KARORA RESOURCES REPORTS STRONG PRODUCTION, REVENUE, EARNINGS AND CASH FLOW GROWTH IN THIRD QUARTER 2023

TORONTO, Nov. 10, 2023 /CNW/ - **Karora Resources Inc.** (TSX: KRR) **("Karora"** or the **"Company")** today announced financial and operating results for the third quarter ("Q3 2023") and first nine months ("YTD 2023") of 2023. The Company's full unaudited condensed interim financial statements and management discussion & analysis ("MD&A) are available on SEDAR at www.sedarplus.ca and on the Company's website at www.karoraresources.com. All dollar amounts are in Canadian dollars, unless otherwise noted.

STRONG QUARTERLY AND YTD GOLD PRODUCTION

- Production of 39,547 gold ounces increased 3% from 38,437 ounces in the third quarter of 2022, down slightly compared to record production of 40,823 ounces in the second quarter of 2023 ("the previous quarter").
- YTD 2023 production of 120,197 ounces increased 24% from 96,578 ounces for the same period in 2022, with the Company ending the third quarter well positioned to achieve full-year 2023 production guidance of 145,000 – 160,000 ounces.

AISC ON TRACK TO ACHIEVE 2023 GUIDANCE

- Cash operating costs[1] and all-in sustaining costs ("AISC") [1] per ounce sold averaged US$1,062 and US$1,196, respectively, in Q3 2023 compared to US$991 and US$1,069, respectively, in Q3 2022 and US$1,068 and US$1,160 the previous quarter. Previous quarter 2023 cash operating cost per ounce included by-product credits of US$38 per ounce. No nickel by-product credits were recorded in the third quarter of 2023 due to timing of sales, however 5,193T at 1.6% of nickel was mined during the quarter (approximately US$22 per ounce).
- Cash operating costs[1] and AISC[1] per ounce sold for YTD 2023 averaged US$1,083 and US$1,188, respectively, versus US$1,128 and US$1,202, respectively, for YTD 2022; YTD 2023 AISC [1] per ounce sold in line with full-year 2023 guidance of US$1,100 – US$1,250.

ROBUST QUARTERLY AND YTD REVENUE

- Revenue in Q3 2023 of $107.1 million increased 32% from Q3 2022 and was slightly lower than Q2 2023 which was driven by record quarterly gold ounces sold of 42,172 ounces. For Q3 2023 41,278 gold ounces were sold at an average realized gold price of US$1,931 per ounce.
- YTD 2023 revenue totalled $314.5 million, 42% higher than $220.2 million in YTD 2022 mainly reflecting a 30% increase in gold sales and a realized gold price that was US$89 per ounce higher than comparable period in 2022.

SOLID OPERATING CASH FLOW GENERATION

- Cash flow provided by operating activities in Q3 2023 of $45.3 million, up 60% from $28.3 million in Q2 2022 and 32% from $34.4 million in Q2 2023.
- YTD 2023 cash flow provided by operating activities of $100.6 million was almost double from $51.7 million in YTD 2022.

STRONG EARNINGS PERFORMANCE

- **Net earnings** of $6.9 million ($0.04 per share) compared to net earnings of $4.4 million ($0.03 per share) in Q3 2022 and net earnings of $6.6 million (0.04 per share) in Q2 2023. **Adjusted earnings** of $14.0 million ($0.08 per share) compared to $6.6 million ($0.04 per share) in Q3 2022 and $13.9 million ($0.08 per share) the previous quarter.
- **Net earnings** for YTD 2023 of $10.6 million ($0.06 per share) compared to net earnings of $0.3 million ($0.00 per share) for the same period in 2022; **Adjusted earnings** totalled $32.8 million ($0.19 per share), a 164% increase from $12.4 million ($0.08 per share) reported for YTD 2022.

CONTINUED PROGRESS ON GROWTH PLAN

- Following completion of a second (west) decline the final ventilation raise (number three of three planned) has been completed. Primary ventilation fans have been procured and are expected to be installed and commissioned towards the end of 1H24. In the interim, temporary ventilation vans are operational. During the quarter, Karora continued expansion of the mining fleet with delivery of two new underground trucks and one underground loader. Further expansion of the fleet is planned in 2024. With the expected significant improvements to the mine's primary ventilation circuit to accommodate the increase in mining fleet, the expansion project remains on track to support growth to an annualized production rate of 2.0 Mtpa by the end of 2024.

FLETCHER ZONE EXPLORATION SUCCESS AT BETA HUNT

- Fletcher Shear Zone ("FSZ") drilling results reported during Q3 from Beta Hunt (KRR news releases of August 7 and September 12) continued to extend mineralization with new high-grade gold intersections. Results from a nine-hole FSZ drill program designed to test over 500 metres of strike north of the Alpha Island Fault were highlighted by broad, high-grade intersections from the most northern infill line which indicate the strike of the FSZ within 250 metres of the Western Flanks Mineral Resource.

