

Past conflict of interest: On June 3, 2008 Galway Resources engaged our advisory affiliate John Tumazos Very Independent Opinions, LLC to commercialize its Victorio, New Mexico molybdenum-tungsten deposit containing up to 300 mm pounds of each mineral in situ (see www.galwayresources.com June 3, 2008 press release). We received compensation from Galway Resources, as we exercised warrants for 250,000 shares issued on June 2, 2009 at C\$0.15. On April 19, 2011 we received warrants for 100,000 more Galway Resources common shares exercisable at C\$1.24 that were exercised prior to the December 20, 2012 merger. No transactions were generated from the Victorio, New Mexico molybdenum-tungsten advisory. We own 2,018,000 shares of Galway Gold and 150,000 post-split shares of Galway Metals (GAYMF US \$0.084)

GALWAY GOLD: PERMITTING CONTINUES AND NEIGHBORING WEAKER DEPOSIT SUBJECT TO TWO BIDDERS

GAYGF US \$0.0740 or GLW.to C\$0.08, rated Overweight, US\$1 price target								
FD EPS US\$	2014	2015E	2016E	2017E	2018E	2019E	2020E	2021E
8/26/15	(\$0.01)	(\$0.02)	(\$0.03)	(\$0.05)	\$0.03	\$0.11	\$0.12	\$0.12
9/23/14	(\$0.01)	(\$0.02)	(\$0.04)	\$0.08	\$0.16	\$0.18	\$0.19	
7/19/13	(\$0.05)	(\$0.07)	\$0.29	\$0.32	\$0.34	\$0.36	\$0.39	
1/3/13	(\$0.05)	(\$0.06)	\$0.34	\$0.35	\$0.36	\$0.36	\$0.37	

Highlights:

- The August 17th Galway Gold press release noted **Mubadala Development Corp.** of Abu Dhabi, controlled by the UAE ruling al-Khalifa family, owned 17.4% of Galway Gold's shares. On March 8th we reported that Mubadala seized gold assets of Eike Batista's AUX Canada for default on a \$2.3 billion note.
- On June 16th **Red Eagle Mining** bid C\$8.4 mm for the adjoining publicly traded company CB Gold. **Batero Gold**, which is affiliated with the 0.5 mm oz annual large private Peruvian gold mining company "Consortio nero Horizonte S.A." that also invested in Antioquia Gold, on July 24th commenced a C\$9.0 mm bid for CB Gold, whose "Stockworks" resource may not be viable at current gold prices as a small "appendage" or "tail" of the "El Volcan" or Vetas deposit. We estimate both bidders infer a continuation of the Galway Gold mineralization across 1 to 3 kilometers of undrilled parts of Galway Gold's land onto the CB Gold property several times larger than the maiden Galway Gold resource.
- We emphasize **three significances**. First, three robust potential bidders may covet Galway Gold. Second, their actions or implied reasoning suggest Galway Gold's vein system continues over a large distance and/or depth of Galway ground to be upwards of fivefold larger than the maiden 43-101 compliant resource Galway Gold published November 27, 2013 at 601,900 oz @ 10.4 g/t Au and 880,000 oz at 15 g/t Ag. Third, it is notable that Batero Gold and Red Eagle Mining expect the Vetas gold deposit to be permitted, where on March 10th Red Eagle permitted its "San Ramon" mine near Continental Gold's Buretica deposit.
- Galway Gold continues environmental permitting of its "El Volcan" mine also known as "Vetas" for the town surrounding it, which operated intermittently since

1590. Galway Gold won a favorable arbitration ruling as it noted in its March 5th press release. We expect that sometime in 2016 Galway Gold will obtain environmental permits and exercise land options per the March 5th ruling.
- We have estimated that Galway Gold constructs a 500 mtpd simple small mill. However, it is possible that it will seek to permit up to a 2,000 or 3,000 mtpd scale in the event that future exploration and/or underground mine productivity exceeds initial targets. *The Red Eagle Mining and Batero Gold bids for CB Gold suggest our prior expectations for Galway Gold are modest or conservative.*
 - We cut our gold price estimates twice in 2015, and spot prices are below our revised estimates. We estimate gold prices for 2017 at \$1,300 per oz escalated by \$25/oz/yr to \$1,500 by 2025 and \$1,750 by 2035 down from \$1,600 escalated by \$50/oz/yr to \$2,000 in 2025 and \$2,500 by 2035. Further, we estimate \$22 down from \$25/oz long-term silver. The stronger U.S. dollar, competing devaluations among developed and collapses of currencies, a 9.2% 2013-2015 gold output gain versus 2012, less jewelry demand and renewed ETF liquidations are setbacks.
 - We have pushed back our timetable for mine startup by one year to mid-2018 from mid-2017 due to the timetables of permitting, arbitration and funding.
 - We have lowered our **NPV estimate to \$0.53 from \$1 per share** and our long-term earnings estimates due to lower gold prices. Because of Galway Gold's small size, we have not taken a 150% premium to NPV as is normal for publicly traded mines. We estimate large cap gold shares anticipate \$1,500 gold.
 - However, we emphasize that this management team sold its 1 mm oz California resource in December 2012 for \$340 mm or \$340/oz plus unquantified development cap ex that may have exceeded \$100 mm.
 - If we estimate Galway Gold mines 750 mtpd at 15.5 g/t gold and 22.5 g/t silver for 50% more years with **greater exploration success and a less conservative top cut** rather than 500 mtpd at 10.4 g/t, it implies **3.375 times more gold** than the November 27, 2013 resources and our "base case" valuation.
 - The arguments in favor of an "alternative scenario" larger than our "base case" from the November 27, 2013 study are (1) Red Eagle Mining and Batero Gold both are competent with good reputations, (2) their takeover battle implies Galway Gold's Vetás gold continues 1 or 3 km on undrilled Galway ground to CB Gold's Vetás deposit drilled to Galway's boundary and (3) SRK Consulting made a 100 g/t top cut for CB Gold's April 2, 2014 resource where Galway Gold's 50 g/t top cut that erased half of its gold mineralization may be too harsh.
 - The estimated NPV rises to \$3.18 per share even at the lower \$1,300 2017 base gold price scenario with a trebled resource modeled at 750 mtpd for 50% longer at a 50% higher grade. We estimate the stock market would command a 50% or more premium to NPV for the larger deposit to estimate a "price target" at \$4.77 per share. In fact, investors may **assign a larger premium to NPV than 50%.**

CB GOLD ATTRACTS TWO CAPABLE BIDDERS

We are surprised and pleased that two very sophisticated bidders compete to take control of CB Gold. Consortio Minera Horizonte S.A. in Peru was founded in 1978 would rank close to the tenth largest gold mining company in the world if it were

public, and its founder and executives are well respected in Latin America. Red Eagle Mining has raised C\$84 mm in 2015, advanced its San Ramon project very quickly and on March 10th obtained the first environmental permits for a new gold mine by an international company in Colombia for several years. AngloGold Ashanti, Eco-Oro (formerly Greystar Resources) and others have had lengthy delays or opposition.

We did not consider CB Gold to be an important company. SRK Consulting estimated 43-101 compliant resources as 412,000 oz Au at 3.4 g/t and 1,090,000 oz Ag at 10 g/t on April 2, 2014. These are 1/3 as rich as Galway Gold's November 27, 2013 resources, which Galway Gold cut in half by topcuts to 50 g/t.

Further, while SRK Consulting did the 43-101 reports both for Galway Gold and CB Gold, it used very different and much more liberal measures for CB Gold. It applied top cuts of 100 g/t for CB Gold different than 50 g/t for Galway Gold for gold. It used minimum cutoff grades of 0.5 g/t for open pit and 1.5 g/t for underground for CB Gold rather than 3.0 g/t for Galway Gold. **These data suggest to us that Galway Gold's data is more than twice as robust or dependable than CB Gold's 43-101 report.** In other words, if Red Eagle Mining or Bateria Gold like CB Gold, they must really love Galway Gold !

