

Galway Gold Inc.

**Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended June 30, 2021 and 2020**

**(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	June 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 2,711,710	\$ 3,561,735
Prepays and other assets	55,797	103,745
	\$ 2,767,507	\$ 3,665,480
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 260,544	\$ 238,287
Shareholders' Equity		
Common shares (Note 3)	19,753,250	19,753,250
Contributed surplus	1,948,316	1,948,316
Accumulated other comprehensive income (loss)	(637)	1,642
Deficit	(19,193,966)	(18,276,015)
	2,506,963	3,427,193
	\$ 2,767,507	\$ 3,665,480

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Expenses (Income)				
Project support costs (Note 5)	\$ 78,362	\$ 79,099	\$ 142,338	\$ 147,031
Administrative expenses (Note 6)	547,958	162,558	788,006	402,514
Loss (Gain) on foreign exchange	(897)	(62,473)	(10,511)	17,342
Interest income	(890)	(2,764)	(1,882)	(11,569)
Net loss	\$ (624,533)	\$ (176,420)	\$ (917,951)	\$ (555,318)
Other Comprehensive Loss				
Items that will be reclassified subsequently into income:				
Cumulative translation adjustment	(378)	781	(2,279)	781
Net comprehensive loss	\$ (624,911)	\$ (175,639)	\$ (920,230)	\$ (554,537)
Loss per share - basic and diluted	\$ (0.02)	\$ nil	\$ (0.02)	\$ (0.01)
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, 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	-	-	-	(555,318)	(555,318)
Balance, June 30, 2020	\$ 19,753,250	\$ 1,923,416	\$ (477)	\$ (17,159,038)	\$ 4,517,151
Balance, December 31, 2020	19,753,250	1,948,316	1,642	(18,276,015)	3,427,193
Cumulative translation adjustment	-	-	(2,279)	-	-
Net loss for the period	-	-	-	(917,951)	(917,951)
Balance, June 30, 2021	\$ 19,753,250	\$ 1,948,316	\$ (637)	\$ (19,193,966)	\$ 2,509,242

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 Six Months Ended Six Months,	2021	2020
Cash (used in) provided by:		
Operating activities		
Net loss for the period	\$ (917,951)	\$ (555,318)
Items not affecting cash:		
Changes in current assets and liabilities:		
Prepays and other assets	47,948	6,320
Accounts payable and accrued liabilities	22,257	(1,031)
	(847,746)	(550,029)
Effect of foreign exchange rate changes on cash balances	(2,279)	781
Net change in cash and cash equivalents	(850,025)	(549,248)
Cash and cash equivalents, beginning of period	3,561,735	5,111,742
Cash and cash equivalents, end of period	\$ 2,711,710	\$ 4,562,494

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 Six Months Ended June 30, 2021 and 2020
(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, 2020.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 30, 2021.

Galway Gold Inc.
Notes to Condensed Interim Consolidated Financial Statements
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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 condensed interim 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 Vetas Holdco Ltd. (Cayman Islands), Galway Resources Vetas 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, 2019, December 31, 2020 and June 30, 2021	41,627,979	\$ 19,753,250

4. Stock Options

The following table reflects the continuity of stock options for the six months ended June 30, 2021 and 2020:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2019 and June 30, 2020	3,262,500	\$0.28
Balance, December 31, 2020 and June 30, 2021	3,262,500	\$0.28

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4. Stock Options (Continued)

The following table reflects the stock options outstanding as at June 30, 2021:

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
June 4, 2023	\$ 0.28	1.93 years	1,512,500	\$ 1,367,102
January 31, 2024	\$ 0.36	2.59 years	1,000,000	\$ 360,723
January 8, 2029	\$ 0.11	7.53 years	500,000	\$ 28,624
April 28, 2030	\$ 0.11	8.83 years	250,000	\$ 24,900
	\$ 0.28	3.51 years	3,262,500	\$ 1,781,349

Of the 3,262,500 options outstanding as at June 30, 2021, all were exercisable.

5. Project Support Costs

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Support costs	\$ 19,299	\$ 26,374	\$ 37,909	\$ 43,967
Professional fees	57,781	51,534	101,674	101,043
Utilities	1,282	1,191	2,755	2,021
Total	\$ 78,362	\$ 79,099	\$ 142,338	\$ 147,031

6. Administrative Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Professional fees	\$ 374,148	\$ 11,627	\$ 434,103	\$ 89,843
Public company costs	6,180	6,960	22,580	24,755
Salaries and benefits	93,887	104,707	183,735	224,467
Office and general	18,539	13,168	36,475	25,313
Insurance	10,002	13,898	20,725	22,688
Travel	45,202	12,198	90,388	15,448
Total	\$ 547,958	\$ 162,558	\$ 788,006	\$ 402,514

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7. Related Party Transactions

Remuneration of directors and officers are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Remuneration paid for CEO and CFO services	\$ 76,166	\$ 75,750	\$ 152,221	\$ 151,599

During the three and six months ended June 30, 2021, the Company expensed \$10,759 and \$18,721, respectively (three and six months ended June 30, 2020 - \$13,694 and \$29,533, 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, 2021, the Marrelli Group was owed \$3,670 (December 31, 2020 - \$8,500). 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 "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

The outbreak of the novel strain 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.