Karora Reports Strong Results in Q3 2023

Karora Resources (TSX: KRR)

Announced financial and operating results for Q3 2023 and YTD 2023.

YTD 2023 production of 120,197 ounces increased 24% from 96,578 ounces for the same period in 2022, with the Company ending Q3 well positioned to achieve full-year 2023 production guidance of 145,000 – 160,000 ounces.



Karora Resources	TSX: KRR
Stage	Production + Development + Exploration
Metals	Gold + Nickel

Market cap	C$693 million @ C$3.96
Location	Kalgoorlie, Western Australia

KARORA RESOURCES REPORTS STRONG PRODUCTION, REVENUE, EARNINGS

AND CASH FLOW GROWTH IN THIRD QUARTER 2023

TORONTO,Nov. 10, 2023/CNW/ – **Karora Resources Inc.(TSX: KRR) (“Karora”**or the**“Company”)** today announced financial and operating results for the third quarter (“Q3 2023”) and first nine months (“YTD 2023”) of 2023.

The Company’s full unaudited condensed interim financial statements and management discussion & analysis (“MD&A) are available on SEDAR at www.sedarplus.caand on the Company’s website at www.karoraresources.com. All dollar amounts are in Canadian dollars, unless otherwise noted.

STRONG QUARTERLY AND YTD GOLD PRODUCTION

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

AISC ON TRACK TO ACHIEVE 2023 GUIDANCE

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

ROBUST QUARTERLY AND YTD REVENUE

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

STRONG EARNINGS PERFORMANCE

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

KALI METALS LITHIUM SPIN-OFF AND MANAGEMENT CHANGES

- ***The Kali Metals lithium spin-off transaction, originally announced during the second quarter, remains on track***

for completion by year end. On November 3, 2023, Kali announced that it had lodged a prospectus for its initial public offering on the ASX (seewww.kalimetals.com.au for more information).

- The new lithium vehicle involves Karora and a third party vending their lithium exploration projects into a new entity, Kali Metals Limited, with a goal of creating a new, separately run lithium-focused, ASX-listed exploration company to be led by an experienced board and management team.
- During the quarter Mr.Tony Makuch joined the Company as a Director, Mr.Barry Dahl retired as the Company's Chief Financial Officer, replaced by Mr.Derek Humphry, and Mr. Peter Ganza joined Karora's Australian operations as Chief Operating Officer,Australia.

Paul Andre Huet, Chairman and CEO, commented:

"I am very pleased with our team's performance during the third quarter, which included another strong performance by our Beta Hunt and Higginsville operations which have now delivered a total of 120,198 ounces through the first three quarters of 2023.

"Our gold processing operations have also performed very well, with average recoveries of 95% through Q3. The robust operating performance year to date puts us in a great position to achieve our full-year guidance ranges of between 145,000 to 160,000 ounces for gold production and AISC costs of between US$1,100 to US$1,250 for 2023.

"Comparing our performance year to date with last year, we've delivered strong improvements year-over-year with production

growing 24%, average milled grade up 11% and cash operating costs improving by 4%.

“At the Beta Hunt Mine, we continued to advance our expansion on schedule and on budget. The third and final ventilation raise installation is now complete, which will facilitate the ongoing expansion of our mining equipment fleet, putting us on track to grow Beta Hunt’s annualized production rate to 2.0 Mtpa by the end of 2024.

“At HGO, performance was strong in the third quarter as higher grades associated with the final stopes at the Aquarius Mine were processed. HGO production was up 17% and cash operating costs[1] per ounce sold improved by 28% compared to the previous quarter.

“We ended the third quarter in a very strong financial position with a cash position of$84 million, up $13 million from the prior quarter, placing us in an excellent position to deliver on our growth objectives.

“We’ve also reported some very exciting exploration results from Beta Hunt, most recently in the Fletcher and Mason zones that point toward the potential for years of ongoing Mineral Resource additions outside the main zone of Western Flanks and A Zone.”

“On this front, I am looking forward to reporting our next

Mineral Resource update, which we expect to issue before year end.”

To read the full news release, please click HERE

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

At the time of writing the author holds shares in **Karora Resources.**

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