ANGEL WING
METALS INC

MANAGEMENT'S DISCUSSION AND ANALYSIS -

QUARTERLY HIGHLIGHTS

THREE AND SIX MONTHS ENDED JUNE 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Angel Wing Metals Inc. ("Angel Wing" or the "Company") is dated August 23, 2023, and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022 and the unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2023. The consolidated financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all financial measures are expressed in Canadian dollars. This MD&A contains forward looking information based on the Company's current expectations and projections.

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

Forward-looking Statements - Certain statements contained within the Management's Discussion and Analysis, and in certain documents incorporated by reference into this document, constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

In particular, this MD&A contains forward-looking statements pertaining to, without limitation, the following: Angel Wing's production volumes; Angel Wing's realized price of commodities in relation to reference prices; future commodity prices; the Company's future royalty rates and the realization of royalty incentives; Angel Wing's expectation of reducing operating costs; the relationship of Angel Wing's interest expense and the Bank of Canada interest rates; increases in general and administrative expenses and recoveries; future development and exploration activities and the timing thereof; the future tax liability of the Company; the depletion, depreciation and accretion rate; the estimated future contractual obligations of the Company and the amount expected to be incurred under its farm-in commitments; the future liquidity and financial capacity of the Company; and its ability to fund its working capital and forecasted capital expenditures. In addition, statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

With respect to the forward-looking statements contained in the MD&A, Angel Wing has made assumptions regarding: future commodity prices; the impact of royalty regimes and certain royalty incentives, the timing and the amount of capital expenditures; future operating expenses; the continued availability of capital, undeveloped land and skilled personnel; the ability to obtain equipment in a timely manner to carry out exploration and development activities; the ability to obtain financing on acceptable terms; the ability to add production and reserves through exploration and development activities; and the continuation of the current tax and regulation.

We believe the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this Management's Discussion and Analysis, as the case may be. The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Management's Discussion and Analysis: access to capital; counterparty credit risk; liabilities inherent in mining industry; undeveloped lands and skilled personnel; the timing and content of work programs; geological, technical, drilling and processing problems; the interpretation of drilling results and other geological data; general market and industry conditions; limitations on insurance; changes in environmental or legislation applicable to the Company's operations, and ability to comply with current and future environmental and other laws; and the other factors discussed under "Risk Factors" in the following MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Angel Wing does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

The financial data presented herein has been prepared in accordance with IFRS. The Company has also used certain measures of financial reporting that are commonly used as benchmarks within the oil and natural gas production industry in the following MD&A discussion. The measures discussed are widely accepted measures of performance and value within the industry and are used by investors and analysts to compare and evaluate oil and natural gas exploration and producing entities. Most notably, these measures include operating netback and funds flow from operations. Operating netback is a benchmark used in the crude oil and natural gas industry to measure the contribution of oil and natural gas sales subsequent to the deduction of royalties and operating costs. Funds flow from operations is before changes in non-cash working capital and site restoration expenditures, and is used to analyze operations, performance and liquidity. These measures are not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measures. These measures and their underlying calculations are not necessarily comparable to a similarly titled measure of another entity. When these measures are used, they are defined as “non IFRS” and should be given careful consideration by the reader.

DESCRIPTION OF THE BUSINESS & BUSINESS OVERVIEW

The Company is focused on the exploration and development of its portfolio of precious metals properties in Mexico and Canada. The Company's flagship La Reyna gold project covers 110 square kilometers (km^2) in the southern extension of the prolific Sierra Madre Occidental gold- silver belt in the state of Nayarit, Mexico and demonstrates significant gold and silver mineralization.

The Company also owns two early-stage gold exploration projects in Northwestern Ontario. The Quartz Lake Project is located 50km east of the prolific Red Lake district and demonstrates many similar geological features of other successful exploration plays in the region. The Winora Project is located near Lingman lake, 325 km north of Red Lake and consists of 17 patented mining claims that are estimated to be within 500 m and on strike with the historic Lingman Lake gold deposit.

Angel Wing Metals is committed to sustainable and responsible exploration and business activities in line with industry best practices, supportive of all stakeholders, including the local communities in which the Company operates.

For more information, please visit the Company's website at www.angelwingmetals.com.

CORPORATE ACTIVITIES

Effective January 20, 2023, the Company sold its subsidiary Huntington Capital Inc., for proceeds of $96,000.

On February 24, 2023, the Company announced that 500,000 stock options at an exercise price of $0.15 were granted to the certain directors of the Company. The stock options granted vested immediately and are exercisable for a period of ten years from the date of grant.

