Galway Metals Inc.

Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2016 and 2015

(Expressed in United States Dollars)
(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Galway Metals Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Galway Metals Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)
(Unaudited)

As at	September 30, 2016	December 31, 2015
Assets		
Current assets		
Cash	**$ 7,436,424**	$ 10,037,068
Prepaids and deposits	**67,611**	18,721
	7,504,035	10,055,789
Non-current asset		
Restricted cash	**125,270**	125,270
Resource property costs (Note 3)	**1,813,124**	-
	$ 9,442,429	$ 10,181,059
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 168,258**	$ 124,616
Deferred tax liability	**164,040**	164,040
	332,298	288,656
Shareholders' Equity		
Common shares (Note 6)	**14,337,357**	14,126,982
Contributed surplus	**1,170,885**	577,905
Accumulated other comprehensive loss	**(2,899,787)**	(3,505,595)
Deficit	**(3,498,324)**	(1,306,889)
	9,110,131	9,892,403
	$ 9,442,429	$ 10,181,059

Contingency (Note 8)

Approved by the Board *"Robert Hinchcliffe"* Director

"Robb Doub" Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Galway Metals Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States Dollars)
(Unaudited)

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Expenses				
Administrative expenses (Note 7)	**$ 256,128**	$ 283,321	**$ 644,263**	$ 742,331
Stock-based compensation (Note 5)	**261,874**	-	**261,874**	2,764
Loss (Gain) on foreign exchange	**(96,368)**	(1,465,333)	**578,641**	(1,462,655)
Exploration expenses	**671,228**	-	**719,899**	-
Write-down of resource property costs	**-**	8,069	**-**	81,387
	1,092,862	(1,173,943)	**2,204,677**	(636,173)
Other Income				
Interest income	**(4,111)**	(4,674)	**(13,242)**	(14,524)
Net (Loss) Income	**$ (1,088,751)**	$ 1,178,617	**$ (2,191,435)**	$ 650,697
Other Comprehensive Income (Loss)				
Items that will be reclassified subsequently into income:				
Cumulative translation adjustment	**$ 41,271**	$ (1,459,361)	**$ (605,808)**	$ (1,458,340)
Net Comprehensive loss	**$ (1,047,480)**	$ (280,744)	**$ (2,797,243)**	$ (807,643)
(Loss) income per share - basic and diluted	**$ (0.02)**	$ 0.02	**$ (0.04)**	$ 0.01
Weighted average number of common shares outstanding	**57,519,632**	57,195,248	**57,303,376**	57,195,248

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Galway Metals Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States Dollars)
(Unaudited)

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, December 31, 2014	$ 14,126,982	$ 575,235	$ (1,684,616)	$ (1,920,067)	$ 11,097,534
Cumulative translation adjustment	-	-	(1,458,340)	-	(1,458,340)
Private placement	-	-	-	-	-
Issuance of warrants	-	-	-	-	-
Shares issued for property	-	-	-	-	-
Stock-based compensation	-	2,764	-	-	2,764
Net income for the period	-	-	-	650,697	650,697
Balance, September 30, 2015	**$ 14,126,982**	**$ 577,999**	**$ (3,142,956)**	**$ (1,269,370)**	**$ 10,292,655**
Balance, December 31, 2015	$ 14,126,982	$ 577,905	$ (3,505,595)	$ (1,306,889)	$ 9,892,403
Issuance of warrants	-	331,106	-	-	331,106
Shares issued for property (Note 6)	210,375	-	-	-	210,375
Cumulative translation adjustment	-	-	605,808	-	605,808
Stock-based compensation	-	261,874	-	-	261,874
Net loss for the period	-	-	-	(2,191,435)	(2,191,435)
Balance, September 30, 2016	**$ 14,337,357**	**$ 1,170,885**	**$ (2,899,787)**	**$ (3,498,324)**	**$ 9,110,131**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Galway Metals Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

