



Kainantu Resources Advances Exploration at KRL North

Vancouver, B.C. - April 19, 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 exploration activities at KRL North, the Company’s highly prospective tenements located in the NE of the Kainantu region, Papua New Guinea (“PNG”).

Highlights

- Adjacent to the Bilimoia Mineral Field, KRL North borders on and shares similar geological attributes to the high-grade gold deposits currently being mined by K92 Mining Inc. (“K92”);
- The Company has embarked on a comprehensive stream sediment and soil sampling programme to identify further potential porphyry related alteration and mineralisation targets within KRL North;
- On strike and along trend of the world-renowned Kainantu Transfer Structure, two identified significant mineralised vein systems (Manipoe and Arakompa) are 2 to 4 km SE of KRL North (with a conceptual mineralising porphyry source underlying the ground between Arakompa and the SW corner of KRL North); and
- After an extensive community awareness programme resulting in strong community support, the Company has successfully established long term access arrangements with local landholders, as a key milestone event in the field activities at KRL North.

Matthew Salthouse, CEO of KRL, commented:

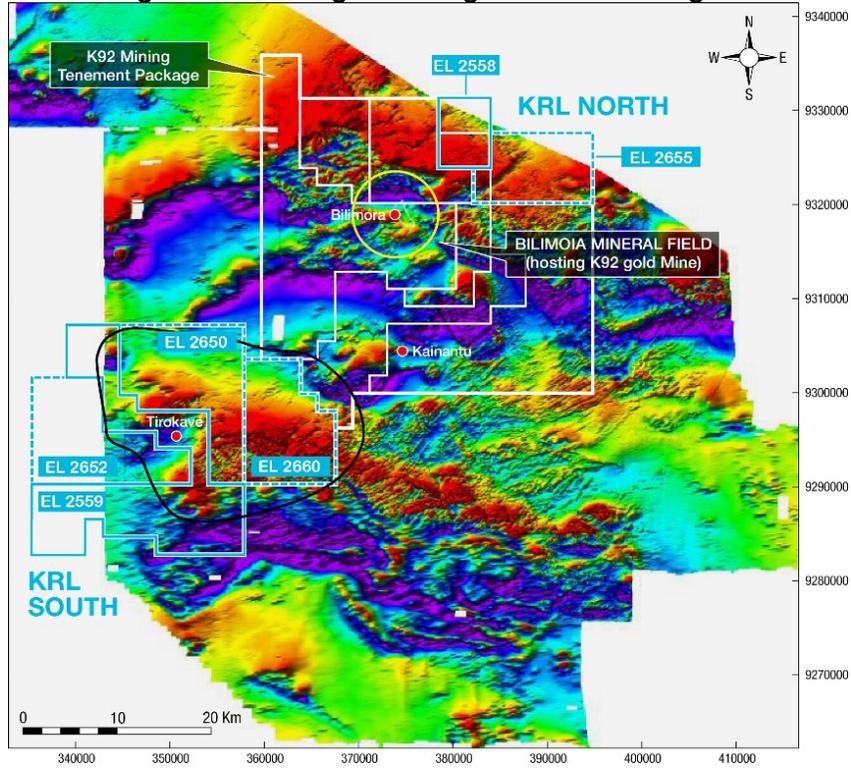
“The proximity and central location of KRL North to known high-grade mining activities makes the project highly prospective for ongoing investigation. Concluding access arrangements with the communities of KRL North is a key milestone event ahead of field work. We foresee encouraging results in coming months to add to the Company’s pipeline of activities and news flow.”

Background

Approximately 20 km NE of Kainantu town, KRL North is 88.65 km² in size, comprising two tenements: EL 2558 and EL 2655. The Company’s announcement of [March 24, 2021](#) contains further particulars.

As with K92, KRL North is located along the world renowned Kainantu Transfer Structure, associated with successful gold, silver and copper mining across the Kainantu Mining District. Aeromagnetic data sourced from the PNG Mineral Resource Authority (“MRA”) library indicates proximity and certain similarities, notably structure, between KRL North and the Bilimoia Mineral Field which host the K92 mine (see Figure 1).

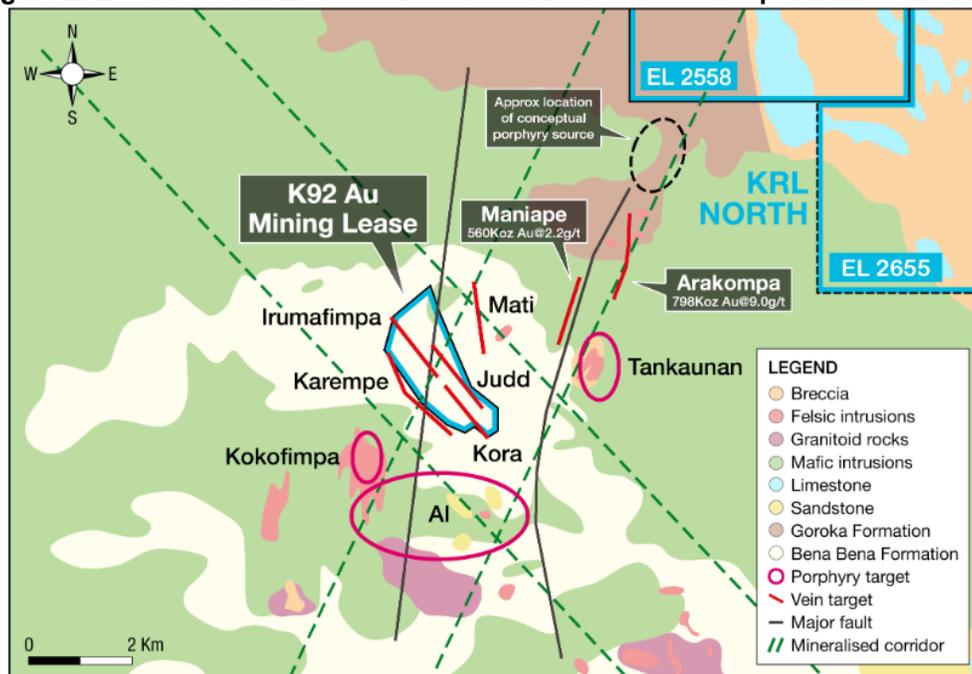
Figure 1: Aeromagnetic Image of Kainantu Region



