



KARORA RESOURCES INC.

NOTICE AND MANAGEMENT INFORMATION CIRCULAR

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 10, 2021

MAY 7, 2021

**KARORA RESOURCES INC.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of shareholders of Karora Resources Inc. (the "**Corporation**") will be held on June 10, 2021 at 9:00 a.m. (Toronto time).

This year, out of an abundance of caution, to proactively deal with the public health impact of coronavirus disease 2019, also known as COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, the Corporation will hold the Meeting in a virtual only format, which will be conducted via live audio webcast at <https://web.lumiagm.com/266248004>. Shareholders will have an equal opportunity to participate at the annual meeting online regardless of their geographic location.

The Meeting will be held for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2020, together with the auditors' report thereon;
2. to elect the directors of the Corporation;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; and
4. to transact such other business as may properly come before the Meeting or any postponement or adjournment thereof.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice. If you are not able to attend the Meeting online, please exercise your right to vote by signing and returning the enclosed form of proxy, if by mail or delivery, to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department, so as to arrive not later than 9:00 a.m. (Toronto time) on the second business day preceding the date of the Meeting or any postponement or adjournment thereof. The time limit for the deposit of proxies may be waived or extended by the chairman of the Meeting at his discretion, without notice. You may also vote by telephone or via the Internet by following the instructions on the form of proxy. If you vote by telephone or via the Internet, completion or return of the proxy form is not needed. If you execute the form of proxy, you may still attend the Meeting. Only registered shareholders and duly appointed proxyholders may vote in person at the Meeting.

The Corporation is holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including non-registered shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

BY ORDER OF THE BOARD

(signed) Paul Huet

Toronto, Ontario
May 7, 2021

Paul Huet
Chairman and Chief Executive Officer

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KARORA RESOURCES INC.
MANAGEMENT INFORMATION CIRCULAR
GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (this "Circular") is furnished in connection with the solicitation by management of Karora Resources Inc. ("Karora" or the "Corporation") of proxies to be used at the annual meeting (the "Meeting") of the shareholders of the Corporation on June 10, 2021 at 9:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the notice of the Meeting that accompanies this Circular (the "Notice of Meeting"). The Meeting will be held in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Meeting online is provided below. It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The total cost of the solicitation will be borne directly by the Corporation.

Virtual Meeting

Karora is holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person.

Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including non-registered shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Guests, including non-registered beneficial shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to vote.

- Log in online at <https://web.lumiagm.com/266248004>. We recommend that you log in at least one hour before the Meeting starts.
- Click "Login" and then enter your Control Number (see below) and Password "karora2021".

OR

- Click "Guest" and then complete the online form.

Registered shareholders: The control number located on the form of proxy or in the email notification you received is your Control Number.

Duly appointed proxyholders: Computershare Investor Services Inc. (the "**Transfer Agent**") will provide the proxyholder with a Control Number by e-mail after the proxy voting deadline has passed and the proxyholder has been duly appointed AND registered as described in "*Appointment and Revocation of Proxies*" below.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure. **In order to participate online, shareholders must have a valid 15-digit control number, and proxyholders must have received an email from the Transfer Agent containing a username.**

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified in such form of proxy to attend and act on behalf of such shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy and returning it in the manner set forth in the form of proxy. In order to receive a username, shareholders must also register their duly appointed proxyholder after they have submitted their form of proxy by visiting <https://www.computershare.com/karora> by 9:00 a.m. June 8, 2021 and provide the Transfer Agent with their proxyholder's contact information, so that the Transfer Agent may provide the proxyholder with a Username via email.

A shareholder who has given a proxy may revoke it (i) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing either at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment or postponement thereof, or if you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy, or (ii) in any other manner permitted by law.

If a you are using a 15-digit control number to login to the online meeting and accept the terms and conditions, the shareholder or duly appointed proxyholder will be revoking any and all previously submitted proxies. In such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

Exercise of Discretion

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting. At the date of the Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

The time limit for the deposit of proxies may be waived or extended by the chairman of the Meeting at his discretion, without notice.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include,

among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific voting instructions, brokers and their nominees are prohibited from voting common shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

In Canada, the majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**"). Broadridge typically supplies a voting instruction form ("**VIF**") and asks Beneficial Shareholders to return the completed forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a form from Broadridge cannot use that form to vote common shares directly at the Meeting. The form must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted. Beneficial Shareholders who appoint themselves as a proxyholder MUST register with the Transfer Agent at <https://www.computershare.com/karora> after submitting their voting instruction form in order to receive a Username.**

In addition, the Corporation has decided to take advantage of certain provisions of applicable securities regulatory requirements that permit it to deliver meeting materials directly to non-objecting beneficial owners. These materials are being sent to both registered and non-registered owners of common shares. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, you can expect to receive a scannable VIF from the Corporation's Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided. In addition, the Transfer Agent provides both telephone voting and Internet voting as described on the VIF. The Transfer Agent will tabulate the results of the VIFs received and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

Record Date

May 10, 2021 has been set as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such record date are entitled to vote at the Meeting.

Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of special shares, issuable in series. As of the date of this Circular, there were 146,702,588 common shares and nil special shares of the Corporation issued and outstanding. Each holder of common shares as of the record date is entitled to one vote in respect of each common share held by such holder.

To the knowledge of the directors and executive officers of the Corporation, based on publicly available information as of the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, common shares carrying 10% or more of the voting rights attached to common shares of the Corporation.

Interest of Certain Persons in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of common shares or otherwise, of any director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting (other than the election of directors).

Information Incorporated by Reference

This Circular incorporates by reference information disclosed in the annual information form of the Corporation dated as of March 29, 2021 (the "**Annual Information Form**"), which is available on SEDAR (www.sedar.com) under Karora's issuer profile. Upon request, the Corporation will promptly provide a copy of the Annual Information Form free of charge to a shareholder of the Corporation.

All dollar amounts referred to in this Circular are in Canadian dollars unless otherwise stated.

BUSINESS OF THE MEETING

Election of Directors

Management Nominees

In accordance with the Articles of incorporation of the Corporation (the "**Articles**") and By-laws of the Corporation, the board of directors of the Corporation (the "**Board**") must be comprised of a minimum of three (3) directors and a maximum of ten (10) directors. At the Meeting, it is proposed that the directors whose names are set forth below be elected to the Board. Each nominee for election as a director is currently a director of the Corporation. All directors elected will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

The Corporation has had a majority voting policy in place since 2013. The policy stipulates that, except in a contested meeting, if a director nominee receives a greater number of votes withheld for his or her election than votes for his or her election, the nominee will submit his or her resignation promptly after the Meeting. Absent exceptional circumstances, the Board will accept the resignation. The Board's decision to accept or reject the resignation offer will be disclosed to the public. Subject to certain exceptions, the nominee will not participate in any committee or Board deliberations on the resignation offer. Each of the proposed nominees listed in the table below has agreed to comply with the terms of the policy.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting for one or more nominees in the election of directors, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees whose names are set forth below.

The table set forth below lists each nominee's name, bio and other relevant information, including the number of stock options and other share-based awards held by each nominee, all as at the date hereof.