For the Nine Months Ended September 30,	**2016**	2015
Cash provided by (used in):		
Operating activities		
Net (loss) income for the period	**$ (2,191,435)**	$ 650,697
Share-based compensation (Note 5)	**261,874**	2,764
Changes in current assets and liabilities:		
Prepaids and deposits	**(48,890)**	(9,288)
Accounts payable and accrued liabilities	**43,642**	99,448
	(1,934,809)	743,621
Investing activities		
Resource property acquisition costs	**(1,271,643)**	-
Effect of foreign exchange rate changes on cash balances	**605,808**	(1,564,550)
Net change in cash	**(2,600,644)**	(820,929)
Cash, beginning of period	**10,037,068**	11,112,093
Cash, end of period	**$ 7,436,424**	$ 10,291,164

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. Nature of Operations

Galway Metals Inc. ("the Company") was incorporated pursuant to the Business Corporations Act (New Brunswick) on May 9, 2012, and continued to the Province of Ontario on July 21, 2015. The Company's head office is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Company is in the process of exploring the Clarence Stream and Estrades gold projects, located in New Brunswick and Quebec, respectively, and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The continuing operations of the Company and the underlying value and recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete the exploration and development of the mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

On May 3, 2016, the Company announced that it had terminated the contract for the Victorio project due to unfavourable market conditions and depressed molybdenum and tungsten prices. As such, Galway Metals did not make the US$75,000 payment due June 1st, 2016, and will not make subsequent payments of US$75,000 and US$900,000 that were scheduled in 2017 and 2018, respectively.

The Company's common shares commenced trading on the TSX Venture Exchange under the symbol "GWM" on January 4, 2013.

2. Accounting Policies

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated finanancial statements for the year ended December 31, 2015.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 29, 2016.

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited condensed interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries, Galway Resources US Inc, and Nyak Resources Inc. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(Expressed in United States Dollars)

3. Resource Property Costs

Cumulative acquisition costs:

	Three Months Ended September 30, **2016**	Three Months Ended September 30, 2015	Nine Months Ended September 30, **2016**	Nine Months Ended September 30, 2015
Clarence Stream Project, New Brunswick, Canada				
Balance, beginning of period	$ -	$ -	$ -	$ -
Additions	777,800	-	777,800	-
Balance, end of period	**$ 777,800**	$ -	**$ 777,800**	$ -
Estrades Project, Quebec, Canada				
Balance, beginning of period	$ -	$ -	$ -	$ -
Additions	1,035,324	-	1,035,324	-
Balance, end of period	**$ 1,035,324**	$ -	**$ 1,035,324**	$ -
Victorio Mountain Project, New Mexico, USA				
Balance, beginning of period	$ -	$ -	$ -	$ -
Additions	-	8,048	-	90,141
Write-downs	-	(8,048)	-	(90,141)
Balance, end of period	**$ -**	$ -	**$ -**	$ -
Total Resource Property Costs, end of period	**$ 1,813,124**	$ -	**$ 1,813,124**	$ -

i) Clarence Stream Project, New Brunswick, Canada

On August 3, 2016 Galway entered into an Option Agreement to acquire a 100% undivided interest in Wolfden Resources Corporation's Clarence Stream property located 70 kilometres (km) south-southwest of Fredericton in south-western New Brunswick, Canada. In conjunction with this acquisition, Galway acquired Jubilee Gold Exploration Ltd.'s Birneys Lake property, which is adjacent on the south side of Wolfden's Clarence Stream property, and the Company staked a significant number of additional claims both to the east and west of Clarence Stream.

Cash payments for all of the Clarence Stream properties will be CDN$3.5 million (USD$2.67 million) over three years plus 1% Net Smelter Return (NSR) royalties on portions of the project, with Galway retaining rights to acquire most of the NSR's. Galway's cash payments in the first year will be CDN$1.0 million (USD$0.76) and there will not be any shares issued for any of the deals.

3. Resource Property Costs (Continued)

i) Clarence Stream Project, New Brunswick, Canada (Continued)

Jubilee: Galway acquired the Birneys Lake project at Clarence Stream for CDN$200,000 (USD$152,480) (paid) plus a 1% NSR royalty with a buyback option for half (0.5%) at any time for CDN$500,000.

Staking: Galway staked 1,170 claims, or in excess of 26,500 hectares (65,500 acres) of land to the east and west along the prospective Sawyer Brook Fault System and associated intrusives for CDN$70,200 (USD$53,520).

