
ANGEL WING METALS INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

Angel Wing Metals Inc.**Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

As at,	June 30, 2023	December 31, 2022
ASSETS		
<i>Current</i>		
Cash	\$ 4,068,726	\$ 269,484
Short-term investments	-	2,517,085
Accounts receivable	48,681	31,527
Prepaid expenses and other	29,802	686,012
Assets held for sale (note 5)	-	222,315
Total current assets	4,147,209	3,726,423
Non-current assets		
Value-added tax recoverable	568,510	305,885
Mineral exploration and evaluation assets (note 3)	9,551,987	7,603,981
Property, plant and equipment (note 4)	8,193	6,613
Total assets	\$ 14,275,899	\$ 11,642,902
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (note 9)	\$ 640,023	\$ 331,645
Liabilities held for sale related to assets (note 5)	-	136,888
Total liabilities	640,023	468,533
SHAREHOLDERS' EQUITY		
Share capital (note 6)	26,176,594	23,592,949
Contributed surplus	4,127,769	3,941,858
Deficit	(17,178,076)	(16,452,997)
Accumulated other comprehensive income	509,589	92,559
Total shareholders' equity	13,635,876	11,174,369
Total liabilities and shareholders' equity	\$ 14,275,899	\$ 11,642,902

Corporate information (note 1)**Commitments and contingencies** (note 11)

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Angel Wing Metals Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Expenses (income)				
Administrative (note 12)	\$ 410,714	\$ 337,064	\$ 534,562	\$ 567,962
Share-based compensation (note 7)	126,116	592,950	185,911	592,950
Depreciation	593	249	1,198	498
Foreign exchange	372	46,799	21,701	46,799
Other income	-	(2,464)	(33,203)	(8,477)
Disposal of equipment	-	-	2,298	-
Loss before income taxes	(537,795)	(974,598)	(712,467)	(1,199,732)
Deferred income tax expense	-	(55,825)	-	(195,413)
Net loss from continuing operations	(537,795)	(1,030,423)	(712,467)	(1,395,145)
Net income (loss) from discontinuing operations (note 5)	-	24,263	(12,612)	25,696
Net loss	(537,795)	(1,006,160)	(725,079)	(1,369,449)
Cumulative translation adjustment	(132,945)	-	417,030	-
Net income (loss) and comprehensive loss	\$ (670,740)	\$ (1,006,160)	\$ (308,049)	\$ (1,369,449)
Net (loss) income per share				
from continuing operations - basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
from discontinued operations - basic and diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ 0.00
Total - basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding				
- basic and diluted (notes 7, 8)	125,934,883	90,120,817	118,444,463	92,735,182

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Angel Wing Metals Inc.

Condensed Consolidated Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Six months ended June 30,	
	2023	2022
Operating activities		
Net loss from continuing operations	\$ (712,467)	\$ (1,395,145)
<i>Items not affecting cash:</i>		
Depreciation	1,198	498
Disposal of equipment	2,298	-
Share-based compensation	185,911	592,950
Deferred income tax expense	-	195,413
Foreign exchange	76,591	-
<i>Changes in non-cash working capital items:</i>		
Accounts receivable	(17,154)	(56,202)
Prepaid expenses and other	100,443	105,812
Value-added tax recoverable	(213,605)	-
Accounts payable and accrued liabilities	301,872	(42,659)
Net cash used in operating activities of continuing operations	(274,913)	(599,333)
Operating activities		
Net (loss) income from discontinuing operations	\$ (12,612)	\$ 25,696
<i>Items not affecting cash:</i>		
Accretion on decommissioning liabilities	-	1,397
Deferred income tax expense	-	-
Loss on sale of subsidiary	8,511	-
<i>Changes in non-cash working capital items:</i>		
Accounts payable and accrued liabilities	16	-
Restricted cash	-	(26,211)
Net cash (used in) provided by operating activities of discontinued operations	(4,085)	882
Financing activities		
Share issue (net of issue costs)	2,583,645	925,000
Net cash provided by financing activities	2,583,645	925,000
Investing activities		
Sale of short-term investments	2,517,085	3,009,127
Purchase of equipment	(4,289)	-
Net cash on the sale of Huntington Capital Inc.	(33,051)	-
Mineral property expenditures	(1,095,101)	(1,872,884)
Acquisition of Lago de Oro SA de CV	-	(1,885,768)
Net cash provided by (used in) investing activities	1,384,644	(749,525)
Increase (decrease) in cash	3,689,291	(422,976)
Cash, within subsidiary sold	109,951	-
Cash, beginning of period	269,484	5,758,720
Cash, end of period	\$ 4,068,726	\$ 5,335,744

