

**GALWAY METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED
MARCH 31, 2016**

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Galway Metals Inc. ("Galway", "Galway Metals" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2016. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2015, as well as the unaudited interim consolidated financial statements for the three months ended March 31, 2016 together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. Information contained herein is presented as at May 27, 2016 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "Board of Directors" or "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Galway common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Mr. Mike Sutton, P.Geo., an independent Director to the Company and a "Qualified Person" under National Instrument 43-101, has reviewed the technical information in this management discussion and analysis.

Description of Business

Galway's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties that have the potential to contain economically recoverable precious and/or base metals reserves.

Galway Metals Inc. was incorporated pursuant to the Business Corporations Act Act (New Brunswick) on May 9, 2012, and continued to the Province of Ontario on July 21, 2015. Galway Metals' head office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada, M5C 2C5. Galway Metals was incorporated for the sole purpose of participating in the Plan of Arrangement (the "Arrangement") which closed December 20, 2012 involving Galway Metals, Galway Gold Inc., Galway Resources Ltd., AUX Acquisition 2 S.à.r.l. ("AUX") and AUX Canada Acquisition 2 Inc., formerly 2346407 Ontario Inc. ("AUX Canada"), a wholly owned subsidiary of AUX. Prior to the close of the Arrangement Agreement, Galway Metals did not carry on any active business.

Under the Arrangement, AUX Canada acquired all of the common shares of Galway Resources not already owned by AUX Canada and its affiliates and pursuant to the Arrangement, Galway Resources shareholders received for each Galway common share: cash consideration of Cdn\$2.05 per share, one common share of Galway Metals, and one common share in a new exploration and development company, Galway Gold Inc. Under the Arrangement, Galway Resources transferred to Galway Metals a 100% interest in Galway Resources' Victorio project, being a molybdenum-tungsten exploration project located in New Mexico (the "Victorio Project") and US \$12 million. Upon completion of the Arrangement, Galway's existing security holders own 100% of the Galway Metals shares outstanding, proportionate to their ownership of Galway Resources at the time the Arrangement was completed.

The Arrangement was completed by way of statutory Plan of Arrangement under the Business Corporations Act (Ontario). The Arrangement was approved by Galway Resources' shareholders and warrant holders at a special meeting held on December 17, 2012. On January 4, 2013, the Company's common shares commenced trading on the TSX Venture Exchange under the symbol "GWM".

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. It is the position of Galway that there has been no libel and no damages.

Further information about the Company and its operations can be obtained from www.galwaymetalsinc.com and www.sedar.com.

Discussion of Operations

On May 3, 2016, the Company announced that it had terminated the contract for the Victorio project. Due to unfavorable market conditions and depressed molybdenum and tungsten prices, Galway Metals will not make the US\$75,000 payments due June 1st, 2016 and 2017 on the Victorio project or the final payment of US\$900,000 in 2018.

The plan of Galway's Board is to preserve its cash balances and sensibly seek opportunities in the mining sector where acquisition values are currently depressed. Galway believes the Company's capital is best spent only on projects in which management is convinced that the geology is highly likely to host an economically viable reserve, and where social attitudes and political policies are likely to support mine development. The Company's Board does not believe there is any point in spending shareholder capital without having a reasonable expectation that the capital spent will ultimately yield a deposit worthy of development with strong stakeholder support.

Toward that end, while Galway's team has reviewed hundreds of projects since the company began trading, it has conducted detailed analyses of more than 80 opportunities. Moreover, numerous Confidentiality Agreements have been undertaken, Letters of Intent have been signed, and presently several prospects are under serious consideration. Nonetheless, Galway would rather acquire a project that meets its criteria than lower its standards for appeasement purposes. Announcements will be made on the status of the Company's endeavors as they are advanced. Until, and even after, an acquisition, earn in, or other such value creating transaction occurs, the Company plans to continue to be prudent with its treasury.

The completion of a transaction that has the hallmarks of being able to deliver significant shareholder value takes time, patience and hard work. This is something Galway believes is possible with substantially the same management team and Board of Directors that guided Galway Resources into a \$340 million acquisition after having spent only about \$20 million on exploration and an even smaller amount on property acquisitions. Of note is that every investor that bought and held shares in Galway Resources until it was sold made money because the sale price represented an all-time high. The management and Board of Directors of Galway Metals is keenly intent on doing something similar to the Galway Resources deal once again.

