

Galway Metals Inc.

**Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2022 and 2021
(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, 2022 | December 31, 2021 |
|--|---------------------------|------------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 6,015,757 | \$ 10,681,021 |
| Prepays and deposits | 96,607 | 49,057 |
| HST receivable | 1,087,584 | 867,825 |
| | 7,199,948 | 11,597,903 |
| Non-current asset | | |
| Restricted cash (Note 2) | - | 53,236 |
| Resource property costs (Note 3) | 7,778,312 | 7,757,552 |
| Property and equipment (Note 4) | 1,333,285 | 1,339,909 |
| | \$ 16,311,545 | \$ 20,748,600 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 11) | \$ 2,104,117 | \$ 965,449 |
| Flow-through premium liability (Note 10) | - | 3,258,690 |
| Current portion of note payable (Note 12) | 73,558 | 72,115 |
| | 2,177,675 | 4,296,254 |
| Note payable (Note 12) | 189,955 | 186,231 |
| | 2,367,630 | 4,482,485 |
| Shareholders' Equity | | |
| Common shares (Note 5) | 56,637,507 | 56,637,507 |
| Contributed surplus | 9,089,462 | 9,021,237 |
| Accumulated other comprehensive income | 154,814 | 156,429 |
| Deficit | (51,937,868) | (49,549,058) |
| | 13,943,915 | 16,266,115 |
| | \$ 16,311,545 | \$ 20,748,600 |

Nature of Operations (Note 1)

Subsequent Event (Note 13)

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, | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Expenses | | |
| Administrative expenses (Note 8) | \$ 571,734 | \$ 490,882 |
| Stock-based compensation (Note 6) | 68,225 | 599,649 |
| (Gain) loss on foreign exchange | 4,410 | 23,431 |
| Exploration expenses (Note 9) | 4,998,395 | 4,016,691 |
| Amortization | 6,624 | 3,388 |
| | 5,649,388 | 5,134,041 |
| Other Income | | |
| Interest income | (1,888) | (692) |
| Premium on flow-through shares (Note 10) | (3,258,690) | (1,307,604) |
| Net Loss | \$ (2,388,810) | \$ (3,825,745) |
| Other Comprehensive Loss | | |
| Items that will be reclassified subsequently into income: | | |
| Cumulative translation adjustment | \$ (1,615) | \$ (28,852) |
| Net Comprehensive loss | \$ (2,390,425) | \$ (3,854,597) |
| Loss per share - basic and diluted | \$ (0.01) | \$ (0.08) |
| Weighted average number of common shares outstanding - basic and diluted | 178,662,601 | 148,671,401 |

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, 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 |
| Costs of issue | (1,078,539) | - | - | - | (1,078,539) |
| Issuance of finders warrants | (380,288) | 380,288 | - | - | - |
| Flow-through share premium | (3,258,690) | - | - | - | (3,258,690) |
| Stock-based compensation | - | 599,649 | - | - | 599,649 |
| Net income 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 |
| Balance, December 31, 2020 | \$ 56,637,507 | \$ 9,021,237 | \$ 156,429 | \$ (49,549,058) | \$ 16,266,115 |
| Cumulative translation adjustment | - | - | (1,615) | - | (1,615) |
| Stock-based compensation | - | 68,225 | - | - | 68,225 |
| Net loss for the period | - | - | - | (2,388,810) | (2,388,810) |
| Balance, December 31, 2021 | \$ 56,637,507 | \$ 9,089,462 | \$ 154,814 | \$ (51,937,868) | \$ 13,943,915 |

