

Galway Gold Inc.

**Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2020 and 2019**

**(Expressed in United States Dollars)
(Unaudited)**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Galway Gold 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 Gold Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)
(Unaudited)

As at	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 4,014,533	\$ 5,111,742
Prepays and deposits	37,049	44,736
	\$ 4,051,582	\$ 5,156,478
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 74,961	\$ 84,790
Shareholders' Equity		
Common shares (Note 3)	19,753,250	19,753,250
Contributed surplus	1,923,416	1,923,416
Accumulated other comprehensive loss	(477)	(1,258)
Deficit	(17,699,568)	(16,603,720)
	3,976,621	5,071,688
	\$ 4,051,582	\$ 5,156,478

Nature of Operations (Note 1)

Approved by the Board "Robert Hinchcliffe" Director
 "Mike Sutton" Director

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

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Expenses (Income)				
Project support costs (Note 5)	\$ 62,258	\$ 69,633	\$ 209,289	\$ 209,294
Administrative expenses (Note 6)	492,527	337,364	895,041	847,996
Stock-based compensation	-	-	-	37,978
Loss (Gain) on foreign exchange	(12,099)	131,026	5,243	14,464
Interest income	(2,156)	(18,541)	(13,725)	(61,343)
Net loss	\$ (540,530)	\$ (519,482)	\$ (1,095,848)	\$ (1,048,389)
Other Comprehensive Loss				
Items that will be reclassified subsequently into income:				
Cumulative translation adjustment	-	535	781	(6,549)
Net comprehensive loss	\$ (540,530)	\$ (518,947)	\$ (1,095,067)	\$ (1,054,938)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding	41,627,979	41,627,979	41,627,979	41,627,979

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

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

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance, December 31, 2018	\$ 19,753,250	\$ 1,894,792	\$ 5,958	\$ (15,238,528)	\$ 6,415,472
Stock based compensation	-	37,978	-	-	37,978
Cumulative translation adjustment	-	-	(6,549)	-	(6,549)
Net loss for the period	-	-	-	(1,048,389)	(1,048,389)
Balance, September 30, 2019	\$ 19,753,250	\$ 1,932,770	\$ (591)	\$ (16,286,917)	\$ 5,398,512
Balance, December 31, 2019	19,753,250	1,923,416	(1,258)	(16,603,720)	5,071,688
Cumulative translation adjustment	-	-	781	-	781
Net loss for the period	-	-	-	(1,095,848)	(1,095,848)
Balance, September 30, 2020	\$ 19,753,250	\$ 1,923,416	\$ (477)	\$ (17,699,568)	\$ 3,976,621

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

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

For the Nine Months Ended September 30,	2020	2019
Cash (used in) provided by:		
Operating activities		
Net loss for the period	\$ (1,095,848)	\$ (1,048,389)
Items not affecting cash:		
Stock-based compensation	-	37,978
Changes in current assets and liabilities:		
Prepays and deposits	7,687	(749)
Accounts payable and accrued liabilities	(9,829)	191,602
	(1,097,990)	(819,558)
Effect of foreign exchange rate changes on cash balances	781	(6,549)
Net change in cash and cash equivalents	(1,097,209)	(826,107)
Cash and cash equivalents, beginning of period	5,111,742	6,466,272
Cash and cash equivalents, end of period	\$ 4,014,533	\$ 5,640,165

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

Galway Gold Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
For the Three and Nine Months Ended September 30, 2020 and 2019
(Unaudited)

1. Nature of Operations

Galway Gold 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 August 11, 2015. The Company's head office is located at 82 Richmond Street East, Toronto, Ontario, M5C 1P1. The Company was incorporated for the sole purpose of participating in the Plan of Arrangement (the "Arrangement") announced October 19, 2012 involving the Company, Galway Metals Inc., Galway Resources Ltd. ("Galway"), AUX Acquisition 2 S.à.r.l ("AUX") and AUX Canada Acquisition 2, formerly 2346407 Ontario Inc. ("AUX Canada"), a wholly owned subsidiary of AUX. Prior to the close of the Arrangement, the Company did not carry on any active business.

On January 21, 2013, the Company's common shares commenced trading on the TSX Venture Exchange under the symbol "GLW".

The Company was in the process of exploring the Vetás Project and has not yet determined whether the 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 maintaining a license to operate, the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete the exploration and development of the mineral property interests and on future profitable production or proceeds from the disposition of the mineral property interests.

