



**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Three months Ended March 31, 2024 and 2023  
(in thousands of Canadian dollars)



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**Interim Consolidated Statements of Financial Position**  
(Expressed in thousands of Canadian dollars)

As at	Note	March 31, 2024 \$	December 31, 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		87,299	82,538
Trade and other receivables	4	6,411	5,085
Inventories	5	33,970	39,541
Prepaid expenses		2,121	2,755
Marketable securities	6	2,253	1,535
		<b>132,054</b>	131,454
<b>Non-current assets</b>			
Property, plant and equipment and mineral property interests	7	470,942	465,509
Deferred tax asset		169	188
Investment in associate	8	7,170	7,170
Other non-current assets		187	327
<b>Total assets</b>		<b>610,522</b>	604,648
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	54,673	59,773
Share incentive plan liabilities	15	2,353	2,324
Lease obligations	11	10,262	9,825
Derivative financial liabilities	12	5,264	4,278
Asset retirement obligations	13	239	243
Other current liabilities		877	1,580
		<b>73,668</b>	78,023
<b>Non-current liabilities</b>			
Debt	10	39,215	39,071
Lease obligations	11	14,925	14,259
Derivative financial liabilities	12	29,140	25,556
Asset retirement obligations	13	37,304	37,666
Deferred tax liability		45,489	42,378
<b>Total liabilities</b>		<b>239,741</b>	236,953
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	409,725	408,103
Contributed surplus		34,414	32,694
Accumulated other comprehensive income		(1,860)	533
Deficit		(71,498)	(73,635)
<b>Total shareholders' equity</b>		<b>370,781</b>	367,695
<b>Total liabilities and shareholders' equity</b>		<b>610,522</b>	604,648

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*



## Interim Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss)

(Expressed in thousands of Canadian dollars, except per share amounts)

**For the three months ended March 31,**

	Note	2024 \$	2023 \$
Revenue	20	115,538	96,806
Cost of operations:			
Production and processing costs	20	60,375	54,393
Royalty expense		7,572	5,753
General and administrative	16	7,037	7,881
General and administrative: share incentive plans	15	3,207	1,817
Depreciation and amortization		18,971	18,386
Rehabilitation cost adjustment for closed sites		(14)	-
Operating earnings		18,390	8,576
Other expenses (income)			
Finance expense, net	17	1,675	1,770
Loss on derivatives	12	6,329	6,171
Foreign exchange loss		4,986	3,862
Unrealized gain on revaluation of marketable securities	6	(718)	(1,537)
Other expense, net		10	54
<b>Earnings (loss) before income tax</b>		<b>6,108</b>	<b>(1,744)</b>
Income tax expense - current		-	22
Income tax expense - deferred		3,971	1,175
<b>Net earnings (loss)</b>		<b>2,137</b>	<b>(2,941)</b>
Currency translation adjustments		(2,393)	(1,641)
<b>Comprehensive earnings (loss)</b>		<b>(256)</b>	<b>(4,582)</b>
<b>Net earnings (loss) attributable to common shareholders per share</b>			
Basic		0.01	(0.02)
Diluted		0.01	(0.02)
<b>Weighted average number of shares</b>			
Basic	18	178,402,185	174,268,927
Diluted	18	181,819,403	174,268,927

