

KIPLIN METALS INC.

Interim Financial Statements

For the Nine Months Ended September 30, 2021 and 2020

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of Kiplin Metals Inc. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

KIPLIN METALS INC.Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	September 30 2021	December 31 2020
ASSETS		
Current assets		
Cash	\$ 278,592	\$ 603,459
GST receivable	2,632	9,836
Prepaid expenses	1,050	-
Total Current Assets	282,274	613,295
Exploration and evaluation assets (note 4)	46,825	1,825
Total Assets	\$ 329,099	\$ 615,120
LIABILITIES		
Current liabilities		
Accounts payable (note 5)	\$ 112,189	\$ 102,905
Accrued liabilities	200	10,000
Total Current Liabilities	112,389	112,905
SHAREHOLDERS' EQUITY		
Share capital (note 7)	21,490,318	21,488,193
Warrants (note 7)	83,689	83,689
Share-based payments reserve (note 7)	1,328,523	1,328,523
Deficit	(22,685,820)	(22,398,190)
Total Equity	216,710	502,215
Total Liabilities and Equity	\$ 329,099	\$ 615,120

Nature and continuance of operations (note 1)

Approved on behalf of the Board:

Director "Clive Massey"

Clive Massey

Director "Richard Ko"

Richard Ko

The accompanying notes are an integral part of these interim financial statements

KIPLIN METALS INC.Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
EXPENSES				
Consulting and management fees (note 5)	\$ 5,400	\$ 5,400	\$ 16,200	\$ 51,200
Corporate communications	222,330	-	222,330	-
Finance expense (recovery)	-	211	-	(366)
Geological consulting (note 5)	3,000	3,000	9,000	31,000
Office and general	4,910	5,063	18,748	25,040
Professional fees (recovery)	7,490	7,350	7,096	28,371
Regulatory and transfer agent fees	6,261	5,276	14,256	31,429
Share-based compensation		-	-	39,506
	(249,391)	(26,300)	(287,630)	(206,180)
Other item				
Write-down of exploration and evaluation assets	-	(1,748,310)	-	(1,748,310)
Gain on settlement of debt (note 5)	-	-	-	223,925
Net and comprehensive loss	(249,391)	(1,774,610)	(287,630)	(1,730,565)
Basic and diluted income per share	\$ (0.02)	\$ (0.11)	\$ (0.02)	\$ (0.18)
Weighted average number of common shares outstanding	15,896,942	15,758,464	15,887,235	9,799,533

The accompanying notes are an integral part of these interim financial statements

KIPLIN METALS INC.Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share capital	Warrants	Share-Based Payments Reserve	Deficit	Total Equity
Balance at January 1, 2020	2,591,942	\$ 20,546,602	\$ 83,689	\$ 1,328,523	\$ (20,591,038)	\$ 1,367,776
Issue of common shares for cash (note 7)	12,120,000	727,200	-	-	-	727,200
Exercise of options at \$0.11 (note 7)	1,160,000	127,600	-	(39,506)	-	88,094
Share-based compensation	-	-	-	39,506	-	39,506
Net and comprehensive loss	-	-	-	-	(1,730,565)	(1,730,565)
Balance at September 30, 2020	15,871,942	21,401,402	83,689	1,328,523	(22,321,603)	492,011
Balance at January 1, 2021	15,871,942	21,488,193	83,689	1,328,523	(22,398,190)	502,215
Exercise of warrants at \$0.085 (note 7)	25,000	2,125	-	-	-	2,125
Net and comprehensive loss	-	-	-	-	(287,630)	(287,630)
Balance at September 30, 2021	15,896,942	\$ 21,490,318	\$ 83,689	\$ 1,328,523	\$ (22,685,820)	\$ 216,710

The accompanying notes are an integral part of these interim financial statements

KIPLIN METALS INC.

Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended	
	September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (287,630)	\$ (1,730,565)
Add (deduct) items not involving cash:		
Share-based compensation	-	39,506
Write-down of exploration and evaluation assets		1,748,310
Gain on settlement of debt	-	(223,925)
Working capital adjustments:		
GST receivable	7,204	(6,911)
Prepaid expenses	(1,050)	-
Accounts payable	9,284	(52,692)
Accrued liabilities	(9,800)	(9,000)
Net cash flows (used in) operating activities	(281,992)	(235,277)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to exploration and evaluation assets	(45,000)	(1,825)
Net cash flows used in investing activities	(45,000)	(1,825)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	2,125	-
Proceeds from exercise of options		127,600
Proceeds from issuance of shares	-	727,200
Net cash flows from financing activities	2,125	854,800
Change in cash during the period	(324,867)	617,698
Cash, beginning of the period	603,459	8,282
Cash, end of the period	\$ 278,592	\$ 625,980

No cash was paid for interest or income taxes during the period.

