
ANGEL WING METALS INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Angel Wing Metals Inc.

Opinion

We have audited the accompanying consolidated financial statements of Angel Wing Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that as at December 31, 2024 the Company has not yet achieved profitable operations and had accumulated losses of \$29,805,028 and working capital of \$1,920,816. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

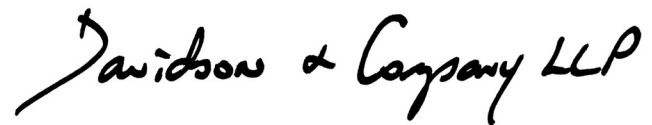
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zachary Faure.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 28, 2025

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

As at,	December 31, 2024	December 31, 2023
ASSETS		
<i>Current</i>		
Cash and cash equivalents	\$ 2,256,316	\$ 2,213,578
Accounts receivable	8,283	18,528
Subscription receivables (note 7)	145,000	-
Prepaid expenses and other	5,742	6,426
Total current assets	2,415,341	2,238,532
Non-current assets		
Value-added tax recoverable	800,769	704,124
Equipment (note 6)	2,863	7,002
Total assets	\$ 3,218,973	\$ 2,949,658
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (notes 10 and 15)	\$ 494,525	\$ 199,306
Total liabilities	494,525	199,306
SHAREHOLDERS' EQUITY		
Share capital (note 7)	28,134,225	26,174,671
Contributed surplus (notes 8 and 9)	4,383,250	4,199,195
Deficit	(29,805,028)	(27,729,103)
Accumulated other comprehensive income	12,001	105,589
Total shareholders' equity	2,724,448	2,750,352
Total liabilities and shareholders' equity	\$ 3,218,973	\$ 2,949,658

Corporate information (note 1)
Going concern assumption (note 2)
Commitments and contingencies (note 13)
Subsequent event (note 17)

Approved by the Board

"Mark Santarossa"
Mark Santarossa, Director

"Marc Sontrop"
Marc Sontrop, Director

Angel Wing Metals Inc.**Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)**

	Year ended	
	December 31,	
	2024	2023
Expenses (income)		
General and Administrative (note 16)	\$ 515,782	\$ 859,424
Share-based compensation (note 8)	162,240	257,337
Exploration and evaluation expenditures (note 4)	1,413,450	2,653,032
Depreciation (note 6)	2,459	2,504
Foreign exchange	(16,924)	32,944
Other income	(2,250)	(33,977)
Disposal of equipment (note 6)	1,168	2,298
Net loss from continuing operations	(2,075,925)	(3,773,562)
Net loss from discontinuing operations (note 5)	-	(12,612)
Net loss	(2,075,925)	(3,786,174)
Cumulative translation adjustment	(93,588)	127,079
Net loss and comprehensive loss	\$ (2,169,513)	\$ (3,659,095)
Net loss per share		
from continuing operations - basic and diluted	\$ (0.03)	\$ (0.06)
from discontinued operations - basic and diluted	\$ N/A	\$ (0.00)
Total - basic and diluted	\$ (0.03)	\$ (0.06)
Weighted average number of common shares outstanding		
- basic and diluted	69,220,082	63,270,259

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

Angel Wing Metals Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31,	
	2024	2023
Operating activities		
Net loss from continuing operations	\$ (2,075,925)	\$ (3,773,562)
<i>Items not affecting cash and cash equivalents:</i>		
Depreciation	2,459	2,504
Disposal of equipment	1,168	2,298
Share-based compensation	162,240	257,337
<i>Changes in non-cash working capital items:</i>		
Accounts receivable	9,724	12,999
Prepaid expenses and other	319	742,797
Value-added tax recoverable	(191,776)	(350,768)
Accounts payable and accrued liabilities	310,778	(137,992)
Net cash used in operating activities of continuing operations	(1,781,013)	(3,244,387)
Operating activities		
Net loss from discontinued operations	-	(12,612)
<i>Items not affecting cash:</i>		
Loss on sale of subsidiary	-	8,511
<i>Changes in non-cash working capital items:</i>		
Accounts payable and accrued liabilities	-	16
Net cash used in operating activities of discontinued operations	-	(4,085)
Financing activities		
Proceeds from issuance of shares	1,889,000	2,599,850
Share issue costs	(52,631)	(18,128)
Net cash provided by financing activities	1,836,369	2,581,722
Investing activities		
Sale of short-term investments	-	2,517,085
Purchase of equipment	-	(4,289)
Net cash on the sale of Huntington Capital Inc.	-	76,900
Net cash provided by investing activities	-	2,589,696
Effect of foreign exchange on cash and cash equivalents	(12,618)	21,148
Increase (decrease) in cash and cash equivalents	42,738	1,944,094
Cash and cash equivalents, beginning of year	2,213,578	269,484
Cash and cash equivalents, end of year	\$ 2,256,316	\$ 2,213,578
Cash and cash equivalents, consist of:		
Cash	\$ 2,156,316	\$ 2,113,578
Short-term deposits	100,000	100,000
	\$ 2,256,316	\$ 2,213,578
Supplemental information		
Broker warrants issued	\$ 21,815	\$ -

