KAINANTU RESOURCES COMPLETES SUCCESSFUL AIRBORNE GEOPHYSICAL SURVEY; UPDATES ON KRL NORTH

VANCOUVER, BC, March 10, 2022 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, has completed an airborne geophysical survey over both its KRL North and KRL South projects.

Data is currently being analysed. Assuming a positive assessment and in combination with mapping and geochemical sampling, this work is a key milestone step for the Company; and supports the objective of accelerating activities towards a drilling program.

Whilst being independently reviewed for KRL, mobilisation of the airborne program was successfully undertaken in co-ordination with other successful operators in the Kainantu region, Papua New Guinea ("PNG").

Highlights

- Increased confidence of the extension of high-grade mineralization extending from Bilimoia Mineral Field (K92 area) into KRL North;
- Increased likelihood of buried porphyry system at depth at KRL North, likely to be associated with a ring feature located on the southern border with K92;
- Interpreted related style Au-base metal veins systems located in the central part of KRL North/EL 2558, associated with a relatively high density of cross-cutting lineaments and mapped structures;
- Airborne geophysical survey conducted at both KRL North and KRL South, in co-ordination with Kainantu district miners:
    - Accelerates moves to delineate drilling targets in highly cost effective manner;
    - Focuses on delineating the possible extension of mineralization from K92's project into KRL North, especially in relation to the Arakompa/Maniape veins along elements of the Kainantu Transfer Structure;
    - Final analysis pending, but delivers encouraging indications; especially when overlain with other recent published regional survey results – see Figure 2; and
- Work programme to intensify activities at KRL North during 2022.

Matthew Salthouse, CEO of KRL, commented:

"This is the first time in over 10 years that an airborne geophysical survey has been done in Kainantu gold belt. While our teams are assessing the data, preliminary trends look positive and support a view that KRL North is highly prospective, especially given its location adjacent to other successful miners, some of which has notably expanded resources and signified gold and resource extensions near KRL properties.

In addition to the cost savings from regional cooperation on the geophysics program, completing this work means KRL will be in a strong position to accelerate moves towards drilling at both KRL North and KRL South."

Background

KRL holds two highly prospective projects in the Kainantu region of PNG:

- KRL North (88.65 km² in size comprising EL 2558 and EL 2655 and adjacent to K92 Mining's tenements); and
- KRL South (596.75 km² in size comprising EL 2559, EL 2650, EL 2652 and EL 2660 and approximately 25 km SW of K92 mine, with the Company actively focusing exploration efforts on two prospects: East Avaninofi and Yaoro Ridge in the Tirokave area amongst others).

Both projects are located along the world renowned Kainantu Transfer Structure, associated with highly successful precious metal mining across the district.

At KRL North, historic aeromagnetic data sourced from the PNG Mineral Resource Authority library has indicated proximity and structural similarities between this project and Bilimoia Mineral Field hosting the K92 mine.

Within 2 to 4 km SE of KRL North and on strike and along trend, two identified significant mineralised vein systems (Maniape and Arakompa) have been observed, with a conceptual mineralising porphyry source underlying the ground between Arakompa and the SW corner of KRL North (see Figure 1). While non-JORC compliant (or subject to an NI 43-101 technical report), historic data from drilling by a former miner in the 1980s and 1990s reported to indicate a resource of 560,000 oz Au at 2.2 g/t at Maniape; and 798,000 oz Au at 9.0 g/t at Arakompa.

Figure 1: Location of KRL North Relative to Known and Conceptual Mineralisation

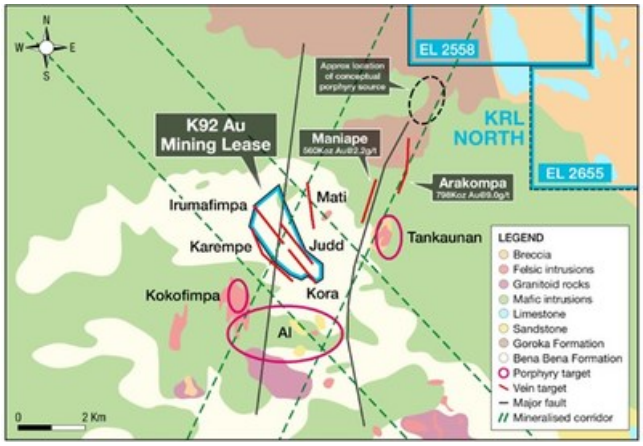


Figure 1: Location of KRL North Relative to Known and Conceptual Mineralisation (CNW Group/Kainantu Resources Ltd.)

