



NEWS RELEASE

Karora Delivers Strong Second Quarter 2021 Adjusted Earnings of \$0.10 Per Share, Adjusted EBITDA of \$0.20 Per Share and AISC of US\$996 Per Ounce

Karora will host a call/webcast on August 9, 2021 at 10:00 a.m. (Eastern Time) to discuss the second quarter 2021 results. North American callers please dial: 1-888-664-6392, international callers please dial: (+1) 416-764-8659. For the webcast of this event click [\[here\]](#) (replay access information below).

TORONTO, August 9, 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 its financial results and review of activities for the three and six months ended June 30, 2021. All amounts are expressed in Canadian dollars, unless otherwise noted. For additional information please refer to Karora's Management's Discussion & Analysis ("MD&A") and unaudited condensed interim financial statements for the three and six months ended June 30, 2021 and 2020.

Highlights

- Record second quarter 2021 consolidated gold production of 29,831 ounces and gold sales of 30,412 ounces was ahead of budget, positioning the Corporation well to deliver 2021 guidance. Full year consolidated 2021 gold production guidance of 105,000 to 115,000 ounces is maintained (assumes no significant interruption to operations as a result of the COVID-19 virus).
- Second quarter 2021 consolidated all-in-sustaining-costs ("AISC")¹ of US\$996 per ounce was on track with the full year 2021 guided range of US\$985-\$1,085 per ounce and a 5% reduction, or US\$53 per ounce, compared to first quarter AISC of US\$1,049 per ounce.
- Adjusted earnings¹ of \$14.3 million, or \$0.10 per share for the second quarter of 2021, up \$11.6 million from \$2.7 million in the second quarter of 2020 and up \$6.2 million (or \$0.04 per share) compared to the first quarter of 2021.
- Adjusted EBITDA¹ was \$29.5 million or \$0.20 per share for the second quarter of 2021, up \$9.2 million from \$20.3 million in the second quarter of 2020 and up \$8.3 million from \$21.2 million in the first quarter of 2021.
- Cash flow from operating activities of \$26.4 million, an 18% increase compared to \$22.3 million for the second quarter of 2020 and up \$7.7 million (or \$0.05 per share) compared to the first quarter of 2021.
- Karora ended the second quarter of 2021 with a strong cash position of \$82.2 million and working capital of \$64.8 million, higher by \$5.5 million and \$1.6 million, respectively, from March 31, 2021.

- On June 28, 2021 the Corporation announced a multi-year growth plan funded through operating cash flows and current cash balance. Three-year production and cost guidance will approximately double consolidated gold production to 185,000 – 205,000 ounces by 2024 at an AISC of US\$885-US\$985 per ounce. The growth plan includes a significant expansion of Beta Hunt to increase underground production to 2.0 million tonnes per annum (“Mtpa”) by 2024 through the addition of a second decline.
- The three year growth plan includes a Phase II expansion of the Higginsville processing plant, increasing throughput to 2.5 Mtpa by 2024. A Phase I expansion to 1.6 Mtpa from 1.4 Mtpa is currently underway.
- Karora announced a new high grade nickel discovery at Beta Hunt, the second in the last six months, known as the Gamma Zone - 50C, where 11.6% nickel over 4.6 metres, including 18.4% nickel over 2.2 metres was intersected in hole G50-22-005E. Drilling also intersected gold mineralization above and below the 50C trough and indicates the Beta Hunt gold mineralized system extends for over 3.5 kilometres of strike from the northern end of the A Zone (See Karora news release dated April 6, 2021). Follow up drilling is ongoing as part of a new dedicated nickel exploration unit established at Beta Hunt during the second quarter.

Paul Andre Huet, Chairman & CEO, commented: “Karora’s second quarter performance was very impressive with record gold production of 29,831 ounces, record gold sales of 30,412 ounces and AISC of US\$996 per ounce sold. The strong second quarter production was driven primarily by strong grade performance across both operations and marked a 20% improvement over the prior seven quarters, which averaged approximately 25,000 ounces per quarter.

