



## NEWS RELEASE

### **Karora Announces 2020 Results Including Record Annual Net Earnings of \$88 Million, 2020 AISC Cost Guidance Beat, Along With Record Low 4Q20 AISC of US\$912 per ounce**

*Karora will host a call/webcast on March 19, 2021 at 10:00 a.m. (Eastern Time) to discuss the 2020 results. North American callers please dial: 1-888-231-8191, international callers please dial: (+1) 647-427-7450. For the webcast of this event click [\[here\]](#) (replay access information below).*

**TORONTO, March 19, 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 years ended December 31, 2020 and 2019. 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 audited consolidated financial statements for the years ended December 31, 2020 and 2019.

#### **Highlights**

- **Gold Production Exceeded Guidance:** Consolidated gold production of 99,249 ounces for 2020 from the Beta Hunt and Higginsville mines in Western Australia, exceeded the top end of the 2020 production guidance of 90,000 to 95,000 ounces. Gold sales for 2020 totaled 98,656 ounces. For the fourth quarter of 2020, production was 25,637 ounces, the strongest quarter of production in 2020.
- **Ongoing Cost Reductions:** Consolidated all-in-sustaining-cost ("AISC")<sup>1</sup> was US\$912 per ounce for the fourth quarter of 2020, an improvement of 13% over the third quarter of 2020 and a record low since acquisition of the Higginsville mill in 2019. Consolidated AISC for 2020 was US\$1,026 per ounce, which beat 2020 guidance of US\$1,050 to US\$1,200 per ounce, and was 11% lower than 2019.
- **2021 Production and Cost Guidance:** Consolidated production and cost guidance for Karora's Australian operations (Beta Hunt and HGO) of 105,000 to 115,000 ounces of gold at an average AISC<sup>1</sup> of US\$985 to US\$1,085 per ounce. Consolidated HGO, Beta Hunt and Spargos drilling and exploration expenditures for the full year 2021 are targeted to be approximately A\$20 million.
- **Record Earnings:** Net earnings of \$42.9 million for the fourth quarter of 2020 and \$88.1 million for the full year 2020. Net earnings were \$0.30 per share and \$0.63 per share, for the fourth quarter and 2020, respectively. Net earnings for full year 2020 was positively impacted by an after-tax impairment reversal of property, plant and equipment of \$25.3 million.
- **Record Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")<sup>1</sup>:** Adjusted EBITDA was \$33.9 million for the fourth quarter and \$89.8 million for the full year (\$0.23 per share and \$0.64 per share, respectively).
- **Strengthened Cash Position and Balance Sheet:** Karora ended 2020 with a strong cash position of \$79.7 million, net of \$4.0 million in debt repayments and \$8.9 million paid into legacy gold price hedges in the first half of 2020. Working capital was \$56.8 million as of December

31, 2020, an improvement of \$30.3 million compared to December 31, 2019.

- **Consolidated Gold Mineral Reserve and Gold Mineral Resource:** On December 16, 2020, Karora announced a 334% increase in consolidated gold Proven and Probable ("2P") Mineral Reserves to 1.33 million ounces (23,531 kt @ 1.8 g/t) and a 167% increase in consolidated Measured and Indicated ("M&I") gold Mineral Resources to 2.52 million ounces (41,994 kt @ 1.9 g/t) for its Beta Hunt and Higginsville operations in Western Australia.
- **Significant Royalty Reductions Leading to Increased Production Potential and Lower Costs:** During 2020, Karora successfully negotiated the reduction or elimination of a number of royalties on its Western Australian properties including the Morgan Stanley NSR at Higginsville, Maverix royalty at Beta Hunt and Ramelius royalty at Spargos Reward.
- **Spargos Reward Acquisition:** On August 7, 2020, Karora completed the acquisition of the Spargos Reward Gold Project. Spargos is a high-grade open pit gold project in Western Australia that is expected to begin generating positive cash flow for Karora in the second half of 2021. An updated resource estimate is planned for release in the second quarter of 2021.
- **Divestiture of Remaining Interest in Dumont Nickel Project While Retaining Exposure to Eventual Project Sale:** During 2020, Karora sold its remaining 28% interest in Dumont to sharpen the corporate focus on gold and materially reduce corporate overhead associated with carrying the project. Karora immediately received \$10.7 million in cash and maintains upside to receive up to an additional US\$30 million upon a future sale or monetization of the asset by its owner.
- **Share Consolidation:** Effective July 31, 2020, Karora completed a consolidation of its outstanding common shares on the basis of one (1) post-consolidation common share for every four and a half (4.5) pre-consolidation common shares. Since consolidation, the average daily traded dollar value of Karora's shares has more than doubled to \$4.6 million per day from \$2.2 million per day previously.

