ANGEL WING
METALS INC

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

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 April 24, 2024 and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2023 and 2022. These 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; and the estimated future contractual obligations of the Company; 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.

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 250,000 stock options at an exercise price of $0.30 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 750,000 stock options at an exercise price of $0.40 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 11,817,500 common share units of the Company at a price of C$0.22 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 $0.50. 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 1,725,000 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 7,142,733 share purchase warrants set to expire on June 16, 2023. The Company extended the expiry date by one year to June 16, 2024 at the same exercise price, which was approved by the TSX Venture Exchange subsequently.

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.

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.

On September 20, 2023, the common shares of the Company were consolidated on a 2:1 basis the share consolidation, and is reflected retrospectively in this Interim MD&A.

CORPORATE EVENTS SUBSEQUENT TO DECEMBER 31, 2023

On January 25, 2024 the Company announced that it has changed its auditors from Kenway Mack Slusarchuk Stewart LLP (the "former auditor") to Davidson & Company LLP (the "successor auditor"). The former auditor resigned on its own initiative. The Board of Directors subsequently appointed Davidson & Company LLP effective January 17, 2024 to serve until the next Annual General Meeting of the Shareholders.

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 105.99 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 105.99 km^2 of active claims comprising most of the Aguila de Oro Mining District. It also includes the 527.72 km^2 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 DECEMBER 31, 2023

On January 23, 2024, the Company filed a National Instrument 43-101 report titled "Technical Report, The La Reyna Project" under the Company's SEDAR+ profile and on its website.

PROJECT OVERVIEW

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

	Winora Property	Quartz Lake Property	La Reyna Gold Property	Total
Acquisition costs	$ -	$ -	$ 2,298,922	$ 2,298,922
Geology and project drilling costs	2,058,519	206,963	1,116,693	3,382,175
Site costs	5,000	3,058	215,540	223,598
Pre-exploration costs	-	-	125,594	125,594
Year ended December 31, 2022	**$ 2,063,519**	**$ 210,021**	**$ 3,756,749**	**$ 6,030,289**
Acquisition costs	$ -	$ -	$ 767,447	$ 767,447
Geology and project drilling costs	4,610	40,920	1,678,557	1,724,087
Site costs	-	4,898	156,600	161,498
Year ended December 31, 2023	**$ 4,610**	**$ 45,818**	**$ 2,602,604**	**$ 2,653,032**

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 105.99 km^2 of titled mineral concessions (claims) in good standing as part of a strategy to consolidate the Aguila de Oro Mining District, an historic producing mining district for gold, silver, and copper. The addition of 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 La Reyna project is focused on a northeast trending corridor of structurally controlled alteration and mineralization as defined by anomalous gold and silver mineralization confirmed from rock chip and soil grid samples collected by the Company over an area that is approximately 4 km wide and strikes over 10 km. The trend equates to about a 40 km^2 area of mineralization that remains open in all directions. At higher elevations, mineralization is commonly associated with extensive silica and iron oxide alteration which is also host to numerous artisanal mine workings. Windows of mineralized altered outcrop are also exposed within the adjacent cultivated valley that is associated with extensive supergene and hydrothermal clay and iron oxide alteration. Various historical water well logs and trench data show a shallow overburden cover in the valley, ranging from a few centimetres up to about 15 metres in depth. Results from ongoing exploration has confirmed the gold-silver and copper mineral potential of the project and has confirmed the presence of numerous god-bearing veins.

To date, 13 prospects have been identified on mineral claims controlled by the Company that merit follow up exploration, where mineralization is hosted in several parallel and conjugate structures that hosts vein sets, fault breccia and hydrothermal breccia. Individual structures have been mapped over approximately 700-metre-wide parallel corridors over a cumulative 8.6 km strike length within the mineralized trend. Mineralization remains open for extension in all directions and new prospects are expected to be added to the exploration pipeline as this greenfield exploration project matures. Mineralization occurs in several depositional settings that vary from typical low sulphidation epithermal veins to deeper settings, possibly orogenic or porphyry settings. Plans are underway to drill test three areas.

During the 2022 - 2023 exploration program, regional scale mapping and prospecting on both the La Reyna and El Grande Projects was completed over approximately 650 km^2 at 1:50,000 and 711Km^2 at 1:20,000 scales. Structural and alteration studies were initiated.

