

KIPLIN METALS INC.
(formerly ALDEVER RESOURCES INC.)

Financial Statements

December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Kiplin Metals Inc. (formerly Aldever Resources Inc.).

Opinion

We have audited the financial statements of Kiplin Metals Inc. (the "Company") which comprise the statement of financial position as at December 31, 2019, and the statements of comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 *Auditors' Responsibilities for the Audit of the 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, 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.

Other Matter

The financial statements of the Company as at December 31, 2018 and for the year ended December 31, 2018, which are presented for comparative purposes, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 22, 2019.

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

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

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

April 29, 2020

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Statements of Financial Position

As at December 31

(Expressed in Canadian Dollars)

	2019	2018
ASSETS		
Current assets		
Cash	\$ 8,282	\$ 20,344
GST receivable	1,874	12,147
Total Current Assets	10,156	32,491
Exploration and evaluation assets (note 4)	1,748,310	1,748,310
Total Assets	\$ 1,758,466	\$ 1,780,801
LIABILITIES		
Current liabilities		
Accounts payable (note 6)	\$ 381,690	\$ 231,817
Accrued liabilities	9,000	15,454
Flow-through share liability (note 5)	-	10,026
Total Current Liabilities	390,690	257,297
SHAREHOLDERS' EQUITY		
Share capital (note 8)	20,546,602	20,452,102
Warrants (note 8)	83,689	83,689
Share-based payments reserve (note 8)	1,328,523	1,328,523
Deficit	(20,591,038)	(20,340,810)
Total Equity	1,367,776	1,523,504
Total Liabilities and Equity	\$ 1,758,466	\$ 1,780,801

Nature and continuance of operations (note 1)

Subsequent events (note 11)

Approved on behalf of the Board:

Director "Clive Massey"
Clive MasseyDirector "Richard Ko"
Richard Ko*The accompanying notes are an integral part of these financial statements*

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Statements of Comprehensive Loss

For the Years Ended December 31

(Expressed in Canadian Dollars)

	2019	2018
EXPENSES		
Claim registrations	\$ 3,110	\$ -
Consulting, management and directors' fees (note 6)	197,200	126,500
General and administrative	1,639	1,652
Finance expense (recovery)	(2,894)	-
Professional fees	18,802	15,867
Property investigation	-	62,000
Regulatory and transfer agent fees	28,897	20,343
Loss from operations	(246,754)	(226,362)
Other items		
Write-off of exploration and evaluation assets (note 4)	-	(107,600)
Gain on sale of property option (note 4)	-	15,000
Loss on settlement of debt	(13,500)	-
Reversal of flow-through share liability (note 5)	10,026	19,725
	(3,474)	(72,875)
Net and comprehensive loss	\$ (250,228)	\$ (299,237)
Basic and diluted income per share	\$ (0.11)	\$ (0.15)
Weighted average number of common shares outstanding	2,226,530	2,051,952

On February 13, 2020, the Company consolidated its shares on the basis of one new post-consolidated share for every 2.5 old pre-consolidated shares. The basic and diluted loss per share and weighted average number of common shares have been adjusted to reflect this share consolidation.

The accompanying notes are an integral part of these financial statements

KIPLIN METALS INC. (formerly Aldever Resources Inc.)Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares (note 8)	Share capital	Warrants	Share-Based Payments Reserve	Deficit	Total Equity
Balance at January 1, 2018	5,129,890	\$ 20,452,102	\$ 83,689	\$ 1,328,523	\$ (20,041,573)	\$ 1,822,741
Consolidation adjustment	(10)	-	-	-	-	-
Net and comprehensive loss	-	-	-	-	(299,237)	(299,237)
Balance at December 31, 2018	5,129,880	20,452,102	83,689	1,328,523	(20,340,810)	1,523,504
Shares issued to settle debts	1,350,000	94,500	-	-	-	94,500
Net and comprehensive loss	-	-	-	-	(250,228)	(250,228)
Balance at December 31, 2019	6,479,880	\$ 20,546,602	\$ 83,689	\$ 1,328,523	\$ (20,591,038)	\$ 1,367,776

