

NEWS RELEASE

Karora Extends New Larkin Zone to Over 650 Metres with Strong Infill and Step-out Drilling, Including 7.6 g/t Gold over 5.8 Metres

Highlights:

- **Infill and step out drilling, along with face samples³ have resulted in Beta Hunt's new Larkin Zone continuing to support the existence of a potential third major gold resource in addition to A Zone and Western Flanks. New assay highlights^{1,2} include:**
 - **EL-EA2-003AG: 7.6 g/t over 5.8 metres within a zone of 4.2g/t over 12.2 metres**
 - **EL-EA2-009AR: 2.6 g/t over 10.5 metres and 44.8 g/t over 0.9m**
 - **EL-EA2-010AR: 5.8 g/t over 8.1 metres**
 - **EL-EA2-025AR: 7.1 g/t over 5.0 metres**
 - **Face sample (Face 1-1940N): 6.1g/t over 4.6 metres**
 - **Face sample (Face 2-1940N): 4.8g/t over 5.0 metres**
1. *Interval lengths are estimated true widths*
 2. *Tables showing complete results and drill holes can be found below at the end of this news release.*
 3. *Face sample results from an exploratory drive (1940 N) along the interpreted position of the Larkin Zone – Main Zone*

TORONTO, May 12, 2021 – Karora Resources Inc. (TSX: KRR) ("Karora" or the "Corporation" - <https://www.commodity-tv.com/ondemand/companies/profil/karora-resources-inc/>) is pleased to announce continued strong drill results from the new Larkin Zone at its Beta Hunt Mine. The results form part of an infill and step-out drilling program designed to convert the Larkin Zone discovery (see Karora news release dated September 10, 2020) into Mineral Resources. A maiden Mineral Resource estimate for the Larkin Zone is planned for inclusion in the Company's 2021 consolidated resource update.

Paul Huet, Chairman and CEO of Karora said, "Today's results demonstrate the continued growth of the Larkin Gold discovery which now extends over an interpreted strike length of 650 metres and up to 120 metres down dip, while continuing to remain open along strike and at depth. Results to-date support our view that Larkin has excellent potential to be the third major gold production centre at Beta Hunt in addition to current mining operations in Western Flanks and A Zone.

Today's results include very encouraging infill drill intercepts and face samples. An intercept of 4.2g/t over 12.2 metres including 7.6 g/t over 5.8 metres in drill core EL-EA2-003AG as well as a face sample of 6.1 g/t over 4.6 metres build upon the strong results previously reported in February. The face sample was taken from an exploration drive approximately 150 metres south of the area from which the new drill intercepts are being reported.

I am very pleased with how far we have advanced the work to achieve a maiden Mineral Resource estimate for the Larkin Zone. It has been only seven months since we announced the first discovery

holes. We have leveraged the extensive infrastructure already in place to accelerate both drilling and sampling work. Without this infrastructure in place (as a result of Beta Hunt's historic nickel operations), this resource definition work would cost far in excess of our current costs. Simply put, this is a major advantage we have over other underground operations.

For our maiden resource calculation, we intend to complete drill testing of Larkin over a strike length of 1,000 metres and up to 150 metres below the ultramafic / basalt contact during the third quarter. We are excited to deliver this maiden resource just one year after initial discovery and intend to include it in our consolidated 2021 reserve and resource update. Larkin is certainly looking like the next major step forward in underground mining at Beta Hunt.”

