KAINANTU RESOURCES CLOSES C$0.3M SECOND TRANCHE OF ITS PREVIOUSLY ANNOUNCED C$1.8 MILLION CONVERTIBLE DEBENTURE FINANCING

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VANCOUVER, BC, July 18, 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 a further C$0.3 million second tranche of its private placement financing of C$1.8 million (the "Offering"), originally announced on May 30, 2023.

In the first tranche of the Offering, the Company has issued an aggregate of 6,289,551 senior convertible debentures (the "Debentures") at a price of C$0.08 per Debenture to raise gross proceeds of C$503,164.06 originally announced on June 22, 2023.

Under the second tranche of the Offering, the Company has issued an aggregate of 3,710,449 senior convertible debentures (the "Debentures") at a price of C$0.08 per Debenture to raise gross proceeds of C$296,835.94.

The Debentures, which will be issued pursuant to the Private Placement, will have a conversion price of C$0.08 per common share of the Company (the "Conversion Price"), provided that if the Company does not complete a consolidation of its outstanding common shares (the "Consolidation") that would result in a conversion price of at least $0.10 on a post-Consolidation basis is prior to the date that is 12 months from the date of issuance of the convertible notes, the Conversion Price shall thereafter be $0.10.

Closing of the Private Placement and the Consolidation remain subject to approval from the TSX Venture Exchange. The Debentures and the common shares of the Company issuable upon conversion of the Debentures are subject to a statutory hold period of four months and a day ending on November 19, 2023, in accordance with applicable securities law.

A final tranche of the Offering of up to an additional approximately C$1.0 million remains open and is expected to close on or before August 11, 2023 with further updates provided in due course.

Use of Proceeds

The net proceeds from the Offering are intended to be used, but are not limited to, the potential completion of the acquisition of the Kili Teke Project (which requires a further payment to Harmony Gold (PNG) Exploration Limited of US$400,000 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.

Use of Proceeds	Amount	Weighting

Completion of Kili Teke Acquisition	C$530,000	38 %
Exploration activities	C$420,000	30 %
General Working Capital & Investor Relations	C$450,000	32 %
TOTAL	**C$ 1,400,000**	**100 %**

Finder's Fees

No finders' fees are payable on funds raised in this tranche of the private placement.

Multilateral Instrument 61-101 – Related Party Transaction

Snowfields Wealth Management Limited ("Snowfields") and Season Cove Limited ("Season Cove") are both insiders of the Company by virtue of:

(a) in the case of Snowfields, it is controlled by Geoffrey Lawrence, director, and holds 19.99% of the Common Shares of the Company on a partially diluted basis; and
(b) in the case of Season Cove, holding 12.09% of the Common Shares of the Company on a partially diluted basis.

Snowfields Wealth Management Limited and Season Cove participated in the first and second tranches of the Offering by purchasing 3,639,236 Units, and 1,955,816 Units, respectively, for an aggregate subscription price of C$291,138.88 and C$156,465.28, respectively 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 Axis' and Season Cove's 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 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 four highly prospective gold-copper projects, the Kili Teke Project, 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.

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 closing of a second tranche of the Offering and use of proceeds from the closing of the first tranche of the Offering the Conversion Price and the potential Consolidation. 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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