

Kainantu Resources Closes C\$1.7m First Tranche Of Its Previously Announced C\$2.5 Million Private Placement Financing

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VANCOUVER, Nov. 3, 2022 - [Kainantu Resources Ltd.](#) (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to announce that it has closed the first tranche of its previously announced private placement financing of C\$2.5 million (the "Offering"), originally announced on October 19, 2022.

Under the first tranche of the Offering, the Company has issued an aggregate of 15,635,790 units of the Company (the "Units") at a price of C\$0.11 per Unit to raise gross proceeds of C\$1,719,937. 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 of the Offering, with each Warrant being subject to acceleration in certain circumstances.

The Common Shares and Warrants issued pursuant to the Offering, as well as the Common Shares issuable upon exercise of the Warrants, if any, are subject to a statutory hold period of approximately four months ending on March 4, 2023, in accordance with applicable securities law.

A second and final tranche of the Offering of up to an additional approximately C\$0.8 million remains open and is expected to close on or about December 2, 2022.

Matthew Salthouse, CEO of KRL, commented:

"In challenging markets, we are encouraged and pleased with the support from current and new investors participating in the first tranche 1 raising. In particular, we are grateful for the ongoing commitment from the founding shareholder consortium.

Progress continues at our KRL North and KRL South/Ontenu prospects as we move towards defining potential high-grade targets, with proceeds of the placement to support this work."

Use of Proceeds

The net proceeds from the Offering are intended to be used, but are not limited to, the completion of the acquisition of the KRL Project (which requires a further payment to Harmony Gold (PNG) Exploration Limited of US\$400,000 as a condition of completion). 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.

Finder's Fees

In connection with the Offering, the Company may pay finder's fees to certain finders, which fees would be a cash payment of up to 6% of the gross proceeds raised by purchasers introduced by such finders, and the issuance of non-transferable compensation warrants equal to 6% of the number of Units purchased by purchasers introduced by such finders (each, a "Compensation Warrant"). Each such Compensation Warrant will be exercisable for one Common Share at an exercise price of C\$0.22 per Common Share.

Common Share at any time prior up to 36 months following the closing date of the Offering and will be issued on substantially the same terms and conditions as the Warrants, except that the Compensation Warrants will not be subject to an acceleration of maturity.

Upon the closing of the first tranche of the Offering, the Company will pay the following finder's fees and issue the following Compensation Warrants to such finders, as noted:

Name of Finder	Cash Finder's Fees	Compensation Warrants
Intrysync Capital Corp. ⁽¹⁾	\$ 30,000.00	272,727
Canaccord Genuity Corp.	\$ 24,618.00	223,800
CM-Equity AG ⁽¹⁾	\$ 3,300.00	30,000
PI Financial Corp.	\$ 1,320.00	12,000
TOTAL	\$ 59,238.00	538,527

Notes:

1) Payment of finder's fee and issuance of Compensation Warrants remain subject to the prior approval of the TSX Venture Exchange.

Multilateral Instrument 61-101 - Related Party Transaction

Axis Mining and Minerals Pte. Ltd. ("Axis") and Season Cove Limited ("Season Cove") are all insiders of the Company.

(a) in the case of Axis, it is controlled by Matthew Salthouse, director and Chief Executive Officer of the Company; and

(b) in the case of Season Cove, holding 11.75% of the Common Shares of the Company on a partially diluted basis.

Axis and Season Cove participated in the first tranche of the Offering by purchasing 909,091 Units, and 1,645,769 Units, respectively, for an aggregate subscription price of C\$100,000 and C\$181,035, 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 valuation and minority shareholder approval under MI 61-101 as the fair market value of Axis' and Season Cove'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. The Company will not file a material change report more than twenty-one (21) days before the closing date of the Offering, as the Company wished to close the Offering as soon as practicable. A copy of the early warning reports to be filed by the Company in connection with the Offering will be available on SEDAR at www.sedar.com under the Company's profile and may also be obtained by contacting the Company at info@krl.com.sg. This news release is issued pursuant to the early warning provisions of the Canadian securities legislation.

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)

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 South and KRL North 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 entered into an agreement to acquire the Kili Teke project in the western highlands of PNG.

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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 other things: the expected closing of a second tranche of the Offering and use of proceeds from the closing of the first tranche of the Offering. These forward-looking statements and information reflect the Company's current views with respect to future performance and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently uncertain and 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, 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 commodity 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 necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government policies, 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 other 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 are other factors that cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against 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 these statements to reflect new events or circumstances.

SOURCE [Kainantu Resources Ltd.](#)

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