Nominees for Election as Directors	Number of Common Shares ⁽¹⁾	Number of Options ⁽²⁾	Number of Awards ⁽²⁾
<p>PAUL HUET Chairman and Chief Executive Officer Nevada, USA Age: 52 Director since November 19, 2018 Non-Independent Director Board meetings attended in 2020: 100% (8 of 8) Technical, Safety and Sustainability Committee meetings attended in 2020: 100% (5 of 5)</p>	165,771	243,721	702,200 RSUs 231,992 PSUs
<p>Mr. Huet is the Chairman and Chief Executive Officer of the Corporation. Mr. Huet served as the Executive Chairman from February 25, 2019 until July 18, 2019, when he was appointed Chairman and interim Chief Executive Officer, the "interim" portion of his title was removed in August 2019. Previously, Mr. Huet was President, Chief Executive Officer and Director of Klondex Mines from 2012 - 2018, until its acquisition by Hecla Mining Company. Mr. Huet has a strong command of capital markets and has served in all levels of engineering and operations of Mining. Mr. Huet graduated with Honors from the Mining Engineering Technology program at Haileybury School of Mines in Ontario, and successfully completed the Stanford Executive program at the Stanford School of business. In 2013 Mr. Huet was nominated for the Premiers Award in Ontario for outstanding College graduates; he is currently a member of OACETT as an applied Science Technologist and an Accredited Director.</p> <p>Mr. Huet serves as Chair of the Board and is a member of the Technical, Safety and Sustainability Committee.</p>			
<p>SCOTT M. HAND Lead Director Massachusetts, USA Age: 78 Director since June 27, 2008 Independent Director Board meetings attended in 2020: 100% (8 of 8) Audit Committee meetings attended in 2020: 100% (4 of 4) Corporate Governance and Nominating Committee meetings attended in 2020: 100% (2 of 2) Technical, Safety and Sustainability Committee meetings attended in 2020: 100% (5 of 5)</p>	954,860	729,332	172,994 DSUs 17,333 SARs 285,492 RSUs
<p>Mr. Hand is the Lead Director of the Company, a position held since February 2019. He served as the Executive Chairman of the Company from November 2009 until February 2019. He is also a founder and Executive Chairman of Kharrouba Copper Company Inc. (copper mining in Morocco), Lead Director of Boyd Technologies LLC (services and products to the medical and life science industries), and a member of the Board of Trustees of the Massachusetts Museum of Contemporary Art. He is a former director of Fronteer Gold Inc. (sold to Newmont Mining in 2011), Legend Gold Corp., Chinalco Mining Corporation International (copper mining in Peru) and Manulife Financial Corporation. Mr. Hand was the Chairman and Chief Executive Officer of Inco Limited from April 2002 until he retired from Inco in January 2007. Prior to that, Mr. Hand was President of Inco Limited and held positions in Strategic Planning, Business Development and Law. Mr. Hand received a Bachelor of Arts degree from Hamilton College, a Juris Doctorate degree from Cornell University and an Honorary degree from Memorial University of Newfoundland and Labrador.</p> <p>Mr. Hand serves as a member of the Audit Committee, the Corporate Governance and Nominating Committee and the Technical, Safety and Sustainability Committee.</p>			

Nominees for Election as Directors	Number of Common Shares ⁽¹⁾	Number of Options ⁽²⁾	Number of Awards ⁽²⁾
<p>PETER GOUDIE New South Wales, Australia Age: 72</p> <p>Director since July 17, 2008</p> <p>Independent Director</p> <p>Board meetings attended in 2020: 100% (8 of 8)</p> <p>Audit Committee meetings attended in 2020: 100% (4 of 4)</p> <p>Corporate Governance and Nominating Committee meetings attended in 2020: 100% (2 of 2)</p> <p>Human Resources and Compensation Committee meetings attended in 2020: 100% (6 of 6)</p> <p>Technical, Safety and Sustainability Committee meetings attended in 2020: 100% (5 of 5)</p>	369,269	353,110	81,407 DSUs 11,555 SARs 140,381 RSUs
<p>WENDY KEI Toronto, Ontario Age: 53</p> <p>Director since June 26, 2018</p> <p>Independent Director</p> <p>Board meetings attended in 2020: 100% (8 of 8)</p> <p>Audit Committee meetings attended in 2020: 100% (4 of 4)</p> <p>Human Resources and Compensation Committee meetings attended in 2020: 100% (6 of 6)</p> <p>Corporate Governance and Nominating Committee meetings attended in 2020: 100% (4 of 4)</p>	-	197,555	54,691 DSUs 78,925 RSUs

Mr. Goudie is currently retired from full-time employment (and has been for the past five years). He was Executive Vice President (Marketing) of Inco Limited and then Vale Inco from January 1997 to February 2008. Mr. Goudie was also responsible for the strategy, negotiation, construction and operation of Inco's joint venture production projects in Asia. He was employed with Inco since 1970 in increasingly more senior accounting and financial roles in Australia, Indonesia, Singapore and Hong Kong, before becoming Managing Director (later President and Managing Director) of Inco Pacific Ltd. in Hong Kong in 1988. He is an Australian CPA.

Mr. Goudie serves as Chair of the Corporate Governance and Nominating Committee, and is a member of the Audit Committee, the Human Resources and Compensation Committee and the Technical, Safety and Sustainability Committee.

Ms. Kei's principal occupation is corporate director. She currently serves on the boards of Ontario Power Generation Inc. (she joined in March 2017) where she is Chair of the Board, and Noranda Income Fund (TSX: NIF.UN) (she joined in June 2020) where she is the Chair of the Audit Committee. She also serves as a member of the Department of Audit Committee for Transport Canada (she joined in May 2019). Ms. Kei is an accomplished Finance Executive with over 25 years of business experience in a variety of industries. Ms. Kei previously served as Chief Financial Officer of Dominion Diamond Corporation. Ms. Kei is a Fellow Chartered Professional Accountants of Ontario (FCPA, FCA), holds an ICD.D designation from the Institute of Corporate Directors and holds a Bachelor of Mathematics from the University of Waterloo. Ms. Kei was named one of Canada's Top 100 Most Powerful Women in 2020 and was selected as a Diversity 50 2016 Candidate by the Canadian Board Diversity Council. Ms. Kei has completed over 200 hours of continuing education from 2018 to 2020 focused on, among other things, board governance, best practices for audit committees and various topics related to the mining sector.

Ms. Kei serves as Chair of the Audit Committee, and is a member of the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee.

Nominees for Election as Directors	Number of Common Shares ⁽¹⁾	Number of Options ⁽²⁾	Number of Awards ⁽²⁾
<p>WARWICK MORLEY-JEPSON Johannesburg, South Africa</p> <p>Age: 62</p> <p>Director since February 25, 2019</p> <p>Independent Director</p> <p>Board meetings attended in 2020: 100% (8 of 8)</p> <p>Human Resources and Compensation Committee meetings attended in 2020: 100% (6 of 6)</p> <p>Corporate Governance and Nominating Committee meetings attended in 2020: 100% (4 of 4)</p> <p>Technical, Safety and Sustainability Committee meetings attended in 2020: 100% (5 of 5)</p>	25,058	197,555	13,041 DSUs 133,442 RSUs
	<p>Mr. Morley-Jepson's principal occupation is Chairman of Wesdome Gold Mines (since June 2019; he joined the board in June 2017). He previously served as Executive Vice President and Chief Operating Officer of Ivanhoe Mines from August 2019 to May 2020 and Kinross Gold Corporation from October 2014 to December 2016, and as Senior Vice President, Operations, and Regional Vice President - Russia, between October 2009 and October 2014. Prior to joining Kinross, Mr. Morley-Jepson served as Chief Executive Officer of SUN Gold and was Managing Director of Barrick Africa, Barrick Platinum South Africa and three Russian-based companies in the Barrick group. He spent several years with Placer Dome leading their South African project and business development efforts. Mr. Morley-Jepson graduated in the faculty of Mechanical Engineering (HND) at the Technicon Witwatersrand now the University of Johannesburg. He has undertaken a number of technical, managerial and financial programs during his career, most notably the 'Management Development Program' at Graduate School of Business, Cape Town University and 'Management in the Mining Industry' at Witwatersrand School of Business, University of the Witwatersrand. Most recently, in February 2012, Finance for Senior Executives at Harvard Business School. Mr. Morley-Jepson is a member of the Canadian Institute of Corporate Directors.</p> <p>Mr. Morley-Jepson serves as Chair of the Technical, Safety and Sustainability Committee, and serves as a member of the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee.</p>		
<p>CHAD WILLIAMS Toronto, Ontario</p>	25,555	-	7,379 DSUs 88,400 RSUs

Nominees for Election as Directors	Number of Common Shares ⁽¹⁾	Number of Options ⁽²⁾	Number of Awards ⁽²⁾
<p>Age: 55</p> <p>Director since January 6, 2020</p> <p>Independent Director</p> <p>Board meetings attended in 2020: 100% (8 of 8)</p> <p>Human Resources and Compensation Committee meetings attended in 2020: 100% (4 of 4)</p> <p>Corporate Governance and Nominating Committee meetings attended in 2020: 100% (2 of 2)</p> <p>Technical, Safety and Sustainability Committee meetings attended in 2020: 100% (3 of 3)</p>	<p>Mr. Williams has an extensive background in mining finance and business management. He is the Chairman and Founder of Red Cloud Mining Capital and the Executive Chairman of Blue Thunder Mining Inc. In addition to this, Mr. Williams is a director of several emerging mining companies. He is a founder of Agilith Capital Inc., as well as Westwind Capital Inc. He is also the former CEO of Victoria Gold Corp., as well as the former Head of Mining Investment Banking at Blackmont Capital Inc. Prior to these positions, Mr. Williams was a top-ranked mining analyst at TD Securities and other Canadian brokerage firms in Toronto. Mr. Williams is currently a member of the Association of Professional Engineers of Ontario, having received a Bachelor of Mining Engineering degree from McGill University before going on to receive his MBA from the same alma mater.</p> <p>Mr. Williams serves as Chair of the Human Resources and Compensation Committee, and is a member of the Corporate Governance and Nominating Committee and the Technical, Safety and Sustainability Committee.</p>		

Notes:

- (1) The information as to the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the directors, including those which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors.
- (2) For additional information regarding Options and Awards held by directors, please see "*Statement of Executive Compensation – Director Compensation*".

