



**KENADYR METALS CORP.
(FORMERLY KENADYR MINING HOLDING CORP.)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Kenadyr Metals Corp. (formerly Kenadyr Mining (Holdings) Corp.) ("Kenadyr" or the "Corporation") have been prepared by and are the responsibility of the Corporation's management. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Corporation's independent auditor, Dale Matheson Car-Hilton Labonte LLP Chartered Professional Accountants, has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.



KENADYR METALS CORP. (FORMERLY KENADYR MINING (HOLDINGS) CORP)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 (UNAUDITED) AND DECEMBER 31, 2020

(expressed in Canadian Dollars)

	SEPTEMBER 30, 2021	DECEMBER 31, 2020
ASSETS		
Current Assets		
Cash	\$ 26,832	\$ 120,781
Deposits and other current assets (Note 5)	54,246	67,067
	81,078	187,848
Non-Current Assets		
Exploration and evaluation asset (Note 6)	3,832,245	3,832,245
Equipment (Note 7)	16,276	26,042
Total Assets	\$ 3,929,599	\$ 4,046,135
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 388,060	\$ 153,039
Loan payable (Note 16)	50,000	
Total Liabilities	438,060	153,039
Shareholders' Equity		
Common Shares (Note 9)	20,828,997	20,828,997
Warrant reserve (Note 10)	63,741	63,741
Share based payment reserve (Note 11)	2,417,680	2,381,327
Foreign currency translation reserve	154,554	159,027
Deficit	(19,973,433)	(19,539,996)
	3,491,539	3,893,096
Total Liabilities and Shareholders' Equity	\$ 3,929,599	\$ 4,046,135

Nature and Continuance of Operations (Note 2)

Approved on behalf of the Board of Directors

/s/ Tim McCutcheon

Tim McCutcheon, Director

/s/ Michael Velletta

Michael Velletta, Director

The accompanying notes are integral to these consolidated financial statements



KENADYR METALS CORP. (FORMERLY KENADYR MINING (HOLDINGS) CORP)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian Dollars)

	THREE MONTHS ENDED SEPTEMBER 30, 2021	THREE MONTHS ENDED SEPTEMBER 30, 2020	NINE MONTHS ENDED SEPTEMBER 30, 2021	NINE MONTHS ENDED SEPTEMBER 30, 2020
OPERATING EXPENSES				
Consulting	\$ 37,800	\$ 41,600	\$ 84,553	\$ 169,119
Depreciation (Note 7)	3,256	6,247	9,766	19,683
Exploration and evaluation expenditures (Note 13)	16,275	12,982	50,798	44,395
Foreign exchange gain	671	3,888	1,591	10,063
General and administrative expenses	95,507	35,892	198,828	186,466
Investor relations	-	-	-	3,450
Legal and professional fees	8,395	33,198	55,165	73,741
Share based payment expense (Note 11)	490	2,298	36,353	8,804
Travel	-	-	-	9,881
Operating Loss	(162,394)	(136,105)	(437,054)	(525,602)
Other				
Other income	-	179	3,617	179
Write-off deposit	-	-	-	(419,086)
Net Loss	(162,394)	(135,926)	(433,437)	(944,509)
Other Comprehensive loss				
Foreign currency translation	108	(30,540)	(4,473)	(28,351)
Comprehensive Loss	\$ (162,286)	\$ (166,466)	\$ (437,910)	\$ (972,860)
Basic and diluted loss per share (Note 1)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.09)
Weighted average number of shares outstanding (basic and diluted)	11,803,955	11,644,955	11,803,955	10,896,485

The accompanying notes are integral to these consolidated financial statements



KENADYR
KENADYR METALS CORP. (FORMERLY KENADYR MINING (HOLDINGS) CORP)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian Dollars)

