



**ANGEL WING**  
M E T A L S I N C

MANAGEMENT'S DISCUSSION AND ANALYSIS -  
QUARTERLY HIGHLIGHTS  
THREE AND SIX MONTHS ENDED JUNE 30, 2024

**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 21, 2024, and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2023 and the unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2024. 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](http://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.

**Angel Wing Metals Inc.  
Management Discussion and Analysis  
Three And Six Months Ended June 30, 2024  
Dated - August 21, 2024**

---

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<sup>2</sup>) 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](http://www.angelwingmetals.com).

**CORPORATE ACTIVITIES**

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. There were no reservations in the former auditor's audit reports for any financial period during which the former auditor was the Company's auditor.

On June 3, 2024, the Company granted 1,055,000 stock options at an exercise price of \$0.15 to the President & CEO, and consultants of the Company. The stock options granted vest immediately and are exercisable for a period of five years from the date of grant.

**EXPLORATION ACTIVITIES**

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.

On June 4, 2024, the Company reported the results for two recently completed geophysical surveys over a 1.5 by 3.0 kilometre (km) portion of the Polo-Dolorosa drill target area (see January 23, 2024 press release) at the Company's La Reyna Gold Project.

**EVENTS SUBSEQUENT TO JUNE 30, 2024**

On July 17, 2024, the Company announced that all matters proposed for the Company's Annual General and Special Meeting of Shareholders (the "Meeting") held on July 15, 2024 were approved by the shareholders.

**Angel Wing Metals Inc.  
Management Discussion and Analysis  
Three And Six Months Ended June 30, 2024  
Dated - August 21, 2024**

**PROJECT OVERVIEW**

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

|                                       | Winora<br>Property | Quartz Lake<br>Property | La Reyna<br>Gold<br>Property | Total               |
|---------------------------------------|--------------------|-------------------------|------------------------------|---------------------|
| Acquisition costs                     | \$ -               | \$ -                    | \$ 641,662                   | \$ 641,662          |
| Geology and project drilling costs    | 2,012              | 6,682                   | 852,214                      | 860,908             |
| Site costs                            | -                  | -                       | 98,507                       | 98,507              |
| <b>Six months ended June 30, 2023</b> | <b>\$ 2,012</b>    | <b>\$ 6,682</b>         | <b>\$ 1,592,383</b>          | <b>\$ 1,601,077</b> |
| Geology and project drilling costs    | \$ -               | \$ -                    | \$ 446,426                   | \$ 446,426          |
| Site costs                            | -                  | -                       | 89,976                       | 89,976              |
| <b>Six months ended June 30, 2024</b> | <b>\$ -</b>        | <b>\$ -</b>             | <b>\$ 536,402</b>            | <b>\$ 536,402</b>   |

**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<sup>2</sup> 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<sup>2</sup> 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 gold-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<sup>2</sup> at 1:50,000 and 711Km<sup>2</sup> at 1:20,000 scales. Structural and alteration studies were initiated.

**Angel Wing Metals Inc.  
Management Discussion and Analysis  
Three And Six Months Ended June 30, 2024  
Dated - August 21, 2024**

---

Subsequently, semi-detailed mapping was completed over 38.09 km<sup>2</sup> 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<sup>2</sup> 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 4,475 samples including 2,102 soil samples and 2,373 rock chip samples. Gold assay results from soils ranged from nil to best values of 3.69 g/T Au, 2.39 g/T Au and 1.04 g/T Au. A total of 405 soil samples returned anomalous results, where 20 ppb Au is the calculated lowermost anomalous threshold. 70 soil samples exceeded 100 ppb Au. 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 75 samples returned assays greater than 2.5 g/T Au, while 280 samples assayed greater than 0.5 g/T Au. A total of 127 rock chip samples assayed greater than 30g/T Ag.

Surface exploration was ongoing throughout 2023 and continues in 2024. About 20 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 125.5 Hectares were mapped at 1:1000 scale this quarter. An 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.

On June 4, 2024 - Angel reported results for two geophysical surveys over a 1.5 by 3.0 km portion of the Polo-Dolorosa drill target area. Results from the initial Induced Polarization survey ("IP") and HSAMT survey have provided valuable information to improve the Company's understanding of this priority target area.

