

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 since June 3, 2008, as both financial markets and such ferro-alloy markets run “hot and cold,” and it terminated in late-2011. We own 1,915,000 up from 1,079,000 shares of Galway Gold and 150,000 post-split shares down from 460,000 shares of Galway Metals (GAYMF US \$0.145 or GWM.to C\$0.16) compared to our prior writing July 26, 2013.

GALWAY GOLD (GAYGF US \$0.054 or GLW.to C\$0.06, rated Overweight with \$1 down from \$2 price target maintained) WAITING FOR COMPLETION OF ARBITRATION AND LIQUIDATION OF BATISTA ESTATE

FD EPS US\$	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E
9/23/14	(\$0.04)	(\$0.01)	(\$0.02)	(\$0.04)	\$0.08	\$0.16	\$0.18	\$0.19
7/19/13	(\$0.04)	(\$0.05)	(\$0.07)	\$0.29	\$0.32	\$0.34	\$0.36	\$0.39
1/3/13	(\$0.04)	(\$0.05)	(\$0.06)	\$0.34	\$0.35	\$0.36	\$0.36	\$0.37

Highlights:

- On January 10th Galway Gold announced it will exercise its rights to acquire the Vetás gold-silver project in Colombia, and entered an arbitration process under its agreements. Negotiations under its option contract to buy out the artisanal mining group did not conclude, as those owners wish for a value like the \$1.25 billion Batista paid in December 2010 for the larger Ventana Gold or the almost \$400 mm he paid in December 2012 for Galway Resources and Calvita.
- We expect the arbitration process to continue into 2015 and conclude in 2015. Galway Gold has not been drilling pending the conclusion of the arbitration.
- Galway Gold’s contract specifies a payment of 1.5% of the value of measured and indicated resources, excluding inferred resources. 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.
- Separately, on September 13th Brazilian regulators asked a federal court to freeze 1.5 billion reais or US \$641 mm of Eike Batista’s assets to compensate public investor losses in market manipulation. Earlier in May 2014 a Brazilian court

ordered up to 122 million reais in assets of Batista frozen to compensate investor losses in alleged manipulations.

- We expect either the Brazilian prosecutors or the Batista creditors to liquidate in 2015 AUX Canada, which holds the former Ventana Gold, Galway Resources, Calvista and other nearby claims in which Batista invested \$2 billion. We estimate it will sell either privately or in an IPO for \$200 to \$400 mm today.
- Separately, Batista creditors hold a 17% block of Galway Gold previously held personally by Batista.
- After a new group takes control of AUX Canada, it may seek to consolidate or acquire nearby properties such as Galway Gold, CB Gold, Eco-Oro or others.
- As of June 30th Galway Gold held U.S. \$12.06 mm in cash, spending < \$6 mm over its first 18 months of existence. As of June 30th Galway Metals held U.S. \$11.30 mm in cash, spending < \$0.7 mm over its first 18 months of existence. Management has been brilliant in preserving its cash in the tough gold market. Both shares trade for < the value of their cash balances.
- The combined U.S. \$23 mm in cash between the Galway Gold and Galway Metals may be used for general corporate purposes, to exercise the Vetas property option, develop perhaps a 500 tonne per day mill at Vetas or to acquire a new property in North America.

Table 1: NPV Analysis for Galway Gold

Year: US \$	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
EBITDA	(7)	(2)	(3)	(5)	18	49	51	53	56	58	60	63	65	68	70	72	74
Taxes (33.33%)	-	-	-	-	-	13	14	15	16	17	17	18	19	20	21	22	23
Capex	0.0406	0	10	25	15	5	5	5	5	5	5	5	5	5	5	5	5
FCF	(7)	(2)	(13)	(30)	3	32	32	34	35	36	38	39	41	42	44	45	45
WACC	10%																
NPV	\$155.28																
Plus: current net cash	12																
Fair market value	167																
Shares outstg (M)	167																
NPV / Share	\$ 1.00																
Company Value	\$167.28																

Source: Galway Gold Carve Out Financial Statements, Galway Resources Financial Statements, and JTVIR LLC Estimates

ARBITRATION CONCERNING REINA DE ORO CONCESSION

If Galway Gold paid 1.5% times the recent \$1,215 per oz gold price times 224,900 oz of measured and indicated gold and 1.5% times the recent \$19 per oz silver price times 317,100 oz of silver resources, excluding recovery losses or costs, it would equate to U.S. \$4.2 mm. The in situ gold revenue from 1.5% of 224,900 oz equates to \$4.1 mm and the 317,100 oz of silver equates to \$0.1 mm. We believe this is the upper limit or “worst case” payment in cash or stock that a literal interpretation of the Reina de Oro option agreement would pay out.