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

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

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2022	55,435,095	\$ 23,592,949	\$ 3,941,858	\$ (21,490)	\$ (23,942,929)	\$ 3,570,388
Private placement	11,817,500	2,599,850	-	-	-	2,599,850
Share issuance costs	-	(18,128)	-	-	-	(18,128)
Share based compensation	-	-	257,337	-	-	257,337
Net (loss) and comprehensive income (loss)	-	-	-	127,079	(3,786,174)	(3,659,095)
Balance, December 31, 2023	67,252,595	\$ 26,174,671	\$ 4,199,195	\$ 105,589	\$ (27,729,103)	\$ 2,750,352
Private placement	40,680,000	2,034,000	-	-	-	2,034,000
Share issuance costs	-	(74,446)	21,815	-	-	(52,631)
Share based compensation	-	-	162,240	-	-	162,240
Net loss and comprehensive loss	-	-	-	(93,588)	(2,075,925)	(2,169,513)
Balance, December 31, 2024	107,932,595	\$ 28,134,225	\$ 4,383,250	\$ 12,001	\$ (29,805,028)	\$ 2,724,448

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

Angel Wing Metals Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

Statement of compliance

The Company applies IFRS Accounting Standards as issued by the International Accounting Standards Board.

The policies applied in these consolidated financial statements are based on IFRS Accounting Standards, which have been applied consistently to all periods presented. These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified and measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information. These consolidated financial statements were issued and effective as of April 25, 2025, the date the Board of Directors approved the statements.

Going concern assumption

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2024, the Company has not yet achieved profitable operations and had accumulated losses of \$29,805,028 since inception and expects to incur further losses in the development of its business. As at December 31, 2024, the Company has working capital of \$1,920,816. These conditions indicate material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

The continuing operations of the Company are dependent upon obtaining the necessary financing to meet the Company’s commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which may differ materially from their carrying values. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

Functional and presentation currency

The functional currency of Angel Wing Metals Inc. is the Canadian dollar and the Mexican Peso for Lago de Oro Resources SA de CV, as determined by management. All amounts in these consolidated financial statements are presented in Canadian dollars. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Functional and presentation currency (continued)

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

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

Basis of consolidation

The consolidated financial statements comprise of the financial statements of Angel Wing Exploration Inc. (the parent Company) and its previously wholly owned subsidiaries Huntington Capital Inc. (Note 5) and Lago de Oro Resources SA de CV. All intercorporate transactions have been eliminated on consolidation.

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

Entity	As at December 31, 2024 and December 31, 2023
Angel Wings Metals Inc.	Parent
Lago de Oro Resources SA de CV	100%

Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Share-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Use of Estimates (continued)

Deferred price premium on flow-through shares

The amounts recorded for the deferred price premium on flow-through shares and the related deferred income tax effect are based on management's estimates of the estimated market value of the Company's shares on the date of issuance of the flow-through common shares.

Decommissioning and Abandonment Provisions

Decommissioning and abandonment provisions have been created based on the Company's knowledge as at December 31, 2024. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standard and techniques will result in changes to provisions from period to period. Actual decommissioning costs will ultimately depend on future market prices from the decommissioning costs which will reflect the market conditions at the time of the decommissioning costs are actually incurred. The final cost of the currently recognized decommissioning provisions may be higher or lower than currently provided for.

