



KORE MINING PROVIDES UPDATE ON SPIN OUT OF KARUS GOLD CREATING BC FOCUSED GOLD EXPLORER

Strategic Position in BC's Cariboo Gold District with Flagship FG Gold Project

Vancouver, BC January 05, 2021 - KORE Mining Ltd. (TSXV: KORE | OTCQX: KOREF) ("KORE" or the "Company" - <https://www.commodity-tv.com/ondemand/companies/profil/kore-mining-ltd/>) is pleased to provide an update on the proposed transfer of all of its British Columbia ("BC") gold exploration assets ("Spin Out") into a newly incorporated company called Karus Gold Corp. ("Karus" or "Karus Gold").

Updates and Next Steps:

- Spin Out requires approval at the virtual KORE shareholder meeting on January 20, 2021
 - Meeting materials filed and mailed in late December 2020
 - Shareholders encouraged to vote as soon as possible and no later than January 18, 2021 via the instructions in the materials
 - Shareholders may attend the meeting online and will be required to register via the instructions in the materials in advance if they wish to vote online
 - Management and the Board of KORE recommends voting in favour of the Spin Out
 - Spin Out is supported by Mr. Eric Sprott, KORE's largest shareholder
- If the Spin Out is approved and final court approval is obtained, KORE shareholders at the distribution date will be eligible to receive Karus shares
 - Distribution date expected to be January 22, 2021, subject to change
 - Karus shares will not be publicly listed to trade immediately after Spin Out; listing anticipated in the first half of 2021
- Upon completion of the Spin Out, Karus intends to raise capital via a rights offering ("Rights Offering") to all Karus shareholders
 - Rights Offering expected to commence in February 2021, with details to come after closing the Spin Out
 - Karus shareholders will have exclusive access to invest in Karus via the Rights Offering, raising initial capital for Karus to execute its strategy

Highlights of Karus Gold:

- Unlocks value of BC assets for KORE shareholders through creation of Karus Gold
- Dominant 1,000 km² land position in the emerging Cariboo Gold District with Osisko Development Corp (TSX:ODV) investing heavily to the north
- Flagship FG Gold project open for growth after 2020 Lower Zone discovery intercepts of:
 - 10.0 meters of 3.9 g/t gold at 237 meters downhole
 - 14.3 meters of 6.4 g/t gold at 386 meters downhole
- Controls under-explored 110 km trend including five high-priority gold prospects
- Results from 14 FG Gold holes and five Gold Creek holes expected through Q1 2021

Upon completion of the Spin Out, KORE will continue as a leading gold company with a focus on growing and developing the Imperial and Long Valley gold projects in the US.

Scott Trebilcock, KORE's President & CEO comments, "KORE would like to thank our shareholders for their continued support in 2020 as we unlock value through the spin out process. We believe the value of our BC exploration assets are obscured by the robust economics of our advanced Imperial and Long Valley projects and as such, are looking forward to maximizing shareholder value through the spin out. We expect the Cariboo region in BC will see a major increase in exploration and development in 2021 and beyond. The spin out of Karus enables KORE shareholders to participate in this exciting and emerging mining district. We encourage our shareholders to vote in favor of the spin out to unlock value from this underappreciated asset."

Details of the Spin Out are available at www.koremining.com/karus and materials for the special shareholders meeting are available at www.koremining.com/specialmeeting and under KORE's profile on SEDAR at www.sedar.com.

About KORE's BC Gold Exploration Assets

KORE controls a dominant 1,000 square kilometers of claims in its South Cariboo Gold District of British Columbia. The claims host 110 km of structural trend that is highly prospective for gold deposits. The north part of the Cariboo Gold District is controlled by Osisko Development Corp (TSXV: ODV), which is financing a major exploration and development program that will bring attention to the Cariboo Gold District. KORE has multiple projects in the Cariboo Gold District, including the FG Gold and Gold Creek gold projects. Much of the area is under-explored and wide open for additional discoveries. The Cariboo region is a prolific gold region. The Cariboo Gold District was host to the Cariboo gold rush in the late 1800's, followed by a long history of modern gold mining. The Cariboo region is accessible with local power, a well-developed road network and skilled local labour.

The FG Gold project hosts an orogenic gold deposit on a 20 km trend defined by gold in soils and geophysics. Drilling performed by KORE in 2020 transformed the project, opening up the potential for both open pit and underground type mineralization. The FG Gold project also hosts copper-gold porphyry mineralization at the Nova Zone, discovered by KORE in 2018. Details of FG Gold Lower Zone discovery including intercepts reported above are detailed in the [November 11, 2020](#) Company news release.

