



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

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

**(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 Mining (Holdings) Corp. ("Kenadyr Holdings" 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, 2023 (UNAUDITED) AND DECEMBER 31, 2022

(expressed in Canadian Dollars)

	SEPTEMBER 30, 2023	DECEMBER 31, 2022
ASSETS		
Current Assets		
Cash	\$ 3,277	\$ 7,180
Deposits and other current assets	14,699	4,046
Asset held for sale (Note 6)	40,671	40,671
Total Assets	\$ 58,647	\$ 51,897
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 1,163,335	\$ 898,280
Loans payable (Note 8)	169,446	113,019
Total Liabilities	1,332,781	1,011,299
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)	2,417,893	2,417,893
Foreign currency translation reserve	155,533	155,153
Deficit	(24,740,298)	(24,425,186)
	(1,274,134)	(959,402)
Total Liabilities and Shareholders' Equity	\$ 58,647	\$ 51,897

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, 2023 AND 2022 (UNAUDITED)

(expressed in Canadian Dollars)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
OPERATING EXPENSES				
Consulting (Note 15 a)	\$ 28,350	\$ 28,350	\$ 85,050	\$ 85,050
Depreciation	-	3,256	-	9,766
Foreign exchange loss	3	342	3	2,269
General and administrative expenses (Note 15 a)	50,871	45,295	155,169	164,896
Legal and professional fees	29,177	-	69,295	25,400
Operating Loss	(108,401)	(77,243)	(309,517)	(287,381)
Other				
Interest expense	(2,296)	(1,345)	(5,595)	(3,729)
Net Loss	(110,697)	(78,588)	(315,112)	(291,110)
Other Comprehensive income				
Exchange difference on translating foreign operations	18	247	380	433
Comprehensive Loss	\$ (110,679)	\$ (78,341)	\$ (314,732)	\$ (290,677)
Basic and diluted loss per share (Note 1)	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted average number of shares outstanding (basic and diluted)	11,803,955	11,803,955	11,803,955	11,803,955

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 THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

(expressed in Canadian Dollars)

	NINE MONTHS ENDED	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
Net loss	\$ (315,112)	\$ (291,110)
Adjustments for items not affecting cash		
Depreciation	-	9,766
Interest expense	5,595	3,729
	(309,517)	(277,615)
Changes in non-cash working capital		
Accounts payable and accrued liabilities	265,055	230,430
Deposits and other current assets	(10,653)	(43)
Cash Flows used in Operating Activities	(55,115)	(47,228)
Proceeds from issuance of loan	51,255	28,300
Cash Flows used in Financing Activities	51,255	28,300
Foreign Exchange on Cash	(43)	431
Total Change in Cash after Foreign Exchange	(3,903)	(18,496)
Cash – Beginning	7,180	29,464
Cash – Ending	\$ 3,277	\$ 10,967

The accompanying notes are integral to these consolidated financial statements.



KENADYR
KENADYR METALS CORP. (FORMERLY KENADYR MINING (HOLDINGS) CORP)
CONDENSED INTERIM STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars)

	<u>Common Shares</u>						
	Number of Shares	Amount	Reserves	Share based payment Reserve	Foreign currency translation reserve	Deficit	Total
Balance – December 31, 2021	11,803,955	\$ 20,828,997	\$ 63,741	\$ 2,417,680	\$ 155,848	\$ (20,188,861)	\$ 3,277,618
Net loss for the year	-	-	-	-	-	(103,032)	(103,032)
Other comprehensive loss	-	-	-	-	(772)	-	(772)
Balance – September 30, 2022	11,803,955	\$ 20,828,997	\$ 63,741	\$ 2,417,680	\$ 155,076	\$ (20,291,893)	\$ 3,173,814
Balance – December 31, 2022	11,803,955	\$ 20,828,997	\$ 63,741	\$ 2,417,893	\$ 155,153	\$ (24,425,186)	\$ (959,402)
Net loss for the year	-	-	-	-	-	(315,112)	(315,112)
Other comprehensive loss	-	-	-	-	380	-	380
Balance – September 30, 2023	11,803,955	\$ 20,828,997	\$ 63,741	\$ 2,417,893	\$ 155,533	\$ (24,740,298)	\$ (1,274,134)

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 NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (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 - Issledovatelskii 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 6), 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 and all references to common shares, stock options and warrants in these 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 Suite 1507, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3 .

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, 2023, 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 \$3,277 at September 30, 2023, and 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 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 NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)**

(expressed in Canadian dollars)

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 29, 2023.

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, 2022. 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, 2022.

5. Significant Accounting Judgments and Estimates

The preparation of the Corporation’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income 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 may differ significantly from these estimates.

Areas requiring a significant degree of judgment that have the most significant effect on the amounts recognized in the Corporation’s consolidated financial statements are as follows:

- *Exploration and Evaluation Assets*

The net carrying value of each mineral property is reviewed when indicators suggest potential indications impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property’s value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property’s acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.



