

Karora Resources Announces Upsize Of Previously Announced Bought Deal Financing To C\$60 Million

TORONTO, May 25, 2022 – Karora Resources Inc. (TSX:KRR; OTCQX:KRRGF) ("Karora" or the "Corporation") is pleased to announce that it has amended the terms of its previously announced bought deal financing to increase the size of the offering to C\$60,000,000 (the "Upsized Offering").

Under the terms of the Upsized Offering, Haywood Securities Inc. ("Haywood"), as co-lead underwriter and sole bookrunner, and Cormark Securities Inc. (together with Haywood, the "Co-Lead Underwriters"), as co-lead underwriter, on their own behalf and on behalf of a syndicate of underwriters (together with the Co-Lead Underwriters, the "Underwriters"), have agreed to purchase, on a bought deal basis, 12,500,000 common shares in the capital of the Corporation (the "Common Shares") at a price of C\$4.80 per Common Share (the "Issue Price") for gross proceeds to the Corporation of C\$60,000,000.

In addition, the Corporation has agreed to grant the Underwriters an option to purchase up to an additional 15% of the number of Common shares sold under the Upsized Offering at a price per Common Share equal to the Issue Price, on the same terms and conditions as the Upsized Offering, exercisable at any time, in whole or in part, until the date that is 30 days following the closing of the Upsized Offering.

The Corporation intends to use the net proceeds received from the Upsized Offering to fund a portion of the cash consideration due at a closing of the Lakewood Mill acquisition as further described in the Corporation's news release dated today (which transaction is subject to the satisfactory completion by the Corporation of its due diligence and other applicable closing conditions), advancement of the Corporation's nickel exploration and development program at Beta Hunt, and for working capital and general corporate purposes.

The Common Shares will be offered by way of a short form prospectus to be filed in all provinces of Canada (other than Quebec). The Common Shares will also be sold to U.S. buyers on a private placement basis pursuant to an exemption from the registration requirements in Rule 144A of the United States Securities Act of 1933, as amended, and other jurisdictions outside of Canada provided that no prospectus filing or comparable obligation arises.

The Upsized Offering is scheduled to close on or about June 15, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

The securities offered in the Upsized Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Karora Resources

Karora is focused on increasing gold production to a targeted range of 185,000-205,000 ounces by 2024 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 are 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 1,900 square kilometers. The Corporation 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 liquidity and capital resources of Karora, production guidance and 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 Upsized Offering.

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.

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