GALWAY GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Galway Gold Inc. ("Galway" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2022, together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. Information contained herein is presented as at May 1, 2023 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "Board of Directors" or "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Galway common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Mr. Mike Sutton, P.Geo., an independent Director to the Company and a "Qualified Person" under National Instrument 43-101, has reviewed the technical information in this management discussion and analysis.

Description of Business

Galway's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties that have the potential to contain economically recoverable precious and/or base metals reserves. Galway does not currently have any active mineral exploration properties. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Galway Gold Inc. 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. Galway Gold's head office is located at 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1. Galway Gold was incorporated for the sole purpose of participating in the Plan of Arrangement (the "Arrangement") announced October 19, 2012 involving Galway Gold, Galway Metals Inc., Galway Resources Ltd., AUX Acquisition 2 S.àr.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 Agreement, Galway did not carry on any active business.

Under the Arrangement, AUX Canada acquired all of the common shares of Galway Resources not already owned by AUX Canada and its affiliates and pursuant to the Arrangement, Galway Resources shareholders received for each Galway Resources common share: cash consideration of Cdn$2.05 per share, one Galway Gold common share and one common share in a new exploration and development company, Galway Metals Inc. Under the Arrangement, Galway Resources transferred to Galway Gold, and Galway Gold indirectly holds as assets, the option to acquire 100% interest in Galway Resources' Vetas Gold Project, being an interest in Reina de Oro concession located in the Vetas Mining District in Colombia (the "Vetas Project") and has approximately US$196,605 of working capital as at December 31, 2022. Upon completion of the Arrangement, Galway Resources' then existing security holders including AUX Canada and its affiliates owned 90% of Galway Gold's shares outstanding, proportionate to their ownership of Galway at the time the Arrangement was completed, and AUX Canada indirectly owned an additional 10% of Galway Gold's shares via its acquisition of Galway Resources Ltd.

The Arrangement was completed by way of statutory Plan of Arrangement under the Business Corporations Act (Ontario). The Arrangement was approved by Galway Resources' shareholders and warrant holders at a special meeting held on December 17, 2012. On January 21, 2013, the Company's common shares commenced trading on the TSX Venture Exchange under the symbol "GLW."

On February 24, 2016, the Colombian Constitutional Court (the "Court") published a ruling (the "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 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 new ruling, the Company will not be able to transfer title of the Reina de Oro property and the mining permit will no longer be valid. The ruling is currently under appeal and the ultimate resolution of the case is unknown. Based on the underlying uncertainty, the Company recorded an impairment charge of $895,282 on its Vetas Project in its December 31, 2015 audited consolidated financial statements.

The Reina de Oro property is Galway's only mining property. As a result of the Ruling, the Company has no mining activity. It is currently seeking interests in viable projects. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

On March 21, 2018, Galway Gold filed a Request for Arbitration against the Republic of Colombia before the International Centre for Settlement of Investment Disputes ("ICSID"). The Request for Arbitration contends that Colombia breached its obligations under the FTA in failing to compensate Galway for the losses incurred as a consequence of Colombia's prohibition of mining in the *páramos* (high altitude eco-systems). The Request for Arbitration seeks, among other relief, recovery of the Company's costs incurred in the acquisition and development of its investment in the Reina de Oro mining project, as well as the loss of value suffered.

The company was represented by Ignacio Suarez Anzorena of Clifford Chance US LLP, for the initial phase of the arbitration, including filing the Request for Arbitration required under applicable ICSID procedures. As the arbitration moves to the next phase, the Company has appointed litigator Lawrence Thacker, Senior Partner of Lenczner Slaght LLP, as its new lead counsel in this matter.

The Company contends that Colombia breached its obligations owed to Galway Gold, including specific obligations under the FTA. The claims include Colombia's refusal or failure to compensate the Company for the losses incurred as a consequence of Colombia's prohibition of mining in the páramos (high altitude eco-systems). Galway Gold seeks, among other relief, recovery of the Company's costs incurred in the acquisition and development of its investment in the Reina de Oro mining project, as well as the loss of value suffered.