Our operations delivered an outstanding quarter despite difficult weather conditions towards the end of the period which have extended into the first part of the third quarter. The Kalgoorlie area has seen record rainfall which has challenged mining operations and ore haulage across the district. I am extremely proud of our team’s ability to prepare and adapt for these conditions, as we did when faced with multiple obstacles during 2020.

For the first six months of 2021 gold production was 54,524 ounces and AISC¹ was US\$1,020 per ounce sold, placing us in excellent position to achieve our full year 2021 gold production guidance of between 105,000 and 115,000 ounces and AISC¹ of US\$985-\$1,085 per ounce sold.

Karora delivered another solid financial performance in the second quarter of 2021 with Adjusted EBITDA¹ of \$29.5 million or \$0.20 per share, operating cash flow of \$26.4 million or \$0.18 per share and consolidated AISC¹ of US\$996 per ounce sold, US\$53 per ounce lower than the prior quarter.

Net earnings of \$5.4 million, or \$0.04 per share, were impacted by an unrealized non-cash foreign exchange loss of \$4.5 million, or \$0.03 per share, and a non-cash derivatives loss of \$2.9 million, or \$0.02 per share, primarily related to intercompany loans and derivatives, respectively, which are subject to valuation changes due to quarter over quarter currency fluctuations. We reiterate that these are unrealized intercompany loans as we do not transfer cash out of the Australian business unit. Adjusted for these items among others, our Adjusted earnings¹ were \$14.3 million or \$0.10 per share.

Overall, with Karora's strong cash balance of \$82.2 million at the end of the second quarter we are in a strong financial position to fully fund our recently announced organic growth plan. As with the first quarter, we continued to deploy capital into the preparatory work for this expanded production base during the second quarter with new equipment delivered to Beta Hunt and earthworks across Higginsville. Over the coming months, using the growth plan as a basis to provide additional financial flexibility, we also intend to refinance our existing \$30 million debt facility to materially lower our interest costs."

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section 17 of Karora's MD&A dated August 9, 2021.

COVID-19 Protocols

In response to the global COVID-19 pandemic, Karora's protocols and contingency plans have mitigated impacts of the pandemic. Karora's operations continued to be consistent with the Corporation's full year 2021 guidance for the second quarter of 2021. Karora's ongoing response to the COVID-19 pandemic continues to prioritize the safety of its workforce and host communities while mitigating potential operational impacts.

Results of Operations

Table 1 - Highlights of operational results for the periods ended June 30, 2021 and 2020

For the periods ended June 30,	Three months ended		Six months ended	
	2021	2020	2021	2020
Gold Operations (Consolidated)				
Tonnes milled (000s)	345	326	716	640
Recoveries	94%	92%	93%	93%
Gold milled, grade (g/t Au)	2.72	2.26	2.43	2.30
Gold produced (ounces)	29,831	24,078	54,524	48,895
Gold sold (ounces)	30,412	23,185	55,959	47,811
Average realized price (US \$/oz sold)	\$1,823	\$1,609	\$1,793	\$1,549
Cash operating costs (US \$/oz sold) ¹	\$874	\$935	\$910	\$950
All-in sustaining cost (AISC) (US \$/oz sold) ¹	\$996	\$1,065	\$1,020	\$1,084
Gold (Beta Hunt Mine)				
Tonnes milled (000s)	221	186	454	372
Gold milled, grade (g/t Au)	3.35	2.64	2.98	2.61
Gold produced(ounces)	22,354	16,818	40,615	33,988
Gold sold (ounces)	22,991	16,024	41,724	33,102
Cash operating cost (US \$/oz sold) ¹	\$787	\$982	\$837	\$963
Gold (HGO Mine)				
Tonnes milled (000s)	124	140	262	268
Gold milled grade (g/t Au)	1.99	1.75	1.77	1.87
Gold produced (ounces)	7,477	7,260	13,909	14,907
Gold sold (ounces)	7,421	7,161	14,214	14,709
Cash operating cost (US \$/oz sold) ¹	\$1,141	\$829	\$1,120	\$923

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section 14 of Karora's MD&A dated August 9, 2021.

