



Karus Gold Enters Non-Binding Letter of Intent to Be Acquired by Kenadyr Metals

Vancouver, BC, November 16, 2022 – Karus Gold Corp. (“**Karus**” or the “**Company**”), a gold exploration company focused on the South Cariboo Gold District in British Columbia, announces it has signed a non-binding arm’s length Letter of Intent (“**LOI**”) to be acquired by Kenadyr Metals Corp. (TSX-V: KEN; OTC-MKTS: KNDYF) (“**Kenadyr**”). Per the LOI, Kenadyr will acquire 100% of the issued and outstanding common shares of Karus (the “**Karus Common Shares**”) via a Kenadyr issuance of common shares resulting in a reverse takeover by Karus (the “**Proposed Transaction**”). The resulting issuer will be Kenadyr Metals Corp., a Tier 2 TSX-V listed company. All dollar amounts are Canadian.

Proposed Transaction Highlights

- Values Karus at \$19.7 million and Kenadyr at \$1.1 million, post debt for equity
- Combined company to trade on TSX-V and OTC exchanges following closing
- Contingent on a minimum \$2 million financing and other customary approvals
- Provides a path forward for the continued development of the South Cariboo Gold Project
- Led by a strong experienced leadership team that includes (*see biographies in the Appendix below*):
 - Experienced CEO Tim McCutcheon to take the South Cariboo Gold project forward
 - Independent non-Executive Chair Stuart “Tookie” Angus
 - Independent Board of Scott Trebilcock, David Whittle and Yulia Chekunaeva
 - Retains experienced exploration team led by Michael Tucker

The Proposed Transaction

Pursuant to the Proposed Transaction current shareholders of Karus will receive common shares of Kenadyr (“**Kenadyr Common Shares**”), equal to an aggregate of approximately 39,091,346 Kenadyr Common Shares post-Consolidation (see below). The Proposed Transaction values Karus at \$19.7 million (including certain payables settled in Kenadyr Common Shares) and Kenadyr at \$1.1 million pre-Concurrent Financing (as defined below) and after various debt settlements.

As a condition of the Proposed Transaction, Kenadyr will complete a private placement (the “**Concurrent Financing**”) for gross proceeds of a minimum \$2,000,000 at an effective price of \$0.50 per Kenadyr Common Share post-Consolidation. In addition, Kenadyr intends to complete a private placement of flow-through common shares (the “**Concurrent Flow-Through**”).

Financing”). The LOI specifies that gross proceeds of a maximum of \$5,000,000 may be raised under the Concurrent Financing and Concurrent Flow-Through Financing.

Prior to the closing of the Proposed Transaction, Kenadyr will complete a consolidation of Kenadyr Common Shares on the basis of one (1) post-consolidation Kenadyr Common Share for every ten (10) pre-consolidation Kenadyr Common Shares (the “**Consolidation**”).

No loans or advances have been made between Karus and Kenadyr. There is no finder’s fee connected with the Proposed Transaction.

It is anticipated that the Proposed Transaction will close on or before the end of Q1 2023. The Proposed Transaction will be subject to customary closing conditions including shareholder, court, and the TSX Venture Exchange (the “TSX-V”) approvals.

Further updates and particulars of the Proposed Transaction will be provided by Kenadyr and Karus upon entering into a binding agreement for the Proposed Transaction. There is no assurance that the Proposed Transaction will be completed as proposed or at all.

None of the securities to be issued pursuant to the Proposed 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 Proposed 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.

About Karus Gold

Karus Gold is the 100% owner of the 1,000 km² South Caribou Gold District that includes the drill-stage FG Gold and Gold Creek projects in British Columbia. Further information on Karus Gold and its assets can be found on the Company’s website at www.karusgold.com and at www.sedar.com, or by contacting us as info@karusgold.com or by telephone at (888) 455-7620.