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Angel Wing Metals Inc.**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2021	88,820,817	\$ 21,890,449	\$ 3,348,908	\$ -	\$ (15,376,669)	\$ 9,862,688
Shares issued as consideration	4,000,000	800,000	-	-	-	800,000
Share based compensation	-	-	592,950	-	-	592,950
Exercise of warrants	2,500,000	125,000	-	-	-	125,000
Net loss for the period	-	-	-	-	(1,369,449)	(1,369,449)
Balance, June 30, 2022	95,320,817	\$ 22,815,449	\$ 3,941,858	\$ -	\$ (16,746,118)	\$ 10,011,189
Balance, December 31, 2022	110,870,817	\$ 23,592,949	\$ 3,941,858	\$ 92,559	\$ (16,452,997)	\$ 11,174,369
Private placement	23,635,000	2,599,850	-	-	-	2,599,850
Share issuance costs	-	(16,205)	-	-	-	(16,205)
Share based compensation	-	-	185,911	-	-	185,911
Cumulative translation adjustment	-	-	-	417,030	-	417,030
Net loss for the period	-	-	-	-	(725,079)	(725,079)
Balance, June 30, 2023	134,505,817	\$ 26,176,594	\$ 4,127,769	\$ 509,589	\$ (17,178,076)	\$ 13,635,876

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. CORPORATE INFORMATION

Angel Wing Metals Inc. (“Angel Wing” or the “Company”) is a junior mining company. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests. The Company’s shares trade on the TSX Venture Exchange under the symbol AWM.

Angel Wing was incorporated as 676182 Alberta Ltd. under the laws of the Province of Alberta on November 28, 1995. The Company’s principal operating and registered office address is 82 Richmond Street East, Suite 1000, Toronto, ON M5C 1P1.

The Company has transferred its legacy oil and gas properties in Western Canada to Huntington Capital Inc. effective June 2022, and sold its subsidiary on January 2023.

Angel Wing has a 100% interest in Lago de Oro Resources SA de CV (“LOM”), and had a 100% interest in Huntington Capital Inc.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. They do not contain all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements and, accordingly, should be read in conjunction with the audited financial statements for the year ended December 31, 2022. These condensed financial statements were authorised for issue by the Board of Directors on August 23, 2023.

Going concern assumption

These consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Company is a going concern management has taken into account available information about the future, which is at least, but not limited to, one year from December 31, 2022.

Coronavirus

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19” was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown. On May 5, 2023, the World Health Organization declared an end to the COVID-19 outbreak.

Governments and central banks have reacted to the global pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. However, the duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the governments and central bank interventions.

Functional and presentation currency

The functional currency of Angel Wing Metals Inc. and Huntington Capital Inc. is the Canadian dollar and the Mexican Peso for Lago de Oro Resources SA de CV, as determined by management. All amounts in these consolidated financial statements are presented in Canadian dollars. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates 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 period end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)

Functional and presentation currency (continued)

The results and financial position of all the entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities at each statement of financial position date presented are translated at the closing rate at the date of that statement of financial position;
- ii. Income and expenses for each income statement are translated at average exchange rates; and
- iii. All resulting exchange differences are recognized in other comprehensive income (loss).

Basis of consolidation

The consolidated financial statements comprise of the financial statements of Angel Wing Exploration Inc. (the parent Company) and its previously wholly owned subsidiaries Huntington Capital Inc. and Lago de Oro Resources SA de CV. All intercorporate transactions have been eliminated on consolidation.