Galway Gold may be willing to pay a little more simply to settle the matter, but the local Colombians have a hard time accepting the sum after watching Batista pay out over \$1.6 billion since December 2010. Further, the payment will be made to a group of people that own shares in the local company holding the concession, and nice apartments in Bucaramanga or Bogota have become expensive as Colombia has been prosperous over the past decade. The payment formula under the option contract is clear and unambiguous, but the vendors’ expectations do not conform to it.

Separately, Galway Gold has the flexibility to pay in cash, stock or other considerations. Galway Gold may want to retain its cash in adverse gold markets, where new cash is less easy to raise. Galway Gold may delay disbursing cash until after permits are in hand.

These various considerations are to be settled by the arbitration. Galway Gold met all requirements of its contracts, and the concession holders made no objection to the quality or results of the \$13.5 mm of work Galway Gold put “into the ground.”

BATISTA DEMISE AND LIQUIDATIONS

We regard a liquidation by creditors or regulators as a positive scenario for Galway Gold, as it releases the former Batista assets held in AUX Canada. A new owner will emerge, whether as an IPO, private Latin American mining interests or a publicly traded mining company. The creditors may try to sell the 17% block of Galway Gold previously held by Batista to whomever is the successful bidder of AUX Canada.

We believe the next owner of AUX Canada will want to own Galway Gold. The Vetás resources are several times richer than the California resources Ventana Gold published. The Vetás resources are cleaner metallurgically, where they contain no base metals. The operator of the California gold district may covet the Vetás gold as a “sweetener” to dilute and improve the processing of the more complex California ores. Further, it may be cheaper to deliver the Vetás ores to California 8 km away than build a separate mill.

The “worst case” for Galway Gold concerning Batista would be a long and drawn out battle for AUX Canada, which would delay development of the districts. We were pleased at the September 13th prosecutor’s statement, as it leaves Batista “nowhere to hide.” We have no opinion as to what is “fair” in Brazil, where the prosecutor appears to respond to public disgust at financial losses in various Batista “X” securities or loans.

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

Galway Gold’s priorities depend in part on the outcome of the ongoing arbitration. It may choose to resume spending in Santander province of Colombia near Vetás with a successful arbitration resolution. It may seek other opportunities if the arbitration 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 \$12.6 mm, suggesting the value of that target fell over 95%.

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 Vetaz 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.

STOCK BUYBACKS A LOWER PRIORITY

We assign no likelihood to Galway Gold buying back large blocks of stock, whether sold by the creditors of Batista, Brazilian regulators, gold funds or other institutions. Galway Gold management is conservative, and will retain its cash to survive should a bad gold market and adverse conditions for gold exploration stocks continue for up to five years.

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.

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

Year	2016E	2017E	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%	90%	90%
Ag Recovery Rate %	75%	75%	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 Carve Out Financial Statements, Galway Resources Financial Statements, and John Tumazos Advisory and Compensated Research LLC. Estimates

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.

