KAINANTU RESOURCES PROVIDES UPDATE ON SUCCESSFUL EXPLORATION ACTIVITIES AT KRL NORTH; DEVELOPING PLANS FOR DRILLING CAMPAIGN

VANCOUVER, BC, Dec. 15, 2022 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to provide an update on its exploration campaign at our KRL North site adjacent to K92. KRL also provides an update on the definition of drilling targets at KRL North, anticipated to start in H1 2023.

Highlights:

Key highlights include the following:

- KRL remains focused on the potential for high-grade Au mineralisation to extend from the K92 Mining/Bilimoia mine field into KRL North; with evidence to date supporting this continuity;
- field work and geophysical analyses continues to support an extension of the Maniape and Arakompa high-grade Au vein system across into the southern area of KRL North (with the ring feature shared with K92 Mining deemed of particular interest);
- field work continues to deliver further Au anomalies at KRL North in near proximity to the border with K92, including:
  - rock chip samples contained up to 2.28ppm Au (and associated 9.4ppm Ag, 2,477ppm As, 200ppm Sb, 418ppm Pb and 1,254ppm Zn; and
  - rock float samples returned Cu-anomalous results (356-2,755ppm) with associated Ag, Pb and Zn highs (6.6ppm, 11,908ppm and 9,993ppm respectively).
- the 2022 field campaign continues to build confidence towards a targeted drill programme during H1 2023, and;
- the Company has also identified potential for a larger additional goldfield at KRL North, inclusive of the Young Creek/Ramu Gorge areas for focus in 2023.

Matthew Salthouse, CEO of KRL, commented:

"KRL remains encouraged by the prospective nature of our KRL North project, sitting adjacent to K92. Field work and geophysics support the potential for the continuity of high-grade mineralisation extending from the K92 area into KRL North, especially around the southern boundary of our project. Work through 2022 has added to the Company view of KRL North as a high-quality asset in our portfolio, which will be the focus of a targeted drilling program during 2023."

Background

The Company's KRL North project, comprises EL 2558 and EL 2655, totalling 88.65 km² in size (along with a recent application for a licence, ELA 2755, covering 331 km²) and is adjacent to K92's successful mining tenements, located along the world renowned Kainantu Transfer Structure.

As detailed in the Company's Management Discussion and Analysis (published on

November 29, 2022) initial focus has been within EL 2558, where a drainage mapping and sampling programme was completed and analysed – further details of results are set out below. This is in addition to the airborne geophysical survey comprising Mobile MT electromagnetics/magnetics completed in H1 2022 to cover the prospective portions of KRL North.

A key focus for KRL has been to determine the potential continuity of high-grade Au mineralisation from the K92/ Bilimoia area into KRL North. 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 noted. 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.

With this in mind, the Company's focus has been on conducting mapping and sampling to identify further epithermal and/or porphyry related alteration and mineralisation targets within KRL North as extensions and/or offshoots/parallel elements of the Maniape and Arakompa trend.

As noted in earlier releases, results from both the drainage, soil sampling, and airborne geophysical survey have been extremely encouraging including identifying a ring feature in the SW corner of KRL North and shared on the boundary with K92.

Overall, the earlier field work and analysis confirmed the Company's view as to the prospective nature of the KRL North project and the likely extension of high-grade mineralisation from the adjacent K92 tenements covering the Bilimoia Mineral Field. This has supported the decision to undertake further field work leading into identifying drill targets.

The results of the geophysical survey also supports this (announced June 9, 2022). Specifically, advanced processing, inversion, modelling, and interpretive work of the data revealed several extensive elliptical and linear magnetic and apparent conductivity anomalies, locally coincidental, within KRL North (Figure 1). Observations by the field teams of hydrothermally altered and mineralised rocks on the northern to northwestern peripheries of N1 (including the southern ring feature), coupled with anomalous Au±Cu values from rock and soil samples support the interpretation of the N1 and N2 anomalies representing possible mineralised porphyry complexes.

