



NEWS RELEASE

Karora Resources Announces New Coarse Gold Occurrence at Beta Hunt Providing Further Support of Coarse Gold Geological Model

Highlights:

- **Development in the A Zone shear has intersected an estimated¹ 2,000 ounces of coarse gold, supporting the existing Beta Hunt Coarse Gold Geological Model**
- **The existing Beta Hunt Coarse Gold model has been supported in a number of development headings in A Zone and Western Flanks**

TORONTO, November 2, 2020 – Karora Resources Inc. (TSX: KRR) ("Karora" or the "Corporation" - <https://www.commodity-tv.com/ondemand/companies/profil/karora-resources-inc/>) is pleased to announce that underground development at the Beta Hunt Mine has intersected an estimated¹ 2,000 ounces of coarse gold. The coarse gold occurrence was found in the same geological environment as previously announced coarse gold occurrences and proximal to the 2018 Father's Day Vein discovery. The new gold occurrence provides further support of Karora's existing Coarse Gold Geological Model at Beta Hunt which could potentially apply to other areas in the mine. The Coarse Gold Model attempts to identify areas with the necessary geological setting for a higher likelihood of coarse gold occurrences. However, as with all predictive geological models, the model does not ensure an occurrence, nor the amount of coarse gold potentially associated with each occurrence.

Note 1: The accuracy of this estimate at this stage is considered to be +10%/-25% as it is based on the measurement of the estimated gold content for each of the samples by specific gravity determinations. This occurrence is not necessarily representative of continued mineralization. Further, such estimates cannot be interpreted with the same confidence as assay results.

Paul Andre Huet, Chairman & CEO, commented: "We are excited to announce another coarse gold occurrence at Beta Hunt, which supports our existing coarse gold model used to identify the geological setting in which potential coarse gold is expected to occur. As we have previously stated, we do not include coarse gold in our reserves, nor do we incorporate it into our mine plan. While these occurrences are certainly welcome, they are best considered as a potential periodic significant bonus on top of our ongoing economic mine production at the base reserve grade.