The Tribunal was constituted on September 25, 2019, and the arbitration proceedings commenced. On December 10, 2019, the Arbitral Tribunal issued Procedural Order No. 1, which sets out the procedure for the arbitration. Pursuant to Procedural Order No. 1, the proceeding was bifurcated into two parts. Phase One is all jurisdiction and liability issues, and Phase Two is all damages issues.

On November 23, 2021, the Company announced an update to the status of the Company's arbitration claim against the Republic of Colombia brought under the Canada-Colombia Free Trade Agreement ("FTA") to enforce Galway Gold's rights under the FTA, as well to provide an update on a similar claim filed by miner Eco Oro Minerals Corp. ("Eco Oro") against Colombia, which is based on the same FTA and legislative changes and Colombian Court decisions as Galway Gold's claim.

The hearing was held on June 21-23, 2022. Post hearing submissions were submitted in writing on October 26. The tribunal is now deliberating the jurisdiction and liability phase of the arbitration.

"*Although the decision of the Tribunal in the Eco Oro arbitration is not binding on the Tribunal in Galway Gold's arbitration, we are obviously encouraged that the Eco Oro Tribunal accepted jurisdiction and found liability on behalf of Colombia and in favor of Eco Oro*," says Robert Hinchcliffe, President and CEO of Galway Gold. "*We look forward to a final decision from the Eco Oro Tribunal determining the quantum of damages to be awarded to Eco Oro*."

Galway Gold's Arbitration Claim

In an arbitration proceeding under the arbitration rules of the International Centre for Settlement of Investment Disputes ("ICSID"), Galway Gold contends that Colombia breached its obligations owed to Galway Gold, including specific obligations under the FTA. The claims include Colombia's refusal or failure to compensate the Company for the losses incurred as a consequence of Colombia's prohibition of mining in the *páramos* (high altitude eco-systems). Galway Gold seeks damages for all losses, including the value of its property and rights, and the Company's costs incurred in the acquisition and development of its investment in the Reina de Oro mining project.

On December 12, 2019, the Arbitral Tribunal issued a procedural order, which, among other things, bifurcated the procedure into two phases. Phase One is a determination of jurisdiction and liability issues. Phase Two is a determination of damages, discovery jurisdiction and liability as found.

Galway Gold has submitted its memorials and witness statements to Arbitral Tribunal and Colombia has submitted its memorials and witness statements. The Arbitration Tribunal is currently reviewing the materials and the hearing on jurisdiction and liability is currently scheduled to proceed on June 20-24, 2022.

If the Tribunal rules that it has jurisdiction and finds Colombia to be liable damages to Galway Gold, a second hearing (and briefing scheduling) will be ordered as part of the Phase Two procedure. Any damages to be awarded to Galway Gold will be determined at this Phase Two hearing.

Developments in the Eco Oro Arbitration

Eco Oro also has an arbitration against Colombia under the FTA pending before ICSID. In its arbitration, Eco Oro has alleged that Colombia breached its obligations under the FTA in failing to compensate Eco Oro for the losses incurred as a consequence of Colombia's prohibition of mining in the *páramos*. The prohibition on mining is based upon the same FTA and legislative changes and Colombian Court decisions. As such, we believe that Eco Oro's claims against Colombia are similar to Galway Gold's claims against Colombia.

On September 9, 2021 the Tribunal in the Eco Oro arbitration issued its "Decision on Jurisdiction, Liability and Directions on Quantum" (the "Decision"). According to a Procedural Order issue by the Tribunal, the Tribunal ruled that it had jurisdiction over the claims raised by Eco Oro, and that Colombia acted in breach of Article 805 of the FTA, entitling Eco Oro to damages. The Procedural Order also ordered the parties to file additional submissions in response to certain questions regarding the quantum of Eco Doro's damages. These questions essentially must be responded to within 120 days, although depending on the parties' position, there may be an additional 120 days briefing period. After the matter is fully briefed, the Tribunal in the Eco Oro arbitration is expected to render a decision on the amount of damages.

Each Tribunal considers each case before it on its own facts, and the Tribunal in Galway Gold's arbitration is not bound by any decision made by the Tribunal in Eco Oro's arbitration. Nonetheless, Galway Gold believes that the recent Decision issued by the Tribunal in the Eco Oro arbitration finding jurisdiction and liability by Colombia (in an amount to be determined) provides useful guidance in Galway Gold's arbitration.