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control ceases.

Entity	December 31, 2022	June 30, 2023
Angel Wings Metals Inc.	Parent	Parent
Lago de Oro Resources SA de CV	100%	100%
Huntington Capital Inc.	100%	0% - Sold January 2023

Changes in accounting policy:

During the six months ended June 30, 2023, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's unaudited condensed consolidated interim financial statements.

Future Changes in Accounting Policies:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2023
(Expressed in Canadian Dollars)
(Unaudited)

3. MINERAL EXPLORATION AND EVALUATION ASSETS

Mineral Exploration and Evaluation (E&E) assets consist of the Company's mineral property projects which are pending the exploration determination of proven or probable reserves.

The Company has taken steps to verify title to mining interests in which it has or is in the process of earning an interest in, including review of condition of title reports, vesting deeds, mining claim location notices and filings, and property tax and other public records and is not presently aware of any title defects. The procedures the Company has undertaken and may undertake in the future to verify title provide no assurance that the underlying properties are not subject to prior agreements or transfers of which the Company is unaware.

A summary of exploration costs is summarized below:

	Winora Property	Quartz Lake Property	La Reyna Gold Property	Total
Balance, December 31, 2021	\$ 1,491,848	\$ 93,387	\$ -	\$ 1,585,235
Acquisition costs	-	-	2,298,922	2,298,922
Consulting costs	2,058,519	206,963	1,116,694	3,382,176
Site costs	5,000	3,058	215,540	223,598
Exchange translation	-	-	114,050	114,050
Balance, December 31, 2022	3,555,367	303,408	3,745,206	7,603,981
Acquisition costs	-	-	656,845	656,845
Geology and project drillings costs	2,012	6,682	868,852	877,546
Site costs	-	-	116,477	116,477
Exchange translation	-	-	297,138	297,138
Balance, June 30, 2023	\$ 3,557,379	\$ 310,090	\$ 5,684,518	\$ 9,551,987

Winora Property

On July 28, 2021, the Company completed the acquisition of the Winora Property from an arm's length third party. The Winora Project consists of 17 patented mining claims located in the District of Kenora, Northern Ontario. Under the terms of the agreements, the purchase price was satisfied by the issuance of 4,000,000 common shares at a deemed price of \$0.304 per share and a 2.0% Net Smelter Return ("NSR") royalty, payable upon the commencement of commercial production from the property.

Quartz Lake Property

On December 1, 2020, the Company entered into two mineral property acquisition agreements with arm's length third parties with respect to the purchase of rights to mineral exploration properties that comprises the Quartz Lake Project in the Birch-Uchi region in Ontario bridging Treaty 3 and Treaty 9 Territories. Under the terms of the agreements, the purchase price was satisfied by aggregate cash payments of \$30,000 and the issuance of 200,000 common shares at a deemed price of \$0.165 per share. One of the vendors retains a 1.5% Net Smelter Return ("NSR") royalty, payable upon the commencement of commercial production from the Quartz Lake Project. The Company has the right at any time to purchase one-half of the NSR royalty from the vendor for \$500,000. The Company has the right to terminate the agreements in their entirety at any time prior to the transfer date. The acquisition of the Quartz Lake Project was completed February 8, 2021.

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(Expressed in Canadian Dollars)
(Unaudited)

3. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

La Reyna Gold Project

On March 30, 2022 the Company completed the acquisition of Lago de Oro Resources SA de CV ("LOM") and its El Grande Gold Project (the "Project") covering a 550 square kilometer area in the southern extension of the Sierra Madre Occidental ("SMO") gold-silver belt in the state of Nayarit, Mexico.

The acquisition was completed by way of a definitive purchase agreement with an arm's length third party for 100% of the issued and outstanding shares of LOM in exchange for i) cash payment of US\$500,000; ii) issuance of 4,000,000 common shares of the Company at a deemed price of \$0.20 per share; iii) a capped 2% NSR to the vendor; and iv) future share-based "milestone payments" based on the incremental addition of gold-equivalent (gold-silver) NI 43-101 resource ounces above a base 500,000 ounces on any given deposit currently held by LOM, capped at 20,000,000 shares subject to TSXV approval at the time of issuance. The common shares issued in connection with the acquisition will be subject to a hold period of four months and a day from the date of closing.

