

KIPLIN METALS INC.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Kiplin Metals Inc.**

Opinion

We have audited the consolidated financial statements of **Kiplin Metals Inc.** (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits 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 Consolidated financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated 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.

Key Audit Matters

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

In addition to the matter described in the "Material Uncertainty Related to Going Concern" section of this report, we have determined the matter described below to be the key audit matter to be communicated in this report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$506,250 as at December 31, 2023. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and
- Obtaining supporting of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the Audit of the Consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

- and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditor's report is Linda Zhu.

Vancouver, Canada,
April 16, 2024

Mao & Ying LLP

Chartered Professional Accountants

KIPLIN METALS INC.

Consolidated Statements of Financial Position

As at December 31

(Expressed in Canadian Dollars)

	2023	2022
ASSETS		
Current assets		
Cash	\$ 510,861	\$ 44,546
Short term investments (note 4)	750,000	-
GST receivable	5,498	8,930
Other receivable	10,726	-
Prepaid expenses	1,030	-
Total Current Assets	1,278,115	53,476
Exploration and evaluation assets (note 5)	506,250	73,134
Total Assets	\$ 1,784,365	\$ 126,610
LIABILITIES		
Current liabilities		
Accounts payable (note 7)	\$ 24,333	\$ 1,770
Accrued liabilities	15,376	12,000
Total Current Liabilities	39,709	13,770
SHAREHOLDERS' EQUITY		
Share capital (note 9)	24,027,414	21,786,005
Warrants reserve (note 9)	83,689	83,689
Share-based payments reserve (note 9)	1,401,898	1,328,523
Deficit	(23,768,345)	(23,085,377)
Total Equity	1,744,656	112,840
Total Liabilities and Equity	\$ 1,784,365	\$ 126,610

Going concern (note 1)

Approved on behalf of the Board:

Director "Peter Born"
Peter BornDirector "Richard Ko"
Richard Ko*The accompanying notes are an integral part of these consolidated financial statements*

KIPLIN METALS INC.

Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
		(Note 1)
EXPENSES		
Consulting	\$ 60,000	\$ 2,500
Corporate communications	20,233	307,116
Finance fees (note 6)	-	1,137
Geological consulting (note 7)	27,000	12,000
Management fees (note 7)	15,600	15,600
Office and general	679	22,821
Professional fees	59,329	32,600
Property investigation	-	4,200
Regulatory and transfer agent fees	56,772	25,903
Share-based compensation (notes 7 & 9)	377,155	-
	(616,768)	(423,877)
Other item		
Write-down of exploration and evaluation assets (note 4)	(86,849)	(86,670)
Gain on forgiveness of debt	-	73,725
Interest income	20,649	-
	(66,200)	(12,945)
Net loss and comprehensive loss	(682,968)	(436,822)
Basic and diluted income per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	69,933,352	53,977,458

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

KIPLIN METALS INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share capital	Warrants Reserve	Share-Based Payments Reserve	Deficit	Total
Balance at January 1, 2022	47,750,748	\$ 21,492,018	\$ 83,689	\$ 1,328,523	\$ (22,648,555)	\$ 255,675
Exercise of warrants (note 9)	10,377,000	293,987	-	-	-	293,987
Net loss and comprehensive loss	-	-	-	-	(436,822)	(436,822)
Balance at December 31, 2022	58,127,748	21,786,005	83,689	1,328,523	(23,085,377)	112,840
Exercise of warrants (note 9)	12,510,000	354,450	-	-	-	354,450
Exercise of options (note 9)	4,150,000	1,175,280	-	(303,780)	-	871,500
Shares issued in private placement (note 9)	1,250,000	212,500	-	-	-	212,500
Share issue costs	-	(7,071)	-	-	-	(7,071)
Shares issued to acquire mineral property (note 4)	4,500,000	506,250	-	-	-	506,250
Share-based compensation	-	-	-	377,155	-	377,155
Net loss and comprehensive loss	-	-	-	-	(682,968)	(682,968)
Balance at December 31, 2023	80,537,748	\$ 24,027,414	\$ 83,689	\$ 1,401,898	\$ (23,768,345)	\$ 1,744,656

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

KIPLIN METALS INC.