Several anomalies were identified by the IP survey for follow up drilling, the strongest of which underlies outcrop exposures of mineralized and altered rocks that host anomalous disseminated gold. IP has also identified or confirmed several new prospects for drilling that correlate well with noted mineralization along structural trends. The HSAMT (Hybrid Controlled Source Audio Magneto-Telluric) survey has successfully refined the location and attitude of several important structural controls to mineralization that were observed at surface. In addition, it has identified several buried anomalies between a depth of 50 to 300 metres and has identified the location of a potential intrusion and feeder zone that may be of importance to the district scale mineralization

## **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 HSAMT 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.

## **5. 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<sup>2</sup>. 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<sup>2</sup> 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".

**Angel Wing Metals Inc.**  
**Management Discussion and Analysis**  
**Three And Six Months Ended June 30, 2024**  
**Dated - August 21, 2024**

**RESULTS OF OPERATIONS**

Six months ended June 30, 2024, compared with six months ended June 30, 2023

The Company's net loss for the six months ended June 30, 2024 was \$997,046 (\$0.01 per share), compared to \$2,326,156 (\$0.04 per share) for the six months ended June 30, 2023. Significant variations are described below.

|  | For the six months<br>June 30, |                     | Variance             | Comments  |
|--|--------------------------------|---------------------|----------------------|---|
|  | 2024                           | 2023                |                      |   |
| Administrative                                 | \$ 288,707                     | \$ 534,562          | \$ (245,855)         | The decrease from the prior period was due to a legal fees.                                     |
| Exploration and evaluation expenditures        | 536,402                        | 1,601,077           | (1,064,675)          | During the prior year the Company completed a number of acquisitions for the La Reyna property. |
| Other income                                   | -                              | (33,203)            | 33,203               | During the prior period the Company had short-term investments which were sold.                 |
| Net (income) loss from discontinued operations | -                              | 12,612              | (12,612)             | On January 20, 2023, the Company sold its subsidiary Huntington Capital Inc.                    |
| Other expenses and revenues                    | 171,937                        | 211,108             | (39,171)             | Non-significant variances in other expenses and revenue items.                                  |
| <b>Total</b>                                   | <b>\$ 997,046</b>              | <b>\$ 2,326,156</b> | <b>\$(1,329,110)</b> |   |

Three months ended June 30, 2024, compared with three months ended June 30, 2023

The Company's net loss for the three months ended June 30, 2024 was \$576,898 (\$0.01 per share), compared to net loss \$1,000,815 (\$0.01 per share) for the three months ended June 30, 2023. Significant variations are described below.

|   | For the three months<br>June 30, |                     | Variance           | Comments  |
|---|----------------------------------|---------------------|--------------------|---|
|   | 2024                             | 2023                |                    |   |
| Administrative                          | \$ 156,909                       | \$ 410,714          | \$ (253,805)       | The decrease from the prior period was due to a legal fees in the prior period and timing of audit and accounting invoices. |
| Exploration and evaluation expenditures | 285,921                          | 449,408             | (163,487)          | During the prior year the Company completed a number of acquisitions for the La Reyna property.                             |
| Other expenses and revenues             | 134,068                          | 140,693             | (6,625)            | Non-significant variances in other expenses and revenue items.  |
| <b>Total</b>                            | <b>\$ 576,898</b>                | <b>\$ 1,000,815</b> | <b>\$(423,917)</b> |   |



**Angel Wing Metals Inc.  
Management Discussion and Analysis  
Three And Six Months Ended June 30, 2024  
Dated - August 21, 2024**

General and Administrative breakdown

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

|                                | Three months ended<br>June 30, |                   | Six months ended<br>June 30, |                   |
|--------------------------------|--------------------------------|-------------------|------------------------------|-------------------|
|                                | 2024                           | 2023              | 2024                         | 2023              |
| Professional fees              | \$ 67,098                      | \$ 277,373        | \$ 101,569                   | \$ 313,247        |
| Management and consulting fees | 56,445                         | 45,691            | 109,233                      | 58,241            |
| Shareholder communication      | 6,351                          | 17,608            | 13,950                       | 40,066            |
| Insurance                      | 6,413                          | 12,133            | 13,144                       | 21,051            |
| Fees and licenses              | 9,630                          | 27,672            | 11,683                       | 32,391            |
| Rent                           | 5,466                          | 3,172             | 10,797                       | 3,409             |
| Other                          | 5,506                          | 27,065            | 28,331                       | 66,157            |
|                                | <b>\$ 156,909</b>              | <b>\$ 410,714</b> | <b>\$ 288,707</b>            | <b>\$ 534,562</b> |

**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, 2024.

As at June 30, 2024, the Company had current assets of \$1,312,241 (December 31, 2023 - \$2,238,532) and current liabilities of \$180,953 (December 31, 2023 - \$199,306). As of June 30, 2024, the Company has a working capital surplus of \$1,131,288 (December 31, 2023 - \$2,039,226).

