KAINANTU RESOURCES ANNOUNCES $2.5MILLION FINANCING BY PRIVATE PLACEMENT

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VANCOUVER, B.C, Oct. 19, 2022 /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$2.5 million (the "Offering").

Specifically, KRL announces a non-brokered private placement (the "Offering") for up to 22,727,273 units of the Company (each, a "Unit") at a price of C$0.11 per Unit for aggregate gross proceeds of up to C$2.5 million.

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$0.22 per Common Share at any time up to 36 months following the closing date of the Offering.

Current shareholder and control person of the Company, Snowfields Wealth Management Limited ("Snowfields"), a private British Virgin Islands holding company controlled by Geoff Lawrence, a director of the Company, and Axis Metals and Mining Pte. Ltd. ("Axis") a private Singapore company controlled by Matthew Salthouse, director and Chief Executive Officer of the Company, will participate in the Offering. Accordingly, the participation of Snowfields and Axis in the Offering constitutes a related party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is exempt from the formal valuation and minority approval requirement under MI 61-101 as the fair market value of Snowfields' participation in the Offering does not exceed more than 25% of the market capitalization of the Company, as set forth in Sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company may not file a material change report more than twenty-one (21) days before the expected closing date of the Offering, as the Company intends to close the Offering as soon as practicable.

The Company anticipates Snowfields, Axis and other significant shareholders will participate in the Offering to maintain their proportionate equity interests in the Company.

Matthew Salthouse, CEO of KRL, commented:

"KRL looks forward to closing this financing, with indications of strong support from various shareholders and investors. Having successfully grown the business through challenging markets, KRL will use proceeds raised for specific key priorities; being the closure of the Kili Teke deal and funding a path-way to targeted drilling at the KRL North, Ontenu and Mountain Gate prospects. These targeted initiatives will drive value for KRL shareholders over both the short and longer term, as the Company consolidates on its progress and achievements since listing."

Use of Proceeds

The net proceeds from the Offering are intended to be used, but are not limited to, the completion of the acquisition of the Kili Teke Project (which requires a further payment to Harmony Gold (PNG) Exploration Limited of US400,000 as a condition of closing).

In addition, proceeds will be used to advance exploration programmes focusing on specific high-grade potential drilling targets at KRL North (adjacent to K92), KRL South (focusing on the Ontenu target) and May River (primarily at the Mountain Gate prospect).

Proceeds will also be used for general working capital purposes.

Further Deal Terms

The Offering is expected to close on or about October 31, 2022 and the Company will update on the private placement in due course.

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$0.44 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$0.22 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. 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.

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. KRL recently executed an agreement to acquire the Kili Teke project in the western highlands of PNG.

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

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Disclaimer and Forward-Looking Information

This release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. All statements, other than statements of historical fact, are forward-looking statements or information. Forward-looking statements or information in this news release relate to, among other things: the expected closing and use of proceeds of the Offering. These forward-looking statements and information reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include; success of the Company's projects; prices for gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive. The Company cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this news release and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in gold prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets (such as the Canadian dollar versus the U.S. dollar); operational risks and hazards inherent with the business of mineral exploration; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices, including environmental, export and import laws and regulations; legal restrictions relating to mineral exploration; increased competition in the mining industry for equipment and qualified personnel; the availability of additional capital; title matters and the additional risks identified in our filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against undue reliance on forward-looking statements or information. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances.

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For further information: Kainantu Resources; Matthew Salthouse, Chief Executive Officer (Tel: + 65 8318 8125); Callum Jones, Corporate Development Co-ordinator (Tel: + 61 450 969 697), Email: info@krl.com.sg ; Investor Relations (Jemini Capital):mKevin Shum, Tel: +1 212 219 4670 (702), Email: kevin@jeminicapital.com

CO: Kainantu Resources Ltd.

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