On April 28, 2020, the Company announced that Eduardo Gomez would be joining its Board of Directors. Mr. Gomez has over 25 years of international operating and consulting experience across multiple industries.

Mr. Gomez has over 25 years of international operating and consulting experience across multiple industries. He is currently the Chief of Strategy & Business Development Officer at LRN.com, the world's leading provider of ethics and compliance training solutions for F500 companies. Before joining LRN.com, Mr. Gomez advised middle market private equity backed companies on go-to-market growth strategies as a delivery leader at Sales Benchmark Index (SBI). Before joining SBI, Mr. Gomez was a VP & General Manager at ADP where he led the rapid growth of a $780M division and Corporate Development efforts for their HR Outsourcing Business Unit. Prior to ADP, he led turnarounds in the EdTech, legal information and water plant manufacturing industries in the US and Colombia. Prior to being an operator, Mr. Gomez was a consultant in Colombia and Brazil with McKinsey & Co., Deloitte and PwC where he led cost optimization, M&A and growth strategy projects in the energy and banking industries.

Mr. Gomez has an MBA from the University of Texas at Austin and has a BS in Business Administration from the University of Rhode Island where he majored in Finance. He is fluent in Spanish, English and Portuguese.

The Company also awarded 250,000 incentive stock options exercisable at C$0.11 per common share and expiring on April 28, 2030 to Mr. Gomez. This grant of options is in compliance with terms of the Company's Stock Option Plan.

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.

Further information about the Company and its operations can be obtained from **www.galwaygoldinc.com** and **www.sedar.com**.

Discussion of Operations and Mineral Property Interests

The focus of Galway is to preserve its cash balances and sensibly seek opportunities in the mining sector where acquisition values are currently depressed. Galway believes the Company's capital is best spent only on projects in which management is convinced that the geology is highly likely to host an economically viable reserve, and where social attitudes and political policies are likely to support mine development. The Company's Board does not believe there is any point in spending shareholder capital without having a reasonable expectation that the capital spent will ultimately yield a deposit worthy of development with strong stakeholder support. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Outlook

The resource sector is currently experiencing a broad-based downturn as a result of the significant risk of a global recession brought about by record inflation and rapidly rising interest rates. In this environment investment in the junior resource sector is greatly impaired. The value of the gold and other metals are also volatile and could decline further. The Company is mindful of the current market environment and is managing accordingly. See "Risk Factors".

Although there can be no assurance that additional funding will be available to the Company, management believes that its projects are delivering positive results and should attract investment under normal market condition. Hence, management believes it is likely to obtain additional funding for its projects in due course.

Selected Annual Information

	Year Ended Dec. 31, 2022 $	Year Ended Dec. 31, 2021 $	Year Ended Dec. 31, 2020 $
Total assets	753,300	2,182,456	3,665,480
Total liabilities	(556,695)	(174,633)	(238,287)
Working capital**	196,605	2,007,823	3,427,193
Expenses	1,823,582	1,414,309	1,672,295
Net income (loss)	(1,823,582)	(1,414,309)	(1,672,295)
Net loss per share, basic and diluted	(0.04)	(0.03)	(0.04)

** defined as current assets, less current liabilities

Year Ended December 31, 2022 vs Year Ended December 31, 2021

The Company reported a net comprehensive loss of $1,811,218 for the year ended December 31, 2022 (year ended December 31, 2021 – $1,419,370).

Administrative Expenses

The year ended December 31, 2022 saw administrative expenses of $1,543,868 (year ended December 31, 2021 - $1,161,189), consisting primarily of:

- salaries and benefits of $331,876 (year ended December 31, 2021 - $386,705), comprised of senior management personnel and administrative staff.
- general office and consumable expenses of $64,472 (year ended December 31, 2021 - $81,485)
- professional fees of $1,042,083 (year ended December 31, 2021 - $509,906), consisting of general legal expenses, and accounting and financial reporting costs.
- public company costs of $40,036 (year ended December 31, 2021 - $52,455), consisting of filing fees, transfer agent fees, investor relations costs, and shareholder information expenses.
- insurance expense of $28,999 (year ended December 31, 2021 - $33,962), representing the quarterly portion of the Company's directors' and officers' insurance and health insurance for key employees.
- Travel expense of $10,927 (year ended December 31, 2021 – $97,068), consisting primarily of corporate administrative travel.