KALI METALS LITHIUM SPIN-OFF AND MANAGEMENT CHANGES

- The Kali Metals lithium spin-off transaction, originally announced during the second quarter, remains on track for completion by year end. On November 3, 2023, Kali announced that it had lodged a prospectus for its initial public offering on the ASX (see www.kalimetals.com.au for more information). The new lithium vehicle involves Karora and a third party vending their lithium exploration projects into a new entity, Kali Metals Limited, with a goal of creating a new, separately run lithium-focused, ASX-listed exploration company to be led by an experienced board and management team.
- During the quarter Mr. Tony Makuch joined the Company as a Director, Mr. Barry Dahl retired as the Company's Chief Financial Officer, replaced by Mr. Derek Humphry, and Mr. Peter Ganza joined Karora's Australian operations as Chief Operating Officer, Australia.

1. Non-IFRS: the definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this news release and in the MD&A for the three and nine months ended September 30, 2023.

Karora will host a call/webcast on November 10, 2023 at 10:00 am (Eastern Time) to discuss the third quarter 2023 results. North American callers please dial: 1-888-664-6383; Local and international callers please dial: 416-764-8650. To join the conference call without operator assistance, you may register and enter your phone number at the Callback Link to receive an instant automated call back and be placed into the call. For the webcast of this event click the Webcast Link

https://app.webinar.net/qxL4W2Gb1mY

(replay access information is provided below).

Paul Andre Huet, Chairman and CEO, commented: "I am very pleased with our team's performance during the third quarter, which included another strong performance by our Beta Hunt and Higginsville operations which have now delivered a total of 120,198 ounces through the first three quarters of 2023. Our gold processing operations have also performed very well, with average recoveries of 95% through Q3. The robust operating performance year to date puts us in a great position to achieve our full-year guidance ranges of between 145,000 to 160,000 ounces for gold production and AISC costs of between US$1,100 to US$1,250 for 2023.

"Comparing our performance year to date with last year, we've delivered strong improvements year-over-year with production growing 24%, average milled grade up 11% and cash operating costs improving by 4%. At the Beta Hunt Mine, we continued to advance our expansion on schedule and on budget. The third and final ventilation raise installation is now complete, which will facilitate the ongoing expansion of our mining equipment fleet, putting us on track to grow Beta Hunt's annualized production rate to 2.0 Mtpa by the end of 2024. At HGO, performance was strong in the third quarter as higher grades associated with the final stopes at the Aquarius Mine were processed. HGO production was up 17% and cash operating costs[1] per ounce sold improved by 28% compared to the previous quarter.

"We ended the third quarter in a very strong financial position with a cash position of $84 million, up $13 million from the prior quarter, placing us in an excellent position to deliver on our growth objectives. We've also reported some very exciting exploration results from Beta Hunt, most recently in the Fletcher and Mason zones that point toward the potential for years of ongoing Mineral Resource additions outside the main zone of Western Flanks and A Zone. On this front, I am looking forward to reporting our next Mineral Resource update, which we expect to issue before year end."

RESULTS OF OPERATIONS

Table 1. Results of Operations

	Three Months Ended,			Nine Months Ended,	
	Sep 30,	Sep 30,	June 30,	**Sep 30,**	Sep 30,

	2023	2022	2023	2023	2022
Gold Operations (Consolidated)					
Tonnes milled (000s)	**516**	547	536	**1,554**	1,403
Recoveries	**95 %**	94 %	95 %	**95 %**	94 %
Gold milled, grade (g/t Au)	**2.51**	2.33	2.50	**2.54**	2.28
Gold produced (ounces)	**39,547**	38,437	40,823	**120,197**	96,578
Gold sold (ounces)	**41,278**	35,513	42,172	**119,595**	92,198
Average exchange rate (C$/US$) [1]	**0.75**	0.77	0.74	**0.74**	0.78
Average realized price (US $/oz sold)	**$1,931**	$1,717	$1,909	**$1,907**	$1,818
Cash operating costs (US $/oz sold)[2]	**$1,062**	$991	$1,068	**$1,083**	$1,128
All-in sustaining cost (AISC) (US $/oz sold)[2]	**$1,196**	$1,069	$1,160	**$1,188**	$1,202
Gold (Beta Hunt)					
Tonnes milled (000s)	**333**	306	319	**951**	834
Gold milled, grade (g/t Au)	**2.17**	2.36	2.62	**2.55**	2.30
Gold produced (ounces)	**21,926**	21,977	25,709	**74,212**	58,254
Gold sold (ounces)	**23,595**	20,767	26,330	**73,002**	56,035
Cash operating cost (US $/oz sold)[2]	**$1,233**	$953	$1,017	**$1,071**	$1,067
Gold (HGO Mine)					
Tonnes milled (000s)	**183**	241	217	**603**	569
Gold milled, grade (g/t Au)	**3.13**	2.29	2.31	**2.52**	2.26
Gold produced (ounces)	**17,621**	16,460	15,114	**45,985**	38,324
Gold sold (ounces)	**17,683**	14,746	15,842	**46,593**	36,163
Cash operating cost (US $/oz sold)[2]	**$832**	$1,043	$1,151	**$1,101**	$1,223

1. Average exchange rate refers to the average market exchange rate for the period.
2. Non-IFRS: the definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this news release and in the MD&A for the three and six months ended September 30, 2023.
3. Numbers may not add due to rounding.

