ANGEL WING METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(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, 2025 and 2024, 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, 2025 and 2024, 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 (IFRS Accounting Standards).

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 the Company has not yet achieved profitable operations and had accumulated losses of $31,495,314 and working capital of $260,817 as at December 31, 2025. 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. 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.
- Plan and perform the group audit to 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 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.

Davidson & Company LLP

Chartered Professional Accountants
Licensed Public Accountants

Vancouver, Canada

April 29, 2026

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

As at,	**December 31, 2025**	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	**$ 605,880**	$ 2,256,316
Accounts receivable	**6,319**	8,283
Subscription receivables	**-**	145,000
Prepaid expenses and other	**5,208**	5,742
Total current assets	**617,407**	2,415,341
Non-current assets		
Value-added tax recoverable	**1,034,689**	800,769
Equipment (note 5)	**624**	2,863
Total assets	**$ 1,652,720**	$ 3,218,973
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 9 and 15)	**$ 356,590**	$ 494,525
Total liabilities	**356,590**	494,525
SHAREHOLDERS' EQUITY		
Share capital (note 6)	**28,134,225**	28,134,225
Contributed surplus (notes 7 and 8)	**4,514,644**	4,383,250
Deficit	**(31,495,314)**	(29,805,028)
Accumulated other comprehensive income	**142,575**	12,001
Total shareholders' equity	**1,296,130**	2,724,448
Total liabilities and shareholders' equity	**$ 1,652,720**	$ 3,218,973

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

Approved by the Board

"Mark Santarossa"
Mark Santarossa, Director

"Marc Sontrop"
Marc Sontrop, Director

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

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

	Year ended December 31, 2025	2024
Expenses (income)		
General and Administrative (note 16)	**$ 530,566**	$ 515,782
Share-based compensation (notes 7 and 9)	**131,394**	162,240
Exploration and evaluation expenditures (note 4)	**1,013,381**	1,413,450
Depreciation (note 5)	**2,290**	2,459
Foreign exchange	**14,907**	(16,924)
Other income	**(2,252)**	(2,250)
Disposal of equipment (note 5)	**-**	1,168
Loss	**(1,690,286)**	(2,075,925)
Cumulative translation adjustment	**130,574**	(93,588)
Loss and comprehensive loss	**$ (1,559,712)**	$ (2,169,513)
Loss per share		
- basic and diluted	**$ (0.02)**	$ (0.03)
Weighted average number of common shares outstanding		
- basic and diluted	**107,932,595**	69,220,082

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, 2025	Year ended December 31, 2024
Operating activities		
Loss	**$ (1,690,286)**	$ (2,075,925)
Items not affecting cash and cash equivalents:		
Depreciation	**2,290**	2,459
Disposal of equipment	**-**	1,168
Share-based compensation	**131,394**	162,240
Changes in non-cash working capital items:		
Accounts receivable	**2,370**	9,724
Prepaid expenses and other	**818**	319
Value-added tax recoverable	**(147,004)**	(191,776)
Accounts payable and accrued liabilities	**(149,486)**	310,778
Net cash used in operating activities	**(1,849,904)**	**(1,781,013)**
Financing activities		
Subscription receivables	**145,000**	-
Proceeds from issuance of shares	**-**	1,889,000
Share issue costs	**-**	(52,631)
Net cash provided by financing activities	**145,000**	**1,836,369**
Effect of foreign exchange on cash and cash equivalents	**54,468**	(12,618)
Increase (decrease) in cash and cash equivalents	**(1,650,436)**	42,738
Cash and cash equivalents, beginning of year	**2,256,316**	2,213,578
Cash and cash equivalents, end of year	**$ 605,880**	$ 2,256,316
Cash and cash equivalents, consist of:		
Cash	**$ 505,880**	$ 2,156,316
Short-term deposits	**100,000**	100,000
	$ 605,880	$ 2,256,316

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, 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
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**
Share based compensation	-	-	131,394	-	-	131,394
Loss and comprehensive loss	-	-	-	130,574	(1,690,286)	(1,559,712)
Balance, December 31, 2025	**107,932,595**	**$ 28,134,225**	**$ 4,514,644**	**$ 142,575**	**$ (31,495,314)**	**$ 1,296,130**

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

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 are 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 29, 2026, 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, 2025, the Company has not yet achieved profitable operations and had accumulated losses of $31,495,314 since inception and expects to incur further losses in the development of its business. As at December 31, 2025, the Company has working capital of $260,817. 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.