Paul Andre Huet, Chairman & CEO, commented: "Karora delivered an exceptionally strong financial and operating performance in 2020 with net earnings of \$88.1 million and consolidated AISC<sup>1</sup> of US\$1,026 per ounce sold. The fourth quarter was also exceptional with net earnings of \$42.9 million and consolidated AISC<sup>1</sup> of US\$912 per ounce sold, an improvement of US\$132 per ounce over the prior quarter and a record since the acquisition of the Higginsville mill in mid-2019. Since the acquisition, we have demonstrated a strong commitment to achieving cost reduction targets and have now delivered six consecutive quarters of AISC cost reductions, including by beating our target of achieving AISC US\$1,000 per ounce by the end of 2020.

After a strong year in 2020 with gold production that was just shy of 100,000 ounces, beating the high end of our 90,000 to 95,000 ounce guidance range, we are poised for further growth in 2021. This year, our production guidance range is 105,000 to 115,000 ounces, which represents an approximate 20% increase from 2020 guidance. Our AISC<sup>1</sup> cost guidance represents an 8% improvement over 2020 to a range of US\$985 to US\$1,085 per ounce sold. It is important to note that targeted 2021 production increases are weighted to the second half of the year. We expect gold grades will increase over the course of the year as we begin to mine higher grades at Higginsville Central and after the anticipated start-up of mining at the high grade Spargos open pit project in the second quarter.

With Karora's record cash balance of over \$79 million at the end of 2020, we are in a very strong position to deploy capital into our organic growth initiatives for 2021 and beyond. Plans are well underway to expand production capacity at our Higginsville mill in 2021 by approximately 15%, or 550 tonnes per day, to 1.6 million tonnes per annum.

We are off to a good start to 2021 with production tracking well to our plans. Deployment of capital into earth works at Spargos in preparation for mining by mid year is proceeding as planned, as are our other initiatives in preparation for our planned Phase I mill expansion. We are excited about our outlook beyond 2021 and we expect to announce our multi-year growth plan and guidance to the market during the second quarter."

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 March 19, 2021.

## COVID-19 Protocols

In response to the global COVID-19 pandemic, Karora's protocols and contingency plans have mitigated impacts of the pandemic. All the Corporation's mines continued production during the year ended December 31, 2020, as Karora's ongoing response to the COVID-19 pandemic continued to maintain the safety of its workforce and host communities while mitigating operational impacts.

