

Galway Metals Inc.

**Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2021 and 2020
(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	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 25,511,977	\$ 15,351,359
Prepays and deposits	29,347	36,016
HST receivable	1,361,584	1,664,813
	26,902,908	17,052,188
Non-current asset		
Restricted cash (Note 2)	53,463	53,463
Resource property costs (Note 3)	7,065,707	7,064,870
Property and equipment (Note 4)	575,276	565,505
	\$ 34,597,354	\$ 24,736,026
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	\$ 1,359,289	\$ 856,974
Flow-through premium liability (Note 10)	5,437,159	3,486,074
	6,796,448	4,343,048
Shareholders' Equity		
Common shares (Note 7)	56,649,848	46,367,260
Contributed surplus	8,177,323	7,197,386
Accumulated other comprehensive loss	159,879	188,731
Deficit	(37,186,144)	(33,360,399)
	27,800,906	20,392,978
	\$ 34,597,354	\$ 24,736,026

Nature of Operations (Note 1)

Contingency (Note)

Approved by the Board "Robert Hinchcliffe" Director

"Larry Strauss" Director

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

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

For the Three Months Ended March 31,	2021	2020
Expenses		
Administrative expenses (Note 8)	\$ 490,882	\$ 475,425
Stock-based compensation (Note 6)	599,649	77,032
(Gain) loss on foreign exchange	23,431	(45,814)
Exploration expenses (Note 9)	4,016,691	1,374,941
Amortization	3,388	-
	5,134,041	1,881,584
Other Income		
Interest income	(692)	(5,328)
Premium on flow-through shares (Note 10)	(1,307,604)	-
Net Loss	\$ (3,825,745)	\$ (1,876,256)
Other Comprehensive Loss		
Items that will be reclassified subsequently into income:		
Cumulative translation adjustment	\$ (28,852)	\$ 20,021
Net Comprehensive loss	\$ (3,854,597)	\$ (1,856,235)
Loss per share - basic and diluted	\$ (0.02)	\$ (0.05)
Weighted average number of common shares outstanding	168,215,576	127,942,693

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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, 2019	\$ 29,387,007	\$ 3,420,899	\$ 181,823	\$ (21,548,992)	\$ 11,440,737
Cumulative translation adjustment	-	-	20,021	-	20,021
Shares issued on private placement	1,105,480	-	-	-	1,105,480
Costs of issue	(67,086)	-	-	-	(67,086)
Stock-based compensation	-	77,032	-	-	77,032
Exercise of options	3,120	(1,620)	-	-	1,500
Net income for the period	-	-	-	(1,876,256)	(1,876,256)
Balance, March 31, 2020	\$ 30,428,521	\$ 3,496,311	\$ 201,844	\$ (23,425,248)	\$ 10,701,428
Balance, December 31, 2020	\$ 46,367,260	\$ 7,197,386	\$ 188,731	\$ (33,360,399)	\$ 20,392,978
Cumulative translation adjustment	-	-	(28,852)	-	(28,852)
Shares issued on private placements	15,000,105	-	-	-	15,000,105
Flow-through share premium	(3,258,690)	-	-	-	(3,258,690)
Costs of issue	(1,078,539)	-	-	-	(1,078,539)
Issuance of finders warrants	(380,288)	380,288	-	-	-
Stock-based compensation	-	599,649	-	-	599,649
Net loss for the period	-	-	-	(3,825,745)	(3,825,745)
Balance, March 31, 2021	\$ 56,649,848	\$ 8,177,323	\$ 159,879	\$ (37,186,144)	\$ 27,800,906

