



NEWS RELEASE

Karora Resources Completes Acquisition of Spargos Reward High-Grade Gold Project

TORONTO, August 7, 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 following an extensive due diligence period, it has closed the acquisition of the Spargos Reward Gold Project ("Spargos Reward Project" or "Spargos") from Corona Resources Limited as originally announced on May 11, 2020 (see related press release). The Spargos Gold Project contains a historical JORC¹ (2012) Mineral Resource Estimate of 112,000 oz (785,800 tonnes @ 4.4 g/t) indicated resource and 19,000 oz (151,000 tonnes @ 4.0 g/t) inferred resource², as detailed in Table 1 below.

Note: A qualified person has not done sufficient work on behalf of Karora to classify the historical estimate noted in Table 1 below as current mineral resources or mineral reserves, and Karora is not treating the historical estimates as current mineral resources or mineral reserves.

Paul Andre Huet, Chairman and CEO, commented "The Spargos Reward Project is an excellent bolt-on project for our Higginsville gold operation ("HGO") and a great addition to our already strong asset base in Western Australia, providing a new high-grade source of feed just 65km from the HGO mill. We intend to fast track Spargos into our growing production pipeline with the goal of beginning to generate cash flow from the Project in 2021. Follow up is planned on the exciting exploration upside potential at Spargos, as demonstrated by RC drillhole 19SPRRC004 intersection of 37.1 g/t over 18m (62m to 80m), including 93.1 g/t over 2m from 78m downhole^{3,4}."

Karora has acquired the Spargos Reward Project for A\$4 million in cash and will be subject to a minimum spending commitment of A\$2.5 million on exploration and development over a two-year period from the closing date. The seller is entitled to an additional (i) A\$1.5 million in Karora shares on commencement of gold production from Spargos, and (ii) A\$1.0 million in Karora shares if a new additional indicated gold resource of at least 165,000 oz is delineated at the project.

The Spargos Reward project tenements cover 33 km² located in the Eastern Goldfields of Western Australia, 35 minutes by road to HGO. On top of the existing historical resource, there are a number of historic workings within the project, the most notable of which is the historic Spargos Reward Gold Mine which produced 105,397 tonnes at an average grade of 8.56 g/t Au in the 1930s and 1940s¹, with limited gold extraction since that time.

Figure 1: Location of Spargos Reward project in relation to the Beta Hunt mine and Higginsville Gold Operations, Western Australia.

