



NEWS RELEASE

Eric Sprott Significantly Increases Investment in Karora Resources; Subscribes for 26 Million Shares

TORONTO, July 14, 2020 – Karora Resources Inc. (TSX: KRR) ("Karora" or the "Corporation" - <https://www.commodity-tv.com/play/karora-resources-on-track-to-become-mid-tier-gold-producer-in-australia/>) is pleased to announce that Eric Sprott has agreed to increase his ownership in Karora by 26 million shares. In a strategic move, Karora has worked alongside Maverix Metals Inc. ("Maverix") to effectively place the entire planned share issuance previously announced June 30, 2020 (see Karora news release dated June 30, 2020).

In lieu of issuing shares to Maverix, Karora will use the proceeds from total of 36.5 million common shares to be issued to Eric Sprott and one other institutional investor to complete the previously announced Maverix transaction with an all-cash consideration of US\$18 million (subject to the conditions described in the Karora news release dated June 30, 2020). The shares of Karora to be issued to Mr. Sprott and the institutional investor will be issued at the same \$0.506 price per share that had been agreed with Maverix. Subject to completion of the transactions, no common shares of Karora will be issued to Maverix.

Paul Andre Huet, Chairman & CEO of Karora, commented: "I am very excited that Eric Sprott, a highly influential and well-known leader in the resource investment community and one of the world's premiere gold and silver investors, has significantly increased his investment in Karora. This investment is a strong endorsement of the confidence Mr. Sprott has in both our execution over the past year and our plans to unlock the value of our Western Australian gold mining assets."

In total, Karora intends to issue 36.5 million common shares, made up of 26 million shares to Eric Sprott and the balance expected to be to another institutional investor. The completion of this investment transaction is subject to the approval of the Toronto Stock Exchange and other customary conditions. A cash finder's fee will be payable to certain third parties in connection with this private placement of Karora shares.

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 release contains certain “forward looking statements” and certain “forward-looking information” as defined under applicable Canadian and U.S. securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “continue”, “plans” or similar terminology. The forward-looking information contained herein is provided for the purpose of assisting readers in understanding management’s current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements and information include, but are not limited to, statements with respect to the closing of the private placement.

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.

For more information, please contact:

Karora Resources Inc.

Rob Buchanan

Director, Investor Relations

T: (416) 363-0649

www.karoraminerals.com

In Europe:

Swiss Resource Capital AG

Jochen Staiger

info@resource-capital.ch

www.resource-capital.ch