Project Support Costs

The year ended December 31, 2022, saw project support costs of $272,371 vs the year ended December 31, 2021 of $273,940, consisting primarily of:

- Support costs of $69,475 (year ended December 31, 2021 - $74,377), administrative support and ancillary consumable items.
- Professional fees of $199,174 (year ended December 31, 2021 - $194,619), consisting of general legal expenses, and accounting and financial reporting costs.
- Utilities of $3,722 (year ended December 31, 2021 - $4,944).

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

For the Period Ended	Revenue ($)	Net Loss		Total assets ($)
		Total ($)	Basic and diluted earnings per share ($)	
2022 – December 31	Nil	(469,090)	(0.01)	753,300
2022 – September 30	Nil	(294,974)	(0.01)	835,160
2022 – June 30	Nil	(793,818)	(0.02)	1,117,822
2022 – March 31	Nil	(265,700)	(0.01)	1,889,152
2021 – December 31	Nil	(199,355)	(0.00)	2,182,456
2021 – September 30	Nil	(297,003)	(0.01)	2,400,389
2021 – June 30	Nil	(624,911)	(0.02)	2,767,507
2021 – March 31	Nil	(293,418)	(0.01)	3,216,434

Three Months Ended December 31, 2022 vs Three Months Ended December 31, 2021

The Company reported a net loss of $469,090 for the three months ended December 31, 2022 (three months ended December 31, 2021 – $199,355).

Administrative Expenses

The three months ended December 31, 2022 saw administrative expenses of $404,543, (three months ended December 31, 2021 - $142,844), consisting primarily of:

- salaries and benefits of $15,676 (three months ended December 31, 2021 - $118,579), comprised of senior management personnel and administrative staff.
- general office and consumable expenses of $39,048 (three months ended December 31, 2021 - $29,516)
- professional fees of $323,762 (three months ended December 31, 2021 - $40,486), consisting primarily of Colombian legal costs associated with the ongoing dispute with the Colombian government relating to the Company's Reina de Oro project. Other professional fees include general legal expenses, and accounting and financial reporting costs.
- public company costs of $15,368 (three months ended December 31, 2021 - $22,269), consisting of filing fees, transfer agent fees, investor relations costs, and shareholder information expenses.
- insurance expense of $8,051 (three months ended December 31, 2021 - $7,359), representing the quarterly portion of the Company's directors' and officers' insurance and health insurance for key employees.
- Travel expense of $2,638 (three months ended December 31, 2021 - $5,607), consisting primarily of corporate administrative travel.

Project Support Costs

The three months ended December 31, 2022, saw project support costs of $57,096 vs the three months ended December 31, 2021 of $74,699, consisting primarily of:

- Support costs of $14,144 (three months ended December 31, 2021 - $22,644), administrative support and ancillary consumable items.
- Professional fees of $42,116 (three months ended December 31, 2021 - $50,813), consisting of general legal expenses, and accounting and financial reporting costs.
- Utilities of $836 (three months ended December 31, 2021 - $1,242).

Liquidity and Capital Resources

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2022, the Company had a cash balance of $508,956 (December 31, 2021 - $1,886,119) to settle current liabilities of $556,695 (December 31, 2021 - $174,633). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing.

The Company is actively seeking additional sources of liquidity.

The Company currently does not have sufficient cash on hand to meet all exploration and operational expenses for the next twelve months. These events and conditions indicate a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. The Company plans to raise additional capital to further develop and explore its projects, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The December 31, 2022 audited consolidated financial statements do not reflect any adjustments to amounts that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Proposed Transactions

There are no proposed transactions as at the date of this document.

Galway is currently seeking new exploration projects. Galway is committed to the mineral exploration sector and is seeking prospective projects in jurisdictions which are amenable to mineral exploration and development. Further announcements will be made.