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*



## Interim Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

For the three months ended March 31,	2024 \$	2023 \$
<b>Cash flow provided by (used in)</b>		
<b>OPERATING ACTIVITIES</b>		
Net earnings (loss)	2,137	(2,941)
<b>Changes not affecting cash:</b>		
Depreciation and amortization	18,998	18,415
Income tax expense	3,971	1,197
Share incentive plans	3,186	1,674
Foreign exchange loss	5,374	3,893
Net change in fair value of derivative instruments	6,329	6,171
Finance expense, net	1,675	1,770
Loss on disposal of property, plant and equipment	6	-
Unrealized gain on revaluation of marketable securities	(718)	(1,537)
Rehabilitation cost adjustment for closed sites	(14)	-
	<b>40,944</b>	28,642
Changes in non-cash working capital		
Trade and other receivables	(1,348)	3,151
Inventories	4,099	(1,866)
Prepaid expenses	600	497
Accounts payable and accrued liabilities	(927)	(8,888)
Other current liabilities	(676)	(677)
	<b>42,692</b>	20,859
Income taxes paid	(54)	-
<b>Net cash provided by operating activities</b>	<b>42,638</b>	20,859
<b>INVESTING ACTIVITIES</b>		
Property, plant and equipment and mineral property interests	(31,689)	(19,854)
Proceeds on disposal of property, plant and equipment	-	(48)
Interest received	568	212
<b>Net cash used in investing activities</b>	<b>(31,121)</b>	(19,690)
<b>FINANCING ACTIVITIES</b>		
Debt issue costs	-	(45)
Loan standby fee	(148)	(150)
Proceeds from exercise of options	185	69
Payments on leases	(3,167)	(1,414)
Settlements in respect of derivative instruments	(1,065)	(818)
Interest paid on debt	(992)	(931)
<b>Net cash used in financing activities</b>	<b>(5,187)</b>	(3,289)
Effect of exchange rate changes on cash and cash equivalents	(1,569)	(789)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,761</b>	(2,909)
<b>Cash and cash equivalents, beginning of period</b>	<b>82,538</b>	68,786
<b>Cash and cash equivalents, end of period</b>	<b>87,299</b>	65,877
Components of cash and cash equivalents:		
Cash	86,955	60,534
Cash equivalents	344	5,343
	<b>87,299</b>	65,877

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*



**Interim Consolidated Statements of Changes in Equity**  
(Expressed in thousands of Canadian dollars, except share numbers)

	Note	Share capital (note 14)		Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Total equity \$
		Number	\$				
		<b>Balance as at December 31, 2023</b>					
Exercise of restricted share units	15	199,986	868	(849)	-	-	19
Exercise of performance share units	15	99,119	442	(442)	-	-	-
Exercise of stock options	15	65,332	312	(127)	-	-	185
Share incentive plans	15	-	-	3,138	-	-	3,138
Comprehensive earnings (loss)		-	-	-	(2,393)	2,137	(256)
<b>Balance as at March 31, 2024</b>		<b>178,647,901</b>	<b>409,725</b>	<b>34,414</b>	<b>(1,860)</b>	<b>(71,498)</b>	<b>370,781</b>

	Note	Share capital		Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Total equity \$
		Number	\$				
		<b>Balance as at December 31, 2022</b>					
Exercise of restricted share units		222,282	830	(404)	-	-	426
Exercise of stock options		57,035	114	(45)	-	-	69
Share incentive plans		-	-	1,814	-	-	1,814
Comprehensive earnings (loss)		-	-	-	(1,641)	(2,941)	(4,582)
<b>Balance as at March 31, 2023</b>		<b>174,514,713</b>	<b>396,476</b>	<b>34,436</b>	<b>954</b>	<b>(85,496)</b>	<b>346,370</b>

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the three months ended March 31, 2024 and 2023  
(Expressed in thousands of Canadian dollars, unless otherwise indicated)

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

### **1. NATURE OF OPERATIONS**

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Karora Resources Inc. (“**Karora**” or “**Karora Resources**”) is a company domiciled in Canada and was incorporated on December 13, 2006, under the Canada Business Corporations Act. The corporation’s shares are publicly traded on the Toronto Stock Exchange (TSX: KRR) (OTCQX: KRRGF). The corporation’s registered office is located at 141 Adelaide Street West, Suite 1608 in Toronto, Ontario, Canada.

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three months ended March 31, 2024 are comprised of Karora, its subsidiaries including its Australian operating subsidiaries, Karora (Beta Hunt) Pty Ltd (formerly named Salt Lake Mining Pty Ltd.) and the group of subsidiaries collectively referred to as Higginsville Gold Operation (“**HGO**”) which includes Karora (Lakewood) Pty Ltd (formerly named Lakewood Mining Pty Ltd). Collectively, these entities are referred to as the “**Corporation**”.

The Corporation accounts for its investment in Kali Metals Limited (“**Kali**”) using the equity method.

Karora is a multi-asset mineral resource company. The Corporation’s main assets are located in Western Australia and comprise its 100% interest in the Beta Hunt Mine (“**Beta Hunt**”) which is owned by Karora (Beta Hunt) Pty Ltd.; its 100% interest in the HGO processing and gold mining operation; and its Lakewood processing facility.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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#### **(a) Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Corporation’s consolidated financial statements for the year ended December 31, 2023.