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

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

For the Three Months Ended March 31,	2021	2020
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (3,825,745)	\$ (1,876,256)
Items not affecting cash:		
Amortization	3,388	-
Share-based compensation (Note 6)	599,649	77,032
Premium on flow-through shares	(1,307,604)	-
Changes in current assets and liabilities:		
Prepays and deposits	6,669	4,964
HST receivable	303,229	(212,175)
Accounts payable and accrued liabilities	502,315	(369,203)
	(3,718,099)	(2,375,638)
Investing activities		
Acquisition of property and equipment	(13,159)	-
Resource property acquisition costs	(837)	(23,655)
Restricted cash	-	(5,035)
	(13,996)	(28,690)
Financing activities		
Net proceeds from issuance of shares	13,921,565	1,039,894
Unrealized foreign exchange (gain) loss	(28,852)	20,021
Net change in cash	10,160,618	(1,344,413)
Cash and cash equivalents, beginning of period	15,351,359	6,127,939
Cash and cash equivalents, end of period	\$ 25,511,977	\$ 4,783,526

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 Three Months Ended March 31, 2021 and 2020
(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, 2020.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 27, 2021.

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.
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2. Significant Accounting Policies (Continued)

Covid-19 Impact

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.

3. Resource Property Costs

	Three Months Ended March 31, 2021	Year Ended December 31 2020
<u>Clarence Stream Project, New Brunswick, Canada</u>		
Balance, beginning of period	\$ 5,244,893	\$ 3,934,213
Acquisition costs	-	1,310,680
Balance, end of period	\$ 5,244,893	\$ 5,244,893
<u>Estrades Project, Quebec, Canada</u>		
Balance, beginning of period	\$ 1,819,977	\$ 1,817,382
Acquisition costs	837	2,595
Balance, end of period	\$ 1,820,814	\$ 1,819,977
Total Resource Property Costs, End of Period	\$ 7,065,707	\$ 7,064,870

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.

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3. Resource Property Costs (Continued)

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

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.

On July 21, 2020, the Company closed an agreement dated July 15, 2020 with an arm's length third party royalty holder to buy back a two percent (2.0%) net smelter returns royalty (the "Royalty") on the Wolfden option 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 original option 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 (ascribed a fair value of \$500,000 on the date of issuance) in the capital of the Company to the royalty holder, which represented the first Partial Payment. 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.

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 noted above. The mineral claims subject to the royalty cover the Jubilee Zone, parts of the Richard Zone and other prospective properties. Under terms of the agreement, the Company paid a total purchase price of \$580,000 comprised of a cash payment of \$100,000 and 400,000 common shares (ascribed a fair value of \$620,000 on the date of issuance).

On August 25, 2020, the Company optioned 5 claim groups consisting of a total of 79 claim units. The Company is required 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"), with each subsequent payment occurring 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 \$14,286 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, and were ascribed a fair value of \$12,476 on the date of issuance.

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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.

Galway Metals Inc.
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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 million.

4. Property and Equipment

Cost	Land	Building	Vehicle	Total
Balance, December 31, 2019	\$ -	\$ -	\$ -	\$ -
Additions	350,821	202,117	15,356	568,294
Balance, December 31, 2020	\$ 350,821	\$ 202,117	\$ 15,356	\$ 568,294
Additions	-	-	13,159	13,159
Balance, March 31, 2021	\$ 350,821	\$ 202,117	\$ 28,515	\$ 581,453

Accumulated Depreciation

Balance, December 31, 2019	\$ -	\$ -	\$ -	\$ -
Depreciation	-	2,021	768	2,789
Balance, December 31, 2020	\$ -	\$ 2,021	\$ 768	\$ 2,789
Depreciation	-	2,001	1,387	3,388
Balance, March 31, 2021	\$ -	\$ 4,022	\$ 2,155	\$ 6,177

Carrying Value

At December 31, 2020	\$ 350,821	\$ 200,096	\$ 14,588	\$ 565,505
At March 31, 2021	\$ 350,821	\$ 198,095	\$ 26,360	\$ 575,276

