



KAINANTU

KAINANTU RESOURCES LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Presented in United States Dollars)

September 30, 2023

(Unaudited, Prepared by Management)

Reader's Note:

These unaudited interim condensed consolidated financial statements have been prepared by management and have not been reviewed by the Company's auditor

KAINANTU RESOURCES LTD.

Consolidated Statements of Financial Position (Presented in thousands of United States Dollars)

As at	Note	September 30, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		\$ 74	\$ 311
Receivables		128	22
Prepaid expenses		99	169
Total Current Assets		301	502
Non-Current			
Deposits and long-term prepaid assets	3	270	373
Property and equipment	4	246	283
Exploration and evaluation assets	5	7,434	6,198
Investments		266	253
Total Non-Current Assets		8,316	7,107
Total Assets		\$ 8,617	\$ 7,609
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		\$ 1,377	\$ 708
Total Current Liabilities		1,377	708
Non-Current			
Long term loan	6	\$ 934	\$ -
Total Non-Current Liabilities		934	-
Shareholders' Equity			
Share capital	7	9,390	8,976
Share subscriptions received in advance	7	-	55
Reserves		1,441	1,284
Accumulated other comprehensive income		34	47
Deficit		(4,559)	(3,493)
Total Shareholders' Equity		6,306	6,901
Total Liabilities and Shareholders' Equity		\$ 8,617	\$ 7,609
Nature of business	1		
Continuance of operations	2 c.		
Subsequent events	9		
Approved and authorized by the Board of Directors on _____:			
"Adam Clode"		"Dain Currie"	
_____ Adam Clode, Director		_____ Dain Currie, Director	
<i>The accompanying notes are an integral part of these consolidated financial statements</i>			

KAINANTU RESOURCES LTD.

Consolidated Statements of Loss and Comprehensive Loss

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

For the Period	Note	9 Months ended September 30, 2023	9 Months ended September 30, 2022
EXPENSES			
Professional and legal	\$	402	\$ 25
Corporate and administrative		125	166
Board and management		256	260
Marketing and investor relations		297	326
Share based payments		-	4
Total Expenses		(1,083)	(782)
Other Items			
Foreign exchange (gain) loss	\$	(17)	\$ -
Loss for the Period		(1,066)	(782)
Foreign exchange translation		(46)	(36)
Comprehensive Loss for the Period	\$	(1,020)	\$ (816)
Basic net loss per common share	\$	0.011	\$ 0.002
Weighted average number of common shares outstanding – basic		94,753,421	60,623,424

The accompanying notes are an integral part of these consolidated financial statements

KAINANTU RESOURCES LTD.

Consolidated Statements of Cash Flows
(Presented in thousands of United States Dollars)

For the period	Note	9 Months ended September 30, 2023	9 Months ended September 30, 2022
OPERATING ACTIVITIES			
Loss for the period	\$	(1,066)	\$ (782)
Items not affecting cash			
Share-based payments		1	-
Changes in non-cash operating working capital			
Receivables		(27)	(25)
Prepaid expenses		70	(35)
Accounts payable and accrued liabilities		693	(88)
Due from/to related parties		(103)	214
Cash used in Operating Activities		(432)	(712)
INVESTING ACTIVITIES			
Payment for exploration and evaluation assets	\$	(1,296)	\$ (1,642)
Deposits and prepaids		100	-
Payments from plant and equipment		(2)	(10)
Investment		(12)	-
Cash used in Investing Activities		(1,210)	(1,652)
FINANCING ACTIVITIES			
Proceeds from private placement financing	\$	527	\$ 2,018
Proceeds from convertible note financing		934	-
Fund issuance costs		(10)	(122)
Cash provided by Financing Activities		1,451	1,896
Effects of exchange rates on cash		(46)	(36)
Change in cash		(237)	(504)
Cash, beginning the period		311	649
Cash, end of period	\$	74	\$ 145

The accompanying notes are an integral part of these consolidated financial statements