Subsequently, as exploration focused onto the newly acquired La Reyna project, semi-detailed mapping was completed over 38.09 km^2 at 1:5,000 scale. Additional semi-detailed maps and cross sections were completed at the 1:2,500, 1:500 and 1:100 scale over selected prospects. A successful soil sample program of 7 grids on 100 metre centres covered 21.01 km^2 that identified coincident gold and copper soil anomalies for follow up exploration. The exploration target areas described in the previous MD&A have now been replaced with a system of naming individual prospects. This became necessary as it became apparent that some of the target areas previously described may eventually be connected at depth, while others maybe related to different depositional settings.

To date, the Company has collected approximately 4,015 samples including 1,857 soil samples and 2,158 rock chip samples. Gold assay results from soils ranged from nil to best values of 3.69 g/T Au and 2.39 g/T Au. A total of 250 soil samples returned anomalous results where 20 ppb Au is the calculated lowermost anomalous threshold. Rock chip sample results ranged from nil to a maximum of 27.12 g/T Au, while silver ranged from nil to a maximum value of 2,938 g/T Ag. A total of 70 samples returned assays greater than 2.5 g/T Au, while 245 samples assayed greater that 0.5 g/T Au. A total of 115 rock chip samples assayed greater than 30g/T Ag.

Surface exploration was ongoing throughout 2023 and continues in to Q1 2024. About 16 rock samples were sent for rock characterization and identification. 110 samples were selected for XRD (PIMA) analysis, which has confirmed the presence of Muscovite and other white micas, as well as local tourmaline and iron carbonate (siderite). 67.14 Hectares were mapped at 1:2000 scale and 120.5 Hectares were mapped at 1:1000 scale this quarter. A exploratory drill program has been prepared. Drill prospects selected for the first round of drilling include the Dolorosa-Polo and Celeste target areas where coincident outcrop mineralization, alteration, soil, structural and geophysical anomalies overlap. Drill results are expected to confirm continuity of observed surface mineralization at depth and will build on the interpreted strike and width potential for each prospect. Drill permits are in place for the proposed program.

DRILL PROSPECTS

1. La Dolorosa - Polo

The Company completed an Induced Polarization (IP) and Hybrid Source Audio Magneto-Telluric (HSAMT) geophysical survey over a 3 km by 1.5 km high priority area across Polo-Dolorosa. Six lines of IP and one line of HSMAT were completed that included 449 induced polarization stations and 82 HSAMT stations. Results have defined coincident IP and HSAMT anomalies that correlate well with observed surface geology, alteration, soil and rock assay results, including a large anomaly that strikes 3.8 kilometres that corresponds with outcrops of a distinct mineralized hydrothermal breccia and rhyolite porphyry, both anomalous in gold. The geophysical results have assisted with finalizing drill hole selection for the first ever proposed drill program. The targets selected for drilling will test multiple overlapping surface gold anomalies that are also supported by geophysics. A total of 472 rock grab and chip samples have been collected from the area, including 125 samples that assayed greater than 0.2 g/T Au, and 175 samples assayed more than 0.1 g/T Au.

2. La Dolorosa

This prospect presents a large bulk tonnage exploration target for gold. It is located in an otherwise cultivated valley about 1km south and east of El Polo where outcrop exposure is less than 1%. La Dolorosa is marked by an approximately 1 km wide area of discontinuous outcrops, sub-crop and/or regolith that is host to extensive argillic, silica and iron oxide alteration assemblages associated with gold mineralization, including visible gold. This area is the location of coincident gold and copper soil anomalies that merit follow up exploration. The mineralization observed in outcrop is structurally controlled in NE and NW conjugate faults as well as in E-W and N-S trending faults. Mineralization is hosted in veins, faults, structural dilations and in several types of breccia, including a hydrothermal breccia mapped at surface in corridors of 80-100 m widths. It is completely open in all directions. Assay results range from nil to 5 g/T Au.