In 2021, the Company conducted a mapping and sampling programme to identify further porphyry related alteration and mineralisation targets within KRL North, as potential extensions of Maniape and Arakompa.

Amongst other objectives, this programme was intended to assess whether the enhanced structural permeability extends to KRL North from the adjacent rich Bilimoia Mineral Field (where K92 operates). Assuming positive outcomes, KRL would then be justified to conduct further investigations (including an airborne geophysics program).

In this regard, results have been extremely encouraging and do support a decision to undertake further studies.

Outcomes at KRL North in 2021

As noted above and during 2021, KRL completed a comprehensive stream sediment and soil

sampling programme covering the eastern, central, and western stream systems forming the major drainage pattern within EL 2558/KRL North.

Mapping and sampling was concentrated within the southern half of KRL North, where several altered and intrusive bodies were observed and interpreted as associated with the Elandora Porphyry.

For initial coverage, a total of 741 samples were collected (including 246 rock outcrop and float chip, 33 stream sediment, 14 pan concentrate and 448 soil samples) – see Attachment 1 below for details. Results returned a number of high Au spot values in correlation with anomalous pathfinder elements; in particular clustered within the central south of EL 2558. In summary, analysis uncovered an Pb-Zn-Te signature towards the north; and a Mo-Bi-Sb-As signature towards the south: see Attachment 1 for further particulars.

Combined with lineament analysis, sampling also indicated the presence of both Au base metal veins and potential porphyry style mineralisation at depth, associated with a ring feature of approximately 1.5km in diameter located on southern boundary of KRL North (see Figure 2 and further discussion below).

The ring feature may indicate a buried and/or recently emergent intrusive complex which tends to dome the surrounding host rocks. In this regard, it is also noted the ring feature lies close to where an underlying potential mineralised porphyry source has previously been hypothesized by earlier explorers.

Further ring features were also verified from dykes mapped and geochemical analysis undertaken to the N and W of EL 2558/KRL North; with doming in some areas interpreted as due to the intrusion of Elandora Porphyry and Akuna Igneous Complex rocks

Overall, the 2021 field work and analysis confirms the Company's view as to the prospective nature of KRL North the project and the likely extension of high-grade mineralisation from the adjacent K92 project in the Bilimoia Mineral Field.

Figure 2: KRL North: Structural Features; Published Regional Airborne Geophysical Survey Mapping – Apparent Conductivity

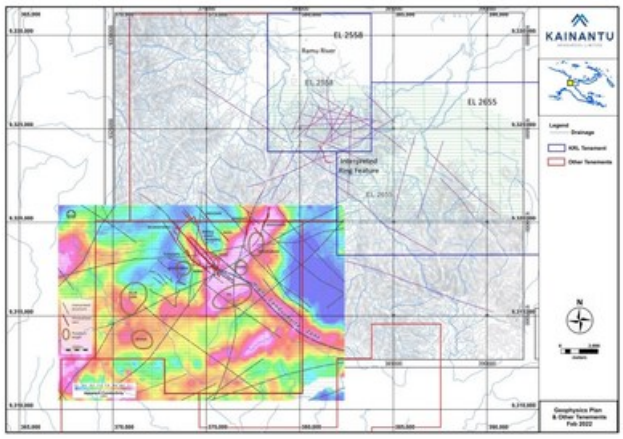


Figure 2: KRL North: Structural Features; Published Regional Airborne Geophysical Survey Mapping – Apparent Conductivity (CNW Group/Kainantu Resources Ltd.)

2022 Field Studies

During H1 2022, KRL will undertake further soil sampling and mapping adjacent to the ring feature identified at KRL North (combined with more refined lineament analysis to incorporate SE aspects of the project in EL 2655).