The accompanying notes are an integral part of these financial statements

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Statements of Cash Flows

For the Years Ended December 31

(Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (250,228)	\$ (299,237)
Add items not involving cash:		
Reversal of flow-through share liability	(10,026)	(19,725)
Loss on settlement of debt	13,500	-
Write-off of exploration and evaluation assets	-	107,600
Gain on sale of property option	-	(15,000)
Working capital adjustments:		
GST receivable	10,273	(3,787)
Prepaid expenses	-	20,000
Accounts payable	230,873	223,772
Accrued liabilities	(6,454)	(9,022)
Net cash flows provided by (used in) operating activities	(12,062)	4,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from property option granted	-	15,000
Additions to exploration and evaluation assets	-	(92,100)
Net cash flows used in investing activities	-	(77,100)
Change in cash during the year	(12,062)	(72,499)
Cash, beginning of the year	20,344	92,843
Cash, end of the year	\$ 8,282	\$ 20,344
No cash was paid for interest or income taxes during the year		
Non-cash transaction:		
Shares issued for debt (Note 8)	\$ 94,500	\$ -

The accompanying notes are an integral part of these financial statements

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

1) NATURE AND CONTINUANCE OF OPERATIONS

Kiplin Metals Inc. (formerly Aldever Resources Inc.) (“Kiplin” or the “Company”) was incorporated in the Province of British Columbia and is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests. The Company’s common shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol “KIP”, on the OTCQB Exchange under the symbol “ALDVF”, and on the Frankfurt Exchange under the symbol “17G1”. The Company’s principal office and registered and records office is located at 2200-885 West Georgia Street, Vancouver, BC V6C 3E8.

Effective February 13, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-two-and-a-half-old basis. Concurrent with this consolidation, the Company also changed its name to Kiplin Metals Inc. and its stock symbol to “KIP”. The Company has adjusted the earning per share and weighted average shares outstanding to reflect the share consolidation.

These financial statements were authorized for issue on April 29, 2020 by the directors of the Company.

At the date of the financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has incurred operating losses since inception and at December 31, 2019, had a cumulative deficit of \$20,577,538. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Further discussion of liquidity risk is included in notes 7 and 9.

2) BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES

a) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date that the agreement to issue shares was concluded.

b) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

c) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

d) Exploration and evaluation expenditures

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and development of exploration and evaluation assets incurred subsequent to the acquisition of legal rights to explore are capitalized by property.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payments is measured using the Black-Scholes Option Pricing Model. The fair value of the share-based payment is recognized as an expense or capitalized to share capital with a corresponding increase in the share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related reserve amount is transferred to share capital.

h) Income (Loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted income (loss) per share is presented as the same as basic income (loss) per share.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into (i) a flow-through share premium, equal to the estimated premium, if any; investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds in note 5.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

j) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its trade and other payables and a loan payable as financial liabilities measured at amortized cost. Such liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. The Company has classified its cash as a financial asset measured at fair value through profit and loss.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j) Financial instruments *(continued)*

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of trade and other payable and a loan payable. Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

k) New Accounting Standard Adopted

There were no new standards effective January 1, 2019 that had an impact on the Company's financial statements. A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2019, or later periods. The Company has not early adopted any new standards in preparing these financial statements.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

4) EXPLORATION AND EVALUATION ASSETS

	Balance Dec 31, 2018	2019 Additions	2019 Dispositions	2019 Impairment	Balance Dec 31, 2019
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,748,310	-	-	-	1,748,310
	1,748,310	-	-	-	1,748,310

	Balance Dec 31, 2017	2018 Additions	2018 Dispositions	2018 Impairment	Balance Dec 31, 2018
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,663,810	84,500	-	-	1,748,310
Harris Creek - British Columbia, Canada	-	76,000	-	(76,000)	-
Nadina Mountain - British Columbia, Canada	105,000	(5,000)	-	(100,000)	-
	1,768,810	155,500	-	(176,000)	1,748,310

Scotia Zinc-Silver Project - British Columbia, Canada

On November 11, 2014, the Company entered into an option agreement to earn up to a 100% interest in the Scotia Zinc-Silver prospect in northern British Columbia. To exercise the option the Company must make staged payments of \$375,000 over 3 years and incur \$750,000 in exploration expense over the same period.