Scott M. Hand was a director of Royal Coal Corp. during the period from August 2010 until May 2012. On May 3, 2012, a cease trade order was issued against Royal Coal Corp. by the Ontario Securities Commission for failure to file annual financial statements. On May 17, 2012, Royal Coal Corp. announced that it received notice from the TSX Venture Exchange that the TSX Venture Exchange had suspended trading in Royal Coal Corp.'s securities as a result of the cease trade order.

Shareholder Nominees

Pursuant to section 5.10 of the Corporation's By-Law No. 2, nominations by shareholders for the election of directors at the Meeting (other than nominations by shareholders pursuant to a shareholder proposal or a requisitioned meeting), are to be received by the Corporation by 5:00 p.m. (Toronto time) on May 11, 2021.

Appointment of Auditors

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, who were first appointed as auditors of the Corporation on May 25, 2009.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.

Disclosure of fees received by PricewaterhouseCoopers LLP and its affiliates from the Corporation for the financial years ended December 31, 2020, and December 31, 2019, is set out under the heading "*Audit Committee Information – External Audit Fees*" in the Corporation's Annual Information Form dated March 19, 2021 which is available on SEDAR (www.sedar.com) under Karora's issuer profile.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Background

This Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, payable, granted, given or otherwise provided by the Corporation to the following individuals (collectively, the "Named Executive Officers" or "NEOs"):

- (a) Paul Huet, Chairman and Chief Executive Officer;
- (b) Timothy Hollaar, former Chief Financial Officer. For the most recently completed year, Mr. Hollaar was Chief Financial Officer until February 28, 2020. From March 1, 2020 onwards, Mr. Hollaar assumed the role of Vice President, Finance;
- (c) Barry Dahl, Chief Financial Officer. For the most recently completed financial year, Mr. Dahl became Chief Financial Officer as of March 1, 2020;
- (d) Michael Doolin, Senior Vice President, Technical Services as of October 1, 2020;
- (e) Graeme Sloan, Managing Director, Australia; and
- (f) Oliver Turner, Executive Vice President.

All dollar amounts referred to in this Circular are in Canadian dollars unless otherwise stated.

Role of Human Resources and Compensation Committee

The compensation program of the Corporation is administered by the Board with the assistance of the Human Resources and Compensation Committee ("**Human Resources and Compensation Committee**"). The Human Resources and Compensation Committee currently consists of four directors, being Mr. Chad Williams, as chairman, Mr. Peter Goudie, Ms. Wendy Kei and Mr. Warwick Morley-Jepson. All members of the Human Resources and Compensation Committee are independent directors of the Corporation. The Board, with the assistance of the Human Resources and Compensation Committee, reviews and makes decisions in respect of compensation matters relating to senior executives and directors of the Corporation, ensuring consistent application of matters relating to remuneration, competitive remuneration and policies to attract and retain talent and ensuring that executive remuneration is consistent with industry standards. The Human Resources and Compensation Committee reviews the Corporation's approach to human resource matters to ensure that the Corporation has appropriate policies in place to hire, develop and retain the human resources necessary to achieve the Corporation's goals and objectives.

The responsibilities of the Human Resources and Compensation Committee include assisting the Board with respect to, among other things: (a) developing a compensation philosophy and policies; (b) reviewing and approving goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the performance of the Chief Executive Officer in light of those goals and objectives and making recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; (c) reviewing and making certain determinations with respect to the compensation of senior executives other than the Chief Executive Officer; (d) succession planning in respect of senior management; (e) making recommendations to the Board with respect to the form of compensation of the directors; and (f) reviewing executive compensation disclosure.

In addition to the Human Resources and Compensation Committee members' general business experience, the following direct experience (and the skills gained from this experience) is also relevant to their responsibilities to make decisions on the suitability of the Corporation's compensation policies and practices.

- *Mr. Goudie.* Mr. Goudie has held a number of management positions throughout his career, certain responsibilities of which involved compensation matters.
- *Ms. Kei.* Ms. Kei's extensive finance, leadership and corporate governance experience within the resource and energy sectors allow her to provide the Human Resources and Compensation Committee with expertise in compensation.
- *Mr. Morley-Jepson.* Mr. Morley-Jepson has held a number of management positions throughout his career, certain responsibilities of which involved compensation matters.
- *Mr. Williams.* Mr. Williams has extensive experience in mining finance and management, having previously held the positions of CEO of Victoria Gold Corp., Head of Mining Investment Banking at Blackmont Capital Inc. and a mining analyst at TD Securities and other Canadian brokerage firms. Several of these management and other positions involved compensation matters.

Karora's overall corporate strategy and vision is to be a sustainable and responsible gold mining company that evolves into a mid-tier producer through the exploration, acquisition and development of a high-quality portfolio of precious metal assets. The Corporation seeks to be a strong and supportive partner in our communities, and to our employees, shareholders and business partners, by consistently creating sustainable value through the safe and responsible exploration, development and operation of our mining assets.

The Human Resources and Compensation Committee and Board recognize that Karora's NEOs are critical to the achievement of the company's overall strategy and vision, and that compensation plays an important role in achieving the short-term and long-term objectives that ultimately drive success and shareholder value.

The Human Resources and Compensation Committee, on behalf of the Corporation, has engaged an independent consulting firm (the "**Compensation Consultant**") to advise and assist in the development of compensation policies and benchmarking of executive and directors' remuneration. This includes working with the Human Resources and Compensation Committee and Board to identify an appropriate peer group to be used for executive compensation benchmarking. The Human Resources and Compensation Committee considers the results of benchmarking exercises and makes related NEO and Director compensation recommendations to the Board. The Compensation Consultant also assists the Human Resources and Compensation Committee in fulfilling related executive and Board compensation matters. In 2020 and in prior years, The Human Well has served as Compensation Consultant.

Compensation Policies

The Human Resources and Compensation Committee develops compensation policies, which are reviewed and approved by the Board, to guide compensation decisions made by the Human Resources and Compensation Committee and Board. The Corporation's policies reflect the Board's philosophy regarding executive compensation:

- competitive level - sufficient to attract, retain and motivate high-performing senior executives with the skills necessary to achieve the Corporation's strategy;
- aligned directly to the successful achievement of the goals of the Corporation with personal performance objectives that cascade from the approved strategy;
- motivate execution of goals and objectives in a manner that is consistent with the Corporation's vision, mission and values; and
- align the interests of senior executives with those of the Corporation's shareholders.

Benchmarking

The Human Resources and Compensation Committee in 2019 engaged the Compensation Consultant to perform a benchmarking study and recommended updates to the comparator group for application to compensation planning. As part of this benchmarking process, the Corporation's compensation program is compared to a comparator group of mining companies primarily in North America with comparable market capitalizations. The policy of the Corporation is to set compensation targets at the 50th percentile of the comparator group for base pay and the 75th percentile for pay at risk (e.g. short-term incentive and long-term incentive, as detailed further below) resulting in Total Compensation targets for requisite performance falling between the 50th and 75th percentile.

While a formal benchmarking process was not conducted in 2020, the Compensation Consultant provided extensive input and direction to the Human Resources and Compensation Committee with respect to changes to LTI and other compensation-related items that were considered and made in 2020 (which changes are described and reflected in this Circular - see, for example, "*Long-Term Incentives – Target Awards and Payout Amounts*" below).

