Kainantu Resources Progressing Exploration at KRL South

VANCOUVER, BC, Nov. 19, 2021 /CNW/ - Kainantu Resources Ltd. (TSX-V: KRL) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to provide the following update on its ongoing exploration programmes at KRL South for Q2 and Q3 2021 ("Period"), its highly prospective project located in the Kainantu region of Papua New Guinea ("PNG").

Highlights

- At KRL South, mapping, modelling and sampling (1,052 samples collected) has continued during the Period, with a focus on the East Avaninofi Prospect and Yaoro Ridge Prospect.
- The East Avaninofi Prospect has delivered encouraging results demonstrated by:
    - strong correlations of Au with Ag, Cu, Mo, and As; and additional samples revealing elevated values of Bi, Te, and W (similar to the geochemistry observed at the nearby Bilimoia Mineral Field, known for its high-grade gold-copper intrusive style mineralization);
    - high levels of S and Fe which are key indicators of high-grade Au potential; and
    - a NE trending Cu mineralization-controlling structure of at least 10m in width delineated; increasing in intensity towards the N of the Prospect;
- Activities at the Yaora Ridge Prospect have:
    - revealed strongly anomalous Cu and associated pathfinder elements;
    - returned an Au sample of 4.37 g/t Au; and
    - shown lithologies, alteration and mineralization similar to the East Avaninofi Prospect; with the two prospects appearing to be linked;
- The Company is accelerating plans for delineation of drill targets for 2022; and progressing excavation/contour benching at the East Avaninofi Prospect and Yaoro Ridge Prospect; and
- An airborne geophysics survey programme for KRL South is in the advanced planning stage to leverage off the positive results obtained from the successful exploration activities during 2021.

Matthew Salthouse, CEO of KRL, commented:

"Our targeted exploration programme at KRL South has accelerated over the last six months, with a number of encouraging results reported from the East Avaninofi Prospect and Yaoro Ridge Prospect. All indicators continue to support the likely widespread intrusive-related gold-copper epithermal mineralization at this project, with strong copper indicators. The Company is implementing a number of initiatives to define drilling targets in early 2022 as the next key milestone for KRL South, including an airborne geophysics survey."

Background and KRL South Progress

The Company holds two highly prospective projects in the world renowned Kainantu mining district, including KRL South (comprising EL 2559, EL 2650, EL 2652 and EL 2660 and 596.75 km² in size). KRL South is centrally located on the Kainantu transfer structure and is approximately 34 km SW of the K92 gold-silver-copper mine. The project evidences multiple intrusive-related gold-copper styles of mineralization.

Since listing, the Company's immediate focus has been on exploration activities in the central area of KRL South, primarily around Tirokave. As reported earlier in the year, following a comprehensive ridge and spur programme in 2020/early 2021 (with more than 2,000 samples taken), a number of encouraging outcomes were reported:

- prospects were identified at East Avaninofi Prospect, Yaoro Ridge Prospect and Kerefa Prospect;
- high-grade rock sampling results at East Avaninofi Prospect were reported, including 40.13ppm Au, with coincident 492ppm Cu, 131ppm Mo, 134ppm Bi and 29.3ppm Te; and
- detailed mapping and sampling indicated strong similarities between KRL South and other successful projects in the Kainantu district (demonstrated by lithologies, mineral-controlling structural trends, alteration zonation, mineralogy and geochemical data).

Building on these outcomes, KRL has continued its focused sampling programme during the Period; with mapping and manual excavation work along the dominant structural trends. The initial focus has been on the East Avaninofi Prospect and moving onto the Yaoro Ridge Prospect.

Further encouraging results and observations are reported below, with the Company increasingly confident of delineating drill targets at these prospects in the near future. Intensive and focused mapping and sampling over the East Avaninofi Prospect and further sampling at the Yaoro Ridge Prospect continues to support the Company's view of the potential of this area for eventual definition of an Au resource.

East Avaninofi Prospect

Building on the 40.13 g/t Au sample returned from the southern slopes of the East Avaninofi Prospect (shedding from a zone of strongly fractured, hydrothermally altered and mineralized hornfels), an intensive mapping and sampling program was undertaken during the Period, as noted above.

