

## Drilling At Spargos Reward Extends High Grade Gold Plunging Shoot To Over 300 Metres Down-Plunge With Intersection Of 6.1 G/T Over 14 Metres As Resource Definition Drilling Completed Ahead Of Resource Update

### Highlights:

- High grade diamond drill result<sup>1,2</sup> confirms interpreted high grade gold plunging shoot thesis by extending plunging shoot to over 300m down-plunge. The shoot remains open down-plunge.
  - SPDD0003: 6.1 g/t over 14.0 metres, including 8.6 g/t over 5.7 metres
- This drill intersection supports the plunging shoot interpretation associated with previously announced (see Karora news release, November 18, 2020), near-surface high grade intersections at the south end of the deposit which included:
  - SPRC0012: 27.3 g/t over 15.0 metres, including 168.0 g/t over 1.3 metres
  - SPRC0019: 8.0 g/t over 19.0 metres, including 20.6 g/t over 2.0 metres
  - SPRC0026: 29.8 g/t over 19.0 m, including 99.5 g/t over 5.0 metres
- All outstanding (new) drill results from the infill drilling<sup>1,2</sup> program designed to support resource modelling and mine design for open-pit evaluation have been received. Significant gold results include:
  - SPDD0001: 14.0 g/t over 6.3 metres
  - SPDD0002: 12.7 g/t over 4.0 metres, and 22.3 g/t over 1.7 metres
  - SPRC0069: 11.0 g/t over 5.0 metres
  - SPRC0065: 9.0 g/t over 12.0 metres
  - SPRC0054: 8.1 g/t over 5.0 metres
  - SPRC0062: 10.2 g/t over 5.0 metres

1. Downhole intervals. Estimated true widths are approximately 70% of the downhole interval

2. Tables showing complete drill results and drill hole locations can be found at the end of this news release.

- A new Spargos resource is expected to be published in the second quarter of 2021.

TORONTO, March 1, 2021 /CNW/ - Karora Resources Inc. (TSX: KRR) ("Karora" or the "Corporation") is pleased to announce completion of its 12,000 metre drill program at Spargos Reward Gold Project ("Spargos"). The drilling has delineated high grade gold mineralization within approximately 100 metres of surface along an approximate 400 metre strike length which will support the commencement of mining operations at Spargos around mid-year.

Paul Andre Huet, Chairman & CEO, commented: "I am extremely pleased with the outcome of our maiden drilling program at Spargos. In mid-November, we announced some of the best drill results in Karora's history and today we have confirmed a major extension of the high grade plunging shoot thesis we originally outlined with our first pass results. This is a new shoot, not previously recognized by previous owners and highlights both near surface high grade mineralization as well as the underground opportunity that exists at Spargos.

Now that our extended Resource Definition drilling program is complete, I am looking forward to our upcoming Mineral Resource estimate and the initiation of mining activities for Spargos in the second quarter. Spargos is expected to provide high grade gold feed for the Higginsville plant in the second half of 2021, contributing to our expectation that gold grades will increase as we progress through the year."

### Infill RC/Geotechnical Diamond Drilling

The Infill RC drill program designed to upgrade the Historical Mineral Resource and support resource modelling for open pit evaluation has been completed. Drilling totalled 107 holes for 9,590 metres. In addition, two geotechnical diamond holes were completed to support open pit mine design assumptions. Drilling targeted mineralization over 400 metres of strike to a depth of approximating 100 metres below surface – in line with expectations for open-pit mine depths. All assay results from this drilling have now been received, noting that turnaround on assay results was delayed due to backlogs at laboratories in the region reflecting a rapid increase in exploration and new mining projects in the region and COVID-19 related issues. Assay highlights from this program are listed below, including some previously released drill intersections.

Highlighted gold intersections from the drilling<sup>3,4</sup> are listed in order below:

## New results

- SPDD0001<sup>5</sup>: 14.0 g/t over 6.3 metres
- SPDD0002<sup>5</sup>: 12.7 g/t over 4.0 metres, and 22.3 g/t over 1.7 metres
- SPDD0003: 6.1 g/t over 14.0 metres; including 8.6 g/t over 5.7 metres
- SPRC0069: 11.0 g/t over 5.0 metres
- SPRC0065: 9.0 g/t over 12.0 metres
- SPRC0054: 8.1 g/t over 5.0 metres
- SPRC0062: 10.2 g/t over 5.0 metres