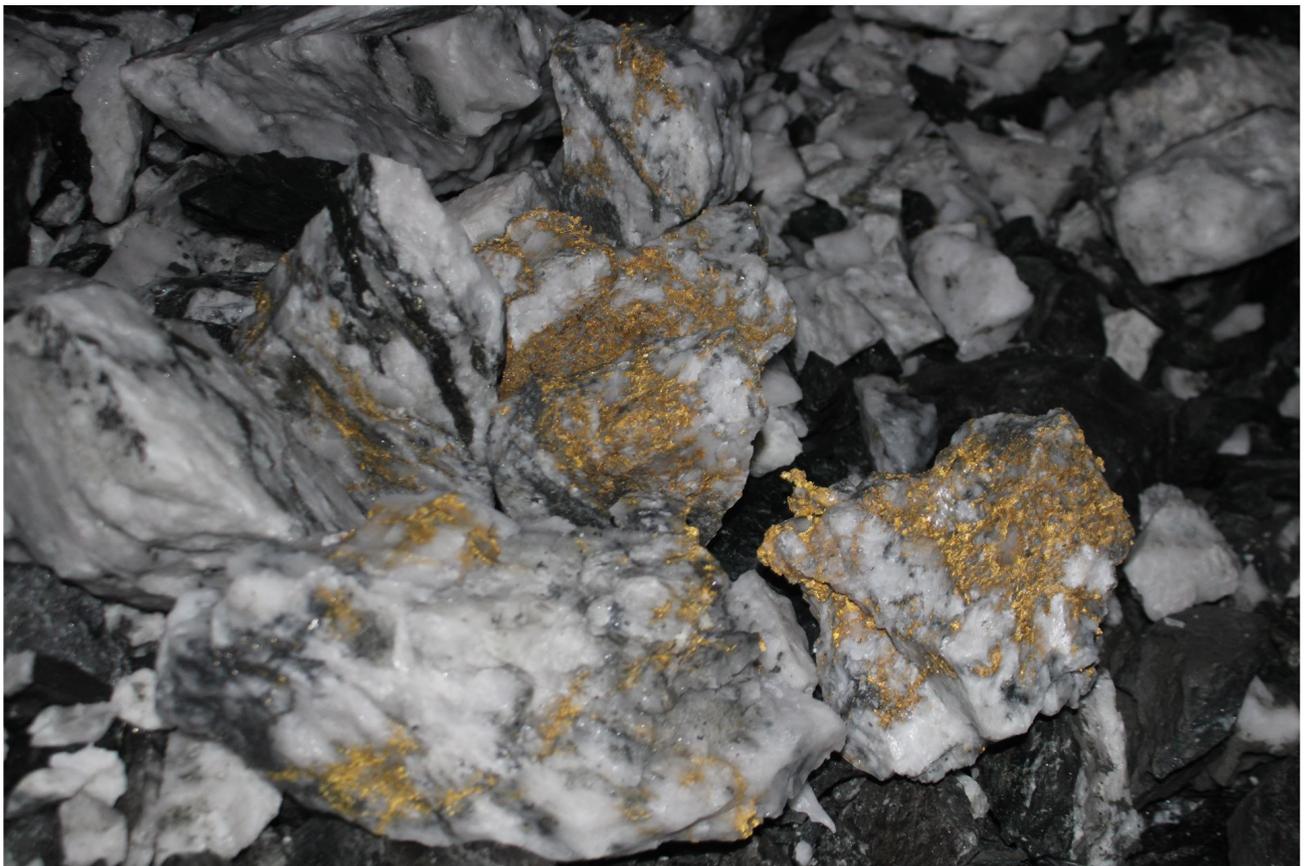
During this year, we have demonstrated three consistent quarters of highly profitable mining at Beta Hunt, with no coarse gold occurrences, which is a testament to the evolution of our operations and Karora as a business. Our recent track record of reducing costs and improving efficiencies has led to Beta Hunt providing a reliable and predictable contribution to our production profile and has attracted strong institutional quality investor interest in Karora. We will continue with our strategy to mine Beta Hunt in a systematic, efficient manner based on our reserve grade mine plan while ensuring, through

our complete extraction of the shear zone, that we do recover coarse gold occurrences in the sediment-hosted zone where they are most likely to occur.

Additionally, over the course of this year we have proactively enhanced security protocols at Beta Hunt associated with the handling of coarse gold via immediate and secure transport for safe storage until it is processed and sold.

Over the remainder of this year, we look forward to updating the market on our ongoing drill programs, our third quarter financial results, as well as a comprehensive reserve and resource update across our operations.”

Figure 1: Quartz rock containing coarse gold in the A Zone.