On May 13, 2015, the Company amended the original agreement. Under the amended terms of the agreement, the Company can earn a 100% interest by paying \$75,000 (paid on January 19, 2015) and issuing 18,518 common shares to the vendor (issued May 20, 2015). The Company's interest is subject to an underlying 2% NSR, payable to the Vendor of which 1% can be purchased by the Company for \$1,000,000.

On January 9, 2017, the Company entered into an option agreement for the sale of its 100% interest in the Scotia Zinc-Silver Project, which was approved by the Exchange on January 23, 2017. Consideration consists of: \$25,000 cash within five days after the Exchange Acceptance Date (received), \$25,000 on or before January 9, 2018, shares within five days after January 23, 2017 (received 300,000 shares with a fair value of \$190,000), 100,000 shares on or before January 9, 2018 and 133,333 shares on or before January 9, 2019 and completion of exploration work in the amount of \$500,000 on or before January 9, 2019. On January 9, 2018, the purchaser terminated the property option agreement and accordingly the Company recorded impairment of \$215,000 at December 31, 2017.

On September 7, 2018, the Company entered into an option agreement for the sale of its 100% interest in the Scotia Zinc-Silver Project. Consideration consists of a one-time cash payment of \$15,000 (received). The Company recorded a gain on sale of \$15,000.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

4) EXPLORATION AND EVALUATION ASSETS *(continued)*

Urban Barry Gold Project - Quebec, Canada

On November 10, 2015, the Company entered into an option agreement to acquire a 100% interest in the Urban Barry Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 129,629 common shares to the vendor (issued November 18, 2015), making a cash payment of \$250,000 on or before 18 months of Exchange approval of this agreement (November 18, 2015), and incurring \$1,000,000 in exploration expenditures by November 10, 2020 (\$1,013,310 incurred to December 31, 2019). The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

On July 5, 2017, the Company amended its option agreement for the Urban Barry Gold Project. Under the amended terms the Company can earn a 100% interest by issuing 129,629 common shares (issued November 18, 2015), issuing 333,333 common shares on or before July 10, 2017, if within 5 days of Exchange approval of this agreement (issued July 31, 2017) (Note 9), making a cash payment of \$50,000 on or before 24 months of the signing of this agreement, a further cash payment of \$100,000 on or before 30 months of the signing of this agreement, a further cash payment of \$100,000 on or before 36 months of the signing of this agreement, a further cash payment of \$250,000 on or before 48 months of the signing of this agreement, and Kiplin shall have completed \$1,000,000 in exploration expenditures (\$1,013,310 incurred to December 31, 2019) on the Mineral Claims within five years of the signing of the agreement.

On March 24, 2017, the Company issued 111,111 non-flow-through units as compensation toward the cash payments required in the option agreement (Note 9).

During the year ended December 31, 2019, the Company did not incur any (2018 - \$84,500) exploration expenditures on the Urban Barry Gold Project.

Harris Creek - British Columbia, Canada

On May 4, 2017, the Company entered into an option agreement to acquire a 100% interest in the Harris Creek Gold Property in British Columbia. Under the terms of the agreement, the Company can earn a 100% interest by issuing 55,555 common shares to the vendor (issued May 11, 2017), making a cash payment of \$150,000 on or before 18 months of Exchange approval of this agreement, a further \$150,000 within 36 months and incurring \$1,000,000 in exploration expenditures within five years (\$124,800 incurred to December 31, 2017). The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

During the years ended December 31, 2018 and 2017, the Company recorded impairment of \$7,600 and \$157,300, respectively, as the option agreement was terminated.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

4) EXPLORATION AND EVALUATION ASSETS (continued)

Nadina Mountain - British Columbia, Canada

On November 21, 2017, the Company entered into an option agreement to acquire a 100% interest in the Nadina Mountain Creek Property in British Columbia. Under the terms of the agreement, the Company can earn a 100% interest by issuing 277,777 common shares to the vendor (issued December 4, 2017), making a cash payment of \$5,000, a further \$500,000 within 24 months and incurring \$200,000 in exploration expenditures within five years. The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

During the year ended December 31, 2018, the Company did not incur any exploration expenditures on the Nadina Mountain Claims. The Company had currently suspended its intentions for additional exploration work on this property in an effort to focus on its sustaining property, thus recording an impairment of \$100,000.