Determination of functional currency

Under IFRS Accounting Standards, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each consolidated entity.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Angel Wing Metals Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Use of Estimates (continued)

Value added tax recoverable

The Company incurs expenditures for the purchase of goods and services on which value added taxes are paid. Amounts paid are recoverable but are subject to review and assessment by the relevant tax authorities in Canada and Mexico. There are transactions and calculations for which the ultimate tax recoverable for these is a form of judgment. The Company reviews the collectability of the value added tax on an ongoing basis and makes judgment as to its ability to recover this tax. Where there is uncertainty around the recoverability of this tax, a judgment is made and the value added tax will be written off in the statement of loss and comprehensive loss.

3. MATERIAL ACCOUNTING POLICIES

The Company's accounting policies and its standards of financial disclosure set out below are in accordance with IFRS Accounting Standards and have been applied consistently throughout the period presented in these consolidated financial statements, unless otherwise stated.

Equipment

Equipment is recorded at cost less accumulated amortization less impairment losses. Amortization method, useful life and residual values are assessed annually and currently is recognized on the declining balance basis at 30% for equipment.

Financial Assets

Non-derivative financial instruments:

Non-derivative financial instruments comprise cash and cash equivalents, subscription receivables, accounts receivables, accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial assets at fair value through profit and loss:

An instrument is classified at fair value through profit and loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in earnings when incurred. Financial instruments at fair value through profit and loss are measured at fair value, and changes therein are recognized in earnings.

Cash and cash equivalents are classified as at amortized cost .

Other non-derivative financial assets, such as accounts receivable are measured at amortized cost using the effective interest method, less any impairment losses. Other non-derivative financial liabilities, such as accounts payable and accrued liabilities, are measured at amortized cost using the effective interest rate method.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. Accounts payable and accrued liabilities are measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statement of loss and comprehensive loss.

Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

On the issue of units consisting of two or more equity components the residual value approach is used, whereby the share component is measured at its fair value and the residual of the consideration proceeds received is allocated to the warrants.

Cash and Cash Equivalents:

The Company considers all investments that are readily convertible to cash and subject to an insignificant risk of changes in value to be cash equivalents.

Mineral exploration and evaluation expenditures:

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.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Impairment:

Financial assets:

The Company has elected to apply the simplified approach to providing for expected credit losses and measures loss allowances for accounts receivable at an amount equal to lifetime expected credit losses at the date of initial recognition of the accounts receivable. In estimating the lifetime expected credit losses the Company considered historical default rates, current conditions and forecasts of future economic conditions.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of loss and comprehensive loss.

Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and other intangible assets that have indefinite lives or that are not yet available for use an impairment test is completed each year.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of future recoverable reserves and resources and includes expectations about proved and probable volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the CGU's that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date to determine if facts and circumstances indicate that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Share based compensation:

The Company has established a share based compensation plan (the "Plan") (refer to note 8 for further details of the Plan). The Company uses the fair value method for valuing share based compensation. Under this method, the compensation cost attributed to stock options granted are measured at the fair value at the grant date and expensed over the vesting period with a corresponding increase to a category within equity referred to as contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options or units that vest. Upon the settlement of the stock options the previously recognized value in contributed surplus is recorded as an increase to share capital.

Stock options issued to non-employees are measured at the fair value of goods or services received or the fair value of equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. The fair value of non-employee stock options is recorded as an expense at the date the goods or services are received with a corresponding credit to contributed surplus.

Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax "risk-free" rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations:

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each reporting period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Income tax:

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Income tax: (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow through share provisions:

Periodically, the Company finances a portion of its exploration activities through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes related to exploratory activities are renounced to investors in accordance with tax legislation. Flow-through shares issued are recorded in share capital at the fair value of common shares on the date of issue. The premium received on issuing flow-through shares is initially recorded as a liability. When the qualifying expenditures are incurred, the share premium liability is recognized in deferred tax expense along with the tax effect on the expenditures. The Company is subject to Part XII.6 tax in respect of flow-through share proceeds renounced if the expenditures are not made within the prescribed time permitted. Provisions are measured based on prevailing tax rates and expected penalties.

New accounting policy:

During the year ended December 31, 2024, the Company adopted a number of new IFRS Accounting 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.

