



## KAINANTU RESOURCES PROVIDES UPDATE ON MAY RIVER PROJECT

Vancouver, B.C.- February 15, 2023 - Kainantu Resources Ltd. (TSX-V: KRL) (“KRL” or the “Company”), the Asia-Pacific focused gold mining company, is pleased to provide an update on the May River Project (“Project”).

In consultation with stakeholders, the Company is considering options to acquire 100% of the project on favourable terms in the near term. In the interim, the Company provides an update on technical work completed at the May River project.

### Highlights

- A highly successful study has been completed on the Mountain Gate Prospect at the Project, with analysis completed on a total of 324 samples taken from surface and trenching;
- Significant Au-Cu assay results were collected at Koras Creek in the Mountain Gate Prospect, with assay results ranging from 1,342 ppm (0.13%) Cu to 5,222 ppm (0.52%) Cu, covering a distance of 194 m (with weaker anomalous gold values ranging from 0.05ppm to 0.23ppm Au also reported);
- The above location is likely a possible upflow zone of a porphyry and, along with several other outcrops containing Au-Cu mineralization and alteration distributed within a 700m x 1,400m area, suggests a shallow Au-rich porphyry copper body(s) underlies the Mountain Gate Prospect;
- Indications of other satellite porphyry Cu-Au and epithermal Au deposits have also been identified within the nearby VTEM-ZTEM anomalies and northern creeks;
- Channel cut samples from trenching by prior holders of the Project yielded significant Au and Cu assay results intervals; and
- KRL believes there is a distinct possibility that the entire Skygate Belt (i.e., all known prospects in the Project) will prove to be a coherent >5km-long geochemical anomaly.

### Matthew Salthouse, CEO of KRL, commented:

*“The Company continues to take incremental steps to demonstrate the significant potential of May River as a blue-chip copper-gold project. At Mountain Gate, the surface results of up to 0.52% copper clearly demonstrate the potential of the overall May River project. The Company looks forward to providing an update in the near future on discussions around taking 100% ownership of the Project.”*

### Background

The May River Project is located in the foothills of the PNG Highlands, in West Sepik Province, ~10km west of the world-class Frieda River Cu-Au deposits, containing 12.9Mt Cu and 20Moz Au (owned by PanAust Ltd).

The key prospects at the May River Project are Iku Hill, Mountain Gate, Eserebe, Foya and the Skiraisa prospects, which are collectively aligned along an area known as the “Skygate Belt” (a 10-12km long cluster



of epithermal-porphyry Cu-Au prospects that may replicate the Frieda River Deposit, which is located just 10km from the Frieda River Intrusive Complex).

Highlights of historical exploration conducted by Highlands Gold Ltd (HGL) note drill intercepts from what is believed to be a lithocap underlying the Skiraisa Prospect, including 109m @ 1.53g/t Au, 44m @ 1.83g/t Au and 96m @ 0.89g/t Au. Further details on the Project are included in the Company's most recently published Management Description and Analysis report.

By way of definitive agreements executed 2021, KRL has the right to manage and take full ownership of the Project. KRL conducted an initial due diligence study focused on the Skiraisa prospect in 2021 and exercised an option to acquire 10% of the Project based on the results and observations. In 2022, further work was completed, and a study finalised for the Mountain Gate Prospect (with further analysis reported below).

### **Mountain Gate Study**

The Mountain Gate Prospect was selected for study and further exploration activities in 2022 due to historical geochemical soil sampling, suggesting the likelihood of a shallow buried porphyry Cu-Au deposit in the area.

In summary in 2022, a total of 324 samples were collected during the second exploration campaign. Seventeen soil samples were taken along the ridgeline east of Mountain Gate (where a 0.52% Cu rock chip sample was located). Mapping and sampling of the creeks surrounding the prospect was conducted over a 9.5km stretch covering 23 creeks for 112 samples. Au and Mo anomalous drainage located W-NW of Mountain Gate was inspected with 18 samples taken. Mapping and sampling of historic trenches was conducted with 154 samples covering 305m across 11 trenches. Twenty-three samples were taken during the follow up works on a VTEM-ZTEM anomalism outside the Mountain Gate areas. Figure 1 shows sampling sites in the Mountain Gate area.