On March 30, 2023, the Company announced Mr. Marc Prefontaine as the Company's new President and CEO, effective April 15, 2023. Mr. Prefontaine succeeds Mr. Bryan Wilson, retired from his role as President, CEO, effective April 15, 2023. Mr. Prefontaine was also appointed to the Board of Directors effective on March 30, 2023. Mr. Wilson has stepped down as Director, as of March 30, 2023, but continues as an active and engaged advisor to the Board of Directors, upon the transition of Mr. Prefontaine in the President and CEO role.

Mr. Cal Everett was appointed to the Board and assumed the role of Chairman of the Board of directors, replacing Mr. Frank Busch who stepped down from the Board of Directors as of March 30, 2023.

On April 11, 2023, the Company granted 1,500,000 stock options at an exercise price of $0.20 to the President & CEO, Mr. Marc Prefontaine. 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.

On May 3, 2023, the Company announced it had closed a non-brokered private placement for 23,635,000 common share units of the Company at a price of C$0.11 for total gross proceeds of C$2,599,850. 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. Proceeds from the private placement will be used by the Company for exploration properties and for general and corporate purposes. Certain directors and an officer of the Company (the "related parties", participated in and subscribed for 3,450,000 Units. As a result, the Private Placement constituted a "related party transaction" within the meaning of Policy 5.9 of the TSX Venture Exchange and Multilateral Instrument 61- 101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101").

On May 19, 2023, the Company announced its proposal to amend the terms of 14,285,465 share purchase warrants set to expire on June 16, 2023. The Company is proposing to extend the expiry date by one year to June 16, 2023 at the same exercise price, subject to the approval of the TSX Venture Exchange.

On May 24, 2023, the Company announced its proposal to consolidate the common shares of the Company (the "Consolidation") on the basis of one (1) post-consolidation Common Share for every two (2) pre-consolidation common shares which was voted on and approved by the Shareholders at the Company's Annual General and Special Meeting on June 29, 2023. The share consolidation is subject to the approval of the TSX Venture Exchange.

The Company currently has 134,505,817 Common Shares issued and outstanding. If the proposed Consolidation is approved by the shareholders, the Company would have approximately 67,252,908 Common Shares issued and outstanding. Outstanding options and warrants would be similarly adjusted.

On June 29, 2023 the Company announced that the shareholders voted in favour of other matters set out in the Company's Management information circular dated May 19, 2023 at the Company's Annual General and Special Meeting of Shareholders held on June 29, 2023.

CORPORATE EVENTS SUBSEQUENT TO JUNE 30, 2023

There were no significant corporate events subsequent to June 30, 2023.

EXPLORATION ACTIVITIES

On February 23, 2023 the Company announced that it closed a transaction with a private entity to acquire a 100% interest in the 102.87 square kilometre ("km^2") La Reyna group of claims adjoining the El Grande Project to the southeast. The claims cover most of the Aguila de Oro Mineral District, with its long history of small-scale production for gold, silver, and copper, not ever systematically explored with drilling. 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)- Complete
- 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.

The La Reyna project includes title to 10,599.35 hectares of active claims comprising most of the Aguila de Oro Mining District. It also includes the 52,772.12 hectares El Grande claim application (which has been suspended by the new mining law at this moment, more information will become available as the new laws are published and appeals get processed).

EXPLORATION EVENTS SUBSEQUENT TO JUNE 30, 2023

There were no significant events subsequent to June 30, 2023.

PROJECT OVERVIEW

A summary of exploration costs for all properties is summarized below:

	Winora Property	Quartz Lake Property	El Grande 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**

La Reyna Project, Nayarit State, Mexico

Since the closing of the acquisition of LOM, and of the El Grande Project, the company through LOM has successfully acquired an additional 10,599.35 hectares of claims as part of a strategy to consolidate the Aguila de Oro Mining District, an historical mining district for gold, silver and copper. The addition to most of the Aguila de Oro Mining district to the La Reyna project marks the first time this important underexplored mining district has been consolidated into a single exploration project, and the first time district scale regional exploration methods can be applied. Exploration began in early May of 2022, soon after the closing of the Lago de Oro Resources acquisition.

