



NEWS RELEASE

Karora Announces Record Gold Sales of 30,412 Ounces and Record Gold Production of 29,831 Ounces for the Second Quarter

TORONTO, July 15, 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 record quarterly consolidated gold production since the Higginsville acquisition of 29,831 ounces for the second quarter of 2021 from its Beta Hunt and Higginsville mines in Western Australia. Gold sales were also a record, with 30,412 ounces sold during the quarter.

Second quarter gold production was approximately 20% higher than first quarter production. Production through the first two quarters of 54,525 ounces is in line with consolidated 2021 production guidance of 105,000 – 115,000 ounces. Karora's consolidated cash balance as at June 30, 2021 was \$82.2 million, an increase of \$5.4 million when compared to March 31, 2021.

During the second quarter, Karora announced its growth plan to more than double consolidated gold production from 99,239 ounces in 2020 to 185,000 – 205,000 ounces by 2024 (see Karora news release dated June 28, 2021). Costs are forecasted to continue to decline, with 2024 AISC¹ of US\$885-US\$985 per ounce via a phased expansion of Karora's Beta Hunt underground mine and increasing milling capacity to 2.5 Mtpa at the HGO processing facility.

Paul Andre Huet, Chairman & CEO, commented: "Record second quarter gold production of just under 30,000 ounces represents a significant increase of approximately 20% compared to our first quarter of 2021. Furthermore, it represents a 20% improvement over the past seven quarters of consistent production across our operations where we have averaged approximately 25,000 ounces per quarter. Reporting record gold sales for the second quarter of 30,412 ounces is another tremendous achievement by our team.

This significant increase in quarterly production, boosted by the Phase I HGO mill expansion currently underway, places us on a solid footing to achieve our full year 2021 guide range of 105,000-115,000 ounces with just under 55,000 ounces produced through the first two quarters.

During the second quarter we continued to make significant investments in earthworks to prepare new, higher grade mining areas at Higginsville Central and Spargos. We also continued to enhance our mining fleet, with new fleet additions and replacements which have proven to drive significant productivity and efficiency improvements across both operations. Our drilling program pushed forward aggressively across all our properties, with a focus on increased resource definition drilling to set us up for our future. Net of these significant investments in our growth, we added \$5.4 million to our cash position during the quarter.

Overall, the second quarter built on the foundation we laid during the first quarter, placing us well on track to deliver on our 2021 production and cost guidance. Moving forward, we look forward to executing on

our fully funded organic growth plan which we believe to be one of the most robust growth plans in the junior gold mining sector.”

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of Karora's MD&A for March 31, 2021.

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 1.4 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 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 and the Spargos Gold Project and the timing for production at 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.

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