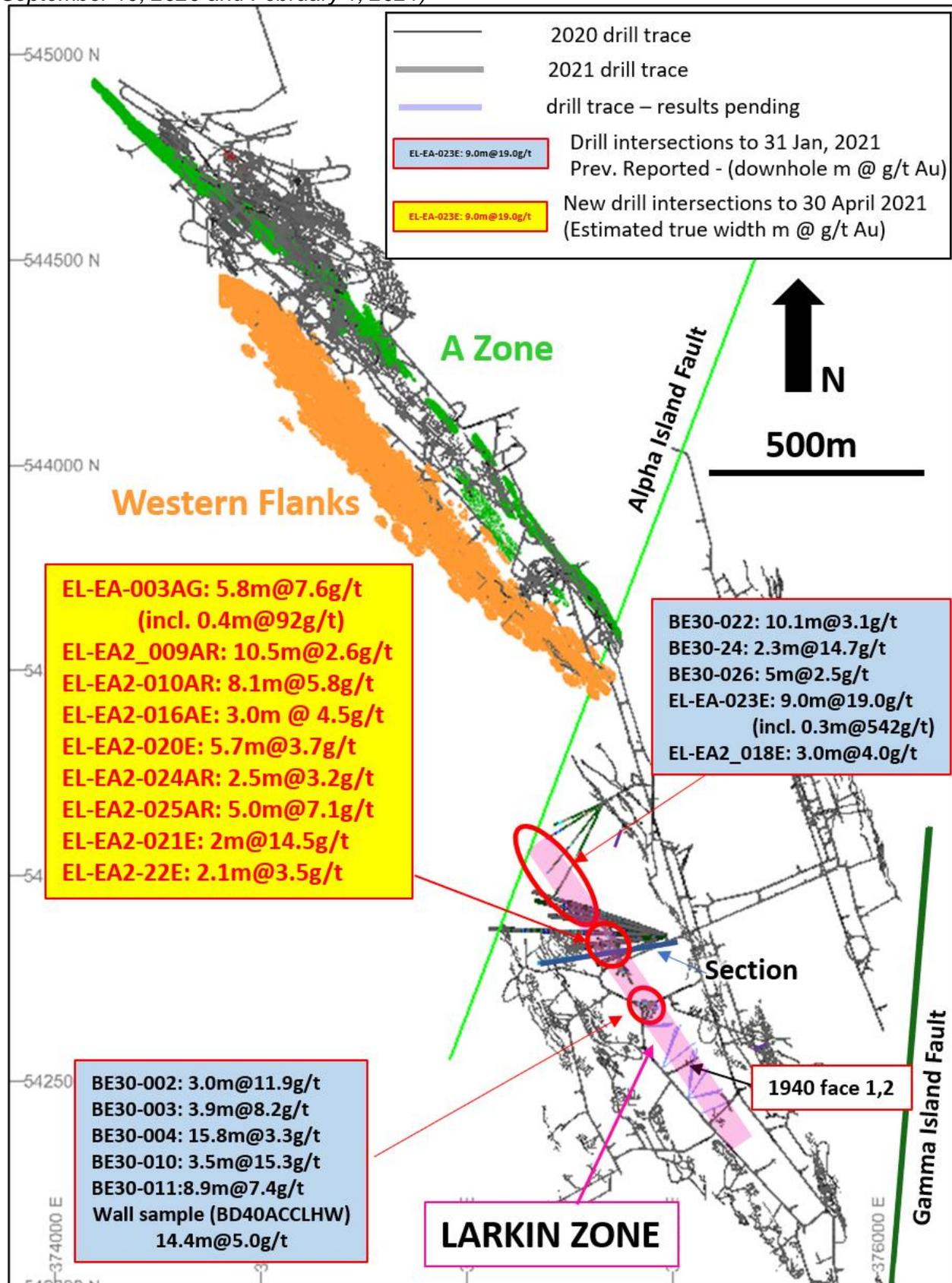
Larkin Zone Drilling

The Larkin Zone is interpreted as the faulted southern offset of the Western Flanks zone (Figure 1). The 30C nickel resource lies directly above the gold mineralization associated with the Larkin Zone (See Karora Technical Report dated February 1, 2021, www.sedar.com).

Resource definition drilling in the Larkin Zone completed through the end of first quarter now totals 29 holes for 6,720 metres. The balance of the drill program (an additional 22 holes totalling 2,800 metres), which will test the southern extension of Larkin, is expected to be completed in the third quarter of 2021 (Figure 1).

The drill program is designed to test the Larkin Zone over 1,000 metres of strike and up to 150 metres below the nickel contact. Turn-around times on assay results continue to be held-up by industry-wide laboratory capacity issues resulting from increased demand for their services and labour supply hurdles related to COVID 19 restrictions. As restrictions ease, this situation is expected to improve going forward.