	NINE MONTHS ENDED SEPTEMBER 30, 2021	NINE MONTHS ENDED SEPTEMBER 30, 2020
Net loss	\$ (433,437)	\$ (944,509)
Adjustments for items not affecting cash		
Depreciation	9,766	19,683
Share based payment expense	36,353	8,804
Write-off of deposit	-	419,086
	(387,318)	(496,936)
Changes in non-cash working capital		
Accounts payable and accrued liabilities	235,021	50,172
Deposits and other current assets	12,821	9,032
Cash Flows used in Operating Activities	(139,476)	(437,732)
Proceeds from issuance of loan	\$ 50,000	\$ -
Proceeds from issuance of common shares, net of share issuance costs	-	380,895
Cash Flows used in Financing Activities	\$ 50,000	\$ 380,895
Foreign Exchange on Cash	(4,473)	(56,837)
Total Change in Cash after Foreign Exchange	(93,949)	(26,813)
Cash – Beginning	120,781	237,883
Cash – Ending	\$ 26,832	\$ 154,233

The accompanying notes are integral to these consolidated financial statements



KENADYR
KENADYR METALS CORP. (FORMERLY KENADYR MINING (HOLDINGS) CORP)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(Expressed in Canadian Dollars)

	<u>Common Shares</u>		Reserves	Share based payment Reserve	Foreign currency translation reserve	Deficit	Total
	Number of Shares	Amount					
Balance – December 31, 2019	101,642,413	\$ 20,174,972	\$ 220,837	\$ 2,370,859	\$ 160,906	\$ (18,395,030)	\$ 4,532,544
Net loss for the period	-	-	-	-	-	(808,583)	(808,583)
Shares issued for cash	13,334,632	236,395	144,500	-	-	-	380,095
Shares issued for debt settlement	1,472,500	58,900	-	-	-	-	58,900
Expiry of warrants	-	180,196	(180,196)	-	-	-	-
Other comprehensive loss	-	-	-	-	2,189	-	2,189
Share based payment (Note 11)	-	-	-	6,506	-	-	6,506
Balance – September 30, 2020	116,449,545	\$ 20,650,463	\$ 185,141	\$ 2,377,365	\$ 163,095	\$ (19,203,613)	\$ 4,172,451
Balance – December 31, 2020	118,039,545	\$ 20,828,997	\$ 63,741	\$ 2,381,327	\$ 159,027	\$ (19,539,996)	\$ 3,893,096
Net loss for the year	-	-	-	-	-	(433,437)	(433,437)
Other comprehensive loss	-	-	-	-	(4,473)	-	(4,473)
Share based payment expense	-	-	-	36,353	-	-	36,353
Share consolidation	(106,235,590)	-	-	-	-	-	-
Balance – September 30, 2021	11,803,955	\$ 20,828,997	\$ 63,741	\$ 2,417,680	\$ 154,554	\$ (19,973,433)	\$ 3,491,539

The accompanying notes are integral to these consolidated financial statements



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

1. General Information

Kenadyr Metals Corp. (“Kenadyr” or the “Corporation”) (formerly Kenadyr Mining (Holdings) Corp.) was incorporated on November 2, 2010 under the Business Corporation Act of the Province of British Columbia. The Corporation’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “KEN”.

The Corporation, through its subsidiary, is a natural resource company principally engaged in the exploration and development of the Borubai Project in the Chuy Region, Kyrgyz Republic. Kenadyr’s wholly-owned subsidiary, Proektno - Issledovatel'skii Centr Ala-Too LLC (“PIC Ala Too”), a limited liability company formed under the laws of the Kyrgyz Republic on July 1, 2011, holds the license related to the Borubai Project (Note 7), and is the operator of all related mineral exploration activities.

On August 10, 2021, the Corporation changed its name to Kenadyr Metals Corp and implemented a share consolidation of its common shares on a ten for one basis. Post-consolidation the Corporation has unlimited shares with no par value, of which 11,803,955 shares are issued and outstanding. Loss per share figures disclosed in these condensed interim consolidated financial statements has been adjusted to reflect the share consolidation.

The Corporation’s registered and records office is located at 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC V6E 4N7 and its principal business address is #1430 – 800 W. Pender Street, Vancouver, BC, V6C 2C6.

2. Nature and Continuance of Operations and Going Concern

These financial statements have been prepared on the assumption that the Corporation will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations.

As at September 30, 2021, the Corporation had not advanced its exploration and evaluation assets to commercial production and is not able to finance day-to-day activities through operations. The Corporation had cash of \$26,832 at September 30, 2021, but management cannot provide assurance that the Corporation will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. If the Corporation is unable to raise additional capital in the future, management expects that the Corporation will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. These material uncertainties cast significant doubt about the Corporation’s ability to continue as a going concern. The Corporation’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations.

The condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management intends to finance mineral property acquisition, exploration and general administration costs over the next twelve months from proceeds of private placements of its common shares.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

2. Nature and Continuance of Operations and Going Concern

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. During the three and nine months ended September 30, 2021 and the year ended December 31, 2020, the Company was affected by the adverse impact of the COVID-19. Exploration of mineral properties that the Company was actively involved in during the year were delayed or put on hold.

3. Basis of Preparation and 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 were approved by the Board of Directors on November 26, 2021.

The Corporation's financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value and are presented in Canadian dollars except where otherwise indicated.

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Inputs for the asset or liability that are unobservable

4. Significant Accounting Policies

The Corporation's accounting policies are the same as those applied in the Corporation's annual consolidated financial statements for the year-ended December 31, 2020. These condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements for the year ended December 31, 2020.

5. Deposits and Other Current Assets

	September 30, 2021	December 31, 2020
Deposits	\$ 54,246	\$ 66,715
Value-Added Tax Receivable	-	352
	\$ 54,246	\$ 67,067



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

6. Exploration and Evaluation Asset

	September 30, 2021	December 31, 2020
Borubai Project	\$ 3,832,245	\$ 3,832,245
	\$ 3,832,245	\$ 3,832,245

Borubai Project – Kyrgyz Republic

The Corporation's exploration and evaluation asset consists of the Borubai Project.

The Borubai Project consists of the Borubai Prospecting license number 3365AP in the Chuy Region, Kyrgyz Republic which is held by PIC Ala-Too. The Corporation acquired PIC Ala-Too on September 5, 2014 in exchange for 7,500,000 common shares of the Corporation (the "Consolidation Shares").

Pursuant to a revised purchase agreement ("Purchase Agreement") entered into on June 29, 2015 with the Vendors, the Corporation is required to pay a bonus payment ("Bonus Payment") in the amount of USD \$1.50 per indicated ounce of gold and USD \$3.00 per measured ounces of gold as calculated by an independent consultant and included in a report compliant with Canadian National Instrument 43-101 or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") guidelines (the "Compliant Report") if and when any such measured and indicated resources are defined in the Compliant Report. For every USD \$0.80 of Bonus Payment paid, the Corporation will receive on a pro-rata basis, one Consideration Share to a maximum of 7,500,000 Consideration Shares.

On July 13, 2021, the Corporation signed a Termination and Mutual Release Agreement with the Vendors with respect to the rights and obligations of the Purchase Agreement. The Vendors represents and confirms that it has no further claims, interest, or liens against the Corporation or any of its respective properties, mining rights and other assets that are in any way connected or associated with or arising out of the Purchase Agreement. As a result, the Bonus Payment has also been terminated and no longer a contingent liability of the Corporation.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

7. Property and Equipment

	Equipment
Cost	
As at December 31, 2019	\$ 178,887
Disposals	(97,488)
As at December 31, 2020 and September 30, 2021	\$ 81,399
Accumulated depreciation	
As at December 31, 2019	\$ (98,729)
Depreciation	(25,176)
Disposal	68,547
As at December 31, 2020	\$ (55,357)
Depreciation	(9,766)
As at September 30, 2021	(65,123)
Net Book Value	
As at September 30, 2021	\$ 16,276
As at December 31, 2020	\$ 26,042

Equipment consists primarily of surveying and office equipment.

8. Accounts Payable and Accrued Liabilities

	September 30, 2021	December 31, 2020
Accounts Payable	\$ 370,629	\$ 114,239
Accrued Liabilities	17,362	38,800
	\$ 388,060	\$ 153,039

Included in accounts payable are amounts totalling \$237,452 (2020 - \$62,639) due to related parties (see Note 16).

9. Share Capital

(a) Authorized Share Capital

The Corporation is authorized to issue an unlimited number of common shares without par value.

At September 30, 2021, the Corporation had 11,803,955 common shares outstanding.

