Kainantu Resources Closes C$1.75 Million First Tranche of its Private Placement Financing

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VANCOUVER, BC, Dec. 22, 2023 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), is pleased to announce that it has closed the first tranche of its previously announced private placement financing of C$2,000,000 (the "**Offering**"), originally announced on November 23, 2023.

Under the first tranche of the Offering, the Company has issued an aggregate of 87,500,000 common shares of the Company (the "**Shares**") at a price of C$0.02 per Share to raise gross proceeds of C$1,750,000.

The Common Shares issued pursuant to the Offering are subject to a statutory hold period of approximately four months ending on April 23, 2024, in accordance with applicable securities law.

A second and final tranche of the Offering of up to an additional approximately C$250,000 remains open and is expected to close in January 2024.

The net proceeds of the Offering will be used as follows: (i) to satisfy a US$500,000 (approximately C$685,000) payment due to Harmony Gold (PNG) Exploration Limited ("**Harmony**") under the Asset Sale and Royalty Agreement dated April 6, 2022 with Harmony (which amount has been paid, see news release on December 1, 2023), (ii) to carry out exploration work of approximately US$500,000 (approximately C$685,000) on its properties in Papua New Guinea, and (iii) the balance on general administrative and working capital purposes.

In connection with the first tranche of the Offering, the Company issued to the finder 875,000 Shares and 875,000 share purchase warrants (each, a "**Compensation Warrant**"). Each such Compensation Warrants will be exercisable for one Share at an exercise price of C$0.05 per Share at any time prior up to 36 months following the closing date of the Offering.

Multilateral Instrument 61-101 – Related Party Transaction

Snowfields Wealth Management Limited ("**Snowfields**") and Oceanside Strategies Inc. ("**Oceanside**") are all insiders of the Company by virtue of Geoffrey Lawrence, a director, controlling Snowfields and Dain Currie, a director controlling Oceanside. Snowfields and Oceanside participated in the first tranche of the Offering by purchasing 4,509,587 Shares, and 3,250,000 Shares, respectively, for an aggregate subscription price of C$90,192 and C$65,000, 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 each of the insider'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.

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)

KRL is an Asia-Pacific focused gold mining company with four highly prospective gold-copper projects, Kili Teke, 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. Kili Teke is an advanced development project with an existing inferred mineral resource. 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

Statements contained in this release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of KRL. In making the forward-looking statements, KRL has applied certain assumptions that are based on information available, including KRL's strategic plan for the near and mid-term. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. KRL does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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