NEWS RELEASE

Karora Announces High Grade Nickel Results from the 50C Nickel Trough at Beta Hunt with Intersections of 5.3% Nickel over 2.2 metres and 4.0% Nickel over 3.5 metres, Extending the Zone to over 80 metres in Width

Highlights:

- **Follow-up drilling on the 50C Nickel Trough discovery has defined a nickel mineralized zone of up to 80 metres in width and a strike length now extending over 150 metres and remaining open to the southeast along a potential 2.6 kilometres of strike length.**
- **Recent drilling up-dip from the previously reported high grade 50C discovery (11.6% Ni over 4.6 metres (downhole) in drill hole G50-22-005E) intersected high grade nickel mineralization, including intersections[1] of:**
  - **G50-22-006NE: 4.0% Ni over 3.5 metres[1]**
  - **G55-22-001NE: 5.3% Ni over 2.2 metres[1]**

  Assays are pending on a further 16 holes.
- **These results further support the 50C nickel trough as having similar mineralization to the historic Beta Zone which has to date produced in excess of 32,000 tonnes of nickel metal at an average grade of 2.6% Ni.**

1. *Downhole intervals. True widths cannot be determined with currently available information.*

TORONTO, October 8, 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 follow-up drilling has defined an 80 metre wide nickel mineralized zone, extended from the previously reported preliminary estimate of 50 metres, at the 50C nickel trough discovery at Beta Hunt. The 50C nickel trough, discovered earlier this year (see Karora news release dated April 6, 2021), is located south of the Gamma Island Fault. The follow-up drill results announced today represent an extension to the previously reported nickel sulphide mineralization and further support the significant upside potential for nickel as a by-product credit to Karora's growing gold production profile.

Paul Huet, Chairman and CEO of Karora said, "With each drill result, the nickel potential at Beta Hunt continues to build towards a very meaningful by-product contributor for Karora. We have

now extended the width of nickel mineralization at the 50C discovery to over 80 metres along a strike length of 150 metres, remaining open along 2.6 kilometres of potential strike to the southeast. The high nickel grades intersected in the first two follow-up drill holes to the 50C discovery are very encouraging, with pending assays for sixteen remaining holes expected in the fourth quarter.

As a reminder, the 50C discovery is within close proximity to existing mine development, reflecting the enormous advantage we have at Beta Hunt with over 400 kilometres of existing underground development already in place due to previous mining operations. The development provides access to optimal underground drill bay areas to quickly advance exploration work and potentially facilitate both faster development and mining.

Gamma Zone - 50C Nickel Trough and 10C Mineral Resource

In the second half of 2021 Karora, has undertaken a 6,000 metre drill program aimed at extending both the previously reported 50C nickel trough discovery and the adjacent 10C nickel Mineral Resource. The 50C discovery was highlighted by the previously reported intersection of 11.6% Ni over 4.6 metres (downhole) in drill hole G50-22-005E. To date, 28 holes have been drilled for 4,986 metres. Assay results for the 50C and 10C drilling programs have been received for 6 holes.

50C Nickel Trough Drilling: The first two holes of the program tested the basalt-ultramafic contact in a position immediately up-dip from the discovery intersection in hole G50-22-005E. The new intersections are respectively spaced at 20 metres and 50 metres from the discovery intersection, and, combined with the two previously reported intersections (holes G50-22-005E and G50-22-003E) support a total width of the nickel mineralized zone of over 80 metres.

Assay results for these holes are as follows:

- G50-22-006NE: 4.0% Ni over 3.5 metres
- G55-22-001NE: 5.3% Ni over 2.2 metres

1. *Downhole intervals. True widths cannot be determined with currently available information.*

Nickel mineralization on the targeted basalt/ultramafic contact has been logged as massive, matrix-supported and disseminated nickel sulphide, indicating that the nickel sulphide intercepts are representative of an intact nickel trough.

Drilling totaling eighteen holes has been completed up to 45 metres south and 100 metres north along strike from the discovery intersection with nickel sulphide mineralization evident in twelve of the completed holes. Porphyry intrusives in the northern drill sections have replaced parts of the nickel contact mineralization position as drilling moves closer to the Gamma Island Fault. Results are pending for sixteen 50C holes.

10C Nickel Trough: The 10C nickel trough is a parallel trough to the 50C trough and is part of the Beta South Mineral Resource (see Technical Report Higginsville-Beta Hunt Operation, Eastern Goldfields, Western Australia dated January 29, 2021 available under Karora's profile at

www.sedar.com). The 10C drill program is designed to upgrade the existing Inferred Mineral Resource and extend known nickel mineralization. To date, drilling has intersected massive sulphide with associated matrix-supported and disseminated sulphide in three holes, matrix-supported sulphide in two holes and disseminated sulphide in four holes. Initial assay results indicate that the mineralization is well represented by the existing Mineral Resource.