KRL North’s Geological Setting in Relation to the Bilimoia Mineral Field

As noted above, KRL North borders K92’s current tenement package and sits along strike, NNE, on the mineralised corridor representing a portion of the Kainantu Transfer Structure: see Figure 2.

Figure 2: Location of KRL North Relative to Known and Conceptual Mineralisation



Amongst other features, this structure appears to control two significant mineralised vein systems within the tenement package of K92, both within 3 to 4 km of the SW corner of KRL North. Drilled by a former miner in the 1980s and 1990s, and while non-JORC compliant (or subject to an NI 43-101 technical report), historic data is reported to indicate a resource of 560,000 oz Au at 2.2 g/t at Maniope; and 798,000 oz Au at 9.0 g/t at Arakompa.¹

Given their proximity to the Company's tenements, both the Maniope and Arakompa vein systems are relevant to KRL North. A 1994 paper by Corbett et al* examined attributes of both prospects and concluded:

"Fluid inclusion, gold fineness, vein paragenesis and mineral distribution indicate that the Arakompa vein system is proximal to a porphyry source at depth.....A fluid flow pattern is defined from the mineral zonation.....the mineralising fluids flowed southward along the Maniape vein systems."

...It is suggested that the mineralising porphyry has possibly been emplaced at the intersection of the Arakompa structures and the contact between the Akuna granodiorite and Bena-Bena Metamorphics."

"An extensive programme of ridge and spur auger sampling identified soil anomalies at Arakompa.....Mesothermal veins were identified in outcrop at Maniape and exposed in trenching at Arakompa."

*Corbett, G.J., Leach, T.M., Thirnbeck, M., Sione, T., Koima, H., Digan, K., Petrie, P., 1994. The geology of porphyry related mesothermal vein gold mineralization north of Kainantu, PNG. Geology, Exploration, and Mining Conference, 1994, Lae. The Australasian Institute of Mining and Metallurgy, Melbourne.

The research infers a mineralizing porphyry source underlying the ground between the Arakompa Prospect and the SW corner of EL 2558. This warranted the Company originally making application for a tenement over the area, with the potential for high-grade mineralisation extending into KRL North.

Given these evident characteristics, the Company has developed a programme to identify potential porphyry related alteration and mineralisation within KRL North.

2020/2021 Programme at KRL North

Access: Throughout 2020, the Company actively engaged with the communities located in KRL North to develop mining awareness and support for KRL; with the aim of ensuring appropriate local consent arrangements could be agreed in accordance with PNG law before starting field work.

This has resulted in the recent signing of an access agreement between KRL and seven clans/community groups with cultural and customary links to EL 2558/KRL North ("the Agreement").

The Agreement confirms the communities' strong support for the Company's ongoing rights to access and explore KRL North; with the Company committing to engage local labour for field work and undertake other activities in line with its broader ESG strategy. The Agreement does not involve the payment of any further consideration. Figure 3 records the signing of the Agreement and the Company is grateful for the support of the local community for reaching accord with KRL.

¹ Canaccord Genuity Corp., Research Report, January 23, 2020.

Figure 3: Formal Signing of Access Agreement for KRL North



Field Work: With the Agreement securing access, the Company is now undertaking a comprehensive stream sediment and soil sampling programme covering the eastern, central, and western stream systems forming the major drainage pattern within EL 2558/KRL North. Assessment of outcrops and field observation work is also underway. The intention will be to identify areas for ridge-and-spur and/or gridded soil sampling, potentially leading to a costean sampling programme later in the year.

To date, 155 samples comprising 127 rock outcrop and float, 20 stream sediments, and 4 pan concentrates (inclusive of 4 QA/QC) samples have been taken and dispatched for multi-element analysis, with field reports being encouraging.

Lithologies mainly consist of basement phyllites overlain by siltstone with the identification and sampling of mineralized chlorite altered microdiorite dykes, believed affiliated with the Elandora Porphyry and small quartz veins hosted in intensely chloritized phyllites. Steeply dipping N to NNE structures have been mapped hosting mineralisation consisting of disseminated and fracture fill/veinlets of pyrite, chalcopyrite, and bornite.

Developing KRL North

Establishing long term community support and progressing access arrangements will enable the Company to accelerate exploration activities across KRL North (in addition to KRL South) over the coming 6 to 12 months. The Company will continue to provide updates on the project.

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.



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