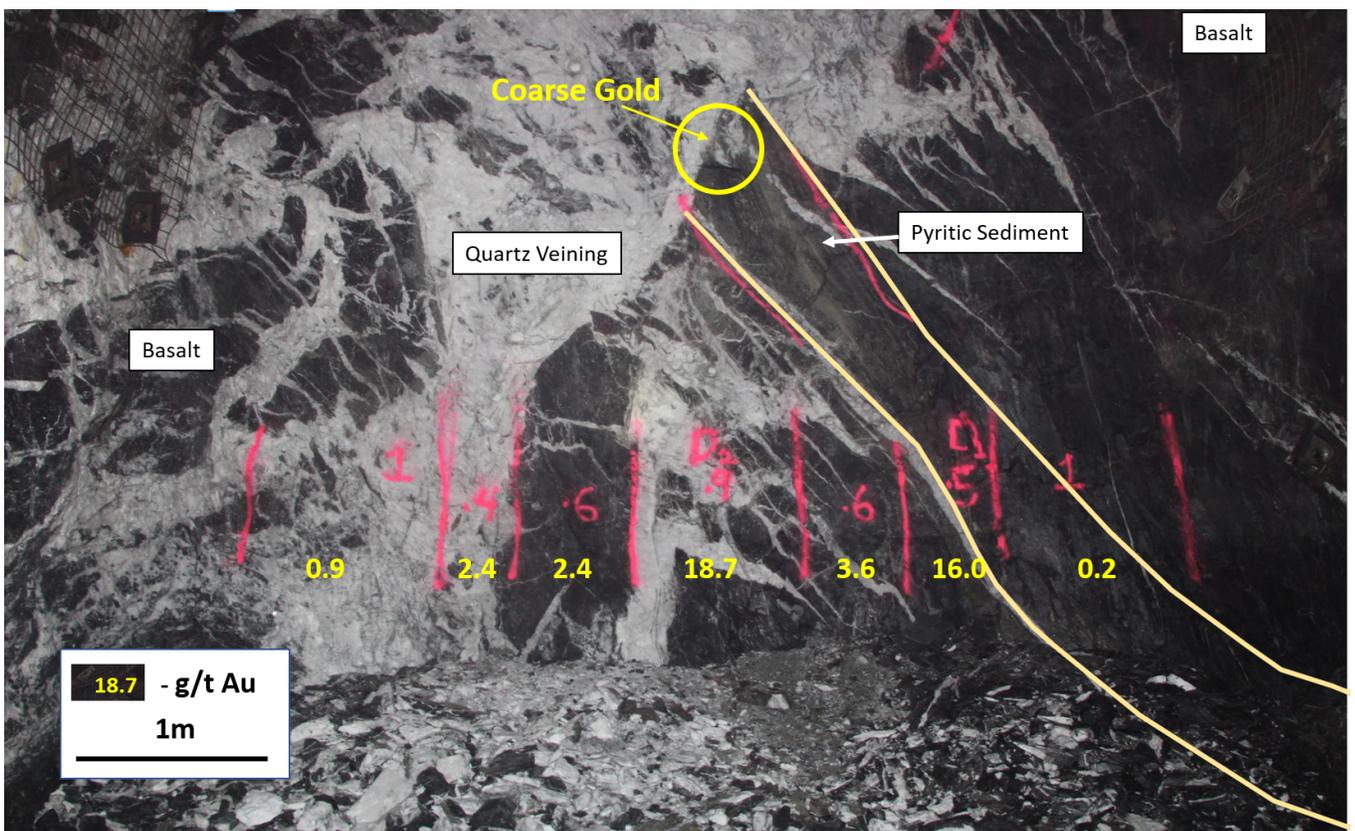
Beta Hunt Coarse Gold Occurrence

As previously outlined, at Beta Hunt coarse gold mineralization (> 1% Au) is associated with the basalt/ultramafic contact and with an interflow sediment within the Lunnon Basalt where it intersects the main shear zones. Based on more recent mining of the A Zone, underground mapping and drill hole interpretation, Beta Hunt geologists have confirmed the coarse gold mineralization to be controlled by the intersection of the main mineralized shear zones (A Zone and Western Flanks) and the Lunnon interflow sediment which is a narrow, iron sulphide-rich unit that occurs approximately 150 metres stratigraphically below the ultramafic/basalt contact. The intersection of the steep dipping shear zones

with the shallow, west- dipping Lunnon sediment is interpreted to produce a shallow, north plunging zone that may contain “pockets” of coarse gold.

This model was applied to the sedimentary unit at A Zone which intersected the interpreted north plunging potential “coarse gold” zone (see Figure 2). Ore drives in the A Zone resource area have intersected sediment associated coarse gold (an estimated 2,000 ounces – see Note 1 above), providing strong ongoing support and reinforcement of the previously developed geological model. In addition to being applied to A zone and Western Flanks, this model is interpreted to apply to the other parallel mineralized shear zones at Beta Hunt.

Figure 2: Face of ore drive in sedimentary horizon on A Zone shear. Coarse gold is found on the margin of the shear-related quartz vein in contact with the pyrite-rich Lunnon sediment.