Angel Wing Metals Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Future Changes in Accounting Policies:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2025 or later periods. The Company is currently evaluating the impact of the adoption of these new standards on its financial statements and will adopt these pronouncements as of their effective date.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

4. MINERAL EXPLORATION AND EVALUATION EXPENDITURES

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

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

A summary of exploration costs is summarized below:

	Winora Property	Quartz Lake Property	La Reyna Gold Property	Total
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
Acquisition costs	\$ -	\$ -	\$ 90,371	\$ 90,371
Geology and project drilling costs	2,849	-	1,133,449	1,136,298
Site costs	-	-	186,781	186,781
Year ended December 31, 2024	\$ 2,849	\$ -	\$ 1,410,601	\$ 1,413,450

Winora Property

On July 28, 2021, the Company completed the acquisition of the Winora Property from an unrelated third party. The Winora Project consists of various mining claims located in the District of Kenora, Northern Ontario. Under the terms of the agreements, the purchase price was satisfied by the issuance of 2,000,000 common shares at a fair value of \$0.608 per share and a 2.0% Net Smelter Return ("NSR") royalty, payable upon the commencement of commercial production from the property.

Angel Wing Metals Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

4. MINERAL EXPLORATION AND EVALUATION EXPENDITURES (continued)

Quartz Lake Property

On December 1, 2020, the Company entered into two mineral property acquisition agreements with unrelated third parties with respect to the purchase of rights to mineral exploration properties that comprises the Quartz Lake Project in Ontario. Under the terms of the agreements, the purchase price was satisfied by aggregate cash payments of \$30,000 and the issuance of 100,000 common shares at a fair value of \$0.33 per share. One of the vendors retains a 1.5% Net Smelter Return ("NSR") royalty, payable upon the commencement of commercial production from the Quartz Lake Project. The Company has the right at any time to purchase one-half of the NSR royalty from the vendor for \$500,000. The Company has the right to terminate the agreements in their entirety at any time prior to the transfer date. The acquisition of the Quartz Lake Project was completed February 8, 2021.

La Reyna Gold Project

On March 30, 2022 the Company completed the acquisition of Lago de Oro Resources SA de CV ("LOM") and its El Grande Gold Project (the "Project") in the state of Nayarit, Mexico.

The acquisition was completed by way of a definitive purchase agreement with an unrelated third party for 100% of the issued and outstanding shares of LOM in exchange for i) cash payment of US\$500,000; ii) issuance of 2,000,000 common shares of the Company; iii) a capped 2% NSR to the vendor; and iv) future share-based "milestone payments" based on the incremental addition of gold-equivalent (gold-silver) NI 43-101 resource ounces above a base 500,000 ounces on any given deposit currently held by LOM, capped at 10,000,000 shares subject to TSXV approval at the time of issuance.

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

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

A further payment of US\$50,000 will be due upon Angel Wing 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.

Angel Wing Metals Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

5. SALE OF SUBSIDIARY AND DISCONTINUED OPERATIONS

In November 2022, the Company entered into negotiations with an arm's length third party to sell 100% of the issued and outstanding shares of Huntington, and on January 20, 2023, the Company sold its subsidiary Huntington including all assets and liabilities for gross proceeds of \$96,900 and paid finders fees of \$20,000. Upon completion of the sale effective on January 20, 2023, the Company derecognized Huntington and recorded a loss on sale of subsidiary as follows:

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

The financial performance information of Huntington is presented below for the period from January 1, 2023 to January 20, 2023:

	January 1, 2023 to January 20, 2023	
Operating expenses		
Operating expense	\$	4,092
General and Administrative		9
Total expenses		(4,101)
Other item		
Loss on sale of subsidiary		(8,511)
Net loss from discontinuing operation	\$	(12,612)

6. EQUIPMENT

Costs	Office Equipment	
December 31, 2022	\$	15,438
Additions		4,289
Disposal		(10,984)
Exchange translation		1,127
December 31, 2023		9,870
Disposal		(1,193)
Exchange translation		(1,123)
Balance, December 31, 2024	\$	7,554
Depreciation and impairment losses:		
December 31, 2022	\$	8,825
Depreciation		2,504
Disposal		(8,685)
Exchange translation		224
December 31, 2023		2,868
Depreciation		2,459
Disposal		(116)
Exchange translation		(519)
Balance, December 31, 2024	\$	4,692
Carrying amount:		
December 31, 2023	\$	7,002
December 31, 2024	\$	2,862

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized share capital

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

Common shares issued

On May 3, 2023, the Company closed a non-brokered private placement for 11,817,500 units at a price of \$0.22 for total gross proceeds of \$2,599,850. The Company had share issuance costs of \$18,128. 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.

