

Karora Resources Files Management Information Circular In Connection With Proposed Arrangement

Karora Board and Special Committee unanimously recommend that Shareholders vote FOR the Arrangement

TORONTO, June 21, 2024 /CNW/ - Karora Resources Inc. (TSX: KRR) (OTCQX: KRRGF) ("Karora" or the "Corporation") today announced that it has filed and is in the process of mailing the management information circular (the "Circular") and related materials for the annual general and special meeting (the "Meeting") of shareholders of Karora ("Karora Shareholders") to be held July 19, 2024. At the Meeting, Karora Shareholders will be asked to consider and vote on, among other things, a special resolution (the "Arrangement Resolution") approving a statutory plan of arrangement pursuant to Section 192 of the *Canada Business Corporations Act* (the "Arrangement"), subject to the terms and conditions of an arrangement agreement dated April 8, 2024 (the "Arrangement Agreement") entered into among Karora, Westgold Resources Limited ("Westgold"), 1474429 B.C. Ltd., a wholly owned subsidiary of Westgold, and Culico Metals Inc. (formerly 1000853883 Ontario Inc.) ("SpinCo"), a wholly owned subsidiary of Karora, all as more particularly described in the Circular.

The board of directors of the Corporation (the "Karora Board") believes that the Arrangement will deliver a premium and other benefits to Karora Shareholders. The Karora Board and the special committee established by the Karora Board (the "Special Committee") have unanimously determined that the Arrangement is in the best interests of the Corporation and that the Arrangement is fair to the Karora Shareholders.

The Arrangement can only proceed if, among other conditions, it receives the approval of not less than two-thirds (66⅔%) of the votes cast on the Arrangement Resolution by Karora Shareholders in person or by proxy at the Meeting.

The Special Committee and the Karora Board reviewed and considered a significant amount of information and considered a number of factors relating to the Arrangement, with the benefit of advice from Karora's management, and the respective financial advisors and legal advisors of the Special Committee and the Karora Board. **The Special Committee and the Karora Board unanimously recommends that Karora Shareholders vote FOR the Arrangement Resolution.** See pages 37 to 39 of the Circular for a detailed description of the "Reasons for the Arrangement".

Under the Arrangement Agreement, the parties have agreed to effect the Arrangement, pursuant to which:

- Karora will assign, or cause its applicable direct or indirect subsidiaries to assign, all of their respective ownership interest in the Transferred Assets (as defined in the Circular) to SpinCo;
- Karora will spin out to the holders of Karora Shares at the Effective Time 0.3 of a SpinCo Share for each Karora Share held as at the Effective Time; and
- Westgold will indirectly acquire all of the issued and outstanding Karora Shares, and Karora Shareholders will be entitled to receive for each Karora Share held immediately prior to the Effective Time, (i) \$0.608 in cash and (ii) 2.524 fully paid ordinary shares in the capital of Westgold (each one whole share, a "Westgold Share").

Meeting and Circular

The Meeting of the Karora Shareholders will be held at the offices of Bennett Jones LLP located at One First Canadian Place, 100 King Street West, Suite 3400, Toronto, Ontario M5X 1A4 on July 19, 2024 at 10:00 a.m. (Toronto time). Karora Shareholders of record as of the close of business on June 13, 2024 are entitled to receive notice of and to vote at the Meeting. Karora Shareholders are urged to vote before the proxy deadline of 10:00 a.m. (Toronto time) on July 17, 2024.

The Circular provides important information on the Arrangement and related matters, including the background of the Arrangement, the rationale for the recommendations made by the Special Committee and the Karora Board and voting procedures. Karora Shareholders are urged to read the Circular and its appendices carefully and in their entirety. The Circular is being mailed to Karora Shareholders in compliance with applicable Canadian securities laws. The Circular is available under Karora's profile on SEDAR+ at www.sedarplus.ca and on Karora's website at www.karoraresources.com.

Receipt of Interim Order

Karora is also pleased to announce that the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an interim order dated June 14, 2024 providing for the calling and holding of the Meeting and other procedural matters relating to the Arrangement.

Completion of the Arrangement remains subject to, among other things, the approval of the Arrangement Resolution at the Meeting, applicable

regulatory approvals and receipt of the final order of the Court for the Arrangement.

Other Matters to be Considered at the Meeting

In addition to the Arrangement, at the Meeting, Karora Shareholders will also: (i) be asked to consider an ordinary resolution to approve the omnibus share incentive plan of SpinCo; (ii) receive Karora's audited consolidated financial statements for the year ended December 31, 2023 and the independent auditor's report thereon; (iii) elect Karora's directors; and (iv) vote to appoint PricewaterhouseCoopers LLP as Karora's independent auditors until the close of the next annual meeting of Karora Shareholders and to authorize the directors of Karora to fix their remuneration.

Shareholder Questions and Assistance

Karora Shareholders who have questions or need assistance regarding the Meeting, please contact the Corporation's proxy solicitation agent, Morrow Sodali, by telephone at 1-888-999-2602 (toll-free in North America) or 1-289-695-3075 (collect call outside North America), or by email at assistance@morrrowsodali.com.

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 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 of Directors and management team focused on delivering shareholder value and responsible mining, as demonstrated by Karora's commitment to reducing emissions across its operations. The Karora Shares trade on the TSX under the symbol KRR and on the OTCQX market under the symbol KRRGF.

About Westgold Resources

Westgold Resources Limited (ASX: WGX / OTCQX: WGXRF) is an innovative and progressive West Australian gold producer located in the Murchison and Bryah regions of WA. The company has tenure of more than 1,300 km² and operates four underground mines and three processing plants with an installed processing capacity of approximately four million tonnes per annum.

Operating on a 'hub and spoke' model, Westgold's Murchison mines feed ore to its Meekatharra and Tuckabianna processing hubs and its Bryah Basin mines send ore to the Fortnum hub.

Westgold owns and operates its mines. With this in-house expertise and a modern underground mining fleet, Westgold has greater cost control and operating flexibility. The company offers substantial career development opportunities across multiple operating mines and processing plants.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to: information and statements regarding the Arrangement; the impact of the Arrangement on stakeholders, including the expected benefits to Karora Shareholders; receipt and timing of shareholder, regulatory and court approval of the Arrangement; the timing and ability of Karora to complete the Arrangement (if at all); and the timing and ability of Karora to satisfy the conditions precedent to completing the Arrangement (if at all) as set forth in the Arrangement Agreement; the potential benefits, value and synergies in respect of the Combined Company and the upside potential of Spinco.

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: failure to obtain required regulatory approvals third party consents, including approval of the Court, the TSX and the ASX; failure to obtain approval of the Karora Shareholders; the ability of exploration activities (including drilling) to accurately predict mineralization; errors in geological modelling; 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 (including drilling); accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, projected cash operating costs; and failure to obtain regulatory or shareholder approvals. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to Karora's filings with Canadian securities regulators, including the most recent Annual Information Form, available on SEDAR+ at www.sedarplus.ca.

Although Karora has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and Karora disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

SOURCE Karora Resources Inc.

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