



KAINANTU RESOURCES ANNOUNCES CLOSING OF THE FINAL TRANCHE OF ITS PREVIOUSLY ANNOUNCED C\$1.8 MILLION CONVERTIBLE DEBENTURE FINANCING

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Vancouver, B.C. - September 15, 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 closing of its private placement financing of C\$1.27 million (the "**Offering**"), originally announced on May 30, 2023.

In the first tranche of the Offering, the Company has issued senior convertible debenture units with an aggregate principal amount of C\$503,164.06, as announced on June 22, 2023.

In the second tranche of the Offering, the Company has issued senior convertible debenture units with an aggregate principal amount of C\$296,835.94, as announced on July 18, 2023.

In the third tranche of the Offering, the Company has issued senior convertible debenture units with an aggregate principal amount of C\$310,000.

In this final tranche of the Offering, the Company has issued senior convertible debenture units (the "**Debenture Units**") with an aggregate principal amount of C\$160,000.

Each Debenture Unit consists of: (i) a 10% convertible secured debenture (a "**Convertible Debenture**") convertible into common shares of the Company ("**Common Shares**") at a conversion price of C\$0.08 per common share (the "**Conversion Price**") at any time given a period commencing 12 months from the closing date and ending on the date that is 36 months from the closing date, provided that if the Company does not complete a consolidation of the issued and outstanding common shares that would result in a Conversion Price of at least C\$0.10 on a post-consolidation basis, the Conversion Price at any time during the period commencing 12 months from the closing date and ending on the date that is 36 months from the closing date shall be C\$0.10, and maturing three years from the closing date of each tranche; and (ii) such number of common share purchase warrants (the "**Warrants**") that would result from dividing the principal amount of such Debenture Unit by C\$0.08, with each Warrant entitling the holder thereof to acquire one common share of the Company (each, a "**Warrant Share**") at C\$0.12 per share for a period of 3 years from the closing of the applicable tranche.

In the event that at any time following eighteen months after the issuance of a Convertible Debenture the 60-day volume-weighted average price of the Common Shares on the TSX Venture Exchange is equal to or greater than 200% of the Conversion Price, the Company will have the right to exercise 50% of the outstanding principal amount of such Convertible Debenture into Common Shares. If such 60-day VWAP is equal to or greater than 300% of the conversion price, the Company has the right to exercise all or a portion of the outstanding principal amount of such Convertible Debenture into Common Shares.

The Convertible Debentures, Warrants, Warrant Shares, Finder Warrants (as defined below) and Finder Warrant Shares (as defined below) are subject to a statutory hold period of four months and a day ending on four months and a day after the date of issuance thereof, in accordance with applicable securities law.



Finder's Fees

The Company has paid to Lightstream Capital Ltd. (the "**Finder**") C\$11,200 in cash and issued to the Finders a total of 93,333 common shares purchase warrants (the "**Finder Warrants**"), each Finder Warrant entitling the holder thereof to acquire one common share of the Company (each, a "**Finder Warrant Share**") at C\$0.12 per share for a period of three years from the closing of the applicable tranche.

Use of Proceeds

The total net proceeds from the Offering were used or are intended to be used, but are not limited to, US\$400,000 allocated to the acquisition of the Kili Teke Project, with the balance of proceeds to 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), and for general working capital purposes.

About Kainantu Resources (KRL)

Kainantu Resources 'KRL' is an Asia-Pacific focused gold mining company with four 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 near 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. Kili Teke is an advanced development project with an existing NI 43-101 compliant inferred mineral resource.

Kainantu Resources

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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, among other things: the use of proceeds from the Offering; the Conversion Price of the Convertible Debentures; the potential consolidation of the authorized share capital of the Company; and the potential of both KRL North and KRL South. 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.sedarplus.ca). 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.