3. El Polo

This prospect is the site of a past producing artisanal open pit mined primarily for free gold. Production records are not available. Mineralization at El Polo is structurally controlled, hosted in hydrothermal and tectonic breccia within an almost E-W trending thrust or reverse fault. Faulting affects a package of rhyolite flows and tuff overlying porphyritic rhyolite that is interpreted to be part of a flow dome complex emplaced within more intermediate volcanics (andesite). The fault at El Polo strikes SW255°, dipping about 35° NW and is mineralized, consisting of a high-grade mineralized core that varies 0.5 m to 2.5 m thick within an approximately 5 metre thick fault breccia. Disseminated low grade mineralization occurs across the fault structure and in the surrounding damage zone, estimated to be at least 5 to 8 metres wide. A total of 338 rock samples have been collected. Assay results range from nil to 27 g/T with numerous returning greater than 1 g/T Au. Samples across the historic workings recorded the highest gold sample collected to date on the project, with 27.12 g/T Au and 92.0 g/T Ag over a 45 cm channel chip sample.

The Company recently completed Induce Polarization (IP) and Hybrid Source Audio Magneto-Telluric (HSAMT) geophysical survey over a 3 km by 1.5 km high priority area in the Polo-Dolorosa target. Five lines of IP and one line of HSMAT were completed. Results have defined coincident IP and HSAMT anomalies that correlate well with surface geology and assay results, including a large anomaly that strikes 3.8 kilometres that corresponds with outcrops of a distinct mineralized hydrothermal breccia and rhyolite porphyry, both anomalous in gold. The geophysical results are being used to finalize drill hole locations for a proposed drill program.

4. Aguila de Oro

This series of prospects is located about 5 and 6 Km NE of El Polo. The area hosts numerous sub-parallel vein prospects that are distributed within a larger system of hydrothermal quartz veins displaying textures more typical of a low to intermediate epithermal system, Associated mineralization is dominantly gold and silver, with minor Pb, Zn and Cu.

This large vein system appears to be associated within a major transform fault where veins generally strike N210° dipping 70° to the NW (right hand rule), The width of the fault system is about 3.6Km, based on the distribution of prospects identified to date, and is open in all directions. The individual veins within the system are narrow with variable thicknesses. As observed in the numerous historic mine workings that dot the area, veins range from 15 cm to more than 2 metres, averaging 1 to 1.50 metres. The strike potential of this system of narrow veins is multi-kilometre with over 8.6 Km of cumulative strike identified to date. The Cristina and Amada Nervo veins, are just two of the veins identified within this wide system. They have each been mapped over a 1.5Km strike length, and each remains open.

A total of 869 rock samples have been collected. Assay results range from nil to 10 g/T Au.

4. Celeste

Celeste is an early-stage exploration target where alteration and mineralization has been mapped over a 1.8 kilometre by 800 metre area that remains open in all directions. This area conforms to an orogenic or porphyry exploration model, displaying intense massive silica alteration crosscut by crystalline quartz veins up to 2 metres in width at surface and zoned with iron oxide and clay alteration. Samples from this area return consistent low grade disseminated gold

A total of 196 samples were collected here that are almost exclusively anomalous in gold. Assay results range from nil to 2.24 g/t Au.

This prospect presents a large bulk tonnage exploration target for gold that requires further mapping, sampling, and geophysics prior to drilling.

SURFACE ACCESS

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 the anticipated exploration and development phase.

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 112.8 km^2. 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 was followed up on in a small program in September of 2023. Results extended and confirmed the anomalies.

Assessment reports were submitted to keep the core claims in good standing. No major work programs are currently planned for 2024.

Winora Project, Lingman Lake, Ontario, Canada

On July 28, 2021, Angel Wing completed the acquisition of the Winora Project. The Winora Project consists of 17 patented mining claims covering an area of approximately 3.54 km^2 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 500m from the eastern edge of defined gold mineralization of the Lingman Lake gold deposit. The Company completed approximately 1,600m 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 DECEMBER 31, 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 December 31, 2023, the Company does not hold any oil and gas assets.

SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected financial data derived from the audited consolidated financial statements of the Company for the years ended December 31, 2023, December 31, 2022 and December 31, 2021.

