

Galway Metals Inc.

**Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended June 30, 2020 and 2019
(Expressed in Canadian 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

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 Canadian Dollars)
(Unaudited)

As at	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 21,959,761	\$ 6,127,939
Prepays and deposits	58,190	74,803
HST receivable	990,465	684,354
	23,008,416	6,887,096
Non-current asset		
Restricted cash (Note 2)	57,226	54,538
Resource property costs (Note 3)	5,775,250	5,751,595
	\$ 28,840,892	\$ 12,693,229
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	\$ 495,354	\$ 656,767
Flow-through premium liability (Note 9)	4,081,799	595,725
	4,577,153	1,252,492
Shareholders' Equity		
Common shares (Note 6)	44,807,846	29,387,007
Contributed surplus	4,452,384	3,420,899
Accumulated other comprehensive loss	196,208	181,823
Deficit	(25,192,699)	(21,548,992)
	24,263,739	11,440,737
	\$ 28,840,892	\$ 12,693,229

Nature of Operations (Note 1)
Contingency (Note 10)

Approved by the Board "Robert Hinchcliffe" Director
 "Larry Strauss" Director

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Expenses				
Administrative expenses (Note 7)	\$ 387,525	\$ 393,821	\$ 862,950	\$ 773,462
Stock-based compensation (Note 5)	681,414	30,674	758,446	89,401
(Gain) loss on foreign exchange	17,439	22,063	(28,375)	29,870
Exploration expenses (Note 8)	682,640	669,469	2,057,581	1,826,217
	1,769,018	1,116,027	3,650,602	2,718,950
Other Income				
Interest income	(1,567)	(3,653)	(6,895)	(13,414)
Premium on flow-through shares (Note 9)	-	-	-	(346,491)
Net Loss	\$ (1,767,451)	\$ (1,112,374)	\$ (3,643,707)	\$ (2,359,045)
Other Comprehensive Loss				
Items that will be reclassified subsequently into income:				
Cumulative translation adjustment	\$ (5,636)	\$ (6,071)	\$ 14,385	\$ (20,058)
Net Comprehensive loss	\$ (1,773,087)	\$ (1,118,445)	\$ (3,629,322)	\$ (2,379,103)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.06)	\$ (0.03)	\$ (0.06)
Weighted average number of common shares outstanding	131,485,446	109,783,065	129,709,001	108,204,292

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

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

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, December 31, 2018	\$ 23,925,370	\$ 3,166,362	\$ 198,170	\$ (15,509,412)	\$ 11,780,490
Cumulative translation adjustment	-	-	(20,058)	-	(20,058)
Shares issued on private placement	3,100,000	-	-	-	3,100,000
Costs of issue	(144,057)	-	-	-	(144,057)
Flow-through share premium	(340,540)	-	-	-	(340,540)
Stock-based compensation	-	89,401	-	-	89,401
Net income for the period	-	-	-	(2,359,045)	(2,359,045)
Balance, June 30, 2019	\$ 26,540,773	\$ 3,255,763	\$ 178,112	\$ (17,868,457)	\$ 12,106,191
Balance, December 31, 2019	29,387,007	3,420,899	181,823	(21,548,992)	11,440,737
Cumulative translation adjustment	-	-	14,385	-	14,385
Shares issued on private placements	18,457,582	-	-	-	18,457,582
Flow-through share premium	(3,486,074)	-	-	-	(3,486,074)
Costs of issue	(1,260,311)	-	-	-	(1,260,311)
Exercise of options	23,917	(12,417)	-	-	11,500
Exercise of warrants	2,488,757	(517,576)	-	-	1,971,181
Issuance of finders warrants	(803,032)	803,032	-	-	-
Stock-based compensation	-	758,446	-	-	758,446
Net loss for the period	-	-	-	(3,643,707)	(3,643,707)
Balance, June 30, 2020	\$ 44,807,846	\$ 4,452,384	\$ 196,208	\$ (25,192,699)	\$ 24,263,739

