



Kainantu Resources Provides Update on May River Project Acquisition

Vancouver, B.C. – September 21, 2021 - Kainantu Resources Ltd. (TSXV: KRL, FSE: 6J0) (“KRL” or the “Company”), the Asia-Pacific focused gold mining company provides an update on completion steps to acquire control of the May River Project (“Acquisitions”) in the world-renowned copper-gold district of Frieda River, Papua New Guinea (“PNG”).

Background

In a [press release](#) dated June 15, 2021 (“June Release”), KRL announced the execution of two definitive agreements to acquire control of the May River Project (“Project”) through the acquisition of two unrelated holding companies: Hardrock Limited (“Hardrock”) and Niuminco Group Limited (“Niuminco”). On closing of the definitive agreements, KRL would consolidate three adjoining tenements, as detailed in Figure 1.

Figure 1: May River Project Tenements

Exploration Licence/Name	Size	Current Holder	Prospects/Anomalous Areas
EL2603 - May River	331 km ²	Hardrock	Skiraisa, Foya, Mountain Gate
EL2623 - Hotmin	1272 km ²	Hardrock	Various Au-Cu drainage anomalies
EL2527 - Iku Hill	94 km ²	Niuminco (ND) Ltd.	Iku Hill

The three tenements were previously contained in one licence: EL1441 (under control of Niuminco (ND) Ltd., before being separated into different holdings and owners in 2018/2019).

All tenements are highly prospective for copper and gold and are located in close proximity to the world-renowned Frieda River Copper-Gold Project, with the district known for both porphyry and high-sulphidation epithermal styles of mineralisation trending along the Fiak Fault.

In relation to EL2603 (being the tenement subject to a definitive agreement with Hardrock), the key prospects of Skiraisa, Foya, Eserebe and Mountain Gate are situated along a 7 km long N-NW trending structural corridor; exhibiting many attributes similar to the extended mineralised system identified at the Frieda River Copper-Gold Project (located 10 km to 15 km to the east).

Update on closing of the Acquisitions

The following provides an update on progress toward closing of the definitive agreements, with reference to the June Release for further particulars on the commercial terms agreed separately with Hardrock and Niuminco.

Definitive Agreement with Hardrock

As agreed under the definitive option agreement between KRL, Hardrock and its shareholders, KRL has an option to acquire Hardrock by way of a series of option arrangements.

As an initial step, KRL agreed, at its expense, to complete a field study and sampling programme at May River (“Study”) to increase confidence and understanding of the Project. On completion of the Study, KRL has a right to exercise a first option to acquire a 10% equity interest in Hardrock (for no further consideration beyond the “in-kind” expenditure incurred to complete the Study).

In collaboration with Hardrock, KRL reports positive progress towards completion of the Study and is encouraged by initial trends that have emerged. KRL expects to finalise the Study within the coming weeks and will provide a further update in the near future.



Definitive Agreement with Niuminco

As detailed in the June Release, KRL entered into a definitive agreement with Niuminco and its related entities (“Niuminco Agreement”) to indirectly acquire EL2527 and historic data in respect of the Project.

Under the Niuminco Agreement, a key condition precedent to closing remains confirmation to KRL’s satisfaction as to the “good standing” of EL2527 (with Niuminco responsible for maintaining the currency of such tenement). In this regard, Niuminco has advised KRL that the PNG Minister for Mining has not consented to Niuminco’s request for an extension of EL2527. Niuminco further advises that it has commenced steps to review this decision; and that EL2527 remains on foot pending a further determination.

The Niuminco Agreement has a sunset date of October 31, 2021 (or such further date as KRL may agree at its absolute discretion) for closing and satisfaction of conditions precedent (with Niuminco advising that it expects a resolution prior to this time on securing an extension of EL2527). KRL will continue to monitor any developments and 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, 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 mineralisation, 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.

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

Disclaimer and Forward-Looking Information Mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of mineralization hosted on the Company’s property. The data disclosed in this release relating to drilling results is historical in nature. Neither the Company nor a qualified person has yet verified this data and therefore investors should not place undue reliance on such data, and no representation or warranty, express or implied, is made by the Company, its affiliated companies, or any other person as to its fairness, accuracy, completeness, or correctness. 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: expectations regarding completion of the Acquisitions, including timing, the results of the Study and further exploration activities on the Project, the valuation of Hardrock, receipt of necessary regulatory approvals and the formulation of plans for drill testing; and the success related to any future exploration or development programs. 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.sedar.com). 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.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.