The CB Gold Vetaz deposit is a distance away from the Galway Gold mineralization, where CB Gold infers that it is a continuation of the El Volcan mine over a larger distance that has not been drilled. Naturally Galway Gold has not reported gold or silver resources over this larger interval where CB Gold or its two bidders may theorize mineralization, and we had not reflected it in our prior models.

CB Gold promoted its "Stockworks" open pit deposit, which straddles its boundary with Galway Gold. The "Stockworks" deposit may have been about ½ on the CB Gold and ½ on the Galway Gold properties. Galway Gold did not test the "Stockworks" potential on its property owing to steep, difficult topography and to save time and money to focus on its core "El Volcan" or "Vetaz" deposit with higher and more continuous grades.

GALWAY GOLD RESPONSES TO CB GOLD TAKEOVER BATTLE

It is unclear whether or not Galway Gold makes any changes due to the CB Gold takeover battle. We expect Galway Gold's management and board to be very careful and selective in any decisions made.

One alternative may be an investor relations program, where Galway Gold has been silent since its emergence in January 2013 spun out of Galway Resources. Galway chose to be "low key" during the negotiations with landowners, arbitration and now the permitting period. At a minimum Galway might make a visit or phone call to each major shareholder.

Another alternative may be to cease consideration of possible new gold property acquisitions to save a few pennies and keep a clear focus on Vetas, where “the neighbors” seem to think it is much larger than current data supports.

An amalgamation of Galway Gold and Galway Metals, many of whose shareholders are similar, would combine their US \$20 mm or so in cash resources from the \$30 mm at the onset in January 2013.

Some of this cash could be used to buy back Galway Gold shares either by Galway Gold or Galway Metals or the amalgamated successor if they consolidate.

FINANCIAL MODELS BASED ON NOVEMBER 27, 2013 RESOURCES WITH REVISED LOWER GOLD AND SILVER PRICES

We continue to estimate a \$1 per share price target for Galway Gold. Our NPV model has been estimated at a \$300 per oz lower estimated \$1,300 2017 gold price cut from \$1,600 escalated ½ as much by \$25/oz/year and \$22 down from \$25/oz silver. **It calculates a \$0.53 down from \$1.00 per share NPV. Our earnings estimates are one-third less for 2019-2021 at the lower gold prices.**

The “alternative model” at 50% larger mill throughput, 50% longer mine life and 50% higher grades that is 3.375 times larger calculates a \$3.18 per share NPV at the lower prices, a \$4.77 price target at 150% of NPV and the market could apply an even larger premium than 50%. The “alternative model” are our estimates based on Red Eagle Mining and Batero Gold’s geological inferences and the SRK Consulting 100 up from 50 g/t top cut used in the CB Gold April 2, 2014 resource.

Table 0: NPV Analysis for Galway Gold																
Year: US \$	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	
EBITDA	(5)	(7)	12	34	35	36	38	39	40	41	42	43	45	45	32	
Taxes (33.33%)	-	-	2	8	9	9	10	10	11	11	12	12	13	13	10	
Capex	0	30	20	5	5	5	5	5	5	5	5	5	5	5	5	0
FCF	(5)	(37)	(10)	21	22	22	23	23	24	25	25	26	27	27	22	
WACC	10%															
NPV	77															
Plus: current net cash	10.608															
Fair market value	87															
Shares outstg (M)	167															
NPV / Share	\$ 0.53															
Company Value	\$ 87															

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 1: Estimated Vetas Gold Resource

Tonnes (MM)	2.28		
Au Grade (oz/t)	0.30		
Au ounces (MM)	0.68		
Ag Grade (oz/t)	0.50		
Ag ounces (MM)	1.14		
Source: Galway Gold Reports and John Tumazos Advisory and Compensated Research LLC Estimate.			

November 27, 2013 press release

Table 2: Underlying Dynamics for Galway Gold's Vetaz Project

Year	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Tonnes (mm)	0.09	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Gold Grade (0.3 oz/t)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Silver Grade (0.5 oz/t)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Au Recovery Rate %	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Ag Recovery Rate %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Au Production (000 ozs)	24	49	49	49	49	49	49	49	49	49	49	49	49
Ag Production (000 ozs)	34	68	68	68	68	68	68	68	68	68	68	68	68

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 3: Galway Gold Estimated Income Statement (US \$ MM)

Year	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Gold Revenue			-	-	32	67	68	69	70	71	73	74	75
Silver Revenue			-	-	1	2	2	2	2	2	2	2	2
Total Revenue	-	-	-	-	33	68	69	70	72	73	74	75	77
Operating Expenses			-	-	11	22	22	22	22	22	22	22	22
Royalties				-	1	2	2	2	2	2	2	2	2
Depreciation +Amortization			-	-	2	4	4	4	4	4	4	4	4
S,G+A	1	2	3	5	5	5	5	5	5	5	5	5	5
Exploration	1	1	2	2	4	5	5	5	5	5	5	5	5
Interest Expense (Income)	(0)	(0)	(0)	1	3	3	2	1	0	(1)	(1)	(2)	(2)
Other Expense (Income)	0												
TOTAL EXPENSES	2	3	5	8	25	41	40	39	39	38	37	37	36
Pretax Income	(2)	(3)	(5)	(8)	7	27	29	31	33	35	37	39	40
Income Taxes			-	-	2	9	10	10	11	12	12	13	13
Effective Tax Rate			0%	0%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Net Income	(2)	(3)	(5)	(8)	5	18	19	21	22	24	25	26	27
FD Shares Outstg.	167	167	167	167	167	167	167	167	167	167	167	167	167
EPS	(0.01)	(0.02)	(0.03)	(0.05)	0.03	0.11	0.12	0.12	0.13	0.14	0.15	0.16	0.16
Gold Price (\$/oz)		1185	1250	1300	1325	1350	1375	1400	1425	1450	1475	1500	1525
Silver Price (\$/oz)			22	22	22	22	22	22	22	22	22	22	22

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 4: Galway Gold Estimated Sources and Uses

Year	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
SOURCES:													
Net Income	(2)	(3)	(5)	(8)	5	18	19	21	22	24	25	26	27
Depreciation+Amortization	-	-	-	-	2	4	4	4	4	4	4	4	4
Deferred taxes	-	-	-	-	0	1	1	1	1	1	1	1	1
Other noncash items	0												
Equity	-												
Debt	-		-	40	10								
Change in Noncash W.C.	(0)	(0)	1	0	(1)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Asset Sales													
Other, net	0												
Total Sources	(2)	(3)	(4)	32	16	22	24	26	27	29	30	31	32
USES:													
Capital Expenditures	-			30	20	5	5	5	5	5	5	5	5
Investments													
Dividends													
Debt Repayment			-	-		10	10	10	10	10			
Other, net		-											
Change in Cash	(2)	(3)	(4)	2	(4)	7	9	11	12	14	25	26	27
Total Uses	(1.9)	(3)	(4)	32	16	22	24	26	27	29	30	31	32

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 5: Galway Gold Estimated Balance Sheet