Exploration of the project is focused on the southeast portion of the La Reyna project, within the Aguila de Oro Mining District where anomalous gold and silver mineralization is usually exposed in outcrop at the higher elevations, where it is commonly associated with extensive alteration and artisanal mine workings. Windows of mineralized altered outcrop are also exposed within the wide valley floors, where extensive supergene and hydrothermal clay and iron oxide alteration is mapped over a 40 km2 area (open in all directions). These exposed windows suggest the overburden filling the valleys is relatively shallow. This is confirmed in the various well logs surveyed to date and from historical trench data which showed overburden ranging from a few cm up to about 15 metres depth. Mapping has identified a highly altered with mineralized areas that is approximately 12 km by 10 km. Several interpreted vein fields that assayed for gold mineralization that strikes, cumulatively, for approximately 8 kms, within corridors mapped over approximately 700 metre widths. Mineralization remains open for extension in all directions.

The results from this year's program have confirmed multiple exploration targets that warrant follow-up, have confirmed the gold-silver and copper mineral potential of the project, has confirmed the presence of at least two mineralizing events (a younger Ag (Au)-Pb-Zn (Basin and Range) event and an older Au (Cu, Ag) Laramide event), and has advanced several targets to the drill ready phase. During the 2022 - 2023 exploration program, the company collected 3,276 samples including 1,565 soil samples (of which 380 samples assayed greater than the anomalous background level of 20 ppb gold for soils), and 1,737 rock chip samples (where 380 assayed greater than the 0.1 g/T gold anomalous limit). Gold assay results ranged from nil to a maximum of 27.12 g/T Au, while silver ranged from nil to a maximum value of 999.49 g/T Ag.

During 2023, the Company completed regional scale mapping and prospecting on the La Reyna Project and sampling over approximately 65 km^2. Structural and alteration studies are in progress, as is additional mapping and soil grid sampling. Of the exploration targets identified across the project area, five of the targets were selected for follow up exploration and early stage drilling: the El Polo, Aguila de Oro, and La Tauna trends and the La Presa and El Tule Basins. With the area now mapped and mostly soil sampled, the last of compilation work is being completed. The Company is looking into the best locations and options to complete some geophysics to better define drill targets. That work is planned for the fall of 2023.

Angel Wing's Mexican subsidiary has signed 5-year surface access agreements with 14 Ejidos, providing access for all exploration and drilling activities, including access to the abundant surficial waters. The agreements are renewable every 5 years. As exploration advances, long term access contracts will need to be negotiated to move to the anticipated exploitation and development phase.

Exploration Targets

El Polo

This target area includes a range of hills that is host to many historical shallow mine workings, including the past producing El Polo mine. The trend hosts widespread argillic (clay-sericite-pyrite) alteration that is associated with precious metals mineralization identified in numerous discontinuous outcroppings along a 3.5 km north-south trend that is up to 1.0 km wide.

Mapping and sampling have been completed, ground geophysics is being contemplated for the fall of 2023.

La Presa Basin

This is a topographic depression that lies north and west of the El Polo mine, initially interpreted as a circular feature from Aster satellite imagery. This 2.0 km by 1.5 km area displays widespread clay ("argillic") alteration and is considered prospective for porphyry style, intrusion hosted or epithermal mineralization. The basin is host to shallow lakes and cultivated fields with sparse outcrop exposure.

This target requires additional mapping, and ground and airborne geophysics to assist with drill hole planning.

Laguna El Tule

Laguna El Tule is a large topographic depression to the east of El Polo, the site of a shallow seasonal lake and cultivated fields, about 4.0 km by 2.0 km in circumference. Like the La Presa Basin, El Tule has a potential for bulk tonnage exploration. The surrounding area is obscured by shallow overburden with sparse outcroppings of altered and mineralized rhyolite, andesite and magnetic dacite.

This target requires additional work to advance to the drill ready stage.

Aguila de Oro

Named after the former Aguila de Oro Mining district, this target is host to numerous past producing artisanal mine workings and prospects along a north-easterly trend of discontinuous outcrop within a 2.4 km by 1.8 km area. Gold and silver mineralization is found in numerous exposures of veins and hydrothermal breccia and may represent a structural target ("dilational zone") prospective for bulk tonnage targets.

Quartz Lake Project, Ontario, Canada

On January 15, 2021, the Company announced the acquisition of the Quartz Lake mineral exploration property. The exploration area that comprises the Quartz Lake Property is located approximately 80 kilometers northeast of Red Lake and covers an area of 11,280 ha. The Company completed the acquisition of the Quartz Lake Project on February 8, 2021, resulting in Angel Wing owning a critical mass of contiguous exploration opportunities.

The Company reviewed till sampling results from 2021 work and recently filed an assessment report to keep claims in good standing. At least three (3) areas of anomalous gold grains in basal till have been examined and are being followed up on in a small program planned for the fall of 2023. The secondary purpose of this small program is to maintain the core mining claims.

