

## KARORA RESOURCES REPORTS RECORD PRODUCTION, REVENUE AND CASH FLOW FOR 2023

TORONTO, March 22, 2024 /CNW/ - Karora Resources Inc. (TSX: KRR) ("Karora" or the "Company") today announced financial and operating results for the fourth quarter ("Q4 2023") and full-year ("2023") of 2023. The Company's audited condensed interim financial statements and management discussion & analysis ("MD&A") are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.karoraresources.com](http://www.karoraresources.com). All dollar amounts are in Canadian dollars, unless otherwise noted.

### RECORD 2023 GOLD PRODUCTION

- 2023 production was a record 160,492 ounces, increased 20% from 133,887 ounces for 2022, driven by a 37% increase gold produced from the Beta Hunt Mine. The Company exceeded 2023 production guidance of 145,000 – 160,000 ounces.
- Q4 2023 production of 40,295 increased 8% from 37,309 ounces in the fourth quarter of 2022, was up 2% compared to production of 39,547 ounces in the third quarter of 2023 ("the previous quarter") due to a 57% improvement in production from Beta Hunt partially offset by lower production at HGO.

### AISC INLINE WITH 2023 GUIDANCE

- Cash operating costs<sup>1</sup> and all-in sustaining costs ("AISC")<sup>1</sup> per ounce sold averaged US\$1,128 and US\$1,248, respectively, in 2023 compared to US\$1,099 and US\$1,174, respectively, in 2022. Operating costs<sup>1</sup> in the second half of 2023 were impacted, primarily, by a higher royalty expense due to higher gold realized prices and a crusher bridge failure at HGO, resulting in the temporary use of higher cost contract crushing services. Repair of the crusher bridge was completed in the first quarter of 2024. Specifically, the contract crushing required during the crusher bridge remediation contributed US\$21 to AISC per ounce in 2023. Additionally, the 2023 nickel by-product credit was US\$24 per ounce sold compared to US\$40 per ounce sold in 2022, reflecting reduced nickel sales during the second half of 2023. Full-year 2023 AISC<sup>1</sup> per ounce sold in line with full-year 2023 guidance of US\$1,100 – US\$1,250.
- Cash operating costs<sup>1</sup> and AISC<sup>1</sup> per ounce sold for Q4 2023 averaged US\$1,272 and US\$1,435, respectively, versus US\$1,034 and US\$1,110, respectively, for Q4 2022. Higher AISC<sup>1</sup> in Q4 2023 were driven primarily by temporary higher processing costs and lower grades at Higginsville offsetting strong performance at Beta Hunt. Operating costs<sup>1</sup> were primarily impacted by the above noted higher royalty expense and temporary factors, now resolved, including crusher bridge failure resulting in the use of higher cost contract crushing for the entire quarter. Specifically, the contract crushing required during the crusher bridge remediation contributed US\$51 to AISC per ounce. Repairs to the crusher bridge were completed during the first quarter of 2024. Additionally, the Q4 2023 nickel by-product credit was US\$6 per ounce sold compared to US\$56 per ounce sold for Q4 2022, reflecting reduced nickel sales during the quarter.

### RECORD 2023 REVENUE

- 2023 revenue was a record \$416.3 million, 31% higher than \$317.0 million in 2022 mainly reflecting a 19% increase in gold sales and a realized gold price that was US\$133 per ounce higher than in 2022.
- Revenue in Q3 2023 of \$101.8 million increased 5% from Q4 2022 and was slightly lower than the previous quarter due to timing of sales.

### SOLID OPERATING CASH FLOW GENERATION

- Record 2023 cash flow provided by operating activities of \$132.7 million was a 50% increase compared to \$88.2 million in 2022.
- Q4 2023 cash flow provided by operating activities was \$32.1 million compared to \$36.5 million in Q4 2022.
- Cash at December 31, 2023 of \$82.5 million increased \$13.7 million or 20% from \$68.8 million at December 31, 2022.

### EARNINGS PERFORMANCE

- Net earnings for 2023 of \$8.9 million (\$0.05 per share) compared to net earnings of \$9.9 million (\$0.06 per share) for 2022 reflecting the impact of a non-cash impairment charge and foreign exchange loss.
- Adjusted earnings<sup>1</sup> for 2023 totalled \$36.1 million (\$0.21 per share), a 71% increase from \$21.1 million (\$0.13 per share) for 2022. The

main differences between net earnings and adjusted net earnings in 2023 was the exclusion from adjusted earnings<sup>1</sup> of non-cash share-based payments, \$9.2 million impairment charges (on the carrying value of a small HGO mine), non-cash losses on derivatives, unrealized losses on the revaluation of marketable securities and the impact of foreign exchange losses.

- Adjusted EBITDA<sup>1,2</sup> for 2023 was \$129.3 million, 41% higher than \$91.5 million in 2022 reflecting the 19% increase in gold sold and 7% increase in the USD realized gold price.
- Net loss for Q4 2023 of \$1.7 million (\$0.01 per share) compared to net earnings of \$9.6 million (\$0.06 per share) in Q4 2022 and net earnings of \$6.9 million (0.04 per share) in Q3 2023. Q4 2023 was impacted by a non-cash \$9.2 million impairment charge and a \$3.1 million NRV adjustment to historic stockpiles.
- Adjusted earnings for Q4 2023 of \$3.3 million (\$0.02 per share) compared to \$8.7 million (\$0.05 per share) in Q4 2022 and \$14.0 million (\$0.08 per share) the previous quarter.
- Adjusted EBITDA<sup>1,2</sup> for Q4 2023 was \$24.9 million, 15% lower than \$29.2 million in Q4 2022.

## **GROWTH PLAN HIGHLIGHTS**

### **BETA HUNT EXPANSION TO 2.0 MTPA**

- The expansion project at Beta Hunt continued to advance during the final quarter of 2023 with significant improvements to the mine's primary ventilation circuit to accommodate the increasing mining fleet. Orders were placed for the supply, installation and commissioning of new permanent primary ventilation fans late in the third quarter of 2024. The current temporary primary fan arrangement successfully incorporated the three completed ventilation raises during Q4 2023. The expansion of the new mining fleet continued with the delivery of five underground trucks and three underground loaders in 2023, with further fleet expansion planned in 2024. Once completed, the Beta Hunt expansion project is expected to increase the mine's annualized production run-rate to 2.0 Mtpa by the end of 2024.