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, | 2022 | 2021 |
|---|---------------------|----------------------|
| Cash provided by (used in): | | |
| Operating activities | | |
| Net loss for the period | \$ (2,388,810) | \$ (3,825,745) |
| Items not affecting cash: | | |
| Amortization | 6,624 | 3,388 |
| Share-based compensation (Note 6) | 68,225 | 599,649 |
| Premium on flow-through shares | (3,258,690) | (1,307,604) |
| Accretion of note payable | 5,167 | - |
| Changes in current assets and liabilities: | | |
| Prepays and deposits | (47,550) | 6,669 |
| HST receivable | (219,759) | 303,229 |
| Accounts payable and accrued liabilities | 1,138,668 | 502,315 |
| | (4,696,125) | (3,718,099) |
| Investing activities | | |
| Acquisition of property and equipment | - | (13,159) |
| Resource property acquisition costs | (20,760) | (837) |
| Restricted cash | 53,236 | - |
| | 32,476 | (13,996) |
| Financing activities | | |
| Net proceeds from issuance of shares | - | 19,380,423 |
| Unrealized foreign exchange (gain) loss | (1,615) | 6,908 |
| Net change in cash | (4,665,264) | 15,655,236 |
| Cash and cash equivalents, beginning of period | 10,681,021 | 6,127,939 |
| Cash and cash equivalents, end of period | \$ 6,015,757 | \$ 21,783,175 |
| Supplementary Cash Flow Information | | |
| Promissory note payable issued for property | \$ - | \$ - |
| Shares issued for property | \$ - | \$ - |

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, 2022 and 2021
(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, 2021.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 26, 2022.

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 Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

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, 2022 | Year Ended December 31 2021 |
|---|--|--|
| Clarence Stream Project, New Brunswick, Canada | | |
| Balance, beginning of period | \$ 5,908,590 | \$ 5,244,893 |
| Acquisition costs | 12,130 | 663,697 |
| Balance, end of period | \$ 5,920,720 | \$ 5,908,590 |
| Estrades Project, Quebec, Canada | | |
| Balance, beginning of period | \$ 1,848,962 | \$ 1,819,977 |
| Acquisition costs | 8,630 | 28,985 |
| Balance, end of period | \$ 1,857,592 | \$ 1,848,962 |
| Total Resource Property Costs, End of Period | \$ 7,778,312 | \$ 7,757,552 |

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.

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

3. Resource Property Costs (Continued)

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

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.

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. In July 2021, the Company settled the second installment through a cash payment of \$500,000.

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).

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

3. Resource Property Costs (Continued)

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

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.

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.

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

3. Resource Property Costs (Continued)

ii) Estrades Project (Continued)

| | |
|----------------------------|---|
| 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. |
| 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.

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

4. Property and Equipment

| Cost | Land | Building | Vehicle | Total |
|--------------------------------|---------------------|-------------------|------------------|---------------------|
| Balance, December 31, 2020 | \$ 350,821 | \$ 202,117 | \$ 15,356 | \$ 568,294 |
| Additions | 773,665 | - | 13,159 | 786,824 |
| Balance, December 31, 2021 | \$ 1,124,486 | \$ 202,117 | \$ 28,515 | \$ 1,355,118 |
| Additions | - | - | - | - |
| Balance, March 31, 2022 | \$ 1,124,486 | \$ 202,117 | \$ 28,515 | \$ 1,355,118 |

Accumulated Depreciation

| | | | | |
|--------------------------------|-------------|------------------|-----------------|------------------|
| Balance, December 31, 2020 | \$ - | \$ 2,021 | \$ 768 | \$ 2,789 |
| Depreciation | - | 8,186 | 4,234 | 12,420 |
| Balance, December 31, 2021 | \$ - | \$ 10,207 | \$ 5,002 | \$ 15,209 |
| Depreciation | - | 1,921 | 4,703 | 6,624 |
| Balance, March 31, 2022 | \$ - | \$ 12,128 | \$ 9,705 | \$ 21,833 |

Carrying Value

| | | | | |
|--------------------------|---------------------|-------------------|------------------|---------------------|
| At December 31, 2021 | \$ 1,124,486 | \$ 191,910 | \$ 23,513 | \$ 1,339,909 |
| At March 31, 2022 | \$ 1,124,486 | \$ 189,989 | \$ 18,810 | \$ 1,333,285 |

