

Karora Announces High Grade Nickel Drill Results Including 3.8% Over 10.9 Metres And 4.2% Over 3.0 Metres - 50C Nickel Zone Mineralized Strike Length Now Extended To Over 200 Metres

Highlights:

- Further drilling to extend the 50C nickel trough discovery has confirmed significant nickel mineralization over 200 metres in strike and up to 120 metres in width.
- New drilling north of the previously reported high grade 50C discovery hole G50-22-005E (11.6% Ni over 4.6 metres downhole) has intersected further high grade nickel mineralization, including intersections¹ of:
 - G50-22-011NR: 3.2% Ni over 3.1 metres
 - G55-22-006NR: 5.1% Ni over 2.1 metres
 - G50-22-004NR: 2.1% Ni over 7.5 metres, including 4.0% Ni over 3.0 metres
- Infill drilling of the 10C nickel trough, which lies adjacent to the 50C trough, has returned encouraging results that support the current Mineral Resource and include the following intersections¹:
 - G10-22-008NR: 3.8% Ni over 10.9 metres, including 5.2% Ni over 3.8 metres
 - G10-22-011NR: 4.2% Ni over 3.0 metres
- Nickel mineralization in the Beta Hunt Gamma Block remains open to the southeast beyond the 10C and newly defined 50C nickel troughs, with an encouraging historic drill intersection of 11.4% Ni over 9.5 metres located 1 kilometre southeast of current Karora drilling.
- Results from the 30C nickel trough drilling provide encouragement for an extension of the current Mineral Resource and include the significant results¹:
 - B30-19-008NR: 2.0% Ni over 8.9 metres
 - B30-19-018NR: 2.4% Ni over 2.3 metres
 - B30-19-020NR: 3.9% Ni over 1.3 metres

1. Downhole intervals. True widths cannot be determined with currently available information.

TORONTO, March 1, 2022 /CNW/ - Karora Resources Inc. (TSX: KRR) (OTCQX: KRRGF) ("Karora" or the "Corporation") is pleased to announce that new nickel exploration results from the 50C nickel trough at Beta Hunt have extended the known strike length to over 200 metres (previously 150 metres, see Karora news release dated October 8, 2021). The new results include drilling along strike of the 50C discovery and the parallel 10C nickel trough.

Paul Andre Huet, Chairman & CEO, commented: "We are very pleased with the latest results received from our nickel drilling program at the 50C nickel discovery and parallel 10C nickel trough. The new drilling supports the extension of the 50C discovery to over 200 metres in strike length and up to 120 metres in width, all delivered in just 10 months since discovery (see Karora news release dated April 6, 2021). A key feature of the Beta Hunt Mine is the extensive existing mining infrastructure. This provides us with the advantage of moving very rapidly from initial discovery to Mineral Resource definition and, ultimately, with the goal of mining.

Drilling results from the 10C nickel trough further support our objective to upgrade and extend the existing 10C nickel Mineral Resource, which forms part of the current Beta South Mineral Resource. Our team is now working on a new nickel mineralization model for the Gamma Block that will utilize the new drill results from both 50C and 10C to enhance identification of drill-ready targets. We will use this model to support an updated nickel Mineral Resource incorporating the 50C discovery and 10C upgrade and extension during the second quarter of 2022.

The potential growth of the 50C and 10C nickel mineralization is not capped at the current strike length. A historic drill intersection of 11.4% Ni over 9.5 metres is located approximately 1 kilometre southeast of our current drilling, supporting our hypothesis that nickel mineralization may be significantly more extensive – an exciting prospect.

With respect to the new 50C nickel discovery, which is located just 140 metres from existing mine development, we expect to move rapidly to grow our nickel production and, increase our nickel by-product credits which would then further reduce our overall AISC gold production costs in future years. Mine planning for the Gamma Block is underway with a view to bring these new nickel areas into production as soon as practicable with the goal of first mining taking place in the first half of 2023.

Lastly, new drill results received from the 30C nickel trough, located proximal to the Larkin Gold Zone, demonstrate the potential to further extend the nickel Mineral Resource in this area. To be able to move this quickly from discovery into production yet again demonstrates the infrastructure advantage we enjoy at Beta Hunt."