## Results of Operations

**Table 1 - Highlights of operational results for the periods ended December 31, 2020 and 2019**

For the periods ended December 31,	Three months ended,		Year ended,	
	2020	2019	2020	2019
<b>Gold Operations (Consolidated)</b>				
Tonnes milled (000s)	331	321	1,325	755
Recoveries	93%	90%	93%	91%
Gold milled, grade (g/t Au)	2.52	2.60	2.33	2.65
Gold produced (ounces)	25,637	26,874	99,249	64,277
Gold sold (ounces)	27,933	28,359	98,656	65,225
Average realized price (US \$/oz sold)	\$1,871	\$1,451	\$1,480	\$1,368
Cash operating costs (US \$/oz sold) <sup>1</sup>	\$843	\$929	\$925	\$1,004
All-in sustaining cost (AISC) (US \$/oz sold) <sup>1</sup>	\$912	\$1,131	\$1,026	\$1,155
<b>Gold (Beta Hunt Mine)<sup>1</sup></b>				
Tonnes milled (000s)	182	133	745	475
Gold milled, grade (g/t Au)	3.13	3.81	2.77	3.11
Gold produced(ounces)	16,965	16,290	66,479	37,642
Gold sold (ounces)	18,234	17,561	65,838	48,716
Cash operating cost (US \$/oz sold) <sup>1</sup>	\$836	\$773	\$943	\$958
<b>Gold (HGO Mine)</b>				
Tonnes milled (000s)	149	188	580	280
Gold milled grade (g/t Au)	1.95	1.75	1.90	1.85
Gold produced (ounces)	8,672	10,584	32,770	16,635
Gold sold (ounces)	9,698	10,798	32,818	16,509
Cash operating cost (US \$/oz sold) <sup>1</sup>	\$858	\$1,182	\$886	\$1,136

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 March 19, 2021.

## Consolidated Operations

For the full year 2020, Higginsville Gold Operations milled 1,325 kt of material at an average grade of 2.33 g/t. Total gold production was 99,249 ounces, 54% higher than 2019. Cash operating costs for 2020 were US\$925 per ounce.

For the fourth quarter of 2020, consolidated gold production was 25,637 ounces, which was Korora's sixth consecutive quarter of consistent gold production since acquiring the HGO mill in mid-2019 and the highest quarter of production during 2020.

The HGO mill feed was made up of approximately 55% material from Beta Hunt underground and 45% material from HGO open pits.

Tonnes milled for the fourth quarter of 2020 totalled 331 kt. The consolidated gold milled grade in the fourth quarter was 2.52 g/t of gold, 3% lower than in the fourth quarter of 2019 due to a higher level of Higginsville open pit material compared to exclusive Beta Hunt material used during the fourth quarter of 2019. Milled grade during the fourth quarter of 2.52 g/t gold was higher than the milled grade of 2.36 g/t in the third quarter of 2020, which was in part due to lower grade stockpiles being utilized for blending feed during the third quarter. Production during the fourth quarter of 2020 consisted of material from Beta Hunt underground, the Baloo and Fairplay North open pits and a small amount of stockpile material.

A total of 27,933 ounces of gold was sold during the fourth quarter of 2020, representing a 2% decrease over the same period in 2019. The additional ounces sold in the fourth quarter of 2020 compared to gold produced was a carry over from the third quarter of 2020 production.

### **Higginsville (“HGO”)**

During 2020, 580 kt of HGO material was milled to produce 32,770 ounces of gold at an average grade of 1.90 g/t. Cash costs per ounce sold for the year were US\$886 per ounce. During the fourth quarter of 2020, 149 kt of HGO material was milled at a grade of 1.95 g/t for production of 8,672 ounces of gold. Cash costs per ounce sold for the quarter were US\$858 per ounce.

At Hidden Secret, mining of first mineralized material commenced in the fourth quarter. Metallurgical recoveries were in line with testwork at 92-93% and mining shapes and production was in line with expectations. At Mousehollow, an open pit optimization has been completed, and a mining proposal was submitted and approved by the appropriate authorities. Karora expects these two pits to eventually merge with the combined pit providing a stable base of feed to the plant during 2021.

With mining focused primarily at Hidden Secret and Fairplay North during the fourth quarter, minimal production occurred at Baloo. Mine production from Baloo totaled 28,115 tonnes for the quarter. A re-optimization of the pit was completed with additional mineralization identified in the northern portion of the pit which has driven the development of a new ramp from the south. Additional exploration drilling was conducted during the fourth quarter to test the eastern margins of the main mineralized zone. This drilling resulted in the commencement of a cutback in the north eastern corner of the pit with the remaining material mined during early 2021. Karora continues to evaluate the underground potential of Baloo.