KAINANTU RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity

For the 9 months ended September 30, 2023 and year ended 31 December 31, 2022

(Presented in thousands of United States Dollars; actual share numbers presented)

	Notes	Share Capital Number of shares	Amount \$	Share subscriptions received in advance \$	Reserves \$	Accumulated Other Comprehensive Income / (Loss) \$	Deficit \$	Total Shareholders' Equity \$
Balance – December 31, 2021		45,305,733	5,975	169	840	81	(2,008)	5,057
Private Placement	6	15,387,492	2,115	(169)	73	-	-	2,019
Share issuance costs (warrants & cash)	6	-	(187)	-	53	-	-	(134)
Private Placement	6	15,635,790	1,140	-	114	-	-	1,254
Share issuance costs (warrants & cash)	6	-	(67)	-	23	-	-	(44)
Commitment to issue shares	6	-	-	55	-	-	-	55
Share based payments	-	-	-	-	181	-	-	181
Loss for the year	-	-	-	-	-	-	(1,485)	(1,485)
Foreign exchange translation	-	-	-	-	-	(2)	-	(2)
Balance – December 31, 2022		76,329,016	8,976	55	1,284	79	(3,493)	6,901
Private Placement	6	7,098,940	424	(55)	159	-	-	527
Share issuance costs (cash)	-	-	(10)	-	-	-	-	(10)
Loss for the year	-	-	-	-	-	-	(1,066)	(1,066)
Foreign exchange translation	-	-	-	-	-	(46)	-	(46)
Balance – September 30, 2023		83,427,956	9,389	0	1,443	33	(4,559)	6,306

The accompanying notes are an integral part of these consolidated financial statements

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

1. NATURE OF BUSINESS

Kainantu Resources Ltd. ("KRL" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 4, 2018 and is listed on the TSX Venture Exchange (the "TSX-V") on the Frankfurt Stock Exchange ("FSE") under the symbol "6JO". The principal office is #17-00 16 Collyer Quay, Singapore 049318.

During the period ended September 30, 2023, the Company completed the second Tranche of a private placement outlined in Note 6 issuing 7,098,940 common shares and 7,098,940 share purchase warrants of the Company and received subscription funds totalling C\$0.78 million. In addition, the company closed its Convertible Debenture financing and received C\$1.27 million.

2. BASIS OF PREPARATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting and based on principles of IFRS as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements should be read in conjunction with the annual audited consolidated financial statements for the period ended December 31, 2022, which include all of the significant accounting policies, and have been prepared in accordance with the same methods of application.

These interim consolidated financial statements were approved by the Board of Directors on November 28, 2023.

b. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c. Continuation of Operations

These interim condensed consolidated financial statements are prepared on a going concern basis, which assumes that the Group will be able to meet its obligations and continue its operations for its next fiscal year. Realisation values may be substantially different from the carrying values shown and these consolidated financial statements do not include adjustments that would be necessary if the going concern assumption is not appropriate.

The Group's continuing operations and its ability to meet mineral property and other commitments are dependent upon the ability of the Group to continue to raise additional equity or debt financing and to seek joint venture partners. Although the Group has been successful at raising capital in the past, there is no assurance that the Group will be able to raise adequate financing on terms that are acceptable to the Group, if at all. Based on its current plans, budgeted expenditures, and cash requirements, management believes the Group would need to raise additional capital to accomplish its business objectives thereafter.

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

2. BASIS OF PREPARATION (Continued)

d. Significant Accounting Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Group's policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

e. Presentation currency

These consolidated financial statements are presented in thousands of United States Dollars ("USD") which differs from the Company's functional currency Canadian Dollars. Functional currencies of each entity are set out below.

Foreign currencies

Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to profit or loss.

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss or other comprehensive income / (loss) are also recognized in profit or loss or other comprehensive income / (loss), respectively).

