



NEWS RELEASE

Karora Resources Closes Acquisition of the Lakewood Gold Mill

TORONTO, July 27, 2022 – Karora Resources Inc. (TSX:KRR; OTCQX:KRRGF) ("Karora" or the "Corporation" - <https://www.commodity-tv.com/ondemand/companies/profil/karora-resources-inc/>) is pleased to announce that it has closed the acquisition of the operating, fully permitted 1.0 Mtpa Lakewood Mill gold processing facility located near Kalgoorlie, Western Australia, approximately 60 kilometres from the Beta Hunt Mine. The acquisition price of A\$80 million, which is subject to customary adjustments for working capital and other items, is comprised of A\$70 million in cash and A\$10 million in Karora shares. Karora has successfully tolled Beta Hunt material through the Lakewood mill, achieving 94% Au recovery. The A\$10 million share portion of the consideration due to seller was satisfied by the issuance of 2.1 million shares of Karora, which shares will be subject to a customary hold period under applicable securities laws and other contractual restrictions.

Paul Andre Huet, Chairman & CEO, commented: "Closing the acquisition of the Lakewood Mill is an important transformational step forward for Karora and provides several immediate strategic and operating benefits to Karora.

The addition of the Lakewood mill increases our current nominal processing capacity to approximately 2.6 Mtpa (1.6 Mtpa at Higginsville and 1.0 Mtpa at Lakewood) and significantly de-risks our growth plan to increase gold production to between 185,000 and 205,000 ounces by 2024, by eliminating the procurement, schedule and construction risks associated with a major expansion of Karora's Higginsville Mill.

In the near term, the additional processing capacity provides the opportunity for toll milling arrangements at one or both of the Higginsville Mill and Lakewood Mill, until the Beta Hunt Mine capacity expansion to 2 Mtpa is completed. We have also begun to evaluate mill optimization opportunities to maximize the efficiencies across both mills as a single, significantly de-risked business.

The expansion to double production from Beta Hunt to 2 Mtpa is advancing very well and, as previously announced (see Karora news release dated May 24, 2022), the development of the second decline is tracking ahead of schedule and on budget."

About Karora Resources

Karora is focused on increasing gold production to a targeted range of 185,000-205,000 ounces by 2024 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, which is fed at capacity from Karora's underground Beta Hunt mine and Higginsville mines. Karora recently acquired the 1.0 Mtpa Lakewood Mill in Western Australia. At Beta Hunt, a robust gold Mineral Resource and Reserve are 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 Corporation 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 Karora's production guidance, the de-risking of Karora's growth plan, the anticipated benefits of the Lakewood Mill gold processing facility, the expansion to double production from the Beta Hunt Mine, the use of toll milling arrangements at one or both of the Higginsville Mill and Lakewood Mill gold processing facility, the potential of the Beta Hunt Mine, Higginsville Gold Operation, the Aquarius Project and the Spargos Gold Project and the commencement of mining 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.

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