As part of the HGO mining strategy, production from the Fairplay North pit was staged to coincide with mining the remaining Baloo open pit material to ensure optimal feed blend to the HGO mill. The Fairplay North open pit was completed during the quarter in line with our mining schedule and budget.

The high-grade Aquarius deposit is located less than two kilometres from the HGO treatment plant. A near surface drilling program was completed during the third quarter of 2020 with follow up drilling in the fourth quarter. Based on the results of this work, an initial mining study to examine the economic

potential of the project has been completed. The near surface drilling identified a number of high grade supergene gold intersections, including 43.5 g/t over 3.0 metres and 5.7 g/t over 6.0 metres (see Karora news release dated November 9, 2020). A starter pit will be developed to access the higher grade underground gold mineralization. Development of the Aquarius starter pit could commence as early as mid 2021.

The existing Aquarius historical resource<sup>1,2</sup> is 20 kt @ 19.5 g/t (Measured and indicated) and 43 kt @ 4.2g/t (Inferred) will be updated as part of the Corporation's 2021 resource report.

<sup>1</sup> Karora Resources profile at [www.sedar.com](http://www.sedar.com) technical report, February 6<sup>th</sup>, 2020.

<sup>2</sup> Westgold 2018 Annual Update of Mineral Resources & Ore Reserves dated October 2, 2018 and is available to view on the ASX ([www.asx.com.au](http://www.asx.com.au)).

A qualified person has not done sufficient work on behalf of Karora to classify the historical estimate noted as current mineral resources and Karora is not treating the historical estimates as current mineral resources.

## **Spargos Reward Gold Project**

An infill and extensional drilling program to convert historical mineral resources to mineral reserves continued throughout the fourth quarter and into early 2021. As announced in Karora's news release dated March 1, 2021, all drilling associated with the updated estimate have now been received. Assay results from this work were delayed due to laboratories in the region reaching full capacity with return of assay results taking up to a month or more. These delays, along with very strong exploration results announced on November 18, 2020 (29.8 g/t over 19 meters and 27.3 g/t over 15 meters) impacted the original targeted timeline for completion of the Spargos resource in the fourth quarter. As previously stated, the resource estimate is now expected in the in the second quarter, in line with the expected commencement of mining at Spargos. Initial open pit design, flora and fauna surveys, waste characterization and infrastructure location have all been completed and form part of the final mine plan to be submitted for mining approval with the appropriate authorities.

## **Beta Hunt**

During 2020, 745 kt of Beta Hunt material was milled, an increase of 57% on 2019, to produce 66,479 ounces of gold at an average grade of 2.77 g/t. Cash costs per ounce old for the year were US\$943 per ounce.

The increased production is a direct reflection of improved mining techniques and a staged fleet replacement and upgrade program, including the addition of a CAT R2900 underground loader and two CAT AD60 trucks into the mining fleet. Two additional CAT R2900 underground loaders and two CAT AD60 trucks are planned for 2021 which are required as part of the continued production ramp up in 2021.

During the fourth quarter of 2020, 182 kt of material was milled at an average grade of 3.13 g/t to produce 16,965 ounces of gold, a 4% increase from the fourth quarter of 2019. Milled grades were 18% lower compared to the fourth quarter of 2019, but 14% higher than the third quarter of 2020. The timing and planning of stope production centres was the reason for the slight difference.

Nickel production at Beta Hunt is currently limited to remnant nickel resources south of the Alpha Fault. However, recent drilling has identified a number of new areas including the 30C Nickel Trough where production can potentially be increased. Exploration is also targeting two additional nickel targets with results expected in the second quarter of 2021. A revised nickel production strategy is currently being developed based on the updated nickel Mineral Resource that was part of the recent Karora Resource and Reserve statement dated as at September 30, 2020.