Consolidated Statements of Cash Flows
For the Years Ended December 31
(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (682,968)	\$ (436,822)
Add item not involving cash:		
Share-based compensation	377,155	-
Write-down of exploration and evaluation assets	86,849	86,670
Gain on forgiveness of debt	-	(73,725)
Non-cash working capital items:		
GST receivable	3,432	(1,603)
Other receivable	(10,726)	-
Prepaid expenses	(1,030)	302,188
Accounts payable	22,563	(38,368)
Accrued liabilities	3,376	4,000
Net cash flows used in operating activities	(201,349)	(157,660)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(750,000)	-
Additions to exploration and evaluation assets	(13,715)	(75,834)
Net cash flows used in investing activities	(763,715)	(75,834)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	212,500	-
Share issue costs	(7,071)	-
Loan repayment	-	(50,000)
Proceeds from exercise of warrants	354,450	293,987
Proceeds from exercise of options	871,500	-
Net cash flows from financing activities	1,431,379	243,987
Change in cash during the year	466,315	10,493
Cash, beginning of the year	44,546	34,053
Cash, end of the year	\$ 510,861	\$ 44,546
Supplemental disclosure of cash flow information:		
Taxes paid	\$ -	\$ -
Interest paid (note 6)	\$ -	\$ 1,534

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

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

1) NATURE OF OPERATIONS AND GOING CONCERN

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.

These consolidated financial statements were authorized for issue on April 16, 2024 by the directors of the Company.

At the date of the consolidated 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 consolidated 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, 2023, had a cumulative deficit of \$23,768,345. 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. 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.

These consolidated 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. Further discussion of liquidity risk is included in notes 8 and 10.

Certain comparative numbers have been reclassified to conform to the current year’s presentation.

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

2) BASIS OF PRESENTATION

Statement of compliance

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

3) MATERIAL ACCOUNTING POLICIES INFORMATION

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company’s consolidated 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. The factors considered by management are discussed in Note 1; 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.

The application of the Company’s accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

a) Significant accounting judgments, estimates and assumptions *(continued)*

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. The Company considered the following facts and circumstances in determination if it should test exploration and evaluation assets for impairment:

- (i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

b) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, Lloyd Lake Uranium Corp. ("LLU"). LLU is incorporated in the Province of British Columbia.

c) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) 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.

e) 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.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits in banks, lawyers trust accounts and highly liquid investments with an original maturity of three months or less. As at December 31, 2023 and 2022, the Company did not have cash equivalents.

g) 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.

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Income taxes *(continued)*

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.

h) 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.

i) 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.

j) 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.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Flow-through shares *(continued)*

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.

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.

l) Financial instruments

The Company follows IFRS 9 – Financial Instrument (“IFRS 9”) to account for its financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

Financial assets

The Company classifies its financial assets into one of three categories, depending on the purpose for which the asset was acquired.

- amortized cost
- fair value changes through other comprehensive income (“FVTOCI”)
- fair value through profit loss (“FVTPL”)

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial assets classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income. Financial assets classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss. Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income (“OCI”). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

The Company has classified its cash and short term investments as FVTPL, and other receivable as as amortized cost.

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) Financial instruments *(continued)*

Financial liabilities

The Company classifies its financial liabilities into one of two categories:

- amortized cost
- FVTPL

All financial liabilities are initially recorded at fair value adjusted for directly attributable transaction costs except for financial liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization using the effective interest method is included in finance costs. Financial liabilities classified as FVTPL are measured at fair value with gains and losses recognized in profit or loss.

The Company's financial liabilities classified as amortized cost consist of accounts payable and accrued liabilities. The Company does not have financial liabilities classified as FVTPL.

Offsetting financial instruments

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.

Derecognition of financial assets and liabilities

A financial asset is derecognized when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass - through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. In this case, a new liability is recognized, and the difference in the respective carrying amounts is recognized in the statement of income. At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired:

KIPLIN METALS INC.

Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) Financial instruments *(continued)*

Impairment of financial assets at amortized cost

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.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

m) New Accounting Standards

The Company has performed an assessment of new standards issued by the IASB and IFRIC 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.

4) SHORT TERM INVESTMENTS

Short term investments represent GIC deposits with a Canadian financial institution with maturities of more than 30 days when purchased.

KIPLIN METALS INC.

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5) EXPLORATION AND EVALUATION ASSETS

A summary of the capitalized acquisition and exploration expenditures for the years ended December 31, 2023 and 2022 are as follows:

December 31, 2023	Cluff Lake	Lloyd Lake	Exxeter Gold	Total
Acquisition Costs				
<i>Balance, December 31, 2022</i>	\$ 20,000	\$ -	\$ -	\$ 20,000
Additions	-	506,250	-	506,250
Impairment	(20,000)	-	-	(20,000)
Acquisition costs, December 31, 2023	-	506,250	-	506,250
Exploration Costs				
<i>Balance, December 31, 2022</i>	53,134	-	-	53,134
Additions	13,715	-	-	13,715
Impairment	(66,849)	-	-	(66,849)
Exploration costs, December 31, 2023	-	-	-	-
Balance, December 31, 2023	\$ -	\$ 506,250	\$ -	\$ 506,250

December 31, 2022	Cluff Lake	Lloyd Lake	Exxeter Gold	Total
Acquisition Costs				
<i>Balance, December 31, 2021</i>	\$ 20,000	\$ -	\$ -	\$ 20,000
Additions	-	-	20,000	20,000
Impairment	-	-	(20,000)	(20,000)
Acquisition costs, December 31, 2022	20,000	-	-	20,000
Exploration Costs				
<i>Balance, December 31, 2021</i>	-	-	63,970	63,970
Additions	53,134	-	2,700	55,834
Impairment	-	-	(66,670)	(66,670)
Exploration costs, December 31, 2022	53,134	-	-	53,134
Balance, December 31, 2022	\$ 73,134	\$ -	\$ -	\$ 73,134

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 (the “Cluff Lake Option Agreement”). Under the terms of the Cluff Lake Option Agreement, the Company can earn a 100% interest by making the following payments:

- \$20,000 cash on the signing of the agreement (*paid*);
- \$100,000 cash on or before December 5, 2023; and
- 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.

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5) EXPLORATION AND EVALUATION ASSETS *(continued)*

Cluff Lake Property – Saskatchewan, Canada *(continued)*

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

On September 3, 2020, The Company 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 of Exxeter Gold Property by making cash payments of \$500,000, with an initial \$100,000 payment due by the first anniversary of the signing the agreement and incur work expenditures of \$550,000 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.

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6) LOAN PAYABLE

On December 2, 2021, the Company entered into a loan agreement with an arm's length third party. Pursuant to the loan agreement, the Company received a total of \$50,000. The loan is unsecured, bears interest of 10% per annum and is payable on demand to the lender. During the year ended December 31, 2022, the Company incurred interest expense of \$1,137 on the loan and settled the outstanding principal balance plus accrued interest of \$1,534.

7) RELATED PARTY TRANSACTIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below.

Key management personnel comprise the Company's Board of Directors and executive officers. No other remuneration was paid to key management personnel during the years ended December 31, 2023 and 2021 other than as indicated below:

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

8) 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.

KIPLIN METALS INC.

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9) SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

For the year ended December 31, 2023:

During the year ended December 31, 2023, the Company issued 12,510,000 common shares pursuant to the exercise of warrants for gross proceeds of \$354,450.

During July and August 2023, the Company issued 4,150,000 common shares pursuant to the exercise of these share options for cash proceeds of \$871,500. An amount of \$303,780 was transferred from reserves to share capital upon exercise of these options.

On August 24, 2023, the Company completed a private placement of 1,250,000 equity units at \$0.17 per unit for gross proceeds of \$212,500. Each unit consists of one common share and one share purchase warrant. Each warrant will be exercisable at a price of \$0.23 until August 24, 2024. All proceeds were allocated to common shares with \$Nil value allocated to warrants using the residual method. Legal fees in connection with the private placement amounted to \$7,071.