### **ROBUST MINERAL RESOURCE AND MINERAL RESERVE GROWTH**

- The Annual Mineral Resource and Reserve update was highlighted by strong increases in the Beta Hunt Gold Mineral Resource and Reserves. On November 21, 2023, the Company reported an 18% increase to the Beta Hunt Gold Measured and Indicated to 1.6 million ounces and a 12% increase in grade from 2.6 g/t to 2.9 g/t at Western Flanks, Beta Hunt's largest Mineral Resource. Gold Proven and Probable Mineral Reserve increased by 6% to 573,000 ounces. Consolidated (Beta Hunt plus Higginsville) Gold Measured and Indicated Mineral Resource inventory increased by 9% to 3.2 million ounces. Consolidated Proven and Probable Mineral Reserves now total 1.3 million ounces.

### **DEVELOPMENT COMMENCED TOWARDS STRONG DRILL RESULTS FROM FLETCHER SHEAR ZONE**

- Drill results from Beta Hunt's Fletcher zone continue to support the existence of a large mineralized system west of Western Flanks. The first set of assay results from the Stage 2 infill program were released on February 22, 2024. Assays from four drill holes were released which included intersections of strong mineralization in targeted areas. Significant results included 3.8 g/t over 33.0 metres, 15.2 g/t over 3.3 metres and 34.6 g/t over 2.0 metres and reinforce the existence of a significant mineralized system west of Western Flanks with potential for the Fletcher Shear Zone to extend up to 2 kilometres of strike and be the third major gold system in the Hunt Block after the Western Flanks and A Zone.
- Development of an exploration drive towards the Fletcher Shear Zone has commenced, with initial cuts into the zone anticipated in 2H24.

### **NEW HIGH GRADE NICKEL INTERCEPTS FROM BETA HUNT**

- High grade results from the 50C Nickel infill and extensional drill program were reported on February 26, 2024. The first six drill holes of the 50C infill drill program delivered some of the highest-grade nickel intersections recorded from this area to date, highlighting the potential to upgrade and extend the existing Nickel Mineral Resource. Significant results included 8.2% Ni over 5.1 metres, including 13.7% Ni over 2.6 metres and 12.0% Ni over 2.9 metres.

### **KALI METALS LITHIUM SPIN-OFF**

- The Kali Metals lithium transaction was completed in December 2023 and Kali began trading on the Australian Securities Exchange (ASX) on January 4, 2024 following its successful Initial Public Offering (see [www.kalimetals.com.au](http://www.kalimetals.com.au) for more details). Karora and Kalamazoo Resources Limited vended certain lithium exploration projects into the newly created Kali Metals Limited creating a new,

separately run lithium-focused, ASX-listed exploration company. Karora owns an approximate 22% interest in Kali Metals Limited.

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 twelve months ended December 31, 2023.
2. Earnings before interest, taxes, depreciation and amortization

**Karora will host a call/webcast on March 22, 2024 at 10:00 am (Eastern Time) to discuss the 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/qd49m96K08v>

*(replay access information is provided below).*

## **LONG TERM POWER PURCHASE AGREEMENT, CRITICAL STEP IN REDUCING GREENHOUSE GAS**

Subsequent to year end, on January 16, 2024, the Company signed a long-term Power Purchase Agreement, a critical first step in achieving its initial target to reduce Scope 1 & 2 greenhouse gas emissions by 20% by 2030, compared to a 2024 forecasted business-as-usual baseline. The agreement involves the development of a power line to Higginsville and facilitate reduced carbon emissions from the site from early 2025.

**Paul Andre Huet, Chairman and CEO**, commented: "I am pleased with our 2023 performance, during which we produced over 160,000 gold ounces, achieving a new record and exceeding our full-year guidance range of 145,000 to 160,000 ounces for gold production. The strong production drove strong financial results including adjusted earnings<sup>1</sup> of \$36.1 million (\$0.21/sh) and cash flow from operations of \$132.7 million, beating our performance in 2022. 2023 AISC costs were US\$1,248 per ounce sold, within our guidance range of US\$1,100 to US\$1,250 per ounce for 2023 despite a crusher bridge failure during the second half of the year which has now been repaired and is back online. I would like to say well done to our team in getting this work done as quickly and as safely as possible.

Our flagship Beta Hunt Mine continues to be the engine room powering our growth in both production and Mineral Resources. Outstanding production results during the fourth quarter, totaling almost 35,000 ounces, drove continued strong cost performance at our flagship operation. At Higginsville, where the third quarter delivered strong production results at Aquarius, the fourth quarter production result of just under 6,000 ounces was in line with our mine plan as we set up the next phase of the Pioneer pit to deliver in Q2 2024.

Overall operating costs were impacted in Q4 2023 by temporary factors that added nearly US\$100 per ounce to AISC. While our flagship Beta Hunt mine continued to deliver very strong results, the planned lower tonnes and grade at Higginsville were compounded by the crusher bridge failure. As previously mentioned, costs were impacted by the use of higher cost temporary mobile crushing during the quarter which increased AISC by US\$51 per ounce. The main HGO crushing unit underwent repairs throughout Q4 2023 following the bridge failure in Q3 2023. The repairs were completed earlier this month and normal crushing operations have resumed at HGO. Additionally, reduced nickel sales in Q4 2023 lowered nickel by-product credits, which had a negative impact of US\$50 per ounce on consolidated AISC costs compared to Q4 2022. This was a result of renegotiating our improved nickel sales contract and we expect this situation to normalize in line with full year 2024 AISC guidance of between US\$1,250 to US\$1,375 per ounce sold.