## Previously released (Karora news release, November 18, 2020)

- SPRC0012: 27.3 g/t over 15.0 metres, including 168.0 g/t over 1.3 metres
- SPRC0013: 5.7 g/t over 8.0 metres
- SPRC0019: 8.0 g/t over 19.0 metres, including 20.6 g/t over 2.0 metres
- SPRC0026: 29.8 g/t over 19.0 m, including 99.5 g/t over 5.0 metres
- SPRC0028: 29.8 g/t over 3.0 metres
- SPRC0030: 6.9 g/t over 8.0 metres
- SPRC0032: 8.7g/t over 16.0 metres

3. *Downhole intervals. Estimated true widths are approximately 70% of the downhole interval*
4. *Tables showing complete drill results and drill hole locations can be found at the end of this news release.*
5. *Geotechnical diamond holes*

An updated Spargos gold Mineral Resource is planned for release in the second quarter of 2021 and remains in line with the commencement of mining at Spargos.

### **High Grade Gold Plunging Shoot Target**

Four diamond holes totalling 1,102 metres were drilled to test the interpretation and extent of high grade gold mineralization controlled by north plunging shoots within the Spargos Reward mineralized system. These shoots were first identified from interpreting historical drill results and underground mine data. Current interpretation is of four parallel high-grade shoots (Figure 1), with the Stage 1 diamond drilling targeted to extend and/or test the interpreted position of three shoots.

Results to date were received for SPDD0003 which targeted the down-plunge extension of the very high gold grades previously intersected at the southern end of the deposit from the initial infill drill holes (Karora news release, November 18, 2020). The new results confirm the current interpretation which shows high grade gold mineralization extending over a down-plunge distance of over 300 metres. The down-plunge extension of this shoot remains open at depth and highlights the underground growth opportunity remaining to be tested. Results for the remaining three diamond holes are pending.

### **Spargos Project – Background**

The Spargos Reward project tenements cover 33 square kilometres, located in the Eastern Goldfields of Western Australia, just 65 kilometres north of Karora's Higginsville mill by road. The project contains an existing historical (JORC (2012) gold Mineral Resource Estimate<sup>6</sup> of 112,000 oz (785,800 tonnes @ 4.4 g/t) indicated resource and 19,000 oz (151,000 tonnes @ 4.0 g/t) inferred resource. There are also a number of historic workings within the project, most notable of which is the historic Spargos Reward Gold Mine which produced 105,397 tonnes at an average grade of 8.56 g/t Au in the 1930s and 1940s, with limited gold extraction since that time. Karora acquired the Spargos Reward project in August 2020 (see Karora news release dated August 7, 2020)

The Spargos gold mineralized system is positioned on the contact between meta-greywackes to the east and strongly altered sodic felsic volcanics to the west along a major north trending shear zone which dips steeply to the east. Gold mineralization is hosted in a number of positions with the bulk of the identified mineralization occurring as disseminations and stringer zones of quartz-biotite-amphibole-pyrite-arsenopyrite alteration. The deposit is characterized by the absence of quartz veining.

The gold mineralized zones can be broken down into two key zones - Main Lode and a second West Zone. A review of the historical mine

mapping and data indicate high grade mineralization is associated with shallow, north plunging shoots controlled by drag folds recognized along the meta-greywackes and western meta-volcaniclastics contact. The interpreted down-plunge position of high grade mineralization is virtually untested by drilling and represents significant exploration potential to grow the existing historical mineral resource.

6. See [www.coronaresources.com.au](http://www.coronaresources.com.au), Feb 26, 2020. A qualified person has not done sufficient work on behalf of Karora to classify the historical estimate as current mineral resources or mineral reserves, and Karora is not treating the historical estimates as current mineral resources or mineral reserves.

#### **Spargos Reward – Resource Update**

A revised gold Mineral Resource statement is expected in the second quarter of 2021 which remains in line with the Corporation's targeted date for commencement of mining at Spargos. Initial open pit design, flora and fauna surveys, waste characterization and infrastructure location have all been completed and will form part of the final mine plan submitted for mining approval with the appropriate authorities.

#### **Compliance Statement (JORC 2012 and NI 43-101)**

The disclosure of scientific and technical information contained in this news release has been reviewed and approved by Stephen Devlin, FAusIMM, Group Geologist, Karora Resources Inc., a Qualified Person for the purposes of NI 43-101.