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, 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 |
| Balance, December 31, 2021 and March 31, 2022 | 178,662,601 | \$ 56,637,507 |

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

6. Stock Options

The following table reflects the continuity of stock options for the three months ended March 31, 2022 and 2021.

| | 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 |
| Balance, December 31, 2021 and March 31, 2022 | 15,120,000 | \$0.53 |

The following table reflects the stock options outstanding as at March 31, 2022:

| Expiry Date | Exercise Price | Weighted Average Life Remaining | Options Outstanding | Black-Scholes Value |
|--------------------|-------------------|--|------------------------|------------------------|
| December 4, 2023 | \$ 0.10 | 1.68 years | 3,260,000 | \$ 416,216 |
| September 21, 2026 | \$ 0.51 | 4.48 years | 1,205,000 | 594,781 |
| April 24, 2027 | \$ 0.28 | 5.06 years | 385,000 | 99,215 |
| November 16, 2027 | \$ 0.35 | 5.63 years | 820,000 | 225,165 |
| June 13, 2028 | \$ 0.23 | 6.20 years | 500,000 | 104,550 |
| October 10, 2028 | \$ 0.16 | 6.53 years | 250,000 | 36,275 |
| November 5, 2028 | \$ 0.175 | 6.60 years | 800,000 | 126,880 |
| August 21, 2029 | \$ 0.330 | 7.39 years | 510,000 | 190,008 |
| September 27, 2029 | \$ 0.330 | 7.50 years | 120,000 | 33,948 |
| May 21, 2030 | \$ 0.420 | 8.14 years | 1,300,000 | 492,570 |
| January 21, 2030 | \$ 0.320 | 7.81 years | 1,150,000 | 308,775 |
| January 27, 2030 | \$ 0.300 | 7.83 years | 520,000 | 171,840 |
| February 18, 2030 | \$ 0.330 | 7.89 years | 250,000 | 77,400 |
| November 12, 2030 | \$ 1.220 | 8.62 years | 930,000 | 1,161,678 |
| November 16, 2030 | \$ 1.280 | 8.62 years | 2,575,000 | 3,151,800 |
| February 2, 2031 | \$ 1.160 | 8.85 years | 150,000 | 162,540 |
| March 30, 2031 | \$ 0.940 | 9.00 years | 20,000 | 17,794 |
| June 2, 2031 | \$ 0.990 | 9.17 years | 300,000 | 262,271 |
| September 30, 2031 | \$ 0.620 | 9.50 years | 75,000 | 42,228 |
| | \$ 0.53 | 6.16 years | 15,120,000 | \$ 7,675,934 |

Of the 15,120,000 options outstanding as at December 31, 2021, 13,037,500 were exercisable.

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

7. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2022 and 2021:

| | Number of Warrants | Weighted Average Exercise Price |
|--|-----------------------|------------------------------------|
| Balance, December 31, 2020 and March 31, 2021 | 1,512,658 | \$ 0.44 |
| Balance, December 31, 2021 and March 31, 2022 | 2,183,596 | \$ 0.63 |

The following table reflects the warrants outstanding as at March 31, 2022:

| Expiry Date | Exercise Price | Weighted Average Life Remaining | Warrants Outstanding | Black-Scholes Value |
|----------------|-------------------|--|-------------------------|------------------------|
| June 25, 2022 | \$ 0.44 | 0.23 years | 1,512,658 | \$ 642,426 |
| March 25, 2023 | \$ 1.05 | 0.98 years | 670,938 | \$ 380,288 |
| | \$ 0.63 | 0.46 years | 2,183,596 | \$ 1,022,714 |