The acquisition constitutes an asset acquisition as the acquired assets did not meet the definition of a business, as defined in IFRS3, Business Combinations, the Company acquired net identifiable assets and liabilities of \$122,496, and allocated \$1,301,994 to the mineral exploration and evaluation assets.

On February 23, 2023, the Company closed a transaction with a private entity to acquire a 100% interest in the La Reyna group of claims adjoining the El Grande Project to the southeast. Pursuant to a Purchase and Assignment Agreement ("The Agreement"), Angel Wing Metals, through its subsidiary Lago de Oro S.A. de C.V., has made a total payment of US\$700,000 upon completion of three performance milestones:

- US\$150,000 upon signing of The Agreement (paid)
- US\$150,000 upon presentation of The Agreement to, and acceptance for registration by the Public Registry of Mining of Mexico, (paid) and
- US\$400,000 upon Registration of the Agreement by the Public Registry of Mines of Mexico., which is deemed to be regulatory approval In Mexico. (paid)

A further payment of US\$50,000 will be due upon Angel Wing Metals identifying each 1.0 million ounces of gold in the Measured and Indicated categories of a Mineral Resource as defined by the Canadian National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects on the La Reyna Property, and a 1.5% net smelter return royalty with Angel Wing Metals retaining a right of first refusal to purchase the royalty for US\$2.0 million.

4. PROPERTY, PLANT AND EQUIPMENT

Costs	Petroleum Properties	Office Equipment	Total
December 31, 2021	\$ 1,168,896	\$ 10,984	\$ 1,179,880
Additions	-	4,454	4,454
Transferred to assets held for sale	(1,168,896)	-	(1,168,896)
December 31, 2022	-	15,438	15,438
Additions	-	4,289	4,289
Disposal	-	(10,984)	(10,984)
Exchange translation	-	1,023	1,023
Balance, June 30, 2023	\$ -	\$ 9,766	\$ 9,766

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2023
(Expressed in Canadian Dollars)
(Unaudited)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Depletion, depreciation and impairment losses:	Petroleum Properties	Office Equipment	Total
December 31, 2021	\$ 1,168,896	\$ 7,689	\$ 1,176,585
Depreciation	-	1,246	1,246
Transferred to assets held for sale	(1,168,896)	-	(1,168,896)
Exchange translation	-	(110)	(110)
December 31, 2022	-	8,825	8,825
Depreciation	-	1,198	1,198
Disposal	-	(8,686)	(8,686)
Exchange translation	-	236	236
Balance, June 30, 2023	\$ -	\$ 1,573	\$ 1,573

Carrying amount:	Petroleum Properties	Office Equipment	Total
December 31, 2022	\$ -	\$ 6,613	\$ 6,613
June 30, 2023	\$ -	\$ 8,193	\$ 8,193

5. SALE OF SUBSIDIARY AND DISCONTINUED OPERATIONS

In November 2022, the Company entered into negotiations with an arm's length third party to sell 100% of the issued and outstanding shares of Huntington, and on January 20, 2023, the Company sold its subsidiary Huntington including all assets and liabilities for gross proceeds of \$96,000 and paid finders fees of \$19,100. Upon completion of the sale effective on January 20, 2023, the Company derecognized Huntington and recorded a loss on sale of subsidiary as follows:

Total assets	\$ 222,309
Total liabilities	136,898
Net assets as of January 20, 2023	85,411
Proceeds received (net of commissions)	76,900
Loss on sale of subsidiary	\$ 8,511

The financial performance information of Huntington is presented below for the six months ended June 30, 2022 and for the period from January 1, 2023 to January 20, 2023:

	January 1, 2023 to January 20, 2023	Six months ended June 30, 2022
Revenue		
Production sales	\$ -	\$ 63,657
Royalties	-	(9,377)
	-	54,280
Operating expenses		
Operating expense	4,092	27,187
Administrative	9	-
Accretion of decommissioning obligations	-	1,397
Total expenses	(4,101)	(28,584)
Other item		
Loss on sale of subsidiary	(8,511)	-
Net (loss) income from discontinuing operation	\$ (12,612)	\$ 25,696

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value, preferred shares, assumable in series

Common shares issued

(i) On March 30, 2022 the Company completed its acquisition of Lago de Oro Resources SA de CV for 4,000,000 shares at a price of \$0.20 per share and a cash payment of US\$500,000.