The Corporation’s presentation currency is Canadian dollars.

The unaudited condensed interim consolidated financial statements were authorized for publication by the Board of Directors on May 10, 2024.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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## (b) Basis of preparation

The accounting policies followed in these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2023, with the exception as noted below.

In October 2022, the International Accounting Standards Board ("IASB") issued amendments to IAS 1, Presentation of Financial Statements, titled Non-current liabilities with covenants. These amendments sought to improve the information that an entity provides with its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments. Classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments were effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The amendment adoption did not have any effect on the Corporation's financial statements.

## 3. ACCOUNTING POLICY JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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The preparation of financial statements in accordance with IAS 34 requires management to make certain accounting policy judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant accounting policy judgment and estimates affecting the amounts recognized in the interim consolidated financial statements for the three months ended March 31, 2024 are consistent with those applied and disclosed in note 4 to the Corporation's audited consolidated financial statements for the year ended December 31, 2023.

## 4. TRADE AND OTHER RECEIVABLES

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Trade and other receivables consist of the following:

As at	March 31, 2024	December 31, 2023
Trade accounts receivable	\$1,835	\$127
Sales taxes and rebates	4,319	4,760
Income tax receivable	257	198
	<b>\$6,411</b>	<b>\$5,085</b>





Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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## 5. INVENTORIES

Inventories consist of the following:

As at	March 31, 2024	December 31, 2023
Gold ore stockpile	\$11,617	\$11,320
Gold in process	9,859	14,828
Gold - finished goods	299	808
Nickel ore stockpile	1,036	2,086
Stores, spares and fuel	11,159	10,499
	<b>\$33,970</b>	<b>\$39,541</b>

For the three months ended March 31, 2024, cost of operations includes production and processing costs of \$60.4 million (2023 - \$54.4 million) that were recognized as part of inventories and subsequently expensed when sold during the period.

At March 31, 2024, inventory included \$5.8 million (December 31, 2023 – \$7.0 million) of depreciation.

Gold ore stockpiles are carried at net realizable value. In-process and finished metal inventory (gold and nickel) are measured at cost.

## 6. MARKETABLE SECURITIES

The following table reflects the movements in the Corporation's marketable securities:

For the three months ended March 31,	2024	2023
Opening balance	\$1,535	\$1,517
Unrealized gain on revaluation of marketable securities	718	1,537
<b>Closing balance</b>	<b>\$2,253</b>	<b>\$3,054</b>

The Corporation's marketable securities are traded in an active market on stock exchanges and are therefore considered Level 1 assets in the fair value hierarchy. The marketable securities are recorded at fair values derived using quoted market prices.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the three months ended March 31, 2024 and 2023  
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## 7. PROPERTY, PLANT AND EQUIPMENT AND MINERAL PROPERTY INTERESTS

The following tables reflect the continuity of the Corporation's property, plant and equipment and mineral property interests.

	Plant and Equipment	Mineral Property Interests	Exploration and Evaluation	Total
<b>As at December 31, 2023</b>	<b>\$197,589</b>	<b>\$211,560</b>	<b>\$56,360</b>	<b>\$465,509</b>
Additions	10,865	19,273	2,626	32,764
Disposals	(6)	-	-	(6)
Change due to foreign exchange translation	(3,841)	(4,115)	(1,101)	(9,057)
Depreciation	(4,485)	(13,783)	-	(18,268)
<b>As at March 31, 2024</b>	<b>\$200,122</b>	<b>\$212,935</b>	<b>\$57,885</b>	<b>\$470,942</b>

<b>As at March 31, 2024</b>				
Cost	\$249,010	\$387,946	\$57,885	\$694,841
Accumulated depreciation	(48,888)	(175,011)	-	(223,899)
<b>Net book value</b>	<b>\$200,122</b>	<b>\$212,935</b>	<b>\$57,885</b>	<b>\$470,942</b>

<b>As at December 31, 2023</b>				
Cost	\$242,888	\$376,028	\$56,360	\$675,276
Accumulated depreciation	(45,299)	(164,468)	-	(209,767)
<b>Net book value</b>	<b>\$197,589</b>	<b>\$211,560</b>	<b>\$56,360</b>	<b>\$465,509</b>