On December 16, 2024, the Company closed a non-brokered private placement for 40,680,000 units at a price of \$0.05 per unit for gross proceeds of \$2,034,000. Each unit consists of one common share and one-half common share purchase warrant. Each full warrant is exercisable for a period of two years from the date of issue at a price of \$0.10. The Company paid finder's fees of \$52,631 and issued 800,100 finder warrants with the same terms of warrants issued as part of the private placement. The fair value of the broker warrant at the date of grant was estimated to be \$21,815 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.055; risk free interest rate - 3.01%; expected volatility - 120.4%; expected dividend yield - nil; expected life - 2 years. As at December 31, 2024, the Company had \$145,000 (December 31, 2023 - \$nil) in subscription receivables, which were collected subsequent to year end.

8. STOCK OPTIONS

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

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

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2022	3,700,000	0.50
Expired	(425,000)	0.51
Granted	1,000,000	0.38
Balance, December 31, 2023	4,275,000	0.46
Granted	1,055,000	0.15
Balance, December 31, 2024	5,330,000	0.40

The following table reflects the stock options issued and outstanding as of December 31, 2024:

Expiry Date	Weighted Exercise Price (\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 27, 2027	0.50	2.65	350,000	350,000
June 3, 2029	0.15	4.42	1,055,000	527,500
April 7, 2031	0.50	6.27	525,000	525,000
June 29, 2031	0.62	6.50	900,000	900,000
October 8, 2031	0.62	6.77	75,000	75,000
May 6, 2032	0.40	7.35	1,425,000	1,425,000
February 24, 2033	0.30	8.16	250,000	250,000
April 10, 2033	0.40	8.28	750,000	500,000
	0.40	6.37	5,330,000	4,552,500

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

8. STOCK OPTIONS (continued)

The Company recorded \$162,240 (December 31, 2023 - \$257,337) in share-based compensation expense in the period and a corresponding amount was credited to contributed surplus.

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

	December 31, 2024	December 31, 2023
Fair value of options granted	\$ 0.120	\$ 0.344
Risk-free interest rate	3.58 %	3.02 %
Estimated life	5 years	10 years
Expected volatility based on historic volatility	145.80 %	182.13 %
Expected dividend yield	nil	nil
Forfeiture rate	0 %	0 %

9. WARRANTS

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

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2022	7,142,732	0.80
Issued (note 7)	5,908,751	0.50
Balance, December 31, 2023	13,051,482	0.66
Issued (note 7)	21,140,100	0.10
Expired	(7,142,732)	0.80
Balance, December 31, 2024	27,048,850	0.19

The following table reflects the warrants outstanding as of December 31, 2024:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding
May 3, 2025	0.50	0.34	5,908,750
December 16, 2026	0.10	1.96	21,140,100

10. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	Year ended December 31,	
	2024	2023
Consulting and management fees	\$ 238,297	\$ 202,480
Stock based compensation (note 8)	135,858	257,337
Total	\$ 374,155	\$ 459,817

Included in accounts payables and accrued liabilities is \$13,097 (December 31, 2023 - \$3,109) owing to officers of the Company, or companies controlled by or directors and officers.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

11. INCOME TAXES

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to loss before income taxes. The principal reasons for differences between such expected income tax expense and the amount actually recorded are as follows:

	2024	2023
Loss before income taxes from continuing operations	(2,075,925)	(3,773,562)
Income (loss) before income taxes from discontinued operations		(12,612)
Loss before income taxes	(2,075,925)	(3,786,174)
Combined income tax rate	26.50 %	26.50 %
Computed expected tax expense	(550,000)	(1,003,000)
Increase (decrease) in income taxes resulting from		
Change in statutory, foreign tax, foreign exchange rates and other	(50,000)	(97,000)
Permanent differences	44,000	72,000
Share issuance costs	(14,000)	
Disposition of subsidiary	-	81,000
Change in unrecognized deductible temporary differences	570,000	947,000
Deferred income tax recovery	-	-