Figure 1: Plan view showing location of Larkin Zone and recent drill traces at Beta Hunt
 (Previously reported drill intersections to January 31, 2021 are detailed in Karora news releases dated September 10, 2020 and February 1, 2021)



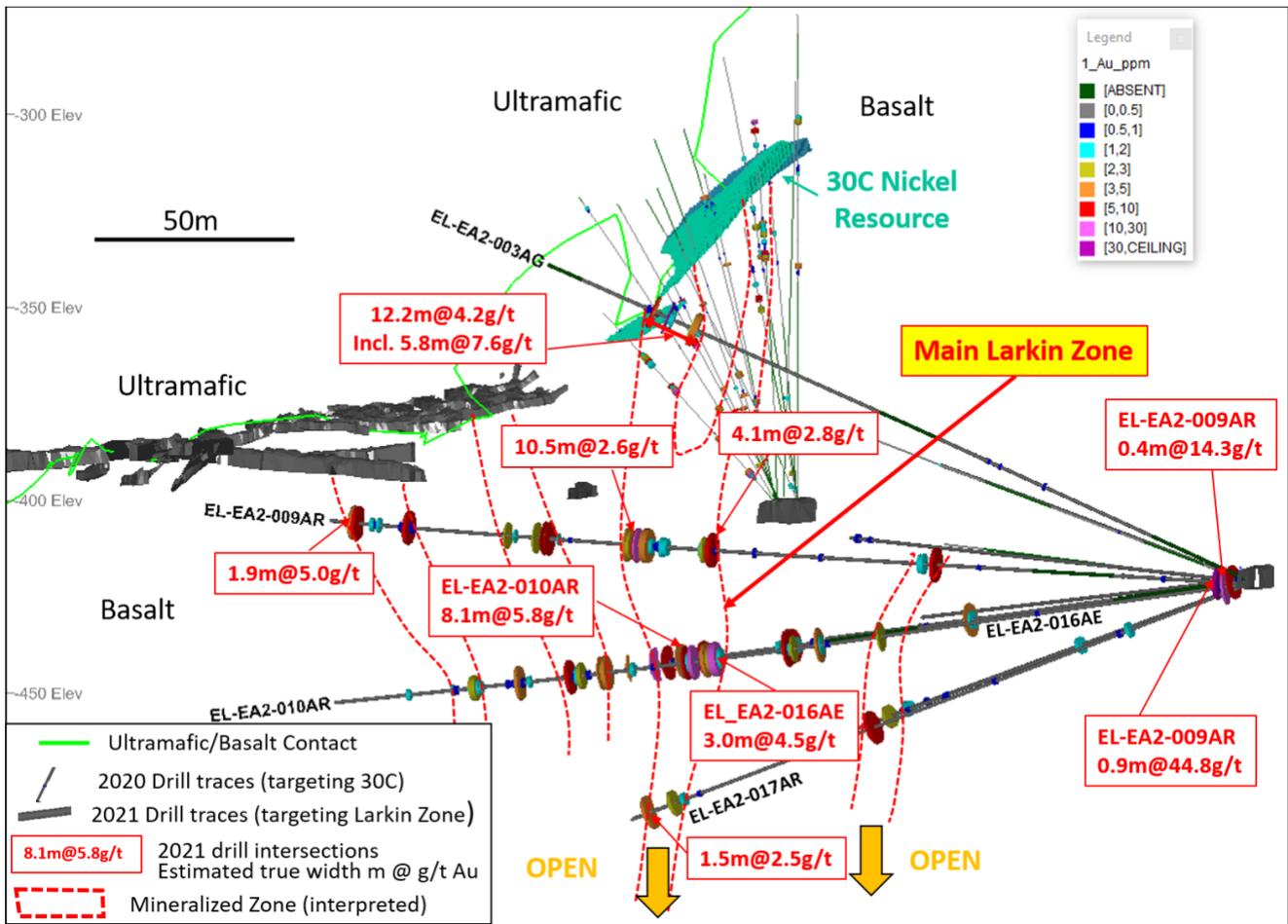
Since the previous update on the Larkin Zone (see Karora news release, Feb. 1, 2021), assay results have been received for an additional ten holes with significant results¹ detailed below:

- EL-EA2-003AG: 4.2g/t over 12.2 metres including 7.6 g/t over 5.8 metres, and 92 g/t over 0.4 metres
- EL-EA2-009AR: 2.6 g/t over 10.5 metres and 44.8 g/t over 0.9m
- EL-EA2-010AR: 5.8 g/t over 8.1 metres
- EL-EA2-016AE: 3.0 g/t over 4.2 metres and 3.0g/t over 5.0 metres
- EL-EA2-020E: 3.7 g/t over 5.7metres
- EL-EA2-025AR: 7.1 g/t over 5 metres

1. Interval lengths are estimated true widths

The ten holes were designed to infill previously reported drill results between the Alpha Island Fault to the north and the 40 Access drill cuddy to the south (Karora news release, February 1, 2020). Drill results have now confirmed mineralization over 500 metres along strike and 120 metres below the ultramafic/basalt contact (down dip). Preliminary interpretation of the results to date show the Larkin Zone is comprised of two to three, steep dipping, mineralized zones (Figure 2) of varying widths (3 metres to 12 metres) with mineralization associated with biotite-albite-pyrite altered steep-dipping shear zones and narrow, extensional quartz veins, similar in style to the A Zone and Western Flanks deposits.