Consolidated Operations

Consolidated gold production in the third quarter of 2023 was 39,547 ounces, a 3% increase from the third quarter of 2022 and 3% lower than the record 40,823 ounces in the previous quarter. The increase from the third quarter of 2022 resulted primarily from an 8% improvement in the average grade reflecting final stoping at the Aquarius underground gold mine at the Higginsville gold operation. Tonnage was 6% down on the comparative period in 2022 due to crushing interruptions at the Higginsville gold operation. Contract crushers were utilized while crusher bridge repairs continue and expected to be concluded during the final quarter of the year.

Cash operating costs[1] per ounce sold for the third quarter of 2023 averagedUS$1,062 compared to US$991 for the same period in 2022 and $1,068 the previous quarter. The increase from the third quarter of 2022 largely reflected the impact of higher processing costs during the quarter due to two months contract crushing following the crusher bridge failure at HGO, and continued cost pressures in areas such as labour, contractors, power and fuel. In addition, nickel produced in the third quarter 2023 was not sold during the quarter. During the previous quarter, the cash operating cost[1] per ounce included nickel by-product credits ofUS$38 per ounce. AISC[1] per ounce sold in the third quarter of 2023 averaged US$1,196 compared to US$1,069 in the third quarter of 2022 and$1,160 the previous quarter due to the impact of the higher cash operating costs per ounce sold and higher sustaining capital for the quarter.

For the first nine months of 2023, gold production totalled 120,197 ounces, 24% higher than 96,578 ounces in the first nine months of 2022 reflecting a 11% increase in tonnes milled and a 11% improvement in the average grade. Higher tonnes milled reflected an increase in milling capacity following the acquisition of Lakewood Mill in August 2022. The Company ended the first nine months of 2023 well positioned to record achieve an annual production record and target annual production above the midpoint of the 145,000 – 160,000 ounces gold production guidance range for 2023.

Cash operating costs[1] per ounce sold for the first nine months of 2023 averaged$1,083 compared to $1,128 for the same period in 2022 with volume and grade improvements largely accounting for the year-over-year improvement. AISC1 per ounce sold averaged US$1,188 in the first nine months of 2023 versus $1,202 a year earlier.

Beta Hunt

During the third quarter of 2023, Beta Hunt mined 357,204 tonnes at an average grade of 2.00 g/t containing 22,912 ounces of gold. This represented a 14% improvement on the third quarter of 2022, and a 20% improvement on the prior quarter ore tonnes reflecting progress in the ongoing production ramp up at the Beta Hunt mine. Contained gold was 5% lower than the third quarter of 2022 (313,000 tonnes at 2.40 g/t for 24,188 contained ounces) and 19% lower than the prior quarter (297,100 tonnes at 2.97 g/t for 28,416 contained ounces) reflecting the mining of a planned lower grade section of Beta Hunt during the current quarter with improved grade planned in the final quarter. The majority of the scheduled mined tonnes during the third quarter came from the central section of Western Flanks with fewer scheduled higher grade ore zones.

Gold production from Beta Hunt in the third quarter of 2023 totalled 21,926 recovered ounces based on milling 333,311 tonnes at an average grade of 2.17 g/t and 94% plant recovery. The lower mined grade contributed to 0.2% lower gold production for the quarter (21,977 ounces) compared to the third quarter of 2022 and 15% lower than the prior quarter (25,709 ounces).

Cash operating costs[1] per ounce sold at Beta Hunt averaged US$1,233 in the third quarter of 2023, which compared to US$953 in the third quarter of 2022, and US$1,017 the previous quarter with the increase from the previous quarter of 2023 reflecting the impact of lower grade and no by-product credits, as the nickel produced in the quarter was not sold in the period (US$61/oz reduction of cash cost per ounce for the previous quarter).

For the first nine months of 2023, Beta Hunt mined 954,304 tonnes at an average grade of 2.56 g/t containing 78,439 ounces of gold, which compared to 828,984 tonnes mined at an average grade of 2.33 g/t containing 62,152 ounces of gold in the first nine months of 2022. Year-to-date gold production in 2023 totalled 74,212 ounces, a 27% increase from production of 58,254 ounces in the first nine months of 2022, which resulted from 14% higher mill throughput and 12% higher grade. Cash operating costs[1] per ounce sold averaged US$1,071 broadly in line with the US$1,067 in the first nine months of 2022.

In addition to gold production, Beta Hunt mined 5,193 tonnes of nickel ore at an estimated grade of 1.66% nickel during the third quarter of 2023 compared to 5,915 tonnes of nickel ore mined at an estimated grade of 1.76% nickel for the same period in 2022 and 6,071 tonnes of nickel ore at an estimated grade of 2.47% nickel the previous quarter. For the first nine months of 2023, 18,035 tonnes of nickel ore were mined at an estimated grade of 2.14% nickel, which compared to 18,851 tonnes mined at an estimated average grade of 1.66% nickel a year earlier.

Higginsville Mining Operations ("HGO")

During the third quarter of 2023, HGO mined 96,367 tonnes at an average grade of 5.16 g/t containing 15,994 ounces, which compared to 171,000 tonnes mined at an average grade of 3.05 g/t containing 16,742 ounces in the third quarter of 2022 and 178,100 tonnes at an average grade of 2.76 g/t containing 15,806 ounces the previous quarter. The quantity of tonnes mined during the third quarter of 2023 largely reflected the completion of stoping activities at the Aquarius underground mine in the quarter as the Pioneer open pit mine was brought into production.