Year: US \$	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E
Cash and Equivalents	11	8	4	6	2	8	18	29	41	55	80	106	133
Receivables	-	0	-	-	3	7	7	7	7	7	7	8	8
Prepays	0	0	0	0	0	0	0	0	0	0	0	0	0
Advances to Galway Metals	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	11	9	4	6	5	16	25	36	48	62	87	114	141
Restricted Cash													
P,P,+E	1	1	1	31	49	50	51	51	52	53	54	55	56
Total Assets	12	10	5	37	54	65	76	88	101	115	141	168	197
Accounts Payable	0	0	1	1	3	5	5	5	5	5	5	5	5
Other Liabilities (Def. Taxes)			-	-	0	1	2	3	4	5	7	8	9
Bank Debt	-	-	-	40	50	40	30	20	10	-	-	-	-
Total Liabilities	0	0	1	41	53	46	37	28	19	10	11	13	14
Shareholders Equity	12	9	4	(4)	1	19	39	60	82	105	130	156	183
Payables/Costs	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Receivables/Revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Cash/Share	0.07	0.05	0.02	0.04	0.01	0.05	0.11	0.17	0.25	0.33	0.48	0.63	0.80

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

FINANCIAL MODELS AT 50% HIGHER MILL TONNAGES FOR 50% MORE YEARS AT 15.5 G/T AU AND 22.5 G/T AG GRADES

Because Galway Gold's top cuts to 50 g/t erased nearly half of the gold content in the November 27, 2013 resources and because of the Batero Gold and Red Eagle Mining bids for neighbor CB Gold that imply an expectation that mineralization extends at least 1 km further for perhaps up to five times the volume estimated by Galway Gold on November 27, 2013, we have prepared "alternative financial models" for Galway Gold.

These provide upsides to 750 not 500 mtpd mill throughput, a 50% longer mine life and a 50% higher gold and silver grade than suggested by the November 27, 2013 Galway Gold maiden resource report and our prior March 8th and September 23rd research reports. These tonnage and grade upsides offset a part of the value destruction due to lower gold and silver prices.

Table 11: NPV Analysis for Galway Gold													
Year: US \$	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2030E	2035E	2037E
EBITDA	(5)	(7)	55	121	124	127	130	133	136	139	132	146	31
Taxes (33.33%)	-	-	15	34	36	37	39	40	42	43	44	52	20
Capex	0	30	20	5	5	5	5	5	5	5	5	5	5
FCF	(5)	(37)	20	82	83	85	86	88	89	91	82	90	6
WACC	10%												
NPV	519												
Plus: current net cash	10,608												
Fair market value	529												
Shares outstg (M)	167												
NPV / Share	\$3.18												
Company Value	\$ 529												

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 7: Underlying Dynamics for Galway Gold's Vetaz Project													
Year	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2030E	2035E	2036E	2037E	
Tonnes (mm)	0.14	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.07	
Gold Grade (15.5 g/t)	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	
Silver Grade (22.5 g/t)	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	
Au Recovery Rate %	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	
Ag Recovery Rate %	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Au Production (000 ozs)	61	123	123	123	123	123	123	123	123	123	123	31	
Ag Production (000 ozs)	74	149	149	149	149	149	149	149	149	149	149	37	

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 8: Galway Gold Estimated Income Statement (US \$ MM)															
Year	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2030E	2035E	2037E
Gold Revenue			-	-	81	166	169	172	175	178	181	184	200	215	55
Silver Revenue			-	-	2	3	3	3	3	3	3	3	3	3	1
Total Revenue	-	-	-	-	83	169	172	175	178	181	184	187	203	218	56
Operating Expenses			-	-	16	33	33	33	33	33	33	33	55	55	14
Royalties				-	3	5	6	6	6	6	6	6	6	7	2
Depreciation +Amortization			-	-	2	4	4	4	4	4	4	4	4	4	1
S,G+A	1	2	3	5	5	5	5	5	5	5	5	5	5	5	5
Exploration	1	1	2	2	4	5	5	5	5	5	5	5	5	5	5
Interest Expense (Income)	(0)	(0)	(0)	1	3	2	0	(2)	(4)	(6)	(8)	(10)	(21)	(32)	(37)
Other Expense (Income)	0														
TOTAL EXPENSES	2	3	5	8	32	54	52	50	48	46	44	42	54	44	(10)
Pretax Income	(2)	(3)	(5)	(8)	51	115	120	125	130	135	140	145	149	175	66
Income Taxes			-	-	17	38	40	41	43	45	46	48	49	58	22
Effective Tax Rate			0%	0%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Net Income	(2)	(3)	(5)	(8)	34	77	80	84	87	91	94	97	100	117	44
FD Shares Outstg.	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
EPS	(0.01)	(0.02)	(0.03)	(0.05)	0.20	0.46	0.48	0.50	0.52	0.54	0.56	0.58	0.60	0.70	0.27
Gold Price (\$/oz)		1185	1250	1300	1325	1350	1375	1400	1425	1450	1475	1500	1625	1750	1800
Silver Price (\$/oz)			22	22	22	22	22	22	22	22	22	22	22	22	22

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 9: Galway Gold Estimated Sources and Uses

Year	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2030E	2035E	2037E
SOURCES:															
Net Income	(2)	(3)	(5)	(8)	34	77	80	84	87	91	94	97	100	117	44
Depreciation+Amortization	-	-	-	-	2	4	4	4	4	4	4	4	4	4	1
Deferred taxes	-	-	-	-	2	4	4	4	4	4	5	5	5	6	2
Other noncash items	0														
Equity	-														
Debt	-		-	40	10										
Change in Noncash W.C.	(0)	(0)	1	0	(6)	(6)	(0)	(0)	(0)	(0)	(0)	(0)	3	(1)	9
Asset Sales															
Other, net	0														
Total Sources	(2)	(3)	(4)	32	42	78	88	91	95	98	102	105	111	125	57
USES:															
Capital Expenditures	-			30	20	5	5	5	5	5	5	5	5	5	5
Investments															
Dividends															
Debt Repayment			-	-		10	10	10	10	10					
Other, net		-													
Change in Cash	(2)	(3)	(4)	2	22	63	73	76	80	83	97	100	106	120	52
Total Uses	(1.9)	(3)	(4)	32	42	78	88	91	95	98	102	105	111	125	57

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 10: Galway Gold Estimated Balance Sheet

Year: US \$	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2030E	2035E	2037E
Cash and Equivalents	11	8	4	6	28	91	164	240	320	403	500	600	1,142	1,707	1,883
Receivables	-	0	-	-	8	17	17	18	18	18	18	19	20	22	6
Prepays	0	0	0	0	0	0	0	0	0	0	0	0	0	3	5
Advances to Galway Metals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	11	9	4	6	36	108	181	258	338	421	518	619	1,163	1,733	1,894
Restricted Cash															
P,P,+E	1	1	1	31	49	51	52	53	55	56	58	59	67	74	79
Total Assets	12	10	5	37	85	159	233	311	393	478	576	678	1,229	1,806	1,973
Accounts Payable	0	0	1	1	4	6	6	6	6	6	6	6	10	10	4
Other Liabilities (Def. Taxes)			-	-	2	5	9	14	18	22	27	32	57	85	93
Bank Debt	-	-	-	40	50	40	30	20	10	-	-	-	-	-	-
Total Liabilities	0	0	1	41	55	52	46	40	34	29	33	38	67	94	96
Shareholders Equity	12	9	4	(4)	30	107	187	271	358	449	543	640	1,162	1,712	1,877
Payables/Costs	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Receivables/Revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Cash/Share	0.07	0.05	0.02	0.04	0.17	0.55	0.98	1.44	1.92	2.42	3.00	3.60	6.86	10.25	11.31

Sources: Galway Gold Financial Statements and John Tumazos Advisory and Compensated Research LLC. Estimates

VETAS OPTION AGREEMENT SUPPORTED IN ARBITRATION

Galway Gold can acquire the mining rights for the Reina de Oro License, called “Vetas,” for 1.5% of the 30-day average spot gold and silver prices times the Measured and Indicated Resources, which were estimated at November 27, 2013 at 224,900 oz gold and 317,100 oz silver.