On behalf of Karus Gold

“Scott Trebilcock”

Lead Independent Director

Karus Gold Investor Relations

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Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects”, “suggests” and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Company and Kenadyr entering into a definitive agreement, the timing and successful completion of the Concurrent Financing and Concurrent Flow-Through Financing, the ability to meet all closing conditions and obtain approval from shareholders, the court and the TSXV, the timing and successful completion of

closing the Proposed Transaction and the anticipated benefits resulting from the Proposed Transaction, are forward-looking statements. Such forward-looking statements, and any assumptions upon which they are based, are made in good faith, and reflect our current judgment regarding the direction of our business. Management believes that these assumptions are reasonable. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Such factors include, among others: the ability to reach agreement to enter into a definitive agreement, the ability to raise the funds required in the Concurrent Financing and Concurrent Flow-Through Financing, the ability to obtain, in a timely manner, all necessary, corporate, regulatory, stock exchange, shareholder and other third-party approvals to consummate the Proposed Transaction and the ability to perform and obtain the stated benefits of the Proposed Transaction.

Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

APPENDIX: Biographies of Combined Company Leadership

- **Stuart “Tookie” Angus**, proposed Chairman and director – Mr. Angus is a current director of Kenadyr. Mr. Angus is an independent business adviser to the mining industry. For more than 35 years, Mr. Angus has focused on structuring and financing significant international exploration, development and mining ventures. Mr. Angus is the former chairman of the board of B.C. Sugar Refinery Ltd.; he was a director of First Quantum Minerals until June 2005, a director of Canico Resources Corp. until its takeover by CVRD in 2005 and a director of Bema Gold until its takeover by Kinross Gold in 2007. More recently, he was managing director of mergers and acquisitions for Endeavour Financial, a director of Ventana Gold until its takeover by AUX Canada Acquisition in 2011 and a director of Plutonic Power until its merger with Magma Energy in 2011. He was Chairman of Nevsun Resources. He is presently chairman of K92 Mining Inc., which operates the Kainantu Gold Project located in the Eastern Highlands province of Papua New Guinea.
- **Tim McCutcheon**, proposed CEO and director - Mr. McCutcheon is a current director and CEO of Kenadyr. He is a capital markets professional and corporate manager with over 25 years business experience. He was a Thompson Extel and Institutional Investor ranked metals and mining analyst for one of Europe’s largest brokerage firms. Founder of DBM Capital Partners, a boutique mining resource merchant bank with AUM of \$130M, financing and M&A value of +\$100M. Corporate turnaround of Ovoca Gold PLC, Abzu Gold Ltd., Global Minerals Ltd. Founded, managed and sold Ashanti Gold Corp. Mr.

McCutcheon has led several public natural resource companies with assets in Canada, Russia, Kyrgyzstan, Slovakia, Mali, Chile and Ghana. Columbia University, BA and MBA.

- **Scott Trebilcock**, proposed director - Mr. Trebilcock, current director of Karus, has over 25 years of experience as a process engineer, management consultant, and mining executive. He was Chief Executive Officer of KORE Mining Ltd, Chief Development Officer of Nevsun Resources, leading the company's 2016 acquisition of Reservoir Minerals and 2018 sale of Nevsun to Zijin Mining for \$1.9 billion after a year-long contested defense process. Mr. Trebilcock, sits on various boards, holds a B.Sc. in Chemical Engineering, an MBA from Queen's University and is a Chartered Director.
- **David Whittle**, proposed director - Mr. Whittle, current director of Karus, is a Chartered Professional Accountant with 30 years of senior executive experience in the mining industry. Mr. Whittle was CFO of Alexco Resource Corp. for seven years and CFO of Hillsborough Resources Limited. Mr. Whittle has extensive experience on audit, compensation and special committees. Mr. Whittle holds a B.Com. in Finance from the University of British Columbia.
- **Yulia Chekunaeva**, proposed director - Ms. Chekunaeva is the former head of Capital Markets for En+, a major multinational energy and metals conglomerate with over \$10B in revenue and 90,000 employees. She was a director of Nordgold and was Executive Director at Goldman Sachs. She is based in London, UK. Ms. Chekunaeva holds a B.Sc. in Banking and Finance from The London School of Economics, and a M.A. in Finance from University of Warwick - Warwick Business School.
- **Michael Tucker**, proposed COO and Head Geologist - Mr. Tucker, P.Ge., in good standing, has over 10 years of mineral exploration experience. He is currently Vice President of Exploration of Karus and was recently Vice President, Exploration of KORE Mining Ltd, Exploration Manager for Balmoral Resources Ltd (until acquisition by Wallbridge Mining) and has previously worked for Goldcorp, QuadraFNX and Archer, Cathro & Associates. Mr. Tucker holds a B.Sc. from Laurentian University and a M.Sc. from the University of British Columbia.