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Company's deferred income tax assets and liabilities are as follows:

	2024	2023
Exploration and evaluation assets	3,630,000	3,206,000
Property and equipment	2,000	1,000
Share issue costs	45,000	69,000
Non-capital loss	3,031,000	2,862,000
	6,708,000	6,138,000
Deferred income tax assets not recognized	(6,708,000)	(6,138,000)
Deferred tax liability	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2024	Expiry Date	2023	Expiry Date
	(\$)	Range	(\$)	Range
Temporary Differences				
Share issue costs	168,000	2044 to 2046	260,000	2044 to 2045
Allowable capital losses and other	-	No expiry date	-	No expiry date
Property and equipment	6,000	No expiry date	3,000	No expiry date
Exploration and evaluation assets	12,845,000	No expiry date	11,431,000	No expiry date
Non-capital losses	11,408,000	per below	10,779,000	per below

Non Capital losses by Country:

	2024	Expiry Date	2023	Expiry Date
	(\$)	Range	(\$)	Range
Canada	11,179,000	2029 to 2044	10,625,000	2029 to 2043
Mexico	229,000	2034	154,000	2033

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company operates in one industry segment, namely exploration of mineral resources in two geographic regions, Canada and Mexico. As at December 31, 2024 and 2023, all of the Company's non-current assets were located in Mexico.

13. COMMITMENTS AND CONTINGENCIES

Environmental and legal

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

14. CAPITAL MANAGEMENT

The Company manages its capital with the objective to continue as a going concern, create investor confidence and to strengthen its working capital position. The capital structure of the Company is primarily composed of equity. The Company's strategy is to currently access capital, primarily through equity issuances, in order to maintain a strong capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Company manages its capital structure and makes adjustments relative to changes in economic conditions and the Company's risk profile.

In order to maintain the capital structure, the Company may from time-to-time issue shares and adjust its capital spending to manage current working capital levels. Bank debt may be added in future periods. The Company is not currently subject to any externally imposed covenants. There were no changes to the Company's approach to capital management policy during the year end December 31, 2024.

The Company defines capital as equity which at December 31, 2024 was \$2,724,448 (December 31, 2023 - \$2,750,352).

15. FINANCIAL INSTRUMENTS

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, 2024 and 2023, the Company did not hold significant amounts of US dollars or Mexican peso.

Angel Wing Metals Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (continued)

Foreign Exchange Risk (continued)

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:

	2024		2023
US dollar denominated			
Cash and cash equivalents	\$ 50,833	\$	34,540
Accounts payable	-		-
Net exposure	\$ 50,833	\$	34,540

	2024		2023
Mexican peso denominated			
Cash and cash equivalents	\$ 337,519	\$	2,563
Accounts payable	(160,603)		(48,927)
Net exposure	\$ 176,916	\$	(46,364)

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 \$22,775 (December 31, 2023 - \$1,182).

Fair value of Financial Instruments

The Company classifies the fair value of the 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 and cash equivalents are 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.

Angel Wing Metals Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk (continued)

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

The Company's accounts payable and accrued liabilities as at December 31, 2024 and December 31, 2023 is comprised of the following:

	2024	2023
Trade accounts payable	\$ 225,309	\$ 73,811
Accruals	269,216	125,495
Total	\$ 494,525	\$ 199,306

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 1 year or less to minimize cash flow and interest rate risk. Overall, the Company is exposed to minimal cash flow risk.

16. GENERAL AND ADMINISTRATIVE

	Year ended December 31,	
	2024	2023
Professional fees	\$ 159,161	\$ 409,135
Management and consulting fees	224,677	178,299
Shareholder communication	23,377	43,438
Insurance	25,969	35,110
Fees and licenses	27,124	54,956
Rent	21,448	14,074
Other	34,026	124,412
	\$ 515,782	\$ 859,424

17. SUBSEQUENT EVENT

On January 22, 2025, the Company granted 1,700,000 stock options at an exercise price of \$0.10, to directors of the Company. The stock options granted will vest in two equal instalments over one year and are exercisable for a period of five years from date of grant.