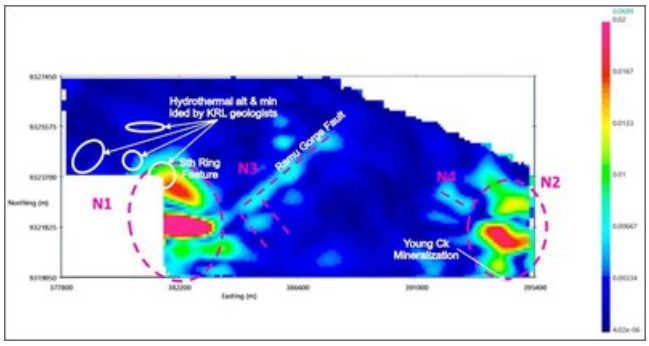


Figure 1: KRL North: A - Magnetic model (elevation -125m) (CNW Group/Kainantu Resources Ltd.)

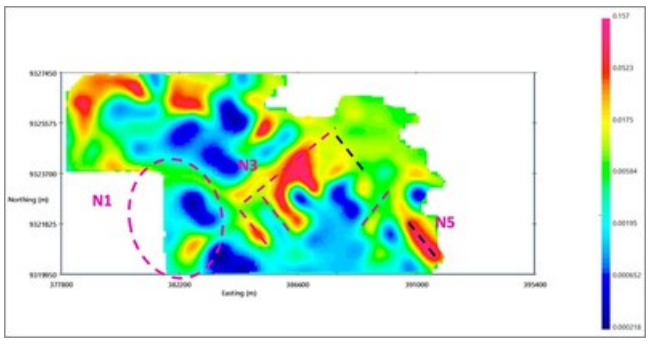


Figure 1: KRL North: B - Conductivity model (elevation 175m) (CNW Group/Kainantu Resources

Ltd.)

2022 Field Studies

During 2022 and based in part on geophysical results, KRL undertook further soil sampling and mapping adjacent to the ring feature identified on the southern boundary of EL 2558, along with more detailed mapping and sampling of the Maniape River drainage in the SW corner of KRL North. Soil sampling at KRL North during H1 2022 involved taking a total of 693 samples (inclusive of grid soil sampling over ¾ of the southern ring feature, boundary shared with K92).

The ridge and spur soil lines across the southern half produced two coherent clusters of Au anomalies and one spot high. The western Au anomaly cluster comprises 6 weak to moderately anomalous values (up to 69ppb Au) along ~300m of a N-S trending ridge centred less than 2km WNW of the southern ring feature. The eastern anomaly covers a mainly E-W trending ridge with 3 high values (115 to 329ppb Au) amidst background values, located adjacent to the eastern border of EL 2558.

Rock samples returned a high of 2.28ppm Au (and associated 9.4ppm Ag, 2,477ppm As, 200ppm Sb, 418ppm Pb, & 1,254ppm Zn) adjacent to the border with K92's EL 693. This sample was hosted in a small, oxidized ENE trending vertical fracture in weakly chlorite-sericite altered phyllite hosting weakly disseminated py-cpy-aspy.

Rock float samples returned Cu-anomalous results (356-2,755ppm) with associated Ag, Pb, & Zn highs (6.6ppm, 11,908ppm, & 9,993ppm respectively) again adjacent to K92's EL 693. It is possible they may have shed from the western portion of the southern ring feature within KRL's ground. They are hosted in both phyllite, and a fine-grained quartz veined intrusive, all displaying significant disseminated py-po-cpy-sphal/gal.

Based on these encouraging results, Q4 2022 field activities have been focusing on excavating and sampling trenches over Au±Cu anomalous outcrop and soil sample sites in the SW and SE corners of KRL North. Assay results from this latest completed campaign are still pending.

Conclusions from 2022 Field Work

The location of many of the above anomalous samples supports the potential that elements of the Maniape/Arakompa structural trend extend into the SW sector of KRL North. This is further supported by the relative increase in frequency of quartz veining mapped within that area. The sample results received so far from EL 2558 appear to build on the geophysical analysis and indicate a noted zonation of metal content possibly indicative of a potentially mineralised porphyry with peripheral quartz-base metal-Au-Ag epithermal veins; with two potential targets providing particularly encouraging results.

