KAINANTU RESOURCES CLOSES OVERSUBSCRIBED AND UPSIZED $2.77 MILLION PRIVATE PLACEMENT FINANCING

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VANCOUVER, BC, Jan. 21, 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 second tranche of its previously announced upsized private placement financing to raise an aggregate of C$2.77 million (the "Offering").

The Offering was originally announced on December 1, 2021, to raise gross proceeds of up to C$1.5 million (with relevant financing terms detailed in that announcement). Due to oversubscriptions, the Offering was subsequently upsized to raise aggregate gross proceeds of C$2.77 million, as most recently announced on January 20, 2022.

Under the second and final tranche of the Offering, the Company has issued an aggregate of 6,118,667 units of the Company (each, a "Unit") at a price of C$0.18 per Unit to raise gross proceeds of an aggregate of C$1,101,360. 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.

Under the private placement, the Company has now issued a total of 15,387,492 Units for aggregate gross proceeds of C$2.77 million under the full Offering (inclusive of the issuance of 9,268,825 Units on January 4, 2022, to raise gross proceeds of C$1,668,388 under the first tranche of the Offering).

Matthew Salthouse, Chief Executive Officer of Kainantu, commented:

"The oversubscribed financing is a testament to the operational progress and value accretive acquisitions KRL has executed in its first year of listing.

With the proceeds of the financing, KRL will continue to drive exploration activities at KRL North and KRL South; where the Company remains on track to delineate drilling targets at the East Avanionfi and Yaoro Ridge prospects. KRL will also conduct further studies on the copper and EV metal potential at its May River Project, which sits within 10 km of the Frieda River Copper Project, with a resource of 12Mt of copper and 19M oz of gold.

KRL is well positioned to generate strong shareholder returns in 2022 given ongoing insider commitment, strong board and management and local Asia-Pacific on-the-ground expertise. I look forward to 2022 as KRL continues to pursue our initiatives; with gold and copper forecast to rally in the current inflationary environment."

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.

The Company paid the following finder's fees and issued the following Compensation Warrants to such finders under the second and final tranche of the Offering:

Name of Finder	Cash Finder's Fees	Compensation Warrants
CM-Equity AG	$6,480.00	36,000
Canaccord Genuity Corp.	$25,326.00	140,700
4Front Capital Partners Inc.	$7,020.00	39,000
Jemini Capital Inc.	$20,055.60	111,420
TOTAL	**$58,881.60**	**327,120**

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.

Multilateral Instrument 61-101 – Related Party Transaction

Season Cove Limited ("Season Cove") participated in the first tranche of the Offering and purchased 638,889 Units, for an aggregate subscription of CA$115,000. Participation by Season Cove in the Offering constituted a "related party transaction" for the Company within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). MI 61-101 provides exemptions from the requirements to obtain a formal valuation and minority shareholder approval in connection with the participation by Season Cove in the Offering, and the Company has relied on the exemptions available in sections 5.5(a) and 5.7(1)(a) of MI 61-101.

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 (9 g/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).

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.

Disclaimer and Forward-Looking Information

Mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of mineralization hosted on the Company's property. 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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