On November 8, 2023, the Company issued 4,500,000 common shares valued at \$506,250 to acquire the Lloyd Lake Project (note 5). No finders' fees or commissions were payable by the Company in connection with this acquisition.

For the year ended December 31, 2022:

During the year ended December 31, 2022, the Company issued 10,377,000 common shares pursuant to the exercise of warrants for gross proceeds of \$293,987.

KIPLIN METALS INC.

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9) SHARE CAPITAL (continued)

Warrants

Common share purchase warrant transactions during the years ended December 31, 2023 and 2022 are as follows:

	2023		2022	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of year	25,848,000	\$ 0.028	36,225,000	\$ 0.028
Expired	(13,338,000)	0.028	-	-
Exercised	(12,510,000)	0.028	(10,377,000)	0.028
Issued in private placement - equity units	1,250,000	0.230	-	-
Outstanding - end of year	1,250,000	\$ 0.230	25,848,000	\$ 0.028

Details of common share purchase warrants outstanding at December 31, 2023 are as follows:

	Number of Warrants	Exercise price	Expiry date	Remaining Life (years)
Issued in private placement - equity units	1,250,000	\$ 0.230	August 24, 2024	0.65
	1,250,000	\$ 0.230		

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 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.

On June 29, 2023, the Company granted 5,150,000 incentive stock options to directors, officers and consultants of the Company. These options are exercisable at a price of \$0.21 until June 29, 2024 and vest immediately. The Company recorded share-based compensation of \$377,155 (2022 - \$Nil) related to these stock options. The fair value of these options was determined to be \$0.0732 per option at the grant date using the Black-Scholes option-pricing model with the following assumptions: expected stock price volatility 86%; risk-free interest rate 4.61%; dividend yield 0%; expected life of options 1 year; stock price on date of grant \$0.21; forfeiture rate 0%.

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9) SHARE CAPITAL (continued)

Share-based payments (continued)

The following table summarizes activity related to stock options for the years ended December 31, 2023 and 2022.

	2023		2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of year	-	\$ -	-	\$ -
Granted	5,150,000	0.21	-	-
Exercised	(4,150,000)	0.21	-	-
Outstanding - end of year	1,000,000	\$ 0.21	-	\$ -

As at December 31, 2023, the following options were outstanding:

Number of Options	Weighted Average Exercise Price	Weighted Average remaining contractual life	Expiry Date
1,000,000	\$ 0.21	0.50 years	June 29, 2024
1,000,000	\$ 0.21	0.50 years	

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 are exercised, at which time the corresponding amount will be transferred to share capital.

10) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

Fair Value of Financial Instruments

The fair value classification of the Company's financial instruments as at December 31, 2023 and 2022 is as follows:

	2023			2022		
	Fair Value Level	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost	
<i>Financial assets:</i>						
Cash	1	\$ 510,861	-	\$ 44,546	-	
Short term investments	1	\$ 750,000	-	\$ -	-	
Other receivable			\$ 10,726	\$ -	-	
<i>Financial liabilities:</i>						
Accounts payable			\$ 24,333	\$ -	1,770	
Accrued liabilities			\$ 15,376	\$ -	12,000	

During the years ended December 31, 2023 and 2022, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

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11) INCOME TAXES

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

	2023	2022
	\$	\$
Loss before income tax	(682,968)	(436,822)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory rate	(184,401)	(117,942)
Adjustments resulting from:		
Temporary differences	124,851	23,401
Tax loss not utilized	59,550	94,541
Income tax expense	-	-

The significant components of the Company's deferred income tax assets are estimated as follows:

	2023	2022
	\$	\$
Non-capital losses carried-forward	1,400,453	1,340,903
Evaluation and exploration assets and others	1,319,998	1,316,295
Share issuance cost	1,527	-
Unrecognized deferred income tax asset	2,721,978	2,657,198

The tax benefit of the deferred tax assets has not been recorded on the Company's consolidated financial statements due to the uncertainty of their realization.

At December 31, 2023, the Company has non-capital losses of approximately \$5,187,000 which may be carried forward to apply against future year's taxable income in Canada expiring in various amounts from 2027 to 2043: