

Leading Independent Proxy Advisory Firm ISS Recommends Karora Resources Shareholders Approve the Proposed Arrangement with Westgold Resources

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TORONTO, July 8, 2024 - [Karora Resources Inc.](#) (TSX: KRR) (OTCQX: KRRGF) ("Karora" or the "Corporation") today announced that Institutional Shareholder Services ("ISS"), a leading independent proxy advisory firm, released a report (the "ISS Report") recommending that Karora shareholders ("Karora Shareholders") vote in favour of the previously announced statutory plan of arrangement (the "Arrangement") with [Westgold Resources Limited](#) ("Westgold").

The ISS Report states, in addition to other things, that "The arrangement carries sound strategic logic as the combined company is expected to deliver meaningful cost synergies, benefit from scale and a stronger financial position, and be more diversified. Karora Shareholders will be able to participate in the upside represented by the combined company through the share consideration, receive some degree of certain and immediate value through the cash portion, and retain additional optionality through the ownership of Spinco."

Details of the Transaction

The Arrangement is outlined in Karora's management information circular (the "Circular") dated June 17, 2024 prepared in respect of the annual general and special meeting (the "Meeting") of Karora Shareholders to be held on July 19, 2024. The proxy deadline for voting is 10:00 a.m. (Toronto time) on July 17, 2024.

The Arrangement is subject to the terms and conditions of an arrangement agreement dated April 8, 2024, as amended (the "Arrangement Agreement"), entered into among Karora, 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.

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

- Westgold will indirectly acquire all of the issued and outstanding common shares of Karora ("Karora Shares"), and Karora Shareholders will be entitled to receive for each Karora Share held immediately prior to the effective time of the Arrangement, (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").
- 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; and
- Karora will spin out to the Karora Shareholders, at the effective time of the Arrangement, 0.3 of a SpinCo Share for each Karora Share held as at the effective time.

Special Committee and Board Recommendations

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. Karora Shareholders are encouraged to read the Circular, including pages 37 to 39 of the Circular, for a detailed description of the "Reasons for the Arrangement".

Amendment to Arrangement Agreement - Australian Government Takeovers Panel

On May 29, 2024, the Australian Government Takeovers Panel (the "Panel") issued a release advising that it had received an application from [Ramelius Resources Ltd.](#) ("Ramelius"), challenging identified elements of the Arrangement Agreement, and seeking a declaration of "unacceptable circumstances" in relation to those

elements. After receiving submissions from Ramelius, Westgold, Karora and the Australian Securities and Investments Commission, on July 8, 2024, the Panel issued a release advising that it had accepted undertakings from Westgold and Karora, and had declined to make a declaration of unacceptable circumstances.

The undertakings address concerns expressed by the Panel in relation to the non-solicitation provisions in the Arrangement Agreement, in particular the effectiveness of the "fiduciary out". The Panel accepted undertakings from Karora and Westgold to amend the relevant provisions of the Arrangement Agreement as sufficient to reduce fetters or constraints on the "fiduciary out".

For further information, please refer to the media release titled "Westgold Resources Limited - Panel Accepts Undertakings and Declines to Make a Declaration", published on July 8, 2024 by the Panel.

Karora and Westgold have entered into an agreement to amend the Arrangement Agreement (the "Amending Agreement") consistent with the undertakings. A copy of the Amending Agreement will be available under Karora's profile on SEDAR+ at www.sedarplus.ca.

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 has been mailed to Karora Shareholders in compliance with applicable Canadian corporate and 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.

Completion of the Arrangement remains subject to, among other things, the approval of the special resolution with respect to the Arrangement at the Meeting, applicable regulatory approvals and receipt of the final order of the Court for the Arrangement.

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@morrow sodali.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 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 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: WGXR) 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.

Contact

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