KAINANTU RESOURCES CLOSES C$2.5M OVERSUBSCRIBED FINAL TRANCHE FINANCING TO ADVANCE KILI TEKE, KAINANTU NORTH AND SOUTH PROJECTS IN PAPUA NEW GUINEA

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION, DISSEMINATION, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES/

VANCOUVER, BC, Jan. 24, 2023 /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 final tranche of its previously announced private placement financing of C$2.5 million (the "Offering"), originally announced on October 19, 2022.

As previously announced, under the first tranche of the Offering, the Company has issued an aggregate of 15,635,790 units of the Company (the "Units") at a price of C$0.11 per Unit to raise gross proceeds of C$1,719,937. 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$0.22 per Common Share at any time up to thirty-six (36) months following the closing date of the Offering, with each Warrant being subject to acceleration in certain circumstances.

Under the final tranche of the Offering, the Company has issued an aggregate of 7,098,940 Units at a price of C$0.11 per Unit to raise gross proceeds of C$780,883.41. Each Unit is comprised of one Common Share and one 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 thirty-six (36) months following the closing date of the Offering, with each Warrant being subject to acceleration in certain circumstances.

The Common Shares and Warrants issued pursuant to the final tranche of the Offering, as well as the Common Shares issuable upon exercise of the Warrants, if any, are subject to a statutory hold period of four (4) months and a day ending on May 24, 2023, in accordance with applicable securities law.

Matthew Salthouse, CEO of KRL, commented:

"We are pleased to close the placement in the current market and believe this supports the operations and ongoing progression of the Company towards an initial drilling campaign. In addition, ongoing discussions with Harmony to progress with the Kili Teke acquisition shows the commitment of both parties to closing this acquisition."

Use of Proceeds

The net proceeds from the final tranche of the Offering 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.

Finder's Fees

No finders' fees were incurred in the final tranche of the private placement.

Multilateral Instrument 61-101 – Related Party Transaction

Snowfields Wealth Management Limited ("Snowfields") is an insider of the Company as it is controlled by Geoffrey Lawrence, a non-executive director of the Company and holds 19.51% of the Common Shares of the Company on a partially diluted basis.

Snowfields participated in the final tranche of the Offering by purchasing 3,689,664 Units for an aggregate subscription price of C$405,863.05, and, accordingly, the Offering constitutes 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").

The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval 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.

Mr. Marcus Engelbrecht is an insider of the Company, as non-executive chairman of the Company and holds 0.44% of the Common Shares of the Company on a partially diluted basis.

Mr. Engelbrecht participated in the final tranche of the Offering by purchasing 181,820 Units for an aggregate subscription price of C$20,000.20, and, accordingly, the Offering constitutes 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").

The Company will not file a material change report more than twenty-one (21) days before the expected closing date of the Offering, as the Company wished to close the Offering as soon as practicable. A copy of the early warning reports to be filed by the Company in connection with the Offering will be available on SEDAR at www.sedar.com under the Company's profile and may also be obtained by contacting the Company at info@krl.com.sg. This news release is issued under the early warning provisions of the Canadian securities legislation.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) 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 has also executed an

agreement to acquire the Kili Teke project in the western highlands of PNG.

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

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 use of proceeds from the closing of the second tranche 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.

SOURCE Kainantu Resources Ltd.

View original content to download multimedia:
http://www.newswire.ca/en/releases/archive/January2023/24/c1656.html

%SEDAR: 00046178E

For further information: Kainantu Resources, Matthew Salthouse, Chief Executive Officer (Tel: + 65 8318 8125); Callum Jones, Corporate Development & Commercial Associate (Tel: + 61 450 969 697), Email: info@krl.com.sg; Corporate Advisor (Jemini Capital): Kevin Shum, Tel: +1 212 219 4670 (extension 702), Email: kevin@jeminicapital.com

CO: Kainantu Resources Ltd.

CNW 20:36e 24-JAN-23