Consolidated Operations

For the second quarter of 2021, Karora's gold operations milled 345,000 tonnes of material at an average grade of 2.72 g/t to produce 29,831 ounces of gold. Tonnes milled were 7% lower than the first quarter due to a planned maintenance shut down and the impact of above average seasonal rains during the latter part of the second quarter. Lower tonnes milled were more than offset by higher gold milled grades which were 26% higher in the second quarter compared to the first quarter primarily due to higher stope grades mined at Beta Hunt.

The previously announced Phase I mill expansion is proceeding ahead of schedule. Once completed, the Phase I expansion will increase production capacity at our Higginsville mill by approximately 15%, or 550 tonnes per day, to 1.6 million tonnes per annum from the prior capacity. During the second quarter, the mill feed was made up of approximately 64% material from the Beta Hunt underground and 36% material from Higginsville Central open pit, which was in line with the prior quarter.

Beta Hunt

Production for the second quarter of 2021 was 221,000 tonnes milled at a grade of 3.35 g/t, a 5% decrease and 27% increase, respectively, compared to the first quarter of 2021.

Beta Hunt's ongoing ramp up in production is a direct reflection of improved mining techniques and a staged fleet replacement and upgrade program. Two CAT R2900 underground loaders and two CAT AD60 trucks are planned for 2021. The first of these two new trucks recently hauled its first load of ore at Beta Hunt while both CAT R2900 loaders arrived in June 2021.

Nickel production is currently limited to remnant nickel resources south of the Alpha Fault. Recent drilling has identified a number of new areas including the 30C Nickel Trough where production can potentially be increased as well as the new Gamma Zone 50C discovery.

Higginsville ("HGO") Central

HGO material milled during the second quarter of 2021 was 124,000 tonnes at a grade of 1.99 g/t, a 10% decrease and 27% increase, respectively, compared to the first quarter of 2021. The second quarter saw an increase in mined tonnes from Hidden Secret as two underground operations were prepared to come online in the second half of 2021.

At Hidden Secret, 156,700 tonnes were mined compared to 141,078 tonnes for the first quarter. Metallurgical recoveries were aligned with test work at 92-95%. At the nearby Mousehollow deposit, grade control work continued during the quarter which will provide Karora additional operational flexibility and mill feed optimization once mining of the pit commences.

Pre-production works for the Aquarius underground mine commenced in the second quarter of 2021 with the final box cut, portal establishment, and commencement of decline development expected in the third quarter of 2021. The box cut has been positioned to intersect supergene ore close to the surface, which will be mined as the box cut advances and will help offset overall development costs. Development of the decline will continue throughout the third and fourth quarter with initial level development ore expected late in the fourth quarter of 2021 and stope production starting shortly

thereafter. The Aquarius deposit remains open along strike and at depth with follow up drilling to be carried out from lateral underground development which will provide optimal drill bay locations.

Karora began mine re-entry works at the Two Boys underground in the second quarter of 2021 following dewatering of the historical operations. Rehabilitation will continue throughout the third quarter of 2021 in conjunction with development to access remnant and new ore blocks. A revised development and stope production plan is currently being updated to include recent face samples (5-10 g/t), surface drilling and re-mapping of historic workings. Drilling is also underway into surface mineralization adjacent to Two Boys which could extend into the upper levels of Two Boys underground, currently not considered in the mine plan.

Spargos Reward Gold Mine

Preparation of site infrastructure and mobilization of equipment at Spargos progressed well during the second quarter and pre-strip of the open pit commenced in June. Mining of lower grade ore in the first bench at Spargos is underway, with higher grades from the open pit anticipated to feed the HGO mill by mid fourth quarter.

On June 28, 2021, Karora announced its initial Spargos Mineral Resource. The new Mineral Resource presents a 15% increase in ounces and also a higher confidence basis from which to commence mining activities compared to the historic Corona Resources Mineral Resource estimate (Corona Resources news release “Resource Estimate Update for Spargos Reward Project Eastern Goldfields Western Australia’ dated on February 26, 2020”). The infill and resource definition drilling efforts completed by Karora as part of the new estimate, totaling 13,377 metres, were focused on delineating the near-term open pit mining opportunity now underway.

