream in 2013, after RPA's resource estimate was published. As such, none of Wolfden's results were included in the resource estimate. Nonetheless, Wolfden's drill program, which occurred primarily in the eastern part of the South Zone, returned some encouraging intersects, such as 8.8 g/t Au over 2.5 metres at 280 metres below surface, 8.8 g/t Au over 1.3 metres, and 14.0 g/t Au over 1.0 metres. While Jubilee conducted 3,435.5 metres of drilling in 20 holes at Birneys Lake, it did not issue a resource estimate. Significant intersects from Jubilee's drilling are noted above. Freewest Canada Resources Inc., which was owner and operator of the Clarence Stream property until Wolfden purchased it in 2012, undertook the drilling used for resource estimation from January 2001 until August 2008. This program totalled approximately 54,000 metres in 428 drill holes.

Average drill hole length in the steeply dipping South Zone was 164 metres

The South Zone resource dips steeply between 60° and 75° northwest, and the average length of holes drilled into this zone by Freewest was 164 metres-249 holes totalling 40,759 metres (drill hole lengths in the North Zone averaged 80 metres). Of significance is that a major component of Freewest's last drill campaign from June 2007 through August 2008 successfully extended the resource to depth below the Central Lens (part of the South Zone), thereby delineating the Deep Lens. This Deep Lens is now the largest part of the overall resource, comprising 102,000 oz, or 31% of the South Zone total. This highlights the potential to extend gold resources to depth. Galway plans on drilling extensions of the South Zone to depth and along strike to expand the resource. Deeper intersections include 8.3 g/t Au over 11.3 metres (9.3 m TW) (incl. 84.9/0.5 m, 50.2/0.5 m; 5.1 g/t cut), and those that are open to depth include 3.9 g/t Au over 4.0 metres (3.4 m TW), 8.1 g/t Au over 1.0 metre (0.7 m TW), and 6.9 g/t Au over 2.5 metres (2.1 m TW).

The North Zone is gold and antimony rich

Mineralized veins in the North Zone are dominated by the AD-MW Lens, a bowl-shaped, potentially open pitable structure that is relatively flat dipping with an average thickness of approximately three metres. The AD-MW Lens ranges from surface outcrops to 100 metres below surface. The overall resource estimated for the North Zone is comprised of five lenses within a one km by two km area. Intersections such as 58.0 g/t Au over 1.0 metre (30.0 g/t cut), 5.9 g/t Au over 8.0 metres, 1.1 g/t Au over 19.0 metres and 11.9 g/t Au over 2.0 metres are open. These and the many geochemical anomalies in the area of the North Zone are targets that Galway plans to drill. The zones are open to expansion with intersections such as 2.3 g/t Au over 3.0 metres and 3.7 g/t Au over 2.0 metres located 240 metres and 230 metres from the next closest drill holes; other intersections such as 4.4 g/t Au over 3.2 metres and 9.5 g/t Au over 1.0 metre are open as well. Galway is planning a seismic survey to delineate fold hinge axis points where gold deposition should be thickest in order to best target the potential of the zone. The high-grade antimony resource is located in the North Zone. While antimony comprises only about 4% of Clarence Stream's total resource value, it accounts for 15% of the metal value of the North Zone. These percentages are based on gold and antimony prices of $1,300/oz and $3.00/lb, respectively.

Metallurgy: initial tests > 90% recovery; property is adjacent to the dormant Mount Pleasant Mill

Initial metallurgical test results for gold and antimony estimated recoveries using gravity, flotation and conventional carbon-in-leach (CIL) milling at more than 90% for both the South and North Zones. As with the need for more exploration to gain insight into the ultimate size of the Clarence Stream resource, Galway believes more metallurgical testing is also required. Galway's property is adjacent to the Mount Pleasant tin-tungsten-molybdenum mine and mill, which closed in 1985. Although most of the equipment has been sold, mill infrastructure remains intact, and the property has a fully permitted tailings facility, power line and buildings. Strategically, Galway has reached an agreement to lease space within the mill buildings, as well as outside, for core, chip sample, pulp and reject storage, and for core splitting and logging purposes, among other requirements.

Deal Terms: Only CDN$1.0 mm initially; zero shares issued-no dilution

Cash payments for all of the properties Galway is acquiring will be CDN$3.5 million over three years plus 1% Net Smelter Return (NSR) royalties on portions of the project, with Galway retaining rights to acquire most of the NSR's. Galway's cash payments in the first year will be CDN$1.0 million, and there will not be any shares issued for any of the deals. As such, Galway will continue to have 57.2 million shares outstanding, there will not be any shareholder dilution and the Company retains approximately US$8.3 million, or CDN$10.8 million (CDN$1.31/US$1.00 exchange rate as at August 1, 2016) of available cash

versus US$9.2 million, or CDN$12.0 million prior to the transactions. Galway has no long-term debt. The total purchase price of CDN$3.5 million, prior to accounting for the NSR royalties, is US$6.23/oz, or US$6.00/oz after antimony credits.

Jubilee: Galway acquired the Birneys Lake project at Clarence Stream for CDN$200,000 plus a 1% NSR royalty with a buyback option for half (0.5%) at any time for CDN$500,000.

Staking: Galway staked 1,170 claims, or in excess of 26,500 hectares (65,500 acres) of land to the east and west along the prospective Sawyer Brook Fault System and associated intrusives for CDN$70,200. This added approximately 30 km of prospective ground for future exploration (included in the 45 km total).