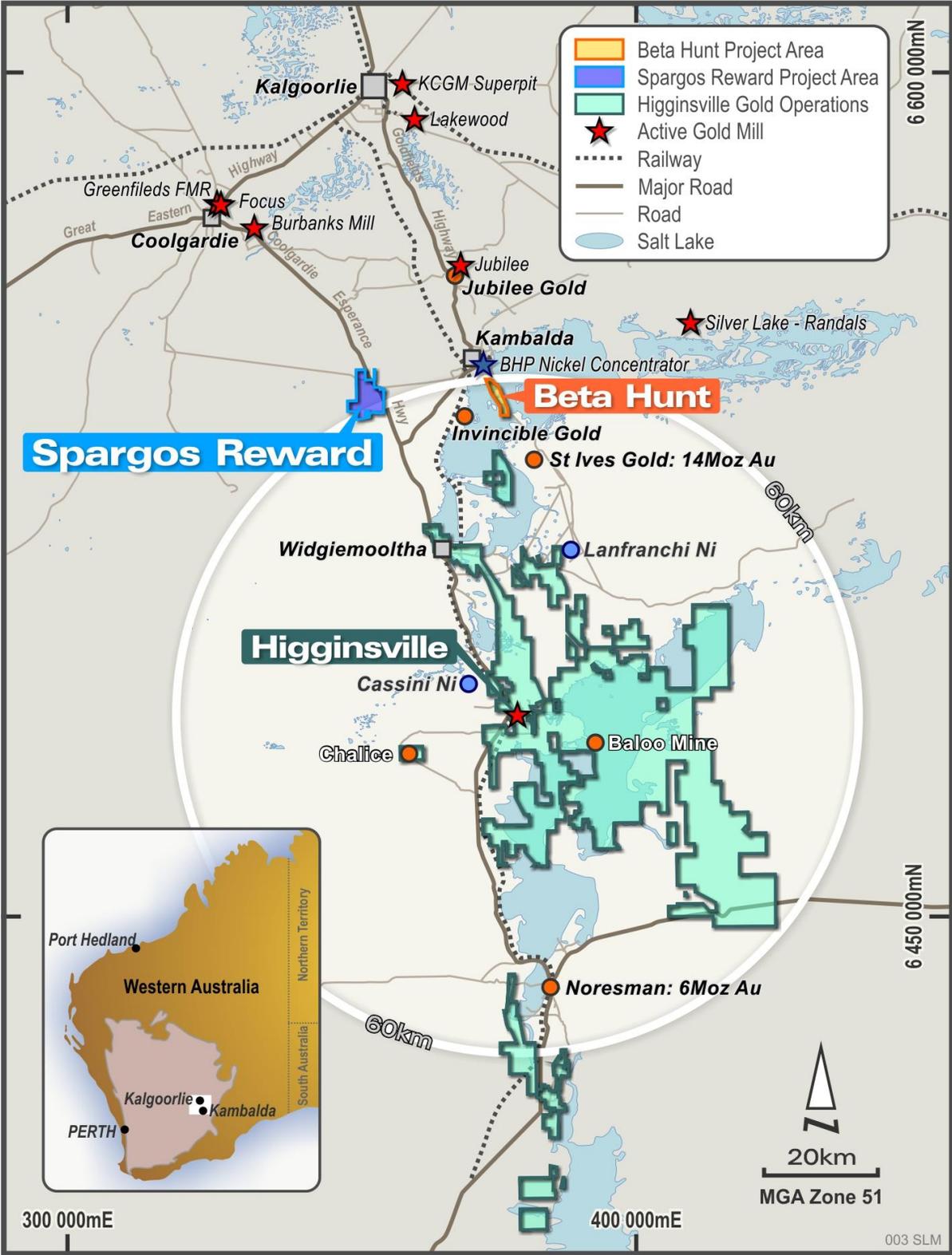


Table 1: Spargos Reward Historical Mineral Resource Estimate February 26, 2020 (JORC Code 2012)^{1,2}

ABOVE 300m RL	Thousand Tonnes	Au CUT (g/t)	Contained Ounces Au
Indicated	337.7	4.4	48,000
Inferred	18.0	4.0	2,000
	Lower cut-off	1.0 g/t Au	

BELOW 300m RL	Thousand Tonnes	Au CUT (g/t)	Contained Ounces Au
Indicated	448.0	4.4	64,000
Inferred	133.0	4.0	17,000
	Lower cut-off	2.0 g/t Au	

TOTAL	Thousand Tonnes	Au CUT (g/t)	Contained Ounces Au
Indicated	785.8	4.4	112,000
Inferred	151.0	4.0	19,000

Notes:

1. *As per the 2012 JORC (Joint Ore Reserves Committee) Code.
The information is extracted from the report entitled 'Resource Estimate Update for Spargos Reward Project Eastern Goldfields Western Australia' dated on February 26, 2020 and is available to view on Corona Resources Limited's website (www.coronaresources.com.au). Karora confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original report. A qualified person has not done sufficient work on behalf of Karora to classify the historical estimate noted here and in Table 1 as current mineral resources or mineral reserves and Karora is not treating the historical estimates as current mineral resources or mineral reserves. There is no certainty they will prove to be accurate or that a range of outcomes will be achieved.*
2. *The historical mineral resource is estimated at variable cut-off grades: >1.0 g/t Au for open-cut mining (above the 300m RL) and >2.0 g/t Au for underground mining (below the 300m RL). The cut-off grades reflect the different mining costs for each mining method.*
3. *Historical drill information for hole 19SPRRC004, as provided in Corona Resources Limited news release (www.coronaresources.com.au), December 6, 2019:*

Table 2: Historical drill Results, 19SPRRC004, December 6, 2019

Hole ID	sub interval	From (m)	To (m)	Downhole Interval (m)	Estimated True Width (m)	Au (g/t)
19SPRRC004		62	80	18	-	37.16
	including	66	71	5	-	79.41
		78	80	2	-	93.12

Table 3: Drill Location SPRRC004, December 6, 2019

HOLE ID	Drill type	EASTING (m)	NORTHING (m)	mRL	AZI	DIP	Total Length (m)
19SPRRC004	RC	354199	6543083	429	270	-55	80

4. *Downhole thickness. True thickness cannot be estimated with available information.*

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 KRRGD.

Compliance Statement (JORC 2012 and NI 43-101)

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

The historical data referenced in this release has been reviewed under the supervision of the Qualified Person and is supported by the Corona Resources report entitled 'Resource Estimate Update for Spargos Reward Project Eastern Goldfields Western Australia' dated on February 26, 2020 and is available to view on Corona Resources LTD's website (www.coronaresources.com.au). This report details the QA/QC procedures used on drill samples and provides analysis of the results of all associated QA/QC samples including blanks, standards (CRM samples) and duplicates. Samples specific to drillhole SPRRC004 were verified by on-site inspection and check assays carried out under the supervision of the QP in May and June 2020.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the timing of production and cash flow from the Spargos Gold Reward Project and 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; 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.

For more information, please contact:

Rob Buchanan
Director, Investor Relations
T: (416) 363-0649
www.karoraresources.com

In Europe:
Swiss Resource Capital AG
Jochen Staiger
info@resource-capital.ch
www.resource-capital.ch