Gamma Block - 50C and 10C Nickel Troughs

The drill program designed to test and extend the recently discovered 50C nickel trough and upgrade the 10C nickel Mineral Resource was completed. Drilling totaled 40 holes for 6,505 metres. All results have now been received. The original 50C discovery was highlighted by the previously reported intersection of 11.6% nickel over 4.6 metres (downhole) in drill hole G50-22-005E.

50C Drilling: Drilling both north and south along strike from the discovery intersection (hole G50-22-005E) now supports continuous nickel sulphide mineralization over 200 metres in strike length (Figure 1). The new intersections are spaced on drill fans targeted to intersect the trough on 30 to 50 metre line spacings. Results from drill hole G55-22-002NE on the discovery section were received and show the 50C trough to be up to 120 metres in width (Figure 2).

Assay highlights include:

- G50-22-011NR: 3.2% Ni over 3.1 metres¹
- G50-22-004NR: 2.1% Ni over 7.5 metres¹, including 4.0% Ni over 3.0 metres
- G55-22-006NR: 5.1% Ni over 2.1 metres
- G50-22-014NE: 3.7% Ni over 2.0 metres
- G50-22-010NR: 2.7% Ni over 3.2 metres
- G50-22-002NE: 1.3% Ni over 1.6 metres

1. *Downhole intervals. True widths cannot be determined with currently available information.*

Nickel mineralization on the targeted basalt/ultramafic contact has been logged as massive, matrix-supported and disseminated nickel sulphide and indicate an intact nickel trough.

As previously referenced (see Karora news release dated October 8, 2021), porphyry intrusions in the northern drill sections have replaced parts of the nickel contact mineralization position as drilling moves north toward the Gamma Island Fault. Overall, results show an extensive, wide and continuous nickel trough supporting the discovery section (Figure 3).

10C Drilling: The 10C nickel trough is a parallel trough east of the 50C and is part of the Beta South Mineral Resource (see Technical Report Higginsville-Beta Hunt Operation, Eastern Goldfields, Western Australia dated January 29, 2021 available under Karora's profile at www.sedar.com). The 10C drill program is designed to upgrade the existing Inferred Mineral Resource and extend known nickel mineralization. The 10C results are highlighted by an intersection of 3.8% nickel over 10.9 metres, including 5.2% nickel over 3.8 metres in drill hole G10-22-008NR (Figure 2). The atypical thickness in this intersection is believed to be due to thrust-related stacking of the nickel sulphide horizon. This is not an unusual geological setting at Beta Hunt where this type of structural repetition is evident from historical mining of these nickel deposits. Overall, assay results to date support the current Mineral Resource.

Significant results¹ returned to date from the 10C drilling are highlighted below:

- G10-22-008NR: 3.8% Ni over 10.9 metres, including 5.2% Ni over 3.8 metres
- G10-22-011NR: 4.2% Ni over 3.0 metres
- G10-22-007NR: 3.3% Ni over 2.2 metres
- G10-22-016NR: 3.3% Ni over 2.3 metres

1. *Downhole intervals. True widths cannot be determined with currently available information.*

The 50C and 10C recent drill results continue to reinforce the potential for a significant nickel mineralized system similar to the Beta Nickel Block which historically produced approximately 33,000 nickel tonnes.

With the new 50C area only 140 metres from existing mine development, this represents a significant growth opportunity for by-product nickel production at Beta Hunt. Mine planning is underway to ensure sufficient ventilation, infrastructure and resources are available to enable development to commence as soon as possible.

All nickel assay results from the first stage of drilling the Gamma Block have now been received and work has commenced on producing a revised nickel mineralization model to assist in designing a follow-up drill program planned for the second half of 2022. An updated nickel

resource that includes the 10C and newly defined 50C nickel trough is expected to be completed during the second quarter of 2022.

30C Nickel Trough and Western Flanks Nickel

Outside of the Gamma Block drilling, nickel results were also received for drill holes designed to extend and upgrade the 30C nickel resource. This included dual purposing of drill holes to upgrade the Western Flanks Gold resource by extending the gold focused holes to also test for nickel mineralization on the ultramafic/basalt contact.

Results from the 30C drilling provide encouragement for an extension of the current Mineral Resource and include the significant results¹ listed below:

- B30-19-008NR: 2.0% Ni over 8.9 metres
- B30-19-018NR: 2.4% Ni over 2.3 metres
- B30-19-020NR: 3.9% Ni over 1.3 metres

1. *Downhole intervals. True widths cannot be determined with currently available information.*

The limited amount of gold-targeted drilling extended to test for nickel mineralization above the northern end of the Western Flanks Mineral Resource confirmed the presence of nickel sulphide mineralization on the basalt/ultramafic contact.