Winora Project, Lingman Lake, Ontario, Canada

On July 27, 2021, Angel Wing completed the acquisition of the Winora Project. The Winora Project consists of 17 patented mining claims covering an area of approximately 354 hectares located in the District of Kenora, Northern Ontario. The Winora Project is located 500 metres east of the historical Lingman Lake Gold Mine.

The high-grade Lingman Lake gold mineralization is hosted in multiple quartz veins and remains open to the east toward the Winora property and at depth. The Winora property is approximately 500 m from the eastern edge of defined gold mineralization of the Lingman Lake gold deposit. The Company completed approximately 1,600 m of diamond drilling in 7 holes at the Winora Project in March of 2022. Drill assay results were disappointing and did not return any encouraging gold mineralization.

No further work is planned on the project at this time.

QUALIFIED PERSONS

The technical contents of this document for the projects have been reviewed and approved by Marc Prefontaine, M.Sc., P.Geo; Mr. Prefontaine is Qualified Person as defined by Canadian Securities Administrators National Instrument 43-101 “Standards of Disclosure for Mineral Projects”.

OIL AND GAS LANDS AND RIGHTS HELD AS AT JUNE 30, 2023

On January 20, 2023, the Company sold its subsidiary Huntington Capital Inc., which holds its oil and gas assets for gross proceeds of $96,000. Subsequent to the sale and as at June 30, 2023, the Company does not hold any oil and gas assets.

RESULTS OF OPERATIONS

Six months ended June 30, 2023, compared with six months ended June 30, 2022

The Company's net loss for the six months ended June 30, 2023 was $725,079 ($0.00 per share), compared to $1,369,449 ($0.01 per share) for the six months ended June 30, 2022. Significant variations are described below.

	For the six months June 30,			
	2023	**2022**	**Variance**	**Comments**
Administrative	$ 534,562	$ 567,962	$ (33,400)	General and administrative fees have decreased as the Company completed the acquisitions of the El Grande Property, and fewer consultants are required compared to the prior period.
Share-based compensation	185,911	592,950	(407,039)	During the period the Company granted 2,000,000 stock options, compared to 3,350,000 stock options which were granted in the prior period.
Deferred income tax expense	-	195,413	(195,413)	The Company had previously raised flow-through funds and estimated an income tax expense.
Net (income) loss from discontinued operations	12,612	(25,696)	38,308	The Company began transitioning to a mineral exploration company at the end of 2021. The Company sold its subsidiary, on January 20, 2023, and paid for some costs related to the abandonment of the wells before the sale.
Other expenses and revenues	(8,006)	38,820	(46,826)	Non-significant variances in other expenses and revenue items.
Total	**$ 725,079**	**$ 1,369,449**	**$ (644,370)**	

Three months ended June 30, 2023, compared with three months ended June 30, 2022

The Company's net loss for the three months ended June 30, 2023 was $537,795 ($0.01 per share), compared to net loss $1,006,160 ($0.01 per share) for the three months ended June 30, 2022. Significant variations are described below.

	For the three months June 30,			
	2023	**2022**	**Variance**	**Comments**
Administrative	$ 410,714	$ 337,064	$ 73,650	General and administrative fees have decreased as the Company completed the acquisitions of the El Grande Property, and fewer consultants are required compared to the prior period.
Share-based compensation	126,116	592,950	(466,834)	During the period the Company granted 1,500,000 stock options, compared to 3,350,000 stock options which were granted in the prior period.
Deferred income tax recovery	-	55,825	(55,825)	During the period the Company made eligible expenditures to meet its obligations under its flow through program.
Net (income) loss from discontinued operations	-	(24,263)	24,263	The Company began transitioning to a mineral exploration company at the end of 2021 and thus cut certain expenditures which resulted in net income from the discontinued operation.
Other expenses and revenues	965	44,584	(43,619)	Non-significant variances in other expenses and revenue items.
Total	**$ 537,795**	**$ 1,006,160**	**$ (468,365)**	

General and Administrative breakdown

A detailed breakdown of general and administrative expenses is as follows:

	Three months ended June 30,		Six months ended 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

WORKING CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

The 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 June 30, 2023.

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.

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.

As at June 30, 2023, the Company had current assets of $4,147,209 (December 31, 2022 - $3,726,423) and current liabilities of $640,023 (December 31, 2022 – $468,533). As of June 30, 2023, the Company has a working capital surplus of $3,507,186 (December 31, 2022 - $3,257,890).

On May 3, 2023, the Company announced it has 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 believes it has sufficient cash to meet its short-term commitments and its ongoing exploration activities (see "Mineral Properties").