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

Year	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Gold Revenue	-	-	-	-	39	81	84	86	89	91	94	96	99	101	103	106	107
Silver Revenue	-	-	-	-	1	2	2	2	2	2	2	2	2	2	2	2	2
Total Revenue	-	-	-	-	40	83	85	88	90	93	95	98	100	103	105	108	109
Operating Expenses	-	-	-	-	14	22	22	22	22	22	22	22	22	22	22	22	22
Royalties	-	-	-	-	1	3	3	3	3	3	3	3	3	3	3	3	3
Depreciation +Amortization	-	-	-	-	2	4	4	4	4	4	4	4	4	4	4	4	4
S,G+A	2	2	2	3	5	5	5	5	5	5	5	5	5	5	5	5	5
Exploration	4	1	1	2	2	4	5	5	5	5	5	5	5	5	5	5	5
Interest Expense (Inco	0	(0)	0	1	3	2	0	(0)	(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)
Other Expense (Incom	1	(0)															
TOTAL EXPENSES	7	2	3	6	26	40	39	38	38	37	36	36	35	34	33	32	31
Pretax Income	(7)	(2)	(3)	(6)	13	43	46	50	53	56	59	62	65	69	72	75	78
Income Taxes	-	-	-	-	-	14	15	16	17	18	19	20	22	23	24	25	26
Effective Tax Rate	-	-	-	0%	0%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Net Income	(7)	(2)	(3)	(6)	13	29	31	33	35	37	39	42	44	46	48	50	52
FD Shares Outstg.	167	167	167	167	177	177	177	177	177	177	177	177	177	177	177	177	177
EPS	(0.04)	(0.01)	(0.02)	(0.04)	0.08	0.16	0.18	0.19	0.20	0.21	0.22	0.24	0.25	0.26	0.27	0.29	0.29

Gold Price (\$/oz)	1450	1600	1650	1700	1750	1800	1850	1900	1950	2000	2050	2100	2150	2200
Silver Price (\$/oz)	25	25	25	25	25	25	25	25	25	25	25	25	25	25

Source: Galway Gold Carve Out Financial Statements, Galway Resources Financial Statements, and John Tumazos Advisory and Compensated Research LLC. Estimates

CHANGES TO OUR FINANCIAL MODELS

- We pushed our timetable back one year to 2017 from 2016 due to the one year delay involved in the arbitration and Galway Gold's reductions in business activity due to low gold prices.
- We continue to estimate Galway Gold builds its own mill, but we are more optimistic that the main California district resumes activity after it is sold from the Batista estate where a new owner either may JV with Galway Gold to mill the ores in California or even acquire Galway Gold.
- We followed the US \$120/t estimated total mining, mill and administrative costs that Galway Gold and Roscoe Postle Associates estimated in the November 27, 2013 43-101 filing rather than our prior estimate of \$200 per tonne.
- We reduced our estimate of gold ore grades to 0.3 from 0.5 oz/tonne and silver to 0.5 from 1.0 oz per tonne following the results of the November 27th study.
- We estimate the total tonnage at 125% of the 1.81 mmt of reported measured, indicated and inferred tonnes on November 27th. This is 0.7 mmt less than the 3 mmt we estimated last July 26, 2013.
- We estimate the same 90% gold and 75% silver recovery rates as the November 27th 43-101 used 90% gold recovery rates.
- While we lowered our gold and silver price estimates for 2014-16, we continue to estimate the same \$1,600 per oz for gold for 2017, rising by \$50/oz/yr afterwards, and flat \$25 per oz for silver for 2017 onwards.
- We continue to estimate \$50 mm in upfront cap ex to build a 500 mtpd mill. We believe this is conservative, but have no specific confidence in another level until Galway Gold completes a Preliminary Economic Assessment vetted by an independent qualified person.
- We estimate Galway Gold borrows \$50 mm at 6% and repays it promptly to build a mill.
- We estimate cash balances yield 2% before taxes.

Table 4: Galway Gold Estimated Sources and Uses

Year	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
SOURCES:																	
Net Income	(7)	(2)	(3)	(6)	13	29	31	33	35	37	39	42	44	46	48	50	52
Depreciation+Amortiza	-	-	-	-	2	4	4	4	4	4	4	4	4	4	4	4	4
Deferred taxes	-	-	-	-	-	1	2	2	2	2	2	2	2	2	2	2	3
Other noncash items	2	1															
Equity		-															
Debt	-	-	15	25	10												
Change in Noncash W	0	-	0	1	(2)	(3)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Asset Sales																	
Other, net	-																
Total Sources	(5)	(2)	12	19	24	32	37	39	41	43	45	48	50	52	54	57	58
USES:																	
Capital Expenditures	0	-	10	25	15	5	5	5	5	5	5	5	5	5	5	5	5
Investments																	
Dividends																	
Debt Repayment				-	-	20	30										
Other, net			-														
Change in Cash	(5)	(2)	2	(6)	9	7	2	34	36	38	40	43	45	47	49	52	53
Total Uses	(5)	(2)	12	19	24	32	37	39	41	43	45	48	50	52	54	57	58