Note: Gold grades (g/t Au) in yellow represent rock-chip sample assays over marked-up intervals (metres).

Qualified Person

The disclosure of scientific and technical information contained in this news release has been approved Stephen Devlin, FAusIMM, Group Geologist, Karora Resources Inc., a Qualified Person for the purposes of NI 43-101.

The recovered coarse gold quantities were determined and compiled at the Beta Hunt mine site by Beta Hunt Mine staff who are full time employees of Karora Resources Inc.

Gold content of rock specimens containing coarse gold was determined using the non-destructive specific gravity method according to the following calculation.

$$Au_g = \frac{Gold\ SG \times Rock\ Dry\ Weight_g \times \left[1 - \left(\frac{Rock\ Dry\ Weight_g}{Water\ Mass\ ml}\right)\right]}{[Gold\ SG - Host\ Rock\ SG]}$$

Where Au_g is the contained gold weight of the rock specimen in grams, $Gold\ SG$ is the specific gravity of gold and equals 19.3, $Dry\ Weight_g$ is the dry weight in air of the rock specimen measured via laboratory scale adjusted for container mass, $Water\ Mass\ ml$ is the mass of water displaced by the rock specimen measured by placing the rock in water and weighing the displaced water, $Host\ Rock\ SG$ is the estimated specific gravity of the host rock (gangue material in the specimen) based upon interpreted relative proportions of quartz and basalt in the host rock and in this case ranges from 2.7 to 2.8.

The error in this estimation method is primarily related to the estimation of $Host\ Rock\ SG$. The values determined for Au_g is considered to be accurate within a range of +10% to -25% of the determined value.

Wall samples are collected as rock chips using a G-pick along a horizontal sample traverse. Samples are shipped to SGS Mineral Services of Kalgoorlie for preparation and assaying by 50 gram fire assay analytical method. All rock chip samples are submitted with at least one CRM (standard) every 20 samples. In samples with observed visible gold mineralization, a coarse blank is inserted after the visible gold mineralization to serve as both a coarse flush to prevent contamination of subsequent samples and a test for gold smearing from one sample to the next which may have resulted from inadequate cleaning of the crusher and pulveriser. Where problems have been identified in QAQC checks, Karora personnel and the SGS laboratory staff have actively pursued and corrected the issues as standard procedure.

About Karora Resources

Karora is focused on growing gold production and reducing costs at its integrated Beta Hunt Gold Mine and Higginsville Gold Operations ("HGO") in Western Australia. The Higginsville treatment facility is a low-cost 1.4 Mtpa processing plant which is fed at capacity from Karora's underground Beta Hunt mine and open pit Higginsville mine. At Beta Hunt, a robust gold mineral resource and reserve is hosted in multiple gold shears, with gold intersections along a 4 km strike length remaining open in multiple directions. HGO has a substantial historical gold resource and highly prospective land package totaling approximately 1,800 square kilometers. Karora has a strong Board and management team focused on delivering shareholder value. Karora's common shares trade on the TSX under the symbol KRR. Karora shares also trade on the OTCQX market under the symbol KRRGF.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the potential of the Beta Hunt Mine, Higginsville Gold Operation and Spargos Reward Gold Project.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Karora to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: future prices and the supply of metals; the results of drilling; failure to discover additional significant amounts of coarse gold; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; results of exploration programs; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in

obtaining governmental approvals, projected cash operating costs, failure to obtain regulatory or shareholder approvals. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to Karora 's filings with Canadian securities regulators, including the most recent Annual Information Form, available on SEDAR at www.sedar.com.

Although Karora has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and Karora disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

Cautionary Statement Regarding the Higginsville Mining Operations

A production decision at the Higginsville gold operations was made by previous operators of the mine, prior to the completion of the acquisition of the Higginsville gold operations by Karora and Karora made a decision to continue production subsequent to the acquisition. This decision by Karora to continue production and, to the knowledge of Karora, the prior production decision were not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, which include increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Corporation's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

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