On February 24, 2016, the Colombian Constitutional Court (the "Court") published a ruling, which deemed certain provisions to the National Development Plan (Law 1753) issued in July, 2015, in respect of exemptions to mining operations in areas of Colombia considered to be páramos (high altitude eco-systems) to be unconstitutional. Prior to the Court's ruling, mining titles issued before 2010, such as the Vetás Project were allowed to continue to mine. As a result of the Court's unfavourable ruling, mining in all páramo eco-systems throughout the country were declared to be damaging to the páramos and to the water supply. As such, all mining and petroleum operations in the páramos were ordered to stop. Moreover, according to the ruling, the Company will not be able to transfer title of the Reina de Oro project and the mining permit will no longer be valid. The ruling is currently under appeal, the ultimate resolution of the case is unknown.

In March 2018, Company engaged in discussions with the Ministry of Commerce and the Agency for the Defense of the State to settle the damages for the loss of the Reina de Oro project. In order to further protect its claim, the Company announced that it filed an application for arbitration under the Canada-Colombia Free Trade Agreement ("FTA") to preserve Galway Gold's rights under the FTA. Discussions between the government and the Company are ongoing.

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 November 30, 2020.

Galway Gold Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
For the Three and Nine Months Ended September 30, 2020 and 2019
(Unaudited)

2. Accounting Policies (Continued)

Basis of Presentation

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

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

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries, Galway Resources Vetax Holdco Ltd. (Cayman Islands), Galway Resources Vetax Holdco Ltd. Sucursal Colombia and Galway Gold US Inc. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

3. 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, September 30, 2019, December 31, 2019 and September 30, 2020	41,627,979	\$ 19,753,250

4. Stock Options

The following table reflects the continuity of stock options for the nine months ended September 30, 2020 and 2019:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance December 31, 2018	2,762,500	\$0.32
Granted	500,000	\$0.11
Balance, September 30 2019, December 31, 2019, and September 30, 2020	3,262,500	\$0.28

Galway Gold Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
For the Three and Nine Months Ended September 30, 2020 and 2019
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4. Stock Options (Continued)

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

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
June 4, 2023	\$ 0.28	2.68 years	1,575,000	\$ 1,367,102
January 31, 2024	\$ 0.36	3.34 years	1,187,500	\$ 360,723
January 8, 2029	\$ 0.11	8.28 years	500,000	\$ 28,624
	\$ 0.28	3.78 years	3,262,500	\$ 1,756,449

Of the 3,262,500 options outstanding as at September 30, 2020, all were exercisable.

5. Project Support Costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Support costs	\$ 15,108	\$ 38,917	\$ 59,075	\$ 73,336
Professional fees	46,101	29,333	147,144	131,855
Utilities	1,049	1,383	3,070	4,103
Total	\$ 62,258	\$ 69,633	\$ 209,289	\$ 209,294

6. Administrative Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Professional fees	\$ 291,029	\$ 210,075	\$ 380,872	\$ 311,709
Public company costs	9,616	8,012	34,371	46,192
Salaries and benefits	130,286	75,954	354,753	319,681
Office and general	17,937	16,569	43,250	51,827
Insurance	14,513	10,091	37,201	30,888
Travel	29,146	16,663	44,594	87,699
Total	\$ 492,527	\$ 337,364	\$ 895,041	\$ 847,996

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7. Related Party Transactions

Remuneration of directors and officers are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Remuneration paid for CEO and CFO services	\$ 76,022	\$ 75,908	\$ 227,621	\$ 227,657
Stock-based compensation - directors and officers	\$ -	\$ -	\$ -	\$ 165,391

During the three and nine months ended September 30, 2020, the Company expensed \$10,833 and \$33,031, respectively (three and nine months ended September 30, 2019 - \$10,897 and \$32,709, 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 September 30, 2020, the Marrelli Group was owed \$2,821 (December 31, 2019 - \$8,343). These amounts are included in accounts payable and accrued liabilities.

The above noted transactions are in the normal course of business and are measured at fair value.

8. Commitments and Contingencies

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.

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For the Three and Nine Months Ended September 30, 2020 and 2019
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8. Commitments and Contingencies

The outbreak of the novel strain of corona virus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. 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 Corporation and its operating subsidiaries in future periods.