Karora Resources Reports Record Production

Karora Resources (TSX: KRR)

Announced financial and operating results for the first quarter of 2023.

Production of 39,827 ounces exceeded target levels and increased 45% from the first quarter of 2022.



Karora Resources	TSX: KRR
Stage	Production + Development + Exploration
Metals	Gold + Nickel
Market cap	C$955 million @ C$5.48

Location	Kalgoorlie, Western Australia

KARORA RESOURCES REPORTS RECORD PRODUCTION, IMPROVED OPERATING EARNINGS AND CASH FLOW IN FIRST QUARTER 2023

TORONTO, May 15, 2023 /CNW/ – **Karora Resources Inc. (TSX: KRR) ("Karora"** or the **"Company")** today announced financial and operating results for the first quarter of 2023 ("Q1 2023").

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

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RECORD QUARTERLY PRODUCTION

- Production of 39,827 ounces exceeded target levels and increased 45% from the first quarter of 2022 ("Q1 2022") reflecting growth of 27% in tonnes processed and a 13% improvement in average grade; Production ended the quarter on track to achieve full-year 2023 guidance of 145,000 – 160,000 ounces.

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UNIT COSTS ON TRACK TO ACHIEVE 2023 GUIDANCE

- Cash operating costs[1] and all-in sustaining costs ("AISC")[1] per ounce sold averaged US$1,124 and US$1,213, respectively, compared to US$1,310 and US$1,396, respectively, for same period a year earlier; AISC[1] per ounce sold was in line with full-year 2023 guidance of US$1,100 – US$1,250.

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REVENUE MATCHES QUARTERLY RECORD SET IN Q4 2022

- Revenue totalled $96.8 million, 48% higher than in Q1 2022 reflecting a 38% increase in gold ounces sold, to 36,145 ounces, and was largely unchanged from the quarterly record set in the fourth quarter of 2022 ("Q4 2022").

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STRONG IMPROVEMENT IN OPERATING EARNINGS FROM Q1 2022 AND Q4 2022

- Operating earnings of $8.6 million improved from a Q1 2022 operating loss of $2.3 million and increased 31% from Q4 2022.

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SOLID OPERATING CASH FLOW GENERATION

- Cash flow provided by operating activities before change in non-cash working capital of $28.6 million more than

doubled from the Q1 2022 level of $12.2 million and increased 2% from $28.2 million in Q4 2022.

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EARNINGS PERFORMANCE REFLECTS NON-CASH, OTHER EXPENSES

- Net loss of $2.9 million ($0.02 per share) improved from a net loss of $3.7 million ($0.02 per share) in Q1 2022 and largely reflected non-cash, unrealized losses of $6.2 million and $3.9 million related to derivatives[3] and foreign exchange, respectively; Adjusted earnings totalled $4.8 million ($0.03 per share) versus $1.1 million ($0.01 per share) in Q1 2022 and $8.7 million ($0.05 per share) in Q4 2022.

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CONTINUED PROGRESS WITH GROWTH PLAN

- Development of second (west) decline and first of three ventilation raises at Beta Hunt completed on schedule and budget in Q1 2023; Expansion of Beta Hunt remains on track to support growth to annualized production rate of 2.0 Mtpa during 2024.

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ADDITONAL EXPLORATION SUCCESS HIGHLIGHTS FUTURE POTENTIAL OF BETA HUNT

- Drilling at Beta Hunt continued to extend mineralization at both Western Flanks and the A Zone and to demonstrate the significant potential of the Mason and Cowcill zones to emerge as important new mining opportunities.

SOLID GROWTH IN RESERVES AND RESOURCES[3]

- Gold Mineral Reserves at Beta Hunt increased 12% to 538,000 ounces, with growth in gold Measured and Indicated Mineral Resources of 20% to 1.35 million ounces; Nickel Measured and Indicated Mineral Resources were increased 8% to 21,100 tonnes.

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Paul Andre Huet, Chairman and CEO, commented:

“We are off to a strong start in 2023, with record quarterly production exceeding target levels driven by grade outperformance and higher than expected tonnes mined and processed.

“Our unit costs are tracking in line with our 2023 plan and guidance and improved 14% from last year’s first quarter. We also continued to advance our capital programs on schedule and budget, with the second decline and first of three ventilation raises at Beta Hunt completed during the quarter.

“Overall, the expansion project remains on track to support the mine’s growth to an annualized production rate of 2.0 Mtpa over the course of 2024 and we sit well positioned to achieve all of our production, cost and capital expenditure guidance for full-year 2023.

“A highlight of the quarter was the continued emergence of Beta Hunt as a world-class mine with gold production of 26,577 ounces exceeding planned levels and increasing by 55% from a year ago and 27% from last quarter.

“The mine’s cost performance was excellent, with cash operating costs of $967 per ounce improving from both prior periods. In addition to solid operating performance and effective execution of its growth plan, Beta Hunt also continued to generate very encouraging exploration results.

“We increased our gold mineral reserves and mineral resources during the first quarter and, with the drilling results we are getting, we are very confident that we will continue to grow reserves and resources going forward.

“We are equally confident that, within this world-class gold mine, we are well on our way to establishing a profitable, long-term nickel mining operation that will support further improvement in gold unit costs through higher byproduct credits.

“The “mine within a mine” concept provides Beta Hunt with an important competitive advantage and, with the growth in nickel mineral resources being achieved and the drill results being generated, we fully expect that nickel will become a more substantial component of the Beta Hunt story.

“Turning to HGO, production of 13,250 ounces at HGO exceeded plan and increased 28% from last year’s first quarter. Cash

operating costs improved from a year ago and are expected to trend lower, particularly later in the year when we commence open-pit mining at our Pioneer project.

"Finally, our financial performance in the first quarter was solid, with revenue matching the record level we reported last quarter, operating earnings improving from both prior periods and adjusted earnings more than tripling from a year ago.

"Operating cash flow was strong and, while we recorded a slight decline in our cash position (primarily related to reducing accounts payable), we saw an improvement in working capital from $38.0 million at year end to $43.9 million at the end of the first quarter.

"We expect to see cash growth resume over the course of the year as we execute our expansion plan and deliver operationally into the current strong gold price environment."

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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