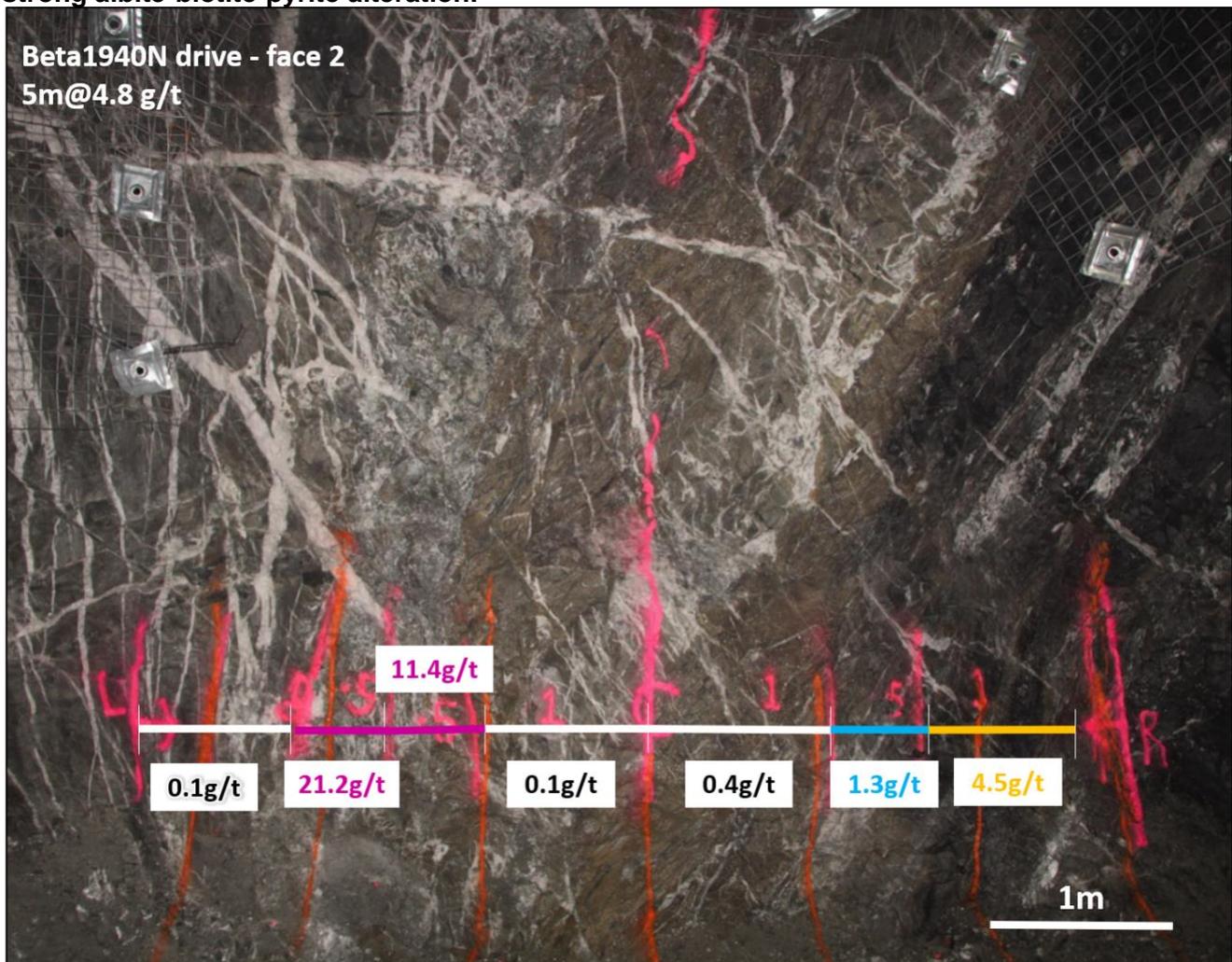
Figure 2: Cross-Section of Larkin Zone Looking Northwest (+/- 40m) Highlighting Recent Drill Results. (refer to Figure 1 for location).



