



NEWS RELEASE

Karora Generates Strong Third Quarter Free Cash Flow With Gold Production of 24,717 Ounces Boosting Quarter End Cash Balance by 34% to \$67 Million

TORONTO, October 14, 2020 – Karora Resources Inc. (TSX: KRR) ("Karora" or the "Corporation" - <https://www.commodity-tv.com/ondemand/companies/profil/karora-resources-inc/>) is pleased to announce another strong quarter, with consolidated gold production of 24,717 gold ounces during Q3 2020 from its Beta Hunt and Higginsville mines in Western Australia. Gold sales for the quarter were 22,912 ounces. The difference in ounces sold vs. produced was due to timing of gold deliveries to the Perth Mint.

Karora's consolidated cash balance increased to \$67.3 million as at September 30, 2020, a 34% increase from \$50.2 million on June 30, 2020.

Paul Andre Huet, Chairman & CEO, commented: "I am extremely pleased with our solid progress during the third quarter both operationally and on the corporate level. Our operations continued the now well-established trend of consistent and reliable gold production against the backdrop of the challenges we have all faced associated with the prudent precautions in place during the COVID-19 pandemic. This is now our fifth straight quarter of strong gold production results since acquiring Higginsville in June of 2019. These results are a testament to the dedication and talent of our operations team.

Production for the first three quarters of 2020 was 73,612 ounces, which is in line with our 2020 gold production guidance of 90,000-95,000 ounces and AISC¹ of US\$1,050-\$1,200 per ounce sold.

Most importantly we continue to add significant cash to our balance sheet, with \$17 million added to our cash position during the quarter, bringing our total to \$67.3 million in cash as of September 30, 2020.

On the corporate side, we completed a number of important milestones during the quarter that position us well to continue our positive momentum going forward. We completed a 4.5 to 1 share consolidation, closed the Maverix Metals transaction to reduce the Beta Hunt gold royalty by 37%, closed the acquisition of the Spargos Reward High-Grade Gold Project, announced new gold and nickel discoveries at the Beta Hunt Mine and, on the back of ongoing drilling success at Higginsville and Beta Hunt, increased our 2020 exploration budget across our Western Australia operations by 50% to A\$15 million.

We remain confident that we will reach our target of reducing AISC cost to US\$1,000 per ounce by the end of 2020, despite the cost and disruption associated with the temporary measures we've put in

place to mitigate the risks of the COVID-19 pandemic and the highly competitive market for mining talent and services in Western Australia.

Overall, I could not be happier with both the corporate transformation and operational turnaround we have executed this year. Heading into the final quarter with an aggressive drilling program backed by strong free cash flow generating assets has us excited to deliver on our remaining internal targets.”

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 10, 2020.

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 historical gold resource and highly prospective land package totaling approximately 1,800 square kilometers. 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 potential of the Beta Hunt Mine, Higginsville Gold Operation and Spargos Reward 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.

Cautionary Statement Regarding the Higginsville Mining Operations

A production decision at the Higginsville gold operations was made by previous operators of the mine, prior to the completion of the acquisition of the Higginsville gold operations by Karora and Karora made a decision to continue production subsequent to the acquisition. This decision by Karora to continue production and, to the knowledge of Karora, the prior production decision were not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of

achieving any particular level of recovery of minerals or the cost of such recovery, which include increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Corporation's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

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