The separate additional inferred resources were 377,000 oz gold and 563,000 oz silver. The total are contained in 1.78 mmt grading 10.4 g/t gold and 15 g/t silver. We estimate Galway Gold may resume exploration drilling after 2017 after it obtains permits, if it has

not sold out, and that it is possible that the Vetás inferred resources grow over the course of a decade at least to 4 to 6 mmt or at least 2 mm oz gold and 3 mm oz silver. The ounces could be larger if Galway Gold's 50 g/t top cut were relaxed to CB Gold's 100 g/t top cut.

ENVIRONMENTAL PERMITTING

The Reino de Oro or "Vetas" mines have operated most of the time since 1590. The town Vetás grew up nearby near a 3,400 meter elevation. It is a mining town, and is not a "wilderness."

We anticipate a full environmental review as required by law. We do not anticipate environmental obstacles as long as the scale of operations are under 1,000 mtpd. It is possible that Galway Gold permits a scale as large as 2,000 or 3,000 mtpd, or it may permit a smaller scale and return later for an amendment if it defines more tonnages.

We anticipate that a modern mill, not using mercury, will improve public health and the environment. Artisanal miners in Vetás and California nearby may suffer mercury poisoning or cause water, air and land contamination. Historically Colombia has been very supportive of small scale mines, and very difficult to permit bulk tonnage open pit mines of more than 10,000 mtpd.

Separately, it is possible that no mill or tailings occur, and that Mubadala acquires Galway Gold to ship the ores to a mill 8 km away near California serving both the California mines extracting the former Ventana Gold and Galway Resources ores.

SYNERGIES BETWEEN GALWAY GOLD'S "VETAS" AND MUBADALA'S "CALIFORNIA" MINES

Galway Gold's Vetás assets are much higher grade at 10.4 g/t than the Ventana Gold 3.9 g/t grade. Further, Galway Gold's top cuts erased over half of the gold, and Galway Gold calculated its resources with a very conservative minimum mining width dilution. Second, Vetás has only gold and silver with no base metals. It is metallurgically cleaner, where Ventana's 0.14% copper content is a greater metallurgical hazard or cost than its revenue value.

Thus, the Vetás tonnes should be three or more times more profitable than the Mubadala ore tonnages at California. Its ores may be a "sweetener" of very high grade, metallurgically clean ores that improve the operation of the mill Mubadala may construct at California. And it saves perhaps \$25 to \$50 mm if Galway Gold does not build a mill as we have estimated.

Galway Gold's management believes that the Vetás deposit may prove more valuable than the mineral property it sold to Batista's AUX Canada in December 2012 for \$340 mm. However, the December 2012 sale was optimally timed several months before gold

prices and asset values plunged, and Galway Resources held certain “slivers” of claims and ground controlling access to the former Ventana Gold deposits.

Mubadala may seek to consolidate or acquire nearby properties such as Galway Gold, CB Gold, Eco-Oro or others. Batista creditors hold a 17% block of Galway Gold previously held personally by Batista. Presumably Mubadala holds most or all of those shares.

MUBADALA DEVELOPMENT CORPORATION BETTER CAPITALIZED THAN BATISTA, AND CULTURALLY DISPOSED TOWARDS GOLD

Mubadala had roughly U.S. \$5 billion in cash as disclosed at June 30, 2014. It is unlevered, and had roughly \$1 billion in cash flows in the 2014 first-half. It is flush, and has enough money to buy out Galway Gold at Vetis if it wishes.

Mubadala, or the UAE, probably takes both a regional and global view of its business outlook and risks. It may worry about Iranian nuclear ambitions, Shia-Sunni regional conflict, the Islamic State or the overthrow of neighbors such as Yemen, Egypt, Libya, Syria or Iraq. We would expect its Kingdom to be bullish on gold.

Batista’s default on Mubadala’s loan was a windfall to Mubadala and a setback to Batista. We estimate that even in the recent bad gold market, Batista’s Colombian gold assets may have commanded at least U.S. \$200 mm in an IPO from Canada. Ventana Gold had reported an inferred mineral resource of 3.5 mm oz of gold, 19.2 mm oz of silver and 85 mm lbs of copper. Galway Resources had reported 1 mm oz of gold at California before it sold out to Batista. We believe that 2011 to 2013 work by Batista’s AUX Canada further increased the resources.

Batista paid roughly US \$1.35 billion for Ventana Gold in December 2010, US \$340 mm for Galway Resources in December 2012, under \$100 mm for Calvista in December 2012 and invested about \$10 mm per month in 2011 and 2012 into the gold assets for drilling, resource estimation, metallurgy, engineering, feasibility studies, planning, etc. Thus, Mubadala took control of a roughly \$2 billion investment “for free” due to Batista’s loan default. Batista may be directing liquid assets to his legal defense and Brazilian prosecutors have seized many of Batista’s assets.

MUBADALA DEVELOPMENT CORPORATION

We have studied Dubai Aluminum (DUBAL), which began operations in October 1979, for a generation as it is one of the lowest cost and most modern aluminum enterprises worldwide. In 2010 the sister plant EMAL started up, and EMAL doubled in 2014 to 1.3 mmt with a 3,100 MW associated natural gas power station. In 2014 DUBAL and EMAL merged to form the 2.4 mmt Emirates Global Aluminum, a 50%-50% JV of Mubadala Development Company of Abu Dhabi and the Investment Corporation of Dubai. Separately, Emirates Global Aluminum also owns Guinea Alumina corporation, a project to develop an alumina refinery and supporting bauxite mine. Emirates Global Aluminum

is the #5 aluminum company in the world after Chinalco, Alcoa, Rusal and Rio Tinto Alcan.

We noticed over the years that the senior officers of DUBAL, the senior officials of Dubai, the generals of the armed forces and the al-Khalifa family were one and the same. We chuckled as some of DUBAL's founders had such long official titles that they required a lengthy paragraph to describe.

The 2012 annual report of Mubadala has an impressive photo of His Highness General Sheikh Mohamed bin Zayed Al Nahyan, the Crown Prince of Abu Dhabi, Deputy Supreme Commander of the Armed Forces of the UAE, and Chairman of Mubadala Development Company.

Mubadala operates under the guidance of His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE and Ruler of Abu Dhabi. It seeks the development and diversification of the local economy. Its CEO and Managing Director is Khaldoon Khalifa Al Mubarak. Mubadala is active in at least 20 nations in 13 different industrial sectors. It values its portfolio at more than US \$60 billion. See www.mubadala.com and www.mubadala.com/en/investors/mubadala-annual-report-2012.

Mubadala Development Company reported 2014 half year equity of 156.6 billion Arab Emirate Dirham and total assets of 223.3 billion AED. It reported six months cash flows from operating activities of 3.5 billion AED, net profits of 1.38 billion AED, and held cash of 18.5 billion AED. Each AED is pegged 3.67250 AED = \$1.

VETAS RESOURCES OF GALWAY GOLD

Its November 27, 2013 maiden 43-101 resource quantified 224,900 oz of gold and 317,100 oz of silver measured and indicated resources and 377,000 oz of gold and 563,000 oz of silver inferred resources grading 10.4 g/t Au and 15 g/t Ag, respectively.

We lowered our price target to US \$1 from US \$2 per Galway Gold share and cut EPS estimates by ½ because the November 27th gold grade was 1/3 less than we had expected, the silver grade ½ as much, the tons a bit less and we pushed back the timetable 18 months due to the arbitration. The November 27th 43-101 estimated operating costs at US \$120 or lower than the \$200/t we had estimated. *In view of SRK Consulting applying a 100 g/t top cut in the April 2, 2014 resource published by CB Gold, it is possible that our price target reduction after the November 27, 2013 Galway 43-101 report was too harsh following the conservatism in the November 27, 2013 study.*

USE OF CASH TO DRILL, BUILD A MILL AT VETAS OR ACQUIRE NEW PROPERTIES

Galway Gold's priorities depend in part on the outcome of the ongoing environmental permits and gold prices now that the arbitration has been settled. It may choose to resume spending in Santander province of Colombia near Vetás with a successful

arbitration resolution. It may seek other opportunities until the environmental permit in case the permit outcome is unsatisfactory.