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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(expressed in Canadian dollars)

5. Significant Accounting Judgments and Estimates (Continued)

- *Going Concern*

The assessment of the Corporation's ability to continue as a going concern involves critical judgement based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgements are used in the Corporation's assessment of its ability to continue as a going concern.

- *Valuation of Share-Based Payments*

The Corporation uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including the share price, expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's net loss and equity reserves.

6. Exploration and Evaluation Asset / Held for Sale

	Borubai Project
Balance December 31, 2021	\$ 3,832,245
Impairment	(3,791,574)
Balance September 30, 2023 and December 31, 2022	\$ 40,671

Borubai Project – Kyrgyz Republic

The Corporation's exploration and evaluation asset consists of the Borubai Project, comprises of 3 licenses in the Chuy Region, Kyrgyz Republic.

On December 29, 2022, the Corporation entered into an agreement for the sale of all of the outstanding shares of PIC Ala-Too for proceeds of USD 30,000 (CAD 40,671). The sale is subject to closing of the RTO, TSX-V approval and shareholder approval. As a result of the agreement, the Corporation has impaired the exploration and evaluation asset to USD 30,000 (CAD 40,671) and reclassified it as an asset held for sale, and recorded an impairment charge of \$3,791,574. On July 11, 2023, the agreement for the sale of the outstanding shares of PIC Ala-Too was terminated.

7. Accounts Payable and Accrued Liabilities

	September 30, 2023	December 31, 2022
Accounts Payable	\$ 997,459	\$ 704,279
Accrued Liabilities	165,884	194,001
	\$ 1,163,335	\$ 898,280

Included in accounts payable are amounts totalling \$888,575 (2022 - \$624,400) due to related parties (see Note 15).



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(expressed in Canadian dollars)

8. Loans payable

The Corporation has loans with principal totaling \$144,800. The loan is unsecured, has a 5% interest rate and is repayable on demand. The accrued interest on the loan during the nine months ended September 30, 2023 is \$5,180 (2022 - \$3,652). The balance as at September 30, 2023 is \$156,540 (December 31, 2022 - \$109,860)

The Corporation has a KGS 851,160 loan (\$13,198) as at September 30, 2023 (December 31, 2022 – KGS 200,000, CAD equivalent \$3,159.). The loan is unsecured, has no interest and is repayable on demand.

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, 2023, the Corporation had 11,803,955 common shares outstanding.

(b) Issued Share Capital

During the three months ended September 30, 2023, the Corporation did not issue common shares.

During the year ended December 31, 2022, the Corporation did not issue common shares.

10. Warrants

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, 2021	\$0.52	1,452,463
Expiry of warrants	\$0.50	(1,333,463)
Balance –December 31, 2022 and September 30, 2023	\$0.70	119,000

The expiry of warrants are as follows:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
November 13, 2020	November 13, 2023	119,000	\$0.70
		119,000	\$0.70

During the three months ended September 30, 2023, the Corporation did not issue share purchase warrants

During the year ended December 31, 2022, the Corporation did not issue share purchase warrants.



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(expressed in Canadian dollars)

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.

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, 2021	\$1.00	862,000
Stock options expired	\$1.00	(498,000)
Balance – December 31, 2022 and September 30, 2023	\$1.00	339,000

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	14,000	0.43	\$1.00	14,000	\$1.00
\$1.00	50,000	1.20	\$1.00	50,000	\$1.00
\$1.00	100,000	1.24	\$1.00	100,000	\$1.00
\$1.00	175,000	0.41	\$1.00	175,000	\$1.00
	339,000	0.77	\$1.00	339,000	\$1.00

12. Performance Share Units

During the year ended December 31, 2019, the Corporation issued 203,285 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 at September 30, 2023 and December 31, 2022, no PSU’s have vested.

13. 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, 2023, the Corporation does not any have level 2 or 3 financial assets or liabilities.



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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

(expressed in Canadian dollars)

13. Financial Instruments (continued)

There were no transfers between level 1 and 2 during the three months ended September 30, 2023 and the year ended December 31, 2022.

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 14.

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 14.

As at September 30, 2023, the Corporation had a cash balance of \$3,277 to settle current liabilities of \$1,332,781. 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, 2023 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 \$1,395.



KENADYR
KENADYR METALS CORP (FORMERLY KENADYR MINING (HOLDINGS) CORP.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)

(expressed in Canadian dollars)

14. 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.

15. 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, 2023 and 2022, the Corporation paid \$76,350 and \$229,050 respectively to key management personnel.

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

(b) Due to Related Parties

As at September 30, 2023, the Corporation has \$888,575 accounts payable due to related parties (December 31, 2022 - \$624,400).

(c) Loan payable

As at September 30, 2023, the Corporation has a \$101,500 loan payable due to a Director and Management of the Corporation. The loan is unsecured, has a 5% interest rate and is repayable on demand. The accrued interest on the loan during the nine months ended September 30, 2023 is \$4,001 (2022 - \$3,610). The balance as at September 30, 2023 is \$112,102 (December 31, 2022 - \$106,476).