Source: Galway Gold Carve Out Financial Statements, Galway Resources Financial Statements, and John Tumazos Advisory and Compensated Research LLC. Estimates

Table 5: Galway Gold Estimated Balance Sheet

Year: US \$	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Cash and Equivalents	13	11	13	7	16	23	24	58	94	132	172	215	260	307	356	408	461
Receivables	0	0	0	-	4	8	9	9	9	9	10	10	10	10	11	11	11
Prepays	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	13	12	14	7	20	31	33	67	103	141	182	225	270	317	367	419	473
Restricted Cash																	
P,P,+E	1	1	11	36	49	50	51	51	52	53	54	55	56	57	58	58	59
Total Assets	14	13	24	43	69	81	84	119	156	195	236	280	326	374	424	477	532
Accounts Payable	0	0	0	1	3	5	5	5	5	5	5	5	5	5	5	5	5
Other Liabilities (Def. Taxes)				-	-	1	3	5	6	8	10	12	14	17	19	21	24
Bank Debt	-	-	15	40	50	30	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	0	0	15	41	53	36	8	9	11	13	15	17	19	21	24	26	29
Shareholders Equity	14	12	9	3	16	45	76	109	144	182	221	263	307	353	401	451	503
Payables/Costs	15%	15%	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%	10%	10%
Cash/Share	0.08	0.07	0.08	0.04	0.09	0.13	0.14	0.33	0.53	0.75	0.98	1.22	1.47	1.74	2.02	2.31	2.61

Source: Galway Gold Carve Out Financial Statements, Galway Resources Financial Statements, and John Tumazos Advisory and Compensated Research LLC. Estimates

We analyze Galway Gold as a standalone producer in these models. It is also possible that the eventual new owner of AUX Canada consolidates Vetás into the California mill operations, or that another group buys out Vetás in pursuit of Vetás' favorable grades and metallurgy.

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. **HOWEVER, THE**

EL VOLCAN MINE HAS BEEN PRODUCING CONSISTENTLY FOR OVER 400 YEARS, SO OUR 12 YEARS OF PRODUCTION COULD PROVE CONSERVATIVE.

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 \$0.19 EPS divided by "r," the 10% discount rate, which calculates a \$2 price target. After all, **the Vetaz mine has operated for most of 423 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, Duluth Metals, Wits 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.

© pending John Tumazos Very Independent Research, LLC, 2007-2014, all rights reserved, 11 Yellow Brook Road, Holmdel, NJ 07733

Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. Any statements nonfactual in nature constitute only current opinions, which are subject to change.

There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities. John Tumazos Very Independent Research, LLC, and its affiliates, make no representation that the companies which issue securities that are the subject of their research reports are in compliance with certain informational reporting requirements imposed by the Securities Exchange Act of 1934.

If you did not receive this research report directly from John Tumazos Very Independent Research, LLC ("JTVIR"), you may be in violation of an existing subscription or copyright. Your access to, and receipt of, this report does not by itself operate to establish a relationship between you and JTVIR, as the case may be. Please note that JTVIR bears no responsibility for any recommendation(s) or advice that such firm or its representatives may provide to you, regardless of whether any such recommendation or advice is based in whole or in part on this report.

The views and the other information provided are subject to change without notice. This report and the others posted on www.veryindependentresearch.com are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments. The text, images, and other materials contained or displayed on any JTVIR product, service, report, email or website are proprietary to JTVIR and constitute valuable intellectual property. No material from any part of <http://www.veryindependentresearch.com> may be downloaded, transmitted, broadcast, transferred, assigned, reproduced or in any other way used or otherwise disseminated in any form to any person or entity, without the explicit written consent of JTVIR. All unauthorized reproduction or other use of material from JTVIR shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. JTVIR expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. JTVIR reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights. The recipient should check any email and any attachments for the presence of viruses. JTVIR accepts no liability for any damage caused by any virus transmitted by this company's emails or website.

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.