Kainantu Resources Filing of H1 and Q2 2023 Results

VANCOUVER, BC, Aug. 29, 2023 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to report the filing of its second *interim results for the period ending June 30, 2023, a copy of which is available for review in the "Investors"* section of the Company's website.

Highlights to report over the period include the following (with financial analysis stated in USD unless otherwise noted):

Business and Operations

- Adoption of an NI43-101 inferred resource (and publication of a Technical Report) for the Kili Teke project:
  - 237Mt @ 0.34% Cu, 0.24 g/t Au and 168ppm Mo, for a total of 802kt of Cu, 1.8Moz of Au and 40kt of Mo;
- Progress at the Ontenu prospects in KRL South (the subject of further activities as the Company moves to delineate drilling targets), with consistent high grades reported form outcrop and trench exposures over a 2,300m x 900m area:
  - Au results being remarkably consistent; with 63 sample results recorded over a narrow range of up to 1.55 g /t Au (26 samples exceeded 0.2ppm Au, with an average of 0.45ppm Au);
  - Cu values of up to 0.39% (3,893ppm) with 17/63 returning >800ppm Cu;
  - Ag values of up to 20.8 g/t, mostly associated with the highest Au values;
  - Mo values of up to 460ppm, with 27of the 63 samples returning >10ppm Mo;
  - Distinct groups of contiguous strongly anomalous Au (max 369ppb) 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 101ppb Au and a 500m length averaging 114ppb Au;
    - Cu (max 733ppm) and Mo(max 310ppm) display a close correlation with Au values;
- A highly successful study was completed and reported on the Mountain Gate Prospect at the May River Project, with analysis completed on a total of 324 samples taken from surface and trenching, with analysis indicating:
  - Significant Au-Cu assay results were collected at Koras Creek in the Prospect, with assay results ranging from 1342 ppm (0.13%) Cu to 5222 ppm (0.52%) Cu, covering a distance of 194 m (with weaker anomalous gold values ranging from 0.047ppm to 0.213ppm Au also reported);
  - Possible up flow zones of a porphyry located, along with other outcrops containing mineralization and alteration, suggests an Au-rich high-sulfidation deposit which also overlies a buried porphyry Cu-Au deposit;
  - Indications of other satellite porphyry Cu-Au and epithermal Au deposits have also been identified within the nearby VTEM-ZTEM anomalies;
  - Channel cut samples from trenching by prior holders of the Project yielded significant Au and Cu assay results intervals;
    - KRL believing there is a distinct possibility that the entire Skygate Belt (ie: all known prospects in the Project) will prove to be a coherent 5km-long geochemical anomaly;
- Completion of the acquisition of the remaining 90% interest in the May River Project, taking

KRL's total ownership to 100%; with KRL issuing script consideration of 18 million common shares to the current owners, representing a value of C$1,440,000 (based on the at the closing market price of KRL shares on March 31, 2023, and viewed at a discount to the intrinsic value);
- Completion of a private placement for C$2,500,000; and the subsequent announcement of the issuance of convertible notes to raise up to C$1,800,000 (with C$500,000 placed prior to the end of H1).

Financial

- Ongoing prudent management of capital resources in H1 2023:
  - A net loss of US$0.63 million; being in line with H1 2022 net loss US$0.52 million;
  - Expenditure on exploration and evaluation activities totalled US$0.44 million (which has been capitalised), being US$0.78 million lower than H1 2022. The reduction being due to the focus on maintaining capital while ensuring license commitments are met; and
  - Closing cash and receivables of $0.73 million (or C$1.0 million) with cash outflows from exploration of $0.46 million and net inflows from financing of $1.12 million (including a total of $0.6 million from the convertible debenture).

In the current Q3, KRL is advancing steps to close a further round of funding via the convertible note (as detailed above) and complete remaining steps to complete the Kili Teke acquisition from Harmony.

Matthew Salthouse, CEO of KRL, commented:

"KRL is pleased to provide this update for H1 2023. Key highlights include advancing corporate activities by moving to 100% ownership of the May River Project and publishing an NI43-101 compliant inferred resource for the Kili Teke acquisition.

An immediate focus remains on actions to close the Kili Teke deal, given progress in advancing regulatory approvals in Papua New Guinea. In addition, our field campaign at the Ontenu project in KRL South has produced some exceptional early-stage results; supporting activities to move towards a drilling programme in this area.

KRL will continue to preserve cash in capital markets which remain challenging; while also examining options to ensure KRL's overall portfolio is adequately valued as we move through the remainder of 2023. Management acknowledges the ongoing support of stakeholders in this regard."

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 Limited (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 near 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/

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: formulation of plans for drill testing; and the success related to any future exploration or development programs. 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.sedarplus.ca). 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/August2023/29/c8068.html

%SEDAR: 00046178E

For further information: Enquiries: Kainantu Resources, Matthew Salthouse, Chief Executive Officer (Tel: + 65 8318 8125); Stacey Halliwell, General Manager - Investor Relations (Tel: + 65 975), Email: info@krl.com.sg

CO: Kainantu Resources Ltd.

CNW 16:15e 29-AUG-23