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

For the Six Months Ended June 30,	2020	2019
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (3,643,707)	\$ (2,359,045)
Items not affecting cash:		
Share-based compensation (Note 5)	758,446	89,401
Premium on flow-through shares	-	(346,491)
Changes in current assets and liabilities:		
Prepays and deposits	16,613	11,300
HST receivable	(306,111)	22,653
Accounts payable and accrued liabilities	(161,413)	118,164
	(3,336,172)	(2,464,018)
Investing activities		
Resource property acquisition costs	(23,655)	(102,649)
Restricted cash	(2,688)	1,285
	(26,343)	(101,364)
Financing activities		
Net proceeds from issuance of shares	19,179,952	2,955,943
Unrealized foreign exchange (gain) loss	14,385	(20,058)
Net change in cash	15,831,822	370,503
Cash and cash equivalents, beginning of period	6,127,939	7,058,093
Cash and cash equivalents, end of period	\$ 21,959,761	\$ 7,428,596

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

Galway Metals Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the Six Months Ended June 30, 2020 and 2019
(Unaudited)

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 and polymetallic 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.

The Company's common shares trade on the TSX Venture Exchange under the symbol "GWM".

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 financial statements for the year ended December 31, 2019.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 31, 2020.

Basis of Presentation

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.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer of the Company. The Company has determined that it has one operating segment, the acquisition, exploration and development of mineral resource properties in Canada.

Galway Metals Inc.
Notes to Condensed Interim Consolidated Financial Statements
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3. Resource Property Costs

	Six Months Ended June 30, 2020	Year Ended December 31 2019
<u>Clarence Stream Project, New Brunswick, Canada</u>		
Balance, beginning of period	\$ 3,934,213	\$ 3,108,683
Acquisition costs	21,060	825,530
Balance, end of period	\$ 3,955,273	\$ 3,934,213
<u>Estrades Project, Quebec, Canada</u>		
Balance, beginning of period	\$ 1,817,382	\$ 1,729,280
Acquisition costs	2,595	88,102
Balance, end of period	\$ 1,819,977	\$ 1,817,382
Total Resource Property Costs, End of Period	\$ 5,775,250	\$ 5,751,595

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 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 the initial Clarence Stream acquisitions will be \$3.5 million over three years plus 1% Net Smelter Return (NSR) royalties on portions of the project, with Galway retaining rights to acquire most of the NSR's. Galway has completed cash payments of \$2.75 million of the \$3.5 million total.

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

Globex: Subsequent to the original acquisition on August 3, 2016, Galway Acquired 100% of the Lower Tower Hill Property from Globex Mining Enterprises for 260,000 shares plus a 2.5% Gross Metal Royalty on those claims.

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

- \$750,000 upon closing (2016 - paid)
- \$750,000 upon the first anniversary of closing (2017 - paid)
- \$1.0 million upon the second anniversary of closing (paid July 10, 2018)
- \$750,000 upon the third anniversary of closing (paid July 2019)
- 1% NSR royalty with a full buyback option at any time for \$2.0 million.

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3. Resource Property Costs (Continued)

ii) Estrades Project, Quebec, Canada

On , August 18, 2016, Galway acquired an undivided 100% ownership interest in the former producing, Estrades mine, related Newiska concessions, and adjacent Casa Berardi claims in western Quebec, Canada.

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. Galway Staked additional claims along the Estrades and Newiska felsic rhyolite horizons. Subsequent to the original acquisition on August 18, 2016, Galway acquired 34 claims adjacent to its Estrades, Newiska and Casa Berardi concessions from GREG Exploration, Inc. for \$34,000.