Production at HGO in the third quarter of 2023 totalled 17,621 recovered ounces based on milling 182,489 tonnes at an average grade of 3.13 g/t. Production in the third quarter of 2023 increased 7% from 16,460 ounces in the third quarter of 2022 (241,000 tonnes at 2.29 g/t for 16,460 ounces), reflecting the 37% higher grade processed, and was 17% higher than the previous quarter (216,894 tonnes at 2.31 g/t for 15,114 ounces), again reflecting the 36% higher grade in the current quarter driven by final stoping from the Aquarius underground mine.

Cash operating costs[1] per ounce sold at HGO averaged US$832 in the third quarter of 2023 versus US$1,043 for the same period in 2022, with the 20% improvement reflecting the higher processing grade and resultant 20% higher ounces sold for the period. Cash operating costs[1] per ounce sold in the third quarter of 2023 improved 28% from US$1,151 the previous quarter with the improvement again reflecting the higher processed grade from the Aquarius stoping ore and associated higher produced ounces.

For the first nine months of 2023, HGO mined 346,667 tonnes at an average grade of 3.65 g/t containing 40,727 contained ounces of gold, which compared favourably to the 363,853 tonnes mined at an average grade of 3.03 g/t containing 35,397 ounces of gold in the first nine months of 2022 reflecting ore source timing in accordance with the mine plan. Year-to-date gold production in 2023 totalled 45,985 ounces resulting from processing 602,932 tonnes at an average grade of 2.52 g/t versus gold production of 38,324 ounces based on processing 568,581 tonnes at an average grade of 2.26 g/t for the same period a year earlier. Cash operating costs[1] per ounce sold averaged US$1,101 compared to $1,223 in the first nine months of 2022 with the lower cash costs largely due to a higher grade.

Processing Operations

A total of 515,800 tonnes were milled at an average grade of 2.51 g/t with average recoveries of 95% for production of 39,547 ounces during the third quarter.

Beta Hunt contributed 100% of the throughput at the Lakewood Mill during the third quarter of 2023, totalling 217,347 tonnes at an average grade of 1.92 g/t. Recovered gold during the quarter totalled 12,297 ounces. The balance of Beta Hunt was dedicated to the Higginsville mill with Beta Hunt contributing 39% of the mill throughput and HGO providing the remaining 61% with the higher-grade Aquarius ore prioritized. At Higginsville mill, 298,453 tonnes of material were processed at an average grade of 2.95 g/t for a recovered gold of 27,250 ounces.

For the first nine months of 2023, throughput at the Lakewood Mill totalled 548,590 tonnes (97% from Beta Hunt and 3% from HGO) at an average grade of 1.98 g/t. Recovered gold during the nine-month period totalled 32,712 ounces. 1,005,466 tonnes were milled at the Higginsville Mill (with 42% of mill feed coming from Beta Hunt and 58% from HGO) at an average grade of 2.84 g/t. Recovered gold totalled 87,485 ounces.

1. Non-IFRS: the definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this news release and in the MD&A for the three and six months ended September 30, 2023.

FINANCIAL REVIEW

Table 2. Financial Overview

(in thousands of dollars except per share amounts)	Three Months Ended,		Nine Months Ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Revenue	**$107,136**	$81,326	**$314,537**	$220,207
Production and processing costs	**55,525**	42,430	**166,485**	124,959
Earnings before income taxes	**13,536**	7,946	**24,642**	6,846
Net earnings	**6,923**	4,378	**10,625**	341
Net earnings per share - basic	**0.04**	0.03	**0.06**	0.00
Net earnings per share - diluted	**0.04**	0.03	**0.06**	0.00
Adjusted EBITDA [1]	**37,012**	27,510	**104,460**	62,315
Adjusted EBITDA per share - basic [1]	**0.21**	0.16	**0.60**	0.39
Adjusted earnings [1]	**14,049**	6,640	**32,754**	12,422
Adjusted earnings per share - basic [1]	**0.08**	0.04	**0.19**	0.08
Cash flow provided by operating activities	**45,345**	28,294	**100,611**	51,686
Cash investment in property, plant and equipment and mineral property interests	**(26,950)**	(89,822)	**(70,715)**	(149,690)

1. Non-IFRS: the definition and reconciliation of these measures are included in the" Non-IFRS Measures" section of this news release and the MD&A for the three and nine months ended September 30, 2023.

For the three months ended September 30, 2023, the Company generated revenue of $107.1 million, a $25.8 million or 32% increase from the third quarter of 2022. Gold revenue totalled $106.9 million, $27.3 million or 34% higher than the third quarter a year earlier, with $12.9 million of the increase resulting from higher gold ounces sold and $14.4 million relating to rate factors, including the impact of a stronger US dollar as well as a 12% increase in the average US$ realized gold price. Beta Hunt contributed $60.8 million of total

gold revenue in the third quarter of 2023, with HGO contributing $46.1 million. During the comparable period in 2022, Beta Hunt contributed $46.6 million of gold revenue, with the remaining $33.1 million coming from HGO.