Galway Gold has not drilled enough to quantify or define the gold mineralization of the “Stockworks” discovery neighbor CB Gold announced several years ago on its adjoining property. Galway Gold believes up to one-half of that lies on its own land. CB Gold’s market value has fallen to \$6.0 mm on March 6th from \$12.6 mm in September 2014, suggesting the value of that target fell over 97%.

More drilling and definition could be done, especially to depth, on the Vetás property at the El Volcan mine. The Phase 1 program was 91 holes over 46 km. It took 3,769 chip and channel samples from 7,345 m of existing underground drifts. Galway Gold may prepare a second resource statement, or move directly to a Preliminary Economic Assessment. The 664,900 t of measured and indicated resources equate to 3.7 years of output for a 500 mtpd mill, while the 1,146,000 t inferred of inferred resources represent almost 7 years of additional feed. A definitive feasibility study would require the inferred resources to be upgraded to measured or indicated resources.

It is possible that a 500 mtpd mill could be built for as little as U.S. \$25 mm, where the mine workings already exist and infrastructure needs to support a small mill may not be very expensive. A town surrounds the artisanal mine, offering ready access to skilled labor and other resources. It is unlikely that Galway Gold ever would develop a particularly large project there for environmental and social reasons.

Galway Gold has extensive human resources in Colombia, where its entire staff are Colombians. Its Board of Directors and management have extensive experience in Canada and the U.S. We believe Galway Gold would seek a new property in North America if it is not satisfied with the arbitration results.

However, it is possible that Galway Gold will acquire a new property, even if Galway Gold wins the arbitration, because great terms are available in the current bear gold market or because another property appears bigger than the Vetás vein systems. It is possible that Galway Gold, either alone or in combination with Galway Metals, evaluates and compares two or more gold properties in Colombia, the U.S. or Canada.

NOVEMBER 27, 2013 RESOURCE STATEMENT

Its November 27, 2013 maiden 43-101 resource quantified 224,900 oz of gold and 317,100 oz of silver measured and indicated resources and 377,000 oz of gold and 563,000 oz of silver inferred resources grading 10.4 g/t Au and 15 g/t Ag, respectively. Several important assumptions were made in the calculations:

- Gold assays were capped at 50 g/t, which erased perhaps half of the gold content.
- A gold price of US \$1,500 and C\$=US \$0.95 were assumed.
- A 3 g/t economic cutoff grade was used.

- The measured area of influence was 12.5 m, indicated 25 m and inferred 50 m. In view of the vein thicknesses often near 1 m, top cuts or faulting, an acquirer may prefer further delineation drilling of the inferred resources.
- A 1.52 m or roughly 5 foot minimum mining width was used. This may be conservative, as skillful artisanal miners may operate with as little as a one meter minimum width.
- Costs were estimated at \$20/t for G&A, \$25/t for milling and \$75/t for underground mining.
- Roscoe Postle Associates calculated the resource using the Polygonal method using 13 wireframes for 8 vein zones in an un-mined area below the bottom level of the El Volcan mine in “old-fashioned conservative” geology. We estimate a two to four times larger contained gold resource would have been prepared using the multi-indicator krieging with no top cuts and larger areas of influence applied by Snowden Associates to estimate Pretium Resources 43-101 values.

FINANCIAL MODELS AND 10% DISCOUNT RATE

Some uncertainty exists as to the competence or honesty of a Colombian arbitration process, whether Galway Gold will continue to develop the Vetás property or whether Galway Gold will obtain new gold or silver properties.

We assign an 80% likelihood to an acceptable outcome from the arbitration, as the Galway Gold agreements are very clear and the formula quite simple. We believe the 10% discount rate we used previously already was harsh, as we typically use 7.5% or 8% for a similar rich deposit near one-third oz of gold per ton. We concluded we will continue to use our financial models despite uncertainties concerning Colombian arbitration, whether Galway will find another property or Galway acquires a new asset.

GALWAY GOLD UNDERLYING DYNAMICS

We have estimated tonnes, grade, ounces, recovery rates and production, for Galway Gold’s Vetás Project. Our basis was the November 27, 2013 NI 43-101 compliant resource for Vetás. The Vetás project still requires more NI 43-101 resource delineation, a Preliminary Economic Assessment, Prefeasibility Study, Feasibility Study, financing, engineering, and construction.

The following quote from CEO Robert Hinchcliffe from Galway’s October 9, 2012 press release highlights the strong results that Galway Resources had been achieving at Vetás. “For Vetás, the initial goal was to drill off an area of 500 m along strike by 500 m depth below the mine workings. Using an average horizontal mining width of 1.5 m, a grade of 15 g/t, and with a 25% success ratio over the mines’ 8 veins would give 1,000,000 ounces. **The actual average horizontal mining width has been exceeded, the success ratio has been exceeded, the depth has been exceeded, and the number of veins present is greater than the 8 originally thought to exist,”** cites Robert Hinchcliffe, **President and CEO of Galway Resources.** These strong results, along with the roughly 423 years the historic mining of the El Volcan mine are what has pushed our “base case”

gold resource to 1.5 MM ozs, from the 1 MM ozs Galway Resources presents as their goal.

We estimate a mill throughput of 500 tpd, gold recovery rate of 90%, and silver recovery rate of 75%. We had previously estimated that Vetás ore would be shipped to AUX Canada's mill for processing, but now estimate that GAYGF spends \$50 million to build their own mine, mill and tailing. We estimate a full year of first production in 2018 and 12½ full years of production through 2031, with a final year in 2029. Because the El Volcan mine has operated for hundreds of years, it is possible the Galway maiden resource was a first step.

Six initial metallurgical tests showed 1/3 to 2/3 of the Vetás gold separated with gravity as "free gold." This is highly promising, and suggests it may be cheaper to process than the Mascota and Bodega properties of the former Ventana or California property of the former Galway Resources.

VETAS UNDERGROUND DRILL HOLES GEOSTATISTICS

Table 6: Galway Gold's Vetás Underground Drill Results

Number of Drill Holes	Number of Assays	Avg. Gold Grade (g/t)	Avg. Silver Grade (g/t)	Avg. True Width
59	437	18.54	35.87	1.07
Average. Au Grade- Thickness (g/t)*m	Gold Std. Deviation	Gold Coef of Variation	Silver Std. Deviation	Silver Coef. of Variation
17.86	81.78	4.41	107.07	2.98

Note: 2 g/t Au lower cutoff grade was used for underground assays

Note: These Geo-statistics are calculated on Uncapped Assays

Source: Galway Gold Assay Results and John Tumazos Advisory and Compensated Research LLC. Estimates

The Vetás underground assays we analyze are from 59 drill holes, containing 437 assays. We estimate an uncapped gold grade of 18.54 g/t gold, an uncapped silver grade of 35.87 g/t, average Au grade thickness of 17.86, a gold coefficient of variation (CV) of 4.41, and a silver coefficient of variation of 2.98.

There are currently 13 underground Vetás assays with a gold grade greater than 100 g/t. In descending order these assays grade 1,082.64 g/t, 1,034.62 g/t, 679.63 g/t, 283.58 g/t, 203.36 g/t, 174.42 g/t, 157.36 g/t, 143.73 g/t, 138 g/t, 127.83 g/t, 106.82 g/t, 105.95 g/t, and 104.35 g/t. If we use a 100 g/t top cut on these 13 assays the mean gold grade decreases by 37.57% to 11.58 from 18.54.

