



Update on Kainantu Resources Exploration Strategy at KRL South

Vancouver, B.C. – April 9, 2021 - Kainantu Resources Ltd. (TSX-V: KRL) (“KRL” or the “Company”), the Asia-Pacific focused gold mining company, is pleased to provide an update on its exploration strategy at KRL South, one of the Company’s core projects located in the highly prospective Kainantu region, Papua New Guinea.

Highlights

- Ongoing work continues to support the expectation that KRL South is a high-quality exploration target, in close proximity to existing miners and located in the Kainantu mining district;
- Exploration at KRL South continues to indicate the prospect of multiple epithermal, skarn and porphyry systems;
- Ring features can be observed in KRL South, associated with shallow-buried to emergent mineralising igneous complexes especially apparent on or about the rim of Tirokave and Tebeo Rings;
- A focused multi-element ridge-and-spur auger soil sampling programme (>2,000 samples to date) is near completion with approximately 54 line-km sampled so far; and
- Building on KRL’s exploration strategy, targets for further focus are expected to emerge from the ridge-and-spur soil study, to be reported in coming weeks. Ongoing sampling is extremely encouraging.

Background

Centred approximately 25 km SW of Kainantu town, KRL South is 596.75 km² in size and comprises four tenements: EL 2559, EL 2650, EL 2660 and EL 2652. Further particulars are contained in the Company’s announcement of March 24, 2021 and below in Figure 1.

Tirokave River passes through the centre of KRL South, being a major tributary to the Upper Ramu system. Historically, substantial alluvial gold mining has occurred in the Ramu River catchment, primarily with a large proportion deriving from both active drainages and upraised terraces around the Tirokave village. Prior to the Company being granted these tenements, exploration activities were limited. Since grant, KRL (and its predecessor) has been active on the ground since 2019, having identified skarn and porphyry style alteration and mineralisation for further investigation; in addition to the likely occurrence of epithermal mineralisation.

KRL South’s Favourable Geological Setting

Management applied for the KRL South tenements in November 2017, in line with the Company’s focus on identifying highly prospective precious metal targets in proximity to known quality producers.

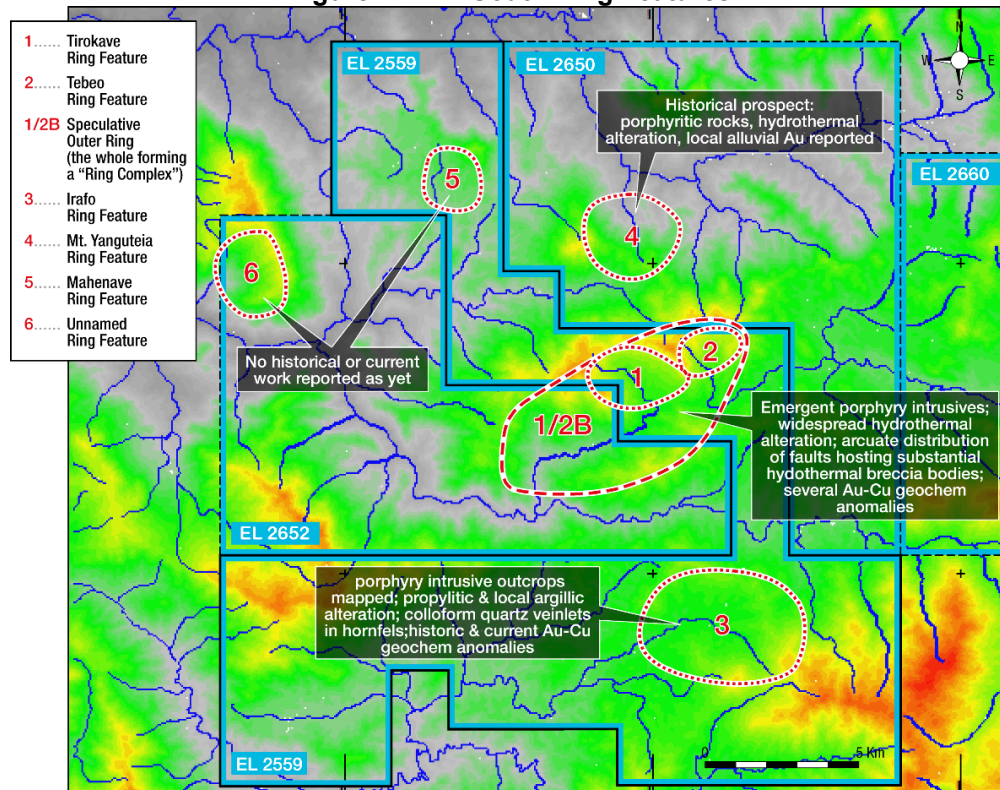
Amongst other factors associated with the Kainantu region, the area was of particular interest given extensive outcrops as mapped by government geologists, identifying Akuna Igneous Complex rocks and a large body, including scattered dykes and plugs, of the Elandora Porphyry; likely to be a major source and driver of mineralisation occurring throughout the district.

In addition, substantial artisanal mining efforts in the headwaters of the Tirokave and Parufi river systems supported KRL’s decision to conduct an intensive geological mapping and sampling programme (pan concentrate, stream sediment, rock outcrop and float) from Q4 2019 to the end of Q2 2020 (“2019/2020 Programme”).