Higginsville: All RC and diamond drill sampling is conducted by Karora personnel. Samples for gold analysis are shipped to Bureau Veritas Laboratories of Kalgoorlie and Perth for preparation and assaying by 40 gram fire assay analytical method. All RC drill samples submitted for assay include Certified Reference Material ("CRM") and coarse blank every 25<sup>th</sup> down hole metre. Duplicate samples are taken every 50<sup>th</sup> metre. All diamond drill samples submitted for assay include Certified Reference Material ("CRM") or coarse blank approximately every 10<sup>th</sup> sample down hole, equating to 10 in every 100 samples. The diamond drill samples contained no duplicate samples. The lab is also required to undertake a minimum of 1 in 45 wet screens on pulverised samples to ensure a minimum 90% passing at -75µm.

Where problems have been identified in QA/QC checks, Karora personnel and the Bureau Veritas laboratory staff have actively pursued and corrected the issues as standard procedure.

#### **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 gold Mineral Resource and Reserve and prospective land package totaling approximately 1,900 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. 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, the Aquarius Project and the Spargos Gold Project, the commencement of mining at the Spargos Gold Project and the completion of the resource estimate.*

*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](http://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.

**Table 1: Spargos Reward Drilling, November -December 2020 - Significant Results**

Hole ID	Sub interval	From (m)	To (m)	Downhole Interval (m)	Au (g/t) <sup>1,2</sup>
SPDD0001		2	3	1.0	2.37
		140.5	149	8.5	11.01
	Including	142.75	149	6.3	14.0
		160	160.41	0	1.1
		165.25	165.58	0.3	1.11
		168.6	168.9	0.3	2.45
SPDD0002		140	140.5	0.5	3.37
		144.1	144.5	0.4	1.6
		153.9	155.6	1.7	22.25
		161	165	4.0	12.68
		177	177.4	0.4	1.00
SPDD0003		172.8	173.5	0.7	1.35
		188	202	14.0	6.06
	including	196.3	202	5.7	8.6
SPRC0033		104	108	4.0	4.8
		111	112	1.0	1.03
		120	121	1.0	8.33
SPRC0034		7	11	4.0	2.48
		29	36	7.0	2.21
SPRC0035		43	53	10.0	3.49
SPRC0036		71	75	4.0	1.2
		80	81	1.0	1.75
		84	88	4.0	1.94
SPRC0037		72	75	3.0	1.32
		82	83	1.0	3.58
		96	97	1.0	1.92
		103	104	1.0	1.46
SPRC0037b		54	55	1.0	1.77
		59	62	3.0	0.86
		81	84	3.0	1.23
		92	95	3.0	3.11
SPRC0038b		105	106	1.0	1.58
		109	110	1.0	2.96
		116	118	2.0	2.29

SPRC0039b		0 122	1 123	1.0 1.0	1.22 1.06
		126	129	3.0	4.76
SPRC0041		13	14	1.0	1.19
		27	28	1.0	1.09
		38	42	4.0	2.73
SPRC0042		1	2	1.0	1.33
		51	56	5.0	4.65
SPRC0044		37	38	1.0	2.47
		83	84	1.0	4.72
SPRC0046		29	30	1.0	1.43
SPRC0047		28	29	1.0	1.19
		32	33	1.0	1.28
		36	39	3.0	2.84
		48	49	1.0	1.21
SPRC0048		29	30	1.0	1.05
SPRC0050		68	75	7.0	2.41
		79	83	4.0	3.82
SPRC0051		0	1	1.0	1.83
		30	31	1.0	1.29
		99	103	4.0	3.82
SPRC0052		120	122	2.0	1.97
		136	138	2.0	4.48
SPRC0054		43	48	5.0	8.08
SPRC0055		0	1	1.0	1.3
SPRC0056		27	28	1.0	1.04
		70	72	2.0	1.43
SPRC0057		81	83	2.0	6.04
SPRC0058		93	94	1.0	1.3
SPRC0060		39	47	8.0	1.4
SPRC0061		0	3	3.0	8.48
		50	54	4.0	8.07
		60	61	1.0	1.04
		73	74	1.0	1.00
SPRC0062		0	1	1.0	3.51
		39	40	1.0	1.01
		58	62	4.0	1.35
		68	73	5.0	10.17
SPRC0063		12	13	1.0	1.98
		68	69	1.0	1.44
SPRC0064		92	93	1.0	2.28
SPRC0065		113	125	12.0	8.96
		128	129	1.0	1.26
		134	135	1.0	3.88
SPRC0067		38	41	3.0	2.38
		48	56	8.0	3.25
SPRC0068		0	1	1.0	1.19
		34	38	4.0	1.05
		41	61	20.0	3.11