Table 7: Vetas Underground Drill Results Grade Thickness Analysis

Range	# Assays	% of Total
0-25 (g/t)*m	381	86.99%
25-50 (g/t)*m	20	4.57%
50-75 (g/t)*m	12	2.74%
75-100 (g/t)*m	10	2.28%
100-125 (g/t)*m	5	1.14%
125-150 (g/t)*m	4	0.91%
150-175 (g/t)*m	1	0.23%
over 175 (g/t)*m	5	1.14%

Source: Galway Gold Assay Tables and John Tumazos
Advisory and Compensated Research LLC. Estimates

Table 8: Vetas Underground Assays at Various Economic Cutoffs

Economic Cutoff (g/t)	# Observations or Assays	Mean Uncut Au Grade (g/t)	Mean Au grade w/ 100 g/t cap	Standard Deviation	Coef. Of Variation	Avg. Intercept Thickness (m)
2	437	18.54	11.58	81.78	4.41	1.07
2.5	375	21.24	13.13	88.00	4.14	1.12
3	330	23.77	14.55	93.54	3.94	1.17
3.5	291	26.52	16.06	99.31	3.75	1.21
4	259	29.33	17.59	104.95	3.58	1.26
4.5	224	33.26	19.68	112.37	3.38	1.30
5	201	36.52	21.39	118.22	3.24	1.33

Note: 2 g/t Au lower cutoff grade was used for underground assays

Note: Standard Deviation and Coefficient Variation are calculated using uncapped assays

Source: Galway Gold Assay Results and John Tumazos

Advisory and Compensated Research LLC. Estimates

VETAS SURFACE DRILL HOLE GEOSTATISTICS

Table 9: Vetas Surface Drilling Results and Geostatistics

Number of Drill Holes	Number of Assays	Avg. Gold Grade (g/t)	Avg. Silver Grade (g/t)	Avg. Interval Width
16	117	2.58	9.67	1.77
Avg. Grade Thickness (g/t)*m	Gold Std. Deviation	Gold Coef. of Variation	Silver Std. Deviation	Silver Coef. of Variation
4.65	5.83	2.26	53.19	5.50

Note: 0.5 g/t Au lower cutoff grade was used for surface drill holes

Source: Galway Gold Assay Results and John Tumazos

Advisory and Compensated Research LLC. Estimates

The surface drilling results consist of 117 assays from 16 drill holes. We estimate an uncut silver grade of 9.67 g/t, an uncut gold grade of 2.58 g/t, an average interval width

of 1.77 meters, an average gold grade thickness of 4.65 (g/t)*m, and a gold coefficient of variation of 2.26.

INVESTMENT RATIONALE AND PRICE TARGET

We maintain our Overweight investment rating on Galway Gold, and our \$1 price target. We use a free cash flow valuation model for Galway Gold, at a 10% discount rate. We also include the company's 12 mm in cash balances to in the valuation. We have increased our fully diluted shares base to 177 mm, after the assumed exercise of 10 million of options by the time production may start in 2017.

An alternative approach is to value Galway Gold as a "perpetuity" as \$0.12 EPS divided by "r," the 10% discount rate, which calculates a \$2 price target. After all, **the Vetás mine has operated for most of 425 years since 1590 in small tonnages per day and small gold outputs.** The next longest continuously running mine we know was the 125 year campaign of the former "Homestake" mine in Lead, SD from 1876 to 2001, whose outputs were large approaching 30 to 40 mm oz.

DIFFERENCES BETWEEN A "PRICE TARGET" IN A RESEARCH REPORT AND A "FAIRNESS OPINION" RENDERED TO A BOARD OF DIRECTORS

Our price target in Table 1 may be different than a "Fairness Opinion" rendered to a board of directors by a large investment banking firm. First, our "price target" is estimated from public information, while a transaction will likely involve an up-to-the-minute data. Second, the law firm in such a transaction may "read the riot act" to the independent directors that they may be sued if they decline a premium offer and the stock price later falls to force closure. Third, the primary investment banker will send out a brochure or perhaps a fully documented offering memorandum in search of a higher offer. The independent directors may conclude or be advised hurriedly that an offer is "fair" if the primary banker obtains no other bids or fails to have another bidder even sign a confidentiality agreement. Potential bidders may be overwhelmed by their own existing projects, opportunities, vendor non-performance or internal staff shortfalls. Investors should be cognizant of many flaws in corporate governance, advisors or timetables. Once a legal offer has been made, the CEO and board of directors have a fixed timetable to respond. The management may be consumed by shareholder, analyst, press, roadshow, in house employee communications and other time demands. A small company's legal or financial advisors may be distracted by larger transactions. Such processes are inherently less than perfect.

BUSINESS RISKS

Galway Gold is subject to the same commodities "macro" dynamics as other mining companies involving fluctuations in gold and silver prices. Fluctuations in currencies, interest rates, prospective capital costs, prospective operating costs and the global economy impact Galway Gold as well.

Environmental issues appear more sensitive in Colombia than in the U.S. Opponents to AngloGold's La Colosa and Eco Oro's open pit Angostura project delayed both of those > 10 mm oz projects. Spanish-language national publications claimed that Eco Oro's (formerly known as Greystar Resources) Angostura would poison 4 mm people with arsenic and cyanide, which no national official clarified or corrected.

We have estimate that Galway Gold issues \$50 million of debt in 2015-17 to finance the \$50 million of upfront CAPEX to build the Vetaz project, pay the 1.5% gold resource value for a full 100% interest in the project, and fund operating costs such as exploration and S,G+A. We estimate that Galway Gold is able to secure this financing at a 6% interest rate. There are risks to both the availability of this financing and the interest rate we estimate. There is also dilution risk if Galway Gold is forced to tap the equity markets. Galway Gold announced on June 4, 2013 that they issued 7 million stock options, exercisable at C\$0.20 each. Additional stock options could be issued, causing more dilution.

DISCLOSURES

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June **by a mining or other publicly traded company simply to write a "paid" research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any "compensation" or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as "John Tumazos Very Independent Research, LLC" if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

Paramount Gold and Silver, Galway Resources and Texas Rare Earth Resources have published favorable results from mineral properties, and their shares appreciated significantly after we received compensation. The purpose of JTACR is to remedy a "regulatory blackout," where we cannot publish research as "independent" under JTVIR after accepting compensation. The creation of JTACR remedies such a "regulatory gag," while openly communicating that we were compensated. It is possible that some institutional investors may consider it to be a "feather in the cap" of a small company that it engaged us to advise them in a transaction owing to our experience.

After receiving compensation from Paramount Gold and Silver in June 2010 for a fairness opinion in its acquisition of X-Cal Resources or Galway Resources, Tara Gold Resources, Appia Energy, Focus Gold, Texas Rare Earth Resources in 2010 or

potentially other companies in the future, John Tumazos Very Independent Research, LLC (JTVIR) refrains from publishing research reports on such companies.

We define “compensation” as any consideration that creates direct pretax income for any of our businesses, research or advisory or any of our employees personally. However, we do permit companies to defray expenses, and large companies’ policies vary. Rio Tinto or Teck have invoiced us for charter aircraft. In contrast, we have accepted free air travel to mine sites from Vale within Brazil, Canada or Mozambique, from Agnico-Eagle to Finland, Chihuahua or Nunavut, Stonegate Agricom to Idaho, Fortescue Metals to its mines, HudBay Mineral to Manitoba, Peru or Michigan, Goldcorp, Brigus and VG Gold each to Timmons, Augen Gold to Swayze, Paramount Gold and Silver to Chihuahua, Goldcorp to Zacatecas, and many others. We do not define as “compensation” if Barrick Gold, or some other company picks up a group client lunch tab or buys us lunch alone. We do not define as “compensation” if a company charters an airplane to facilitate a research visit to a mine location without convenient commercial air service. We routinely invoice companies participating in our investor conferences \$1,000 to \$2,000 each to cover their pro rata expenses of the conference on a “Dutch Treat” basis, where we send each company a full expense accounting of our conferences as well.