Table 2 - Spargos Gold Deposit Mineral Resource Estimate as at June 24, 2021

Mineral Resource	Measured			Indicated			Measured & Indicated			Inferred		
	Kt	g/t	Koz	Kt	g/t	Koz	Kt	g/t	Koz	Kt	g/t	Koz
Spargos ^{1.2.3.4.5}	241	2.4	19	836	3.2	86	1,077	3.0	105	401	3.5	45

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. The Mineral Resource estimates include Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is also no certainty that Inferred Mineral Resources will be converted to Measured and Indicated categories through further drilling, or into Mineral Reserves once economic considerations are applied. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding
3. Gold Mineral Resources are reported using a 0.5 g/t Au cut-off grade above 300mRL, and 1.6g/t Below 300mRL
4. Mineral Resources described here are based on information compiled by Graham de la Mare, Principal Resource Geologist for Karora Resources. Graham de la Mare is an employee of KRR and is a Fellow of the Australian Institute of Geoscientists (FAIG, 1056).
5. This Mineral Resource estimate may be materially affected by legal, political, environmental and other risks.
6. Mineral Resource Estimate as of June 24, 2021.

An extensive geological review completed by Karora exposed that little drill testing exists for underground mineralization below the 300mRL (150 metres below surface) outside of the Mineral Resource. The northern margin is constrained by just three historic holes (including two wedges). These holes are considered to have missed the high grade plunging shoot positions which remain

open at depth down plunge. The southern margin of the Mineral Resource is limited by a single historic hole and is considered virtually untested. The northern and southern strike extensions of the Spargos Mineral Resource are also poorly tested by historic drilling and represent a significant underground growth opportunity. As such, the Mineral Resource remains open in both directions.

The next stage of exploration drilling will be focused on extending high grade gold mineralization outside the margins of the current Mineral Resource and at depth to further define the potential for a high grade underground operation at Spargos.

Cash Operating Costs and AISC¹

For the second quarter, consolidated cash operating costs¹ and AISC¹ were US\$874 and US\$996 per ounce sold, respectively, which represents reductions of 8% and 5% compared to the first quarter of 2021, primarily due to higher ounces sold and productivity improvements. The second quarter cost performance is in line with full year 2021 AISC¹ guidance range of US\$985-\$1,085 per ounce.

Outlook

Karora is maintaining its previously announced full year consolidated 2021 production guidance of between 105,000 - 115,000 ounces of gold at an AISC¹ range of US\$985 to US\$1,085 per ounce.

On June 28, 2021, the Corporation announced three-year consolidated production guidance as part of a multi-year growth plan that is expected to see gold production double from 99,249 ounces in 2020 to a range of 185,000 – 205,000 ounces in 2024, at an AISC¹ of US\$885 to US\$985 per ounce sold. Table 3 below outlines production, cost and capital investment guidance for 2021-2024.

Table 3 – Consolidated Multi-Year Guidance to 2024

Production & Costs		2021	2022	2023	2024
Gold Production	Koz	105 - 115	120 – 140	150 – 170	185 - 205
All-in sustaining costs	US\$/oz	985 - 1,085	900 – 990	890 – 990	885 - 985
Capital Investments					
Sustaining Capital	A\$ (M)	5 - 6	8 – 13	11 – 16	18 - 23
Growth Capital	A\$ (M)	40 - 46	45 – 55	47 – 57	30 - 40
Exploration & Resource Development	A\$ (M)	20 - 23	21 – 24	22 – 25	20 – 23