Our 2023 drilling campaign was a big success. At Beta Hunt our drilling campaign resulted in significant additions to our resource base, net of mining depletion, of 249,000 ounces (or an 18% to gold M&I Resources). Also significant was the 8% improvement in the Beta Hunt M&I Mineral Resource grade and an 8% improvement to the Mineral Reserve grade. Karora's Beta Hunt Mineral Resource now totals 1.4Moz in the M&I category and a further 1.1Moz in the Inferred category. We expect Beta Hunt to continue its rapid growth trajectory with very promising results being delivered from the new Fletcher Shear Zone, which we anticipate to be the next area added to our Mineral Resource inventory towards the end of this year. In the meantime, we have commenced development of an exploration drive towards the Fletcher Shear Zone and expect to take first exploration cuts in the second half of the year. We are certainly looking forward to the potential of this area as part of our 2024 mine plan, providing additional flexibility with new working faces as the mine ramps up towards 2.0 Mtpa.

As we execute the final year of our growth plan in 2024, we are encouraged by several ongoing cost reduction initiatives including expected lower power costs at HGO beginning in 2025. Early next year, we will transition away from onsite diesel power generation at HGO to grid power through a Power Purchase Agreement we announced in January 2024. This transition provides a dual benefit: reducing our cost per kWh while tackling the largest source of our GHG emissions on site, all part of our goal to reduce emissions by 20% by 2030. We are also advancing work to increase by-product nickel production in the coming years, particularly in the new Gamma area as we transition away from mining in historic remnant nickel areas. Both gold and nickel production are poised to benefit from the investments in our growth plan that have upgraded all

aspects of Beta Hunt's infrastructure, including the completion in 2023 of a new second decline, three new ventilation raises and mining equipment additions.

2023 was a year of strategic growth and investment in which we either delivered against or exceeded our target objectives, including overcoming several challenges along the way. I am proud to say we ended the year in a very robust financial position with a cash balance of \$82.5 million, placing us well to deliver on our aggressive growth objectives in 2024. We expect to reach our goal of a 2.0 Mtpa production rate at Beta Hunt before the end of 2024, with significant opportunities and levers for continued production growth emerging ahead of us. 2024 will certainly be another exciting year for Karora Resources."

## **RESULTS OF OPERATIONS**

**Table 1. Results of Operations**

|                                                            | Three Months Ended, |                 |                 | Twelve Months Ended, |                 |
|------------------------------------------------------------|---------------------|-----------------|-----------------|----------------------|-----------------|
|                                                            | Dec 31,<br>2023     | Dec 31,<br>2022 | Sep 30,<br>2023 | Dec 31,<br>2023      | Dec 31,<br>2022 |
| <b>Gold Operations (Consolidated)</b>                      |                     |                 |                 |                      |                 |
| Tonnes milled (000s)                                       | 485                 | 522             | 516             | 2,039                | 1,925           |
| Recoveries                                                 | 94 %                | 94 %            | 95 %            | 95 %                 | 94 %            |
| Gold milled, grade (g/t Au)                                | 2.75                | 2.37            | 2.51            | 2.59                 | 2.30            |
| Gold produced (ounces)                                     | 40,295              | 37,309          | 39,547          | 160,492              | 133,887         |
| Gold sold (ounces)                                         | 37,439              | 39,900          | 41,278          | 157,034              | 132,098         |
| Average exchange rate (C\$/US\$) <sup>1</sup>              | 0.73                | 0.74            | 0.75            | 0.74                 | 0.77            |
| Average realized price (US \$/oz sold)                     | \$1,988             | \$1,737         | \$1,931         | \$1,926              | \$1,793         |
| Cash operating costs (US \$/oz sold) <sup>2</sup>          | \$1,272             | \$1,034         | \$1,062         | \$1,128              | \$1,099         |
| All-in sustaining cost (AISC) (US \$/oz sold) <sup>2</sup> | \$1,435             | \$1,110         | \$1,196         | \$1,248              | \$1,174         |
| <b>Gold (Beta Hunt)</b>                                    |                     |                 |                 |                      |                 |
| Tonnes milled (000s)                                       | 363                 | 250             | 333             | 1,314                | 1,084           |
| Gold milled, grade (g/t Au)                                | 3.13                | 2.76            | 2.17            | 2.71                 | 2.40            |
| Gold produced (ounces)                                     | 34,486              | 20,870          | 21,926          | 108,698              | 79,125          |
| Gold sold (ounces)                                         | 31,819              | 22,342          | 23,595          | 104,821              | 78,377          |
| Cash operating cost (US \$/oz sold) <sup>2</sup>           | \$1,123             | \$992           | \$1,233         | \$1,088              | \$1,045         |
| <b>Gold (HGO Mine)</b>                                     |                     |                 |                 |                      |                 |
| Tonnes milled (000s)                                       | 123                 | 273             | 183             | 726                  | 841             |
| Gold milled, grade (g/t Au)                                | 1.61                | 2.01            | 3.13            | 2.36                 | 2.18            |
| Gold produced (ounces)                                     | 5,809               | 16,439          | 17,621          | 51,794               | 54,763          |
| Gold sold (ounces)                                         | 5,620               | 17,558          | 17,683          | 52,213               | 53,721          |
| Cash operating cost (US \$/oz sold) <sup>2</sup>           | \$2,112             | \$1,088         | \$832           | \$1,209              | \$1,179         |

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 twelve months ended December 31, 2023.

3. Numbers may not add due to rounding.

### **Consolidated Operations**

Consolidated gold production in the fourth quarter of 2023 was 40,295 ounces, an 8% increase from the fourth quarter of 2022 (37,309 ounces) and 2% increase over the 39,547 ounces in the previous quarter. The increase from Q4 2022 resulted primarily from the 45% increase in tonnage and 14% higher grade from Beta Hunt offsetting lower tonnes and grade from HGO. Consolidated tonnage was 7% and 6% down on the comparative period in 2022 and prior quarter respectively due to a number of maintenance shut downs at the two plants during the last quarter of 2023. Despite higher production versus comparable quarters, sales volume was 37,439 ounces for the quarter being 6% lower than the fourth quarter of 2022 and 9% lower than the prior quarter.