2019/2020 Programme: Ring Features and Early Petrology

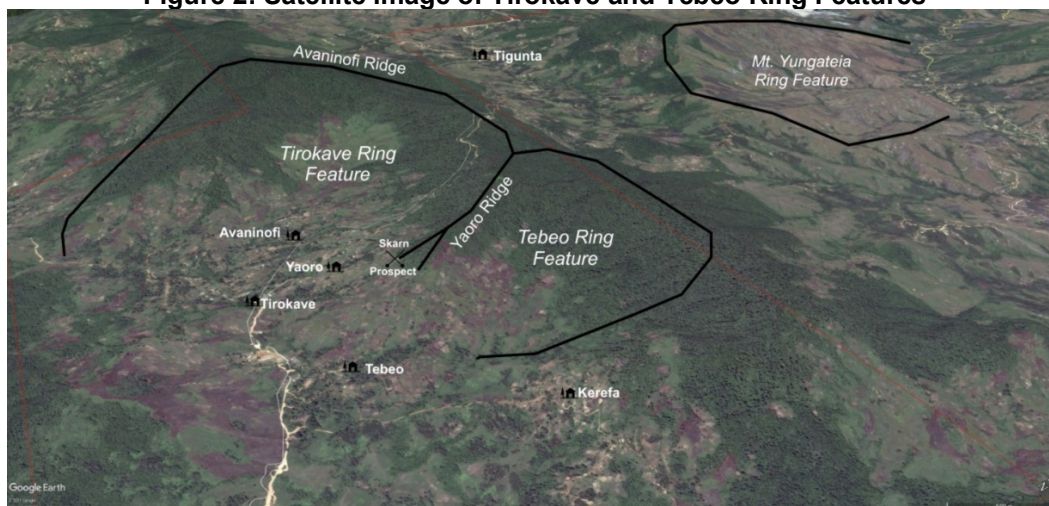
A key outcome of the 2019/2020 Programme was confirmation of extensive local hydrothermal alternation and at least two skarn occurrences within KRL South. With a focus on higher quality topographic maps and imagery, management was also able to recognise a number of ring features across KRL South, as represented in Figure 1.

Figure 1: KRL South Ring Features



The ring features are of significance for a number of reasons: the main one being the apparent association with shallow-buried to emergent mineralising igneous complexes. In particular, two pronounced ring features were identified in the Tirokave area. Adjoining each other and termed by KRL as the Tirokave and Tebeo Ring Features, both encompass several complex intrusive bodies and are further highlighted in the satellite image in Figure 2.

Figure 2: Satellite image of Tirokave and Tebeo Ring Features





An initial petrology report was also prepared based on 16 samples taken from within the Tirokave Ring Feature. While concluding the igneous complex in the centre of the feature was unlikely to promote moderate to low temperature hydrothermal alterations, the report indicated concentrating exploration efforts around the rim of the ring may prove to be more successful; where KRL expects structural permeability to be enhanced (with lower temperature alteration accompanied by quartz veining).

The analysis supported setting the objectives for KRL's H2 2020/Q1 2021 programme ("2020/2021 Programme"), with the focus on Tirokave area as most likely to provide indicators of relatively shallow hydrothermal and skarn prospects, capable of further delineation leading towards preparations for drilling.

2020/2021 Programme: Tirokave Focused Ridge and Spur Soil Sampling Programme

Based on the earlier analysis, the 2020/2021 Programme involved KRL conducting a ridge-and-spur soil sampling programme (with a gridded approach not considered appropriate due to the extensive colluvial cover on the slopes of the ring features). The KRL team rapidly completed sampling along the rims and selected spurs of the Tirokave and Tebeo Ring Features.

A 20-metre sample separation was chosen, with an emphasis on searching for narrow vein styles. Over 2,000 samples were taken, primarily of soil (combined with rock outcrop and float sampling) in proximity to the rings. Sample results are currently being finalised and analysed, in addition to a further petrology evaluation.

KRL will provide a further update shortly on outcomes from the programme and next steps in the exploration and development of KRL South. A clear objective will be identifying gold prospects in the Tirokave area for further focused exploration efforts. In the interim, further field work continues; including ongoing sampling and some manual costeaning over selected gold-anomalous soil sites.

Results Driving Focus on KRL South

To date, field work and analysis from KRL South sets a clear and logical baseline for further focused exploration efforts in the area, supporting plans to intensify work for the remainder of the year. Work to date remains encouraging and justifies KRL's focus on this project. The ongoing progress also supports managements increasing confidence as to the highly prospective nature of KRL South.

Matthew Salthouse, CEO of KRL, commented:

"Our targeted exploration programme for the Kainantu projects continues to yield encouraging results, especially in and around the Tirokave area. This provides the foundation for further focused efforts during 2021 and beyond, with the prospective nature of the tenements becoming increasingly apparent as we build on the early successes to date at KRL South."

Qualified Person

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

About KRL

KRL is an Asia-Pacific focused gold mining company with two highly prospective gold projects, KRL South and KRL North, in a premier mining region, the high-grade Kainantu Gold District of PNG. Both of KRL's projects show potential to host high-grade epithermal and porphyry mineralization, as seen elsewhere in the district. 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.



Enquiries:

Kainantu Resources

Matthew Salthouse, Chief Executive Officer (Tel: + 65 8318 8125)
Callum Jones, Corporate Development Co-ordinator (Tel: + 61 450 969 697)
Email: info@krl.com.sg

IR / Financial PR: Camarco

Gordon Poole / Nick Hennis
Tel: +44(0) 20 3757 4980

For further information please visit <https://kainanturesources.com/>

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