A benchmarking exercise has been initiated in 2021, with the results thereof (expected by July 2021) to guide compensation decisions going forward.

The table below sets forth the consideration paid to The Human Well as Compensation Consultant during the two most recently completed financial years.

Fees of Compensation Consultants and Advisors	Year ended Dec 31, 2020	Year ended Dec 31, 2019
Executive Compensation-Related Fees	\$79,148	\$61,553
All Other Fees	\$0	\$58,821

Significant Commitments and Investments made by Senior Management and Directors

The Human Resources and Compensation Committee acknowledges the significant investments made by senior management and the Board by agreeing to, and in some cases offering to, take various measures to improve the cash flow position of the Corporation, allowing it greater flexibility to manage its affairs. These measures, which have in the past included agreements to take shares, deferred share units ("**DSUs**") and restricted share units ("**RSUs**") in lieu of cash salary and directors fees, also represent an investment by such senior management and members of the Board in the equity of the Corporation and alignment of interests with shareholders. Notably, Mr. Paul Huet, Chairman and Chief Executive Officer of the Corporation, received 57% of his total compensation as Chairman and CEO in equity-based securities (RSUs and performance share units), and Board members together elected to receive a total of \$171,869 of their 2020 base retainers in the form of RSUs or DSUs (in lieu of cash). These elections are effectively an investment in the Corporation and represent further additional alignment with the interests of shareholders. See "*NEO Summary Compensation Table*" below.

Elements of Compensation

Compensation paid to the NEOs for the financial year ended December 31, 2020 comprised the following components:

Base Salary

Base salary is designed to remunerate the NEOs for discharging their duties and responsibilities and therefore takes into account the position and responsibilities of the NEO, previous experience, prior performance and anticipated contribution.

Short-term Incentive Compensation

In addition to base salary, the NEOs are eligible to receive an annual incentive based on the achievement of annual performance objectives. The Chief Executive Officer proposes annual objectives, which are reviewed and discussed with the Human Resources and Compensation Committee, and upon agreement recommended to the Board for

approval. For the other NEOs, the performance objectives cascade from the Chief Executive Officer's objectives and the Corporation's strategy and key milestones and reflect the individual's position and responsibilities. These objectives are developed by the Chief Executive Officer with the Human Resources and Compensation Committee. The target incentive for each NEO is included in his or her employment contract expressed as a percentage of base salary, and are benchmarked to the comparator group.

The Human Resources and Compensation Committee reviews the performance of the Chief Executive Officer, with input from the Board, and the performance of the other NEOs, with input from the Chief Executive Officer, based on deliverables against objectives. The Human Resources and Compensation Committee and Board considered all these factors as well as the financial position of the Corporation and the need to retain the key talent in the organization when awarding annual incentive payments. For 2020, the key overall corporate objectives established for the Chief Executive Officer and the other NEOs focused on (i) the health and safety of the Corporation's employees and contractors, (ii) the performance of the Corporation's share price relative to peers, (iii) 2020 gold production, (iv) all in sustaining costs, and (v) total free cash flow. See "*Performance Score*" below.

Long-term Incentive Compensation (Share-Based Incentive Awards Program)

Long-term incentives are intended to align the interests of NEOs with the long-term interests of shareholders by motivating NEOs to increase shareholder value over time. Such incentives also serve as an important retention tool for the Corporation's senior management. Targets for long-term incentives are benchmarked to the comparator group and are included in each NEO's employment contract. Such targets consider the value of the NEO's contribution to the long-term success of the Corporation and the percentage of compensation that the Human Resources and Compensation Committee determines should be at risk. The Corporation updated its long-term incentives program in 2020 to better align with shareholder interests, with 50% of long-term incentive ("**LTI**") awards made to management in the form of performance share units ("**PSUs**"), under which vesting occurs over three years dependant upon the relative share performance of the Karora common shares versus its comparator group. The remaining 50% of the LTI grants made to management were made in the form of three-year time-vested RSUs. RSUs and PSUs are issuable under the Corporation's share incentive plan (the "**Share Incentive Plan**"), which also allows for the issuance of stock options, RSUs, PSUs, DSUs, share appreciation rights ("**SARs**") and other share-based awards. This change did not affect the value of the LTI awards made to management. For additional information regarding Options and Awards, please see "*Incentive Plan Awards – Share Incentive Plan*".

Perquisites and Benefits

The Corporation provides basic perquisites and benefits to its NEOs, including health and dental benefits and life insurance. All of the NEOs have termination and change of control provisions in their employment agreements. The Corporation does not provide a pension plan for NEOs.

Risks Associated with the Corporation's Compensation Policies and Practices

The Human Resources and Compensation Committee manages the Corporation's compensation policies and practices and provides oversight to ensure that senior executives consider the risks associated with their decisions and actions. The Human Resources and Compensation Committee is confident that these policies and practices, along with its overview, ensure that NEO incentives do not motivate the taking of inappropriate or excessive risk. Policy features include:

- quantitative metrics are used to determine the amount of awards to NEOs under the Corporation's Share Incentive Plans;
- a significant level of LTI is delivered in RSUs and PSUs, which are earned over time and in the case of PSUs are dependent upon relative performance of Karora's common shares to its peer group;
- a comprehensive Code of Conduct and a Whistleblower Policy that encourages reporting of imprudent corporate behaviour;

- a Human Resources and Compensation Committee that is comprised entirely of independent directors; and
- that NEOs are subject to a claw-back policy providing for the recovery of certain incentive compensation paid to the executive officers and other members of management in cases of a material restatement of the Corporation's financial statements. See description of "Clawback Policy" below.

NEO Purchases of Financial Instruments

Pursuant to the terms of the Corporation's Insider Trading Policy, all trades in the Corporation's securities by personnel, including NEOs and directors, must be pre-approved by the CEO or CFO. Personnel are also prohibited from selling securities of the Corporation short or buying or selling call or put options or other derivatives in respect of the Corporation's securities, and from entering into other transactions that have the effect of hedging the economic value of any direct or indirect interests of such personnel in the equity of the Corporation.

Performance Graph

The following graph compares the total cumulative shareholder return for \$100 invested in common shares of the Corporation with the total cumulative return of the S&P/TSX Global Base Metals Index since December 31, 2015:



	31-Dec-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019	31-Dec-2020
Common Shares of Karora on the TSX	\$100	\$156	\$100	\$267	\$278	\$465
S&P/TSX Global Mining Index	\$100	\$142	\$163	\$153	\$186	\$229
S&P/TSX Global Gold Index	\$100	\$150	\$151	\$144	\$202	\$243
GDXJ ETF	\$100	\$164	\$178	\$157	\$220	\$282

The VanEck Vectors Junior Gold Miners ETF (GDXJ) tracks a market-cap-weighted index of global gold- and silver-mining firms, focusing on small caps. The S&P/TSX Global Mining Index is an investable index that provides investors with a broadly representative benchmark for global mining portfolios. The S&P/TSX Global Gold Index is both broadly representative and an investable index. As such, it is difficult to directly compare the Corporation's NEO compensation with the trends reflected in the graph above (many members of this index are diversified, dividend paying and have much larger market capitalizations).

The Corporations' relative share price performance in 2020 is noteworthy – KRR shares increased by 67.3% during 2020, as compared to increases of 23.1% for the S&P/TSX Global Mining Index, 20.3% for the S&P/TSX Global Gold Index, and 28.2% for the GDXJ ETF.

The Corporation's executive compensation package is designed to attract, retain and motivate high-performing senior executives with the skills and experience necessary to achieve the Corporation's strategy and grow the business through both adverse and favourable economic cycles. A significant portion of NEO compensation is based on long-term incentives with the ultimate value tied directly to the Corporation's share price performance.

Short-Term Incentive Awards - Performance Scores

Individual performance is assessed on performance relative to the goals and objectives determined at the beginning of the year, based on high-priority overall corporate objectives ("**Corporate Objectives**") and in some cases individualized objectives targeted at specific deliverables of the subject executive ("**Individual Objectives**").

In assessing corporate performance, it is recognized that executive officers cannot control certain factors, such as interest rates and the market prices for gold produced by the Corporation. When applying the corporate performance criteria, the Human Resources and Compensation Committee considers factors over which the executive officers can exercise control, such as production targets, control of costs, safety performance and the enhancement of competitive and business prospects of the Corporation. In determining payout targets, the Human Resources and Compensation Committee considers other similar companies in the mining industry.

In assessing the 2020 personal performance score used for determining short term incentive plan ("**STI**") awards, the Human Resources and Compensation Committee evaluated progress against the Corporate Objectives and Individual Objectives for all NEOs. Individual Objectives varied by NEO to account for the different roles served by each person and the different goals of the Corporation believed by the Human Resources and Compensation Committee to most highly correlate with the performance of such NEO. Each of the executive officers' STI awards were determined based on what the Human Resources and Compensation Committee determined to be weightings between corporate and individual objectives, based on the role of the particular executive officer.

For each of the Corporate Objectives, the Human Resources and Compensation Committee adopted graduated scale of payout percentages based on meeting or exceeding such targets, with payout percentages for each corporate objective, based on the Corporation's performance against the specified target ranges. In all cases, the Human Resources and Compensation Committee retained the ability to make any discretionary adjustments it deemed to be appropriate, taking into account all factors and circumstances. In assessing the executive officers' level of achievement in respect of Individual Objectives, the Human Resources and Compensation Committee assigned a score from 0% to 150% for each objective based on how the executive officer's performance in respect of the particular target objective.

Corporate Objectives represent 60% of the STI weighting for each executive, with the remaining 40% of each executive's STI weighting being made up of Individual Objectives.

The following sets out the established Corporate Objectives for the Corporation for 2020, actual results for 2020, along with the scale (where applicable) of payout percentages for each objective and payout score assigned for each objective based on the Corporation's 2020 performance against such metrics.

Corporate Objective	2020 Objectives	2020 Actual	Scale of Payout Percentage				2020 Payout Score
			0%	50%	100%	150%	
Share prices Comparison of 2020 KRR share price performance to that of comparator group	Increase of 37.7% (the comparator group rose by 37.7% in 2020)	Increase of 67.6% (179% of target)	<20%	20% - 80%	80% - 120%	>120%	150%

Corporate Objective	2020 Objectives	2020 Actual	Scale of Payout Percentage				2020 Payout Score
			0%	50%	100%	150%	
Health, Safety & Environment The percentage reduction in medical time injury and loss time injury frequency rate relative to 2019	Reduction of 15%	Reduction of 45.8% (305.6% of target)	<0%	0% - 50%	50% - 100%	>100%	100%
Production In gold ounces	96,537 ounces	99,250 ounces (102.8% of target)	<90%	90% - 100%	100% - 120%	>120%	100%
All-In-Sustaining Costs Per ounce	A\$1,481 per ounce	A\$1,481 per ounce (100% of target)	>105%	100% - 105%	95% - 100%	<95%	100%
Cash Total free cash flow (in Australian dollars)	A\$49.9 million	A\$59.3 million (121.2% of target)	<90%	90% - 100%	100% - 130%	>130%	100%

The following shows the weighting given by the Human Resources and Compensation Committee to each corporate objective in the table below, the score awarded by the Human Resources and Compensation Committee in respect of each objective (as determined by the scoring scale) and the resulting weighted scores and total weighted average score.

Corporate Objective	Weight (A)	Score (B)	Weighted Score (A x B)
Share Prices	20%	150%	30.0%
Health, Safety & Environment	20%	100%	20.0%
Production	20%	100%	20.0%
All In Sustaining Costs	20%	100%	20.0%
Cash	20%	100%	20.0%
TOTAL	100%	–	110%

The total weighted score, based on the Human Resources and Compensation Committee's assessment of the Corporation's performance in respect of all corporate objectives was 110% for 2020.

Short-Term Incentive Awards - Target Bonus Rate and Payout Amounts

In 2020, the Board set the target bonus rates for each NEO, representing the percentage of their base salary which their cash bonus would total assuming such NEO achieved all of such NEO's pre-determined corporate and individual objectives. Such target bonus rates, along with the calculated bonus amounts (based on the formula calculating bonus payouts and the performance scores for 2020 explained above), are shown below. Unless otherwise indicated, all dollar figures are in Canadian dollars.

NEO	Reference Salary	Weighting of Corporate Objectives	Weighting of Individual Objectives	Corporate Objectives Score	Individual Objectives Score	Overall Score	Target Bonus Rate	STI Bonus as % of Salary	Total 2020 STI Bonus (\$)
Paul Huet ⁽¹⁾	US\$450,000	60%	40%	110%	110%	110%	100%	110%	US\$495,000
Barry Dahl ⁽²⁾	US\$300,000	60%	40%	110%	119%	114%	60%	68.1%	US\$171,612
Oliver Turner	\$299,000	60%	40%	110%	146%	124%	60%	75%	\$223,174
Graeme Sloan ⁽³⁾	A\$360,000	60%	40%	110%	113%	111%	60%	67%	A\$262,760
Michael Doolin ⁽⁴⁾	US\$280,000	100%	–	110%	–	110%	60%	66%	US\$46,200

Notes:

- (1) Mr. Huet is compensated in US dollars.
- (2) Mr. Dahl is compensated in US dollars. Mr. Dahl was appointed Chief Financial Officer as of March 1, 2020. His STI bonus was pro-rated for his period of service in 2020.
- (3) Mr. Sloan is compensated in Australian dollars. In addition to the 111% overall score and payout described above (of A\$237,760), the Board awarded him an additional A\$25,000 bonus (making his total STI bonus A\$262,760) to recognize the extraordinary progress made at the Corporation's Australian operations, under the guidance and direction of Mr. Sloan.
- (4) Mr. Doolin is compensated in US dollars. Mr. Doolin was appointed as the Senior Vice President, Technical Services on October 1, 2020. His STI bonus was pro-rated for his period of service in 2020.

Long-Term Incentives – Target Awards and Payout Amounts

As highlighted above, long-term incentives are intended to align the interests of NEOs with the long-term interests of shareholders, and serve as an important retention tool for the Corporation's senior management.

In 2020, the Corporation updated its long-term incentives program to better align with shareholder interests, with 50% of awards made to management in the form of performance shares units with vesting levels determined by reference to relative share performance, and the remaining 50% of awards made to management were made in the form of three-year time vested RSUs. This change did not affect the value of the LTI awards made to management.

Targets for long-term incentives are included in each NEO's employment contract. Such targets along with the calculated grant amounts are shown below.

NEO ⁽¹⁾	Annual Salary ⁽²⁾	Target Award as % of Salary	Actual Award as % of Salary ⁽³⁾	LTI Award Value ⁽³⁾	Number of RSUs ⁽⁴⁾	Number of PSUs ⁽⁴⁾
Paul Huet	US\$450,000	175%	280%	US\$1,260,000	231,992	231,993
Barry Dahl	US\$300,000	85%	136%	US\$408,000	75,121	75,122
Oliver Turner	\$299,000	85%	136%	\$406,640	55,857	55,857
Graeme Sloan	A\$360,000	125%	200%	A\$720,000	94,905	94,906
Michael Doolin ⁽⁵⁾	US\$280,000	85%	85%	US\$238,000	44,828	44,828

Notes:

- (1) The value of the above-detailed 2020 grants is included in the below NEO Summary Compensation Table (for all NEOs) as "Share-based awards".
- (2) Annual salaries at the time of grant were applied for purposes of this calculation.

- (3) In recognition of the significant effort and progress made by the CEO and his management team during the CEO's first full year of service in this role, in 2020 the Board resolved to increase the LTI awards that each of the above listed NEOs (other than Mr. Doolin, who was not employed by the Corporation during this period) was eligible for by 60%. For example, the value of Mr. Huet's award was calculated as follows: \$450,000 multiplied by 175% = \$787,500, which was increased by 60% to US\$1,260,000. All such awards are equity-based, 50% of which were granted as PSUs (with three-year vesting conditions that depend upon the relative share price performance of Karora's shares as compared to its comparator group) and 50% of which were granted as RSUs (which vest over three years).
- (4) The number of issued RSUs and PSUs was determined based on the price of the Karora common shares at the time of grant (\$3.64 per share) and the following currency exchange rates: US\$1.00 = C\$1.3404 and A\$1 = C\$0.9596.
- (5) Mr. Doolin was appointed Senior Vice President, Technical Services as of October 1, 2020. He received an LTI award following his appointment (and after the other NEOs listed above, who received their grants in August 2020). The number of issued RSUs and PSUs was determined based on the price of the Karora common shares at the time of grant (\$3.49 per share) and the following currency exchange rate: US\$1.00 = C\$1.3147.

NEO Summary Compensation Table

The Corporation became a reporting issuer on December 10, 2010. The following table (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* ("**Form 51-102F6**") under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation for the financial years ended December 31, 2020, 2019, and 2018 in respect of the Chief Executive Officer, the former Chief Executive Officer, the Chief Financial Officer and three executive officers of the Corporation (the NEOs). Unless otherwise indicated, all dollar figures are in Canadian dollars.

Name and principal position of NEO	Year	Salary	Share-based awards ⁽¹⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation		All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans		
Paul Huet Chairman and Chief Executive Officer ⁽³⁾	2020	US\$450,000	US\$1,260,000	–	US\$495,000	–	–	US\$2,205,000
	2019	US\$318,356	US\$675,000	–	US\$412,462	–	–	US\$1,405,818
	2018	–	–	–	–	–	–	–
Barry Dahl, Chief Financial Officer ⁽⁴⁾	2020	US\$300,000	US\$408,000	-	US\$171,162	–	–	US\$879,162
	2019	-	-	-	-	–	–	-
	2018	-	-	-	-	–	–	-
Timothy Hollaar Vice President, Finance (formerly Chief Financial Officer) ⁽⁵⁾	2020	\$240,000	-	-	\$98,361	-	-	\$338,361
	2019	\$240,000	\$191,087	\$96,832	\$109,728	–	–	\$637,647
	2018	\$230,000	\$36,964	\$61,806	\$23,625	–	\$52,500	\$404,895
Graeme Sloan, Managing Director, Australian Operations ⁽⁶⁾	2020	A\$360,000	A\$720,000	–	A\$262,760	–	–	A\$1,342,760
	2019	A\$272,725	A\$360,000	–	A\$270,000	–	–	A\$902,725
	2018	–	–	–	–	–	–	–
Oliver Turner, Executive Vice President, Corporate Development ⁽⁷⁾	2020	\$299,000	\$406,640	–	\$223,174	–	–	\$928,814
	2019	-	-	–	-	–	–	-
	2018	–	–	–	–	–	–	–
Michael Doolin, Senior Vice President, Technical Services ⁽⁸⁾	2020	US\$70,000	US\$238,000	-	US\$46,200	–	–	US\$354,200
	2019	-	-	-	-	–	–	-
	2018	-	-	-	-	–	–	-

Notes:

- (1) This column represents RSUs granted under the Share Incentive Plan. The market or payout value was calculated using the closing price of common shares on the TSX on the last business day prior to the grant date.
- (2) This column represents Options granted under the Share Incentive Plan. The fair value of option-based awards was determined using the Black-Scholes pricing model. The Black-Scholes award valuation is determined using the exercise price or base price expected life of the award, expected volatility of the common share price, expected dividend yield and risk-free interest rate. The Corporation assigns an exercise or base price equivalent to the value of one common share on the TSX on the date immediately preceding the date of the grant.
- (3) Mr. Huet is compensated in U.S. dollars. Mr. Huet was not employed by the Corporation in 2018. Mr. Huet became a member of the board of directors of the Corporation in November 2018. Mr. Huet's 2018 compensation was received as a Director, not as a NEO, and is listed in the below table titled "*Director Compensation*" for 2018.

Salary. In respect 2019, Mr. Huet served as Executive Chairman (only) from February 25, 2019 to July 17, 2019. He received US\$113,698 in base salary during this period. He was appointed interim Chief Executive Officer as of July 18, 2019 (the term "interim" was removed from his title in August 2019) at an annual base salary of US\$450,000. He received US\$204,658 in base salary during the period from July 18, 2019 to December 31, 2019. His 2020 base salary was US\$450,000 per annum.

Share-based awards. Represents the long-term incentive award made to Mr. Huet (see above table under "*Long Term Incentives – Target Awards and Payout Amounts*" for 2020 grant amounts).

Non-equity incentive plan compensation. Represents the total short-term incentive award made to Mr. Huet (see above table under "*Short-Term Incentive Awards - Target Bonus Rate and Payout Amounts*").

Incentive Sign-on Grants. In connection with Mr. Huet's appointment as Executive Chairman (as of February 25, 2019), the Corporation agreed to grant him 88,889 RSUs (valued at US\$146,289) to further align his interests with those of shareholders and as a retention tool (as RSUs vest over three years). Mr. Huet was appointed Chairman and interim Chief Executive Officer of the Corporation as of July 18, 2019 (the "interim" portion of his title was removed in August 2019), and was granted an additional 44,444 RSUs (valued at US\$59,285) and 166,667 Options (valued at US\$124,549) in connection with such appointment. Given that these awards would be non-recurring in subsequent years (i.e. in years after 2019), the 2019 award values are not included in the above NEO Summary Compensation Table (as inclusion would distort a comparison of compensation in subsequent years to current year).

- (4) Mr. Dahl was appointed Chief Financial Officer of the Corporation as of March 1, 2020 and was not employed by the Corporation in 2019 and 2018.

Salary. Mr. Dahl's 2020 base salary was US\$300,000 per annum.

Share-based awards. Represents the long-term incentive award made to Mr. Dahl (see above table under "*Long Term Incentives – Target Awards and Payout Amounts*" for 2020 grant amounts).

Non-equity incentive plan compensation. Represents the total short-term incentive award made to Mr. Dahl - see above table under "*Short-Term Incentive Awards - Target Bonus Rate and Payout Amounts*"

Incentive Sign-on Grants. In connection with Mr. Dahl's 2020 appointment as Chief Financial Officer, the Corporation agreed to grant him: as a sign-on incentive, 111,111 Options (valued at \$73,397) and 22,222 RSUs (valued at US\$21,146); and, as an initial LTI grant, 235,933 RSUs (valued at US\$224,508), to further align his interests with those of shareholders and as a retention tool (as options and RSUs vest over three years). Given that these awards would be non-recurring in subsequent years (i.e. in years after 2020), the 2020 award values are not included in the above NEO Summary Compensation Table (as inclusion would distort a comparison of compensation in subsequent years to current year).

- (5) Mr. Hollaar resigned from his position as Chief Financial Officer of the Corporation as of February 28, 2020 and became the Vice President, Finance.
- (6) Mr. Sloan was not employed by the Corporation in 2018. Mr. Sloan joined the Corporation in January 2019. He was initially engaged as a consultant, and then appointed Managing Director, Australian Operations effective October 1, 2019. He is compensated in Australian dollars.

Salary. Mr. Sloan's 2020 base salary was A\$360,000 per annum. He was paid a total of A\$272,725 during 2019 (A\$182,725 as a consultant and \$90,000 as an employee).

Share-based awards. Represents the long-term incentive award made to Mr. Sloan (see above table under "*Long Term Incentives – Target Awards and Payout Amounts*" for 2020 grant amounts).

Non-equity incentive plan compensation. Represents the total short-term incentive award made to Mr. Sloan - see above table under "*Short-Term Incentive Awards - Target Bonus Rate and Payout Amounts*".

Incentive Sign-on Grants. In connection with Mr. Sloan's 2019 appointment as Managing Director, Australian Operations, the Corporation agreed to grant 111,111 Options (valued at A\$112,350) and 22,222 RSUs (valued at A\$40,561) to Mr. Sloan to further align his interests with those of shareholders and as a retention tool (as options and RSUs vest over three years). Given that these awards would be non-recurring in subsequent years (i.e. in years after 2019), the 2019 award values are not included in the above NEO Summary Compensation Table (as inclusion would distort a comparison of compensation in subsequent years to current year).

- (7) Mr. Turner became an employee of the Corporation, as Senior Vice President Corporate Development & Investor Relations, on March 31, 2020. During the period between September 9, 2019 and March 31, 2020, he was a consultant to the Corporation.

Salary. Mr. Turner's 2020 base salary was \$299,000 per annum.

Share-based awards. Represents the long-term incentive award made to Mr. Turner (see above table under "*Long Term Incentives – Target Awards and Payout Amounts*" for 2020 grant amounts).