Cash payment for all the properties Galway acquired, including the Estrades, Newiska and Casa Berardi claims, was \$1.35 million. In addition, Galway issued 800,000 units, valued at \$0.25, with each unit comprised of a share and a three-year warrant exercisable at \$0.52. The 800,000 common share component was valued at \$122,297 and the warrant component was valued at \$77,703 using the Black-Scholes pricing model and applying the relative fair value allocation to the share and warrant components. The following assumptions were used in the Black-Scholes model for initial warrant valuation: 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 \$700,000 (2016 - paid), plus a 1% NSR royalty on portions of three claims. This royalty has a buyout option at any time for \$1 million. On May 8, 2019, Galway purchased the 1% NSR royalty for \$75,000.
CR Capital:	Cash payment of \$150,000 (2016 - paid) 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.
Private Company:	\$300,000 (2016 - paid) 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:	\$200,000 (2016 - paid) cash and a 1% Gross Metal Royalty (similar to an NSR royalty). There is no buyout option on this royalty.
Greg Exploration:	Subsequent to the original acquisition on August 18, 2016, Galway acquired 34 claims adjacent to its Estrades, Newiska and Casa Berardi concessions from GREG Exploration, Inc. for \$34,000.

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5. Resource Property Costs (Continued)

ii) Estrades Project (Continued)

Radisson Mining:

Subsequent to the original acquisition on August 18, 2016, Galway acquired 14 additional claims adjacent to its Estrades and Newiska concessions from Radisson Mining Resources Inc. for 150,000 shares (ascribed a fair value of \$42,000) plus 75,000 share purchase warrants exercisable during a two-year period from February 5, 2018 at \$0.50 per warrant.

There are pre-existing NSR royalties of 2.0% on portions of 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 \$1.5 mm.

On February 5, 2018, the Company acquired 14 additional claims adjacent to its Estrades polymetallic VMS property located in the northern Abitibi of western Quebec. The claims were purchased from Radisson Mining Resources Inc. for 150,000 (ascribed a fair value of \$42,000) shares plus 75,000 share purchase warrants exercisable during a two-year period from the day of closing at \$0.50 per warrant.

The fair value of the 75,000 warrants issued was \$8,483 as calculated using the Black-Scholes option pricing model with the following assumptions: a 24 months expected average life; share price of \$0.28; 102.67% expected volatility; risk free interest rate of 1.82%; and an expected dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the warrants.

On May 8, 2019, Galway purchased the 1% NSR royalty from Mistango River Resources for \$75,000. Original terms included a cash payment of \$700,000, plus a 1% NSR royalty on portions of three claims with a buyout option at any time for \$1.0 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, 2018	106,625,519	\$ 23,925,370
Shares issued on private placement	9,198,197	3,100,000
Costs of issue	-	(144,057)
Flow-through share premium	-	(340,540)
Balance, June 30, 2019	115,823,716	\$ 26,540,773
Balance, December 31, 2019	125,102,251	\$ 29,387,007
Shares issued on private placements	35,198,633	18,457,582
Costs of issue	-	(1,260,311)
Issuance of finders warrants	-	(803,032)
Exercise of options	115,000	23,917
Exercise of warrants	5,631,946	2,488,757
Flow-through share premium	-	(3,486,074)
Balance, June 30, 2020	166,047,830	\$ 44,807,846

Galway Metals Inc.
Notes to Condensed Interim Consolidated Financial Statements
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4. Share Capital (Continued)

- i) On January 21, 2020, the Company completed a non-brokered private placement financing consisting of the sale of 3,684,933 shares at a price of \$0.30 per share for total gross proceeds of \$1,105,480. Cash costs of issue amounted to \$67,086.
- ii) On June 25, 2020, the Company closed a private placement, consisting of the issuance of 17,877,300 common shares of the Company that qualify as flow-through shares (within the meaning of subsection 66(15) of the Income Tax Act (Canada)) (the "flow-through shares") at a price of \$0.635 per flow through share, and 13,636,400 common shares of the Company at a price of \$0.44 per share (the "hard dollar shares"). A total of 31,513,700 hard dollar and flow-through shares were issued for aggregate gross proceeds of \$17,352,102. Cash costs of issue in connection with this private placement were \$1,193,225, and 1,890,822 finders warrants were issued. Each finders warrant is exercisable to acquire one common share of the Company, issued on a non-flow through basis (each, a "Compensation Option Share") at a price of \$0.44 per Compensation Option Share, for a period of twenty-four (24) months after the Closing Date.