	Year ended December 31, 2023 ($)	Year ended December 31, 2022 ($)	Year ended December 31, 2021 ($)
Loss from continuing operations	3,773,562	7,017,214	3,469,632
loss (Income) from discontinued operations	12,612	(36,190)	12,364
Net loss	3,786,174	6,981,024	3,481,997
Net loss per share	(0.060)	(0.145)	(0.102)
Total assets	2,949,658	4,038,921	8,986,502
Weight average shares outstanding	63,270,259	48,130,580	34,142,229
Number of shares outstanding	67,252,595	55,435,095	44,410,409

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
($ thousands of dollars, except per share amounts)				
(loss) from continuing operations	$ (604)	$ (856)	$ (988)	$ (1,326)
(loss) from discontinued operations	$ -	$ -	$ -	$ (12)
Comprehensive (loss)	$ (535)	$ (811)	$ (981)	$ (1,332)
Comprehensive (loss) per share	$ (0.009)	$ (0.012)	$ (0.016)	$ (0.024)
Total assets	$ 2,950	$ 3,587	$ 4,724	$ 2,585

Quarter Ended	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
($ thousands of dollars, except per share amounts)				
(loss) from continuing operations	$ 137	$ (2,000)	$ (2,014)	$ (3,140)
Income from discontinued operations	$ 8	$ 2	$ 24	$ 2
Comprehensive income (loss)	$ 162	$ (2,036)	$ (1,990)	$ (3,138)
Comprehensive income (loss) per share	$ 0.003	$ (0.043)	$ (0.044)	$ (0.070)
Total assets	$ 4,039	$ 3,598	$ 5,530	$ 6,770

RESULTS OF OPERATIONS

Year ended December 31, 2023, compared with year ended December 31, 2022

The Company's net loss for the year ended December 31, 2023 was $3,786,174 ($0.06 per share), compared to $6,981,024 ($0.15 per share) for the year ended December 31, 2022. Significant variations are described below.

	For the year ended December 31,		Variance	Comments
	2023	2022		
Administrative	$ 859,424	$ 679,401	$ 180,023	General and administrative fees have increased as a result of legal fees which were previously unbilled.
Share-based compensation	257,337	592,950	(335,613)	During the period the Company granted 1,000,000 stock options, compared to 1,675,000 stock options which were granted in the prior period.
Mineral exploration and evaluation expenditures	2,653,032	6,030,289	(3,377,257)	During the prior year the Company completed a number of acquisitions for the La Reyna property.
Deferred income tax expense	-	(323,275)	323,275	The Company had previously raised flow-through funds and estimated an income tax expense.
Other expenses and revenues	16,381	1,659	14,722	Non-significant variances in other expenses and revenue items.
Total	**$ 3,786,174**	**$ 6,981,024**	**$(3,194,850)**	

Three months ended December 31, 2023, compared with three months ended December 31, 2022

The Company's net loss for the three months ended December 31, 2023 was $604,485 ($0.01 per share), compared to net income $145,297 ($0.06 per share) for the three months ended December 31, 2022. Significant variations are described below.

	For the three months December 31,			
	2023	**2022**	**Variance**	**Comments**
Administrative	$ 132,257	$ (50,006)	$ 182,263	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	$ 35,713	$ -	$ 35,713	During the period the Company recording vesting on certain stock options.
Mineral exploration and evaluation expenditures	433,309	351,409	81,900	
Foreign exchange	2,572	116,631	(114,059)	The change is due to the fluctuations in foreign exchange rates and differing amounts of foreign currencies held.
Deferred income tax recovery	-	(545,324)	545,324	During the period the Company made eligible expenditures to meet its obligations under its flow through program.
Other expenses and revenues	634	(18,007)	18,641	Non-significant variances in other expenses and revenue items.
Total	**$ 604,485**	**$ (145,297)**	**$ 749,782**	

General and Administrative breakdown

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

	Year ended December 31, 2023	**2022**
Professional fees	**$ 409,135**	$ 279,118
Management and consulting fees	**178,299**	139,850
Shareholder communication	**43,438**	111,373
Insurance	**35,110**	22,556
Fees and licenses	**54,956**	40,085
Rent	**14,074**	9,360
Evaluation fees	**-**	-
Software lease	**-**	1,426
Other	**124,412**	75,633
	$ 859,424	$ 679,401

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 December 31, 2023.

As at December 31, 2023, the Company had current assets of $2,238,532 (December 31, 2022 - $3,726,423) and current liabilities of $199,306 (December 31, 2022 – $468,533). As of December 31, 2023, the Company has a working capital surplus of $2,039,226 (December 31, 2022 - $3,257,890).