Follow-up work, including reviewing of all historical drill data, is planned to fully assess the nickel potential prior to the next stage of follow-up drilling. The best result received from the new Western Flanks extension drilling is shown below and highlights the potential for a new nickel trough discovery at Beta Hunt by Karora:

- AW17LN-17AR: 1.2% Ni over 2.0 metres¹

1. *Downhole interval. True widths cannot be determined with currently available information.*

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.

At Beta Hunt all drill core sampling is conducted by Karora personnel. Samples for gold analysis are shipped to SGS Mineral Services of Kalgoorlie for preparation and assaying by 50 gram fire assay analytical method. All gold diamond drilling samples submitted for assay include at least one blank and one Certified Reference Material ("CRM") per batch, plus one CRM or blank every 20 samples. In samples with observed visible gold mineralization, a coarse blank is inserted after the visible gold mineralization to serve as both a coarse flush to prevent contamination of subsequent samples and a test for gold smearing from one sample to the next which may have resulted from inadequate cleaning of the crusher and pulveriser. The lab is also required to undertake a minimum of 1 in 20 wet screens on pulverised samples to ensure a minimum 90% passing at -75µm. Samples for nickel analysis are shipped to SGS Australia Mineral Services of Kalgoorlie for preparation. Pulps are then shipped to Perth for assaying. The analytical technique is ICP41Q, a four acid digest ICP-AES package. Assays recorded above the upper detection limit (25,000ppm Ni) are re-analyzed using the same technique with a greater dilution (ICP43B). All samples submitted for nickel assay include at least one Certified Reference Material (CRM) per batch, with a minimum of one CRM per 20 samples. Where problems have been identified in QAQC checks, Karora personnel and the SGS laboratory staff have actively pursued and corrected the issues as standard procedure.

About Karora Resources

Karora is focused on doubling gold production to 200,000 ounces by 2024 compared to 2020 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 1.6 Mtpa processing plant, expanding to a planned 2.5 Mtpa by 2024, which is fed at capacity from Karora's underground Beta Hunt mine and Higginsville mines. 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 Mineral gold Resource and Reserve and prospective land package totaling approximately 1,800 square kilometers. The Company 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 timing for the completion of technical

studies, , the new nickel exploration results at Beta Hunt, the timing of the updated resource estimate and additional production of nickel, at Beta Hunt, production guidance and the potential of the Beta Hunt Mine, Higginsville Gold Operation, the Aquarius Project and 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.

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(a): Beta Hunt – Nickel –Significant Intersections – Nickel¹ (January 31, 2022)

Hole ID	Sub interval	From (m)	To (m)	Downhole Interval (m)	% Ni ²⁺
AW17LN-17AR		258.0	260.0	2.0	1.23
B25-20-010NE		26.9	27.5	0.6	1.1
B30-19-001NR		15.3	19.0	3.7	1.08
		21.1	21.7	0.6	1.51
		36.0	36.2	0.3	1.03
B30-19-008NR		26.6	27.0	0.4	1.7
		31.7	32.0	0.3	1.09
B30-19-015NR		3.1	12.0	8.9	2.03
		17.0	18.0	1.0	1.29
B30-19-018NR		50.0	52.3	2.3	2.37
B30-19-020NR		4.2	5.5	1.3	3.92
B30-19-022NR		48.3	49.5	1.2	1.87
		54.2	54.6	0.4	6.96
BL19-17AR		88.0	91.0	3.0	1.5
BL19-20AR		51.8	52.3	0.5	1.11
G10-22-006NR		74.3	75.6	1.4	1.95
G10-22-007NR		88.8	91.0	2.2	3.28
G10-22-008NR		62.8	63.2	0.4	2.47
	including	67.9	78.8	10.9	3.75
		67.9	72.8	4.9	4.04