The fair value of the 1,890,822 finders warrants issued in conjunction with this private placement was estimated at \$803,032 using the Black-Scholes option pricing model at \$0.42 per warrant, based on the following assumptions: an exercise price of \$0.44, underlying share price of \$0.68 per share, expected annualized volatility of 100.42% based on comparable companies; risk free interest rate of 0.30%; expected dividend yield of 0%; and expected life of 2 years.

5. Stock Options

The following table reflects the continuity of stock options for the six months ended June 30, 2020 and 2019.

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2018 and June 30, 2019	8,175,000	\$0.22
Balance, December 31, 2019	9,125,000	\$0.23
Exercised	(115,000)	\$0.10
Granted	3,340,000	\$0.35
Balance, June 30, 2020	12,350,000	\$0.26

On May 21, 2020, the Company granted 1,300,000 stock options to directors and two employees of the Company. The options are exercisable at \$0.42 per share, have a ten year term, and vest immediately upon grant. The resulting fair value of \$492,570 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 100%; a risk-free interest rate of 0.55% an expected life of 10 years, and a forfeiture rate of nil.

On January 27, 2020, the Company granted 1,790,000 stock options to consultants and employees of the Company. The options are exercisable at \$0.30 per share, have a ten year term, with 640,000 vesting over 18 months, and the remaining 1,150,000 vesting over three years. The resulting fair value of \$480,615 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 100%; a risk-free interest rate of 1.30% an expected life of 10 years, and a forfeiture rate of nil.

Galway Metals Inc.
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5. Stock Options (Continued)

On February 18, 2020, the Company granted 250,000 stock options to a consultant the Company. The options are exercisable at \$0.33 per share, have a ten year term, vesting over a period of three years. The resulting fair value of \$77,400 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 100%; a risk-free interest rate of 1.33% an expected life of 10 years, and a forfeiture rate of nil.

The following table reflects the stock options outstanding as at June 30, 2020:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
December 4, 2023	\$ 0.10	3.43 years	3,910,000	\$ 422,155
September 21, 2026	\$ 0.51	6.23 years	1,285,000	634,268
April 21, 2027	\$ 0.28	6.81 years	415,000	106,946
November 17, 2022	\$ 0.35	2.38 years	900,000	238,410
June 13, 2028	\$ 0.23	7.96 years	500,000	104,550
October 10, 2028	\$ 0.16	8.28 years	250,000	36,275
November 5, 2028	\$ 0.175	8.36 years	800,000	126,880
August 20, 2029	\$ 0.330	9.15 years	830,000	250,328
September 27, 2029	\$ 0.330	9.25 years	120,000	33,948
May 21, 2030	\$ 0.420	9.90 years	1,300,000	492,570
January 27, 2030	\$ 0.300	9.58 years	1,790,000	480,615
february 18,2030	\$ 0.330	9.64 years	250,000	77,400
	\$ 0.26	6.50 years	12,350,000	\$ 3,004,345

Of the 12,350,000 options outstanding as at June 30, 2020, 10,112,500 were exercisable.

6. Warrants

The following table reflects the continuity of warrants for the six months ended June 30, 2020 and 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2018 and June 30, 2019	13,506,949	\$ 0.44
Balance, December 31, 2019	5,706,946	\$ 0.35
Issued	1,890,822	\$ 0.44
Exercised	(5,631,946)	\$ 0.35
Expired	(75,000)	\$ 0.50
Balance, June 30, 2020	1,890,822	\$ 0.44

The following table reflects the warrants outstanding as at June 30, 2020:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding	Black-Scholes Value
June 25, 2022	\$ 0.44	9.99 years	1,890,822	\$ 803,032

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7. Administrative Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Salaries and benefits	\$ 125,922	\$ 73,145	\$ 229,794	\$ 137,970
Office and general	51,656	52,696	172,886	124,748
Public company costs	88,615	124,276	150,947	230,372
Insurance	15,726	16,300	38,186	35,595
Professional fees	97,717	121,146	235,398	206,440
Travel expense	7,889	6,258	35,739	38,337
Total	387,525	\$ 393,821	\$ 862,950	\$ 773,462