Selected Cash Flow Information

	Six Months Ended June 30, 2023
Operating activities	
Net loss for the period	(712,467)
Items not affecting cash (a)	265,998
Changes in non-cash working capital items (b)	171,556
Net cash used in operating activities from continuing operations	(274,913)
Net cash used in operating activities from discontinued operations	(4,085)

(a) Non cash items of $265,998 consisted of depreciation of $1,198, disposal of equipment of $2,298, share-based compensation of $185,911, foreign exchange of $76,591.

(b) Cash used for working capital purposes of $171,556 consisted of an increase in accounts receivable of $17,154, an increase in accounts payable and accrued liabilities of $301,872, an increase in value-added tax recoverable of $213,605, and offset by a decrease in prepaid expenses and other of $100,443.

Cash flows from discontinued operations consisted of non-cash items due to the loss on sale of subsidiary of $8,511 and non-cash working capital increase in accounts payable and accrued liabilities of $16.

During the six months ended June 30, 2023, the Company had cash inflows from investing activities of $1,384,644, which was due to sale of short-term investments of $2,517,085 offset by mineral property expenditures of $1,095,101, purchase of equipment of $4,289, and net cash outflows from the sale of Huntington Capital Inc. of $33,051.

During the six months ended June 30, 2023, the Company had cash inflows from financing activities of $2,583,645, which was due to the closing of a private placement for $2,599,850 less share issuance costs of $16,205.

RELATED PARTY 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 financial statements the Company had the following related party transactions during the period:

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Consulting and management fees	$ 27,843	$ 75,500	$ 45,523	$ 151,000
Stock based compensation	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.

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. Directors and an officer of the Company, participated in and subscribed for 3,450,000 Units.

On May 6, 2022, the Company granted 3,350,000 stock options at an exercise price of $0.20 to 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

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.

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.

SHARE DATA

As of the date of this MD&A the Company had 134,505,817 outstanding common shares.

The Company had the following stock options outstanding as of the date of this Interim MD&A.

Expiry Date	Weighted Exercise Price ($)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 27, 2027	0.25	700,000	700,000
April 7, 2031	0.25	1,050,000	1,050,000
June 29, 2031	0.31	1,800,000	1,800,000
October 8, 2031	0.31	150,000	150,000
May 6, 2032	0.20	2,850,000	2,850,000
February 24, 2033	0.15	500,000	500,000
April 10, 2033	0.20	1,500,000	500,000
	0.23	**8,550,000**	**7,550,000**

The Company had the following share purchase warrants outstanding as of the date of this Interim MDA.

Expiry Date	Exercise Price ($)	Number of warrants Outstanding
June 16, 2024	0.40	14,285,464
May 3, 2025	0.25	11,817,501
Total	**0.33**	**26,102,965**

Capital Risk Management

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to external capital restrictions. There were no changes in the Company's approach to capital management.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its mineral properties. The Company is conducting its operations in a manner consistent with governing environmental legislation.

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Adoption of new accounting policies

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 consolidated financial statements.

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2024 or later periods. The Company is currently evaluating the impact of the adoption of these new standards on its financial statements.

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.

Trends and Economic Conditions

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer term strategic decisions.

The Company's business financial condition and results of operations may be affected by economic and other consequences from the global outbreak of COVID-19, and Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it increasingly difficult for it to raise additional equity or debt financing. Management cannot accurately predict the future impact these items may have on:

- Global gold prices
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability, such as legal and accounting;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's annual management's discussion & analysis for the fiscal year ended December 31, 2022, available on SEDAR+ at **www.sedarplus.ca**.

Mining Law Reform

On May 8, 2023, the Mexican Congress instituted a number of changes to the Mexican mining law and other related laws, including the process by which mining concessions are granted, the term and scope of mining concessions, the legal nature of mining activities and the ability to transfer title to mining concessions. Proceedings challenging the constitutionality of the reforms were filed by the Company in June 2023. Two remedy constitutional appeals (Amparos) were filed; one for the El Grande claim application; and a second for the 10 titled claims making up the La Reyna Project.

The appeal for the El Grande claim application was submitted in June 2023 and is pending.

A second Constitutional Remedy Appeal, related to the La Reyna Project was also filed in June 2023. In August 2023, a federal court judge granted the Company a stay order on the new mining law as it relates to exploration. However, the Mexico Chamber of Senators filed an appeal to this ruling. During the appeal process, the Company has the legal right to complete exploration work under the old mining law.

In the event the new mining reforms remain in place, as enacted, they could impact the process by which exploration and future development progresses on Angel Wings concessions and applications.