(ii) During the six months ended June 30, 2022, 2,500,000 warrants were exercised with a weighted average exercise price of \$0.05 for gross proceeds of \$125,000.

(iii) On May 3, 2023, the Company closed a non-brokered private placement for 23,635,000 common share units of the Company at a price of \$0.11 for total gross proceeds of \$2,599,850. The Company had share issuance costs of \$16,205 and issued 205,080 non-transferable finder's warrants. Each unit consisted of one common share of the Company and one-half warrant. Each full warrant is exercisable for a period of two years from issuance at a price per common share of \$0.25. Directors and an officer of the Company, participated in and subscribed for 3,450,000 Units.

7. STOCK OPTIONS

The Company's stock option plan limits the number of common shares reserved under the plan from exceeding a "rolling maximum" of ten (10) percent of the Company's issued and outstanding common shares. Under the plan, the number of stock options for any one (1) individual may not exceed 5% of the issued and outstanding shares in any one twelve-month period. The stock options vest at the discretion of the Board of Directors upon grant to directors, officers, employees and consultants of the Company.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2021	4,200,000	0.28
Granted (i)	3,350,000	0.20
Balance, June 30, 2022	7,550,000	0.28
Balance, December 31, 2022	7,400,000	0.25
Granted (ii)(iii)	2,000,000	0.20
Expired	(850,000)	0.25
Balance, June 30, 2023	8,550,000	0.23

(i) On May 6, 2022, the Company granted 3,350,000 stock options at an exercise price of \$0.20 directors, officers, and consultants of the Company. 1,500,000 stock options were granted to directors and officers. The stock options granted vest immediately and are exercisable for a period of ten years from date of grant.

(ii) On February 24, 2023 the Company granted 500,000 stock options at an exercise price of \$0.15 to a director of the Company. The stock options granted vest immediately and are exercisable for a period of ten years from date of grant.

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2023
(Expressed in Canadian Dollars)
(Unaudited)

7. STOCK OPTIONS (continued)

(iii) On April 10, 2023, the Company granted 1,500,000 stock options at an exercise price of \$0.20 to the President & CEO. The stock options granted vest in three equal instalments over two years and are exercisable for a period of ten years from the date of grant.

The following table reflects the stock options issued and outstanding as of June 30, 2023:

Expiry Date	Weighted Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 27, 2027	0.25	4.16	700,000	700,000
April 7, 2031	0.25	7.78	1,050,000	1,050,000
June 29, 2031	0.31	8.00	1,800,000	1,800,000
October 8, 2031	0.31	8.28	150,000	150,000
May 6, 2032	0.20	8.86	2,850,000	2,850,000
February 24, 2033	0.15	9.66	500,000	500,000
April 10, 2033	0.20	9.79	1,500,000	500,000
	0.23	8.36	8,550,000	7,550,000

The Company recorded \$185,911 (June 30, 2022 - \$592,950) in share-based compensation expense in the period and a corresponding amount was credited to share based payment reserve.

