KAINANTU RESOURCES CLOSES $1.67M FIRST TRANCHE OF $1.5M OVERSUBSCRIBED FINANCING

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VANCOUVER, BC, Jan. 4, 2022 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to announce that it has closed the first tranche of its previously announced upsized private placement financing of $2 million (the "Offering"). The Offering was originally announced on December 1, 2021 to raise gross proceeds of up to C$1.5 million (which detailed the relevant financing terms), and, due to oversubscriptions, the Offering was subsequently upsized to raised gross proceeds of up to C$2 million as announced on January 4, 2022.

Under the first tranche of the Offering, the Company has issued an aggregate of 9,268,825 units of the Company (the "Units") to raise gross proceeds of an aggregate of C$1,668,388. Each Unit is 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, with each Warrant being subject to acceleration in certain circumstances.

A second and final tranche of the Offering of up to an additional approximately C$0.3 million is expected to close on or before January 13, 2022.

Matthew Salthouse, CEO of KRL, commented:

"We are encouraged by the enthusiastic response to our inaugural financing post IPO and welcome new investors and stakeholders to KRL as we grow and advance our portfolio of high quality assets in Papua New Guinea. There are several catalysts expected to come to KRL in the first part of 2022 that we believe will continue generating shareholder value."

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.

Finder's Fees

In connection with the Offering, the Company previously announced it may pay cash finder's fees equal to 6% of the gross proceeds raised from purchasers introduced by such finders, and the issuance of non-transferable compensation warrants ("Compensation Warrants") equal to 6% of the number of Units purchased by purchasers introduced by such finders. Each such Compensation Warrant is exercisable for one Common Share at an exercise price of C$0.36 per Common Share at any time prior up to 36 months following the closing date of the Offering and have been issued on

substantially the same terms and conditions as the Warrants, except that the Compensation Warrants will not be subject to an acceleration clause.

Upon the closing of the first tranche of the Offering, the Company paid the following finder's fees and issued the following Compensation Warrants to such finders:

Name of Finder	Cash Finder's Fees	Compensation Warrants
Hampton Securities Limited	$ 40,127.88	222,932
PI Financial Corp	$ 11,520.00	60,000
Haywood Securities Inc	$ 324.00	1,800
Jemini Capital Inc	$ 12,642.00	70,233
Intrynsync Capital Corporation	$ 16,620.00	96,333
Canaccord Genuity Corp	$ 14,850.00	82,500
TOTAL	**$ 96,083.88**	**533,798**

All securities issued pursuant to the Offering, including Common Shares issuable upon the exercise of Warrants or Compensation Warrants, are and will be subject to a hold period of four months and one day after the date of closing of the relevant tranche of the Offering.

About Kainantu Resources (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 Papua New Guinea which is famous for one of the newest and highest grading gold mines K92 Mining (9g/t head grade).

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 in Asia Pacific Energy Ventures (APEV).

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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