(b) Share Consolidation

On August 10, 2021, the Corporation implemented a share consolidation ("Share Consolidation") of its common shares on a ten for one basis. As a result of the share consolidation, the weighted average number of shares outstanding, basic and diluted, for the three and nine months ended September 30, 2020 is reduced from 116,449,545 and 108,964,855 to 11,644,955 and 10,896,485 respectively. The basic and diluted loss per share for the three and nine month ended has been increased from \$0.00 and \$0.01 loss per share to \$0.01 and \$0.09 loss per share respectively.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

(c) Issued Share Capital

During the three and nine months ended September 30, 2021, the Corporation did not issue common shares.

During the year ended December 31, 2020, the Corporation issued common shares as follows:

- On May 15, 2020, the Corporation closed a private placement unit offering issuing 13,334,632 units for gross proceeds of \$400,039. Each unit is comprised of one common share at \$0.03 per share and a share purchase warrant exercisable into one common share of the Corporation at \$0.05 per share for 24 months.

The Corporation paid finder's fees of \$19,184 and issued 639,474 finder warrants, each of which entitles the holder to purchase one common share at a price of \$0.05 for one year expiring May 15, 2021. The fair value of the compensation warrants is \$11,200, calculated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 0.29%, an expected life of 1 year, an expected volatility of 121.39% and no expected dividends. The expected volatility was determined using the average historical volatility of the Corporation. The Company paid \$16,324 in legal fees in regards to the financing.

- On September 3, 2020, the Corporation issued 1,472,500 common shares at a fair value of \$0.04 per share for the settlement of \$58,900 in debt.

9. Share capital (continued)

- On November 13, 2020, the Corporation issued 1,190,000 common shares units for gross proceeds of \$59,500. Each unit is comprised of one common share at \$0.05 per share and a share purchase warrant exercisable into one common share of the Corporation at \$0.07 per share for 36 months.
- On November 13, 2020, the Corporation issued 400,000 common shares at a fair value of \$0.035 per share for the settlement of \$20,000 of debt, and recorded a gain on settlement of debt of \$6,000.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

10. Warrants

On August 10, 2021, the Corporation implemented a Share Consolidation of its common shares on a ten for one basis. The consolidation of warrants has been reflected retrospectively.

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – December 31, 2019	\$2.60	1,378,445
Share purchase warrants issued	\$0.50	1,397,410
Share purchase warrants issued	\$0.70	119,000
Expiry of warrants	\$3.50	(836,000)
Balance – December 31, 2020	\$0.70	2,058,855
Expiry of warrants	\$1.10	(606,392)
Balance –September 30, 2021	\$0.52	1,452,463

The expiry of warrants are as follows:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
May,15, 2020	May 15, 2022	1,333,463	\$0.50
November 13, 2020	November 13, 2023	119,000	\$0.70
		1,452,463	\$0.52

During the year ended December 31, 2020, the Corporation issued 1,452,463 share purchase warrants. Residual value of \$11,900 was recorded in equity.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

10. Warrants (continued)

During the year ended December 31, 2020, the Corporation issued warrants as follows:

- On May 15, 2020, the Corporation issued 1,333,463 share purchase warrants,
- On May 15, 2020, the Corporation Issued 63,947 compensation warrants. Underlying each compensation warrant is one half share purchase warrant, for a total of an additional 63,947 share purchase warrants. The incremental fair value of the warrants issued was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 0.26%, an expected life of 12 months, an expected volatility of 135.59% and no expected dividends. The expected volatility was determined using the average historical volatility of the Corporation. The total fair value of \$11,200 was recorded in equity.
- On November 13, 2020, the Corporation issued 119,000 share purchase warrants. Residual value of \$11,900 was recorded in equity.

11. Stock Options

The Corporation adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Corporation. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Corporation at any time.

On August 10, 2021, the Corporation implemented a Share Consolidation of its common shares on a ten for one basis. The consolidation of stock options has been reflected retrospectively.

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	Number of shares issued or issuable on exercise
Balance – December 31, 2020	\$1.00	762,000
Stock options issued	\$1.00	175,000
Adjustment for Share Consolidation	-	
Balance – September 30, 2021	\$1.00	937,000

On February 26, 2021, the Corporation issued 175,000 stock options to directors and officers of the Corporation. The options have an exercise price of \$1.00 and expire 3 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.14 % per annum, an expected life of options of 3 years, an expected volatility of 96%, and no expected dividends. The fair value of the options of \$33,900 was recorded as a share-based payment expense.