Significant results returned to date from the 10C drilling are highlighted below:

- G10-22-001NR: 0.4% Ni over 1.5 metres
- G10-22-002NR: 1.0% Ni over 4.6 metres
- G10-22-003NR: 1.2% Ni over 0.9 metres
- G10-22-004NR: 3.5% Ni over 0.3 metres and 2.5% Ni over 0.7 metres

Overall, recent drill results continue to reinforce the potential for mineralization that is similar to the Beta Zone, south of the Gamma Island Fault and strengthen the initial interpretation that this new mine area, which is only 140 metres from existing mine development, represents a significant growth opportunity for by-product nickel production at Beta Hunt.

The structural and mineralogical characteristics of the 50C trough closely align with those of the Western Nickel Belt at the southern end of the Beta nickel workings indicating that the 50C nickel mineralization represents an offset extension to the Western Nickel Belt. The 10C is interpreted to be the offset extension to the Eastern Nickel Belt and has structural and mineralogical characteristics that are consistent with this interpretation. There is potential for both belts to join within the Gamma Zone mineralized system. Further drilling is required to support this interpretation.

It is anticipated that all nickel assay results from the first stage of drilling the Gamma Zone will be received before the end of 2021 in time to produce a revised nickel mineralization model to be completed during the first quarter of 2022. The revised model will form the basis of a follow-up drill program planned for the first half of 2022.

Figure 1a: Plan view of Beta Hunt nickel assays greater than 1% Ni in drill holes (red dots) overlaid on 3D surface of basalt/ultramafic contact[2] 1(b): Beta Hunt nickel Mineral Resources highlighting location of 50C Drilling and recent drill results