Cash operating costs<sup>1</sup> per ounce sold for the fourth quarter of 2023 averaged US\$1,272 compared to US\$1,034 for the same period in 2022 and US\$1,062 the previous quarter. The increase from the comparable quarters largely reflects temporary higher processing costs during the quarter due to three months contract crushing following the crusher bridge failure at HGO and continued slightly elevated cost pressures in areas such as labour, contractors, power and fuel. Crusher bridge repairs were completed in March 2024. In addition, due to a planned renegotiation of nickel sales agreements, nickel produced in the fourth quarter 2023 was held back and not sold during the quarter, reducing nickel by-product credits to US\$6/oz compared to US\$56/oz in the same period in 2022. AISC<sup>1</sup> per ounce sold in the fourth quarter of 2023 averaged US\$1,435 compared to US\$1,110 in the fourth quarter of 2022 and US\$1,196 the previous quarter due to the lower comparable sales volume, impact of the higher cash operating costs per ounce sold, and planned higher proportional sustaining capital for the final quarter of 2024.

For the twelve months of 2023, gold production totalled 160,492 ounces, 20% higher than 133,887 ounces in the twelve months of 2022 reflecting a 6% increase in tonnes milled and a 12% improvement in the average grade. Higher tonnes milled reflected an increase in milling capacity following the acquisition of the Lakewood Mill in August 2022 and its subsequent ramp up to maintaining a 1.0 Mtpa processing rate. This result represents an annual production record for the Company and exceeded the top end of the 145,000 – 160,000 ounces gold production guidance range for 2023.

Cash operating costs<sup>1</sup> per ounce sold for the twelve months of 2023 averaged US\$1,128 compared to US\$1,099 for the same period in 2022 with volume and grade improvements offset by higher operating costs, particularly the additional costs incurred around contract crushing due to the HGO crusher bridge failure, now repaired. AISC<sup>1</sup> per ounce sold averaged US\$1,248 for 2023, within the cost guidance range of US\$1,100 – US\$1,250 per ounce sold, compared to US\$1,174 in 2022 reflecting cash operating costs per ounce and planned higher sustainable capital for the year comprised primarily of engine replacement and rebuilds for Beta Hunt mining equipment.

#### **Beta Hunt**

During Q4 2023, 360,300 tonnes were mined at an average grade of 3.05 g/t containing 35,286 ounces of gold. This represented a 43% improvement compared to Q4 2022, reflecting progress in the ongoing production ramp up at the Beta Hunt mine. Gold mined was 52% higher than Q4 2022 (252,500 tonnes at 2.84 g/t for 23,100 contained ounces) and 54% higher than the prior quarter (357,200 tonnes at 2.00 g/t for 22,912 contained ounces) reflecting the mining of a planned higher-grade section of Beta Hunt during the fourth quarter. Most of the mined tonnes during Q4 2023 came from the central and southern section of Western Flanks and scheduled higher grade areas from A Zone during December.

Gold production from Beta Hunt in Q4 2023 totalled 34,486 recovered ounces based on milling 362,500 tonnes at an average grade of 3.13 g/t and 94.4% plant recovery. The higher mined grade contributed to 65% higher gold production for the quarter compared to Q4 2022 (20,870 ounces) and 57% higher than the prior quarter (21,926 ounces).

Cash operating costs<sup>1</sup> per ounce sold at Beta Hunt averaged US\$1,123 in Q4 2023, which compared to US\$992 in Q4 2022, and US\$1,233 the previous quarter. The reduction in cash operating costs from the previous quarter of 2023 reflects the impact of higher grade more than offsetting the higher final quarter operating costs. The increase compared to the 2022 fourth quarter reflects higher 2023 costs and a reduction in by-product credits of US\$88 per Beta Hunt ounce from lower comparable nickel sales for the quarter compared to 2022 (no nickel production was sold in the final quarter of 2024 as a new nickel sales arrangement was negotiated).

For 2023, 1,314,600 tonnes were mined at an average grade of 2.69 g/t containing 113,726 ounces of gold, compared to 1,081,500 tonnes mined at an average grade of 2.45 g/t containing 85,208 ounces of gold in 2022. Full year 2023 gold production from Beta Hunt totalled 108,698 ounces, a 37% increase from production of 79,125 ounces in 2022, which resulted from 21% higher Beta Hunt ore mill throughput and 13% higher grade for the full year. Cash operating costs<sup>1</sup> per ounce sold averaged US\$1,088 broadly in line with US\$1,045 in 2022.

In addition to gold production, Beta Hunt mined 5,253 tonnes of nickel ore at an estimated grade of 2.3% nickel during Q4 2023 compared to 5,755 tonnes of nickel ore mined at an estimated grade of 2.0% nickel for the same period in 2022 and 5,193 tonnes of nickel ore at an estimated grade of 1.7% nickel the previous quarter. For 2023, 23,288 tonnes of nickel ore were mined at an estimated grade of 2.2% nickel, which compared to 24,604 tonnes mined at an estimated average grade of 1.7% nickel a year earlier.

#### **Higginsville Mining Operations ("HGO")**

During Q4 2023, 90,400 tonnes were mined at an average grade of 1.76 g/t containing 5,129 ounces, which compared to 106,000 tonnes mined at an average grade of 3.34 g/t containing 11,370 ounces in the fourth quarter of 2022 and 96,400 tonnes at an average grade of 5.16 g/t containing 15,994 ounces the previous quarter. During Q4 2023, mining at the Pioneer open pit continued and mining commenced at the Two Boys underground mine.

Gold production at HGO in Q4 2023 totalled 5,809 ounces (122,800 tonnes milled at an average grade of 1.61 g/t), 65% lower compared to 16,439 ounces in Q4 2022 (272,600 tonnes milled at 2.01 g/t), reflecting 55% lower tonnes processed and 20% lower grade processed, and was 67% lower than the previous quarter (182,500 tonnes at 3.13 g/t for 17,621 ounces), again reflecting the 33% lower tonnes processed and 49% lower grade compared to the previous quarter where final stoping from the Aquarius underground mine was completed. Tonnes processed were lower in both comparisons due to mill maintenance down time, reduced crusher throughput resulting from the crusher bridge failure and reduced satellite feed sources with increased reliance on the ramp up tonnes from Beta Hunt.