For the nine months ended September 30, 2023, revenue totalled $314.5 million, $94.3 million or 43% higher than $220.2 million for the same period in 2022. Gold revenue for the nine months of 2023 totalled $306.9 million, a $91.2 million or 42% increase from a year earlier. Of the increase, $64.1 million related to a 30% increase in gold ounces sold, with rate factors contributing the remaining $27.1 million of revenue growth reflecting the 5% improvement in the average realized US$ gold price and the impact of a significantly stronger US dollar. Beta Hunt contributed $186.9 million of year-to-date gold revenue, with HGO contributing $120.0 million. During the first nine months of 2022, Beta Hunt contributed $131.2 million of gold revenue, with $84.4 million coming from HGO.

Net earnings for the three months ended September 30, 2023 totalled $6.9 million ($0.04 per basic share) compared to $4.4 million ($0.03 per basic share) for the three months ended September 30, 2022. The improvement in net earnings performance compared to the third quarter of 2022 mainly reflected a 33% increase in operating margin (revenue less production and processing costs), to $51.6 million, offsetting the impact of higher general and administrative, depreciation and amortisation, royalty, other and income tax expenses.

Net earnings for the nine months ended September 30, 2023, was $10.6 million ($0.06 per basic share) compared to net earnings of $0.3 million ($0.00 per basic share) in the nine months of 2022, with a $52.8 million or 55% increase in operating margin more than offsetting the impact of higher general and administrative, depreciation and amortisation, royalty, other and income tax expenses.

Adjusted earnings[1] for the three months ended September 30, 2023 totalled $14.0 million ($0.08 per share) versus $6.6 million ($0.04 per share) in the third quarter of 2022. The difference between net earnings and adjusted earnings[1] in the third quarter of 2023 resulted from the exclusion from adjusted earnings[1] of the after-tax impact of $3.9 million related to non-cash share-based payments, $2.4 million foreign exchange losses, $1.2 million related to sustainability initiatives, $0.9 million in unrealized loss on marketable securities, and $0.9 million credit for rehabilitation cost adjustment for closed sites. The difference between net earnings and adjusted earnings[1] in the third quarter of 2022 largely resulted from the exclusion from adjusted earnings[1] of the after-tax impact of $1.2 million related to non-cash share-based payments, $1.0 million related to loss on derivatives, and $0.5 million in unrealized loss on marketable securities. The increase in adjusted earnings[1] compared to the third quarter of 2022 mainly reflected the 33% increase in operating margin, driven by $27.4 million or 34% higher gold revenue.

For the nine months ended September 30, 2023, adjusted earnings[1] totalled $32.7 million ($0.19 per share) versus $12.4 million ($0.08 per share) in the same period in 2022. The difference between net earnings and adjusted earnings[1] for year-to-date 2023 reflected the exclusion from adjusted earnings[1] of the after-tax impact of $13.4 million foreign exchange losses, $7.0 million related to non-cash share-based payments, $5.3 million related to loss on derivatives, $1.2 million related to sustainability initiatives, and $0.9 million credit for rehabilitation cost adjustment for closed sites. The difference between net earnings and adjusted earnings[1] in the first nine months of 2022 mainly related to the exclusion from adjusted earnings[1] of the after-tax impact of $6.4 million foreign exchange losses, $3.2 million related to non-cash share-based payments, $2.0 million in unrealized loss on marketable securities, $1.3 million related to loss on derivatives, and $1.2 million in related to sustainability initiatives. The $52.8 million or 55% improvement in operating margin driven by 43% higher gold revenue and the add back of foreign exchange losses mainly accounted for the increase in year-to-date adjusted earnings[1].

1. Non-IFRS: the definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this news release and in the MD&A for the three and nine months September 30, 2023.

Table 3. Highlights of Liquidity and Capital Resources

(in thousands of dollars)	Three months ended,		Nine Months Ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Cash provided by operations prior to changes in working capital	**$36,125**	$27,898	**$103,754**	$61,751
Changes in non-cash working capital	**9,220**	547	**(3,089)**	(9,145)
Asset retirement obligations	**-**	-	**-**	(441)
Income taxes paid	**-**	(151)	**(54)**	(479)
Cash provided by operating activities	**45,345**	28,294	**100,611**	51,686
Cash used in investing activities	**(26,988)**	(89,612)	**(70,444)**	(149,086)
Cash provided by (used in) financing activities	**(4,285)**	3,170	**(11,712)**	63,495
Effect of exchange rate changes on cash and cash equivalents	**(739)**	135	**(3,082)**	(1,019)
Change in cash and cash equivalents	**$13,333**	$(58,013)	**$15,373**	$(34,924)

1. Working capital is calculated as current assets (including cash and cash equivalents) less current liabilities.
2. Financial liabilities include long-term debt and lease obligations.

For the three months ended September 30, 2023, cash provided by operating activities, prior to changes in working capital, totalled $36.1 million compared to $27.9 million for the same period in 2022. The increase compared to the third quarter of 2022 largely reflected significantly higher operating margin, driven by strong revenue growth, partially offset by increased general and administrative and royalty expenses. Changes in working capital represented a net source of cash totalling $9.2 million during the three months ended September 30, 2023, reflecting a $7.6 million increase in accounts payable due to increased operating and growth capital activity particularly in September 2023.