Details of the weighted average fair value of options granted and the weighted average assumptions used in the Black-Scholes option pricing model are as follows:

	June 30, 2023	June 30, 2022
Fair value of options granted	\$ 0.172	\$ 0.177
Risk-free interest rate	3.02 %	2.76 %
Estimated life	10 years	10 years
Expected volatility based on historic volatility	182.13 %	151.64 %
Expected dividend yield	nil	nil
Forfeiture rate	0 %	0 %

8. WARRANTS

Changes in the number of warrants, with their weighted average exercise prices, are summarized below:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2021	33,635,464	0.20
Exercised	(2,500,000)	0.05
Balance, June 30, 2022	31,135,464	0.21
Balance, December 31, 2022	14,285,464	0.20
Granted (note 6(iii))	11,817,501	0.25
Balance, June 30, 2023	26,102,965	0.33

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended June 30, 2023
(Expressed in Canadian Dollars)
(Unaudited)

8. WARRANTS (continued)

The following table reflects the warrants outstanding as of June 30, 2023:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding
June 16, 2024 ⁽¹⁾	0.40	0.96	14,285,464
May 3, 2025	0.25	1.84	11,817,501

⁽¹⁾ The Warrants were issued pursuant to a private placement that closed on June 16, 2021. The Company extended the expiry date of these warrants to June 16, 2024.

9. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the officers and vice-presidents. Executive officers are paid salaries or management fees and participate in the Company's stock option program. Key management personnel compensation is comprised of the following:

Except as disclosed elsewhere in these consolidated financial statements the Company had the following related party transactions during the period:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Consulting and management fees	\$ 27,843	\$ 75,500	\$ 45,523	\$ 151,000
Stock based compensation (note 7)	126,116	265,500	185,911	265,500
	\$ 153,959	\$ 341,000	\$ 231,434	\$ 416,500

Included in accounts payables and accrued liabilities is \$3,031 (December 31, 2022 - \$121,077) owing to officers of the Company, or companies controlled by or directors and officers.

See note 6 and 7.

10. SEGMENTED INFORMATION

The Company operates in one industry segment, namely exploration of mineral resources in two geographic regions, Canada and Mexico. The companies discontinued operations related to oil & gas which were operated within Canada. There were no expenses in Mexico for the three and six months ended June 30, 2022.

June 30, 2023	Canada	Mexico	Total
Mineral Properties	\$ 3,867,469	\$ 5,684,518	\$ 9,551,987
Equipment	\$ -	\$ 8,193	\$ 8,193
December 31, 2022	Canada	Mexico	Total
Mineral Properties	\$ 3,858,775	\$ 3,745,206	\$ 7,603,981
Equipment	\$ 2,298	\$ 4,315	\$ 6,613

Angel Wing Metals Inc.

Notes to Condensed Consolidated Interim Financial Statements
 Three and Six Months Ended June 30, 2023
 (Expressed in Canadian Dollars)
 (Unaudited)

10. SEGMENTED INFORMATION (continued)

Three months ended June 30, 2023	Canada	Mexico	Total
Operating expenses			
Administrative	\$ 409,178	\$ 1,536	\$ 410,714
Share-based compensation	126,116	-	126,116
Depreciation	-	593	593
Foreign exchange	(1,625)	1,997	372
Net loss from continuing operations	\$ (533,669)	\$ (4,126)	\$ (537,795)
Six months ended June 30, 2023			
Operating expenses			
Administrative	\$ 518,996	\$ 15,566	\$ 534,562
Share-based compensation	185,911	-	185,911
Depreciation	-	1,198	1,198
Foreign exchange	(1,501)	23,202	21,701
Other income	(33,203)	-	(33,203)
Disposal of equipment	2,298	-	2,298
Net loss from continuing operations	\$ (672,501)	\$ (39,966)	\$ (712,467)

11. COMMITMENTS AND CONTINGENCIES

Environmental and legal

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact. At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

12. GENERAL AND ADMINISTRATIVE

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Professional fees	\$ 277,373	\$ 84,021	\$ 313,247	\$ 207,733
Management and consulting fees	45,691	172,504	58,241	199,545
Shareholder communication	17,608	(6,571)	40,066	28,818
Insurance	12,133	5,253	21,051	14,182
Fees and licenses	27,672	19,499	32,391	38,039
Rent	3,172	1,428	3,409	2,857
Evaluation fees	-	7,249	-	7,249
Software lease	-	403	-	1,298
Other	27,065	53,278	66,157	68,241
	\$ 410,714	\$ 337,064	\$ 534,562	\$ 567,962