In 2015, Management assessed the carrying value of the Victorio Project and determined there were indicators of impairment. Accordingly, effective as of the fourth quarter of 2013, an impairment charge of \$1,629,599 was recorded. The Company has estimated the recoverable amount based on a number of factors, including with reference to the Company's market capitalization and management's models and plans with respect to the Victorio Project. The aggregate impairment charge was recorded as impairment of non-current assets on the consolidated statement of comprehensive loss on the Company's audited consolidated financial statements for the three months ended December 31, 2013.

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

For the Period Ended	Revenue (\$)	Net Earnings (Loss)		Total assets (\$)
		Total (\$)	Basic and diluted earnings per share (\$)	
2016 – March 31	Nil	(800,373)	(0.01)	9,809,486
2015 – December 31	Nil	(37,519)	0.00	10,181,059
2015 – September 30	Nil	1,178,617	0.02	10,467,928
2015 – June 30	Nil	(1,279,010)	(0.02)	10,707,508
2015 – March 31	Nil	751,090	0.01	11,125,863
2014 – December 31	Nil	297,566	0.01	11,279,569
2014 – September 30	Nil	294,774	0.00	11,426,654
2014 – June 30	Nil	(668,053)	(0.01)	11,638,910

Three Months Ended March 31, 2016 vs Three Months Ended March 31, 2015

The Company reported a net loss of \$800,373 (three months ended March 31, 2015 – net income of \$751,090). The variance over the comparative period is primarily driven by fluctuations in foreign exchange.

Administrative Expenses

The three months ended March 31, 2016 saw administrative expenses of \$202,725 (three months ended March 31, 2015 - \$182,105), consisting primarily of:

- salaries and benefits of \$65,819 (three months ended March 31, 2015 – \$72,781), comprised of senior management and administration remuneration.
- general office and consumable expenses of \$25,838, (three months ended March 31, 2015 – \$22,737).
- executive travel expense recovery of \$3,852 (three months ended March 31, 2015 – an expense of \$23,086).
- professional fees of \$91,801 (three months ended March 31, 2015 –\$42,316) consisting of general legal expenses and, in 2015, costs associated with responding to enquires from a shareholder.
- public company costs of \$14,961 (three months ended March 31, 2015 –\$13,890) consisting of filing fees, transfer agent fees, investor relations costs, and shareholder information expenses.
- insurance expense of \$8,158 (three months ended March 31, 2015 –\$7,295), representing the Company's directors and officers insurance and health insurance for certain key employees.

(Loss) Gain on Foreign Exchange

Loss on foreign exchange of \$601,838 (three months ended March 31, 2015 –a gain of \$930,291) resulting from US dollar cash held in the Company's Canadian entity, which maintains a functional currency of the Canadian dollar. This is substantially offset by a corresponding translation adjustment in other comprehensive loss upon translation and consolidation into the Company's US dollar consolidated financial statements. Movement in the relative US/CAD exchange rates over the comparative three months ended March 31, 2015 is the primary driver for the period over period variance.

Exploration Expenses

During the three months ended March 31, 2016, the Company incurred nominal exploration costs of \$503 (three months ended March 31, 2015 - \$503)

Liquidity and Capital Resources

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at March 31, 2016, the Company had a cash balance of \$9,809,486 (March 31, 2015 - \$10,961,990) to settle current liabilities of \$129,070 (Dec 31, 2015 - \$124,616). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing.

On April 16, 2014, the Company closed a non-brokered private placement financing (the "Financing"). The Financing consisted of the sale of 6,600,000 units (each, a "Unit") at a price of \$0.10 per Unit, with each Unit consisting of one common share of the Company (each, a "Share") and one-half of one Share purchase warrant (each whole such warrant, a "Warrant"), each Warrant entitling the holder to acquire one additional Share until April 16, 2017 at a price of \$0.15 per Share. 4,150,000 of the 6,600,000 Units were acquired by the CEO of the Company and 250,000 units were acquired by a director of the Company. The Financing was approved by all of the non-interested directors of the Company and was exempt from the valuation and minority approval requirements in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions on the basis of certain exemptions available thereunder. The Financing was also approved by the TSX Venture Exchange. All securities issued pursuant to the Financing were subject to a statutory hold period of four months.

