

# KIPLIN METALS INC.

## FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS For the Year Ended December 31, 2023

The following Management's Discussion and Analysis ("MD&A") for Kiplin Metals Inc. ("Kiplin" or the "Company"), prepared as of April 16, 2024, for the year ended December 31, 2023 should be read in conjunction with the audited consolidated financial statements and related notes of the Company for the year ended December 31, 2023. The financial statements have been prepared using accounting principles consistent with International Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information on the Company can be found on SEDARPLUS at [www.sedarplus.ca](http://www.sedarplus.ca). The reader should be aware that historical results are not necessarily indicative of future performance. The consolidated financial statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Company.

### **Forward-Looking Information**

Information set forth in this MD&A may involve forward-looking information under applicable securities laws. Forward-looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Company and the future exploration on, and the development of, the Company's projects are forward-looking information. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors and promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of commodities; that the Company can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Forward-looking information is made based on management's beliefs, estimates and opinions on the date that information is given and the Company does not intend to update forward-looking statements or information, except as may be required by applicable law.

### **Description of Business and Overview**

Kiplin is a junior exploration corporation continued under the laws of the Province of British Columbia with its principal, registered and records office located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

The Company is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or exploring and evaluating these properties further or disposing of them when the evaluation is completed.

The Company's common shares are listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "KIP", on the Frankfurt Exchange under the symbol "17G1", and on the OTC Pink under the symbol "ALDVF". As at December 31, 2023, the Company has interests in the following resource properties:

#### **Cluff Lake Property – Saskatchewan, Canada**

On December 5, 2021, the Company entered into an option agreement to acquire an undivided 100% interest in the Cluff Lake Uranium Project in Saskatchewan. Under the terms of the agreement, the Company can earn a 100% interest by making the following payments:

- a) \$20,000 cash on the signing of the agreement (*paid*);
- b) \$100,000 cash on or before December 5, 2023; and
- c) Incurring \$50,000 in exploration expenditures on or before December 5, 2022 (*incurred*).

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.

On December 3, 2023, the Company amended its Option Agreement for the Cluff Lake Property, originally dated December 5, 2021. Under the amended terms, the Company must make a cash payment of \$100,000 on or before April 30, 2024 to earn a 100% interest.

As at December 31, 2023, management recorded an impairment of \$86,849 because there is no planned and budgeted exploration work for the Cluff Lake Property during the next 12 months.

#### **Lloyd Lake Project – Saskatchewan, Canada**

On November 8, 2023, the Company acquired all of the outstanding share capital of Lloyd Lake Uranium Corp. from an arm's length party by issuing 4,500,000 common shares. No finders' fees or commissions were payable by the Company in connection with this acquisition. As a result of this transaction, the Company holds a 100% interest in mineral claims known as the Lloyd Lake Uranium Project ("Lloyd Lake"), subject to a royalty interest retained by the Vendor.

Lloyd Lake does not have any operations, nor does it have any assets or liabilities other than holding the Lloyd Lake Project. Therefore, the Company treated this transaction as an asset acquisition. The purchase price, totaling \$506,250, was valued based on the Company's stock trading price at the date of issuance and was allocated according to the assets acquired.

#### **Exxeter Gold Property – Quebec, Canada**

The Exxeter Gold Project covers an area of 715ha, located in Val 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 to acquire an undivided 100% interest in the Exxeter Gold Property in the Province of Quebec (the "Exxeter Option Agreement"). Under the terms of the Exxeter Option Agreement, the Company can earn a 100% interest in the Exxeter Gold Property by making 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.

On May 3, 2022, the Company amended its Option Agreement for the Exxeter Gold Property, originally dated September 3, 2020. Under the amended terms, the Company must make cash payments totalling \$550,000 during the period from May 2022 to December 2024 and incur work expenditures of \$500,000 over a two year term. During the year ended December 31, 2022, the Company made a cash payment of \$20,000.

On October 25, 2022, the Company terminated its option on the Exxeter Gold Property and recorded an impairment of \$86,670 in the year ended December 31, 2022.

### Selected Annual Information

The following financial data are selected information for the Company for the three most recently completed financial years:

	December 31, 2023	December 31, 2022	December 31, 2021
	\$	\$	\$
Current assets	1,278,115	53,476	343,568
Total assets	1,784,365	126,610	427,538
Current liabilities	39,709	13,770	171,863
Total non-current financial liabilities	Nil	Nil	Nil
Total revenue	Nil	Nil	Nil
Net loss	(682,968)	(436,822)	(250,365)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.01)
Weighted average number of common shares outstanding	69,933,352	53,977,458	47,673,734

### Summary of Quarterly Results

The following selected financial data is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards.

	3 Months ended Dec 31, 2023 \$	3 Months ended Sep 30, 2023 \$	3 Months ended Jun 30, 2023 \$	3 Months ended Mar 31, 2023 \$	3 Months ended Dec 31, 2022 \$	3 Months ended Sep 30, 2022 \$	3 Months ended Jun 30, 2022 \$	3 Months ended Mar 31, 2022 \$
Total revenue	Nil							
Net loss	(190,423)	(65,782)	(402,958)	(23,805)	(56,342)	(52,127)	(148,410)	(179,943)
Net loss per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Total assets	1,784,365	1,432,454	432,467	116,711	126,610	171,215	222,018	325,860
Total liabilities	39,709	3,625	14,785	27,676	13,770	87,034	85,710	143,311
Total shareholders' equity	1,744,656	1,428,829	417,682	89,035	112,840	84,181	136,308	182,549

### Results of Operations

#### Three months ended December 31, 2023

During the three months ended December 31, 2023, the Company recorded a comprehensive loss of \$190,423 (\$0.00 per share) compared with a loss of \$56,342 (\$0.00 per share) in the same period of 2022.