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<br>June 30, 2024 |
|---|-----------------------------------|
| <b>Operating activities</b>   |                                   |
| Net loss from continuing operations for the period                      | (997,046)                         |
| Items not affecting cash (a)  | 174,276                           |
| Changes in non-cash working capital items (b)                           | (99,242)                          |
| <b>Net cash used in operating activities from continuing operations</b> | <b>(922,012)</b>                  |

(a) Non cash items of \$174,276 consisted of depreciation of \$1,299, and share-based compensation of \$172,977.

(b) Cash used for working capital purposes of \$99,242 consisted of an increase in prepaid expenses and other of \$14,210, an increase in value-added tax recoverable of \$80,381, a decrease in accounts payable and accrued liabilities of \$16,588 and offset by a decrease in accounts receivable of \$11,937.

**Angel Wing Metals Inc.**  
**Management Discussion and Analysis**  
**Three And Six Months Ended June 30, 2024**  
**Dated - August 21, 2024**

**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 the Company had the following related party transactions during the period:

|                                | Three months ended<br>June 30, |                   | Six months ended<br>June 30, |                   |
|--------------------------------|--------------------------------|-------------------|------------------------------|-------------------|
|                                | 2024                           | 2023              | 2024                         | 2023              |
| Consulting and management fees | \$ 52,626                      | \$ 27,843         | \$ 118,253                   | \$ 45,523         |
| Stock based compensation       | 102,012                        | 126,116           | 137,337                      | 185,911           |
|                                | <b>\$ 154,638</b>              | <b>\$ 153,959</b> | <b>\$ 255,590</b>            | <b>\$ 231,434</b> |

Included in accounts payables and accrued liabilities is \$4,452 (December 31, 2023 - \$3,109) owing to officers of the Company, or companies controlled by or directors and officers.

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.

On June 3, 2024, the Company granted 750,000 stock options at an exercise price of \$0.15 to the President & CEO of the Company. The stock options granted vest immediately and are exercisable for a period of five 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 Interim MD&A.

| <b>Expiry Date</b> | <b>Weighted Exercise Price (\$)</b> | <b>Number of Options Outstanding</b> | <b>Number of Options Vested (Exercisable)</b> |
|--------------------|-------------------------------------|--------------------------------------|---|
| August 27, 2027    | 0.50                                | 350,000                              | 350,000                                       |
| June 3, 2029       | 0.15                                | 1,055,000                            | 1,055,000                                     |
| 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                              | 500,000                                       |
|                    | <b>0.40</b>                         | <b>5,330,000</b>                     | <b>5,080,000</b>                              |

**Angel Wing Metals Inc.**  
**Management Discussion and Analysis**  
**Three And Six Months Ended June 30, 2024**  
**Dated - August 21, 2024**

---

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

| <b>Expiry Date</b> | <b>Exercise Price (\$)</b> | <b>Number of warrants Outstanding</b> |
|--------------------|----------------------------|---------------------------------------|
| May 3, 2025        | 0.50                       | 5,908,750                             |
| <b>Total</b>       | <b>0.50</b>                | <b>5,908,750</b>                      |

#### **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, 2024, 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.

##### *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.

The Company adopted the amendment on January 1, 2024, there was no 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 accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

### **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**

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, 2023, available on SEDAR+ at [www.sedarplus.ca](http://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.

On June 2, 2024, the Mexican Federal Elections took place, resulting in the election of Ms. Claudia Sheinbaum, the new leader of the incumbent party, for the standard and maximum 6-year term effective October 1, 2024. The election resulted in a supermajority in the Chamber of Deputies and simple majority in the Senate, the latter result being two seats short of the two-third majority needed to change the constitution.

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.