Cash operating costs<sup>1</sup> per ounce sold at HGO averaged US\$2,112 in Q4 2023 versus US\$1,088 for Q4 2022, with the increase reflecting the previously discussed temporary higher contract crushing costs, higher operating costs incurred on new short term mining projects, lower processing grade and ounces sold for the period. Cash operating costs<sup>1</sup> per ounce sold in Q4 2023 increased from US\$832 the previous quarter, which had benefitted from higher grade Aquarius ore and associated higher produced and sold ounces. Pioneer open pit commenced in Q4 2023 to contribute to production particularly in Q2 2024. Early development at Two Boys underground contributed to higher operating costs in Q4 2023 with ounces to be delivered into 2024. At 31 December 2023, nickel stocks were 10,871t at 2% with sale of this material expected to be completed in Q1 2024.

For 2023, HGO mined 437,100 tonnes at an average grade of 3.27 g/t containing 45,854 contained ounces of gold, which was 7% lower than the 469,800 tonnes mined at an average grade of 3.09 g/t containing 46,767 ounces of gold in 2022. 2023 production totalled 51,794 ounces from 725,800 tonnes processed at an average grade of 2.36 g/t versus gold production of 54,763 ounces from 841,200 tonnes at an average grade of 2.18 g/t for 2022. Cash operating costs<sup>1</sup> per ounce sold in 2023 averaged US\$1,209 compared to US\$1,179 in 2022 with the higher cash costs largely due to the crusher bridge failure and associated contract crushing costs incurred in the Q4.

### **Processing Operations**

A total of 485,300 tonnes were milled at an average grade of 2.75 g/t with average recoveries of 94% for production of 40,295 ounces during Q4 2023.

Beta Hunt contributed 100% of the throughput at the Lakewood Mill during Q4 2023, totalling 211,100 tonnes at an average grade of 3.46 g/t. Recovered gold during the quarter totalled 22,352 ounces. The balance of Beta Hunt was dedicated to the Higginsville processing plant with Beta Hunt contributing 55% of the mill throughput and HGO providing the remaining 45%. At Higginsville, 274,200 tonnes of material were processed at an average grade of 2.18 g/t for a recovered gold of 17,944 ounces.

For 2023, throughput at the Lakewood Mill totalled 759,700<sup>2</sup> tonnes (98% from Beta Hunt and 2% from HGO) at an average grade of 2.39 g/t. Recovered gold during the twelve-month period totalled 55,344 ounces. 1,279,700 tonnes were milled at the Higginsville (with 45% of mill feed coming from Beta Hunt and 55% from HGO) at an average grade of 2.70 g/t. Recovered gold totalled 105,428 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 twelve months ended December 31, 2023.
2. Lakewood – there was no toll treatment during Q4, the twelve month throughput excludes external toll treatment ore processed during 2023.

### **FINANCIAL REVIEW**

**Table 2. Financial Overview**

| <i>(in thousands of dollars except per share amounts)</i> | Three Months Ended, |          | Twelve Months Ended, |           |
|-----------------------------------------------------------|---------------------|----------|----------------------|-----------|
| For the periods ended December 31,                        | 2023                | 2022     | 2023                 | 2022      |
| Revenue                                                   | \$101,782           | \$96,835 | \$416,319            | \$317,042 |
| Production and processing costs                           | 61,609              | 54,306   | 228,094              | 179,265   |
| (Loss) Earnings before income taxes                       | (4,525)             | 9,804    | 20,117               | 16,650    |
| Net (loss) earnings                                       | (1,705)             | 9,560    | 8,920                | 9,901     |
| Net (loss) earnings per share - basic                     | (0.01)              | 0.06     | 0.05                 | 0.06      |
| Net (loss) earnings per share - diluted                   | (0.01)              | 0.05     | 0.05                 | 0.06      |
| Adjusted EBITDA <sup>1</sup>                              | 24,854              | 29,196   | 129,314              | 91,511    |
| Adjusted EBITDA per share - basic <sup>1</sup>            | 0.14                | 0.17     | 0.74                 | 0.56      |
| Adjusted earnings <sup>1</sup>                            | 3,330               | 8,699    | 36,084               | 21,121    |
| Adjusted earnings per share - basic <sup>1</sup>          | 0.02                | 0.05     | 0.21                 | 0.13      |

|                                                                                 |                 |          |                  |           |
|---------------------------------------------------------------------------------|-----------------|----------|------------------|-----------|
| Cash flow provided by operating activities                                      | <b>32,064</b>   | 36,538   | <b>132,675</b>   | 88,224    |
| Cash investment in property, plant and equipment and mineral property interests | <b>(32,428)</b> | (21,454) | <b>(103,143)</b> | (171,144) |

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 twelve months ended December 31, 2023.

For Q4 2023 December 31, 2023, the Company generated revenue of \$101.8 million, a \$4.9 million or 5% increase from the fourth quarter of 2022. Gold revenue totalled \$101.4 million, \$7.7 million or 8% higher than the 2022 fourth quarter, with the increase reflecting \$13.5 million from rate factors, including the impact of a stronger US dollar as well as a 15% increase in the average US\$ realized gold price, partially offset by the lower gold volume sold for the quarter. Beta Hunt contributed \$86.2 million of total gold revenue in the fourth quarter of 2023, with HGO contributing \$15.2 million. During the comparable period in 2022, Beta Hunt contributed \$52.5 million of gold revenue, with the remaining \$41.2 million coming from HGO.

For 2023, revenue totalled \$416.3 million, \$99.3 million or 31% higher than \$317.0 million for the same period in 2022. Gold revenue for the twelve months of 2023 totalled \$408.3 million, a \$98.9 million or 32% increase from a year earlier. Of the increase, \$58.4 million related to a 19% increase in gold ounces sold, with rate factors contributing the remaining \$40.5 million of revenue growth reflecting the 7% improvement in the average realized US\$ gold price and the impact of a significantly stronger US dollar. Beta Hunt contributed \$273.2 million of 2023 gold revenue, with HGO contributing \$135.1 million. During 2022, Beta Hunt contributed \$183.7 million of gold revenue, with \$125.7 million coming from HGO.

Net loss for Q4 2023 totalled \$1.7 million (\$0.01 per basic share) compared to \$9.6 million (\$0.06 per basic share) for the three months ended December 31, 2022. The net earnings performance compared to the fourth quarter of 2022 is impacted by a non-cash \$9.2 million impairment charge and \$3.1 million inventory adjustment related to the non-cash write down of historic stockpiles along with the impact of higher production and processing costs (particularly in relation to contract crushing while the HGO crusher bridge is repaired), general and administrative, depreciation and amortisation, royalty, other and income tax expenses.