The Gold Creek project is an orogenic gold discovery centered on the "Camp Zone" which show similarities to the high-grade zone of the nearby Spanish Mountain Gold Deposit (TSXV:SPA). The Camp Zone's near surface mineralization currently extends over 400 metres along strike and is open along both strike and at depth. KORE is currently drilling a 2,000-meter program to expand Gold Creek.

In connection with the transaction, the Company and Karus have filed an updated National Instrument 43-101 compliant Technical Report titled "Technical Report on the South Cariboo Property, British Columbia, Canada" effective November 15, 2020 and filed on December 16, 2020, prepared by independent qualified persons Ron Voordouw, P. Geo., Henry Awmack, P. Eng., and Equity Exploration Consultants Ltd (the "**Updated Report**"). The Updated Report replaces the previously filed technical report issued to Eureka Resources Inc. in 2015 and amends prior disclosure regarding mineral resources on the FG Gold and Gold Creek gold projects. The Updated Report is available on the Company's website at www.koremining.com/Karus and under KORE's profile on SEDAR at www.sedar.com.



About KORE Mining

KORE is 100% owner of a portfolio of advanced gold exploration and development assets in California and British Columbia. KORE is supported by strategic investor Eric Sprott who recently invested \$7.0 million, bringing his total ownership to 26%. KORE management and Board are aligned with shareholders, owning an additional 38% of the basic shares outstanding. KORE is actively developing its Imperial Gold project and is aggressively exploring across its portfolio of assets.

Further information on the Spin Out and KORE can be found on the Company's website at www.koremining.com/Karus or by contacting us at karusgold@koremining.com or 888-455-7620.

On behalf of KORE Mining Ltd

"Scott Trebilcock"

Chief Executive Officer

Karus Gold Spin Out Investor Support

David Jan

1-888-455-7620

karusgold@koremining.com

KORE Investor Relations

Arlen Hansen, KIN Communications

1-888-684-6730

kore@kincommunications.com

In Europe:

Swiss Resource Capital AG

Jochen Staiger

info@resource-capital.ch

www.resource-capital.ch

Technical information with respect to the Cariboo Gold District, FG Gold and the Gold Creek Projects contained in this news release has been reviewed and approved by Michael Tucker, P. Geo. who is KORE's VP Exploration and is the qualified person under National Instrument 43-101 responsible for the technical matters of this news release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding Forward-Looking Information

This news release contains forward-looking statements relating to the future operations of the Company and Karus Gold and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "plan", "should", "anticipate", "expects", "intends", "indicates" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of the Company and Karus Gold are forward-looking statements. Forward-looking statements in this news release include, but are not limited to, the expected timeline and date of completion of the Spin Out, the ability of KORE to receive and obtain shareholder approval and court approval, the ability of the parties to satisfy, in a timely

manner, the other conditions to closing of the Spin Out, the future listing of Karus Gold and the expected timeline and completion of the anticipated Karus rights offering. There can be no assurance that the Spin Out will be completed or that it will be completed on the terms and conditions contemplated in this news release. The Spin Out could be modified or terminated in accordance with its terms. Such forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business. Management believes that these assumptions are reasonable. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Such factors include, among others: the Spin Out will be completed on the terms currently contemplated, the Spin Out will be completed in accordance with the timing currently expected without any undue delay, all conditions to the completion of the Spin Out will be satisfied or waived in due course and the Spin Out Agreement will not be terminated prior to the completion of the Spin Out, assumptions and expectations related to the trading price of KORE and the future listing of Karus Gold, and other expectations and assumptions concerning the Spin Out.

In addition to the above summary, additional risks and uncertainties inherent to the Company and its operations are described in the “Risk Factors” section of the Company’s management discussion and analysis for the year ended December 31, 2019, prepared as of April 27, 2020, available under the Company’s issuer profile on www.sedar.com. Other risks and uncertainties include, among other things: the Spin Out may not be completed on the terms, or in accordance with the timing currently contemplated, or at all; the Company and Karus Gold has incurred expenses in connection with the Spin Out and will be required to pay for those expenses regardless of whether or not the Spin Out is completed; the Company and Karus Gold may not be successful in satisfying the conditions to the Spin Out, including failing to obtain KORE shareholder approval; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Spin Out; the failure to realize the expected benefits of the Spin Out; and other risks inherent to KORE’s current business and/or factors beyond its control which could have a material adverse effect on KORE or the ability to consummate the Spin Out.

Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.