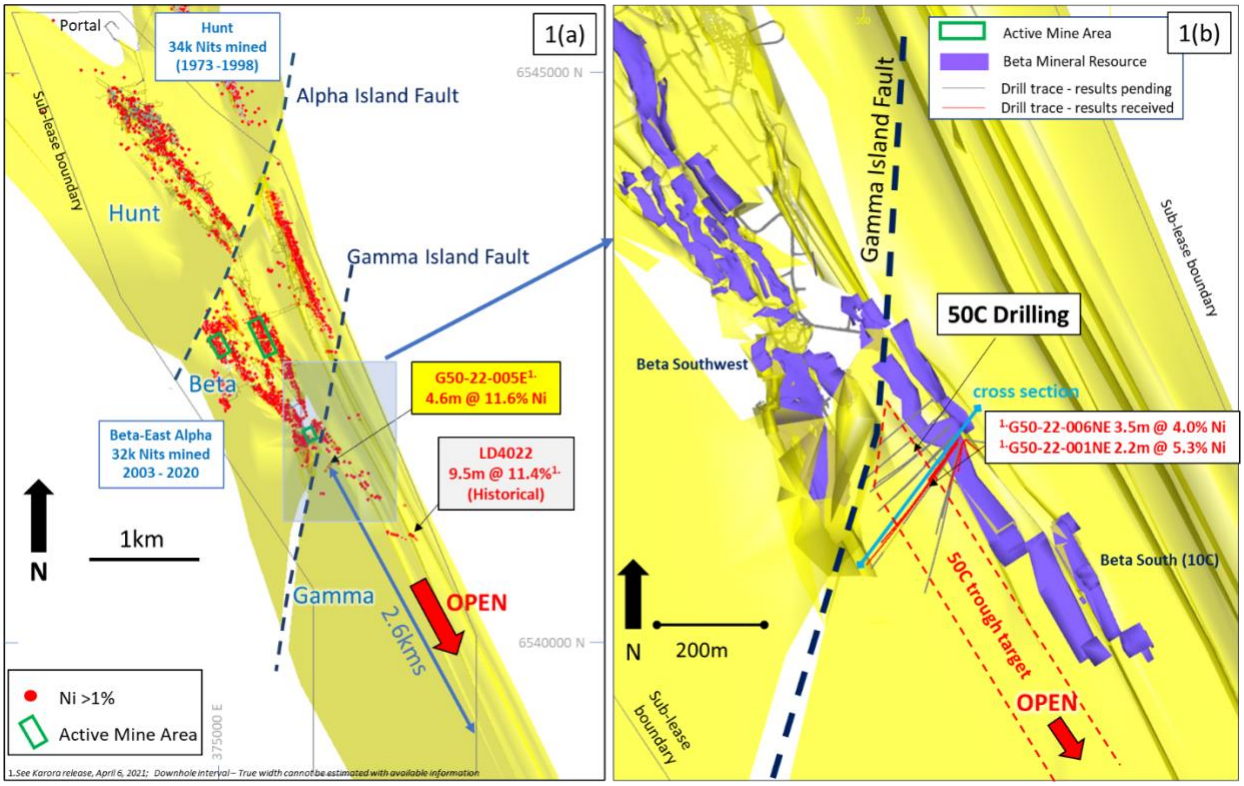


Figure 2: Cross-section looking northwest through Gamma Zone showing previously reported drill traces with the discovery intercepts and recently completed drill traces indicating the significant lateral extension to the defined nickel resource.

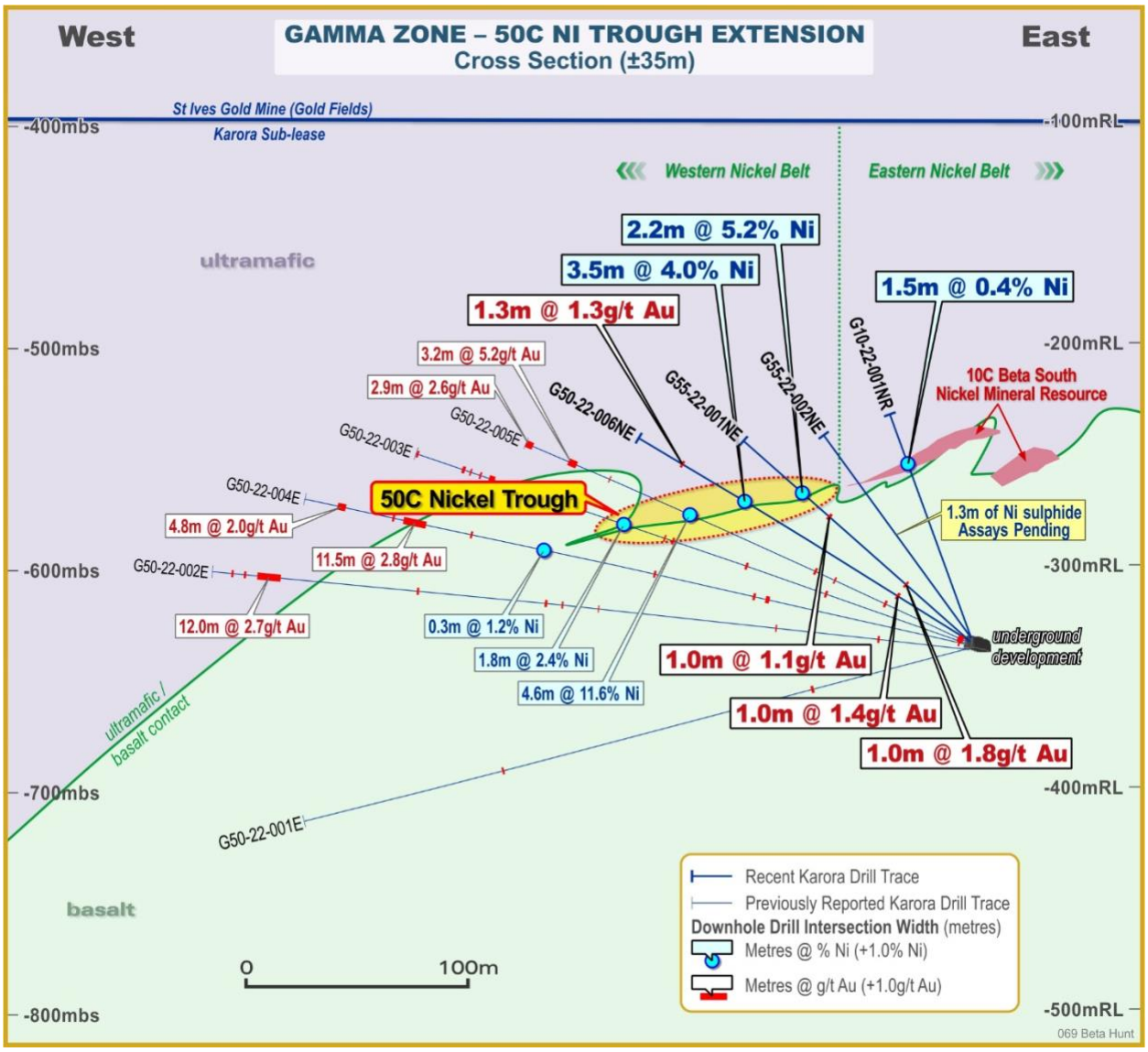
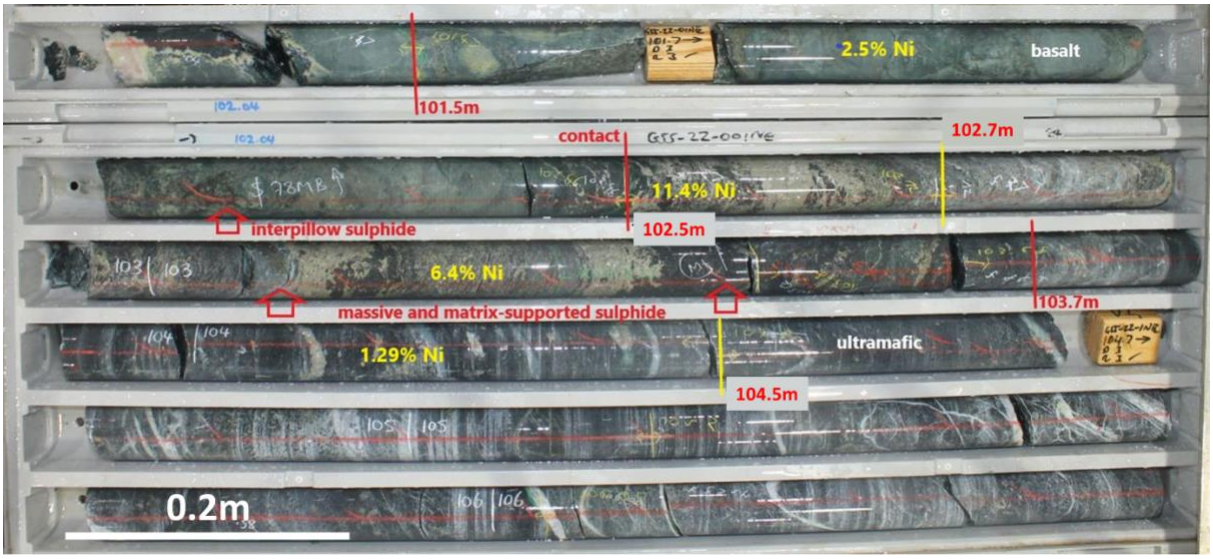