## **Significant 4Q20 Mineral Reserves and Resources Update**

On December 16, 2020, the corporation announced a 334% increase in consolidated gold Proven and Probable (“2P”) Mineral Reserves to 1.33 million ounces and a 167% increase in consolidated Measured and Indicated (“M&I”) gold Mineral Resources to 2.52 million ounces for its Beta Hunt and Higginsville operations in Western Australia. The updated Mineral Resource and Reserve estimate is effective as of September 30, 2020 and does not include the high grade Spargos Reward Project or Larkin gold discovery at the Beta Hunt mine.

On February 3, 2021, the Corporation filed a technical report for the Beta Hunt Mine and HGO entitled “Technical Report Higginsville-Beta Hunt Operation, Eastern Goldfields, Western Australia”. This report can be found on Karora’s website at [www.karoraresources.com](http://www.karoraresources.com) and under its profile at [www.sedar.com](http://www.sedar.com).

## **Strong Cash Operating Costs and Decreased AISC**

For the full year 2020, consolidated cash operating costs<sup>1</sup> and AISC<sup>1</sup> were US\$925 and US\$1,026 per ounce sold, respectively (reductions of 8% and 11% compared to 2019). For the fourth quarter, consolidated cash operating costs<sup>1</sup> and AISC<sup>1</sup> were US\$843 (a 13% reduction compared to the third quarter) and US\$912 (an 19% reduction compared to 2019) per ounce sold.

## **Outlook**

On January 19, 2021, Karora announced consolidated production guidance of between 105,000 - 115,000 ounces of gold at an AISC range of US\$985 to US\$1,085 per ounce. The high-end of 2021 production guidance represents a 21% increase over the high-end of 2020 guidance (19% mid-point to mid-point). The mid-point of 2021 cost guidance represents an 8% reduction when compared to the mid-point of 2020 guidance. The reduced AISC guidance reflects Karora’s continued focus on cost reduction initiatives following a very successful year of reducing AISC during 2020.

The above guidance assumes no significant disruption in operations as a result of the COVID-19 pandemic.

## **Exploration**

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 km<sup>2</sup> land package. The increase in the drilling and exploration budget was driven by Karora’s strong success in 2020 in increasing consolidated Reserves and Resources. Exploration is separated into brown fields drilling which is predominantly aimed at upgrading and extending existing Mineral Resources and greenfields exploration, which is targeting new +250k oz discoveries.

At Beta Hunt, 2021 drilling is targeting extending and upgrading both the Western Flanks and A Zone Mineral Resources and producing a maiden Mineral Resource for the Larkin Zone, with drilling for the first half of 2021 focused on completing the Larkin Gold Zone drill program. Nickel drilling is planned

to commence in the second quarter of 2021 and will focus on extending and upgrading the 30C nickel trough discovered last year as well as extending the previously mined 40C trough area.

At Higginsville, exploration is focused on completing the scout lake aircore drilling program over the Lake Cowan dry salt lake area and following through with reverse circulation and diamond drill programs to further test geochemical anomalies generated from the results of the reconnaissance drilling. The program is designed to test for anomalous gold (+0.02g/t), however Karora has already successfully identified several strong targets which exceeded expectations, including 3.65 g/t gold over 16 metres within an intersection of 1.35 g/t over 50 metres (see Karora news release, February 8, 2021).

Additional advanced targets for exploration during 2021 include the Spargos Project area, Mt Henry and the Sleuth trend which incorporates the Baloo deposit and the Nanook and Monsoon prospects. 2021 Resource Definition drilling will initially focus on testing targets within Higginsville Central, which includes the Aquarius, Two Boys and Trident deposits. In addition, further drilling is planned at Spargos to build upon the results from the Stage 1 drill program.