Net earnings for the twelve months ended December 31, 2023, was \$8.9 million (\$0.05 per basic share) compared to net earnings of \$9.9 million (\$0.06 per basic share) in the twelve months of 2022, despite a 37% or \$44.4 million 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<sup>1</sup> for Q4 2023 totalled \$3.3 million (\$0.02 per share) versus \$8.7 million (\$0.05 per share) in the fourth quarter of 2022. The difference between net earnings and adjusted earnings<sup>1</sup> in the fourth quarter of 2023 resulted from the exclusion from adjusted earnings<sup>1</sup> of the after-tax impact of \$3.2 million related to non-cash share-based payments, \$9.2 million impairment charges, \$2.6 million related to loss on derivatives, offset by the exclusion of \$7.8 million foreign exchange gains.

For 2023, adjusted earnings<sup>1</sup> totalled \$36.1 million (\$0.21 per share) versus \$21.1 million (\$0.13 per share) in the same period in 2022. The difference between net earnings and adjusted earnings<sup>1</sup> in the fourth quarter of 2023 largely resulted from the exclusion from adjusted earnings<sup>1</sup> of the after-tax impact of \$10.0 million related to non-cash share-based payments, \$9.2 million in impairment charges, \$7.8 million related to loss on derivatives, and \$5.5 million in unrealized foreign exchange loss. The increase in adjusted earnings<sup>1</sup> compared to the full year of 2022 mainly reflected the 37% increase in operating margin, driven by \$98.9 million or 32% higher gold revenue.

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 twelve months ended December 31, 2023.

**Table 3. Highlights of Liquidity and Capital Resources**

| <i>(in thousands of dollars)</i>                                | Three months ended, |          | Twelve Months Ended, |           |
|-----------------------------------------------------------------|---------------------|----------|----------------------|-----------|
| For the periods ended December 31,                              | <b>2023</b>         | 2022     | <b>2023</b>          | 2022      |
| Cash provided by operations prior to changes in working capital | <b>\$24,188</b>     | \$28,211 | <b>\$127,942</b>     | \$89,962  |
| Changes in non-cash working capital                             | <b>7,930</b>        | 8,406    | <b>4,841</b>         | (739)     |
| Asset retirement obligations                                    | -                   | -        | -                    | (441)     |
| Income taxes paid                                               | <b>(54)</b>         | (79)     | <b>(108)</b>         | (558)     |
| Cash provided by operating activities                           | <b>32,064</b>       | 36,538   | <b>132,675</b>       | 88,224    |
| Cash used in investing activities                               | <b>(32,292)</b>     | (21,247) | <b>(102,736)</b>     | (170,333) |
| Cash provided by (used in) financing activities                 | <b>(3,879)</b>      | (4,216)  | <b>(15,591)</b>      | 59,279    |
| Effect of exchange rate changes on cash and cash equivalents    | <b>2,486</b>        | 1,630    | <b>(596)</b>         | 611       |

|                                     |                  |          |                 |            |
|-------------------------------------|------------------|----------|-----------------|------------|
| Change in cash and cash equivalents | <b>\$(1,621)</b> | \$12,705 | <b>\$13,752</b> | \$(22,219) |
|-------------------------------------|------------------|----------|-----------------|------------|

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

For Q4 2023, cash provided by operating activities, prior to changes in working capital, totalled \$24.2 million compared to \$28.2 million for the same period in 2022. The decrease compared to the fourth quarter of 2022 largely reflected lower sales volume due to year end gold shipment timing, and increased processing costs related to the HGO contract crushing costs, general and administrative and royalty expenses. Changes in working capital represented a net source of cash totalling \$7.9 million during the three months ended December 31, 2023, reflecting a \$6.1 million increase in accounts payable due to increased operating and ongoing growth capital activity particularly in December 2023.

For 2023, cash provided by operating activities, prior to changes in working capital, was \$127.9 million compared to \$90.0 million for the same period in 2022, with the increase mainly reflecting higher gold revenue and operating margin in the twelve months more than offsetting increases in royalty and general and administration expenses. Changes in working capital represented a \$4.8 million net source of cash during the twelve months ended December 31, 2023 of which \$3.4 million relates to reduced trade and other receivables reflecting no Q4, 2023 nickel production sold for the final half. Changes in working capital in the twelve months of 2022 used \$0.7 million, mainly represented by a \$8.1 million increase in inventories and \$2.7 million increase in trade and other receivables substantially offset by a \$8.7 million increase in accounts payable and accrued liabilities.

The Company had cash of \$82.5 million as at December 31, 2023 compared to \$68.8 million as at December 31, 2022.

## **OUTLOOK**

### **GUIDANCE (2024)**

The Company updated 2024 production, cost and capital guidance on March 11, 2024. 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 MD&A. 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 this outlook depending on changes in metal prices and other factors.

**Table 4. Guidance (2024)**

|                                    |                | <b>2024</b>   |
|------------------------------------|----------------|---------------|
| Gold Production                    | (Koz)          | 170 – 185     |
| All-in Sustaining Costs            | (US\$/oz sold) | 1,250 – 1,375 |
| Sustaining Capital                 |                |               |
| G                                  | (A\$M)         | 11 – 16       |
| Growth Capital                     | (A\$M)         | 80 – 90       |
| Exploration & Resource Development | (A\$M)         | 18 – 23       |
| Nickel Production                  | (Ni Tonnes)    | 200 – 300     |

1. Production guidance is based on the September 30, 2023 Mineral Reserves and Mineral Resources announced on November 21, 2023.

2. The Company expects to fund the capital investment amounts listed above with cash on hand, cashflow from operations and lease finance an additional up to A\$8 million 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 completion of 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, an A\$ to US\$ exchange rate of 0.67 in 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 and equipment leases.
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 2.0 Mtpa mining rate during 2024. Mine development for projects with greater than 1 year mine life and equipment acquisition 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 in the MD&A for the year ended December 31, 2023.

