KAINANTU RESOURCES DISCOVERS 1.55 G/T GOLD, 0.39% COPPER, 20.8 G/T SILVER AT KRL SOUTH - CONFIRMS HIGH GRADE RESULTS AT ONTENU PROSPECT

VANCOUVER, BC, March 3, 2023 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focussed gold mining company, is pleased to announce encouraging initial results from the Ontenu Prospect at KRL South (including consistently high grade results of up to 1.55 g/t Au, 0.39% Cu, 20.8 g/t Ag and 460ppm Mo from surface).

The KRL South claims are located 27 km southwest of the K92 Mining (KNT:TSX) operations and are also situated on the Kainantu Transfer Structure.

Key Highlights:

- Geochemical analysis completed from H2 2022 initial field work at the Ontenu Prospect at KRL South;
- Consistent high grades reported from outcrop and trench exposures over a 2,300m x 900m area:
  - Gold (Au) results are remarkably consistent; with 63 sample results recorded over a narrow range of up to 1.55 g/t Au (26 samples exceeded 0.2g/t (ppm)Au, with an average of 0.45g/t (ppm) Au);
  - Copper (Cu) values of up to 0.39% (3,893ppm) with 17/63 returning >0.08% Cu;
  - Silver (Ag) values of up to 20.8 g/t, mainly associated with the highest Au values; and
  - Molybdenum (Mo) values of up to 460ppm, with 27of the 63 samples returning >10ppm Mo;
- Two distinct groups of contiguous strongly anomalous Au (up to 0.37 g/t) results from 95 gridded soil samples at 50m spacing from 2 E-W lines 100m apart transecting the centre of KRL's priority target area:
  - a 1,000m length averaging 1.01ppb Au and a 500m length averaging 114 ppb Au; and
  - Cu (up to 733ppm) and Mo (up to 310ppm) display a close correlation with Au values;

- Rigorous analyses of historic results have expanded the previous priority target areas into 1 contiguous block of 3.8km² containing strongly anomalous Au and Cu results from surface and DDH sampling, to be redesignated as "Priority 1";
- Field work focussed on geophysical results demonstrating a high apparent conductivity target is interpreted as a potential mineralized (Cu-Au-Ag-Mo) porphyry complex;
- Historic sample results of up to 15.0g/t Au, 3.17% Cu 960g/t Ag, and 170ppm Mo have been verified; and
- Favourable geology indicative of the edges of porphyry style mineralization was mapped above and peripheral to the underlying O6 anomaly.

Matthew Salthouse, CEO of KRL, commented:

"KRL is pleased to announce exceptional exploration sampling from the Ontenu prospect in our KRL South project; including consistently high grade results of up to 1.55 g/t Au, 0/39% Cu, 20.8

g/t Ag and 460ppm Mo from surface over a 2,300m x 900m area.

This supports our view that the Ontenu area is highly prospective area for Au, Cu and Ag mineralization. Further work is ongoing to move the area towards a targeted drilling programme in the near term."

Background

As previously announcement by the Company on 14th September, 2022, KRL has focused exploration activities at the Ontenu Prospect in KRL South (contained within EL2660). This area was identified as a priority area of interest following analysis of geology, historic exploration and the Company's MobileMT survey results (with further background set out below). It is located along the world renowned Kainantu Transfer Structure, in a district associated with highly successful mining projects, including K92 Mining (KNT: TSX).

The Ontenu Prospect has emerged as a stand-out prospect and is ranked as a priority for the Company in the highly prospective KRL South project (with potential to accelerate a focussed drill programme at Ontenu). Ontenu is approximately 15 kilometres east of the Tirokave area of interest (where KRL continues exploration activities) and 27 kilometres south-southwest of the K92 operations.

Geology and Geophysical Signatures at the Ontenu Prospect

A work programme was undertaken and completed in H2 2022. Initial results have now been received and are detailed below. Ongoing field work and analysis has identified a cluster of interpreted mineralized porphyry and intrusion related targets around Ontenu, a highly Au-Cu fertile area demonstrated by historic exploration results. Encouraging geophysical survey results also support the potential of Ontenu for extensive bulk grade with attendant higher-grade mineralization, making this an area of heightened focus for the Company.