8. Administrative Expenses

| For the Three Months Ended March 31, | 2022 | 2021 |
|--------------------------------------|-------------------|-------------------|
| Salaries and benefits | \$ 212,357 | \$ 115,216 |
| Office and general | 65,407 | 86,456 |
| Public company costs | 109,851 | 123,329 |
| Insurance | 48,655 | 13,430 |
| Professional fees | 119,689 | 142,105 |
| Travel expense | 15,775 | 10,346 |
| | \$ 571,734 | \$ 490,882 |

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

9. Exploration Expenditures

Estrades Project

| For the Three Months Ended March 31, | 2022 | 2021 |
|---|---------------------|---------------------|
| Drilling | \$ 2,211,476 | \$ 1,261,471 |
| Survey | - | 26,639 |
| Geological | 218,537 | 113,891 |
| Assays | 29,366 | 23,515 |
| Camp Support | 30,142 | 31,632 |
| Field supplies | 11,050 | 3,177 |
| Transportation | 11,145 | 20,912 |
| Travel | 163 | 5,230 |
| | \$ 2,511,879 | \$ 1,486,467 |

Clarence Stream Project

| For the Three Months Ended March 31, | 2022 | 2021 |
|---|---------------------|---------------------|
| Geological | \$ 537,683 | \$ 508,819 |
| Drilling | 1,220,182 | 1,419,201 |
| Assays | 520,239 | 343,699 |
| Survey | - | 112,859 |
| Travel | 58,559 | 52,897 |
| Camp support | 100,075 | 30,218 |
| Transportation | 37,401 | 52,075 |
| Field supplies | 12,377 | 10,456 |
| | \$ 2,486,516 | \$ 2,530,224 |
| Total Exploration Expenses | \$ 4,998,395 | \$ 4,016,691 |

10. Flow-through Premium Liability

- (i) 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. During the three months ended March 31, 2022, the Company satisfied its \$11,352,086 flow-through expenditure commitment by incurring eligible expenditures and as a result the flow-through premium was reduced to \$nil.

Galway Metals Inc.
Notes to Consolidated Financial Statements
(Expressed in Canadian Dollars)
December 31, 2021 and 2020

11. Related Party Transactions

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

| For the Three Months Ended March 31, | 2022 | 2021 |
|---|-------------|-------------|
| Remuneration paid for CEO and CFO services | \$ 115,293 | \$ 67,800 |
| Management fees paid to two directors | \$ 118,363 | \$ 164,706 |

During the three months ended March 31, 2022, the Company expensed \$28,488 (three months ended March 31, 2021 - \$18,880) 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 December 31, 2021, the Marrelli Group was owed \$41,208 (December 31, 2021 - \$13,438). These amounts are included in accounts payable and accrued liabilities.

During the three months ended March 31, 2022, the Company incurred \$118,363 (three months ended March 31, 2021 - \$164,706) pertaining to consulting services provided by two directors. As at March 31, 2022, \$45,000 (December 31, 2021 - \$60,000) was included in accounts payable and accrued liabilities pertaining to these fees and ancillary expense reimbursements.

12. Note Payable

On June 18, 2021, the Company entered into an interest free \$300,000 promissory note in conjunction with an agreement to acquire certain surface rights for its Clarence Stream Project. The Company is obligated to pay \$75,000 on each of the four successive anniversary dates of the agreement. The carrying value of the note has been discounted at an equivalent interest rate of 8%, representing the approximate market rate of a similar debt instrument, and subject to accretion over the life of the debt. The note is secured by a collateral mortgage made by the Company in favour of the lender, with the surface rights as serving as collateral. As at March 31, 2022, the present value of the note was \$263,513 (December 31, 2021 - \$258,346), of which \$73,558 (December 31, 2021 - \$72,115) was payable within the next twelve months.

13. Subsequent Event

On May 26, 2022, the Company closed a a bought deal private placement financing (the "Offering") for total proceeds of \$10 million, consisting of 6,666,700 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 "FT Shares") at a price of \$0.60 per FT Share and 14,117,700 common shares of the Company ("Hard Dollar Shares") at a price of \$0.425 per Hard Dollar Share.