Galway Metals Inc.
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5. 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, 2019	125,102,251	\$ 29,387,007
Shares issued on private placement	3,684,933	1,105,480
Costs of issue	-	(67,086)
Exercise of options	15,000	3,120
Balance, March 31, 2020	128,802,184	\$ 30,428,521
Balance, December 31, 2020	167,480,301	\$ 46,367,260
Shares issued on private placement	11,182,300	15,000,105
Costs of issue	-	(1,078,539)
Issuance of finders warrants	-	(380,288)
Flow-through share premium	-	(3,258,690)
Balance, March 31, 2021	178,662,601	\$ 56,649,848

On March 25, 2021, the Company closed a brokered private placement, consisting of the issuance of 5,999,900 flow-through common shares of the Company that qualify as National flow-through shares "National FT Shares" (with the meaning of subsection 66(15) of the Income Tax Act (Canada)) (the "flow-through shares") at a price of \$1.45 per share per National FT Share, and 1,087,000 Quebec Flow Through Shares "Quebec FT Shares" (with the meaning of subsection 66(15) of the Income Tax Act (Canada) and section 359.1 on the Taxation Act (Quebec)) at a price of \$1.84 per QC FT Share and 4,095,400 HD Shares at a price of \$1.05 per HD Share for aggregate gross proceeds of \$15,000,105. Cash costs of issue, including commissions amounted to \$1,078,539. In connection with this financing, 670,938 finders warrants were issued on a non-flow through basis with an exercise price of \$1.05 per warrant for a period of two years from the close of the private placement.

The fair value of the 670,938 finders warrants issued in conjunction with this brokered private placement was estimated at \$380,288 using the Black-Scholes option pricing model at \$0.57 per warrant, based on the following assumptions: an exercise price of \$1.05, underlying share price of \$0.99 per share, expected annualized volatility of 115%; risk free interest rate of 0.23%; expected dividend yield of 0%; and expected life of 2 years.

6. Stock Options

The following table reflects the continuity of stock options for the three months ended March 31, 2021 and 2020.

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2019	9,125,000	\$0.23
Exercised	(15,000)	\$0.10
Balance, March 31, 2020	9,110,000	\$0.23

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6. Stock Options (Continued)

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2020	15,535,000	\$0.49
Granted	170,000	\$1.13
Balance, March 31, 2021	15,705,000	\$0.49

On February 2, 2021, the Company granted 150,000 stock options to employees of the Company. The options are exercisable at \$1.16 per share and have a ten year term. The options are subject to vesting at a rate of 50% after six months, 25% after twelve months and the remaining 25% after 18 months. The resulting fair value of \$162,540 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 115%; a risk-free interest rate of 0.91% an expected life of 10 years, and a forfeiture rate of nil.

On March 30, 2021, the Company granted 20,000 stock options to consultants of the Company. The options are exercisable at \$0.94 per share and have a ten year term. The options are subject to vesting at a rate of 50% after six months, 25% after twelve months and the remaining 25% after 18 months. The resulting fair value of \$17,794 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 115%; a risk-free interest rate of 1.53% an expected life of 10 years, and a forfeiture rate of nil.

The following table reflects the stock options outstanding as at March 31, 2021:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
December 4, 2023	\$ 0.10	2.68 years	3,860,000	\$ 416,216
September 21, 2026	\$ 0.51	5.48 years	1,205,000	594,781
April 24, 2027	\$ 0.28	6.06 years	385,000	99,215
November 16, 2027	\$ 0.35	6.63 years	850,000	225,165
June 13, 2028	\$ 0.23	7.20 years	500,000	104,550
October 10, 2028	\$ 0.16	7.53 years	250,000	36,275
November 5, 2028	\$ 0.175	7.60 years	800,000	126,880
August 21, 2029	\$ 0.330	8.39 years	630,000	190,008
September 27, 2029	\$ 0.330	8.50 years	120,000	33,948
May 21, 2030	\$ 0.420	9.14 years	1,300,000	492,570
January 21, 2030	\$ 0.320	8.81 years	1,150,000	308,775
January 27, 2030	\$ 0.300	8.83 years	640,000	171,840
February 18, 2030	\$ 0.330	8.89 years	250,000	77,400
November 12, 2030	\$ 1.220	9.62 years	1,020,000	1,161,678
November 16, 2030	\$ 1.280	9.63 years	2,575,000	3,151,800
February 2, 2031	\$ 1.160	9.84 years	150,000	162,540
March 30, 2031	\$ 0.940	9.99 years	20,000	17,794
	\$ 0.49	6.93 years	15,705,000	\$ 7,371,435

Of the 15,705,000 options outstanding as at March 31, 2021, 12,147,500 were exercisable.