#### **CONFERENCE CALL / WEBCAST**

Karora will be hosting a conference call and webcast today, March 22, 2024, beginning at 10:00 a.m. (Eastern time). The accompanying presentation can be found on Karora's website, [www.karoraresources.com](http://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/qd49m96K08v>

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 March 22, 2024, through the following dial in numbers:

North American callers please dial: 1-888-390-0541; Pass Code: 706165#

Local and international callers please dial: 416-764-8677; Pass Code: 706165#

#### **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, |          | Twelve months ended, |           |
|---------------------------------------------------------------|---------------------|----------|----------------------|-----------|
| For the years ended December 31,                              | 2023                | 2022     | 2023                 | 2022      |
| Production and processing costs                               | \$61,609            | \$54,305 | \$288,094            | \$179,265 |
| Inventory adjustment <sup>1</sup>                             | (2,582)             | -        | (5,023)              | -         |
| Royalty expense                                               | 6,206               | 5,039    | 24,016               | 17,987    |
| By-product credits <sup>2,3</sup>                             | (367)               | (3,105)  | (8,013)              | (7,642)   |
| Operating costs (C\$)                                         | \$64,866            | \$56,239 | \$239,074            | \$189,610 |
| General and administrative expense – Australia <sup>3,4</sup> | 4,632               | 3,552    | 16,897               | 10,157    |
| Sustaining capital expenditures                               | 3,722               | 600      | 8,485                | 2,804     |

|                                             |                 |          |                  |           |
|---------------------------------------------|-----------------|----------|------------------|-----------|
| All-in sustaining costs (C\$)               | <b>\$73,220</b> | \$60,391 | <b>\$264,456</b> | \$202,571 |
| Ounces of gold sold                         | <b>37,439</b>   | 39,900   | <b>157,034</b>   | 132,098   |
| <b>Australian dollars per ounce sold</b>    |                 |          |                  |           |
| Cash operating costs                        | <b>\$1,954</b>  | \$1,573  | <b>\$1,699</b>   | \$1,589   |
| All-in sustaining costs <sup>5</sup>        | <b>\$2,206</b>  | \$1,690  | <b>\$1,879</b>   | \$1,698   |
| <b>United States dollars per ounce sold</b> |                 |          |                  |           |
| Cash operating costs                        | <b>\$1,272</b>  | \$1,034  | <b>\$1,128</b>   | \$1,199   |
| All-in sustaining costs <sup>5</sup>        | <b>\$1,435</b>  | \$1,110  | <b>\$1,248</b>   | \$1,174   |
| <b>Average exchange rate</b>                |                 |          |                  |           |
| C\$:A\$                                     | <b>0.89</b>     | 0.89     | <b>0.90</b>      | 0.90      |
| A\$:US\$                                    | <b>0.65</b>     | 0.66     | <b>0.66</b>      | 0.69      |

1. Relates to an adjustment to net realizable value of gold stockpiles. Refer to note 6 of the December 31, 2023, audited consolidated financial statements
2. Refer to Note 25 of the December 31, 2023, audited consolidated financial statements
3. By-product credits for the three and twelve months ended December 31, 2023, include external toll treatment revenue of \$nil and \$2,527 respectively (same periods in 2022 - \$141 and \$460)
4. General and administrative expense for the three and twelve months ended December 31, 2022, periods exclude amounts related to research and development and due diligence expenses of \$900 and \$3,100 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, |          | Twelve months ended, |           |
|------------------------------------------------|---------------------|----------|----------------------|-----------|
| For the periods ended December 31,             | <b>2023</b>         | 2022     | <b>2023</b>          | 2022      |
| Production and processing costs <sup>1,2</sup> | <b>\$43,315</b>     | \$29,562 | <b>\$138,784</b>     | \$99,586  |
| Royalty expense <sup>1</sup>                   | <b>5,730</b>        | 3,445    | <b>20,443</b>        | 14,240    |
| By-product credits <sup>1</sup>                | <b>(353)</b>        | (2,929)  | <b>(5,347)</b>       | (7,067)   |
| Operating costs (C\$)                          | <b>\$48,692</b>     | \$30,078 | <b>\$153,880</b>     | \$106,759 |
| Ounces of gold sold                            | <b>31,818</b>       | 22,342   | <b>104,820</b>       | 78,377    |
| <b>Australian dollars per ounce sold</b>       |                     |          |                      |           |
| Cash operating costs                           | <b>\$1,726</b>      | \$1,509  | <b>\$1,638</b>       | \$1,509   |
| <b>United States dollars per ounce sold</b>    |                     |          |                      |           |
| Cash operating costs                           | <b>\$1,123</b>      | \$992    | <b>\$1,088</b>       | \$1,045   |
| <b>Average exchange rate</b>                   |                     |          |                      |           |
| C\$:A\$                                        | <b>0.89</b>         | 0.89     | <b>0.90</b>          | 0.90      |
| A\$:US\$                                       | <b>0.65</b>         | 0.66     | <b>0.66</b>          | 0.69      |

1. Refer to Note 25 of the December 31, 2023 audited consolidated financial statements
2. Includes \$16,070 and \$49,151 cost of processing the Betta Hunt ore at the HGO mills, respectively for the three and twelve months ended December 31, 2023 (\$9,540 and \$32,067 respectively, for same periods in 2022).