The accompanying notes are an integral part of these interim financial statements

KIPLIN METALS INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

1) NATURE AND CONTINUANCE OF OPERATIONS

Kiplin Metals 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 OTC PINK 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 common shares on the basis of every 2.5 old common shares into 1 new common share. Concurrent with this consolidation, the Company also changed its name to Kiplin Metals Inc. and its stock symbol to “KIP”. The Company has adjusted these financial statements to reflect the share consolidation.

These financial statements were authorized for issue on **November X, 2021** by the directors of the Company.

At the date of the interim 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 interim 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 September 30, 2021, had a cumulative deficit of \$22,685,820. 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 interim 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 6 and 8.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak 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.

KIPLIN METALS INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

2) BASIS OF PRESENTATION

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

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

3) SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's interim 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 interim 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 interim 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 evaluation assets may not be recoverable.

b) 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.

KIPLIN METALS INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

c) New accounting standards

There were no new standards effective January 1, 2021 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, 2021, or later periods. The Company has not early adopted any new standards in preparing these financial statements.

4) EXPLORATION AND EVALUATION ASSETS

	Balance Dec 31, 2020	2021 Additions	2021 Dispositions	2021 Impairment	Balance Sep 30, 2021
	\$	\$	\$	\$	\$
Exxeter Gold - Quebec, Canada	-	35,000	-	-	35,000
Lac Rochester Copper - Quebec, Canada	-	10,000	-	-	10,000
Nadina Mountain - British Columbia, Canada	1,825	-	-	-	1,825
	1,825	45,000	-	-	46,825

	Balance Dec 31, 2019	2020 Additions	2020 Dispositions	2020 Impairment	Balance Dec 31, 2020
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,748,310	-	-	(1,748,310)	-
Nadina Mountain - British Columbia, Canada	-	1,825	-	-	1,825
	1,748,310	1,825	-	(1,748,310)	1,825

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), 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.

On September 14, 2020, the Company announced that it had been unable to renegotiate acceptable terms for its option to acquire the Urban Barry Gold Project. As a result, the project has been returned to the option holder and the Company recorded impairment of \$1,748,310 in the period ended September 30, 2020.

KIPLIN METALS INC.

Notes to the Interim Financial Statements

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4) EXPLORATION AND EVALUATION ASSETS *(continued)*

Nadina Mountain Claims – 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% GORR (Gross Overriding Royalty) payable to the vendor, of which ½% may be purchased for \$1,000,000, less all amounts previously received as GORR payments.

During the year ended December 31, 2018, the Company recorded impairment of \$100,000 on the property.

On May 15, 2020, the Company amended its option agreement for the Nadina Mountain Claims by delaying the deadline of the \$500,000 cash payment to within 48 months of the signing of the agreement and reducing the number of claims on the property. All other terms and conditions of the original agreement remain the same.

During the year ended December 31, 2020, the Company incurred \$1,825 (2019 - \$Nil) in exploration expenditures on the Nadina Mountain claims.

Exxeter Gold Property – Quebec, Canada

The Exxeter Gold Project covers an area of 715ha, located in Van d'Or Quebec. The project covers 3.8km of the Cadillac Tectonic zone.

The Company announced on September 3, 2020 that it had entered into a mineral property option agreement with an arms-length third party and has been granted the option to acquire the Exxeter Gold Property ("Exxeter") in the Province of Quebec. In order to exercise the option and acquire Exxeter, the Company must make cash payments of \$500,000, with an initial \$100,000 payment due by the first anniversary of the option agreement and incur work expenditures of \$500,000 over a three year term.

A 1% Net Smelter Royalty ("NSR") shall be granted to the vendor, of which 1% may be purchased for \$1,000,000 at any time, less all amounts previously received as NSR payments.

Lac Rochester Copper Property – Quebec, Canada

On August 5, 2021, the Company entered into an option agreement to acquire a 100% interest in the Lac Rochester Copper Property in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by making the following payments:

- a) \$10,000 cash on the signing of the agreement (*paid*);
- b) \$140,000 cash eighteen months after the signing of the agreement; and
- c) \$250,000 cash thirty-six months after the signing of the agreement.

The Company must also incur the following in exploration expenditures:

- a) \$85,000 on or before the first anniversary of the signing of the agreement;
- b) \$115,000 within eighteen months after the signing of the agreement; and
- c) \$200,000 within thirty-six months after the signing of the agreement.

The Company's interest is subject to a 1% Net Smelter Royalty ("NSR") payable to the vendor, of which 1% may be purchased for \$1,000,000, less all amounts previously received as NSR payments.

KIPLIN METALS INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

5) RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2021, the Company:

- a) Incurred consulting fees of \$16,200 (2020 - \$51,200) to directors of the Company.
- b) Incurred geological consulting fees of \$9,000 (2020 - \$31,000) to a company controlled by a director of the Company.