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 100% owned subsidiary 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.

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.

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.

2. BASIS OF PREPARATION (continued)

Use of Estimates (continued)

Income Taxes (continued)

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.

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, and accounts receivables. 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.

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 at the date of purchase of three months or less 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.

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.

Non-financial assets: (continued)

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.

3. MATERIAL ACCOUNTING POLICIES (continued)

Share based compensation:

The Company has established a share based compensation plan (the "Plan") (refer to note 7 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.

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.

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.

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.

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.

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, 2026 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 May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to asses the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of nonrecourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

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.

(Expressed in Canadian Dollars)

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	$ -	$ -	$ 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**
Geology and project drilling costs	$ 3,578	$ -	$ 697,626	$ 701,204
Site costs	-	-	312,177	312,177
Year ended December 31, 2025	**$ 3,578**	**$ -**	**$ 1,009,803**	**$ 1,013,381**

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.

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.

(Expressed in Canadian Dollars)

4. MINERAL EXPLORATION AND EVALUATION EXPENDITURES (continued)

La Reyna Gold Project

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

5. EQUIPMENT

Costs		Office Equipment
December 31, 2023	**$**	**9,870**
Disposal		(1,193)
Exchange translation		(1,122)
December 31, 2024		**7,555**
Exchange translation		755
Balance, December 31, 2025	**$**	**8,310**
Depreciation and impairment losses:		
December 31, 2023	**$**	**2,868**
Depreciation		2,459
Disposal		(116)
Exchange translation		(519)
December 31, 2024		**4,692**
Depreciation		2,290
Exchange translation		704
Balance, December 31, 2025	**$**	**7,686**
Carrying amount:		
December 31, 2024	$	2,863
December 31, 2025	$	624

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized share capital

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

Common shares issued

There were no common shares issued for the year ended December 31, 2025.

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 in subscription receivables, which were collected during the year ended December 31, 2025.

7. STOCK OPTIONS

The Company's stock option plan limits the number of common shares reserved under the plan from exceeding a "rolling maximum" of 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, 2023	4,275,000	**0.46**
Granted	1,055,000	0.15
Balance, December 31, 2024	**5,330,000**	**0.40**
Granted	1,700,000	0.10
Balance, December 31, 2025	**7,030,000**	**0.33**

The following table reflects the stock options issued and outstanding as of December 31, 2025:

Expiry Date	Weighted Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
August 27, 2027	0.50	1.65	350,000	350,000
June 3, 2029	0.15	3.42	1,055,000	1,055,000
January 22, 2030	0.10	4.06	1,700,000	850,000
April 7, 2031	0.50	5.27	525,000	525,000
June 29, 2031	0.62	5.50	900,000	900,000
October 8, 2031	0.62	5.77	75,000	75,000
May 6, 2032	0.40	6.35	1,425,000	1,425,000
February 24, 2033	0.30	7.16	250,000	250,000
April 10, 2033	0.40	7.28	750,000	750,000
	0.33	**5.05**	**7,030,000**	**6,180,000**

The Company recorded $131,394 (December 31, 2024 - $162,240) in share-based compensation expense in the year and a corresponding amount was credited to contributed surplus.

(Expressed in Canadian Dollars)

7. STOCK OPTIONS (continued)

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, 2025	December 31, 2024
Fair value of options granted	$ 0.050	$ 0.120
Risk-free interest rate	3.02 %	3.58 %
Estimated life	5 years	5 years
Expected volatility based on historic volatility	117.20 %	145.80 %
Expected dividend yield	nil	nil
Forfeiture rate	0 %	0 %

8. WARRANTS

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

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2023	**13,051,482**	**0.66**
Issued (note 6)	21,140,100	0.10
Expired	(7,142,732)	0.80
Balance, December 31, 2024	**27,048,850**	**0.19**
Expired	(5,908,750)	0.50
Balance, December 31, 2025	**21,140,100**	**0.10**

The following table reflects the warrants outstanding as of December 31, 2025:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding
December 16, 2026	0.10	0.96	21,140,100

9. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	Year ended December 31, 2025	Year ended December 31, 2024
Consulting and management fees	$ 157,319	$ 190,540
Professional fees	32,298	47,757
Stock based compensation (note 7)	122,334	135,858
Total	**$ 311,951**	**$ 374,155**

Included in accounts payables and accrued liabilities is $2,883 (December 31, 2024 - $13,097) owing to officers of the Company, or companies controlled by or directors and officers.