5) FLOW-THROUGH SHARE LIABILITY

For the purposes of calculation any premium related to the issuances of the flow-through units, the Company compares the market price of its shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares. As a result, the Company's flow-through liability on issuance of flow-through shares in connection with the private placements is as follows:

	2019		2018	
Balance, beginning of year	\$	10,026	\$	29,751
Reversal		(10,026)		(19,725)
Balance, end of year	\$	-	\$	10,026

As of December 31, 2019, the Company has fulfilled its spending commitment in connection with its flow-through offerings and has no further obligation (December 31, 2018 - \$46,815).

6) RELATED PARTY TRANSACTIONS

During the year ended December 31, 2019, the Company incurred \$155,200 (2018 - \$94,000) in management and consulting fees paid to directors and a company with a common director. At December 31, 2019, the Company owed directors and a company controlled by a director \$138,150 (2018 - \$50,895) in respect of fees, which is included in accounts payable.

During the year ended December 31, 2019, the Company completed a debt for shares settlement with directors and management of the Company in which \$42,000 of liabilities were settled in exchange for the issuance of 700,000 common shares of the Company.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the years ended December 31, 2019 and 2018 other than as indicated above.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

7) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There was no change to the Company's approach to capital management during the year.

8) SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the year ended December 31, 2019:

Effective April 5, 2019, the Company consolidated its shares on the basis of one new, post-consolidated share for every 3 old, pre-consolidated shares. All share and per share amounts in these financial statements have been adjusted to reflect this share consolidation.

On September 4, 2019, the Exchange approved a debt settlement with four creditors. The Company issued 1,350,000 common shares of the Company with a fair value of \$94,500 in consideration for \$81,000 in debt outstanding resulting in a loss on settlement of debt of \$13,500. The common shares issued pursuant to the shares-for-debt settlement will be subject to a statutory hold period of four months plus a day.

During the year ended December 31, 2018:

Effective March 20, 2018, the Company consolidated its shares on the basis of one new, post-consolidated share for every 3 old, pre-consolidated shares. All share and per share amounts in these financial statements have been adjusted to reflect this share consolidation.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

8) SHARE CAPITAL (continued)**Warrants**

Details of common share purchase warrants outstanding at December 31, 2019 are as follows:

	Number of Warrants	Exercise price	Expiry date	Remaining Life (years)
Issued in private placement	329,028	\$ 1.08	February 15, 2020	0.13
Issued in private placement	14,715	\$ 0.72	February 15, 2020	0.13
Issued in private placement	358,889	\$ 1.08	March 24, 2020	0.23
Issued in private placement	5,444	\$ 0.72	March 24, 2020	0.23
Issued in private placement	192,133	\$ 1.08	April 25, 2020	0.32
	900,210	\$ 1.07		

* Subsequent to December 31, 2019, 900,210 warrants expired.

Common share purchase warrant transactions during the years ended December 31, 2019 and 2018 are as follows:

	2019		2018	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of year	1,186,963	\$ 1.79	1,519,558	\$ 2.52
Expired	(61,864)	4.77	-	-
Expired	(7,667)	4.59	-	-
Expired	(86,666)	1.08	-	-
Expired	-	-	(22,222)	1.35
Expired	(130,556)	5.40	(310,373)	5.40
Outstanding - end of year	900,210	\$ 1.07	1,186,963	\$ 1.79

The weighted average remaining contractual life of the issued and outstanding warrants at December 31, 2019 was 0.21 years.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

8) SHARE CAPITAL (continued)

Share-based payments

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 111,111 common shares of the Company. Under the plan, the exercise price of each option cannot be less than the discounted market price as defined in Policy 1.1 of the Exchange policies. The options can be granted for a maximum term of five years and the vesting period of each option grant is at the discretion of the board of directors, subject to applicable Exchange policies.