Airborne Geophysical Survey

Encouraging sampling results and analysis has confirmed the Company's views on the prospective nature of KRL North, justifying an immediate airborne geophysical survey of the area. In combination with ongoing mapping and sampling, such a survey will enable to Company to accelerate steps to delineate exploration and drilling targets.

In this regard, KRL co-operated with other miners in the Kainantu region in Q4 2021/Q1 2022 to share resources to mobilise for airborne geophysical surveys over respective projects. While data collected was not pooled and will be independently assessed by each company (including KRL), the co-operation arrangements enabled KRL to complete a survey of both KRL North and KRL South in January 2022.

Airborne survey data was collected under contract for KRL by the Canadian firm, Expert Geophysics (who operate the Mobile Magneto Tellurics, or Mobile MT system and have successfully used the technology internationally).

The airborne geophysics programme was flown over all of KRL North; and in addition to key areas of interest in and around the Tirokave area of KRL South (including the East Avaninofi and Yaoro Ridge prospects). The total area covered was 186 km² (involving 1,000 line-kilometres of survey).

At KRL North, the area covered was contiguous with the adjacent K92 project, which has also published positive results from their recent geophysical survey. In this regard, please refer to Figure 2 (above), which overlays recently published airborne survey analysis against KRL's regional lineament map inclusive of KRL North.

This clearly demonstrates the likely strong NE trending conductivity towards KRL North, possibly indicating underlaying sulphide-rich ore bodies. While work in progress, KRL expects the Company's own survey analysis will further demonstrate such conductivity.

KRL is analysing the data received and expects to complete a final report during April, inclusive of recommendations for areas of further work leading towards defining drilling targets amongst other positive outcomes. While awaiting further feedback, preliminary analysis is encouraging and continues to support KRL's view as the prospective nature of both KRL North and KRL South.

Completing the geophysics survey is a highly satisfactory outcome for KRL. It has enabled the collection of data at a fraction of the cost of mobilising as a single company entity; potentially also reducing the lead time to commence drilling by up to 18 months.

Next steps

KRL will continue field programmes at both KRL North and KRL South to define drilling targets. Further updates will be provided in due course, including the outcome of final analysis from the aerial geophysical survey.

Stock Options

The Company also announces the grant of 770,000 stock options that are exercisable for a period of five years at a price of C$0.19 per share to various directors and officers. The options will be subject to vesting over two years and certain hurdle price conditions. The granting of stock options is part of KRL's strategy to attract and retain talent, as well as motivating its team to work towards ensuring the success and value creation at KRL.

Attachment 1:

EL 2558 - Elevated Au-in-soil and Associated Pathfinders											
Au (ppb)	Ag	As	Sb	Cu	Mo	Pb	Zn	Bi	Te	W	Sn

90	0.2	28	1.5	48	0.8	9	207	0.9	0.4	0.1	2.7
46	0.2	23	1.4	57	0.3	18	106	5.4	1.1	0.1	1.1
38	0	6	0.3	32	0.6	3	60	0.3	0.2	0	0.6
37	0.2	21	2	112	0.3	21	366	0.4	0.3	0.2	0.8
35	0	6	0.5	65	0.4	9	111	1	0.2	0	0.8
30	0.2	7	0.7	85	0.3	12	87	0.2	0	0	0.4
30	0	5	0.4	61	1	11	91	0.4	0.3	0.1	1.9
22	0.3	9	1	64	0.2	146	264	0.3	0.1	0.1	0.7
21	0.1	3	0.5	51	0.5	11	188	1	0.2	0.2	1.4
Note: Covers an area 636m E-W x 115m N-S in the central south half of the EL; all results in ppm apart from Au in ppb											

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 Kainantu Resources (KRL)

Kainantu Resources 'KRL' is an Asia-Pacific focused gold mining company with three highly prospective gold-copper projects, KRL South, KRL North and the May River Project. All projects are located in premier mining regions in PNG.

Both KRL North and KRL South show potential to host high-grade epithermal and porphyry mineralisation, as seen elsewhere in the high-grade Kainantu Gold District. The May River project is in close proximity to the world-renowned Frieda River Copper-Gold Project, with historical drilling indicating the potential for significant copper-gold projects. 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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