## Financial Highlights

**Table 2 - Highlights of Fourth Quarter and Full Year Financial Results**

(in thousands of dollars except per share amounts)

For the periods ended December 31, 2020	Three months ended,		Year ended,	
	2020	2019	2020	2019
Revenue	<b>69,349</b>	56,832	<b>239,136</b>	128,036
Production and processing costs	<b>27,787</b>	31,624	<b>108,880</b>	78,836
Earnings (loss) before income taxes <sup>1</sup>	<b>26,799</b>	9,766	<b>95,133</b>	(7,716)
Net earnings (loss) <sup>1</sup>	<b>42,906</b>	10,465	<b>88,130</b>	(6,942)
Net earnings (loss) per share - basic	<b>0.30</b>	0.08	<b>0.63</b>	(0.06)
Net earnings (loss) per share - diluted	<b>0.28</b>	0.08	<b>0.61</b>	(0.06)
Adjusted EBITDA <sup>2,3</sup>	<b>33,885</b>	16,109	<b>89,786</b>	13,351
Adjusted EBITDA per share - basic <sup>2,3</sup>	<b>0.23</b>	0.12	<b>0.64</b>	0.11
Cash flow provided by (used in) operating activities	<b>37,007</b>	21,121	<b>91,132</b>	15,179
Cash investment in property, plant and equipment and mineral property interests	<b>(19,985)</b>	(7,776)	<b>(46,305)</b>	(25,391)

1. For 2020, Earnings (loss) before income tax include an impairment reversal of \$36.1 million and net earnings include an after tax impairment reversal of \$25.3 million.
2. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of Karora's MD&A dated March 19, 2021.
3. Earnings before interest, taxes, depreciation, and amortization ("EBITDA").

Net earnings for the year ended December 31, 2020 were a record \$88.1 million compared to a net loss of \$6.9 million for the comparable period in 2019. Net earnings were positively impacted by the profits associated with increased revenues of \$111.1 million and an impairment reversal of property, plant and equipment which resulted in profit of \$36.1 million which are discussed below. Net earnings for the fourth quarter were \$42.9 million, up \$8.0 million compared to the prior quarter and \$32.4 million higher than the fourth quarter of 2019.

During the year ended December 31, 2020, an impairment reversal test concluded that the carrying value of the Beta Hunt Mine cash-generating unit assets was lower than the fair value less costs of disposal which resulted in a full reversal of the original impairment loss recorded on December 31,

2017 after reflecting the amount of depreciation that would have been recorded had the assets not been impaired.

Adjusted EBITDA for the year ended December 31, 2020 was a record \$89.8 million compared to \$13.4 million in 2019. Record adjusted EBITDA for the fourth quarter of \$33.9 million was up 47% over the third quarter (which was the previous record) and by \$17.8 million over the corresponding 2019 period).

**Table 3 - Highlights of Karora’s Financial Position**

(in thousands of dollars):

For the period ended	December 31, 2020	December 31, 2019
Cash and cash equivalents	79,695	34,656
Working capital <sup>1</sup>	56,835	26,506
PP&E & MPI	239,044	98,955
Total assets	350,099	177,777
Total liabilities	142,895	85,495
Shareholders’ equity	207,204	92,282

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

Karora finished 2020 with a strong cash position of \$79.7 million, an increase of \$45.0 million compared to December 31, 2019. As at December 31, 2020, Karora had a working capital surplus of \$56.8 million.

For a complete discussion of financial results, please refer to Karora’s MD&A and audited consolidated financial statements for the years ended December 31, 2020 and 2019.

**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](http://www.karoraresources.com).

Live Conference Call and Webcast Access Information:

North American callers please dial: 1-888-231-8191  
 Local and international callers please dial: 647-427-7450

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

[Webcast Link](https://produceredition.webcasts.com/starthere.jsp?ei=1436311&tp_key=9b6c8a7a82)  
 ([https://produceredition.webcasts.com/starthere.jsp?ei=1436311&tp\\_key=9b6c8a7a82](https://produceredition.webcasts.com/starthere.jsp?ei=1436311&tp_key=9b6c8a7a82))

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 March 19, 2021, through the following dial in numbers:

North American callers please dial: 1-855-859-2056; Pass Code: 9868548  
 Local and international callers please dial: 416-849-0833; Pass Code: 9868548

**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 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 gold Mineral Resource and Reserve and prospective land package totaling approximately 1,900 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 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](http://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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