For the nine months ended September 30, 2023, cash provided by operating activities, prior to changes in working capital, was $103.8 million compared to $61.8 million for the same period in 2022, with the increase mainly reflecting higher gold revenue and operating margin in the first nine months more than offsetting increases in royalty and general and administration expenses. Changes in working capital used $3.1 million of cash during the nine months ended September 30, 2023 of which $6.4 million related to a reduction in accounts payable and accrued liabilities following completion of the Beta Hunt decline development and $4.0 million relates to reduced trade and other receivables reflecting no nickel sales for the quarter. Changes in working capital in the first nine months of 2022 used $9.1 million, mainly represented by a $8.4 million increase in inventories and $2.9 million reduction in accounts payable and accrued liabilities.

The Company had cash of $84.2 million at September 30, 2023 compared to $70.8 million at June 30, 2023 and $68.8 million at December 31, 2022.

OUTLOOK

TWO-YEAR GUIDANCE (2023 – 2024)

The Company is maintaining its 2023 and 2024 production and cost guidance. The targets included in the Company's outlook relate only to the 2023 to 2024 period. This outlook includes forward-looking information about the Company's operations and financial expectations and is based on management's expectations and outlook as of the date of this news release. This outlook, including expected results and targets, is subject to various risks, uncertainties and assumptions, which may impact future performance and the Company's ability to achieve the results and targets discussed in this section. The Company may update its outlook depending on changes in metal prices and other factors. The Company expects to announce updated Mineral Resources and Mineral Reserves during December 2023.

Table 4. Two-Year Guidance (2023 – 2024)

		2023	2024
Gold Production	(Koz)	**145 – 160**	170 – 195
All-in Sustaining Costs	(US$/oz sold)	**1,100 – 1,250**	1,050 – 1,200
Sustaining Capital	(A$M)	**10 – 15**	15 – 20
Growth Capital	(A$M)	**57 – 68**	63 – 73
Exploration & Resource Development	(A$M)	**18 – 22**	20 – 25
Nickel Production	(Ni Tonnes)	**450 - 550**	600 – 800

1. Production guidance is based on the September 2022 Mineral Reserves and Mineral Resources announced on February 13, 2023.
2. The Company expects to fund the capital investment amounts listed above with cash on hand, cashflow from operations and through the financing of heavy equipment.
3. The material assumptions associated with the expansion of Beta Hunt mining production rate to 2.0 Mtpa during 2024 include the addition of a second ramp decline system driven parallel to the ore body, ventilation and other infrastructure that is required to support these areas, and an expanded mining equipment and trucking fleet.
4. The Company's guidance assumes targeted mining rates and costs, availability of personnel, contractors, equipment and supplies, the receipt on a timely basis of required permits and licenses, cash availability for capital investments from cash balances, cash flow from operations, or from a third-party debt financing source on terms acceptable to the Company, no significant events which impact operations, such as COVID-19, nickel price of US$22,000 per tonne, as well as an A$ to US$ exchange rate of 0.70 in 2023 and 2024 and A$ to C$ exchange rate of 0.90. Assumptions used for the purposes of guidance may prove to be incorrect and actual results may differ from those anticipated. See below "Cautionary Statement Regarding Forward-Looking Information".
5. Exploration expenditures include capital expenditures related to infill drilling for Mineral Resource conversion, capital expenditures for extension drilling outside of existing Mineral Resources and expensed exploration. Exploration expenditures also includes capital expenditures for the development of exploration drifts.
6. Capital expenditures exclude capitalized depreciation.
7. AISC calculations are for the Australian operations only, and exclude non-cash share-based payments expense, derivative settlements, and net realizable value adjustments to prior period stockpiles. The Company acquired the Lakewood mill in 2022 and embarked on an expansion program to grow the Beta Hunt gold mine to 2Mtpa mining rate during 2024. All mine development, equipment acquisition, and growth leases are being attributed to growth capital during this growth phase.
8. See "Non-IFRS Measures" set out at the end of this news release and the MD&A for the three and nine months ended September 30, 2023.

CONFERENCE CALL / WEBCAST

Karora will be hosting a conference call and webcast today, November 10, 2023, beginning at 10:00 a.m. (Eastern time). The accompanying presentation can be found on Karora's website, www.karoraresources.com.

Live Conference Call and Webcast Access Information:

North American callers please dial: 1-888-664-6383:

Local and international callers please dial: 416-764-8650

A live webcast of the call will be available through Cision's website at https://app.webinar.net/qxL4W2Gb1mY

A recording of the conference call will be available for replay through the webcast link, or for a one-week period beginning at approximately 1:00 p.m. (Eastern Time) on November 10, 2023, through the following dial in numbers:

North American callers please dial: 1-888-390-0541; Pass Code: 571836 #

Local and international callers please dial: 416-764-8677; Pass Code: 571836 #

Non-IFRS Measures

This news release refers to cash operating cost, cash operating cost per ounce, all-in sustaining cost, EBITDA, adjusted EBITDA and adjusted EBITDA per share, adjusted earnings, adjusted earnings per share and working capital which are not recognized measures under IFRS. Such non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management uses these measures internally. The use of these measures enables management to better assess performance trends. Management understands that a number of investors and others who follow the Corporation's performance assess performance in this way. Management believes that these measures better reflect the Corporation's performance and are better indications of its expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

In November 2018, the World Gold Council ("WGC") published its guidelines for reporting all-in sustaining costs and all-in costs. The WGC is a market development organization for the gold industry and is an association whose membership comprises leading gold mining companies. Although the WGC is not a mining industry regulatory organization, it worked closely with its member companies to develop these non-IFRS measures. Adoption of the all-in sustaining cost and all-in cost metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Corporation may not be comparable to similar measures presented by other issuers.