Also, since previously reporting on the Larkin Zone, two level development cuts were taken as an exploratory drive initiated from the existing 1940 development (Figure 1) along the interpreted west-dipping main zone to assist in interpreting Larkin Zone mineralization. Face sample results from the first two cuts taken from the 1940N exploration drive show intense alteration and veining supported by gold grades in-line with results from drilling to the south. The 1940 face samples extend the Larkin Zone 150 metres north of reported drill results for a total strike length of 650 metres. Assay results from the face samples¹ are shown below:

- Face 2-1940N: 4.8g/t over 5.0 metres
 - Face 1-1940N: 6.1g/t over 4.6 metres
1. Interval lengths are estimated true widths

Figure 3: Exploratory Drive Along Larkin Zone – 1940N Drive, Face 2 showing individual face grade gold assays. Mineralization hosted by shear and extensional veining associated with strong albite-biotite-pyrite alteration.



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, Karora Resources Inc., a Qualified Person for the purposes of NI 43-101.

At Beta Hunt all drill core sampling is conducted by Karora personnel. Drill core samples for gold analysis in this instance were shipped to ALS Laboratories, Perth for preparation and assaying by 50gram fire assay analytical method. All gold diamond drilling samples submitted for assay include at least one blank and one Certified Reference Material ("CRM") per batch, plus one CRM or blank 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. The lab is also required to undertake a minimum of 1 in 20 wet screens on pulverised samples to ensure a minimum 90% passing at -75µm. Wall samples were shipped to the Kalgoorlie SGS laboratory. Wall samples are collected as rock chips using a G-pick along a horizontal sample traverse. All rock chip samples are submitted with at least one CRM (standard) every 20 samples. Where problems have been identified in QAQC checks, Karora personnel and the SGS and ALS 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 Mineral gold Resource and Reserve and prospective land package totaling approximately 1,800 square kilometers. The Company also owns the high grade Spargos Reward project which is anticipated to begin mining in 2021. 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 timing for the completion of technical studies and the potential of the Beta Hunt Mine, Higginsville Gold Operation, the Aquarius Project and the Spargos 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.

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Table 1(a): Beta Hunt, Larkin Zone Significant Intersections – Results to April 30, 2021

Hole ID	Sub Interval	From (m)	To (m)	Downhole Interval (m)	Estimated True Width (m)	Au (g/t) ^{1,2}
EL-EA2-003AG		155.3	168.1	12.8	12.2	4.21
	including	155.3	157.3	2.0	1.9	3.81
	and	162.0	168.1	6.1	5.8	7.55
	and	163.4	163.8	0.4	0.4	91.97
EL-EA2-009AR		6.0	7.0	1.0	0.9	44.80
		82.9	84.0	1.1	1.0	6.76
		86.4	88.0	1.6	1.5	1.76
		143.4	147.8	4.4	4.1	2.78
		156.4	167.7	11.3	10.5	2.58
	including	164.4	165.2	0.8	0.8	13.85
		188.7	190.2	1.5	1.4	3.75
		192.2	192.5	0.4	0.4	2.74
		225.8	228.0	2.2	2.0	3.12
	241.0	243.0	2.0	1.9	5.01	
EL-EA2-010AR		4.4	5.0	0.6	0.4	14.25

