



Kenadyr Enters into Definitive Agreement to Acquire Karus Gold Corp.

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VANCOUVER, BC – December 30, 2022 - Kenadyr Metals Corp. (TSX-V: KEN; OTC-MKTS: KNDYF; FRA: KM0) (the “**Corporation**” or “**Kenadyr**”) announces, further to its news release dated November 15, 2022, that it has entered into a binding arrangement agreement dated December 29, 2022 (the “**Agreement**”) to acquire all of the outstanding shares (the “**Karus Shares**”) of Karus Gold Corp. (“**Karus**”) by way of a plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Transaction**”).

Under the terms of the Agreement, Kenadyr’s outstanding common shares (“**Kenadyr Shares**”) will be consolidated on a 10:1 basis and Karus shareholders will receive 0.43 post-consolidation Kenadyr Shares for each Karus Share (the “**Exchange Ratio**”). Holders of Karus options, restricted share units and warrants will receive equivalent securities of Kenadyr adjusted in accordance with the Exchange Ratio. Securityholders of Karus are expected to receive an aggregate of approximately 39,091,346 Kenadyr Shares, 1,483,500 Kenadyr options, 969,650 Kenadyr restricted share units and 609,560 Kenadyr warrants, on a post-consolidation basis. Also, to settle approximately CDN\$500,000 of debt, accrued salary payments and third-party payables, a total of 1,000,000 post-consolidation Kenadyr Shares will be issued, subject to TSX Venture Exchange (“**TSXV**”) approval.

In connection with the Transaction, Kenadyr expects to complete a concurrent financing for gross proceeds of CDN\$2,000,000 at an effective price of CDN\$0.50 per post-consolidation Kenadyr Share (the “**Concurrent Financing**”). In addition, in connection with the Transaction, Kenadyr may complete a private placement of flow-through Kenadyr Shares for additional gross proceeds of up to CDN\$3,000,000. Additional information on the terms of the financings will be disclosed once finalized.

Closing of the Transaction, as contemplated by the Agreement, is subject to a number of conditions and approvals, which include: completion of the Concurrent Financing; approval by the respective shareholders of the parties, as required; court approval; and the approval of all relevant regulatory authorities including the TSXV. There can be no assurance that the Transaction or the Concurrent Financing will be completed as proposed or at all. The Agreement provides for termination rights, including in the event the Transaction is not completed by March 31, 2023.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and any securities issued pursuant to the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

ON BEHALF OF KENADYR METALS CORP.

"Tim McCutcheon"

Tim McCutcheon
Chief Executive Officer and Director

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NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative. The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

All information contained in this news release with respect to Kenadyr and Karus was supplied by the parties, respectively, for inclusion herein.

Cautionary Statement on Forward-Looking Information

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated timing and closing of the Transaction, the receipt and approval of shareholders and the TSXV, anticipated benefits to the shareholders as a result of the Transaction and the anticipated business plans and timing of future activities of the post-closing, are forward-looking statements. Although the Corporation believes that such

statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Corporation cautions investors that any forward-looking statements by the Corporation are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the state of the financial markets for the Corporation's equity securities, the state of the commodity markets generally, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Corporation may produce or plan to produce, the inability of the Corporation to obtain any necessary permits, consents or authorizations required, including TSXV acceptance, for its planned activities, the inability of the Corporation to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties disclosed in the Corporation's latest interim Management Discussion and Analysis and filed with certain securities commissions in Canada. All of the Corporation's Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Corporation's mineral properties.