	Plant and Equipment	Mineral Property Interests	Exploration and Evaluation	Total
<b>As at December 31, 2022</b>	<b>\$166,606</b>	<b>\$196,497</b>	<b>\$63,859</b>	<b>\$426,962</b>
Additions	6,666	12,330	4,409	23,405
Transfers	(2,913)	2,913	-	-
Change due to foreign exchange translation	(2,513)	(2,895)	(1,032)	(6,440)
Depreciation	(1,816)	(14,998)	-	(16,814)
<b>As at March 31, 2023</b>	<b>\$166,030</b>	<b>\$193,847</b>	<b>\$67,236</b>	<b>\$427,113</b>

<b>As at March 31, 2023</b>				
Cost	\$244,382	\$496,334	\$67,236	\$807,952
Accumulated depreciation	(78,352)	(302,487)	-	(380,839)
<b>Net book value</b>	<b>\$166,030</b>	<b>\$193,847</b>	<b>\$67,236</b>	<b>\$427,113</b>



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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The table below summarizes the balances in respect of right-of-use assets which are included in plant and equipment above:

<b>For the three months ended March 31,</b>	<b>2024</b>	<b>2023</b>
Opening balance	<b>\$30,863</b>	\$13,825
Additions	<b>4,307</b>	3,822
Depreciation	<b>(1,460)</b>	(744)
Change due to foreign exchange translation	<b>(600)</b>	(256)
Closing balance	<b>\$33,110</b>	\$16,647

## **8. INVESTMENT IN ASSOCIATE**

The Corporation holds 31,863,345 shares representing a 22.1% interest in Kali Metals Limited (“Kali”). As a result of the level of share ownership and the right to appoint a director, the Corporation accounts for its investment as an associate using the equity method of accounting. The carrying value is \$7.2 million. The Kali shares closing price on the Australian Stock Exchange at March 31, 2024 was A\$0.445 per share valuing the Corporation’s share holding at approximately \$12.5 million. The shares are subject to escrow until January 8, 2026.

## **9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

As at	<b>March 31, 2024</b>	December 31, 2023
Accounts payable and accrued liabilities	<b>\$33,888</b>	\$39,236
Royalty accrual	<b>9,045</b>	7,980
Employee related accruals	<b>11,740</b>	12,557
	<b>\$54,673</b>	\$59,773

Accounts payable and accrued liabilities include \$1.1 million (December 31, 2023 - \$4.4 million) in respect of property, plant and equipment and mineral property interests.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
 For the three months ended March 31, 2024 and 2023  
 (Expressed in thousands of Canadian dollars, unless otherwise indicated)

## 10. DEBT

The following table reflects the movements in the Corporation's debt:

<b>For the three months ended March 31,</b>	<b>2024</b>	<b>2023</b>
Opening balance	<b>\$39,071</b>	\$38,613
Debt facility costs	-	(45)
Accretion expense	<b>144</b>	209
<b>Closing balance</b>	<b>\$39,215</b>	\$38,777

The Corporation's debt is part of a credit agreement with Macquarie Bank Limited. The credit agreement provides for a \$40 million term loan and a \$40 million revolving credit facility, both bearing an interest rate of the Canadian Dollar Offered Rate ("CDOR") plus 4.5% per annum on the drawn principal paid quarterly and an annual standby fee of 1.5% on the undrawn revolving credit facility. The original term of the Credit Agreement was June 28, 2024, with an option for annual renewal thereafter. During the second quarter of 2023, the Macquarie facility was amended and extended to June 30, 2025.

During the three months ended March 31, 2024, with respect to this facility, the Corporation incurred interest expense totalling \$0.9 million (2023 - \$0.9 million) at an average rate of 9.9%. As at March 31, 2024, the Corporation was in compliance with all of its debt covenants.