On May 3, 2023, the Company announced it has closed a non-brokered private placement for 11,817,500 common share units of the Company at a price of $0.22 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

	Year Ended December 31, 2023
Operating activities	
Net loss for the year	(3,773,562)
Items not affecting cash (a)	262,139
Changes in non-cash working capital items (b)	267,036
Net cash used in operating activities from continuing operations	(3,244,387)
Net cash used in operating activities from discontinued operations	(4,085)

(a) Non cash items of $262,139 consisted of depreciation of $2,504, disposal of equipment of $2,298, share-based compensation of $257,337.

(b) Cash used for working capital purposes of $267,036 consisted of a decrease in accounts receivable of $12,999, a decrease in prepaid expenses and other of $742,797, offset by an increase in value-added tax recoverable of $350,768, and a decrease in accounts payable and accrued liabilities of $137,992.

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 year ended December 31, 2023, the Company had cash inflows from investing activities of $2,589,696, which was due to sale of short-term investments of $2,517,085 offset by purchase of equipment of $4,289, and net cash outflows from the sale of Huntington Capital Inc. of $76,900.

During the year ended December 31, 2023, the Company had cash inflows from financing activities of $2,581,722, which was due to the closing of a private placement for $2,599,850 less share issuance costs of $18,125.

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 year:

	Year ended December 31, 2023	Year ended December 31, 2022
Consulting and management fees	$ 202,480	$ 266,800
Stock based compensation	257,337	265,500
	$ 459,817	**$ 532,300**

Included in accounts payables and accrued liabilities is $3,109 (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 11,817,500 common share units of the Company at a price of $0.22 for total gross proceeds of $2,599,850. Directors and an officer of the Company, participated in and subscribed for 1,725,000 Units.

On May 6, 2022, the Company granted 1,675,000 stock options at an exercise price of $0.40 to directors, officers, and consultants of the Company. 750,000 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 250,000 stock options at an exercise price of $0.30 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 750,000 stock options at an exercise price of $0.40 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 67,252,595 outstanding common shares.

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

Expiry Date	Weighted Exercise Price ($)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 27, 2027	0.50	350,000	350,000
April 7, 2031	0.50	525,000	525,000
June 29, 2031	0.62	900,000	900,000
October 8, 2031	0.62	75,000	75,000
May 6, 2032	0.40	1,425,000	1,425,000
February 24, 2033	0.30	250,000	250,000
April 10, 2033	0.40	750,000	250,000
	0.46	**4,275,000**	**3,775,000**

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

Expiry Date	Exercise Price ($)	Number of warrants Outstanding
June 16, 2024	0.80	7,142,732
May 3, 2025	0.50	5,908,750
Total	**0.66**	**13,051,482**

Financial Risk Management

Foreign Exchange Risk

The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Company's operations are located in Mexico, and some expenditures are denominated in US Dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the Mexican peso, and US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations. As at December 31, 2023 and 2022, the Company did not hold significant amounts of US dollars or Mexican peso.

The Canadian dollar equivalent carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as at December 31 was as follows:

		2023		2022
US dollar denominated				
Cash	$	34,540	$	49,316
Accounts payable		-		(102,137)
Net exposure	$	34,540	$	(52,821)
Mexican peso denominated				
Cash	$	2,563	$	10,784
Accounts payable		(48,927)		(72,350)
Net exposure	$	(46,364)	$	(61,566)

The sensitivity of the Company's net loss and comprehensive loss to changes in the exchange rate between the Canadian dollar and the US dollar and Mexico peso resulting from a 10% change in the respective exchange rates relative to the Canadian dollar would change the Company's net loss by approximately $1,182 (December 31, 2022 - $11,439).

Fair value of Financial Instruments

The Company classifies the fair value of these financial instruments measured at fair value subsequent to initial recognition according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash, restricted cash and the investment have been classified as Level 1.

Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.
- The Company is engaged in the mineral exploration field and its expected source of cash flow in the upcoming years will be through equity financing.

To manage cash flow requirements, the Company maintains a significant portion of its assets in cash and marketable securities.

