

Kainantu Resources Provides Update on Kili Teke Copper-Gold Project Acquisition

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VANCOUVER, Sept. 8, 2022 - [Kainantu Resources Ltd.](#) (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to provide an update on its progress towards the Company's 100% acquisition of the advanced development Kili Teke Copper-Gold Project ("Kili Teke").

Highlights

Matthew Skill, Kili Teke CEO, said: "Remains on track with KRL and Harmony Gold Exploration Limited ("Harmony") working on conditions precedent for closing, including: ● finalising an NI43-101 Technical Report;

- KRL remains on track to complete the acquisition of the advanced stage Kili Teke copper-gold project in Papua New Guinea with an inferred resource, 36,000 metres of drilling and KRL expects to get the project up and running in the near future. The Kili Teke that will drive material value for KRL. Kili Teke will be a core focus for KRL into the future."

● The acquisition of Kili Teke

is a definitive agreement between KRL and Harmony to acquire Kili Teke was executed and announced on April 6, 2022. The deal are set out in that announcement.

and

transformational

in nature. Closing requires satisfaction of a number of conditions precedent, as customary for a transaction of this nature. These are set out in the TSX-V indicating the transaction can progress as an expedited transaction, subject to closing.

● KRL's inferred resource (to SAMRAC standard) of 237Mt @ 0.34% Cu (=0.8Mt Cu), 0.24g/t Au (=1.8Moz Au) and 168ppm Mo (=0.04Mt Mo);

An independent technical report is currently being finalised for Kili Teke in accordance with NI 43-101 requirements. It is expected that the current SAMRAC inferred resource estimate will be substantially adopted by the Qualified Person in accordance with requirements.

- over 36,000 metres of drilling completed with significant Au-Cu intercepts reported, including hole KTDD013 with values of 0.58% Cu and 0.41 g/t Au from 90m (including 186 metres at 1.02% Cu and 0.72 g/t Au); and
- highly prospective adjacent exploration targets to add further value, including Ridge Gold anomaly, reporting maximum values of 9.4 g/t Au and 1% Cu.

Regulatory approvals have been sought from the PNG Mineral Resources Authority to enable the transfer and renewal of Kili Teke's tenement (EL 2310) from Harmony to KRL. These are currently being processed and no delays are envisaged.

Closing remains subject to KRL, at its discretion, sourcing funding of up to US\$1 million (with alternatives currently being provided by KRL). Of this, only US\$500,000 is required to make payment to Harmony for 100% of Kili Teke and close the transaction, which a US\$100,000 deposit has been paid.

Transformational nature of Kili Teke for KRL

Kili Teke is highly transformational for KRL, with this advanced stage development opportunity adding considerable intrinsic value to the current portfolio of quality projects.

The acquisition of Kili Teke achieves a core listing objective for KRL upon inclusion of a mineral resource (with a pre-existing SAMRAC compliant defined Inferred Mineral Resource of 237Mt @ 0.34% Cu (=0.8Mt Cu), 0.24g/t Au (=1.8Moz Au) and 168ppm Mo (=0.04Mt Mo), with an effective date of June 30, 2021). On a total resource in situ value, the Kili Teke deposit is worth approximately cumulative US\$10.64 billion, equivalent to 3.08 billion pounds of copper or 6.20 million ounces of gold (using prevailing prices as of September 8, 2022- \$3.45/lb Cu, \$1,717.68/Oz Au and \$16.34/lb Mo). Comparative analysis of similar copper-gold projects supports a robust valuation for Kili Teke.

Near surface high-grade Au skarn mineralisation has been identified but not yet included in the defined mineral resource. There is a strong likelihood of expansion of the mineral resource in the near term.

Significant drilling of over 36,000m has already occurred at Kili Teke, with a number of exceptional results reported: including hole KTDD013 with 524 metres for 0.58% Cu and 0.41 g/t Au from 90m (including 186 metres at 1.02% Cu and 0.72 g/t Au).

Figures 1 and 2 below.

Figure 1: Kili Teke Significant Au-Cu Drill Intercepts

Reference:	Length (m):	Cu Grade (%):	Au Grade (g/t):	Depth (m):
KTDD013	524m	0.58 %	0.41 g/t	90m
Including:	319m	0.79 %	0.57 g/t	166m
Including:	186m	1.02 %	0.72 g/t	252m
KTDD014	509m	0.38 %	0.2 g/t	358m
Including:	144m	0.53 %	0.23 g/t	610m
KTDD015	466m	0.34 %	0.25 g/t	128m
Including:	290m	0.44 %	0.34 g/t	129m
KTDD017	482m	0.45 %	0.24 g/t	317m
Including:	374m	0.51 %	0.27 g/t	391m

On closing, KRL will acquire all drill core and modelling data supporting the mineral resource model. With a change of ownership to a smaller company, Kili Teke presents significant opportunities to reoptimize the project with a focus on higher grades and higher through-puts (with an open pit approach as one way to enhance economic returns).

Next steps

KRL will continue to advance activities to close the acquisition, with 100% of Kili Teke expected to be incorporated into the Company's portfolio in the near term.

The recent formation of a government post national elections is expected to enhance long term stability in PNG. A number of infrastructure and road projects are planned for the Hela province, where Kili Teke is located. KRL will continue to work with stakeholders in PNG, with strong support for the mining sector evident.

On closing, KRL expects to accelerate steps towards re-optimization of Kili Teke and is currently in discussion with technical consultancies who may support this initiative. KRL foresees Kili Teke being a major focus for the Company, given its current status and significant potential for development.

Qualified Person

The scientific and technical information disclosed in this release has been reviewed and approved by Graeme Fleming, 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 Koro District. The May River project is in close proximity to the world-renowned Frieda River Copper-Gold Project, with recent drilling indicating the potential for significant copper-gold projects. KRL has a highly experienced board and management team, 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/>

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