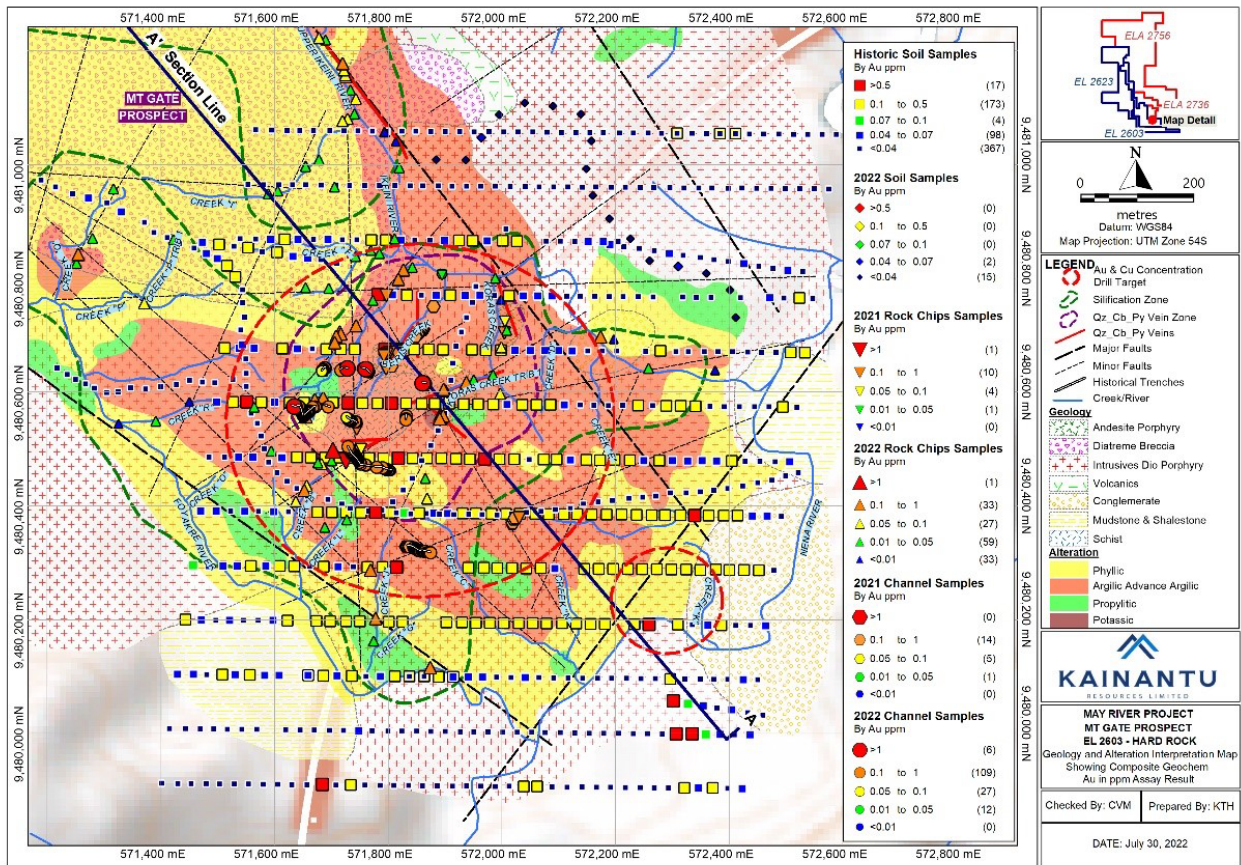


Figure 1: Comparative Au(ppm) Geochemistry from the Mountain Gate Sample Grid

The Au and Cu anomalism at Mountain Gate Prospect recorded from the historical HGL soil samples (and results taken by KRL in 2022) were centred on a ~500m x ~500m intensely altered intrusive complex representing a typical pipe-like porphyry Cu-Au surface signature, including a central 30mx 100m zone showing pervasive potassic alteration (magnetite-secondary biotite-adularia-illite-calcite alteration of late-stage hornblende-quartz-feldspar andesite porphyry with strong chalcopyrite-bornite-covellite-malachite disseminations and fracture fills. A petrology sample taken from this zone indicated proximity to an upflow zone of likely higher Au-Cu grade. A series of 8 x nominally 3m long continuous chip samples taken from a cleaned-up exposure within this zone, along the upper reaches of Koras Creek, returned the following values (Figure 2).

Sample No.	Au	Ag	Cu
G00208	0.23	1.5	3413
G00209	0.22	3.8	3298
G00210	0.12	0.7	1454
G00211	0.13	0.8	1763
G00212	0.12	<0.5	1551
G00213	0.14	1	1460
G00245	0.1	2.1	5222
G00246	0.13	0.8	1342

Figure 2: Koras Creek Au-Ag-Cu values from continuous chip samples

Mapping and sampling within the vicinity of this zone revealed a multi-phase intrusive complex displaying zoned alteration and strongly anomalous Au-Ag-Cu geochemistry. An initial geological model was drafted, Figure 3, to help guide further exploration over the Mountain Gate Prospect. The association of higher Au-Ag-Cu grades with late-stage altered and mineralized intrusive rocks is evident.