Exposures in cuts along the Highlands Highway in the Young Creek area displayed low temperature hydrothermal clays hosting abundant sulphides. The potential of this area was further highlighted by the underlying strong magnetic high anomaly, N2. Overall, this suggests the presence of three significant mineralisation occurrences and controlling structures similar to those seen at Bilimoia mineral field.

Next Steps and Preliminary Drill Planning

The work to date at KRL North supports the Company's view of the prospectivity of the area and the likelihood of a targeted drilling programme intended to yield high-grade intercepts. Moving towards a targeted drilling programme at KRL North is an operational priority for the Company.

In preparation for drill targeting, expected to commence in 2023, preliminary drill plans and sections have been proposed for certain prospects within KRL North, based predominantly on the

geophysical modelling profiles, mainly in order to gain a sense of what logistical challenges can be expected, as well as calculating preliminary budgets and schedules. This is in addition to potential targeted drilling at KRL South (likely around the Ontenu area of interest).

For KRL North, 2 to 3 targets have been initially chosen: N1 (including the SW end of N3) and N2. Figure 2 displays the N1/N3 Section (Ramu Gorge Target) while Figure 3 shows the N2 Section (Young Ck Target). It is envisaged that a mid-range DDH rig capable of 600m NQ will be employed with excavator and possible helicopter support for the more inaccessible drill pads.

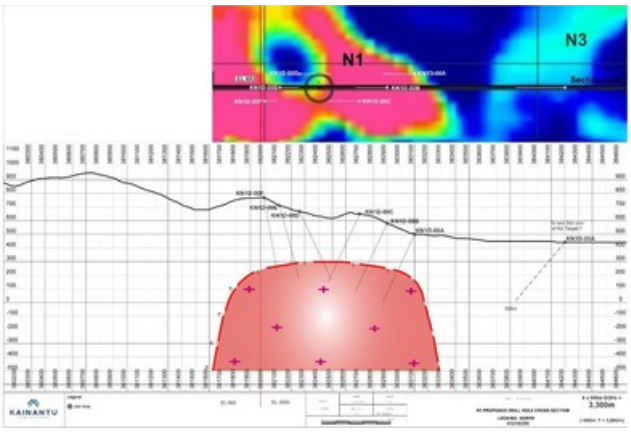


Figure 2: N1/N3 Target preliminary plan & cross-section (CNW Group/Kainantu Resources Ltd.)

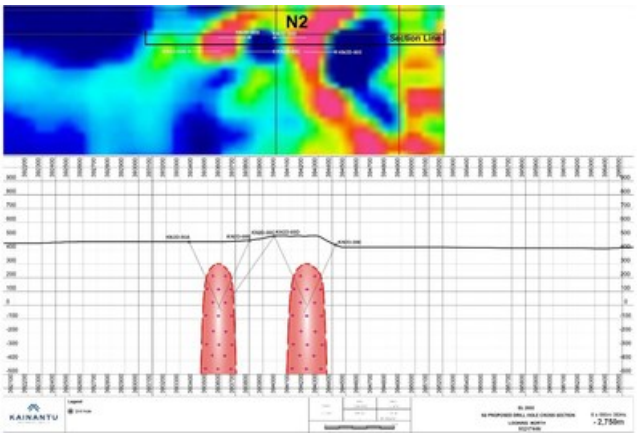


Figure 3: N2 Target preliminary plan & cross-section (CNW Group/Kainantu Resources Ltd.)

It must be emphasized that the above plans and sections are of a preliminary nature and quite simplified at this stage, and further fieldwork (including initial drilling) is essential to refine them.

The Company remains of the view that KRL North is a highly prospective area, with all work to date supporting the view as to the continuity of the Au mineralisation from K92/ Bilimoia gold field into KRL North.

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

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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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