In relation to the Company's geophysical survey, strongly anomalous areas were highlighted around the Ontenu Prospect. Specifically, several discrete zones of high apparent conductivity along both NW and NE trends were apparent, as set out in Figure 1 below. A central zone at the intersection of the most prominent NW and NE trending structures coincides with a stockwork zone in a landslide exposure returning highly anomalous Au geochemistry; historically reported by Barrick. Further zones in both NW and NE directions appearing to be prospective and underlain by discrete magnetic highs.

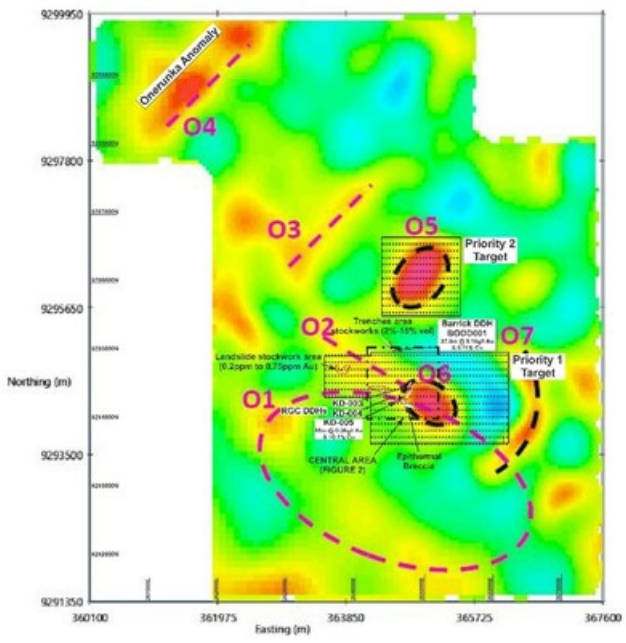


Figure 1: Ontenu area conductivity model. (CNW Group/Kainantu Resources Ltd.)

Figure 1 also demonstrates the apparent conductivity anomalies from the MMT survey with historic data from past explorers, along with the outlines of KRL targets identified for more detailed work. Two prominent apparent conductivity anomalies (O5 and O6, the tops of both interpreted as ~200m below surface), in addition to a curvilinear conductor (O7), all occur in the vicinity of the prospects historically defined. While not the focus of previous operators' exploration activities, O5 is the strongest and most depth-persistent conductor in all areas surveyed by the Company and may represent a significant under-explored shallowly buried mineralization system.

The O6 anomaly partially underlies the most focussed and successful exploratory work undertaken by prior explorers and is associated with a coincident NW trending linear conductivity and magnetic anomaly (O2), which appears to represent a significant controlling structure. Coincidentally, this is the same orientation as the high-grade Kora-Irumafimpa-Judd epithermal vein system underlaying K92's operations.

The O1 feature in the southern part of the survey area comprises broken magnetic anomalies interpreted as an intrusive complex, or volcaniclastic sediments, likely the Yaveufa Formation. Shallow linear asymmetric conductivity anomalies (O3 and O4) may represent sediments thickening towards significant NE trending structures. Quartz-limonite stockwork veining hosted by Tertiary conglomerates immediately overlying a regional unconformity with basal Mesozoic metamorphics support the area around O4, termed the Onerunka anomaly. This is a location for further field work investigation (noting artisanal miners are active here).

Field work and analysis

Work focussed on implementing a planned programme over the O6 target and surrounds that included verification of previous exploration (DDH pads and trench excavations), mapping and re-sampling selected trenches, gridded soil sampling (14 soil lines with 100m NS spacing and 50m E-W sampling interval), and 19.5km of creek traversing, mapping, and sampling, focussing on the identification of lithologies, alteration and mineralization styles, and controlling structures. The surface projection of the O6 apparent conductivity high can be identified in Figure 2 by the pink dashed oval shape towards the bottom right of the chart area.

Intrusive lithologies, including ultramafics, microdiorite, andesite, and dacite are hosted by siltstone, likely the Omaura Formation (which is hornfelsed and occasionally skarnified). Hydrothermal alteration mapped within the prospect affects all observed lithologies to some degree.