SPRC0069		52 84	57 85	5.0 1.0	10.98 1.16
SPRC0074		33	34	1.0	1.02
SPRC0075		36	54	18.0	2.08
		65	66	1.0	2.26
		79	80	1.0	1.24
		84	85	1.0	2.26
SPRC0076		67	68	1.0	7.09
SPRC0077		92	93	1.0	1.9
SPRC0078		17	19	2.0	1.71
		24	25	1.0	1.18
		31	37	6.0	4.82
SPRC0079		43	45	2.0	3.01
		54	58	4.0	0.94
SPRC0080		18	21	3.0	2.18
		26	27	1.0	1.08
		37	38	1.0	1.58
		46	47	1.0	1.77
		62	63	1.0	1.82
		73	75	2.0	1.71
SPRC0081		69	75	6.0	3.79
SPRC0082		90	92	2.0	5.61
SPRC0084		48	49	1.0	1.33
SPRC0085		35	36	1.0	1.1
		48	49	1.0	1.13
		74	75	1.0	1.44
		85	86	1.0	1.64
SPRC0087		83	84	1.0	1.92
		121	122	1.0	1.25
		127	128	1.0	2.79
SPRC0088		90	91	1.0	1.2
		112	120	8.0	2.73
		124	127	3.0	1.02
SPRC0089		8	9	1.0	1.16
SPRC0090		38	39	1.0	1.01
SPRC0091		81	82	1.0	3.26
SPRC0092		61	62	1.0	1.68
		65	66	1.0	1.35
		73	74	1.0	1.11
		84	85	1.0	1.11
		104	105	1.0	1.36
		113	114	1.0	1.58
SPRC0095		14	16	2.0	1.15
SPRC0096		0	1	1.0	1.87
SPRC0097		69	70	1.0	1.09
		82	83	1.0	2.08
SPRC0098		92	93	1.0	1.9
		100	101	1.0	3.59
SPRC0100		79	80	1.0	1.06

SPRC0101 SPRC0102		85 23	86 25	1.0 2.0	1.05 2.22
		33	35	2.0	4.04
SPRC0103		44	45	1.0	1.48
SPRC0104		10	13	3.0	1.49
		16	17	1.0	5.08
		46	47	1.0	2.55
SPRC0106		57	58	1.0	2.99
SPRC0107		31	35	4.0	1.64
		47	48	1.0	2.7
SPRC0111		39	40	1.0	1.33
		45	46	1.0	1.26
SPRC0112		42	43	1.0	8.74
SPRC0113		76	79	3.0	1.93
SPRC0122		80	84	4.0	1.47
SPRC0123		41	42	1.0	2.29
SPRC0124		57	58	1.0	1.14
SPRC0125		25	26	1.0	2.67

1. Downhole intervals. Estimated true widths are approximately 70% of the downhole interval.
2. Significant results reported as >1.0g/t Au over 1.0 metres

**Table 2: Spargos Reward Drilling, November – December 2020**

Hole ID	Northing	Easting	mRL	AZ	DIP	Total Length (m)
SPDD0001	6543202.465	354267.1	424.071	272.356	-59.91	195.44
SPDD0002	6543215.111	354104.4	426.471	91.356	-60.05	177.4
SPDD0003	6543200.3	354071.8	425.945	89.416	-55.48	240.07
SPRC0033	6543100.201	354238.5	421.429	269.176	-53.91	146
SPRC0034	6543120.136	354146.2	423.562	88.256	-45.75	36
SPRC0035	6543124.607	354204.7	424.813	264.056	-42.53	72
SPRC0036	6543106.845	354209.5	421.951	269.106	-57.09	94
SPRC0037	6543110.198	354222.6	421.952	243.926	-55.32	107
SPRC0037b	6543108.819	354221.2	421.947	270.426	-54.07	108
SPRC0038b	6543114.25	354235.2	422.192	271.286	-56.07	130
SPRC0039b	6543120.267	354248	422.559	268.626	-55.75	148
SPRC0041	6543140.009	354144.2	424.708	96.956	-47.4	44
SPRC0042	6543140.179	354206.4	424.865	271.026	-51.19	116
SPRC0044	6543140.118	354227.2	424.776	270.246	-55.44	130
SPRC0046	6543159.9	354141.9	425.378	95.136	-45.53	30
SPRC0047	6543159.795	354198.9	424.221	270.986	-46.37	60
SPRC0048	6543160.298	354201.6	424.071	270.146	-55.48	45
SPRC0050	6543160.029	354223.3	424.817	267.536	-55.41	120
SPRC0051	6543159.988	354235.8	424.961	268.076	-56.08	138
SPRC0052	6543160.199	354249.3	424.014	268.586	-55.94	150
SPRC0054	6543179.901	354211.2	424.644	266.916	-42.31	80
SPRC0055	6543180.05	354214.2	424.684	267.906	-50.43	55
SPRC0056	6543179.86	354222.2	424.962	268.156	-55.41	72
SPRC0057	6543179.788	354233.4	424.806	268.496	-56.24	83
SPRC0058	6543179.453	354245.2	424.475	269.926	-55.95	94
SPRC0060	6543200.058	354132.3	426.305	94.686	-38.8	54