The Company's accounts payable and accrued liabilities as at December 31, 2023 and December 31, 2022 is comprised of the following:

		2023		**2022**
Trade accounts payable	$	73,811	$	295,645
Accruals (1)		125,495		36,000
Total	$	199,306	$	331,645

(1) Includes professional fees

Price Risk

The Company is at risk to changes in commodity prices which may affect financing options available to the Company.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The observable impacts on the fair value and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in profit or loss from financial instruments whose cash flows are determined with reference to floating interest rates and potential changes in value of financial instruments whose cash flows are fixed in nature. The Company does not have any financial liabilities with floating interest rates but it does hold GIC investments. The GIC's are cashable and investment terms are 90 days or less to minimize cash flow and interest rate risk. Overall, the Company is exposed to minimal cash flow risk.

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.

CHANGE IN ACCOUNTING POLICY

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 - Exploration for and Evaluation of Mineral Resources and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The new accounting policy has been applied retrospectively. In prior periods the Company's policy was to defer exploration expenditures until such time as the properties are put into commercial production, sold or become impaired. The Company elected to change this accounting policy to expense exploration expenditures as they are incurred, on a retrospective basis.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

The change in accounting policy requires full retrospective application. IAS 1 - Presentation of Financial Statements also requires a third statement of financial position be presented.

The impact of the change in the accounting policy on the consolidated statements of financial position, consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows is detailed in note 19 of the audited consolidated financial statements for the year ended December 31, 2023 and 2022.

ADOPTION OF NEW ACCOUNTING POLICIES

During the year ended December 31, 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, except for the below.

Disclosure initiative – accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Beginning on January 1, 2023, the Company adopted the amendments to IAS 1, Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2, Making Materiality Judgements. These amendments help companies provide useful accounting policy disclosures and requires the disclosure of material accounting policy information rather than disclosing significant accounting policies. The adoption of these amendments did not have a material impact on the 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. The adoption of the amendments is not expected to have a material impact on the consolidated financial statements.

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 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

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR+ (www.sedarplus.ca).

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.

Mining exploration involves certain risks and uncertainties. These risks include, but are not limited to, commodity prices, foreign exchange rates, interest rates, credit, operational and safety.

A summary of certain risk factors relating to our business are disclosed below. The Company no longer pursues opportunities in the oil and gas sector and has refocused on mining exploration opportunities. The Company no longer holds any oil or gas assets.

Operational risks are managed through the Company's external insurance program designed to protect the Company from significant losses arising from risk exposures. Risks associated with commodity prices, interest and exchange rates are generally beyond the control of the Company; however, various hedging products may be considered to reduce the volatility in these areas.

Safety and environmental risks are addressed by compliance with government regulations as well as adoption and compliance of the Company's safety and environmental standards policy.

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.

Mining Exploration and Development

Exploration for and development of gold properties involves significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting gold from ore. We cannot ensure that our current exploration programs will result in profitable commercial mining operations.

The economic feasibility of the mine is based upon many factors, including the accuracy of mineral resource and mineral reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental management and protection; and gold prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Commodity Prices

The natural resources are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Angel Wing. World prices for natural resources have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue or adversely impact the valuation and economic viability of its assets.

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Mining Title Risks

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.

The properties owned or optioned by the Company may in the future be the subject of First Nations land claims or similar claims from local or indigenous groups. The legal nature of aboriginal and indigenous land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with First Nations or other local or indigenous groups in order to facilitate exploration and development work on the properties optioned or owned by the Company.

Political and Foreign Risk

The Company currently holds assets in Mexico, and the Company believes that the Mexican government supports the development of their mineral properties by foreign companies. There is no assurance however that future political and economic conditions of this country will not result in their government adopting different policies respecting foreign ownership of mineral properties, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital, restrictions on production, price controls, export controls, expropriation of property, foreign investment, maintenance of claims and mine safety. The possibility that a future government in Mexico may adopt substantially different policies, which might include the expropriation of assets, cannot be ruled out. There is also a risk of limitations being placed on the ability to repatriate funds.

The Canadian Government has also issued a "Regional Advisory" to avoid non-essential travel to Mexico and warning about travel to Mexican states, including Nayarit State, due to violent crime. These events may disrupt our ability to carry out exploration and mining activities and may affect the safety and security of our employees and contractors.