Mineralization is present in all lithologies, but found to be more prevalent in the intrusives, particularly within the microdiorite and andesite, as moderately disseminated pyrite-chalcocite±bornite±covellite and occasional sheeted and stockwork quartz-sulphide veins/veinlets. Of particular interest is one rock float sample (interpreted close to source and assaying 1.06ppm Au) exhibiting vuggy residual quartz hosting enargite mineralization, suggesting the remnants of a mineralized lithocap remaining in some areas.

The structures identified within the prospect indicate a complex regime comprising NW trending (fault breccias and faults), NE trending (faults, shear zones) and late NNW-N and NNE-E trending displacement faults. These faults act as major controlling structures to alteration and mineralization and as openings for the emplacement of younger
intermediate and mafic porphyry intrusions and associated contact brecciation.

During the mapping and sampling programme, a total of two E-W grid soil lines across the center of the Priority 1 area (Figure 2) were completed with 95 soil samples taken from the C horizon, varying from 0.8m to 2.1m depth. Outcrop, trench, and creek traverse mapping and sampling saw a total of

63 largely mineralized rock chip samples taken.

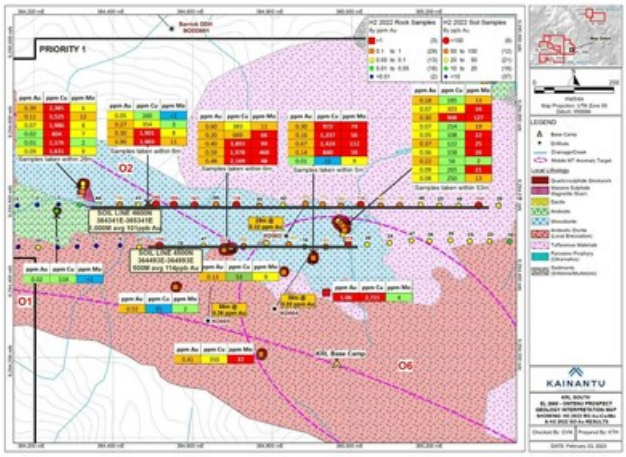


Figure 2: Geological interpretation map of Ontenu P1Central area displaying H2 2022 Au-Cu-Mo rock geochemistry including Au soil geochemistry. (CNW Group/Kainantu Resources Ltd.)

Rock Geochemistry

Gold results from fire assay, along with ICP results of 52 elements recently became available for the 63 rock chip samples taken. The Au results of these samples taken over the Priority 1 target area (3.8km², Figure 1 above) are remarkably consistent within a narrow range up to 1.55ppm Au, with only 2 of the samples falling below the detection limit of 0.005ppm Au; of these, 26 samples above an arbitrary limit of 0.2ppm Au average 0.45ppm Au.

The highest Cu value is 3,893ppm with 17 out of the 63 samples submitted returning >800ppm Cu; The highest Mo is 460ppm with 27 samples from the 63 returning >10ppm Mo; highest Ag values, up to 20.8ppm, are mainly associated with the highest Au values.

A 1.2km² area within the middle of the Priority 1 target, designated "P1 Central", Figure 2, encompasses the western portion of the surface projection of the O6 apparent conductivity target and exhibits moderate to strong Au-Ag-Cu-Mo anomalism throughout. Most of these samples represent channel/continuous chip samples taken by past explorers over mainly stockwork veined exposures and/or within trenches with the multi-element tenor confirmed by KRL's sampling programme, as set out in Figure 3 below. The area is largely underlain by strong to extremely weathered bedrock and residual soil cover.

Descriptions of sampling and assay procedures by prior explorers' annual reports of Ontenu and other areas in the Kainantu District appear to follow industry standards. Based on this, together with the initial favourable comparison of the geological descriptions and geochemical results from the P1 area, lead KRL to view the prior explorers' geochemical results as reliable for the Company's further work.

The top 10 rock sample results by key commodity are displayed in Figure 3 below. The table contains results from both KRL's H2 2022 program (samples numbers prefixed by "E") and the prior explorer's historic sampling programs.