## 11. LEASE OBLIGATIONS

The following table reflects the movements of lease obligations:

<b>For the three months ended March 31,</b>	<b>2024</b>	<b>2023</b>
Opening balance	<b>\$24,085</b>	\$10,037
Additions	<b>4,307</b>	3,822
Accretion	<b>428</b>	174
Cash payments	<b>(3,167)</b>	(1,414)
Change due to foreign exchange translation	<b>(466)</b>	(189)
Closing balance	<b>25,187</b>	12,430
Less current portion	<b>10,262</b>	5,108
Non-current portion	<b>\$14,925</b>	\$7,322

Lease additions primarily relate to mining trucks and loading equipment included in plant and equipment in note 8. During the three months ended March 31, 2024, the Corporation incurred an expense of \$1.4 million (2023 - \$2.3 million) in respect of short-term leases.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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(Expressed in thousands of Canadian dollars, unless otherwise indicated)

## 12. DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation has a participation royalty agreement with Morgan Stanley (“Participation Royalty”) whereby the Corporation shall pay Morgan Stanley 27.5% of the first 2,500 troy ounces of gold sold in each quarter, multiplied by the difference between the average gold London pm fix price for that quarter and AUD\$1,340 per ounce. The Corporation may terminate its obligation to pay participation royalties on or after January 1, 2035 (unless extended under certain conditions) by paying USD\$0.7 million. The Corporation has recognised a derivative liability for the participation royalty agreement which is fair valued at each reporting period.

The fair value of derivative instruments not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included as a Level 2 measurement. As the discount rate is not an observable input, the Participation Royalty derivative liability is classified within Level 3 of the fair value hierarchy.

The participation royalty obligation was estimated using a forward contract valuation approach model. The key inputs used in the valuation include:

- the gold forward price curve based on the COMEX futures curve, extrapolated where necessary;
- USD/AUD foreign exchange rates based on forward curves;
- discount rates incorporating the Corporation’s estimated credit spread of 3.55% as at March 31, 2024 (3.41% as at December 31, 2023);
- a current risk-free rate based on the Australian dollar swaps curve; and
- the Corporation’s estimated gold ounce delivery into the participation royalty.

The following table reflects the movements in the derivative liability:

<b>For the three months ended March 31,</b>	<b>2024</b>	<b>2023</b>
Opening balance	<b>\$29,834</b>	\$26,603
Settlements	<b>(1,160)</b>	(901)
Net change in fair value	<b>6,329</b>	6,171
Change due to foreign exchange translation	<b>(599)</b>	(498)
<b>Closing balance</b>	<b>34,404</b>	31,375
Less current portion	<b>5,264</b>	4,029
Non-current portion	<b>\$29,140</b>	\$27,346

As at March 31, 2024, the following tables summarize the quantitative information about significant unobservable inputs used in Level 3 fair value measurements for the Participation Royalty:

<b>Inputs</b>	<b>Unobservable Inputs</b>	<b>Range of Relationship of unobservable inputs on fair value</b>
Credit spread	2.9% - 4.9%	A change in the discount rate of 1% would impact the fair value by \$1.1 million.
Gold forward price		A change in the gold forward price of 10% would impact the fair value by \$5.2 million.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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### 13. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations represent the legal and contractual obligations associated with the eventual closure and reclamation of the Corporation's mine and mill operations. The obligations consist of costs associated with reclamation, environmental monitoring and the removal of tangible assets. As at March 31, 2024, the carrying value of the obligations represents the net present value of the estimated undiscounted cash flows required to settle the obligations calculated using a discount rate of 4.19% (December 31, 2023 – 4.21%) and an inflation rate of 3.0% (December 31, 2023 – 3.00%).

The following table reflects the movements of asset retirement obligations:

For the three months ended March 31,	2024	2023
Opening balance	\$37,909	\$30,882
Accretion expense	389	294
Change in estimates in respect of rehabilitation obligations	307	-
Change in discount and inflation rates	(329)	1,449
Change due to foreign exchange translation	(733)	(491)
Closing balance	37,543	32,134
Less current portion	239	-
Non-current portion	\$37,304	\$32,134

### 14. SHARE CAPITAL

The Corporation is authorized to issue an unlimited amount of common shares.

### 15. SHARE INCENTIVE PLANS

The Corporation has a share incentive plan, amended and restated as of June 16, 2022 (the "Plan"), that provides for the granting of share options and other equity-based awards including restricted share units, performance share units, deferred share units and share appreciation rights to key officers, directors, employees and consultants of the Corporation. The maximum number of common shares issuable upon the exercise of share options and the redemption of other equity-based awards issued under the Plan may not exceed, in aggregate, 7.5% of the issued and outstanding common shares from time to time. Further, the maximum number of shares issuable on the redemption of restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") issued under the Plan may not exceed, in aggregate, 5.5% of the issued and outstanding common shares from time to time.