Non-equity incentive plan compensation. Represents the total short-term incentive award made to Mr. Turner - see above table under "*Short-Term Incentive Awards - Target Bonus Rate and Payout Amounts*".

- (8) Mr. Doolin was appointed as Senior Vice President, Technical Services on October 1, 2020, and was not employed by the Corporation in 2019 and 2018.

Salary. Mr. Doolin's 2020 base salary was US\$280,000 per annum.

Share-based awards. Represents the long-term incentive award made to Mr. Doolin (see above table under "*Long Term Incentives – Target Awards and Payout Amounts*" for 2020 grant amounts).

Non-equity incentive plan compensation. Represents the total short-term incentive award made to Mr. Doolin - see above table under "*Short-Term Incentive Awards - Target Bonus Rate and Payout Amounts*".

Incentive Sign-on Grants. In connection with Mr. Doolin's 2020 appointment as Senior Vice President, Technical Services, the Corporation agreed to grant him 75,000 Options (valued at US\$154,257) and 20,000 RSUs (valued at US\$59,225) to further align his interests with those of shareholders and as a retention tool (as options and RSUs vest over three years). Given that these awards would be non-recurring in subsequent years (i.e. in years after 2020), the 2020 award values are not included in the above NEO Summary Compensation Table (as inclusion would distort a comparison of compensation in subsequent years to current year).

Discussion of Summary Compensation Table

Additional factors necessary to understand the information disclosed in the Summary Compensation Table above include the terms of each NEO's employment agreement.

Paul Huet

Mr. Huet has been a director of the Corporation since November 19, 2018 and appointed Executive Chairman of the Board on February 25, 2019. On July 18, 2019 he was appointed Chairman and interim Chief Executive Officer (the "interim" designation was removed in August 2019). Mr. Huet's 2020 base salary was US\$450,000 per annum. He is eligible for an annual bonus with a target amount of 100% of then current annual base salary. The annual bonus is based on a recommendation from the Human Resources and Compensation Committee and is at the discretion of the Board, taking into account annual Corporate Objectives and/or Individual Objectives. Mr. Huet is also entitled to participate in the Corporation's share incentive awards program with a target amount of 175% of then current annual base salary. The annual share incentives awards program is based on a recommendation of the Human Resources and Compensation Committee and approved at the discretion of the Board. See also "*Performance Score*" above and "*Termination and Change of Control Benefits*" below.

Barry Dahl

Mr. Dahl became Chief Financial Officer effective March 1, 2020. Mr. Dahl's 2020 base salary was US\$300,000 per annum. He is eligible for an annual bonus with a target amount of 60% of then current annual base salary. The annual bonus is based on a recommendation from the Human Resources and Compensation Committee and is at the discretion of the Board, taking into account annual Corporate Objectives and/or Individual Objectives. Mr. Dahl is also entitled to participate in the Corporation's share incentive awards program with a target amount of 85% of then current annual base salary. The annual share incentives awards program is based on a recommendation of the Human Resources and Compensation Committee and approved at the discretion of the Board. See also "*Performance Score*" above and "*Termination and Change of Control Benefits*" below.

Graeme Sloan

Mr. Sloan serves as Managing Director, Australian Operations. Mr. Sloan's 2020 base salary was A\$360,000 per annum. He is eligible for an annual bonus with a target amount of 60% of then current annual base salary. The annual bonus is based on a recommendation from the Human Resources and Compensation Committee and is at the discretion of the Board, taking into account annual Corporate Objectives and/or Individual Objectives. Mr. Sloan is also entitled to participate in the Corporation's share incentive awards program with a target amount of 125% of then current annual base salary. The annual share incentives awards program is based on a recommendation of the Human Resources and Compensation Committee and approved at the discretion of the Board. See also "*Performance Score*" above and "*Termination and Change of Control Benefits*" below.

Oliver Turner

Mr. Turner currently serves as Executive Vice President, Corporate Development. Mr. Turner's 2020 base salary was \$299,000 per annum. He is eligible for an annual bonus with a target amount of 60% of then current annual base salary. The annual bonus is based on a recommendation from the Human Resources and Compensation Committee and is at the discretion of the Board, taking into account annual Corporate Objectives and/or Individual Objectives. Mr. Turner is also entitled to participate in the Corporation's share incentive awards program with a target amount of 85% of then current annual base salary. The annual share incentives awards program is based on a recommendation of the Human Resources and Compensation Committee and approved at the discretion of the Board. See also "*Performance Score*" above and "*Termination and Change of Control Benefits*" below.

Michael Doolin

Mr. Doolin became Senior Vice President, Technical Services effective October 1, 2020. Mr. Doolin's 2020 base salary was US\$280,000 per annum. He is eligible for an annual bonus with a target amount of 60% of then current annual base salary. The annual bonus is based on a recommendation from the Human Resources and Compensation Committee and is at the discretion of the Board, taking into account annual Corporate Objectives and/or Individual Objectives. Mr. Doolin is also entitled to participate in the Corporation's share incentive awards program with a target amount of 85% of then current annual base salary. The annual share incentives awards program is based on a recommendation of the Human Resources and Compensation Committee and approved at the discretion of the Board. See also "*Performance Score*" above and "*Termination and Change of Control Benefits*" below.

Incentive Plan Awards

Share-Based Awards and Option-Based Awards as at December 31, 2020

The following table sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2020, including awards granted before the most recently completed financial year that remained outstanding on December 31, 2020. All dollar figures are in Canadian dollars.

Name of NEO	Option-based Awards Vested and Unvested				Share-based Awards		
	Number of securities underlying unexercised award (#) ⁽¹⁾	Award exercise or base price (\$)	Award expiration date	Value of unexercised in-the-money awards (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽³⁾
Paul Huet	<u>Options</u>						
	23,944	2.52	11/15/2023	29,930	877,850	3,309,495	255,059
	53,111	2.97	2/26/2024	42,489			
166,666	1.73	9/27/2024	339,582				
Barry Dahl	<u>Options</u>						
	111,111	1.35	3/30/2025	268,889	386,176	1,455,884	83,777
Timothy Hollaar	<u>Options</u>						
	166,666	1.22	12/21/2021	425,832	63,492	239,365	176,033
	108,888	1.06	2/6/2023	295,359			
53,111	2.97	2/26/2024	42,489				
Graeme Sloan	<u>Options</u>						
	111,111	1.665	10/22/2024	233,889	318,886	1,202,200	243,304
Oliver Turner	<u>Options</u>						
	44,444	1.575	10/2/2024	97,555	205,629	775,221	27,924
44,444	1.7325	10/21/2024	90,555				
Michael Doolin	<u>Options</u>						
	75,000	3.95	9/30/2025	-	89,656	338,003	75,400

Notes:

- (1) This column represents options granted under the Share Incentive Plan.
- (2) The value of unexercised option-based awards was calculated using the closing price of common shares on the TSX on December 31, 2020 of \$3.77 less the exercise or base price of the award.
- (3) The market or payout value was calculated using the closing price of common shares on the TSX on December 31, 2020 of \$3.77.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2020 for each incentive plan award. All dollar figures are in Canadian dollars.

Name of NEO	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽³⁾
Paul Huet	98,651	284,103	662,164
Barry Dahl	80,370	1,031	229,566
Timothy Hollaar	16,818	53,650	98,361

Name of NEO	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽³⁾
Graeme Sloan	-	-	223,174
Oliver Turner	69,814	110,511	244,849
Michael Doolin	-	-	61,802

Notes:

- (1) This column represents the aggregate dollar value that would have been realized if the options or SARs that vested during the year had been exercised or redeemed, as applicable, on the vesting date.
- (2) This column represents RSUs granted under the Share Incentive Plan and the aggregate dollar value that would have been realized if the RSUs that vested during the year had been redeemed on the vesting date.
- (3) This column represents the annual incentive plan cash bonuses paid to the NEOs in respect of 2020.

Share Incentive Plan

The Share Incentive Plan provides for the granting of equity-based compensation securities, including options and awards for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of senior executives, directors, employees (including prospective employees) and consultants of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the holding of options and awards that are tied to the long term performance of common shares by senior executives, directors, employees and consultants of the Corporation.

