Kainantu Resources Announces $1.5 Million Private Placement Financing to Advance KRL North/South

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Vancouver, BC, Dec. 1, 2021 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to announce a financing to raise up to C$1.5 million (the "Offering").

Specifically, KRL announces a non-brokered private placement (the "Offering") for up to 8,333,333 units of the Company (each, a "Unit") at a price of C$0.18 per Unit for aggregate gross proceeds of up to C$1,500,000.

Each Unit will be comprised of one common share of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"), with each Warrant being exercisable for one Common Share at an exercise price of C$0.36 per Common Share at any time up to 36 months following the closing date of the Offering.

Matthew Salthouse, CEO of KRL, commented:

"After a successful first year of listing, KRL is venturing into 2022 with several significant catalysts to pursue at KRL North, KRL South and the May River Project. Additional strategic discussions on new projects will also continue, which will drive growth and KRL as a value proposition for investors, as a new dynamic junior miner in the Asia-Pacific region.

The Company also remains focused on its projects in Kainantu and the ongoing trends emerging for high-grade gold prospectivity, especially at the East Avaninofi Prospect and at KRL North; with funds raised in the placement to be directly applied to these programmes to accelerate progress towards clearly defined drilling targets near term."

Use of Proceeds

The net proceeds from the Offering are intended to be used, but are not limited to, exploration programmes at KRL North and KRL South leading to delineation of drilling targets, sampling and technical reports for the May River Project, and general working capital purposes.

Further Deal Terms

The Offering is expected to close on or before December 31, 2021.

Completion of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including acceptance of the TSX Venture Exchange ("TSXV").

The Warrants will also be subject to an acceleration clause whereby, in the event the volume weighted average trading price of the Common Shares on the TSXV is equal to or greater than C$0.72 for a period of ten (10) consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants that the Warrants will expire on the date that is not less than 10 days from the date notice is provided by the Company to the Warrant holders.

In connection with the Offering, the Company may pay finder's fees to certain finders, which fees would be a cash payment equal to 6% of the gross proceeds raised by purchasers introduced by such finders, and the issuance of non-transferable compensation warrants equal to 6% of the number of Units purchased by purchasers introduced by such finders (each, a "Compensation Warrant"). Each such Compensation Warrants will be exercisable for one Common Share at an exercise price of C$0.36 per Common Shares at any time prior up to 36 months following the closing date of the Offering and will be issued on substantially the same terms and conditions as the Warrants, except that the Compensation Warrants will not be subject to an acceleration clause.

All securities issued pursuant to the Offering and as payment of any finder's fees, including Common Shares issuable upon the exercise of Warrants or Compensation Warrants, if any, will be subject to a hold period of four months and one day after the date of closing of the Offering. As noted above and subject to customary closing conditions, including the approval of the TSXV, the Offering is expected to close on or before December 31, 2021. However, there is no assurance that the Company will complete the Offering upon the terms set out above, or at all.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Units, nor shall there be any sale of the Units in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The Units being offered will not be, and have not been, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

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/

Disclaimer and Forward-Looking Information

Statements contained in this release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of KRL. In making the forward-looking statements, KRL has applied certain assumptions that are based on information available, including KRL's strategic plan for the near and mid-term. There can be no assurance that such 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. KRL does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Certain of the statements made and information provided in this press release are forward-looking information within the meaning of applicable Canadian securities laws. Often, these forward-

looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "continue", "projected", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information contained in this release include, but are not limited to, statements or information with respect to: the Offering, the Company's ability to close the Offering and the use of proceeds from the Offering.

Forward-looking information by its nature is based on assumptions and involves known and unknown risks, market 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 such forward-looking information.

We have made certain assumptions about the forward-looking information. Even though our management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking statement or information will prove to be accurate. Many assumptions may be difficult to predict and are beyond our control.

Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include, among others: global outbreaks of infectious diseases, including COVID-19; geopolitical and economic climate (global and local), risks related to mineral tenure and permits; commodity price volatility; information technology systems risks; continued softening of the global market; risks regarding potential and pending litigation and arbitration proceedings relating to our business, properties and operations; mining operational and development risk; financing risks; foreign country operational risks; risks of sovereign investment; regulatory risks and liabilities including environmental regulatory restrictions and liability; mineral reserves and resources and metallurgical testing and recoveries; additional funding requirements; currency fluctuations; community and non-governmental organization actions; speculative nature of exploration; dilution; share price volatility and the price of our common shares; competition; loss of key employees; and defective title to mineral claims or properties, as well as those risk factors discussed in the sections titled "Forward-Looking Information" and "Risk Factors" in the Company's Filing Statement dated October 28, 2020. The reader is directed to carefully review the detailed risk discussion in our Listing Statement filed on SEDAR under our Company name, which discussion is incorporated by reference in this release, for a fuller understanding of the risks and uncertainties that affect the Company's business and operations.

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, you should not place undue reliance on the forward-looking information contained herein. Except as required by law, we do not expect to update forward-looking statements and information continually as conditions change.

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