The 3,300,000 warrants issued in conjunction with the Financing were issued with an exercise price of \$0.15, expiring in three years and vesting immediately upon grant. A fair value of \$298,909 was estimated using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 124.06%, a risk free interest rate of 1.18%, and an expected maturity of 3 years.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Proposed Transactions

As of the date of this document, there are no reportable proposed transactions.

Related Party Transactions

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

	Three months Ended March 31, 2016 \$	Three months Ended March 31, 2015 \$
Remuneration paid for CEO services	50,000	50,000
Remuneration paid for CFO services	4,615	3,626
Management fees paid to two directors	42,832	nil

During the three months ended March 31, 2016, the Company expensed \$10,564 (three months ended March 31, 2015 -\$11,536) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. ("DSA"), together known as the "Marrelli Group" for:

- Robert D.B. Suttie, vice president of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
- Bookkeeping and office support services;
- Regulatory filing services; and
- Corporate secretarial services.

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

As of March 31, 2016, the Marrelli Group was owed \$14,385 (December 31, 2015 - \$13,887). These amounts are included in accounts payable and accrued liabilities.

During the three months ended March 31, 2016, the Company incurred \$42,832 (three months ended March 31, 2015 - \$nil) pertaining to services provided by two directors. As at March 31, 2016, \$2,349 (December 31, 2015 - \$nil) was included in accounts payable and accrued liabilities pertaining to these fees.

To the Company's knowledge, as at the date hereof, the following individuals or entities beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's common shares: Robert Hinchcliffe, the President and CEO of the Company – 16.22%, and Jimmy Lee – 14.90%. To the Company's knowledge, the remaining 68.88% of the Company's common shares are widely held.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

Financial Risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign exchange rate, and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at March 31, 2016, the Company had a cash balance of \$9,809,486 (March 31, 2015 - \$10,961,990) to settle current liabilities of \$129,070, (March 31, 2015 - \$207,041). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company regularly monitors its cash management policy. As a result, Galway Metals is not subject to significant interest rate risk.

(ii) Foreign Exchange Risk

The Company's functional currency is the United States dollar and it transacts major purchases in United States dollars and Canadian dollars. To fund exploration expenses, it maintains United States dollar and Canadian dollar denominated bank accounts containing sufficient funds to support monthly forecasted cash

outflows. Management believes the foreign exchange risk derived from currency conversions is minimal, and therefore does not hedge its foreign exchange risk.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible for the three months ended March 31, 2016:

- (i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, prepaid expenses and deposits and accounts payable denominated in Canadian dollars. Sensitivity to a plus or minus one percentage point change in exchange rates would impact the reported net income (loss) by approximately \$100,000 for the three months ended March 31, 2016.
- (ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious and base metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of these metals may be produced from the Company's properties in the future, a profitable market will exist for them.

As of March 31, 2016, the Company was in the exploration and development stage and did not have any production at any of its mineral properties. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Litigation Risk

Litigation risk refers to the risk that the Company may become involved in litigation or administrative proceedings from time to time, the outcomes of which may be uncertain. An unfavorable judgement, ruling or order may adversely affect the Company's business and financial condition.

Current Global Financial Conditions and Trends

Securities of mining and mineral exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of March 31, 2016, the global economy continues to be in a period of significant economic and political volatility, in large part due to US, European and Asian economic concerns which have impacted global economic growth.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Future Accounting Pronouncements

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, will be effective for annual periods beginning on or after January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company is in the process of assessing the impact of this announcement.

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Financial Instruments

Financial Assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Loans and receivables are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest, when applicable, over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or to the net carrying amount on initial recognition.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other Financial Liabilities

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

De-recognition of Financial Liabilities

The Company de-recognizes financial liabilities when the obligations are discharged, cancelled or expire. The Company's financial instruments consist of the following:

Financial Assets:	Classification:
Cash	Loans and receivables
Financial Liabilities:	Classification:
Accounts payable and other liabilities	Other financial liabilities

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts or loans receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Instruments Recorded at Fair Value

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on unadjusted quoted prices in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly [i.e. as prices] or indirectly [i.e. derived from prices]; and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs]. As of December 31, 2015 and March 31, 2016 cash was classified as Level 1 on the consolidated statements of financial position.