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### Share Purchase Options

The following table reflects the continuity of share purchase options for the three months ended December 31, 2024:

	Number of options	Weighted Average Exercise Price
As at December 31, 2023	396,367	2.51
Exercised	(65,332)	2.81
Forfeited	(53,111)	2.97
<b>As at March 31, 2024</b>	<b>277,924</b>	<b>\$2.35</b>

For options exercised during the three months ended March 31, 2024, the related weighted average share price at the time of exercise was \$4.09 per share.

As at March 31, 2024, the Corporation had the following share purchase options outstanding:

Exercise Price Range	Options Outstanding			Options Exercisable		
	Number of Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$1.58-\$1.62	1,481	0.5	\$1.58	1,481	0.5	\$1.58
\$1.63-\$1.70	111,111	0.6	\$1.67	111,111	0.6	\$1.67
\$1.71-\$1.94	55,555	0.5	\$1.73	55,555	0.5	\$1.73
\$1.95-\$3.46	59,777	0.1	\$2.88	59,777	0.1	\$2.88
\$3.47-\$3.95	50,000	1.5	\$3.95	50,000	1.5	\$3.95
	<b>277,924</b>	<b>0.6</b>	<b>\$2.35</b>	<b>277,924</b>	<b>0.6</b>	<b>\$2.35</b>

During the three months ended March 31, 2024, the Corporation recorded share-based payments expense in respect of share options of \$nil (2023 - \$0.007 million).

### Restricted Share Units

The following table reflects the continuity of RSUs for the three months ended March 31, 2024:

For the three months ended March 31,	2024
Opening balance	2,754,473
Granted	91,186
Exercised for shares	(199,986)
Exercised for cash	(4,929)
Forfeited	(39,649)
<b>Closing balance</b>	<b>2,601,095</b>

As at March 31, 2024, the weighted average remaining contractual life of the outstanding RSUs was 2.3 years. Of the total outstanding RSU's, 82,117 RSUs were vested and have a remaining contractual life of 1.0 year.

The RSUs outstanding as at March 31, 2024, include 94,837 units (44,837 vested) that can be settled for cash or equity at the option of the holder.



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The value of the vested units is recognised as a liability. At March 31, 2024, the Corporation recognised \$0.4 million of share incentive plan liability (December 31, 2023 – \$0.5 million).

During the three months ended March 31, 2024, the Corporation recorded share-based payments expense in respect of RSUs of \$1.7 million (2023 – \$0.9 million) which included \$0.1 million (2023 - \$nil) for RSUs to be settled for shares or cash at the option of the holder and \$1.6 million (2023 - \$0.9 million) for RSUs which can only be settled for shares.

### Deferred Share Units

The following table reflects the continuity of DSUs for the years ended March 31, 2024:

For the three months ended March 31,	2024
Opening balance	591,927
Granted	39,818
<b>Closing balance</b>	<b>631,745</b>

As at March 31, 2024, all DSUs were vested. The DSUs outstanding as at March 31, 2024, include 376,511 units that can be settled for cash or equity at the option of the holder.

The value of the vested units is recognised as a liability: as at March 31, 2024, the Corporation recognised \$1.9 million of share incentive plan liability (December 31, 2023 – \$1.8 million).

During the three months ended March 31, 2024, the Corporation recorded share-based payment expense in respect of DSUs of \$0.3 million (2023 – \$0.1 million, respectively), which included \$0.1 million (2023 – \$nil) for DSUs to be settled for shares or cash at the option of the holder and expense of \$0.2 million (2023 - \$0.1 million) for DSUs which can only be settled for shares.

### Performance Share Units

The following table reflects the continuity of PSUs for the three months ended March 31, 2024:

For the three months ended March 31,	2024
Opening balance	3,427,129
Exercised	(99,119)
Forfeited	(39,651)
<b>Closing balance</b>	<b>3,288,359</b>

As at March 31, 2024, the weighted average remaining contractual life of the outstanding PSUs is 3.4 years and 6,664 awards were vested.