Hole ID	Sub Interval	From (m)	To (m)	Downhole Interval (m)	Estimated True Width (m)	Au (g/t) ^{1,2}
		114.0	115.0	1.0	0.7	3.87
		121.4	123.7	2.3	1.7	2.72
		141.0	152.0	11.0	8.1	5.75
	including	142.0	144.0	2.0	1.5	12.33
	and	148.5	151.2	2.7	2.0	11.14
		172.0	174.0	2.0	1.5	3.30
		179.0	183.0	4.0	2.9	2.42
		206.2	210.0	3.8	2.8	1.63
EL-EA2-016AE		2.6	3.0	0.5	0.4	5.22
		78.9	80.9	2.0	1.7	1.92
		130.0	133.6	3.6	3.0	4.51
		156.0	157.5	1.5	1.3	3.46
		163.5	165.0	1.5	1.3	1.81
		167.5	171.5	4.0	3.3	2.41
		176.2	178.3	2.1	1.7	1.83
		187.0	187.6	0.6	0.5	8.17
		210.0	210.6	0.6	0.5	5.68
		214.0	217.0	3.0	2.5	1.81
		220.0	220.3	1.0	0.9	2.11
		228.0	233.0	5.0	4.2	3.04
		246.0	248.0	2.0	1.7	2.42
		272.50	276.00	3.50	2.9	3.50
		289.88	294.70	4.82	4.0	1.88
		345.5	349.6	4.1	3.4	2.49
		351.4	352.0	0.6	0.5	2.94
	392.0	393.0	1.0	0.8	4.07	
	406.1	407.0	0.9	0.8	4.65	
EL-EA2-017AR		112.0	113.0	1.0	0.7	7.06
		172.7	173.7	1.0	0.7	2.29
		180.0	182.0	2.0	1.5	2.54
		214.0	217.0	3.0	2.2	1.86
EL-EA2-020E		142.5	143.0	0.5	0.4	5.01
		147.6	155.8	8.2	6.7	2.08
	including	154.0	155.8	1.8	1.5	5.64
		192.7	195.1	2.4	1.9	3.76
		231.0	238.0	7.0	5.7	3.69
	including	235.1	236.2	1.1	0.9	15.33
EL-EA2-021E		116.0	117.0	1.0	0.6	2.09
		174.0	176.0	2.0	1.2	14.48
		207.0	210.0	3.0	1.8	4.16
	including	208.0	209.0	1.0	0.6	11.40
		252.0	254.4	2.4	1.4	2.07
		258.0	261.0	3.0	1.8	2.13
		264.0	266.5	2.5	1.5	2.57

Hole ID	Sub Interval	From (m)	To (m)	Downhole Interval (m)	Estimated True Width (m)	Au (g/t) ^{1,2}
		271.0	272.0	1.0	0.6	2.11
EL-EA2-022E		170.9	175.4	4.5	2.1	3.53
		188.7	190.8	2.2	1.0	1.74
EL-EA2-024AR		156.0	157.0	1.0	0.6	4.56
		172.0	177.0	6.0	3.8	2.14
		217.0	220.0	3.0	1.9	2.57
		231.0	235.0	4.0	2.5	3.16
		245.0	248.0	3.0	1.9	4.29
		255.0	256.0	1.0	0.6	17.40
		272.0	275.0	3.0	1.9	2.29
		285.0	288.0	3.0	1.9	3.60
		298.0	299.4	1.4	0.9	2.24
		328.0	330.0	2.0	1.3	4.60
EL-EA2-025AR		144.0	145.0	1.0	0.7	3.36
		186.5	189.0	2.5	1.8	2.77
		220.0	221.0	1.0	0.7	2.11
		240.2	244.7	4.5	3.3	2.01
		259.0	260.0	1.0	0.7	6.34
		274.0	281.0	7.0	5.0	7.09
	including	274.5	276.0	1.5	1.1	13.25
		290.9	292.6	1.7	1.2	3.55

1. Reported gold grades > 1.0 g/t over 1 metre.

2. Uncut gold assays

Table 1(b): Beta Hunt, Larkin Zone Wall Sampling, 1940N Exploration Drive

Face Sample ID	Sub Interval	From (m)	To (m)	Sample Interval (m)	Estimated True Width (m)	Au (g/t) ^{1, 2}
Face 1-1940N		0.0	4.6	4.6	4.6	6.1
Face 1-1940N		0.0	5.0	5.0	5.0	4.8

1. Uncut gold assays.

2. Full width of available face sampled.

Table 2: Beta Hunt, Larkin Zone Drill Holes with Results Reported – Feb. 2 to Apr. 30, 2021

Hole ID	Northing	Easting	mRL	AZI	DIP	Total Length (m)
EL-EA2-003AG	542853.5	375481.5	-419.6	247.5	24.7	197.83
EL-EA2-009AR	542854.4	375481.7	-421.6	262.8	3.4	249.2
EL-EA2-010AR	542854.4	375481.7	-421.9	259.1	-7.7	246.6
EL-EA2-016AE	542854.8	375481.8	-420.9	271.2	-7.3	434
EL-EA2-017AR	542854.7	375481.7	-422.4	270.9	-19.4	261
EL-EA2-020E	542855.2	375481.0	-421.9	282.0	-6.1	282
EL-EA2-021E	542854.8	375481.7	-422.3	281.0	-16.6	302.99
EL-EA2-022E	542854.9	375480.8	-420.1	293.0	15.1	260.8
EL-EA2-024AR	542854.3	375482.1	-420.6	288.5	-4.9	342.46
EL-EA2-025AR	542855.2	375481.0	-422.6	286.8	-14.9	339.59

Note: Eastings and Northings in MGA, Zone 51.