Translation of foreign operations

The financial position of the subsidiary, whose functional currency is different from the reporting currency, are translated as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial period end;
- income and expenses are translated at average exchange rates for the period, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions;
- equity transactions are translated using the exchange rate at the date of the transactions; and
- all resulting exchange differences are recognized in other comprehensive income and reported as a separate component of equity.

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

2. BASIS OF PREPARATION (Continued)

f. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group assets and liabilities, revenues, expenses and cash flows relating to intra-group transactions are eliminated.

Entity	Ownership %	Country of incorporation	Nature / Activities	Functional Currency
Kainantu Resources Ltd	-	Canada	Parent company	CAD
Kainantu Resources Pte Ltd	100%	Singapore	Holding company	SGD
Kainantu Resources Limited	100%	Papua New Guinea	Mineral exploration	USD
KRL Kili Teke Resources Limited	100%	Papua New Guinea	Dormant	USD

3. DEPOSITS AND LONG TERM PREPAIDS

	September 30, 2023	December 31, 2022
License security deposits	\$ 13	14
Property acquisition deposits	-	100
Long-term prepaid assets	257	259
	\$ 270	\$ 373

Deposits include security deposits pertaining to exploration licenses, certain prepaid assets that will be reclassified to exploration and evaluation assets and a deposit in relation to the acquisition of the Kili Teke project.

4. PROPERTY AND EQUIPMENT

Cost	Office Equipment \$	Machinery & Equipment \$	Motor Vehicles \$	Construction in Progress \$	Total \$
December 31, 2021	17	77	91	269	454
Additions	4	9	14	-	27
Disposals	-	-	-	(2)	(2)
Transfer	-	189	-	(189)	-
Impairment	-	-	-	(78)	(78)
December 31, 2022	21	275	105	-	401
Additions	2	-	-	-	2
Disposals	-	-	-	-	-
September 30, 2023	23	275	105	-	403

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

4. PROPERTY AND EQUIPMENT (Continued)

Accumulated Depreciation	Office Equipment \$	Machinery & Equipment \$	Motor Vehicles \$	Construction in Progress \$	Total \$
December 31, 2021	5	7	48	-	60
Depreciation	6	22	30	-	58
December 31, 2022	11	29	78	-	118
Depreciation	5	16	18	-	39
September 30, 2023	16	45	96		157
December 31, 2022	10	246	27	-	283
September 30, 2023	7	230	9	-	246

Depreciation on certain office equipment, machinery and equipment and motor vehicles is capitalized to exploration and evaluation assets.

During the year ended December 31, 2022, \$2 of Construction in Progress was disposed for the original purchase price. During the year ended December 31, 2022, certain equipment was transferred from Construction in Progress to Machinery and Equipment and an Impairment Loss was recognised for \$78 related to Construction in Progress the Company no longer plans to complete. These assets were not being amortized as they were not ready for their intended use.

5. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Group has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its assets are in good standing.

	Kainantu \$	May River \$	Kili Teke \$	Total \$
December 31, 2021	4,165	1	-	4,166
Additions	2,032	-	-	2,032
December 31, 2022	6,197	1	-	6,198
Additions	835	-	500	1,335
September 30, 2023	7,032	1	500	7,533

Additions included \$38,000 of capitalized depreciation (2022 - \$41,000).

6. LONG TERM LOAN

On September 15, 2023 the Company announced the closing of a Convertible Note (the "Notes") raising a total of up to C\$1.27 million.

Key terms of the Notes include shares of the Singapore subsidiary pledged as security; a term of 36 months; which after 12 months the Notes are convertible into units at C\$0.08 per unit; with each unit

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

consisting of a common share and share purchase warrant exercisable at C\$0.12 to a common share within the 36 month term; interest rate per annum of 10%; and with acceleration based on weighted average share price hurdles.

7. SHARE CAPITAL

The Company is authorized to issue unlimited common shares without a par value.

As at September 30, 2023, 101,427,956 common shares were issued and outstanding with 3,635,182 common shares held in escrow.