At September 30, 2021, the Company had advanced \$1,050 to a director in respect of fees, which is included in prepaid expenses (December 31, 2020 – owed \$945 which is included in accounts payable).

During the nine months ended September 30, 2020, the Company reached debt settlement agreements with directors and a creditor of the Company in which \$269,825 of liabilities were settled in exchange for cash of \$45,900 and as a result a gain on settlement of \$223,925 was recorded.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the periods ended September 30, 2021 and 2020 other than as indicated above.

6) 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 period.

7) SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the nine months ended September 30, 2021:

On April 16, 2021, the Company issued 25,000 common shares pursuant to the exercise of warrants at \$0.085 per share for gross proceeds of \$2,125.

KIPLIN METALS INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

7) SHARE CAPITAL (continued)

During the year ended December 31, 2020:

Effective February 13, 2020, the Company consolidated all its issued and outstanding common shares on the basis of 1 new post-consolidation share for every 2.5 old pre-consolidation share.

On April 28, 2020, the Company completed a private placement of 12,120,000 units at \$0.06 per unit with gross proceeds of \$727,200. 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.

On April 29, 2020, the Company granted 1,160,000 incentive stock options to consultants of the Company. These options vest immediately and are exercisable at \$0.09 per share for a period of three years, expiring April 29, 2023. The exercise price of the options was subsequently repriced at \$0.11 per share. The fair value of the options was \$86,791. On July 9, 2020, the Company issued 1,160,000 common shares pursuant to the exercise of these share options for gross proceeds of \$127,600.

Warrants

Common share purchase warrant transactions during the periods ended September 30, 2021 and December 31, 2020 are as follows:

	September 30		December 31	
	2021		2020	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	12,120,000	\$ 0.085	360,084	\$ 2.680
Issued	-	-	12,120,000	0.085
Exercised	(25,000)	0.085	-	-
Expired	-	-	(352,020)	2.700
Expired	-	-	(8,064)	1.800
Outstanding - end of period	12,095,000	\$ 0.085	12,120,000	\$ 0.085

Details of common share purchase warrants outstanding at September 30, 2021 are as follows:

	Number of Warrants	Exercise price	Expiry date	Remaining Life (years)
Issued in private placement	12,095,000	\$ 0.085	April 28, 2023	1.58
	12,095,000	\$ 0.085		

The weighted average remaining contractual life of the issued and outstanding warrants at September 30, 2021 was 1.58 years.

KIPLIN METALS INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

7) 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. The Company may reserve a maximum of 10% of the issued and outstanding listed common shares, the exercise price to be determined on the date of issuance of the options. 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.

The following table summarizes activity related to stock options for the nine months ended September 30, 2021 and the year ended December 31, 2020:

	September 30 2021		December 31 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	-	\$ -	-	\$ -
Granted	-	-	1,160,000	0.11
Exercised	-	-	(1,160,000)	0.11
Outstanding - end of period	-	\$ -	-	\$ -

On April 29, 2020, the Company announced that it had issued 1,160,000 incentive stock options to consultants of the Company. The options are exercisable at a price of \$0.11 per option expiring on April 29, 2023. These options had a fair value of \$0.07 per option using the Black Scholes model with the following inputs: i) exercise price: \$0.11; ii) share price: \$0.09; iii) term: 3.00 year; iv) volatility: 165%; v) discount rate: 0.35%. The options are fully vested on the grant date. During 2020, all the stock options were exercised.

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.

8) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2021, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying values of cash and accounts 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:

KIPLIN METALS INC.

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(Unaudited - Expressed in Canadian Dollars)

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

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.

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 and lawyers trust account.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at September 30, 2021 relating to cash of \$278,592. All cash is held at a Canadian chartered bank and lawyers trust accounts 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 maintains sufficient cash balances to meet its needs at September 30, 2021.

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.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

8) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair Value of Financial Instruments

The fair value classification of the Company's financial instruments as at September 30, 2021 and December 31, 2020 is as follows:

	September 30		December 31		
	2021		2020		
	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	\$ 278,592	-	\$ 603,459	-
<i>Financial liabilities:</i>					
Accounts payable	1	-	\$ 112,189	-	\$ 102,905

During the period ended September 30, 2021 and the year ended December 31, 2020, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

9) SUBSEQUENT EVENTS

Forward Share Split

On November 19, 2021, the Company announced that it was undertaking a forward share split (the "Share Split") in which two additional common shares will be issued for every one common share currently outstanding. All shareholders of record as of close of business on November 24, 2021 will be entitled to the Share Split. The common shares of the Company will trade on a due bill basis from November 23, 2021 to December 1, 2021. The due bill redemption date will be December 3, 2021.