Galway had been focused on the exploration of the Reina de Oro concession in the Santander mining district of Colombia. In 2016, the Colombian Constitutional Court ruled that all mining and petroleum operations in the páramos high altitude ecosystems, such as the Reina de Oro project, were illegal and that the property permits were invalid. Galway is seeking damages for the loss of the Reina de Oro project and it is not possible to determine the outcome at this time. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Foreign Currencies

The functional currency of the parent company is the United States dollar and the Colombian Peso in its subsidiaries as determined by management. The United States dollar is the currency in which it presents the consolidated financial statements. The Company recognizes transactions in currencies other than the United States dollar or the Colombian Peso for its subsidiaries at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of reporting period exchange rates are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The results and financial position of all of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position date presented are translated at the closing rate at the date of that statement of financial position;
b) income and expenses for each income statement are translated at average exchange rates; and
c) all resulting exchange differences are recognized in other comprehensive income (loss).

Related Party Transactions

Remuneration of directors and officers are as follows:

	Year Ended December 31, 2022 $	Year Ended December 31, 2021 $
Remuneration paid for CEO services	267,500	290,000
Remuneration paid for CFO services	13,846	14,364
Share-based compensation – directors and officers	nil	nil

During the year ended December 31, 2022, the Company expensed $49,904 (2021 - $51,328) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. ("DSA"), together known as the "Marrelli Group" for:

- Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
- Bookkeeping and office support services;
- Regulatory filing services; and
- Corporate secretarial services.

The Marrelli Group is also reimbursed for out-of-pocket expenses.

As of December 31, 2022, the Marrelli Group was owed $7,437 (2021 - $8,692). These amounts are included in accounts payable and accrued liabilities.

Included in office and general expenses is $25,475 (2021 - $nil) paid to a director for office rent. As at December 31, 2022, $nil (2021 - $nil) was included in accounts payable and accrued liabilities.

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

Risk Factors

(a) Property Risk

The Company's significant mineral property is the Vetas Project. As a result of the Ruling, it is unlawful for the Company to advance or transfer title to the Reina de Oro project. The Company can make no guarantees or assurances that the advancement or transfer of title to the Reina de Oro project will be permitted in the future under any circumstances. In the event the Company acquires an interested in another property, it would become solely dependent on that property from an operational standpoint. Any adverse development affecting that property would have a material adverse effect on the Company's financial condition and results of operations. There is no assurance that damages in respect of the termination of the Reina de Oro project can be recovered from government ministries in Colombia or any other party. See "Cautionary Note Regarding Forward-Looking Statements."

b) Financial Risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2022, the Company had a cash balance of $508,956 (December 31, 2021 - $1,886,119) to settle current liabilities of $556,695 (December 31, 2021 - $174,633). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company regularly monitors its cash management policy. As a result, Galway Gold is not subject to significant interest rate risk.

(ii) Foreign Exchange Risk

The Company's functional currency is the United States dollar and it transacts major purchases in United States dollars, Colombian Pesos, and Canadian dollars. To fund exploration expenses, it maintains United States dollar, Colombian Peso and Canadian dollar denominated bank accounts containing sufficient funds to support monthly forecasted cash outflows. Management believes the foreign exchange risk derived from currency conversions does not require a foreign exchange hedge.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible for the year ended December 31, 2022:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, prepaids and deposits and accounts payable denominated in Canadian dollars and Colombian Pesos. Sensitivity to a plus or minus one percentage point change in exchange rates would not have a material impact on the reported comprehensive loss for the year ended December 31, 2022.

(ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious and base metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of these metals may be produced from the Company's properties in the future, a profitable market will exist for them.

As of December 31, 2022, the Company was in the exploration and development stage and did not have any production at any of its mineral properties. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Litigation Risk

Litigation risk refers to the risk that the Company may be or become involved in litigation or administrative proceedings from time to time, the outcomes of which may be uncertain. An unfavorable judgement, ruling or order may adversely affect the Company's business and financial condition.

Current Global Financial Conditions and Trends

Securities of mining and mineral exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of December 31, 2022, the global economy continues to be in a period of significant economic volatility, in large part due to inflation, as well as US, European, Middle East and Russian economic and political concerns which have impacted global economic growth.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Critical Accounting Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of Resource Property Costs

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable amount of cash-generating units for an exploration stage company requires various subjective assumptions. These assumptions may change significantly over time when new information becomes available and may cause original estimates to change.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus, accumulated other comprehensive loss, and deficit, which at December 31, 2022 totaled $87,284 (December 31, 2021 - $2,007,823). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2022, the Company was not compliant with Policy 2.5.

