KAINANTU RESOURCES ANNOUNCES AMENDED TERMS AND CLOSING OF THE THIRD TRANCHE FOR C$0.3M OF ITS PREVIOUSLY ANNOUNCED C$1.8 MILLION CONVERTIBLE DEBENTURE FINANCING

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VANCOUVER, BC, Sept. 1, 2023 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("**KRL**" or the "**Company**"), the Asia-Pacific focused gold mining company, is pleased to announce the closing of the third 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 senior convertible debenture units (the "**First Tranche Debenture Units**") with an aggregate principal amount of C$503,164.06, as announced on June 22, 2023.

In the second tranche of the Offering, the Company has issued senior convertible debenture units (the "**Second Tranche Debenture Units**") with an aggregate principal amount of C$296,835.94, as announced on July 18, 2023.

In the third tranche of the Offering, the Company has issued senior convertible debenture units (the "**Third Tranche Debenture Units**", and together with the First Tranche Debenture Units and the Second Tranche Debenture Units, the "**Debenture Units**") with an aggregate principal amount of C$310,000.

A final tranche of the Offering of up to an additional C$690,000 is expected to close on or before September 8, 2023.

Each Debenture Unit consists of: (i) a 10% convertible secured debenture (a "**Convertible Debenture**") convertible into common shares of the Company ("**Common Shares**") at a conversion price of C$0.08 per common share (the "**Conversion Price**") at any time given a period commencing twelve months from the closing date and ending on the date that is 36 months from the closing date, provided that if the Company does not complete a consolation of the issued and outstanding common shares that would result in a Conversion Price of at least C$0.10 on a post-consolidation basis, the Conversion Price at any time during the period commencing 12 from the closing date and ending on the date that is 36 months from the closing date shall be C$0.10, and maturing three years from the closing date of each tranche; and (ii) such number of common share purchase warrants (the "**Warrants**") that would result from dividing the principal amount of such Debenture Unit by C$0.08, with each Warrant entitling the holder thereof to acquire one common share of the Company (each, a "**Warrant Share**") at C$0.12 per share for a period of three years from the closing of the applicable tranche.

In the event that at any time following eighteen months after the issuance of a Convertible Debenture the 60-day volume-weighted average price of the Common Shares on the TSX Venture Exchange is equal to or greater than 200% of the Conversion Price, the Company will have the right to exercise 50% of the outstanding principal amount of such Convertible Debenture into Common Shares. If such 60-day VWAP is equal to or greater than 300% of the conversion price, the Company has the right to exercise all or a portion of the outstanding principal amount of such Convertible Debenture into Common Shares.

The terms of the Offering set out herein amend and restate the terms of the Offering as described in the news releases referred to above, which essentially mistook the detachable warrants for underlying warrants of the convertible debentures.

The Convertible Debentures, Warrants, Warrant Shares, Finder Warrants (as defined below) and Finder Warrant Shares (as defined below) are subject to a statutory hold period of four months and a day ending on four months and a day after the date of issuance thereof, in accordance with applicable securities law.

Finder's Fees

The Company has paid to Lightstream Capital Ltd. and Haywood Securities Inc. (the "**Finders**") C$21,600 in cash and issued to the Finders a total of 180,000 common shares purchase warrants (the "**Finder Warrants**"), each Finder Warrant entitling the holder thereof to acquire one common share of the Company (each, a "**Finder Warrant Share**") at C$0.12 per share for a period of three years from the closing of the applicable tranche.

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	47.75 %
Exploration activities	C$420,000	37.84 %
General Working Capital & Investor Relations	C$160,000	14.41 %
TOTAL	**C$1,110,000**	**100 %**

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 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.

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 use of proceeds from the Offering; the Conversion Price of the Convertible Debentures; the potential consolidation of the authorized share capital of the Company; and the potential of both KRL North and KRL South. 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.

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For further information: 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.