During the three months ended March 31, 2024, the Corporation recorded share-based payments expense in respect of PSUs of \$1.2 million (2023 – \$0.8 million).





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## Summary

The total expense recognized from share-based compensation transactions is shown in the following table:

For the three months ended March 31,	2024	2023
Share purchase options	\$-	\$7
Restricted share units	1,716	923
Deferred share units	280	83
Performance share units	1,211	804
	<b>\$3,207</b>	<b>\$1,817</b>

## 16. GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31,	2024	2023
Expense by nature:		
Employee and contractor compensation	\$4,446	\$4,618
Directors' fees	114	135
Professional and consulting fees	371	1,187
Public company expenses	290	113
Office and general	679	917
Conference and travel	278	339
Investor relations	108	167
Business development	724	376
Depreciation and amortization	27	29
General and administrative	<b>\$7,037</b>	<b>\$7,881</b>

Certain classifications for the three months ended March 31, 2023 were changed to reflect more consistency with how the Corporation internally manages and reports these costs.

## 17. FINANCE EXPENSE, NET

For the three months ended March 31,	2024	2023
Interest expense	\$992	\$931
Accretion expense	961	677
Loan fee amortization	142	224
Loan standby fee	148	150
Finance expense	2,243	1,982
Interest income	(568)	(212)
Finance expense, net	<b>\$1,675</b>	<b>\$1,770</b>



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## 18. NET EARNINGS PER SHARE

Basic net earnings per share has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the periods. Equity based awards are reflected in diluted earnings per share by application of the treasury stock method. For the three months ended March 31, 2023, due to being in a loss position, the Corporation's share incentive plan awards were determined to be anti-dilutive for the purpose of determining diluted earnings per share and were excluded from the calculation. The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

For the three months ended March 31,	2024	2023
Weighted average common shares - basic	178,402,185	174,268,927
Adjustments for dilutive instruments:		
Share purchase options	153,143	-
Restricted share units	1,102,958	-
Deferred share units	592,163	-
Performance share units	1,568,954	-
<b>Weighted average common shares - diluted</b>	<b>181,819,403</b>	<b>174,268,927</b>

## 19. FINANCIAL RISK FACTORS

The Corporation is exposed to various financial risks in its financial instruments resulting from both its operations and its investment activities. The Corporation's management manages financial risks. The Corporation does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

The Corporation applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques use significant observable inputs, directly or indirectly, or valuations are based on quoted prices for similar instruments; and
- Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity. With respect to long-term debt balances (note 10), carrying values and fair values are as follows:

As at	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Macquarie loan (level 2)	\$39,215	\$40,159	\$39,701	\$40,194



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## 20. SEGMENTED INFORMATION

Each individual operating mine or asset group is considered to be a reportable operating segment for financial reporting purposes. Results of operating segments are reviewed by the Corporation's chief operating decision maker to make decisions about resources to be allocated to the segments and to assess their performance.

The Corporation has production and exploration and evaluation activities from its two operating segments in Australia. The following is a summary of the reported amounts by segment:

For the three months ended March 31, 2024

	Beta Hunt Gold/Nickel Mine Australia	HGO Gold Mine/Mill Australia	Intersegment Elimination (1)	All Other	Total
Gold	\$95,858	\$16,628	\$-	\$-	\$112,486
Nickel	2,936	-	-	-	2,936
Silver	99	17	-	-	116
Toll treatment	-	13,859	(13,859)	-	-
Revenues	98,893	30,504	(13,859)	-	115,538
Mining	22,481	16,826	-	-	39,307
Processing	13,622	21,305	(13,859)	-	21,068
Production and processing costs	36,103	38,131	(13,859)	-	60,375
Royalty expense	7,162	410	-	-	7,572
General and administrative	1,688	1,572	-	3,777	7,037
General and administrative: share-based payments	678	678	-	1,851	3,207
Depreciation and amortization	13,273	5,698	-	-	18,971
Rehabilitation cost adjustment for closed sites	-	(14)	-	-	(14)
Operating earnings (loss)	\$39,989	(\$15,971)	-	(\$5,628)	\$18,390

1) Eliminates the revenues of HGO in respect of toll processing services provided to Beta Hunt and HGO.