The following tables reconcile these non-IFRS measures to the most directly comparable IFRS measures:

MINING OPERATIONS

Cash Operating and All-in Sustaining Costs

Consolidated

	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Production and processing costs	**$55,525**	$42,430	**$166,485**	$124,959
Inventory adjustment [1]	**(2,441)**	-	**(2,441)**	-
Royalty expense	**5,915**	5,128	**17,810**	12,948
By-product credits [2,3]	**(218)**	(1,670)	**(7,646)**	(4,538)
Operating costs (C$)	**$58,781**	$45,888	**$174,208**	$133,369
General and administrative expense – Australia[3,4]	**3,431**	2,465	**12,265**	6,605
Sustaining capital expenditures	**4,035**	1,186	**4,763**	2,203
All-in sustaining costs (C$)	**$66,247**	$49,539	**$191,236**	$142,177
Ounces of gold sold	**41,278**	35,513	**119,595**	92,198
Australian dollars per ounce sold				
Cash operating costs	**$1,622**	$1,448	**$1,619**	$1,596
All-in sustaining costs [5]	**$1,828**	$1,564	**$1,778**	$1,702
United States dollars per ounce sold				
Cash operating costs	**$1,062**	$991	**$1,083**	$1,128
All-in sustaining costs [5]	**$1,196**	$1,069	**$1,188**	$1,202
Average exchange rate				
C$:A$	**0.88**	0.89	**0.90**	0.91

A$:US$	**0.65**	0.68	**0.67**	0.71

1. Relates to an adjustment to net realizable value of gold stockpiles. Refer to note 5 of the September 30, 2023, unaudited condensed interim consolidated financial statements
2. Refer to Note 19 of the September 30, 2023, unaudited condensed interim consolidated financial statements
3. By-product credits for the three and nine month ended September 30, 2023, include external toll treatment revenue of $nil and $2,527 respectively (same periods in 2022 - $319)
4. General and administrative expense for the three and nine months ended September 30, 2022, periods exclude amounts related to research and development and due diligence expenses of $805 and $2,855 respectively
5. AISC calculations are for the Australian operations only, exclude non-cash share-based payments expense, derivative settlements, and net realisable value adjustments to prior period stockpiles. The Company acquired the Lakewood mill in 2022 and embarked on an expansion program to grow the Beta Hunt gold mine to 2.0 Mtpa mining rate during 2024. All mine development, equipment acquisition, and growth leases are being attributed to growth capital during this growth phase.

Beta Hunt

	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Production and processing costs [1,2]	**$34,461**	$22,810	**$95,469**	$70,024
Royalty expense [1]	**$4,733**	$4,361	**14,713**	10,795
By-product credits [1]	**(160)**	(1,326)	**(4,994)**	(4,140)
Operating costs (C$)	**$39,034**	$25,845	**$105,188**	$76,679
Ounces of gold sold	**23,595**	20,767	**73,002**	56,035
Australian dollars per ounce sold				
Cash operating costs per ounce sold	**$1,884**	$1,395	**$1,602**	$1,509
United States dollars per ounce sold				
Cash operating costs per ounce sold	**$1,233**	$953	**$1,071**	$1,067
Average exchange rate				
C$:A$	**0.88**	0.89	**0.90**	0.91
A$:US$	**0.65**	0.68	**0.67**	0.71

1. Refer to Note 19 of the September 30, 2023 unaudited condensed interim consolidated financial statements.
   Includes $12,137 and $33,081 cost of processing the Betta Hunt ore at the HGO mills, respectively for the three and nine months ended
2. September 31, 2023 ($9,754 and $22,527 respectively, for same periods in 2022).

HGO

	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Production and processing costs [1]	**$33,201**	$29,374	**$104,097**	$77,462
Adjustment for intercompany and toll milling costs [1 2]	**(12,137)**	(10,073)	**(35,608)**	(22,846)
Adjustment for inventory for net realizable value [3]	**(2,441)**	-	**(2,441)**	-
Royalty expense [1]	**1,182**	$767	**3,097**	2,153
By-product credits [1]	**(58)**	(25)	**(125)**	(79)
Operating costs (C$)	**$19,747**	$20,043	**$69,020**	$56,690
Ounces of gold sold	**17,683**	14,746	**46,593**	36,163
Australian dollars per ounce sold				
Cash operating costs	**$1,272**	$1,525	**$1,647**	$1,729
United States dollars per ounce sold				
Cash operating costs	**$832**	$1,043	**$1,101**	$1,223
Average exchange rate				

C$:A$	**0.88**	0.89	**0.90**	0.91
A$:US$	**0.65**	0.68	**0.67**	0.71

1. Refer to Note 19 of the September 30, 2023 unaudited condensed interim consolidated financial statements.
2. Includes third party toll milling costs at Lakewood mill of $nil and $2,527, respectively for the three and nine months ended September 30, 2023 ($319 for same periods in 2022).
3. Relates to an adjustment to net realizable value for gold stockpiles in respect of prior periods. Refer to note 5 of the September 30, 2023 unaudited condensed interim consolidated financial statements.