- (1) 2021 Guidance, which was announced in January 2021 (see Karora news release dated January 19, 2021), is unchanged. This production guidance through 2024 is based on the 2020 year-end Mineral Reserves and Mineral Resources announced on December 16, 2020.
- (2) The Capital Investment amounts listed above, which the Corporation expects to fund with cash on hand and cashflow from operations, includes the capital required during the applicable periods to expand the capacity of the Higginsville mill to 2.5 Mtpa. See below for further detail regarding this expansion.
- (3) The material assumptions associated with the expansion of Beta Hunt mining production rate to 2.0 Mtpa in 2024 include the addition of a second ramp decline system driven parallel to the ore body, ventilation and other infrastructure that is required to support these areas, and an expanded trucking fleet. The Capital Investment amounts listed above, which the Corporation expects to fund with cash on hand and cashflow from operations, include the capital required during the applicable periods to fund this production expansion. See below for further detail regarding this expansion.
- (4) The Corporation's guidance assumes targeted mining rates and costs, availability of personnel, contractors, equipment and supplies, the receipt on a timely basis of required permits and licenses, cash availability for capital investments from cash balances, cash flow from operations, or from a third-party debt financing source on terms acceptable to the Corporation, no significant events which impact operations, such as COVID-19, nickel price of US\$16,000 per tonne, as well as an A\$ to US\$ exchange rate of 0.78 and A\$ to C\$ exchange rate of 0.91. Assumptions used for the purposes of guidance may prove to be

incorrect and actual results may differ from those anticipated. See below "Cautionary Statement Concerning Forward-Looking Statements".

- (5) Exploration expenditures include capital expenditures related to infill drilling for Mineral Resource conversion, capital expenditures for extension drilling outside of existing Mineral Resources and expensed exploration. Exploration expenditures also includes capital expenditures for the development of exploration drifts.
- (6) Capital expenditures exclude capitalized depreciation.
- (7) AISC guidance includes general and administrative costs and excludes share-based payment expense.
- (8) See "Non-IFRS Measures" set out at the end of this MD&A.

The growth plan will be driven by an expansion of Beta Hunt underground mine production to 2.0 Mtpa by 2024, from 0.8 Mtpa recorded in 2020. Increased production from Beta Hunt will be complemented by ore from HGO Central and Spargos. The increased tonnage will be processed by the Higginsville mill, which will be expanded to a capacity of 2.5 Mtpa by 2024 (Phase II). This Phase II expansion will follow the current Phase I expansion to 1.6 Mtpa from 1.4 Mtpa. Advanced internal study work and detailed engineering is progressing ahead of a formal construction decision by the Board of Directors.

Further details on the growth plan can be found in Karora's news release dated June 28, 2021, and the second quarter MD&A.

Exploration and Resource Definition Drilling

Karora has identified multiple high priority exploration targets for 2021 as part of its significantly expanded A\$20 million exploration budget across its +1,900 km² land package.

At Beta Hunt, underground drilling continues to extend and upgrade both the Western Flanks and A Zone Mineral Resources. In addition, the gold drilling program is scheduled to test parallel mineralized zones to the Larkin Zone. June 2021 marked the commencement of a surface RC and diamond drilling program targeting the northern extensions of the A Zone and Western Flanks. A nickel drilling program has commenced and is supported by a newly expanded nickel exploration team that will be focused on extending both the 30C and 50C nickel troughs.

At Higginsville, stage 2 aircore infill drilling of the Lake Cowan Project area continued with 129 holes for 4,821 metres completed. Incoming results from the program will be evaluated with the aim of developing a follow-up drill program. Laboratory turn-around of samples remains a regional issue with a substantial back log across third party laboratories. Karora is mitigating the impact through the use of multiple laboratories within the region, including sending some samples to Perth for assays.

Exploration work at HGO for the remainder of the third quarter of 2021 includes interpreting and ranking the results from the approximate 36,000 metres of aircore drilling over Lake Cowan and evaluating the results and drill targets from a new geological and mineralization model completed over the highly prospective and underexplored Sleuth Trend. This work is being completed by CSA Global and is scheduled for completion in the third quarter.

Resource definition drilling re-commenced following completion of the Model Earth 3D geological model used to assist in targeting mineralized positions in the Higginsville Central area. Initial targets to be tested include extensions to the Two Boys, Aquarius and Spargos deposits. Currently, there are four drill rigs on site with a fifth rig scheduled to commence on site before the end of the third quarter.