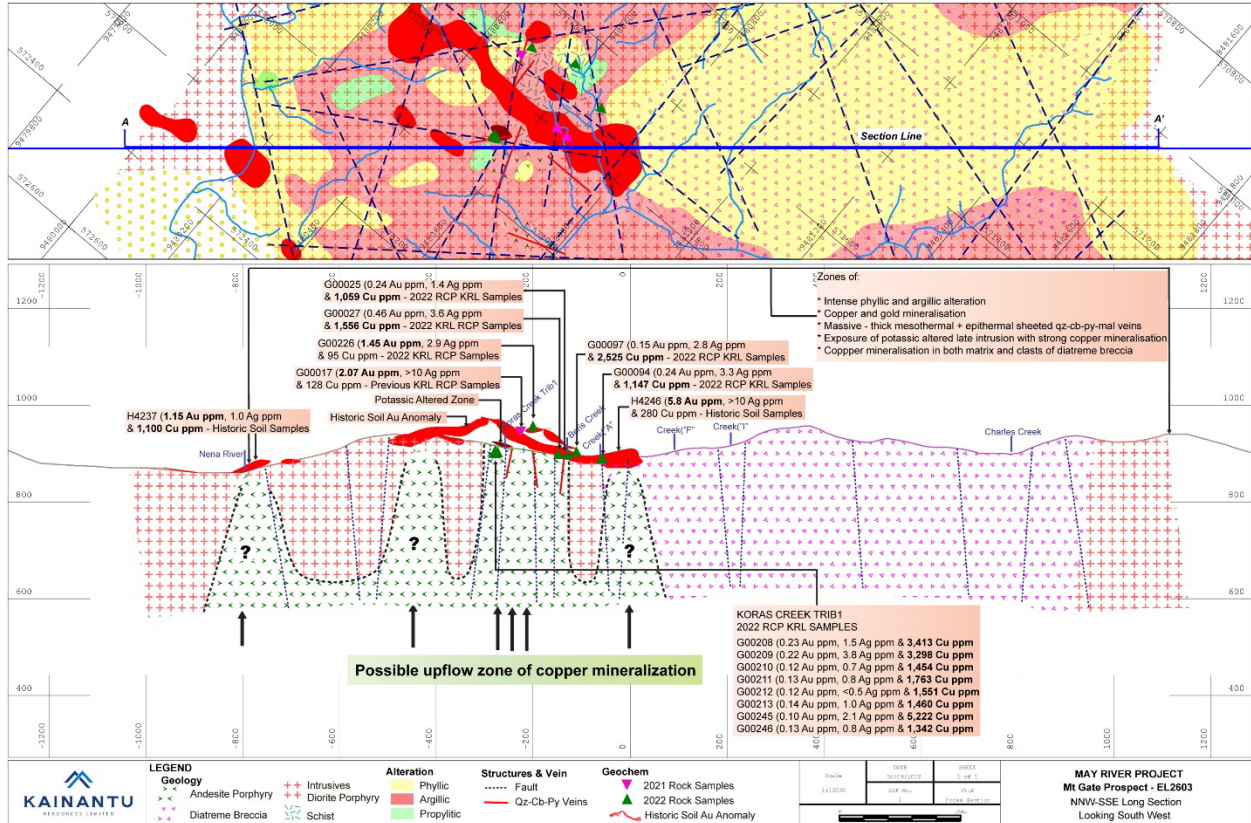


Figure 3: Mountain Gate Prospect interpreted geology with recorded sample results

KRL has identified multiple areas of mineralisation and altered outcrops (Figures 4 to 6) within the Mountain Gate Prospect area and surrounds. This includes 2 previously unidentified areas hosting epithermal style quartz veins peripheral to the porphyry target:

- Ikeini Creek in the north where local gold panning is being conducted. A 2.5m width of a vein in the banks of the creek returned 0.43ppm Au; and
- a quartz vein displaying clear evidence of epithermal texture (banded and partly chalcedonic) was noted in an area of historic airborne VTEM/ZTEM anomalism to the WNW of the Mountain Gate Prospect.



Figure 4: Mineralised outcrop at Koras Creek, Mountain Gate. Pervasive disseminations of cp, bo, cov, az & mal, hosted by andesite porphyry, intruding metasediments and diorite porphyry.



Figure 5: Northern creeks, including Ikeini Creek, Mountain Gate.



Figure 6: Copper mineralisation in trenches and creeks, Mountain Gate.

In summary, the 2022 study at Mountain Gate has demonstrated the highly prospective nature of the Project, as supported by the strongly anomalous Au and Cu samples reported, outcrops of mineralization uncovered, and the identification of at least 2 peripheral potential epithermal gold prospects in the area.

Follow-up exploratory work during 2023 over the Mountain Gate Prospect and surrounds will be geared towards rapidly identifying drill targets. It is believed that the Koras Creek area, containing a potential mineralized porphyry apophysis, offers the best target thus far. However, given the scale of the altered and mineralized footprint here, it is possible that other similar shallowly buried apophyses may be present in a complex multi-phase intrusive environment.



Initial planning involves further mapping and sampling the prospect, extending the grid SE towards the Eserebe Prospect grid (Au-Cu anomalous soil open to the north), and including the peripheral potential epithermals, in conjunction with an IP survey over the Mountain Gate grid in order to delineate prospective porphyry targets for diamond drilling.

## **Commercial**

On June 15, 2021, KRL announced that it had entered into an Option Agreement to acquire all of the shares of Hardrock Limited (“Hardrock”) (being the entity that owns the principal Project tenements) by way of an issue of script.

Having exercised the first option with Hardrock, KRL currently holds a 10% shareholding of Hardrock and is in discussions with the other shareholders to acquire the remaining shares, by the execution of the option or entering into a comparable transaction. These discussions are proceeding and KRL expects to be in a position to finalise them in the near future.

It is anticipated that these discussions will result in KRL owning 100% of the May River Project on favourable terms for all parties and eliminating any uncertainty as to deal completion. The Company will provide a further update in due course.

## **Qualified Person**

The scientific and technical information disclosed in this release has been reviewed and approved by Graeme Fleming, M.Sc., MAIG, an independent “qualified person” as defined under National Instrument 43-101, *Standards of Disclosure for Mineral Projects*.

## **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 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.

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