



Kainantu Resources Announces Filing of the Kili Teke Project Technical Report

Vancouver, B.C. – January 12, 2023 - Kainantu Resources Ltd. (TSX-V: KRL, FSE: 6J0) (“KRL” or the “Company”), the Asia-Pacific focused gold mining company, is pleased to announce the filing of a Technical Report entitled “Kili Teke Cu-Au Project, Papua New Guinea” with an effective date of January 12, 2023 (the “Technical Report”). The report relates to the Company’s proposed acquisition from Harmony Gold (PNG) Exploration Limited (“Harmony”) of the Kili Teke project, initially disclosed on [April 6, 2022](#).

The Technical Report was authored by Independent Qualified Person, Mr. Graeme Jon Fleming of GJF Geological Services who is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). The report is available in the Kili Teke Project page on the Company’s website (<https://kainanturesources.com/projects/kili-teke-project/>) and under the Company’s profile on SEDAR at www.sedar.com.

Highlights from the Kili Teke Technical Report:

- The most recent mineral resource estimate (“MRE”) for Kili Teke was completed by Harmony in 2017. The estimate detailed an Inferred Mineral Resource of 237Mt @ 0.34% Cu, 0.24g/t Au and 168ppm Mo, for a total of 802kt of Cu, 1.81Moz of Au and 40kt Mo (at a 0.2% Cu cut-off). This has been confirmed and restated in the current Technical Report.
- The MRE does not include skarn mineralisation into the resource which is expected to increase the Cu and Au grades by 5% and 4%, respectively, and to increase the respective metal contents by 11% and 10% – representing significant upside potential.
- KRL has conducted a preliminary mining study and identified the opportunity to upgrade the open-pit resource by infill drilling. KRL believes that an open-pit mine could generate robust economic returns if more high-grade mineralisation can be delineated with the upper reaches of the deposit. The excluded skarn material represents a clear target for future infill drilling.

Matthew Salthouse, CEO of KRL, commented:

“The finalisation of the Technical Report marks a significant step forward and fulfilment of one of the few remaining conditions precedent for KRL to acquire the Kili Teke project. KRL expects to complete its current capital raise in the near future. Once complete and payment made, the only conditions remaining for the completion of the transaction are local regulatory approvals and the transfer of certain rights.”

Kili Teke Acquisition Background

KRL announced the acquisition of the Kili Teke project from Harmony Gold (PNG) Exploration Limited, a wholly-owned subsidiary of the Harmony Gold Mining Company Limited of South Africa, on the following terms (see KRL press release, dated April 6, 2022), as follows:

- Initial cash consideration of US\$1 million, payable in two instalments: US\$500,000 on closing, in respect of which the Company has advanced a refundable deposit of US\$100,000, and US\$500,000 on receipt of post-closing regulatory approvals (expected in later in 2023);
- KRL intends to work towards a Preliminary Economic Assessment (“PEA”), then a Feasibility Study. If KRL views the Project positively at each step, KRL to make further payments to Harmony of US\$3 million and US\$4 million respectively;
- KRL to pay Harmony a 1.5% net smelter royalty from future mine revenue; and



- Harmony entitled to become a strategic investor in KRL, with Harmony to be issued warrants equal to 9.9% of the issued share capital of KRL on closing (with each warrant exercisable at C\$0.28 per share).

Private Placement

KRL announces that the non-brokered private placement (the “Offering”) for up to 22,727,273 units of the Company (each, a “Unit”) at a price of C\$0.11 per Unit for aggregate gross proceeds of up to C\$2.5 million announced on [October 19, 2022](#) has been extended up to January 24, 2023.

Pursuant to the closing of the first tranche of the Offering on [November 3, 2022](#), the Company has issued an aggregate of 15,635,790 Units at a price of C\$0.11 per Unit to raise gross proceeds of C\$1,719,937.

The second and final tranche of the Offering of up to an additional approximately C\$0.8 million is progressing and is expected to close before January 24, 2023 and the Company will provide an update on the Offering in due course.

Each Unit is comprised of one common share of the Company (each, a “Common Share”) and one common share purchase warrant (each, a “Warrant”), with each Warrant being exercisable for one Common Share at an exercise price of C\$0.22 per Common Share at any time up to 36 months following the closing date of the Offering, with each Warrant being subject to acceleration in certain circumstances.

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 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.

Enquiries:

Kainantu Resources

Matthew Salthouse, Chief Executive Officer (Tel: + 65 8318 8125)

Callum Jones, Corporate Development & Commercial Associate (Tel: + 61 450 969 697)

Email: info@krl.com.sg

For further information please visit <https://kainanturesources.com/>

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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: closing of the second tranche of the Offering, use of proceeds from the same; the ability of the Company to close the acquisition of the Kili Teke project; future Cu and Au grades and metal content in the mineral resource estimates; potential upgrades to the open-pit resource; formulation of plans for drill testing; the success related to any future exploration or development programs and potential economic returns. 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.