Financial Highlights

Table 4 - Highlights of Second Quarter

(in thousands of dollars except per share amounts)

For the periods ended June 30,	Three months ended		Six months ended	
	2021	2020	2021	2020
Revenue	\$69,570	\$56,100	\$128,854	\$110,382
Production and processing costs	29,570	25,775	58,871	53,061
Earnings before income taxes ¹	10,200	17,242	20,536	18,126
Net earnings	5,391	9,818	11,015	10,357
Net earnings per share - basic	0.04	0.07	0.08	0.08
Net earnings per share - diluted	0.04	0.07	0.07	0.07
Adjusted EBITDA ²	29,481	20,299	50,691	39,733
Adjusted EBITDA per share - basic ²	0.20	0.15	0.35	0.29
Adjusted earnings ¹	14,270	2,731	22,357	13,386
Adjusted earnings per share – basic ¹	0.10	0.02	0.15	0.10
Cash flow provided by operating activities	26,371	22,328	45,029	34,532
Cash investment in property, plant and equipment and mineral property interests	(16,982)	(10,523)	(35,175)	(18,225)

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of Karora's MD&A dated August 9, 2021.

2. Earnings before interest, taxes, depreciation, and amortization ("EBITDA").

Revenue for the second quarter of 2021 was \$69.6 million, a 24% increase over the comparable period in 2020. The increase in revenue in 2021 was the result of a combination of higher gold ounces sold and higher realized prices which increased by 31% and 13%, respectively.

Adjusted net earnings for the second quarter were \$14.3 million (or \$0.10 per share), an \$11.5 million improvement over the same period in 2020. Net earnings for the second quarter of 2021 were \$5.4 million (or \$0.04 per share) compared to net earnings of \$9.8 million (or \$0.07 per share) for the comparable period in 2020. Second quarter net earnings were negatively impacted by a non-cash unrealized foreign exchange loss of \$4.5 million (or \$0.03 per share) and a non-cash loss on derivatives of \$2.9 million (or \$0.02 per share) related to the valuation of the Morgan Stanley participation payment arrangement.

Adjusted EBITDA¹ for the second quarter of 2021 was \$29.5 million (or \$0.20 per share) compared to \$20.3 million (or \$0.15 per share) in the second quarter of 2020.

Table 5 - Highlights of Karora's Financial Position

(in thousands of dollars):

For the period ended	June 30, 2021	December 31, 2020
Cash and cash equivalents	82,160	79,695
Working capital ¹	64,750	56,835
PP&E & MPI	249,643	239,044
Total assets	364,239	350,099
Total liabilities	145,171	142,895
Shareholders' equity	219,068	207,204

¹ Working capital is a measure of current assets (including cash and cash equivalents) less current liabilities.

Karora's cash position increased to \$82.2 million as at June 30, 2021, an increase of \$5.5 million compared to March 31, 2021 and \$2.5 million higher than December 31, 2020. Karora had a working capital surplus of \$64.8 million as of June 30, 2021.

For a complete discussion of financial results, refer to Karora's MD&A and unaudited condensed interim financial statements for the three and six months ended June 30, 2021 and 2020.

Conference Call / Webcast

Karora will be hosting a conference call and webcast today beginning at 10:00 a.m. (Eastern time). A copy of the accompanying presentation can be found on Karora's website at www.karoraresources.com.

Live Conference Call and Webcast Access Information:

North American callers please dial: 1-888-664-6392

Local and international callers please dial: 647-764-8659

A live webcast of the call will be available through Cision's website at:

[Webcast Link](#)

(https://produceredition.webcasts.com/starthere.jsp?ei=1483790&tp_key=a8e5683dcb)

A recording of the conference call will be available for replay through the webcast link, or for a one-week period beginning at approximately 1:00 p.m. (Eastern Time) on August 9, 2021, through the following dial in numbers:

North American callers please dial: 1-888-390-0541; Pass Code: 855682

Local and international callers please dial: 416-764-8677; Pass Code: 855682

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.

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 is anticipated to begin 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 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, the commencement of mining at the Spargos Gold Project and the completion of the resource estimate.

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.

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