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

- CDN$750,000 (USD$571,800) upon closing (paid)
- CDN$750,000 (USD$571,800) upon the first anniversary of closing
- CDN$1.0 million (USD$0.76 million) upon the second anniversary of closing
- CDN$750,000 (USD$571,800)upon the third anniversary of closing
- 1% NSR royalty with a full buyback option at any time for CDN$2.0 million (USD$1.52 million).

ii) Estrades Project, Quebec, Canada

On , August 18, 2016, Galway acquired an undivided 100% ownership interest in the former producing, high grade Estrades mine, related Newiska concessions, and adjacent Casa Berardi claims in western Quebec, Canada, located approximately 95 km north of the town of La Sarre. The claims are largely contiguous and comprise 14,854 hectares, or 36,689 acres.

In order to consolidate the Estrades, Newiska and Casa Berardi claim blocks, Galway completed deals with Mistango River Resources Inc., CR Capital Corporation, First Quantum Minerals Ltd., Globex Mining Enterprises Inc. and a private company, plus the Company staked additional claims.

Cash payment for all the properties Galway acquired, including the Estrades, Newiska and Casa Berardi claims, was CDN$1.35 million (USD$1.03 million). In addition, Galway issued 800,000 units, with each unit comprised of a share valued at CDN$0.25 and a three-year warrant exercisable at CDN$0.52. The 800,000 common share component was ascribed a fair value of $210,375. The 800,000 warrants were assigned a fair value of $331,106 using the Black-Scholes pricing model, based on a risk-free rate of 0.57%, an expected life of 3 years, an expected volatility of 102.46% and an expected dividend yield of 0%. The Company has also agreed to issue three royalties on portions of the properties.

Mistango River Resources: Cash payment of CDN$700,000, plus a 1% NSR royalty on portions of three claims. This royalty has a buyout option at any time for CDN$1.0 mm.

CR Capital: Cash payment of CDN$150,000 on CR Capital's property in which it held an approximate 64.6% interest.

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

(Expressed in United States Dollars)

3. Resource Property Costs (Continued)

ii) Estrades Project (Continued)

Private Company:	CDN$300,000 cash and 800,000 units as described above, subject to regulatory approval. The private company held rights to all historic data on the Estrades property.
Globex Mining Enterprises:	CDN$200,000 cash and a 1% Gross Metal Royalty (similar to an NSR royalty). There is no buyout option on this royalty.
Claim Staking:	Galway staked 1,396 hectares for CDN$1,500 along the favourable Estrades and Newiska felsic rhyolite horizons.

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

4. Share Capital

Authorized: Unlimited number of common shares
Unlimited number of preferred shares issuable in series, the terms of which may be fixed by the Board of Directors before the issuance thereof

Common shares issued:

	Number of Shares	Amount
Balance, December 31, 2014 and September 30, 2015	57,195,248	$ 14,126,982
Balance, December 31, 2015	57,195,248	$ 14,126,982
Shares issued on property acquisition (Note 3)	800,000	$ 210,375
Balance, September 30, 2016	**57,995,248**	**$ 14,337,357**

5. Stock Options

The following table reflects the continuity of stock options for the nine months ended September 30, 2016:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2014 and June 30, 2015	4,175,000	$0.10
Balance, December 31, 2015	4,175,000	$0.10
Granted	1,435,000	$0.51
Balance, September 30, 2016	**5,610,000**	**$0.20**

(Expressed in United States Dollars)

5. Stock Options (Continued)

On September 21, 2016, the Company granted an aggregate of 1,435,000 stock options to officers, directors, employees and consultants of the Company for a period of 10 years, at an exercise price of CDN$0.51 per share, vesting immediately upon grant. The stock options were valued at the grant date at $517,736, using the Black-Scholes option pricing model, based on a risk-free rate of 1.19%, an expected life of 10 years, an expected volatility of 110.04% and an expected dividend yield of 0%. Stock options granted to consultants and the Company's CFO are subject to vesting at a rate of 50% after 6 months and 25% every 6 months thereafter. Options granted to directors and an employee vest immediately upon grant.