The nature of the advisory services we have provided for compensation include (1) fairness opinions to the boards of directors of Paramount Gold and Silver, Tara Gold Resources, Tara Minerals Corp., and Augen Gold, (2) introductions to capital raising for Texas Rare Earth Resources and Appia Energy and (3) advisory on joint venture, strategy or capital raising for Galway Resources Victorio tungsten-molybdenum property.

As of September 30, 2011, Paramount Gold and Silver, Galway Resources, Tara Gold, Appia Energy and Focus Gold are eligible for JTACR research reports as having been “advised” and we have been “compensated.” However, Texas Rare Earth Resources, Galway Resources and Quaterra Resources are the subject of current engagements, which may restrict our ability to write on them as regulators may presume we possess none-public information. In the past we have advised Duluth Metals, the Dorado Ocean Resources former subsidiary of Odyssey Marine Exploration and a private forest products company FXX, LLC without success and without receiving compensation.

We will distribute JTACR reports to JTVIR paid subscribers free and to the particular mining companies we write about.

We will monitor the financial returns of JTACR investment recommendations over time, and compare them to JTVIR returns. We expect that JTACR recommendations will provide much more volatile returns than the larger, more established companies JTVIR covers as large as BHP Billiton, Vale or Rio Tinto. Under previous employment at Donaldson, Lufkin & Jenrette, John Tumazos participated in the sole managed IPOs of Huntco in 1993 and Reliance Steel & Aluminum in September 1994 at \$3.225. Huntco subsequently went bankrupt after speculating on inventory and operating at low utilization rates. Reliance Steel & Aluminum, however, appreciated 22-fold to \$72 as of

September 22, 2014. It is inevitable that some companies will make better decisions than others.

CERTIFICATION OF OUR RESEARCH OPINIONS

I, John Tumazos, certify that the opinions written in all research reports are my own. I believe what we write, and from time to time I may buy or sell the shares we recommend after a 48 hour delay after publishing our reports following the advice we give. Further, I personally proofread and “click the pdf button” on virtually every report we publish except sometimes when I am abroad.

Our team or employees is encouraged to disagree with me at any time. We have active and vigorous internal debates concerning appropriate discount rates or long-term terminal growth rates to use in net present value valuations or other analytical issues. My team realizes that customers want to pay for my 30+ years of experience, but I encourage them to disagree, correct or provoke debate to improve our work.

DEFINITION OF A RESEARCH OPINION

We have target prices, investment ratings, earnings estimates and financial models for 47 companies upon which we maintain regular research coverage.

The legal or regulatory definition of research, however, is more broad. Regulators consider any written or editorial commentary about a stock or publicly traded company to be “research.” However, a “recommendation” or “opinion” is not rendered unless there is a price target and specific buy or sell recommendation.

From time-to-time we visit very large, important global companies outside our research coverage. Our objective may be to be well informed about industry events, predict future mine output or “supply” in a particular market or to begin to learn about a complex company to begin future full research. We may need to learn and become familiar to provide inputs to our financial models. In May 2008 we published a partial report on Xstrata after visiting two of its mines in South America. In November 2008 we published a partial report summarizing our visits to the London headquarters of Xstrata and Anglo-American outside our coverage as well as Rio Tinto and Antofagasta PLC within our full coverage. In August 2009 we published two research reports on Severstal after visiting its Columbus, MS newest steel plant a second time. These “partial” reports contained no price target, investment rating, earnings estimates or financial models. Instead, they provided detailed descriptions of the important locations we visited or meetings in headquarters.

We provide research about commodities markets in general, “seminar highlights” on up to another 75 or more companies we host annually at our conferences outside our regular full research coverage and “partial reports.” We have no price target, written investment opinion, earnings estimates or financial models (production, incomes statement, cash flow or balance sheet simulations) of such companies outside our coverage that speak at

our March or November conferences. Any viewpoint we have without complete financial models or careful financial analysis is “winging it.”

Our intent in writing Seminar Highlights is to provide a one page written summary of each seminar participant company’s presentation. We provide live open, public, unrestricted webcasts of each such corporate presentation at our conferences as a courtesy to each participating company, and archive each webcast under the “conferences” tab of www.veryindependentresearch.com.

Our clients should not automatically consider our invitation of a company to speak at our future conferences as a “Buy Recommendation” or complete endorsement. We may not have visited the mines or assets of some of these companies. Occasionally we invite a company to speak to learn more about them as a stage in our learning process.

ORGANIZATION OF JTVIR

John Tumazos Very Independent Research, LLC (JTVIR) is organized as an investment advisor in the State of New Jersey and regulated by the NJ Bureau of Securities. We publish about 20 research reports each month covering about 40 to 50 stocks in the metals commodities markets, forest products, aluminum, steel, gold, copper and other mining sectors. We travel abroad or domestically typically each month visiting companies. We host Conferences each year in which companies make presentations, which are archived for roughly one year at www.veryindependentresearch.com under the “conferences” tab.

Currently we have over 30 paid clients in the U.S., Canada, Switzerland and U.K. Three of our clients have engaged us to write “custom studies” on pre-production mining stocks without any U.S. or global research coverage, including Skye Resources (an 11 bil lb nickel resource in Guatemala), Mercator Minerals (a copper-moly restart in Arizona) and JSW Steel’s 70%-owned Minera Santa Fe (48 sq km undrilled magnetic anomaly and associated iron ore properties in 3rd Region of Chile).

JTVIR DISCLOSURES

“John Tumazos Very Independent Research, LLC” (JTVIR) is a Delaware Corporation formed July 6, 2007 with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide “unbundled” metals, paper and fertilizer industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the

intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than “day trading” sorts of near-term issues.

Except for Norbord, Plum Creek Timber, Pan American Silver, FCX, Cliffs Natural Resources, Platinum Group Metals, SilverWillow Energy, VMS Ventures, Advanced Exploration Inc., Vale, Anglo American, Allegheny Technologies, Tahoe Resources, Anglo Aluminum, Stonegate Agricom, Detour Gold, Silvercrest Mines, St. Andrews Goldfields, Torex Gold, Premier Gold, Virginia Mines, Paramount Gold and Silver, Entrée Gold, Claude Resources, Kirkland Lake Gold, Magellan Minerals, Argonaut Resources, Northern Superior, Connacher Oil and Gas, Duluth Metals, URU Metals, Appia Energy, Texas Rare Earth Resources Corp., Galway Gold, Galway Metals, Eco Oro (Greystar Resources), Pilot Gold, TriMetals A and B, Renaissance Gold, and Atna Resources, neither JTVIR, its members or its employees own or have a financial interest in any securities discussed in this report or any reports we have published recently. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to “put his or her money where his mouth is” to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

However, our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations. Our policy is full disclosure of any advisory relationship or conflict going back three years.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d’Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and Grupo Imsa and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thypin Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel,

the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Some examples we can recall of incomplete transactions for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA as of June 2007: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport-McMoRan Copper & Gold, and FNX Mining. Dynatec, Alcan and Bowater are companies not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to takeovers. Smurfit-Stone Container and AbitibiBowater were dropped from JTVIR research coverage after they entered bankruptcy. Skye Resources and FNX Mining, QuadraFNX Mining were dropped after full coverage initiation due to takeover.

