

# Kainantu Resources Provides Update on Kili Teke Copper-Gold Project Acquisition

VANCOUVER, BC, Sept. 8, 2022 /CNW/ - Kainantu Resources Ltd. (TSXV: KRL) (FSE: 6J0) ("KRL" or the "Company"), the Asia-Pacific focused gold mining company, is pleased to provide an update on its progress towards the Company's 100% acquisition of the advanced development Kili Teke Copper-Gold Project ("Kili Teke").

## Highlights

- The Kili Teke acquisition remains on track with KRL and Harmony Gold Exploration Limited ("Harmony") working through conditions precedent for closing, including:
  - finalising an NI43-101 Technical Report;
  - obtaining local regulatory licencing approvals in Papua New Guinea ("PNG"); and
  - KRL, at its discretion, obtaining funding for closing, being US\$400,000;
- TSX-V has indicated the transaction can progress as an expedited acquisition, subject to closing;
- As an advanced development project, Kili Teke is a transformational opportunity for KRL:
  - inferred resource (to SAMRAC standard) of 237Mt @ 0.34% Cu (=0.8Mt Cu), 0.24g/t Au (=1.8Moz Au) and 168ppm Mo (=0.04Mt Mo);
  - near surface high grade skarn mineralisation not yet included in the defined mineral resource;
  - over 36,000 metres of drilling completed with significant Au-Cu intercepts reported, including hole KTDD013 with 524 metres for 0.58% Cu and 0.41 g/t Au from 90m (including 186 metres at 1.02% Cu and 0.72 g/t Au); and
  - highly prospective adjacent exploration targets to add further value, including Ridge Gold anomaly, reporting maximum soil values of 9.4 g/t Au and 1% Cu.
- Community and stakeholder engagement underway at both local and national levels.

## Matthew Salthouse, CEO of KRL, commented:

*"KRL remains on track to complete the acquisition of the advanced stage Kili Teke copper-gold project.*

*With an inferred resource, 36,000 metres of drilling and exceptional gold-copper intercepts reported, there is significant scope to re-optimize Kili Teke that will drive material value for KRL. Kili Teke will be a core focus for KRL into the future."*

## Update on the acquisition of Kili Teke

A definitive agreement between KRL and Harmony to acquire Kili Teke was executed and announced on [April 6, 2022](#). Terms of the deal are set out in that announcement.

Closing requires satisfaction of a number of conditions precedent, as customary for a transaction of this nature. These are on track, with the TSX-V indicating the transaction can progress as an expedited transaction, subject to closing.

An independent technical report is currently being finalised for Kili Teke in accordance with NI 43-101 requirements. It is expected the current SAMRAC inferred resource estimate will be substantially

adopted by the Qualified Person in accordance with NI 43-101 requirements.

Regulatory approvals have been sought from the PNG Mineral Resources Authority to enable the transfer and renewal of Kili Teke's tenement (EL 2310) from Harmony to KRL. These are currently being processed and no delays are envisaged.

Closing remains subject to KRL, at its discretion, sourcing funding of up to US\$1 million (with alternatives currently being assessed by KRL). Of this, only US\$500,000 is required to make payment to Harmony for 100% of Kili Teke and close the transaction, of which a US\$100,000 deposit has been paid.

## Transformational nature of Kili Teke for KRL

Kili Teke is highly transformational for KRL, with this advanced stage development opportunity adding considerable intrinsic value to the current portfolio of quality projects.

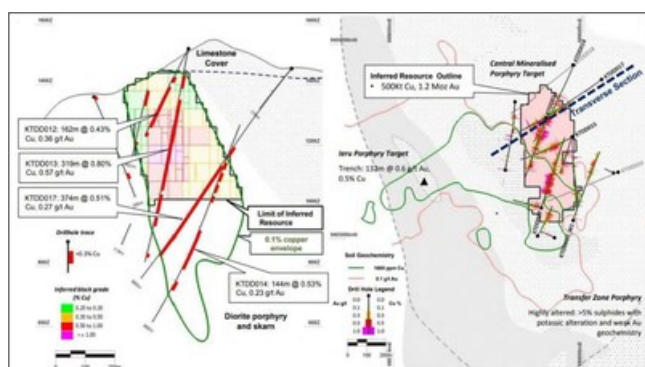
The acquisition of Kili Teke achieves a core listing objective for KRL upon inclusion of a mineral resource (with a pre-existing SAMRAC compliant defined Inferred Mineral Resource of 237Mt @ 0.34% Cu (=0.8Mt Cu), 0.24g/t Au (=1.8Moz Au) and 168ppm Mo (=0.04Mt Mo), with an effective date of June 30, 2021). On a total resource in situ value, the Kili Teke deposit is worth a cumulative US\$10.64 billion, equivalent to 3.08 billion pounds of copper or 6.20 million ounces of gold (using prevailing spot prices as of September 8, 2022- \$3.45/lb Cu, \$1,717.68/Oz Au and \$16.34/lb Mo). Comparative analysis of similar copper-gold projects supports a robust valuation for Kili Teke.

Near surface high-grade Au skarn mineralisation has been identified but not yet included in the defined mineral resource; meaning there is a strong likelihood of expansion of the mineral resource in the near term.

Significant drilling of over 36,000m has already occurred at Kili Teke, with a number of exceptional results reported: such as hole KTDD013 with 524 metres for 0.58% Cu and 0.41 g/t Au from 90m (including 186 metres at 1.02% Cu and 0.72 g/t Au), see Figures 1 and 2 below.

*Figure 1: Kili Teke Significant Au-Cu Drill Intercepts*

| Reference: | Length (m): | Cu Grade (%): | Au Grade (g/t): | Depth (m): |
|------------|-------------|---------------|-----------------|------------|
| KTDD013    | 524m        | 0.58 %        | 0.41 g/t        | 90m        |
| Including: | 319m        | 0.79 %        | 0.57 g/t        | 166m       |
| Including: | 186m        | 1.02 %        | 0.72 g/t        | 252m       |
| KTDD014    | 509m        | 0.38 %        | 0.2 g/t         | 358m       |
| Including: | 144m        | 0.53 %        | 0.23 g/t        | 610m       |
| KTDD015    | 466m        | 0.34 %        | 0.25 g/t        | 128m       |
| Including: | 290m        | 0.44 %        | 0.34 g/t        | 129m       |
| KTDD017    | 482m        | 0.45 %        | 0.24 g/t        | 317m       |
| Including: | 374m        | 0.51 %        | 0.27 g/t        | 391m       |



**Figure 2: Kili Teke Deposit Significant Drilling (CNW Group/Kainantu Resources Ltd.)**

On closing, KRL will acquire all drill core and modelling data supporting the mineral resource model. With a change of emphasis as a smaller company, Kili Teke presents significant opportunities to reoptimize the project with a focus on higher grades and lower through-puts (with an open pit

approach as one way to enhance economic returns).

## Next steps

KRL will continue to advance activities to close the acquisition, with 100% of Kili Teke expected to be incorporated into the Company's portfolio in the near term.

The recent formation of a government post national elections is expected to enhance long term stability in PNG. A number of infrastructure and road projects are planned for the Hela province, where Kili Teke is located. KRL will continue to work with key stakeholders in PNG, with strong support for the mining sector evident.

On closing, KRL expects to accelerate steps towards re-optimization of Kili Teke and is currently in discussion with technical consultancies who may support this initiative. KRL foresees Kili Teke being a major focus for the Company, given its advanced status and significant potential for development.

## 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 Kainantu Resources Limited (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.

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

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*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](http://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.*

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