



NEWS RELEASE

Karora Announces Record Annual Gold Production of 112,814 ounces and Gold Sales of 113,628 ounces for 2021

TORONTO, January 26, 2022 – Karora Resources Inc. (TSX: KRR) ("Karora" or the "Corporation" - <https://www.commodity-tv.com/ondemand/companies/profil/karora-resources-inc/>) is pleased to announce record annual consolidated gold production of 112,814 ounces for 2021 from its Beta Hunt and Higginsville mines in Western Australia. Gold sales were 113,628 ounces during 2021. For the fourth quarter of 2021 gold production was 27,925 ounces and sales were 28,734 ounces.

Karora's unaudited consolidated cash balance as at December 31, 2021 was \$91.0 million, an increase of \$4.3 million compared to September 30, 2021 after capital deployment into new mining operations at Higginsville and Spargos.

Paul Andre Huet, Chairman & CEO, commented: "Record full year 2021 gold production of 112,814 ounces places us at the upper end our full year 2021 guidance range of 105,000 – 115,000 ounces. We have continued to grow our strong cash position while investing in the business and ended the fourth quarter with a record cash balance of \$91.0 million.

Initial work on the second decline at Beta Hunt, an integral component of our growth plan, is underway. In addition, we expect the contractor selection process for the second portal and upper portion of the second decline to be completed in the first quarter. Detailed engineering studies are well advanced for the HGO mill expansion from 1.6 Mtpa to 2.5 Mtpa and orders for long lead items are on schedule to be placed in the first half of 2022.

In my 35+ years of mining, I have never worked through such significant challenges associated with labour availability and supply chain disruptions as we all experienced in Western Australia due to the COVID-19 pandemic in 2021. With these challenges extending into 2022 and affecting all mining in Western Australia, I am confident our team can rise to the challenge once again and, as we all do in the industry, certainly welcome a return to a more normal business environment.

Overall, I am very pleased with our performance in 2021 and wish to congratulate and thank all of our hard working staff and contractors at Karora. 2021 was a record year for Karora and I am excited to be underway with this talented team in 2022."

About Karora Resources

Karora is focused on doubling gold production to 200,000 ounces by 2024 compared to 2020 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 1.6 Mtpa processing plant, expanding to a planned 2.5 Mtpa by 2024, which is fed at capacity from Karora's underground Beta Hunt mine and Higginsville mines. 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 came into production in 2021. Karora has a strong Board and management team focused on delivering shareholder value and responsible mining, as demonstrated by Karora's commitment to reducing emissions across its operations. Karora's common shares trade on the TSX under the symbol KRR and 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, liquidity and capital resources of Karora, production guidance, the completion of the HGO mill expansion and the potential of the Beta Hunt Mine, Higginsville Gold Operation and the Spargos Gold Mine and the timing for production at the Spargos Gold Mine.

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.

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