The primary aim of this was to clearly delineate structural zones bearing significant mineralization; and then devise a working model to further progress this prospect towards drilling in 2022. This programme is based on the Company's observations of the following:

- a 650m long portion of the WNW trending ridge considered prospective from a scatter of anomalous (20-100ppb) Au-in-soil samples and local rock outcrop anomalies; with up to 0.94 g/t Au reported;
- the mineralization style being mainly quartz-sulphide vein and fracture fill, hosted within hydrothermally altered hornfelsed metasediments often along the contact zones with 1m to 10m wide late stage andesitic dykes which appear to form a N to NE trending swarm. Such dyke swarms with similar orientations have also been mapped in the SE sector of the Tirokave Ring Feature, with some of the dykes shown to extend over at least 1km;
- outcrop mapping of at least three distinct phases of intrusive rocks, including the dykes,

associated with the Elandora Porphyry, all hosting copper sulphides to varying concentrations; and

- the recognition of structurally controlled NW through N to NE trending hydrothermal altered and mineralized zones of at least 10m in width, as indicated by the Company's petrological studies.

From the programme over the Period, 126 rock chip (outcrop and float) samples were taken across the East Avaninofi Prospect and 92 results have been obtained. Selectively tabulated in Figure 1 below, the most recent results returned confirm the likelihood of intrusive-related Au-Cu mineralization at East Avaninofi Prospect; and the confidence in the working model being developed to rapidly delineate drill targets.

Figure 1: Selective Sample Results from East Avaninofi Prospect

	(ppb)	(ppm)									(%)
Sample No.	Au (ppb)	Au1 (ppm)	Ag	Cu	Mo	As	Bi	Te	W	S	Fe
A06036	121	0.03	<0.5	240	8	<5	20	14	<10	15,619	3.2
A06040	7	0.01	0.6	1,950	5	21	<2	6	21	165,100	29.29
A06043	32	0.04	6.2	248	46	68	<2	<5	<10	3,539	6.27
A06046	407	0.1	3.6	3,775	18	14	5	<5	<10	73,000	23.64
A06048	3	0.02	1.2	2,363	2	10	<2	9	191	192,000	27.74
A06051	5	<0.01	1	3,938	<1	11	<2	6	12	245,300	34.81
A06054	462	0.32	11.9	1,222	20	791	<2	<5	12	29,753	14.99
A06067	17	0.02	<0.5	1,177	2	5	20	15	40	73,900	7.88

Specifically, the results demonstrate a probable nugget effect on Au values, with the comparison of fire assay (ppm) and ICP (ppb) methods. This is to be expected, particularly in the surficial portions of the mineralization. The results also indicate strong correlations of Au with Ag, Cu, Mo, and As; in addition to some elevated values of Bi, Te, and W. This supports observations of geochemical similarity between KRL South and the nearby Bilimoia Mineral Field; and its intrusive-related gold-copper mineralization style.

High proportions of S and Fe indicate a substantial sulphide content; which may also host high-grade Au potential. This aspect is expected to be an important factor for the airborne geophysical survey interpretation, with such sulphide-rich zones likely to impart a high conductivity signature on the electro-magnetic response. The contrast of mainly strongly conductive linear structural zones with the generally resistive host rocks should provide readily identifiable targets for exposure, mapping, and sampling leading into drill target definition.

Cu results from outcrop samples on the East Avaninofi ridgeline demonstrate the main mineralization-controlling width and trend (within the dashed lines) along with a scatter of subsidiary (possibly parallel/sub-parallel) structures: see Figure 2 below. The locations of anomalous Au, Ag, and As values have also been added to highlight the association of elements within the main ridgetop zone, estimated to be a 16m width at this point.