Galway Metals Inc.
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(Expressed in Canadian Dollars)
For the Three Months Ended March 31, 2021 and 2020
(Unaudited)

7. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2019	5,706,946	\$ 0.35
Expired	(75,000)	\$ 0.50
Balance, March 31, 2020	5,631,946	\$ 0.35
Balance, December 31, 2020 and March 31, 2021	1,512,658	\$ 0.44

The following table reflects the warrants outstanding as at March 31, 2021:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding	Black-Scholes Value
June 25, 2022	\$ 0.44	1.23 years	1,512,658	\$ 642,426

8. Administrative Expenses

For the Three Months Ended March 31,	2021	2020
Salaries and benefits	\$ 115,216	\$ 103,872
Office and general	86,456	121,230
Public company costs	123,329	62,332
Insurance	13,430	22,460
Professional fees	142,105	137,681
Travel expense	10,346	27,850
Total	\$ 490,882	\$ 475,425

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9. Exploration Expenditures

Estrades Project

For the Three Months Ended March 31,	2021	2020
Drilling	\$ 1,261,471	\$ 114,645
Survey	26,639	-
Geological	113,891	40,535
Assays	23,515	2,180
Camp Support	31,632	39,377
Field supplies	3,177	4,942
Transportation	20,912	734
Travel	5,230	-
	\$ 1,486,467	\$ 202,413

Clarence Stream Project

For the Three Months Ended March 31,	2021	2020
Geological	\$ 508,819	\$ 228,987
Drilling	1,419,201	635,059
Assays	343,699	182,627
Survey	112,859	-
Travel	52,897	54,025
Camp support	30,218	34,521
Transportation	52,075	37,864
Field supplies	10,456	9,895
Grants	-	(10,450)
	\$ 2,530,224	\$ 1,172,528
Total Exploration Expenses	\$ 4,016,691	\$ 1,374,941

10. Flow-through Premium Liability

- (i) The Flow-Through Common Shares issued in the 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 March 31, 2021, the Company was committed to spend \$11,352,086 in eligible flow-through expenditures by December 31, 2021. For the three months ended March 31, 2021, the Company filed renoucement claims of \$4,258,095 related to this flow-through expenditure commitment by incurring eligible expenditures and as a result the flow-through premium was reduced to \$2,178,470.
- (ii) The Flow-Through Common Shares issued in the brokered private placement completed on March 25, 2021 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 \$3,258,690. As at March 31, 2021, the Company was committed to spend \$10,699,935 in eligible flow-through expenditures by December 31, 2022.

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11. Related Party Transactions

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

For the Three Months Ended March 31,	2021	2020
Remuneration paid for CEO and CFO services	\$ 67,800	\$ 71,745
Management fees paid to two directors	\$ 164,706	\$ 105,001

During the three months ended March 31, 2021, the Company expensed \$18,880 (three months ended March 31, 2020 - \$19,159) 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 March 31, 2021, the Marrelli Group was owed \$29,334 (December 31, 2020 - \$11,787). These amounts are included in accounts payable and accrued liabilities.

During the three months ended March 31, 2021, the Company incurred \$164,706 (three months ended March 31, 2020 - \$105,001) pertaining to consulting services provided by two directors. As at March 31, 2021, \$37,500 (December 31, 2020 - \$nil) was included in accounts payable and accrued liabilities pertaining to these fees and ancillary expense reimbursements.