The Corporation recorded \$2,453 (September 30, 2020 - \$8,804) in stock-based compensation for stock options that were issued in the year ended December 31, 2019 and vested during the three and nine months ended September 30, 2021.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

10. Warrants (continued)

Share options outstanding and exercisable are summarized as follows:

Exercise Price	Options Outstanding			Options Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
\$1.00	598,000	0.55	\$1.00	598,000	\$1.00
\$1.00	14,000	2.43	\$1.00	14,000	\$1.00
\$1.00	50,000	3.20	\$1.00	50,000	\$1.00
\$1.00	100,000	3.24	\$1.00	100,000	\$1.00
\$1.00	175,000	2.41	\$1.00	175,000	\$1.00
	937,000	1.35	\$1.00	937,000	\$1.00

12. Performance Share Units

During the year ended December 31, 2019, the Corporation issued 2,032,848 performance share units ("PSU") to the CEO of the Corporation. The PSU may vest upon the completion of the acquisition of mineral property licenses in Kyrgyzstan. As a result of the Share Consolidation, the PSUs have been reduced to 203,285 units. As at September 30, 2021 and December 31, 2020, no PSU's have vested.

13. Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the three and nine months ended September 30, 2021 and 2020 are as follows:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Exploration support and administration	\$ 16,275	\$ 12,982	\$ 50,798	\$ 44,395
	\$ 16,275	\$ 12,982	\$ 50,798	\$ 44,395

14. Financial Instruments

Financial Assets and Liabilities

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Corporation considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

As at September 30, 2021, the Corporation does not have level 2 or 3 financial assets or liabilities.

There were no transfers between level 1 and 2 during the three and nine months ended September 30, 2021 and year ended December 31, 2020.



KENADYR
KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

14. Financial Instruments (continued)

Financial Instrument Risk Exposure

The Corporation's financial instruments expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Corporation's operating units. The Corporation's overall risk management program seeks to minimize potential adverse effects on the Corporation's financial performance, in the context of its general capital management objectives as further described in Note 15.

Concentration of Credit Risk

Credit risk is the risk of potential loss to the Corporation if the counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Corporation limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. The Corporation has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Corporation coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 15.

As at September 30, 2021, the Corporation had a cash balance of \$26,832 to settle current liabilities of \$438,060. All of the Corporation's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation is exposed to interest rate risk of cash balances. The Corporation periodically monitors cash balances and is of the opinion that it has no significant exposure at September 30, 2021 to interest rate risk through its other financial instruments.

Currency Risk

Currency risk is the risk that the Corporation will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Corporation is exposed to foreign currency risk on fluctuations related to cash, deposits and other current assets, and accounts payable and accrued liabilities that are denominated in U.S Dollars and Kyrgyzstani Som. The Corporation has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations. A 5% change in the USD-CAD and KGS-CAD foreign exchange rate would affect comprehensive income by approximately \$178.



KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(expressed in Canadian dollars)

15. Management of Capital

The Corporation's primary objectives in capital management are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of the Borubai Project. Capital is comprised of the Corporation's shareholders' equity. The Corporation manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. To maintain or adjust its capital structure, the Corporation may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

16. Related Party Transactions

The Corporation's related parties include key management personnel and companies related by way of directors or shareholders in common.

(a) Key Management Personnel Compensation

During the three and nine months ended September 30, 2021 and 2020, the Corporation paid and/or accrued the following fees to key management personnel:

	Three months end September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Management	\$ 111,250	\$ 76,350	\$ 229,050	\$ 229,050
Directors	-	-	-	-
Share based payment expense	490	2,298	36,353	8,804
	\$ 111,740	\$ 78,648	\$ 265,403	\$ 237,854

Key management includes the Corporation's Board of Directors and members of senior management.

(b) Due to Related Parties

As at September 30, 2021, the Corporation has \$237,452 accounts payable due to related parties (December 31, 2020 - \$62,639).

(c) Loan payable

As at September 30, 2021, the Corporation has a \$50,000 loan payable due to a Director of the Corporation.