Additional Disclosure for Venture Issuers without Significant Revenue

Administrative expenses for year ended December 31, 2022 and 2021 are comprised of the following:

	2022	2021
	($)	($)
Professional fees	1,042,083	509,906
Public company costs	40,036	52,455
Salaries and benefits	331,876	386,705
Office and general	89,947	81,485
Insurance	28,999	33,962
Travel	10,927	97,068
	1,543,868	**1,161,581**

During the year ended December 31, 2022, the Company continued to incur professional fees associated with its arbitration in Colombia and the resulting administrative support costs.

Events Occurring After the Reporting Period

There are no events occurring after the reporting period which have not been addressed in this document.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Selected forward looking statements, assumptions, and risk factors that could cause actual results to differ materially from the Company's expectations are the risks detailed herein and from time to time in the filings made by the Company with securities regulators including the following: (i) the Company has stopped commercial operations and has no history of profit; (ii) there is no assurance for any reinstatement of the Vetas Gold Project or for recovery of any damages associated with the loss of the project; (iii) investment in the common shares of the Company is highly speculative given the unknown nature of the Company's business and its present stage of development; (iv) there is no assurance that the Company will find a profitable undertaking or that it can successfully conclude a purchase of such an undertaking at all or on terms which are commercially acceptable; and (v) there can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell its common shares. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Although the Company believes that the assumptions and factors used in preparing the forward-looking information herein are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all.

The Company undertakes no obligation to update or revise the forward-looking statements contained herein except as may be required by applicable securities laws.

Disclosure of Outstanding Share Data

As at the date of this document, the Company had 41,627,979 issued and outstanding shares, and 2,712,500 stock options exercisable between $0.11 and $0.36, expiring between June 4, 2023 and April 28, 2030.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Selected forward looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic gold deposits	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of mineral and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; actual results of the Company's exploration and development activities; the ability to establish production at levels consistent with modern levels of mine production; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation, including the absence of prohibitions on production in the Santurban Paramo environmental area; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff

The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2023. The Company expects to incur further losses in the development of its business	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2023, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold or silver and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties	Gold price volatility; changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of gold will be favourable to the Company	Gold price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Sensitivity analysis of financial instruments	Interest rates will not be subject to change in excess of plus or minus 1% The Company's investment portfolio will not be subject to change in excess of plus or minus 100% There could be material changes to its results for the Three months ended December 31, 2022, as a result	Changes in debt and equity markets; interest rate and exchange rate fluctuations

	of changes to the Company's foreign exchange rates	
Receipt of payment of US$490,000 in damages and transfer of title of the Vetas Project in connection with the favourable outcome from the arbitration concerning the Reina de Oro Option Contract	Galway Gold should receive payment of damages awarded from the favourable arbitration ruling and title of the Vetas property shall be transferred to Galway Gold	Protracted litigation affecting the ability of Galway Gold to collect payment of damages; potential for further appeals from or challenges against any arbitral ruling; delays in, or requirement to proceed with further litigation to obtain, transfer of title of Vetas property
The ability of the Company to receive title to the Reina de Oro Project, and undertake development, permitting and production activities at the Reina de Oro project	The ruling by the Colombian Constitutional Court that National Development Plan (Law 1753) is unconstitutional, the transfer of title and mining at the Reina de Oro project will not be permitted, will be overturned, or legislation will be passed to overrule this decision	Negative repercussions from the court ruling that National Development Plan (Law 1753) is unconstitutional, a prohibition on mining activities in Vetas' Reina de Oro area, the legal effects of the Court´s ruling on the Reina de Oro option agreement, a final determination that the ruling is definitive with respect to the Reina de Oro Project, and an inability to engage in mining operations at the Reina de Oro project which would impair its value, and an inability to identify an alternative project of merit or the inability to successfully conclude a purchase of such an undertaking at all or on terms which are commercially acceptable

The Company undertakes no obligation to update or revise the forward-looking statements contained herein except as may be required by applicable securities laws.