Our business is subject to the Canadian Corruption of Foreign Public Officials Act and similar worldwide anti-bribery laws, a breach or violation of which could lead to civil and criminal fines and penalties, loss of licenses or permits and reputational harm. We operate in certain jurisdictions that have experienced governmental and private sector corruption to some degree. The Corruption of Foreign Public Officials Act and anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. Violations of these laws, or allegations of such violations, could lead to civil and criminal fines and penalties, litigation, and loss of operating licenses or permits, and may damage our reputation, which could have a material adverse effect on our business, financial position and results of operations. There can be no assurance that our internal control policies and procedures will always protect us from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by our affiliates, employees or agents. As such, our corporate policies and processes may not prevent all potential breaches of law or other governance practices.

Substantial Capital Requirements; Liquidity

From time to time, Angel Wing will require additional financing in order to carry out its mining acquisition, exploration and development activities. Failure to obtain such financing on a timely basis or at all could cause Angel Wing to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Angel Wing's funds from operations are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Angel Wing.

Access to Capital

Access to capital has become limited during these times of economic uncertainty. To the extent the external sources of capital become limited or unavailable. Angel Wing's ability to make the necessary capital investments to maintain or expand its mining activity may be impaired.

Mining Exploration Environmental Regulations

Angel Wing will abide by all environmental regulations required to conduct mineral exploration in Canada and Mexico. This includes appropriate consultation with Indigenous people when entering new treaty regions of Canada. It is important to Angel Wing that all aspects of environmental stewardship are maintained and that all laws and regulations relating to mining exploration activities are respected.

A breach of environmental legislation or regulation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements and/or studies.

Environmental legislation is evolving in a direction of stricter standards and enforcement and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility from companies, directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. There can be no assurance that all necessary permits and government approvals, which the Company may require for its exploration activities and operations will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company may undertake. The Company fully intends to comply with all environmental regulations.

Health, Safety and Environment

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental contaminations may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge.

There are potential risks to the environment inherent in the business activities of the Company. Angel Wing has developed and implemented policies and procedures to mitigate health, safety and environment (HS&E) risks. Angel Wing mitigates HS&E risks by maintaining its wells and complying with all regulations. Technical consultants working for Angel Wing make regular field inspections to ensure that all field personnel and third-party contractors comply with all company and regulatory guidelines. An action plan has been developed to ensure inactive wells are suspended properly and abandoned in a timely fashion. The above noted policies and procedures are designed to protect and maintain the environment and to ensure that the employees, contractors, subcontractors and the public at large are kept safe at all times.

Insurance

Angel Wing's involvement in the exploration for and development of mining properties may result in Angel Wing becoming subject to liability for pollution, blow-outs, cave ins, rockbursts, property damage, personal injury or other hazards. Although Angel Wing has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Angel Wing may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Angel Wing. The occurrence of a significant event that Angel Wing is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Angle Wing's financial position, results of operations or prospects.

Competition

Angel Wing actively competes for acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial and personnel resources than Angel Wing. Angel Wing's competitors include major as well as independent mining companies and individual miners and operators.

Certain of Angel Wing's customers and potential customers are themselves in mining exploration and the results of such exploration efforts could affect Angel Wing's ability to sell its ore to these customers in the future. Angel Wing's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Social License to Operate

Angel Wing operates under the guidelines of the Prospectors and Developers Association E3 Policy in its mining exploration operations. However, heightened public monitoring and regulation of resource producers, refiners, distributors and commercial/retail sellers, especially where their activities carry the potential for having negative impacts on communities and the environment, involves varying degrees of risk to the Company’s reputation, relations with landowners and regulators, and in extreme cases even the ability to operate. Angel Wing maintains an active website that complies with Exchange requirements for timely disclosure and is the primary means of communicating to the general public when required. While media attention and public perception remaining largely beyond the control of Angel Wing’s executive, employees, contractors and directors, the Company makes every effort in its corporate and field operations to engage all stakeholders in a respectful and transparent manner.

Foreign Jurisdictions

Certain of the Company's projects are located in foreign jurisdictions and are subject to risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, export controls, land use and operational safety, and the potential for terrorism or military repression. Because a significant percentage of its operating costs, exploration expenditures and lease maintenance and acquisition costs are denominated in Mexican Peso, the Company's results of operations are subject to the effects of fluctuations in exchange rates and inflation. The Company does not engage in any hedging activities to minimize such risks.