The following table reflects the stock options outstanding as at September 30, 2016:

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
December 4, 2023	$ 0.10	7.17 years	4,175,000	$ 421,485
September 21, 2026	$ 0.51	9.98 years	1,435,000	$ 517,736
	$ 0.20	7.89 years	5,610,000	$ 939,221

Of the 5,610,000 options outstanding as at September 30, 2016, 5,410,000 were exercisable.

6. Warrants

The following table reflects the continuity of warrants for the nine months ended September 30, 2016 and 2015

	Number of Warrants	Weighted Average Exercise Price (CDN)
Balance, December 31, 2014 and September 30, 2015	**3,300,000**	$ **0.15**
Balance, December 31, 2015	3,300,000	$ 0.15
Issued (Note 3)	800,000	$ 0.52
Balance, September 30, 2016	**4,100,000**	**$ 0.22**

The following table reflects the warrants outstanding as at September 30, 2016 :

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Warrants Outstanding	Black-Scholes Value
April 16, 2017	$ 0.15	0.54 years	3,300,000	$ 158,197
August 24, 2019	$ 0.52	2.90 years	800,000	$ 331,106
April 16, 2017	$ 0.22	1.00 years	4,100,000	$ 489,303

(Expressed in United States Dollars)

7. Administrative Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	**2016**	2015
Salaries and benefits	**$ 61,759**	$ 73,790	**$ 197,752**	$ 197,354
Office and general	**35,352**	29,298	**87,068**	77,475
Public company costs	**33,170**	71,784	**56,220**	199,198
Insurance	**10,670**	7,652	**27,678**	20,984
Professional fees	**101,974**	88,262	**255,114**	200,899
Travel (recovery) expense	**13,203**	12,355	**20,431**	46,421
Total	**$ 256,128**	$ 283,141	**$ 644,263**	$ 742,331

8. Contingency

On July 27, 2015 the Company announced that it has been named as a defendant in a legal proceeding commenced by Vic Alboini in the Ontario Superior Court of Justice, Court File No.: CV-15-532630 (the "Alboini Claim"). The Alboini Claim seeks general damages for defamation in the amount of $2,000,000, punitive, aggravated and exemplary damages in the amount of $400,000, as well as certain other relief, regarding alleged libel in an amended management information circular dated May 12, 2015 and a press release issued on May 14, 2015. The statements in question were subsequently clarified in a press release issued on June 26, 2015 and a notice to shareholders mailed to shareholders on or about June 26, 2015, after receiving a libel notice from Mr. Alboini. Galway intends to vigorously defend this action. The Company believes the claim is without merit.

9. Related Party Transactions

Remuneration of directors and officers included in administrative expenses are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	**2016**	2015
Remuneration paid for CEO and CFO services	**$ 52,437**	$ 53,430	**$ 159,198**	$ 160,716
Management fees paid to two directors	**$ 56,734**	$ 33,075	**$ 144,059**	$ 95,613
Stock-based compensation - directors and officers	**$ 198,435**	$ -	**$ 198,435**	$ -

During the three and nine months ended September 30, 2016, the Company expensed $11,437 and $34,310, respectively , (three and nine months ended September 30, 2015 - $20,441 and $40,303, respectively) to Marrelli Support Services Inc. (“Marrelli Support”) and DSA Corporate Services Inc. (“DSA”), together known as the “Marrelli Group” for:

(i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer (“CFO”) of the Company;
(ii) Bookkeeping and office support services;
(iii) Regulatory filing services
(iv) Corporate secretarial services

9. Related Party Transactions (Continued)

The Marrelli Group is also reimbursed for out of pocket expenses.

As of September 30, 2016, the Marrelli Group was owed $11,726 (December 31, 2015 - $13,887). These amounts are included in accounts payable and accrued liabilities.

During the three and nine months ended September 30, 2016, the Company incurred $57,710 and $145,025**,** respectively (three and nine months ended September 30, 2015 - $nil) pertaining to services provided by two directors. As at September 30, 2016, $7,931 (December 31, 2015 - $nil was included in accounts payable and accrued liabilities pertaining to these fees.

10. Segment Reporting

The Company's only operating segment is the acquisition, exploration and development of mineral resource properties in the United States. The Company's non-current assets are all located in the United States.

11. Comparative Amounts

Certain comparative amounts have been re-classified to conform witrh current period financial statement presentation.