Significant items in the three months ended December 31, 2023 include:

- Consulting fees of \$30,000 (2022 - \$2,500);
- Geological consulting and management fees of \$11,900 (2022 - \$6,900);

- Regulatory and transfer agent fees related to ongoing regulatory activities of \$39,100 (2022 - \$5,211);
- Professional fees related to ongoing regulatory activities and financing efforts \$32,595 (2022 - \$19,311);
- Gain on forgiveness of debt of \$Nil (2022 - \$73,725); and
- Write down of exploration and evaluation assets of \$86,849 (2022 - \$86,670).

### **Year ended December 31, 2023**

During the year ended December 31, 2023, the Company recorded a comprehensive loss of \$682,968 (\$0.01 per share) compared with a loss of \$436,822 (\$0.01 per share) in fiscal 2022.

Significant items in the year ended December 31, 2023 include:

- Corporate communication fees of \$20,233 (2022 - \$307,116);
- Consulting fees of \$60,000 (2022 - \$2,500);
- Regulatory and transfer agent fees related to ongoing regulatory activities of \$56,772 (2022 - \$25,903);
- Professional fees related to ongoing regulatory activities and financing efforts \$59,329 (2022 - \$32,600);
- Share-based compensation expense of \$377,155 (2022 - \$ Nil) related to stock options granted to directors, officers and consultants on June 29, 2023;
- Interest income on short-term investments of \$20,649 (2022 - \$Nil);
- Gain on forgiveness of debt of \$Nil (2022 - \$73,725); and
- Write down of exploration and evaluation assets of \$86,849 (2022 - \$86,670).

### **Liquidity and Capital Resources**

As of December 31, 2023, the Company had current assets of \$1,278,115, including cash of \$510,861 and short-term investments of \$750,000, and had current liabilities of \$39,709 resulting in working capital of \$1,238,406.

During the year ended December 31, 2023, operating activities used \$201,349 (2022 - \$157,660) in cash.

In the year ended December 31, 2023, the Company spent \$13,715 (2022 – \$75,834) as it prepared for the upcoming exploration activities at Cluff Lake and purchased short term investments of \$750,000 with excess operating funds.

The Company raised \$1,431,379 from financing activities (2022 - \$243,987) in the year ended December 31, 2023.

The Company is a development stage company with no revenue producing properties and, consequently, does not generate operating income or cash flow. The Company has incurred losses since its inception and has relied upon the issuance of equity capital to provide working capital to fund the Company's operations.

### **Off Balance Sheet Transactions**

The Company has no off-balance sheet transactions.

### **Share Capital**

The Company's issued and outstanding share capital as at the date of this report is as follows:

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity securities issued and outstanding	Unlimited common shares	80,537,748 common shares
Securities convertible or exercisable into voting or equity securities: - share purchase warrants exercisable at \$0.23		1,250,000
Securities convertible or exercisable into voting or equity securities: - stock options exercisable at \$0.21		1,000,000

### **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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, 2023 and 2022 other than as indicated below:

	<b>2023</b>	<b>2022</b>
Management fees	\$ 15,600	\$ 15,600
Geological consulting fees	27,000	12,000
Share-based compensation	109,851	-
<b>Total</b>	<b>\$ 152,451</b>	<b>\$ 27,600</b>

### **Financial Instruments**

As at December 31, 2023, the Company's financial instruments consist of cash, short term investments, other receivable, accounts payable and accrued liabilities.

In management's opinion, the Company's carrying values of other receivable, accounts payable and accrued liabilities 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 and short term investment are 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, which are 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, 2023 relating to cash and short term investment of \$1,260,861. 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 accounts payable requirements. At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

#### *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 significant 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.

### **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 capital to be the accounts within shareholders' deficiency. The Company's policy is to maintain sufficient cash 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 have been no changes in the Company's approach to capital management during the year ended December 31, 2023.

### **Critical Accounting Estimates**

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the consolidated financial statements. The Company constantly evaluates these estimates and assumptions.

The Company bases its estimates and assumptions on the past experience and other factors that are deemed reasonable under the circumstances. This involves varying degrees of judgment and uncertainty, thus the amounts currently reported in the consolidated financial statements could prove to be inaccurate in the future.

## **New Accounting Standards**

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's consolidated financial statements.

## **Risk Factors**

The exploration of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not overcome. Certain of the more immediate factors are discussed as follows:

### ***Exploration, evaluation and development***

Mineral exploration, evaluation and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved.

The commercial viability of mineral deposits is also dependent upon a number of factors, some of which are beyond the Company's control such as commodity prices, exchange rates, government policies and regulations and environmental protection.

### ***Financing***

The Company does not currently have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The Company is therefore dependent upon debt and equity financing to carry out its exploration and evaluation plans. There can be no assurance that such financing will be available to the Company. In the future, the Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible partial or total loss of the Company's interest in its exploration and evaluation assets.

### ***Commodity price volatility***

The market prices for commodities are volatile. The Company does not have any control over such prices or volatility. There is no assurance that if commercial quantities of mineralization are discovered, a profitable market will exist for a production decision to be made or for the ultimate sale of production at a profit. As the Company is currently not in production, no sensitivity analysis for price changes has been provided.

## **Changes in Internal Controls over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## **Approval**

The Board of Directors of Kiplin Metals Inc. has approved the disclosure contained in this MD&A as of April 16, 2024.