On January 4, 2022, the Company completed the first tranche of a private placement with the Company issuing 9,268,825 common shares and 9,268,825 share purchase warrants for total proceeds of \$1.31 million (C\$1.67 million). The Company had received share subscriptions of \$169,000 (C\$216,000) in advance at December 31, 2021. Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.36 per common share until January 4, 2025.

The Company issued 533,798 warrants with a value of \$32,000 to certain finders. Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.36 per common share until January 4, 2025. The Company paid cash finders fees of \$75,000 and incurred additional issuance costs of \$7,000 related to the private placement.

The second tranche of the private placement was completed on January 21, 2022, with the Company issuing a further 6,118,668 common shares and 6,118,668 share purchase warrants for total proceeds of \$0.88 million (C\$1.10 million). Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.36 per common share until January 21, 2025. The warrants were assigned a value of \$73,000 under the residual method.

The Company also issued 327,120 warrants with a value of \$21,000 to certain finders. Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.36 per common share until January 21, 2025. The Company paid cash finders fees of \$47,000 and incurred additional issuance costs of \$5,000 related to the private placement.

On November 3, 2022, the first tranche of a private placement was completed. The Company issued 15,635,790 common shares and 15,635,790 share purchase warrants for total proceeds of \$1.25 million (C\$1.72 million). Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.22 per common share until November 3, 2025.

The Company issued 538,527 warrants with a value of \$23,000 to certain finders. Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.22 per common share until November 3, 2025. The Company paid cash finders fees of \$44,000 related to the private placement.

On January 24, 2023, the second tranche of a private placement including C\$216,000 received for share subscriptions in advance was completed. The Company issued 7,098,940 common shares and 7,098,940 share purchase warrants for total proceeds of \$0.53 million (C\$0.78 million). Each warrant entitles the holder to acquire a common share of the Company at an exercise price of C\$0.36 per common share until January 4, 2025. The warrants were assigned a value of \$159,000 under the residual method.

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

On April 3, 2023 the company issued a script consideration of 18,000,000 common shares to acquire the remaining 90% interest in the May River Project from Hardrock Limited. The shares had a value of C\$1.44 million based on the closing market price of KRL shares on March 31, 2023.

The Company employed the Black-Scholes option-pricing model to value the finders warrants, with the warrants issued in the year ended December 31, 2022, using the following assumptions:

7. SHARE CAPITAL (Continued)

	Finders warrants – Tranche 1 issued 4/01/22	Finders warrants – Tranche 2 issued 21/01/22	Finders warrants – Tranche 1 issued 3/11/22
Assumptions:			
Risk-free interest rate	1.10%	1.42%	4.03%
Expected life of options	3 years	3 years	3 years
Expected volatility (based on comparable companies)	96%	96%	120%
Dividend yield	Nil	Nil	Nil
Forfeiture rate	0.0%	0.0%	0.0%
Exercise price	CAD \$0.36	CAD \$0.36	CAD \$0.22
Share price on grant date	CAD \$0.17	CAD \$0.18	CAD \$0.10
Fair value per warrant	CAD \$0.08	CAD \$0.08	CAD \$0.06

As at December 31, 2022 the Company had received \$55,000 for share subscriptions in advance from the January 2023 private placement.

Share purchase warrants

Details of the status of the share purchase warrants are as follows:

	2023		2022	
	Number of Warrants	Weighted Average Exercise Price CAD \$	Number of Warrants	Weighted Average Exercise Price CAD \$
Outstanding, beginning of period	44,649,627	0.31	12,226,900	0.38
Granted	-	-	15,387,492	0.36
Granted	-	-	860,918	0.36
Granted	-	-	15,635,790	0.22
Granted	-	-	538,527	0.22
Granted	7,098,940	0.22	-	-
Outstanding, end of period	51,748,567	0.30	44,649,627	0.31

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

7. SHARE CAPITAL (Continued)

The following share purchase warrants were outstanding and exercisable as at September 30, 2023:

Expiry Date	Exercise Price	Number of Warrants	Remaining Contractual Life (Years)
December 3, 2023	CAD \$0.40	10,536,200	0.68
December 3, 2023	CAD \$0.20	1,200,700	0.68
December 3, 2023	CAD \$0.40	490,000	0.68
January 4, 2025	CAD \$0.36	9,268,825	1.77
January 4, 2025	CAD \$0.36	533,798	1.77
January 21, 2025	CAD \$0.36	6,118,667	1.81
January 21, 2025	CAD \$0.36	327,120	1.81
November 3, 2025	CAD \$0.22	15,635,790	2.60
November 3, 2025	CAD \$0.22	538,527	2.60
January 24, 2026	CAD \$0.22	7,098,940	2.82
Total		51,748,567	
Weighted average years to expiry			1.78

Stock Option Plan

The Company currently has a 10% Stock Option Plan, which was last approved by the shareholders of the Company on October 21, 2022. The number of common shares which may be issued pursuant to options previously granted and those granted under the plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. The options have a maximum term of 10 years. The terms and vesting periods are determined by the Board of Directors. The Company provides share-based payment compensation to its directors, officers, employees, and service providers through grants of stock options.

During the year ended December 31, 2022, the Board of Directors approved the grant of 770,000 stock options to certain directors and officers. 360,000 options may only be exercised if the volume weighted average price ("VWAP") of the Company's common shares is above C\$0.35 for a period of ten consecutive days on the TSX-V; and 360,000 options may only be exercised if the VWAP of the Company's common shares is above CAD \$0.55 for a period of ten consecutive days on the TSX-V. Subsequent to September 30, 2023, 50,000 of these stock options have expired.

During the thirteen months ended December 31, 2021, the Board of Directors approved the grant of 4,255,000 stock options to certain officers, directors, consultants, and employees which vest 33.34% on the grant date and 33.33% annually for two years thereafter. Subsequent to September 30, 2023, 1,095,000 of these stock options have expired.

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

7. SHARE CAPITAL (Continued)

The continuity of stock options is as follows:

	2023		2022	
	Number of Options	Weighted Average Exercise Price CAD \$	Number of Options	Weighted Average Exercise Price CAD \$
Balance, beginning of the period	5,071,667	0.20	4,521,667	0.20
Granted	-	-	770,000	0.19
Cancelled	-	-	(220,000)	0.21
Exercised	-	-	-	-
Balance, end of the period	5,071,667	0.20	5,071,667	0.20

The following stock options were outstanding and exercisable as at September 30, 2023:

Expiry Date	Exercise Price	Number of Options	Remaining Contractual Life (Years)
March 14, 2024	CAD \$0.10	266,667	0.96
December 23, 2025	CAD \$0.21	3,885,000	2.73
August 9, 2026	CAD \$0.21	150,000	3.36
January 31, 2025	CAD \$0.19	50,000	1.84
January 31, 2026	CAD \$0.19	360,000	2.84
January 31, 2027	CAD \$0.19	360,000	3.84
Total		5,071,667	
Number of exercisable options		4,301,667	
Weighted average years to expiry			2.71

The Company recorded \$181,000 in share-based compensation related to the vested stock options. A Monte Carlo model to value the options granted in 2022 was used due to the fact vesting is dependent on market conditions. A Black-Scholes option-pricing model for options granted in 2021 was used. The following weighted average assumptions were used in the models using the following assumptions:

	December 3, 2020	August 9, 2021	January 31, 2022
Assumptions:			
Risk-free interest rate	0.44%	0.89%	1.42%
Expected life of options	5 years	5 years	3-5 years
Expected volatility (based on comparable companies)	100%	100%	100%
Dividend yield	Nil	Nil	Nil
Forfeiture rate	0.0%	0.0%	0.0%
Exercise price	CAD \$0.21	CAD \$0.21	CAD \$0.19
Share price on grant date	CAD \$0.28	CAD \$0.20	CAD \$0.19
Fair value per option granted	CAD \$0.22	CAD \$0.15	CAD \$0.14

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

8. RELATED PARTY TRANSACTIONS

Transactions

The Company's related parties consist of entities where the executive officers and directors of the Company are principals. Their position in these entities results in their having control or significant influence over the financial or operating policies of these entities.