As at March 31, 2024

Property, plant and equipment and mineral property interests	\$230,883	\$239,666	\$-	\$393	\$470,942
Total assets	256,068	346,844	-	7,610	610,522

As at December 31, 2023

Property, plant and equipment and mineral property interests	\$226,954	\$238,135	\$-	\$420	\$465,509
Total assets	262,016	335,010	-	7,622	604,648



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For the three months ended March 31, 2023

	Beta Hunt Gold/Nickel Mine Australia	HGO Gold Mine/Mill Australia	Intersegment Elimination (1)	All Other	Total
Gold	\$58,151	\$33,482	\$-	\$-	\$91,633
Nickel	2,562	-	-	-	2,562
Silver	54	30	-	-	84
Toll treatment	-	13,061	(10,534)	-	2,527
Revenues	60,767	46,573	(10,534)	-	96,806
Mining	18,065	18,304	-	-	36,369
Processing	9,930	18,628	(10,534)	-	18,024
Production and processing costs	27,995	36,932	(10,534)	-	54,393
Royalty expense	4,814	939	-	-	5,753
General and administrative	1,881	1,919	-	4,081	7,881
General and administrative: share-based payments	472	472	-	873	1,817
Depreciation and amortization	6,272	12,114	-	-	18,386
Operating earnings (loss)	\$19,333	(\$5,803)	-	(\$4,954)	\$8,576

## 21. COMMITMENTS AND CONTINGENCY

The following table summarizes the expected maturity of the Corporation's significant financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date:

As at March 31, 2024	Payments by period				Total	Carrying Value
	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years		
Accounts payable and accrued liabilities	\$54,673	\$-	\$-	\$-	\$54,673	\$54,673
Long-term debt obligations	-	40,000	-	-	40,000	39,215
Lease obligations	12,857	16,484	258	335	29,934	25,187
Interest on long-term debt	3,918	977	-	-	4,895	-
Macquarie standby fee	600	150	-	-	750	-
Power contracts	3,014	8,402	8,913	-	20,329	-
Derivative liabilities	5,396	12,056	13,755	14,935	46,142	34,404
	\$80,458	\$78,069	\$22,926	\$15,270	\$196,723	\$153,479

### Power

In January 2024, the Corporation entered two power purchase agreements to secure power for the Beta Hunt mine site and to secure power for the Higginsville processing plant.

The Beta Hunt mine site agreement has a five-year term and commenced in January 2024. This agreement includes a take or pay commitment for power of up to \$20.3 million over the five-year term. Power charges are included in production and processing costs each quarter as incurred.

The Higginsville processing plant agreement has a ten-year term, which is currently anticipated to commence in the second half of 2025, after an infrastructure upgrade has been completed.



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In addition, the Corporation notes the following obligations:

***Royalties***

Existing royalty obligations at Beta Hunt are (i) Consolidated Minerals, 3.0% of payable nickel at a nickel price under AU\$17,500/t or 5.0% at a nickel price of AU\$17,500 or greater until total royalty payments reach AU\$16.0 million; (ii) Western Australian state government, 2.5% of recovered gold and nickel; and (iii) Triple Flag Precious Metals Corp. (formerly Maverix Metals Inc.), 4.75% of recovered gold and 1.5% of payable nickel less allowable deductions.

Existing royalty obligations at HGO are (i) traditional land owners have production payments of up to 1% of gross gold revenue over various tenements; (ii) state government royalty equal to 2.5% of recovered gold; and (iii) various royalties across the tenements to third parties on recovered gold less allowable deductions.

***Spargos***

On August 7, 2020, the Corporation completed the acquisition of Corona Resources Limited whose primary asset is the Spargos Reward Gold Project. The seller is entitled to AUD\$1.0 million (\$0.9 million) in Karora shares if a new gold resource of at least 165,000 ounces is delineated at the project.

**22. SUBSEQUENT EVENT**

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On April 7, 2024, the Corporation and Westgold Resources Limited ("**Westgold**", ASX ticker: WGX) agreed on a merger pursuant to which Westgold will acquire 100% of the issued and outstanding common shares of Karora by way of a statutory plan of arrangement under the Canada Business Corporations Act. The merger is subject to procedural matters and conditional on approval of 66  $\frac{2}{3}$ % of Karora shareholders.