8. Exploration Expenditures

Estrades Project

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Drilling	\$ -	\$ 13,578	\$ 114,645	\$ 357,857
Survey	-	-	-	14,501
Geological	647	88,731	41,182	139,325
Assays	-	-	2,180	1,500
Camp Support	13,982	4,868	53,359	65,740
Field supplies	392	1,122	5,334	1,508
Transportation	-	-	734	6,909
Travel	160	-	160	-
	\$ 15,181	\$ 108,299	\$ 217,594	\$ 587,340

Clarence Stream Project

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Geological	\$ 359,469	\$ 136,705	\$ 588,456	\$ 239,378
Drilling	137,151	344,844	772,210	771,419
Assays	119,715	64,823	302,342	119,857
Geochemical soil analysis	-	-	-	24,293
Travel	27,753	31,117	81,778	54,390
Camp support	6,945	1,252	41,466	33,576
Transportation	26,206	14,509	64,070	27,194
Field supplies	14,220	920	24,115	1,770
Grants	(24,000)	(33,000)	(34,450)	(33,000)
	\$ 667,459	\$ 561,170	\$ 1,839,987	\$ 1,238,877
Total Exploration Expenses	\$ 682,640	\$ 669,469	\$ 2,057,581	\$ 1,826,217

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9. Flow-through Share Liability

- (i) The Flow-Through Common Shares issued in the non-brokered private placement tranches completed on May 29 and June 21, 2019 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$340,540. As at June 30, 2020, the Company was committed to spend \$1,799,999 in eligible flow-through expenditures by December 31, 2020.
- (ii) The Flow-Through Common Shares issued in the non-brokered private placement completed on July 22, 2019 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$203,000. As at June 30, 2020, the Company was committed to spend \$1,502,200 in eligible flow-through expenditures by December 31, 2020.
- (iii) The Flow-Through Common Shares issued in the non-brokered private placement completed on December 20, 2019 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$52,185. As at June 30, 2020, the Company was committed to spend \$1,774,302 in eligible flow-through expenditures by December 31, 2020.
- (iii) The Flow-Through Common Shares issued in the non-brokered private placement completed on June 25, 2020 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$3,486,074. As at June 30, 2020, the Company was committed to spend \$11,352,086 in eligible flow-through expenditures by December 31, 2021.

10. Contingencies

- i) On July 27, 2015, the Company announced that it was 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 seeking certain damages in respect of an alleged defamation; and

On June 19, 2017, the Company announced that it was been named as a defendant along with its directors and another shareholder in a legal proceeding commenced by Jaguar Financial Corporation and Vic Alboini in the Ontario Superior Court of Justice, Court File No.: CV-17-577025 seeking certain damages in respect of a failure to obtain seats on the board of Galway and the “missed the opportunity of making a gain” due to Jaguar Financial Corporation’s sale of shares of Galway before increases in the trading price of shares of Galway.

During the period, Outstanding Actions were settled for an nominal amount and formal release agreements were executed.

- ii) Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:
 - Global gold prices;
 - The severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
 - Availability of essential supplies;
 - Purchasing power of the Canadian dollar; and
 - Ability to obtain funding

At the date of the approval of these consolidated financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Galway Metals Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the Six Months Ended June 30, 2020 and 2019
(Unaudited)

11. Related Party Transactions

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Remuneration paid for CEO and CFO services	\$ 75,515	\$ 71,045	\$ 147,260	\$ 142,360
Management fees paid to two directors	\$ 153,093	\$ 93,511	\$ 258,094	\$ 174,805
Stock-based compensation	\$ 454,680	\$ -	\$ 454,680	\$ -

During the three months ended June 30, 2020, the Company expensed \$14,913 and \$34,072, respectively (three and six months ended June 30, 2019 - \$21,396 and 39,975, 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, 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

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

As of June 30, 2020, the Marrelli Group was owed \$3,852 (December 31, 2019 - \$14,111). These amounts are included in accounts payable and accrued liabilities.