Critical Accounting Estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Stock-Based Compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of loss based on estimates of forfeiture and expected lives of the underlying stock options. During the three months ended March 31, 2016, the Company did not issue stock options and had therefore not recognized any stock based compensation expense.

Critical Accounting Judgments

Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements. Deferred tax assets require management to assess the likelihood that Galway Metals will generate taxable income in future periods in order to utilize recognized deferred tax assets.

Restoration, Rehabilitation and Environmental Obligations

Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior years.

Impairment of Resource Property Costs

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable amount of cash-generating units for an exploration stage company requires various subjective assumptions. These assumptions may change significantly over time when new information becomes available and may cause original estimates to change.

Subsequent Events

On May 3, 2016, the Company announced that it had terminated the contract for the Victorio project. Due to unfavorable market conditions and depressed molybdenum and tungsten prices, Galway Metals will not make the US\$75,000 payments due June 1st, 2016 and 2017 on the Victorio project or the final payment of US\$900,000 in 2018.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, accumulated other comprehensive income (loss), and deficit, which at March 31, 2016 totaled \$9,665,849 (December 31, 2015 - \$9,892,403). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2016. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2016, the Company is compliant with Policy 2.5.

Additional Disclosure for Venture Issuers without Significant Revenue

Administrative expenses for the three months ended March 31, 2016 and 2015 are comprised of the following:

Three Months Ended March 31,	2016	2015
	(\$)	(\$)
Salaries and benefits	65,819	72,781
Travel expense	(3,852)	23,086
Office and general	25,838	22,737
Public company costs	14,961	13,890
Insurance	8,158	7,295
Professional fees	91,801	42,316
	202,725	182,105

Disclosure of Outstanding Share Data

As at the date of this document, the Company had 57,195,248 issued and outstanding shares, 4,175,000 outstanding stock options, exercisable at \$0.10 until December 23, 2023, and 3,300,000 warrants, exercisable at \$0.15 until April 16, 2017.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Selected forward looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic Molybdenum-Tungsten deposits	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of minerals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Molybdenum-Tungsten price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2017. The Company expects to incur further losses in the development of its business	The operating and exploration activities of the Company for the twelve-month period ending March 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to The Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
Plans, costs, timing and capital for	Financing will be available for the	Molybdenum-Tungsten price

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<p>future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations</p>	<p>Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of Molybdenum-Tungsten and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties</p>	<p>volatility; changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff</p>
<p>Management's outlook regarding future trends</p>	<p>Financing will be available for the Company's exploration and operating activities; the price of Molybdenum-Tungsten will be favourable to the Company</p>	<p>Molybdenum-Tungsten price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>
<p>Sensitivity analysis of financial instruments</p>	<p>Interest rates will not be subject to change in excess of plus or minus 1%</p> <p>The Company's investment portfolio will not be subject to change in excess of plus or minus 100%</p> <p>There could be material changes to the Company's results for the three months ended March 31, 2016, as a result of changes in foreign exchange rates</p>	<p>Changes in debt and equity markets; interest rate and exchange rate fluctuations</p>
<p>The Company currently has no mineral properties and is evaluating opportunities to acquire other promising mineral properties</p>	<p>Management will be able to source potential acquisitions; acquisitions could be completed on terms favorable to the Company</p>	<p>Unavailability of suitable or promising mineral properties; inability to successfully conclude a purchase of such undertaking at all</p>

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		or on terms which are commercially acceptable; changes in debt and equity markets
Timing and possible outcome of pending litigation commenced by Vic Alboini	The Company will be able to successfully settle or defend this action	The Company may be found liable in the Alboini Claim and damages claimed under such litigation may be material and the outcome of such litigation may impact the Company's business, results of operations or financial condition. The Company may be required to incur significant expenses or devote significant financial resources in defending itself against the Alboini Claim. The adverse publicity surrounding such claim may have an adverse effect on the Company's business

The Company undertakes no obligation to update or revise the forward-looking statements contained herein except as may be required by applicable securities laws.