Wolfden: Galway has the option to acquire 100% of Wolfden's interest in the Clarence Stream property by making the following payments:

- CDN$750,000 upon closing (completed)
- CDN$750,000 upon the first anniversary of closing
- CDN$1.0 mm upon the second anniversary of closing
- CDN$750,000 upon the third anniversary of closing
- 1% NSR royalty with a full buyback option at any time for CDN$2.0 mm.

Pre-existing royalty agreements

Franco-Nevada Corp. has a 1% NSR royalty on a portion of the Clarence Stream property, on which there is no buyback option. In addition, a portion of the Clarence Stream property is subjected to a 2% NSR royalty, of which half (1%) is subject to a buyback option at any time in two 0.5% increments for CDN$500,000 each.

New Brunswick: An excellent place to operate in Canada

New Brunswick is well known as a mining-friendly jurisdiction, having ranked first worldwide for Mining Policy Perception by the Fraser Institute in 2011/12, and has ranked in the top-10 each year since. The Clarence Stream property is accessible via airports at Fredericton and Saint John, via Provincial Highway 770 that bisects the property and via rail. Also bisecting the property is a major power line, which services Clarence Stream and the neighbouring Mount Pleasant Mine and Mill as well. Employees, services and supplies will be sourced from nearby towns of St. Stephen, St. Andrews and St. George and a major seaport is located at Saint John 110 km to the east.

Clarence Stream Geology and Mineralization

The following is taken from various sections of RPA's NI 43-101 report on the Clarence Stream Property, dated September 7, 2012. Clarence Stream is located near the boundary of the Gander and Avalon terranes of the Canadian Appalachians. In southwest New Brunswick, the boundary between these major terranes is obscured by Palaeozoic age sedimentary rocks of the Mascarene Basin and the St. Croix terrane, which are the primary hosts of gold mineralization at Clarence Stream. The Sawyer Brook Fault separates these two groups of metasedimentary rocks and is interpreted as a dextral strike-slip fault and may be part of a regional, belt-parallel fault system.

The Clarence Stream deposits can be characterized as intrusion-related quartz-vein hosted gold deposits. These deposits consist of quartz veins and quartz stockwork within brittle-ductile fault zones that include adjacent crushed, altered wall rocks and veinlet material. The mineralized systems are hosted in intrusive and metasedimentary rocks within high strain zones controlled by regional fault systems. Pyrite, base metal sulphides, and stibnite occur in these deposits along with anomalous concentrations of bismuth, arsenic, antimony and tungsten. Alteration in the host rocks is confined within a few metres of quartz veins and occurs mainly in the form of sericitization and chloritization.

Gold-bearing minerals at Clarence Stream include aurostibite ($AuSb_2$), electrum (20%-34% Ag), native gold, arsenopyrite (FeAsS), gudmundite (FeSbS), berthierite ($FeSb_2S_3$), jamesonite ($Pb_4FeSb_6S_{14}$), and stibnite (Sb_2S_3). Pyrite (FeS_2) and pyrrhotite ($Fe_{1-x}S$) are common but not associated with gold.

Gold mineralization has been discovered in two main areas of the Clarence Stream property, each with unique host rocks and deposit geometry. The South Zone lies immediately to the northwest of the Saint George (Magaguadavic) Batholith, while the Anomaly-A (North) Zone lies 3.5 km further northwest.

South Zone Geology and Mineralization

The South Zone lies within a steeply dipping, east-northeast trending high-strain zone. RPA outlined 38 individual lenses over a strike length of two km, to a maximum depth of 350 metres. Gold mineralization is commonly hosted in quartz veins, quartz

stockwork, and along the contacts and within sheared and altered metagabbro and microgranite sills and dikes that crosscut the meta-sedimentary rocks of the Waweig Formation. There is a strong spatial relationship between veining and the microgranitic dikes and sills that, in detail, crosscut and post-date the gabbro. Evidence suggesting that the South Zone is related to the St. George (Magaguadavic) Batholith includes the close spatial relationship of gold mineralization with the batholith, the presence of hornfels and veined and altered auriferous microgranite dikes, and high concentrations of Bi, As and Sb.

North Zone Geology and Mineralization

RPA outlined five lenses within a one km by two km area known as Anomaly-A (North Zone). The lenses are primarily hosted within metagreywacke and argillite of the Kendal Mountain Formation. The AD-MW Lens, which dominates the mineralized veins in the North Zone, forms a bowl-shaped structure with an average vertical thickness of approximately three metres that outcrops at surface and reaches a depth of 100 metres. The geometry of the Murphy Lens is less understood due to widely spaced drilling. Gold generally occurs in areas of strong quartz veining and cataclasite. Stringer and semi-massive stibnite, arsenopyrite, and pyrite are common. Traces of sphalerite, chalcopyrite, and visible gold occur locally. The best gold values are found in shallow-dipping sediment-hosted quartz veins and stockwork exhibiting brecciation and the emplacement of a second generation of sulphides, and in clear hairline quartz veinlets.

About the Company

Galway Metals is well capitalized with approximately US$8.3 million in cash (CAD$10.8), after accounting for the Clarence Stream 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.

CAUTIONARY STATEMENT

Neither the 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 of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.
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.

Contact

Galway Metals Inc.
Robert Hinchcliffe
President & Chief Executive Officer
1-800-771-0680
www.galwaymetalsinc.com