

Galway Gold Inc.

**Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2022 and 2021**

**(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	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 1,597,165	\$ 1,886,119
Prepaid and other assets	291,987	296,337
	\$ 1,889,152	\$ 2,182,456
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 147,352	\$ 174,633
Shareholders' Equity		
Common shares (Note 4)	19,753,250	19,753,250
Contributed surplus	1,948,316	1,948,316
Accumulated other comprehensive income (loss)	(3,742)	(3,419)
Deficit	(19,956,024)	(19,690,324)
	1,741,800	2,007,823
	\$ 1,889,152	\$ 2,182,456

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)

For the Three Months Ended March 31,	2022	2021
Expenses (Income)		
Project support costs (Note 6)	\$ 56,389	\$ 63,976
Administrative expenses (Note 7)	213,667	240,048
Loss (Gain) on foreign exchange	(3,831)	(9,614)
Interest income	(525)	(992)
Net loss	\$ (265,700)	\$ (293,418)
Other Comprehensive Loss		
Items that will be reclassified subsequently into income:		
Cumulative translation adjustment	(323)	(1,901)
Net comprehensive loss	\$ (266,023)	\$ (295,319)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	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, 2020	\$ 19,753,250	\$ 1,948,316	\$ 1,642	\$ (18,276,015)	\$ 3,427,193
Cumulative translation adjustment	-	-	(1,901)	-	(1,901)
Net loss for the period	-	-	-	(293,418)	(293,418)
Balance, March 31, 2021	\$ 19,753,250	\$ 1,948,316	\$ (259)	\$ (18,569,433)	\$ 3,131,874
Balance, December 31, 2021	\$ 19,753,250	\$ 1,948,316	\$ (3,419)	\$ (19,690,324)	\$ 2,007,823
Cumulative translation adjustment	-	-	(323)	-	(323)
Net loss for the period	-	-	-	(265,700)	(265,700)
Balance, March 31, 2022	\$ 19,753,250	\$ 1,948,316	\$ (3,742)	\$ (19,956,024)	\$ 1,741,800

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 Three Months Ended March 31,	2022	2021
Cash (used in) provided by:		
Operating activities		
Net loss for the period	\$ (265,700)	\$ (293,418)
Items not affecting cash:		
Changes in current assets and liabilities:		
Prepays and other assets	4,350	(5,816)
Accounts payable and accrued liabilities	(27,281)	(153,727)
	(288,631)	(452,961)
Effect of foreign exchange rate changes on cash balances	(323)	(1,901)
Net change in cash and cash equivalents	(288,954)	(454,862)
Cash and cash equivalents, beginning of period	1,886,119	3,561,735
Cash and cash equivalents, end of period	\$ 1,597,165	\$ 3,106,873

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 Months Ended March 31, 2022 and 2021
(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 May 26, 2022.

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 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 Vetás Holdco Ltd. (Cayman Islands), Galway Resources Vetás Holdco Ltd. Sucursal Colombia and Galway Gold US Inc. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

3. Resource Property

As part of the Arrangement, the Company acquired the option to earn a 100% interest in the Vetás Project and assumed the contracts to secure land packages in the Vetás-Surata gold region in the state of Santander, Colombia as described below. As of December 31, 2021 and 2020, there were no outstanding payment obligations under the agreement.

The Company has the option to earn 100% of the Reina de Oro concession, the Vetás Project, by paying 1.5% of the gold value of measured and indicated gold resources and will not be encumbered by further royalty commitments.

In January 2014, the Company exercised its right to acquire the Vetás Project. The total option exercise price was approximately US \$4.3 million. The Company was advised that the counterparty to the Reina de Oro Option Contract rejected the exercise of the option. The Company sought arbitration of this matter pursuant to the terms of the Option Contract. On February 13, 2015, the Company received a favourable ruling and was awarded damages of approximately \$490,000. As the ultimate collection of the judgement is uncertain, no contingent asset has been recorded in these financial statements.

On February 24, 2016, the Colombian Constitutional Court (the "Court") has 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 new ruling, mining titles issued before 2010, such as Reina de Oro, were allowed to continue to mine. As a result of the Court's new unfavorable 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 new 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. Based on the underlying uncertainty, the Company recorded an impairment charge of \$895,282 on its Vetás project as at December 31, 2015.

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4. Share Capital

Authorized: Unlimited number of common shares
 Unlimited number of preferred shares issuable in series, the terms of which may be fixed by the Board of Directors before the issuance thereof

Common shares issued:

	Number of Shares	Amount
Balance, December 31, 2020, December 31, 2021 and March 31, 2022	41,627,979	\$ 19,753,250

5. 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 (CDN)
Balance December 31, 2020 and March 31, 2021	3,262,500	\$0.28
Balance, December 31, 2021 and March 31, 2022	3,262,500	\$0.28

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

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
June 4, 2023	\$ 0.28	1.18 years	1,512,500	\$ 1,367,102
January 31, 2024	\$ 0.36	1.84 years	1,000,000	\$ 360,723
January 8, 2029	\$ 0.11	6.78 years	500,000	\$ 28,624
April 28, 2030	\$ 0.11	8.08 years	250,000	\$ 24,900
	\$ 0.28	2.77 years	3,262,500	\$ 1,781,349

Of the 3,262,500 options outstanding as at March 31, 2022, all were exercisable.

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6. Project Support Costs

For the Three Months Ended March 31,	2022	2021
Support costs	\$ 11,771	\$ 18,610
Professional fees	43,692	43,893
Utilities	926	1,473
Total	\$ 56,389	\$ 63,976

7. Administrative Expenses

For the Three Months Ended March 31,	2022	2021
Professional fees ¹	\$ 32,677	\$ 59,955
Public company costs	12,970	16,400
Salaries and benefits	143,799	89,848
Office and general	13,251	17,936
Insurance	7,198	10,723
Travel	3,772	45,186
Total	\$ 213,667	\$ 240,048

¹ The Company continues to incur Colombian legal costs associated with the ongoing dispute with the Colombian government relating to the Company's Reina de Oro project.

8. Related Party Transactions

Remuneration of directors and officers are as follows:

For the Three Months Ended March 31,	2022	2021
Remuneration paid for CEO and CFO services	\$ 76,054	\$ 76,055

During the three months ended March 31, 2022, the Company expensed \$14,488 (three months ended March 31, 2021 - \$14,513) 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, 2022, the Marrelli Group was owed \$16,854 (December 31, 2021 - \$8,692). 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.

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9. 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.