Sample No	Au (g/t)	Sample No	Cu (%)	Sample No	Ag (g/t)	Sample No	Mo (ppm)
19479	15.00	19509	3.17	19479	960	E00031	460
19586	4.38	19503	1.89	19481	167	19507	170
19595	3.18	19527	0.92	19503	75	19534	154
19488	2.40	19514	0.43	19488	50	19484	143
19560	2.15	E00030	0.39	19586	36	E00036	127
19220	1.91	E00016	0.35	19511	27	19526	117
19591	1.90	19484	0.29	19487	26	19643	114
19481	1.88	E00049	0.27	19658	24	E00046	112

19216	1.81	19488	0.27	19218	22	E00030	99
E00010	1.55	19568	0.25	E00047	20.8	19479	99

Figure 3: *KRL and RGS Rock Sample Multi-element Result Highlights*

Soil Geochemistry

Although representing a relatively limited area within P1, the results from the brief gridded soil sampling programme are considered highly encouraging.

From a total of 95 samples at 50m spacing from 2 E-W lines 100m apart transecting the center of the Priority 1 area, 2 distinct groups of contiguous strongly anomalous Au (max 369ppb) are revealed: a 1,000m length averaging 101ppb Au and a 500m length averaging 114ppb Au, Figure 2, above. Cu (max 733ppm) and Mo (max 310ppm) display a close correlation with Au values.

The distribution of multi-element anomalous soils samples indicates at an early stage an association with the altered and mineralized microdiorite exposed along the northern edge of the surface projection of the O6 conductivity target, and extending further WNW, likely influenced by the O2 structural target. Clearly, further soil sampling may increase confidence on this observation; in addition to highlighting other prospective targets in the P1 area.

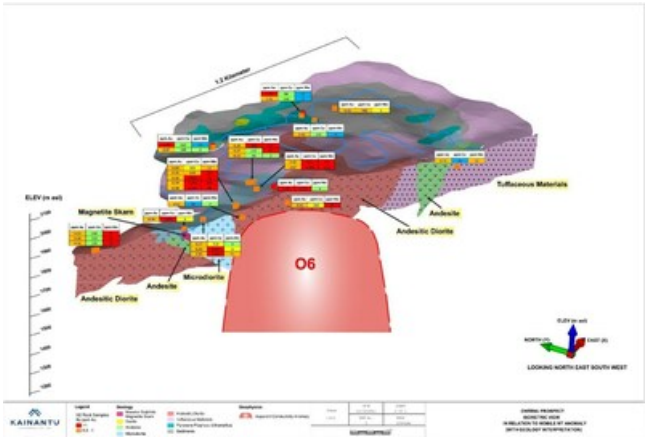


Figure 4: Ontenu Priority 1 area conductivity model (interpreted by Computational Geoscience Inc) shown spatially related to the interpreted geology and KRL's H2 2022 Au-Cu-Mo rock geochemistry map. (High resolution version available here: https://mcusercontent.com/1f837739dcc0c5be7abc5b4a8/images/909721d3-2f45-b091-a47c-f0efa0c6f9f9.jpg) (CNW Group/Kainantu Resources Ltd.)

Interpretation

Based on the results set out above, a preliminary interpretation incorporating observed geology with the geochemical results (and spatially relating them to the conductivity model generated by the MobileMT survey) are set out in Figure 4 above.

The model suggests a large depth-persistent highly conductive body shallowly underlying widespread relatively consistent Au-Cu-Ag-Mo mineralization associated with a largely hydrothermally altered intrusive complex, accompanied by peripheral skarn and evidence of remnant mineralized lithocap. KRL is of the view that the O6 anomaly represents the core of a substantial shallowly buried gold-rich porphyry copper body.

Next Steps

The high priority O6 target has been identified as a possible mineralized porphyry based on integrated geological, geochemical, and geophysical signatures discussed above. The intention is to produce zoned geochemical and alteration maps to aid in vectoring towards drill targets (with potential to move towards a focussed drill programme in the near term).

The highly promising O5 target (very similar in character to O6), along with others identified in the Ontenu area, will also undergo detailed exploration during 2023. The Company views the Ontenu area as extremely encouraging for potential economic Cu-Au-Ag-Mo mineralization at KRL South.

KRL will regularly conduct social awareness and community engagement to support field work at Ontenu from H1 2023 onwards.

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 focussed 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 mineralization, 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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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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