	including	75.0	78.8	3.8	5.21
G10-22-010NR		95.9	96.2	0.4	1.06
G10-22-011NR		76.0	79.0	3.0	4.17
G10-22-012NR		102.4	103.0	0.6	6.41
G10-22-013NR		97.7	98.1	0.3	3.38
G10-22-016NR		108.8	111.1	2.3	3.30
		113.9	114.1	0.2	9.42
		173.4	174.8	1.4	1.85
		188.0	189.0	1.0	1.02
G10-22-017NR		98.6	103.0	4.4	1.89
G10-22-018NR		81.0	81.5	0.5	1.11
		92.3	95.9	3.6	1.43
		98.0	98.6	0.6	1.02
		102.0	103.4	1.4	1.14
G50-22-009NR		173.4	174.0	0.6	4.48
G50-22-010NR		153.6	156.8	3.2	2.73
G50-22-011NR		132.0	135.1	3.1	3.22
		139.9	140.5	0.6	1.1
G50-22-012NE		172.6	172.8	0.2	3.37
G50-22-014NE		140.7	141.2	0.5	1.39
		192.5	194.5	2.0	3.70
G55-22-002NE		91.0	92.3	1.6	1.3
G55-22-003NE		113.8	114.6	0.8	5.08
		140.1	140.6	0.5	1.13
G55-22-004NR		103.5	111.0	7.5	2.05
	including	103.5	106.5	3.0	4.00
G55-22-006NR		161.0	163.1	2.1	5.09
G55-22-005NE		112.9	113.7	0.8	9.84
G55-22-008NE		173.6	175.0	1.4	1.95
		181.0	181.4	0.4	1.28
		184.0	185.5	1.5	1.2
G55-22-009NE		198.7	199.6	0.9	1.14
G55-22-010NE		172.3	174.0	1.7	2.57
G50-22-008NE		155.0	156.7	1.7	1.01
		163.5	164.0	0.5	1.4
		196.5	197.0	0.5	1.03

1. Downhole widths. Estimated true widths cannot be determined with available information.

2. Reported nickel grades > 1%.

Table 2: Beta Hunt - Nickel Drill Hole Locations (for Results Reported January 31, 2022)


Hole ID	MGA N	MGA E	mRL	Azi (degrees)	Dip (degrees)	Total Length (m)
AW17LN-17AR	6544638	374511	-255	229	22	267.0
BL19-17AR	6542529	375573.7	-386	10	19	135.0
BL19-20AR	6542529	375573.7	-388	35	-10	90.0
B25-20-010NE	6542479	375816.5	-334	75	68	51.0
B30-19-001NR	6542609	375563.6	-381	235	80	48.0
B30-19-008NR	6542623	375581	-382	339	59	66.0
B30-19-015NR	6542663	375524.8	-380	241	73	33.0

B30-19-018NR	6542670	375523	-380	18	59	68.0
B30-19-020NR	6542644	375543.4	-382	240	42	63.0
B30-19-022NR	6542654	375538.9	-380	48	63	69.0
G10-22-006NR	6541837	376257.7	-330	101	67	108.0
G10-22-007NR	6541863	376232.6	-331	229	64	105.0
G10-22-008NR	6541863	376232.9	-330	229	80	102.0
G10-22-010NR	6541900	376203.8	-338	230	75	107.0
G10-22-011NR	6541901	376204.1	-337	50	89	114.0
G10-22-012NR	6541926	376184.8	-343	228	62	114.0
G10-22-013NR	6541926	376184.8	-343	228	73	119.0
G10-22-016NR	6541934	376178.4	-344	230	48	195.0
G10-22-017NR	6541934	376178.8	-344	230	66	126.0
G10-22-018NR	6541863	376232.9	-330	229	85	116.0
G50-22-009NR	6541848	376243.2	-333	223	19	222.0
G50-22-010NR	6541848	376243.2	-333	223	25	201.0
G50-22-011NR	6541848	376243.2	-333	223	33	153.0
G50-22-012NE	6541862	376232.2	-333	229	15	297.0
G50-22-014NE	6541861	376232.4	-335	229	15	219.0
G55-22-002NE	6541841	376249.3	-331	215	55	114.0
G55-22-003NE	6541840	376249.3	-333	192	27	177.0
G55-22-004NR	6541849	376243.4	-332	223	44	125.0
G55-22-006NR	6541900	376203.4	-338.6	230	37	197.7
G55-22-005NE	6541862	376232.4	-333	229	44	120.0
G55-22-008NE	6541925	376184.9	-343	230	48	210.0
G55-22-009NE	6541933	376178.4	-345	230	38	207.0
G55-22-010NE	6541900	376203.1	-338	230	45	183.0
G50-22-008NE	6541840	376249.3	-333.2	192	19	200.9

Note: Eastings and Northings in MGA, Zone 51

SOURCE Karora Resources Inc.

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