Subsequently, since September 2007 JTVIR, LLC has initiated regular coverage of new companies not previously covered in the former universe at the former Prudential Equities Group. These new companies include CF Industries, Mosaic, Franco-Nevada, Silver Wheaton, Royal Gold, Teck, Agnico-Eagle Mines, Mercator Minerals, Skye Resources, General Moly, Inc., Thompson Creek Metals, Duluth Metals, Polymet Mining, Greystar Resources, Vale, GlencoreXstrata, Anglo American, Packaging Corp. of America, Norbord, Rock Tenn, HudBay Minerals, Alumina Ltd., Fortescue Metals, and Century Aluminum.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of “Overweight,” “Neutral Weight,” and “Underweight” most closely correspond with the more traditional ratings of “Buy,” “Hold,” and “Sell,” respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor’s decision to buy or sell a security should always take into account, among other things, that the investor’s particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to “balance” the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a “bottoms up” manner based on the assets of each individual company.

Price Target – Methods/Risks

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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Additional information on the securities discussed herein is available upon request. The applicable disclosures can be obtained by writing to: John Tumazos Very Independent Research, LLC, 11 Yellow Brook Road, Holmdel, NJ 07733 Attn: John C. Tumazos.

BOARD OF TRER AUGUST 6, 2012 TO MAY 27, 2013

On August 6, 2012 we joined the board of Texas Rare Earth Resources, and were elected Non-Executive Chairman. We made an early stage investment in the company after it obtained its core property in the fourth-quarter of 2010, and we and other activist shareholders believed there was room for improvement in its business plan and performance in 2012. We did not expect our participation in TRER to be indefinite, and believed that it will seek a larger mining company to help it complete its projects.

On May 27, 2013 we resigned from the Board of Texas Rare Earth Resources. We were pleased that metallurgical research into sulphuric acid heap leach processes made advances, which determined an alternative process requiring 10% to 20% of the cap ex proposed in the prior June 15, 2012 NI 43-101 study. The 2010 identification and possession of the property and the 2013 metallurgical advances added value, and we thought a larger organization would better develop the production plant.

We declined all other invitation to join Boards of Directors. We do not want distractions or other activities to weaken JTVIR, LLC. Further, we have a “team psychology” and a large commitment to one another within JTVIR, LLC.

JTVIO

John Tumazos Very Independent Opinions, LLC (JTVIO) is a separate company providing various services “other than” investment research sold to institutions in JTVIR. Counsel advised any other activities be organized separately. Such other activities have involved < 5% of our time.

In general, we may provide investment banking or advisory services mostly to sub-\$100 mm mining companies that have defined a “deposit,” but need more capital after a discovery for infill drilling, bulk metallurgical testing, definitive feasibility study or the capital outlays to build a mine. JTVIO envisions merger advisory, “second opinion” critiques of investment banking advice, strategic consulting, valuation opinions, fairness opinions, mine technical services such as “Third Party Reviews” of technical studies or other corporate services. The “research coverage” of JTVIR largely involves very large companies with completed steel, aluminum, forest products or mine plants with market capitalizations usually between \$1 and \$250 billion. Historic companies often over one century old, such as Alcoa or U.S. Steel or BHP Billiton, will use top ten commercial or investment banks for advisory services and we make no attempt to be engaged by them owing to their long historic relationships.

We prefer to advise companies without revenues, which large investment banks like Goldman Sachs, JP Morgan, Morgan Stanley or BMO often avoid. Such mining companies without revenues are not as competitively over-banked, and many of the geologists are quite gifted and have extremely promising projects.

We undertook some platinum market studies for Platinum Group Metals in the past year.

We have accepted compensation from Texas Rare Earth Resources and Appia Energy, a private concern, related to introducing investors to them.

In August 2011 we advised the Board of Directors of Augen Gold that a hostile tender offer from Trelawney Mining. On October 9, 2010 we were engaged by Tara Gold Resources to evaluate the fairness of their September 13, 2010 proposed merger to amalgamate with Tara Minerals, which it terminated on March 7, 2011. We delivered a “structure opinion” to Tara Gold Resources and Tara Minerals on May 20, 2011 that the cancellation of the announced September 13, 2011 merger was “fair.” On June 24, 2010 we delivered a Fairness Opinion to the board of directors of Paramount Gold and Silver for compensation in their acquisition of X-Cal Resources, Ltd concerning the Sleeper gold mine near Winnemucca, NV formerly operated in 1986-1996 by Amax Gold and having past output of 1.66 mm oz gold and 2.3 mm oz silver plus 26,000 oz of placer gold almost one century ago.

On October 6, 2010 we were engaged by Dorado Ocean Resources Limited, a privately held company. That assignment has concluded without success or compensation.

On June 3, 2008 Galway Resources engaged JTVIO to commercialize its Victorio, New Mexico molybdenum-tungsten deposit containing over 200 mm pounds of each mineral in situ, which is JTVIO’s first activity (see www.galwayresources.com June 3, 2008 press release). We have received compensation from Galway Resources.

These past engagements pose no “conflict of interest” with JTVIR research coverage as long as JTVIR does not cover or write on Paramount Gold and Silver, Galway Resources, or other sub-\$250 mm market cap emerging companies. However, subsequently Galway Resources has documented gold occurrences on Galway grounds and begun drilling. After our November 6-12, 2009 trip to the California gold district of Colombia, we published research reports on Greystar Resources and NOT Galway Resources to avoid conflicted research. We omitted Galway Resources from our “Conference Highlights” report even though it spoke at our November 19, 2009 conference in a similar vein to avoid conflicted research.

JTACR

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. **Under no circumstances will JTACR be commissioned by a mining or other publicly traded company simply to write a “paid” research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any “compensation” or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as “John Tumazos Very Independent Research, LLC” if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com. Since the second half of 2011 JTACR has published research reports on Texas Rare Earth Resources, Paramount Gold and Silver, Galway Resources, Galway Gold, Galway Metals and Platinum Group Metals. These represent < 10% of our company research and < 5% of our written research report output.

POTENTIAL MONEY MANAGEMENT ACTIVITIES

We manage my own money and one client account. Our trades conform to our published research and follow publication by a minimum of two business days. Client recommendations have first priority.

In November 2011 we accepted our first customer money management account, and we are beginning to set up an account and legal agreement to manage money for him. We are in the process of completing such paperwork.

Money Management for clients could be another line of business. “Mine Development Fund” is a “current” project to establish a small fund to invest in post-discovery, large resource companies (over \$2 billion in situ mineral value already defined) requiring financing to “build the mine” and grow. The target market cap of the companies in which it would invest would be \$0.1 to \$10 billion. Our detailed studies of emerging mines may prove synergistic across several applications. We have also considered creating sector ETFs, but determined there is more value-added in fund management.

Our published over 1,500 research reports to Since July 7, 2007 has concentrated on the metals commodities themselves, steel, aluminum, forest products and larger capitalization mines like Rio Tinto, BHP, Freeport-McMoRan Copper, Barrick Gold, etc. Only 7%-10% of our written research involves the “sub-\$2 billion mine” size range that would be the focus of either JTVIO or Mine Development Fund. Thus, compliance issues or conflicts of interest would occur in a smaller subset of JTVIR coverage as JTVIR coverage involves larger caps, “established processing companies” or commodities. JTVIO or the buy-side investing may focus on much smaller companies

POTENTIAL MINE SERVICES ACTIVITIES

As a substantial user of mine feasibility study reports or other technical reports prepared at early stages after first discovery, sometimes we are very dissatisfied. We may from time-to-time provide “Third Party Review,” critique such mine scoping study or prefeasibility study reports. We do not seek to “second guess” scientific issues of mine engineering or metallurgy. However, we may differ with the mathematics of reserve determination, capital cost estimates, “simultaneity” of price and cost assumptions, various business planning issues, the opportunity to “phase” or subcontract to reduce initial capital costs or other financial issues. The “custom studies” we have provided to

several buy-side JTVIR customers may resemble “Mine Services” future products presented as “Third Party Review” of mine technical studies.