SPRC0061	6543200.031	354217.4	425.637	272.446	-47.94	74
SPRC0062	6543200.615	354224.8	424.868	273.366	-55.75	73
SPRC0063	6543200.313	354231	424.952	274.426	-55.73	69
SPRC0064	6543199.358	354244.5	424.937	274.816	-56.09	93
SPRC0065	6543197.959	354259.7	423.955	271.816	-55.74	135
SPRC0067	6543220.184	354218.4	425.467	270.436	-44.79	56
SPRC0068	6543220.276	354222.1	425.426	270.346	-50.31	61
SPRC0069	6543220.079	354230.9	425.179	271.936	-55.59	57
SPRC0070	6543225.262	354250.3	424.358	267.486	-56.07	85
SPRC0074	6543241.192	354185	426.323	269.976	-55.22	48
SPRC0075	6543240.018	354214	426.077	271.396	-57.5	90
SPRC0076	6543240.839	354241.2	425.192	271.106	-56.14	68
SPRC0077	6543240.369	354259.8	424.747	272.826	-56.26	93
SPRC0078	6543259.97	354177.6	426.389	270.946	-54.77	48
SPRC0079	6543259.761	354191.1	426.55	271.336	-54.91	60
SPRC0080	6543259.329	354211.2	426.551	272.056	-54.74	100
SPRC0081	6543260.213	354241.6	425.668	270.766	-56.09	75
SPRC0082	6543259.889	354260	425.455	271.386	-55.5	92
SPRC0084	6543279.416	354196.4	427.045	270.186	-55.31	56
SPRC0085	6543279.574	354213	427.226	270.546	-53.87	90
SPRC0087	6543279.875	354249.1	426.356	269.826	-60.27	148
SPRC0088	6543280.138	354267.4	425.638	270.466	-60.15	148
SPRC0089	6543299.757	354172.2	428.046	268.586	-54.69	24
SPRC0090	6543300.054	354192.4	427.682	272.226	-55.06	54
SPRC0091	6543299.834	354221.5	427.901	271.016	-54.53	100
SPRC0092	6543300.058	354245	426.897	272.786	-56.56	152
SPRC0095	6543319.749	354182.1	428.558	270.406	-55.03	38
SPRC0096	6543319.671	354191.5	428.26	268.176	-54.91	54
SPRC0097	6543319.969	354221.7	428.398	267.986	-55.48	96
SPRC0098	6543329.681	354241.5	428.394	261.52	-54.24	156
SPRC0100	6543340.201	354113.8	431.774	90	-60	150
SPRC0101	6543340.143	354132.8	432.214	90	-60	150
SPRC0102	6543339.902	354152	431.398	92.216	-59.35	135
SPRC0103	6543340.005	354175.1	430.175	89.386	-59.47	90
SPRC0104	6543339.684	354193.6	429.086	90.176	-59.94	50
SPRC0106	6543360.172	354130.8	433.286	90.363	-54.106	160
SPRC0107	6543360.653	354149.6	433.843	90	-55	130
SPRC0111	6543379.604	354195	431.215	271.006	-55.9	54
SPRC0112	6543379.44	354214.1	430.648	270.176	-55.59	80
SPRC0113	6543379.151	354244.7	429.907	268.436	-56.21	126
SPRC0122	6543009.789	354098.8	420.487	91.186	-60.92	139
SPRC0123	6543010.096	354118	420.391	92.066	-60.6	130
SPRC0124	6543009.646	354129.6	420.059	93.916	-61.92	110
SPRC0125	6543009.739	354139.1	419.941	89.826	-62.31	90

SOURCE Karora Resources Inc.

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