(Expressed in Canadian Dollars)

10. Net loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2025 was based on the loss attributable to common shareholders of $1,559,712 (year ended December 31, 2024 - $2,169,513) and the weighted average number of common shares outstanding of 107,932,595 (year ended December 31, 2024 - 69,220,082). Diluted loss per share did not include the effect of 7,030,000 options outstanding (year ended December 31, 2024 - 5,330,000 options outstanding) or the effect of 21,140,100 warrants outstanding (year ended December 31, 2024 - 27,048,850 warrants outstanding) as they are anti-dilutive.

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:

	2025	2024
Loss before income taxes from continuing operations	(1,690,286)	(2,075,925)
Income (loss) before income taxes from discontinued operations		
Loss before income taxes	(1,690,286)	(2,075,925)
Combined income tax rate	26.50 %	26.50 %
Computed expected tax expense	(448,000)	(550,000)
Increase (decrease) in income taxes resulting from		
Change in statutory, foreign tax, foreign exchange rates and other	(42,000)	(50,000)
Permanent differences	35,000	44,000
Share issuance costs	-	(14,000)
Disposition of subsidiary	-	
Change in unrecognized deductible temporary differences	455,000	570,000
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:

	2025	2024
Exploration and evaluation assets	3,935,000	3,630,000
Property and equipment	2,000	2,000
Share issue costs	8,000	45,000
Non-capital loss	3,218,000	3,031,000
	7,163,000	6,708,000
Deferred income tax assets not recognized	(7,163,000)	(6,708,000)
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:

	2025 ($)	Expiry Date Range	2024 ($)	Expiry Date Range
Temporary Differences				
Share issue costs	32,000	2044 to 2047	168,000	2044 to 2046
Allowable capital losses and other	-	No expiry date	-	No expiry date
Property and equipment	9,000	No expiry date	6,000	No expiry date
Exploration and evaluation assets	13,858,000	No expiry date	12,845,000	No expiry date
Non-capital losses	12,090,000	per below	11,408,000	per below

11. INCOME TAXES (continued)

Non Capital losses by Country:				
Canada	11,700,000	2029 to 2045	11,179,000	2029 to 2044
Mexico	390,000	2033 to 2035	229,000	2033 to 2034

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, 2025 and December 31, 2024, 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, 2025.

The Company defines capital as shareholders' equity which at December 31, 2025 was $1,296,130 (December 31, 2024 - $2,724,448).

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, 2025 and 2024, the Company did not hold significant amounts of US dollars or Mexican peso.

(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:

	2025	2024
US dollar denominated		
Cash and cash equivalents	$ 34,754	$ 50,833
Accounts payable	(78,106)	-
Net exposure	$ (43,352)	$ 50,833

	2025	2024
Mexican peso denominated		
Cash and cash equivalents	$ 6,733	$ 337,519
Accounts payable	(75,048)	(160,603)
Net exposure	$ (68,315)	$ 176,916

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 $11,167 (December 31, 2024 - $22,775).

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.

(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, 2025 and December 31, 2024 is comprised of the following:

		2025		2024
Trade accounts payable	$	99,538	$	225,309
Accruals		257,052		269,216
Total	$	356,590	$	494,525

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,			
		2025		**2024**
Professional fees (note 9)	**$**	**248,597**	$	159,161
Management and consulting fees (note 9)		**157,319**		224,677
Shareholder communication		**6,440**		23,377
Insurance		**25,761**		25,969
Fees and licenses		**31,765**		27,124
Rent		**23,268**		21,448
Other		**37,416**		34,026
	$	**530,566**	$	515,782