Adjusted EBITDA and Adjusted Earnings

Management believes that adjusted EBITDA and adjusted earnings are valuable indicators of the Company's ability to generate operating cash flows to fund working capital needs, service debt obligations, and fund exploration and evaluation, and capital expenditures. Adjusted EBITDA and adjusted earnings exclude the impact of certain items and therefore is not necessarily indicative of operating profit or cash flows from operating activities as determined under IFRS. Other companies may calculate adjusted EBITDA and adjusted earnings differently.

Adjusted EBITDA is a non-IFRS measure, which excludes the following from comprehensive earnings (loss); income tax expense (recovery); interest expense and other finance-related costs; depreciation and amortization; non-cash other expenses, net; non-cash impairment charges and reversals; non-cash portion of share-based payments; acquisition costs; derivatives and foreign exchange loss; sustainability initiatives.

(in thousands of dollars except per share amounts)	Three months ended,		Six Months Ended,	
For the periods ended June 30,	**2023**	2022	**2023**	2022
Net earnings (loss) for the period - as reported	**$6,923**	$4,378	**$10,625**	$341
Finance expense, net	**2,049**	1,657	**5,926**	3,772
Income tax expense	**6,613**	3,568	**14,017**	6,505
Depreciation and amortization	**13,864**	14,973	**48,246**	37,416
EBITDA	**29,449**	24,576	**78,814**	48,034
Adjustments:				
Non-cash share-based payments [1]	**3,865**	1,218	**6,785**	3,150
Unrealized loss (gain) on revaluation of marketable securities [2]	**914**	511	**(97)**	2,038
Other expense (income), net [2]	**2**	(29)	**29**	199
Loss on derivatives [2]	**40**	1,044	**5,265**	1,332
Foreign exchange loss [3]	**2,431**	190	**13,353**	6,381
Rehabilitation cost adjustment for closed sites [2]	**(932)**	-	**(932)**	-
Sustainability initiatives [4]	**1,243**	-	**1,243**	1,181
Adjusted EBITDA	**$37,012**	$27,510	**$104,460**	$62,315
Weighted average number of common shares - basic	**176,199,462**	171,809,550	**175,086,173**	161,426,709
Adjusted EBITDA per share - basic	**$0.21**	$0.16	**$0.60**	$0.39

1. Primarily non-operating items which do not impact cash flow.
2. Non-operating in nature which does not impact cash flows.
3. Primarily related to intercompany loans for which the loss is unrealized.
4. Primarily related to non-operating environmental initiatives.

Adjusted earnings is a non-IFRS measure, which excludes the following from comprehensive earnings (loss): non-cash portion of share-based payments; revaluation of marketable securities; derivatives and foreign exchange loss; tax effects of adjustments; sustainability initiatives.

(in thousands of dollars except per share amounts)	Three months ended,		Nine Months Ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Net earnings for the period - as reported	**$6,923**	$4,378	**$10,625**	$341
Non-cash share-based payments [1]	**3,865**	1,218	**6,785**	3,150
Unrealized loss (gain) on revaluation of marketable securities [2]	**914**	511	**(97)**	2,038

Loss on derivatives [2]	**40**	1,044	**5,265**	1,332
Foreign exchange loss [3]	**2,431**	190	**13,353**	6,381
Sustainability initiatives [4]	**(932)**	-	**(932)**	-
Tax impact of the above adjusting items	**1,243**	-	**1,243**	1,181
Adjusted earnings	**(435)**	(701)	**(3,488)**	(2,001)
Weighted average number of common shares - basic	**$14,049**	$6,640	**$32,754**	$12,422
Adjusted earnings per share - basic	**176,199,462**	171,809,550	**175,086,173**	161,426,709

1. Primarily non-recurring items which do not impact cash flow.
2. Non-operating in nature which does not impact cash flows.
3. Primarily related to intercompany loans for which the loss is unrealized.
4. Primarily related to non-recurring environmental initiatives.

Working Capital

Working capital is calculated as current assets (including cash and cash equivalents) less current liabilities.

	September 30,	December 31,
(in thousands of dollars)	**2023**	2022
Current assets	**$134,710**	$115,857
Less: Current liabilities	**65,765**	77,837
Working Capital	**$68,405**	$38,020

Compliance Statement (JORC 2012 and NI 43-101)

The technical and scientific information contained in this MD&A has been reviewed and approved bySteve Devlin, Group Geologist, Karora Resources Inc., and a qualified person for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

About Karora Resources

Karora is focused on increasing gold production at its integrated Beta Hunt Gold Mine and Higginsville Gold Operations ("HGO") inWestern Australia. The Higginsville treatment facility is a low-cost 1.6 Mtpa processing plant, which is fed at capacity from Karora's underground Beta Hunt mine and Higginsville mines. In July 2022, Karora acquired the 1.0 Mtpa Lakewood Mill inWestern Australia. At Beta Hunt, a robust gold Mineral Resource and Reserve are hosted in multiple gold shears, with gold intersections along a 5 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. 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 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, consolidated production guidance and the potential of the Beta Hunt Mine, Higginsville Gold Operation, the Spargos Gold Mine, the Lakewood Mill, and the completion of the second Beta Hunt decline system.

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.sedarplus.ca.

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.

www.karoraresources.com

SOURCE Karora Resources Inc.

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