Figure 2: Distribution of anomalous Cu (+Au, Ag, As) samples at East Avaninofi Prospect

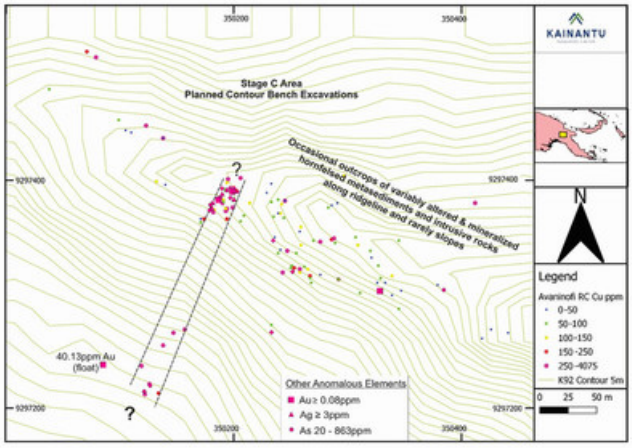


Figure 2: Distribution of anomalous Cu (+Au, Ag, As) samples at East Avaninofi Prospect (CNW Group/Kainantu Resources Ltd.)

Figure 2 demonstrates a strongly mineralized zone projecting in a NNE direction, into an area for further planned contour benching (referred to as the Stage C Area). There is potential for concentrated and significant Au-Ag-Cu+ mineralization, based on sampling and mapping to date.

KRL expects to access this area in coming weeks. In addition, excavation will continue to open up and expose the northern face of the East Avaninofi Prospect, progressively contour benching the downward slope towards the N, with related mapping and sampling expected to extend the strike directions as far as possible. KRL has planned for circa 2km of excavation and benching at the East Avaninofi Prospect in order to define initial drill targets on three different levels nominally spaced 50m vertically and 100m laterally. Further benching will likely progress northwards as the mineral controlling structures are exposed.

Yaoro Ridge Prospect

To the east, the Yaoro Ridge Prospect is a N trending feature immediately adjacent to the East Avaninofi Prospect (inclusive of the Tebeo ridge continuing in a further easterly direction for about 1.75km). High structural permeability was initially observed in some outcrops and earlier sampling supported further investigation. Upon resolution of inter-clan matters in this area in Q1, KRL has been able to conduct further extensive exploration activities in the area during the Period.

Drainage mapping and sampling has now been completed, with a total of 926 rock chip (outcrop and float) soil, stream sediment, and pan concentrate samples taken and all results returned. Figure 3 below indicates comparative anomalous assay results for rock chips taken.

Figure 3: Sampling at Yaoro Ridge Prospects During the Period

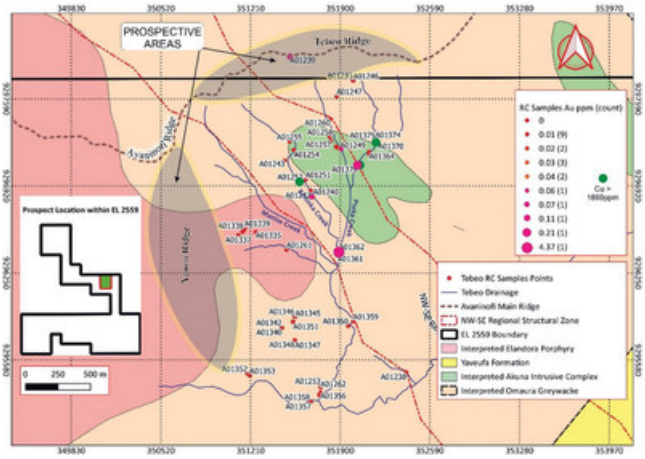


Figure 3: Sampling at Yaoro Ridge Prospects During the Period (CNW Group/Kainantu Resources

Ltd.)

These included a sample of 4.37 g/t Au, likely derived from the convergence area of the eastern flank of the Yaoro Ridge Prospect with the western Tebeo ridge, as the sample is composed of fractured, hydrothermally altered and mineralised hornfels (similar to those found with the highest grades at the East Avaninofi Prospect).

Some strongly anomalous Cu and other pathfinder elements were also identified (including a dominant N trending structural zone hosting up to 0.59% Cu at surface near an old adit area on south Yaoro Ridge). This appears to be a likely extension of a zone of Au anomalies identified in hydrothermally altered breccias to the south; and supported by several clusters of Au-in-soil anomalies (20 to 129 ppb Au) and associated elevated As results returned from the southern trending fingers off the main ridge. Analysis of key sample results is contained in Figure 4.