During the three and six months ended June 30, 2020, the Company incurred \$153,093 and \$258,094, respectively (three and six months ended June 30, 2019 - \$93,511 and \$174,805) pertaining to consulting services provided by two directors. As at June 30, 2020, \$30,000 (December 31, 2019 - \$105,000) was included in accounts payable and accrued liabilities pertaining to these fees and ancillary expense reimbursements.

12. Subsequent Events

- i) On July 21, 2020, the Company announced that it had entered into an agreement with an arm's length third party royalty holder to buy back a two percent (2.0%) net smelter returns royalty (the "Royalty") covering certain mineral claims at the Company's Clarence Stream property in southwest New Brunswick. The mineral claims fully cover the South, North and George Murphy Zones, the gap area between the George Murphy and Richard Zones, and potential extensions to these zones and other prospective targets. The purchase of the Royalty was closed effective today pursuant to an agreement dated July 15, 2020.

The agreement allowed only for buyback of one percent (1.0%) of the royalty for \$500,000 for each 0.5%. Galway was able to negotiate with the royalty holder to purchase the royalty in its entirety. Under terms of the Agreement, Galway Metals will pay a total purchase price of \$3,000,000 in six equal annual instalments of \$500,000, with each partial payment representing the purchase of one-sixth (1/6) of the Royalty. Pursuant to the Agreement, on closing Galway issued 434,783 common shares in the capital of the Company to the royalty holder, which represented the first Partial Payment of \$500,000 at a deemed price equal to \$1.15 per Share. Each subsequent \$500,000 Partial Payment shall be paid as follows: (i) \$125,000 in cash; and, (ii) the remaining \$375,000, at the sole election of the Company, shall be paid either in cash, through the issuance of Shares or a combination thereof as shall equal \$375,000 with the Shares valued at a deemed price equal to the higher of: (A) the closing price of the Shares on the TSX Venture Exchange ("TSXV") on the day that is two (2) business days prior to the date of the respective share issuance, and (B) the lowest price of Shares that shall be acceptable to the TSXV. The Shares will be subject to the statutory hold periods of four months and one day.

Galway Metals Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the Six Months Ended June 30, 2020 and 2019
(Unaudited)

12. Subsequent Events (Continued)

- ii) On July 27, 2020, Galway entered into an agreement with an arm's length third party royalty holder to buy back a one percent (1.0%) net smelter returns royalty. This was a separate royalty and is in addition to the royalty purchase announced on July 21, 2020. The mineral claims subject to the Royalty cover the Jubilee Zone, parts of the Richard Zone, the recently reported new discovery of 186.5 g/t Au over 0.6m located 950m SW of the Jubilee Zone and other prospective properties.

The original agreement allowed only for buyback of one-half percent (0.5%) of the royalty for \$500,000. Galway was able to negotiate with the royalty holder to purchase the royalty in its entirety. Under terms of the Agreement, Galway Metals paid a total purchase price of \$580,000 comprised of a cash payment of \$100,000 and 400,000 common shares in the capital of the Company at a deemed price of \$480,000 (\$1.20 per Share).

- iii) On August 25, 2020, the Company announced that it optioned 5 claim groups consisting of a total of 79 claim units at the Clarence Stream Gold Project in SW New Brunswick.

Terms of the deal are for Galway to pay the vendor an aggregate of \$500,000, divided in seven (7) equal installments of \$71,429. The first payment was made upon the approval of the TSX Venture Exchange ("TSXV"), and each subsequent payment will occur on or before the anniversary of this agreement for the following six years. The first payment shall, and at the sole election of the Company, each subsequent payment may be paid either in cash, or 80% in cash and 20% in Galway shares. As such, each payment will be comprised of \$57,143 in cash and \$14,2861 worth of Galway shares or in cash, with the Galway shares valued at a deemed price equal to the higher of: (A) the closing price of the Galway shares on the TSXV on the day that is two (2) business days prior to the date of the respective share issuance, and (B) the lowest price of Galway shares that shall be acceptable to the TSXV. The Galway shares will be subject to the statutory hold periods of four months and one day. For the first share issuance, a total of 9,524 Galway shares were issued at a deemed value of \$1.50 per Galway share for an aggregate deemed value of \$14,286.