Asia Pacific Energy Ventures Pte. Ltd. ("APEV") and Pacific Energy Consulting Limited ("PEC")

As at September 30, 2023, \$0.07 million (2022 - \$0.16 million) was due to related parties APEV and PEC, which are related by way of common director.

In the nine months ended September 30, 2023, the group incurred expenses through fees charged under the shared services agreement totalling \$0.07 million (2022 - \$0.07 million) for office space, administrative and provision of other support services provided by APEV and PEC. The agreement and expenses are incurred on arm's length terms and have been approved by the independent directors of the Company.

Axis Metals and Mining Pte. Ltd.

The Company had a consulting agreement with its ex-CEO Matthew Salthouse for a monthly consulting fees of SGD\$13,233 per month (amended January 1, 2022) through Axis Metals and Mining Pte. Ltd. ("Axis"). In addition to the fee a monthly expense allowance of SGD \$600 is payable. During the nine months ended September 30, 2023, the Company incurred SGD\$124,407 in consulting fees (2022 - \$91,000) to Axis with SGD\$31,102 directly attributable to the exploration programs capitalised to exploration and evaluation assets. The consulting agreed ended on October 12, 2023

South Street Pte. Ltd.

The Company had a consulting agreement with its ex-CFO Bart Lendrum for monthly consulting fees of SGD\$18,000 per month through South Street Pte. Ltd. ("South Street"). During the nine months ended September 30, 2023, the Company incurred SGD\$120,194 in consulting fees (2022 - \$162,000) to South Street with SGD\$30,048 directly attributable to the exploration programs capitalised to exploration and evaluation assets. The consulting agreement ended on July 21, 2023.

Cooper Financials Pte. Ltd.

The Company has a consulting agreement with its CFO Martin Cooper for monthly consulting fees of SGD\$15,000 per month through Cooper Financials Pte. Ltd. ("Cooper Financials"). During the nine months ended September 30, 2023, the Company incurred SGD\$58,250 in consulting fees (2022 - \$Nil) to Cooper Financials.

Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the group as a whole. The group has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

KAINANTU RESOURCES LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Presented in thousands of United States Dollars, except for per share amounts; actual share numbers presented)

Key management personnel compensation comprised share-based compensation related to the fair value of the stock options granted to these key management personnel and its recognition in these consolidated financial statements on a graded vesting basis. During the nine months ended September 30, 2023, share-based compensation for the key management personnel amounted to \$nil (2022 - \$4,000).

For the nine months ended September 30, 2023, director remuneration totalled C\$81,000 (2022 - \$81,000).

9. SUBSEQUENT EVENTS

On October 12, 2023, the Company announced that Adam Clode was appointed interim Chief Executive Office (“CEO”) and Dain Currie was appointed Chairman. These appointments filled the vacancies of outgoing CEO and director, Matthew Salthouse, and Chairman and director, Marcus Englebrecht.

On November 23, 2023, the Company announced a private placement financing of up to 100,000,000 common shares of the Company at a price of C\$0.02 per Share for gross proceeds of up to C\$2,000,000 (the “Offering”). The shares issued under the Offering will be subject to restrictions on resale for a period of four months from the date of issue. The Company may pay a finder’s fee in cash and/or share purchase warrants in connection with the Offering.

The net proceeds of the Offering will be used as follows: (i) to satisfy a \$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, (ii) to carry out exploration work of approximately \$500,000 (approximately C\$685,000) on its properties in Papua New Guinea, and (iii) the balance on general administrative and working capital purpose

--- End of Document ---