Figure 4: Anomalous Samples and Correlations from Yaoro Ridge Prospects

KRL Sth - H1 2021 Exploration Program - Tebeo Drainage Anomalous RC Results								
Sample No.	Au_ppm	Ag_ppm	As_ppm	Sb_ppm	Cu_ppm	Pb_ppm	Bi_ppm	Te_ppm
A01362	4.37	2.5	1789	8.6	134	952	0.2	2.7
A01376	0.21	6.2	139	1.8	2134	16	4.6	1.1
A01239	0.11	3	17	0.2	16	105	0	0
A01240	0.07	2.6	45	0.8	88	581	0.4	0.1
A01249	0.06	0.2	9	0.1	785	23	192	24.9
A01363	0.04	0.3	10	0.1	38	4	0	0
A01364	0.04	0	2	0	161	0	2.2	0.8
A01248	0.03	0	32	0.6	463	368	17.2	3.6
A01343	0.03	0	0	0	22	2	0.4	0.1
A01370	0.03	0.8	21	0.9	2731	112	1.1	0.8
A01252	0.02	0.4	5	0	1870	16	56.8	8.7

Note: Red highlights strongly anomalous, orange moderately anomalous, and yellow weakly anomalous.

In summary, the sampling results in conjunction with recent mapping indicates lithologies, alteration and mineralization similar to the East Avaninofi Prospect, meaning it is highly likely the two prospects are spatially and temporally associated.

Further excavation work is planned in coming months to expose mineralized zones along the eastern flank of Yaoro Ridge, moving in a northerly direction towards Tebeo ridge. In conjunction with an airborne EM and magnetics geophysical survey, the focus will be on defining drill targets in the area in 2022.

Kerefa Prospect

Further to the E, the Kerefa Prospect was extensively mapped with sampling of 12 costeans and surrounds in H1 2021. Initial sample results identified two apparent trends: (i) extending over 2,600m in a NNE direction, encompassing 6 widely separated points of anomalous Au-in-soil values between 19ppb Au and 102ppb Au; and (ii) a smaller NNW trend of outcrops bearing up to 1.92ppm Au and 1,245ppm Cu. These samples taken demonstrated epithermal quartz in a hydrothermal breccia. However, a southern cluster of Au-in-soil samples indicated only weakly anomalous Au and Cu results. Relative to the other prospects (and the prospectivity of KRL North), the Company has downgrade work at the Kerefa Prospect for the time-being; enabling KRL to focus resources on priority areas.

Next Steps

KRL remains extremely encouraged by exploration activities at KRL South, especially at the East Avaninofi Prospect and Yaoro Ridge Prospect.

Notwithstanding COVID related delays, meaningful progress has been made throughout 2021, in line with KRL's plan to take a focused approach to identify near term drilling targets at KRL South.

Work continues to increase the Company's confidence on the highly prospective nature of the project. For the remainder of the year, the Company will continue to undertake excavation work for contour benching and exposure of mineralization; building on sampling data for geochemical analysis in addition to mapping and modelling.

Given increased confidence, KRL is advancing final planning to commence an airborne geophysical (EM & magnetics) programme at KRL South in the near future (likely in during December 2021). This will add a further dimension to KRL's plans to accelerate activities leading to a drilling programme in 2022. The Company will provide a further update on this initiative in the near future.

Qualified Person

The scientific and technical information disclosed in this release has been reviewed and approved by Graeme Fleming, B. App. Sc., MAIG, an independent "qualified person" as defined under National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

About KRL

KRL is an Asia-Pacific focused gold mining company with two highly prospective gold projects, KRL South and KRL North, in a premier mining region, the high-grade Kainantu Gold District of PNG. Both of KRL's projects show potential to host high-grade epithermal and porphyry mineralization, as seen elsewhere in the district. KRL has a highly experienced board and management team with a proven track record of working together in the region; and an established in-country partner.

For further information please visit https://kainanturesources.com/

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