On March 3, 2019, 37,037 options granted on March 3, 2016 expired unexercised. The remaining 3,704 options granted on November 6, 2014 expired unexercised. As at December 31, 2019, the Company had no stock options outstanding.

Share-based payments Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2019, the Company's financial instruments consist of cash and accounts payables.

In management's opinion, the Company's carrying values of cash and account payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments 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. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and short-term investments. Cash is maintained with financial institutions of reputable credit.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2019 relating to cash of \$8,282. All cash is held at a Canadian chartered bank and the Company considers the credit risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet account payables. The Company did not maintain sufficient cash balances to meet its needs at December 31, 2019 and will need to raise additional funding by issuing equity.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)**Fair Value of Financial Instruments*

The fair value classification of the Company's financial instruments as at December 31, 2019 and 2018 is as follows:

	2019		2018		
	Fair Value Level	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost
<i>Financial assets:</i>					
Cash	1	\$ 8,282.00	\$ -	20,344	-
<i>Financial liabilities:</i>					
Accounts Payable	1	\$ -	\$ 381,690	-	231,817

During the years ended December 31, 2019 and 2018, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

10) INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	December 31, 2019	December 31, 2018
	\$	\$
Loss before income taxes	(250,228)	(299,237)
Statutory tax rate	27%	27%
Expected income tax recover at the statutory tax rate	(67,562)	(80,793.99)
Adjustments resulting from:		
Effect on share issuance costs not recognized	-	-
Reversal of flow through liability	2,707	8,033
Flow through renunciation	-	37,507
Other	(36,813)	124,186
Change in tax rates	-	(73,291)
Change in valuation allowance	101,668	(15,641)
Income tax recovery	-	-

The Company's deferred income tax assets are estimated as follows:

	December 31, 2019	December 31, 2018
	\$	\$
Non-capital losses carried-forward	1,175,144	1,070,573
Share issuance costs	12,626	29,519
Resource development and exploration costs	803,821	789,831
Net potential deferred income tax asset	1,991,591	1,889,923
Valuation allowance	(1,991,591)	(1,889,923)
Net deferred income tax asset	-	-

KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

10) INCOME TAXES (continued)

A valuation allowance has been used to offset the net benefit related to the future tax assets due to the uncertainty associated with the ultimate realization of the non-capital losses and resource pools.

The Company has the following deductible temporary difference for which no deferred tax asset have been recognized and that can be carried forward indefinitely.

	December 31, 2019	December 31, 2018
	\$	\$
Exploration and evaluation assets	2,977,116	4,735,611
Non-capital loss carryforwards	4,352,385	3,965,087
Share issuance costs	46,763	109,331
	7,376,264	8,810,029

The non-capital losses expire between 2024 and 2039.

11) SUBSEQUENT EVENTS

- a) Subsequent to December 31, 2019, 900,210 warrants issued on February 15, 2017 expired unexercised on February 15, 2020.
- b) Effective February 13, 2020, the Company consolidated all its issued and outstanding share capital on a one-new-for-two-and-a-half-old basis. Concurrent with this consolidation, the Company also changed its name to Kiplin Metals Inc. and its stock symbol to "KIP".
- c) Subsequent to year-end, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration of the outbreak, including the duration of travel restrictions, business closures, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries to fight the virus. The Company continues to monitor its impact of its operations and financing activities and assess the impact COVID-19 will have on its business activities. The extent of the effect of COVID-19 pandemic on the Company is uncertain.
- d) On April 28, 2020, the Company completed a private placement of 12,120,000 units at \$0.06 per unit with gross proceeds of \$720,00. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant will be exercisable at a price of \$0.085 for 3 years from the date of closing. No finders' fees or commissions were payable in connection with this financing.