#### **HGO**

|                                                                    | Three months ended, |          | Twelve months ended, |           |
|--------------------------------------------------------------------|---------------------|----------|----------------------|-----------|
| For the periods ended December 31,                                 | <b>2023</b>         | 2022     | <b>2023</b>          | 2022      |
| Production and processing costs <sup>1</sup>                       | <b>\$34,364</b>     | \$34,284 | <b>\$138,461</b>     | \$111,746 |
| Adjustment for intercompany and toll milling costs <sup>1, 2</sup> | <b>(16,070)</b>     | (9,681)  | <b>(51,678)</b>      | (32,527)  |
| Inventory adjustment <sup>3</sup>                                  | <b>(2,582)</b>      | -        | <b>(5,023)</b>       | -         |

|                                             |          |          |          |          |
|---------------------------------------------|----------|----------|----------|----------|
| Royalty expense <sup>1</sup>                | 476      | \$1,594  | 3,573    | 3,747    |
| By-product credits <sup>1</sup>             | (14)     | (36)     | (139)    | (115)    |
| Operating costs (C\$)                       | \$16,174 | \$26,161 | \$85,194 | \$82,851 |
| Ounces of gold sold                         | 5,621    | 17,558   | 52,214   | 53,721   |
| <b>Australian dollars per ounce sold</b>    |          |          |          |          |
| Cash operating costs                        | \$3,246  | \$1,655  | \$1,821  | \$1,706  |
| <b>United States dollars per ounce sold</b> |          |          |          |          |
| Cash operating costs                        | \$2,112  | \$1,088  | \$1,209  | \$1,179  |
| <b>Average exchange rate</b>                |          |          |          |          |
| C\$:A\$                                     | 0.89     | 0.89     | 0.90     | 0.90     |
| A\$:US\$                                    | 0.65     | 0.66     | 0.66     | 0.69     |

1. Refer to Note 25 of the December 31, 2023 audited consolidated financial statements.

2. Includes third party toll milling costs at Lakewood mill of \$nil and \$2,527, respectively for the three and twelve months ended December 31, 2023 (same periods in 2022 \$141 and \$160).

3. Relates to an adjustment to net realizable value for gold stockpiles in respect of prior periods. Refer to Note 6 of the December 31, 2023 audited 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; derivatives and foreign exchange loss; sustainability initiatives.

| <i>(in thousands of dollars except per share amounts)</i>                   | Three months ended, |             | Twelve months ended, |             |
|-----------------------------------------------------------------------------|---------------------|-------------|----------------------|-------------|
| For the periods ended December 31,                                          | 2023                | 2022        | 2023                 | 2022        |
| Net earnings (loss) for the period - as reported                            | \$(1,705)           | \$9,560     | \$8,920              | \$9,901     |
| Finance expense, net                                                        | 2,024               | 1,761       | 7,950                | 5,533       |
| Income tax expense (recovery)                                               | (2,820)             | 244         | 11,197               | 6,749       |
| Depreciation and amortization                                               | 19,919              | 18,169      | 68,165               | 55,585      |
| EBITDA                                                                      | 17,418              | 29,734      | 96,232               | 77,768      |
| Adjustments:                                                                |                     |             |                      |             |
| Non-cash share-based payments <sup>1</sup>                                  | 3,235               | 4,497       | 10,020               | 7,647       |
| Impairment charge <sup>1</sup>                                              | 9,204               | -           | 9,204                | -           |
| Unrealized loss (gain) on revaluation of marketable securities <sup>2</sup> | 304                 | (6)         | 207                  | 2,032       |
| Other expense (income), net <sup>2</sup>                                    | (26)                | 573         | 3                    | 772         |
| Loss on derivatives <sup>2</sup>                                            | 2,576               | 3,073       | 7,841                | 4,405       |
| Foreign exchange loss <sup>3</sup>                                          | (7,832)             | (8,675)     | 5,521                | (2,294)     |
| Rehabilitation cost adjustment for closed sites <sup>2</sup>                | (112)               | -           | (1,044)              | -           |
| Sustainability initiatives <sup>4</sup>                                     | 87                  | -           | 1,330                | 1,181       |
| Adjusted EBITDA                                                             | \$24,854            | \$29,196    | \$129,314            | \$91,511    |
| Weighted average number of common shares - basic                            | 177,828,626         | 173,372,371 | 175,802,402          | 164,437,670 |
| Adjusted EBITDA per share - basic                                           | \$0.14              | \$0.17      | \$0.74               | \$0.56      |

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.

| <i>(in thousands of dollars except per share amounts)</i>                   | Three months ended, |             | Twelve months ended, |             |
|-----------------------------------------------------------------------------|---------------------|-------------|----------------------|-------------|
| For the periods ended December 31,                                          | 2023                | 2022        | 2023                 | 2022        |
| Net earnings for the period - as reported                                   | <b>\$(1,705)</b>    | \$9,560     | <b>\$8,920</b>       | \$9,901     |
| Non-cash share-based payments <sup>1</sup>                                  | <b>3,235</b>        | 4,497       | <b>10,020</b>        | 7,647       |
| Impairment charge <sup>1</sup>                                              | <b>9,204</b>        | -           | <b>9,204</b>         | -           |
| Unrealized loss (gain) on revaluation of marketable securities <sup>2</sup> | <b>304</b>          | (6)         | <b>207</b>           | 2,032       |
| Loss on derivatives <sup>2</sup>                                            | <b>2,576</b>        | 3,073       | <b>7,841</b>         | 4,405       |
| Foreign exchange loss <sup>3</sup>                                          | <b>(7,832)</b>      | (8,675)     | <b>5,521</b>         | (2,294)     |
| Rehabilitation cost adjustment for closed sites <sup>2</sup>                | <b>(112)</b>        | -           | <b>(1,044)</b>       | -           |
| Sustainability initiatives <sup>4</sup>                                     | <b>87</b>           | -           | <b>1,330</b>         | 1,181       |
| Tax impact of the above adjusting items                                     | <b>(2,427)</b>      | 250         | <b>(5,915)</b>       | (1,751)     |
| Adjusted earnings                                                           | <b>\$3,330</b>      | \$8,699     | <b>\$36,084</b>      | \$21,121    |
| Weighted average number of common shares - basic                            | <b>177,828,626</b>  | 173,372,371 | <b>175,802,402</b>   | 164,437,670 |
| Adjusted earnings per share - basic                                         | <b>\$0.02</b>       | \$0.05      | <b>\$0.21</b>        | \$0.13      |

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.

|                                  | December 31,     | December 31, |
|----------------------------------|------------------|--------------|
| <i>(in thousands of dollars)</i> | 2023             | 2022         |
| Current assets                   | <b>\$131,454</b> | \$115,857    |
| Less: Current liabilities        | <b>78,023</b>    | 77,837       |
| Working Capital                  | <b>\$53,431</b>  | \$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 by Steve 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") in Western 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 in Western 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](http://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.

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For further information: Rob Buchanan, Director, Investor Relations, T: (416) 363-0649

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