Figure 3: Diamond core from drill hole G55-22-001NE, highlighting nickel sulphide intersection from 101.5 to 103.7 metres (5.2% Ni over 2.2 metres)



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. Samples for gold analysis are shipped to SGS Mineral Services of Kalgoorlie for preparation and assaying by 50 gram 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. Samples for nickel analysis are shipped to SGS Australia Mineral Services of Kalgoorlie for preparation. Pulps are then shipped to Perth for assaying. The analytical technique is ICP41Q, a four acid digest ICP-AES package. Assays recorded above the upper detection limit (25,000ppm Ni) are re-analyzed using the same technique with a greater dilution (ICP43B). All samples submitted for nickel assay include at least one Certified Reference Material (CRM) per batch, with a minimum of one CRM per 20 samples. 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 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 1,900 square kilometers. The Company also owns the high grade Spargos Reward project which began mining 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 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 Gamma Zone Significant Intersections – Nickel[1] (September 2021)

Hole ID	From (m)	To (m)	Downhole Interval (m)	% Ni [2.]
G10-22-001NR	80.0	81.5	1.5	0.40
G10-22-002NR	96.6	101.2	4.6	0.97
G10-22-003NR	92.0	92.9	0.9	1.19
G10-22-004NR	79.3	79.6	0.3	3.52
	103.4	104.1	0.7	2.49
G50-22-006NE	119.0	122.5	3.5	3.96
	137.9	139.0	1.1	1.66
G55-22-001NE	101.5	103.7	2.2	5.25

1. *Downhole widths. Estimated true widths cannot be determined with available information.*
2. *Reported nickel grades > 1%.*

Table 2: Beta Hunt Gamma Zone Drill Holes (for Results Reported October 2021)

Hole ID	MGA N	MGA E	mRL	AZI (degrees)	DIP (degrees)	Total Length (m)
G10-22-001NR	541778.4	6376271.8	-336	216	33	180
G10-22-002NR	541778.4	6376271.8	-336	216	43	137
G10-22-003NR	541779.4	6376271.8	-334	215	71	106
G10-22-004NR	541773.4	6376274.8	-334	193	42	126
G50-22-006NE	541773.4	6376276.8	-333	186	56	102
G55-22-001NE	541773.4	6376276.8	-333	164	71	96

Note: Eastings and Northings in MGA, Zone 51