The Share Incentive Plan provides for the issuance of Options and other equity-based awards ("**Awards**") including SARs, restricted shares, RSUs, PSUs, DSUs and performance shares. Employees, directors and officers of the Corporation and its subsidiaries, as well as consultants (as defined in National Instrument 45-106 – *Prospectus Exemptions*) (the "**Participants**"), are eligible to participate in the Share Incentive Plan.

Common Shares Subject to the Share Incentive Plan. The Share Incentive Plan provides that the maximum number of common shares issuable upon the exercise of Options and made available as Awards, in aggregate, shall not exceed 15% of the issued and outstanding common shares from time to time. As a result, should the Corporation issue additional common shares in the future, the number of common shares issuable under the Share Incentive Plan will increase accordingly. The Share Incentive Plan is considered an "evergreen" plan, since the common shares covered by Options and Awards that have been exercised or redeemed, as the case may be, shall be available for subsequent grants under the Share Incentive Plan. As of the date hereof, up to 6,899,369 common shares (representing approximately 4.7% of the issued and outstanding common shares of the Corporation as of the date hereof) are issuable under Options and Awards outstanding at the date hereof, out of a total available of 22,005,388 common shares.

Maximum Percentage of Available Securities to Insiders Under All Share Compensation Arrangements. The aggregate number of common shares issuable to insiders under the Share Incentive Plan and any other share compensation arrangement shall not exceed 10% of the common shares issued and outstanding at any time. Insiders shall not be issued, pursuant to the Share Incentive Plan and any other share compensation arrangement, within any one-year period, a number of common shares which exceeds 10% of the common shares issued and outstanding. As of the date hereof, a total of up to 4,523,395 common shares are issuable to insiders under granted Options and Awards (representing approximately 3.1% of the issued and outstanding common shares of the Corporation as of the date hereof), out of a total available to insiders of 13,568,385 common shares.

Annual Grant Limit. Each non-employee director may receive a maximum value of \$100,000 worth of Options and \$150,000 worth of share-based Awards (this provision does not apply to one-time initial grants made to a new director upon joining the Board or to cash settled RSUs or other cash settled awards).

Method of Determining Option Exercise Price. Under the Share Incentive Plan, the Human Resources and Compensation Committee has the authority to fix the exercise price of an Option at the time the Option is granted,

provided that the price per common share fixed by the Human Resources and Compensation Committee is in Canadian dollars and shall not be less than the market price of the common shares immediately preceding the grant.

Vesting of Options and Option Period. At the time of the grant of an Option, the Human Resources and Compensation Committee may determine when any Option will become exercisable and may determine that the Option shall be exercisable in instalments on such terms as to vesting or otherwise, as the Human Resources and Compensation Committee deems advisable. Unless otherwise determined by the Human Resources and Compensation Committee, Options will vest, as to one-third of Options granted, on each of the first, second and third anniversaries of the date of grant, provided that the grantee is still a Participant at that time.

Restricted Share Issuances. The Share Incentive Plan permits the Human Resources and Compensation Committee to grant restricted shares to Participants. The Human Resources and Compensation Committee may determine when a restricted share shall vest, or have the restricted shares vest in instalment on such terms as the Human Resources and Compensation Committee deems to be advisable. After the restricted shares have vested and the Participant executes an award agreement, the Corporation will issue the Participant a certificate for the number of common shares granted as restricted shares. Once the Participant has the certificate, the Participant shall have the rights of a shareholder with respect to the restricted shares, subject to any restrictions or conditions as the Human Resources and Compensation Committee may in its discretion include in the applicable award agreement.

Restricted Share Units. The Human Resources and Compensation Committee may grant Awards of RSUs to Participants in such amounts and subject to the vesting provisions as it shall determine. On the payment date, the Participant of each RSU shall receive common shares, cash, securities or other property equal in value to the common shares or a combination thereof, as specified in the applicable award agreement.

Performance Share Units. PSUs are a form of RSUs, with performance-based vesting conditions. The Human Resources and Compensation Committee may grant Awards of PSUs to Participants in such amounts and subject to the vesting provisions as it shall determine. On the payment date, the Participant of each RSU shall receive common shares, cash, securities or other property equal in value to the common shares or a combination thereof, as specified in the applicable award agreement.

Deferred Share Units. The Human Resources and Compensation Committee may grant Awards of DSUs to Participants in such amounts and subject to such vesting provisions the vesting provisions (time-based and / or performance-based) and other terms and conditions as the Human Resources and Compensation Committee shall determine. A Participant is only entitled to payment in respect of the DSUs when the Participant ceases to be an employee or director of the Corporation or any affiliate thereof for any reason. At the time of grant, the Human Resources and Compensation Committee shall determine whether the DSUs shall be redeemed for (i) common shares only, or (ii) at the option of the Participant, common shares or the redemption value determined in accordance with the applicable award agreement.

Performance Shares and Performance Share Units. The Human Resources and Compensation Committee may grant Awards of performance shares to Participants in the form of (a) common shares or (b) performance share units, in such amounts and subject to such terms and conditions as the Human Resources and Compensation Committee shall determine in its discretion. A Participant who is granted a performance share unit will have only the rights of an unsecured creditor of the Corporation until payment of common shares, cash or other securities or property is made as specified in the applicable award agreement. In the event that a certificate is issued in respect of an Award of performance shares in the form of common shares, such certificate shall be registered in the name of the Participant but shall be held by the Corporation or its designated agent until the time the performance shares are earned or become vested in accordance with the terms of the applicable award agreement. The Human Resources and Compensation Committee shall determine in its sole discretion whether performance share units shall be settled in common shares, cash, securities or other property, or a combination thereof.

Other Equity-Based Awards. The Human Resources and Compensation Committee may grant other types of equity-based or equity-related Awards to Participants (including the grant of unrestricted common shares) in such amounts and subject to such terms and conditions as the Human Resources and Compensation Committee shall in its discretion determine. Such Awards may entail the transfer of actual common shares to Participants, or payment in cash or

otherwise of amounts based on the value of common shares, and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of foreign jurisdictions.

A full text copy of the Share Incentive Plan can be found on the Corporation's website at www.karoraresources.com.

Termination and Change of Control Benefits

The employment agreements, as amended, between the Corporation and the NEOs contain the following termination without cause and change of control provisions.

Termination Without Cause

In the event Mr. Huet, Mr. Dahl, Mr. Sloan, Mr. Turner or Mr. Doolin is terminated without cause, such NEO will be entitled to payment equal to twenty-four months of his or her base salary in a lump sum or by salary continuation. The NEO's benefits coverage will continue until the end of the compensation period. The Corporation will also provide certain NEOs with a lump-sum payment for outplacement services to the extent actually and properly incurred on his or her behalf. Vesting of options and other awards is accelerated on a complete or partial basis on a termination without cause.

For illustrative purposes, had a termination without cause occurred on December 31, 2020, the applicable multiple, the compensation period for benefits, the amounts payable and the incremental value of options and awards in respect of which vesting would have accelerated would have been as set out in the below table. Unless otherwise indicated, all dollar figures are in Canadian dollars.

Name	Multiple	Aggregate Amount Payable (for Base Salary)	Compensation Period for Benefits	Aggregate Amount Payable for Benefits ⁽³⁾	Option-Based Awards – Value Vested ⁽⁴⁾	Share-Based Awards – Value Vested (\$) ⁽⁵⁾	Contribution Towards Outplacement Costs ⁽⁶⁾
Paul Huet ⁽¹⁾	2 times	US\$900,000	2 years	US\$61,896	US\$200,057	US\$2,582,604	US\$15,000
Barry Dahl ⁽¹⁾	1 times	US\$300,000	1 year	-	-	US\$232,869	-
Graeme Sloan ⁽²⁾	1 times	A\$360,000	1 year	-	-	-	-
Oliver Turner	2 times	\$598,000	2 years	-	-	-	-
Michael Doolin ⁽¹⁾	1 times	US\$280,000	1 year	-	-	-	-

Notes:

- (1) Mr. Huet, Mr. Dahl and Mr. Doolin's compensation are in U.S. dollars.
- (2) Mr. Sloan's compensation is in Australian dollars.
- (3) The aggregate value of benefits for the period is less than \$50,000 for each NEO other than Mr. Huet (aggregate amount listed above).
- (4) The value of Options in respect of which vesting would have accelerated on a termination without cause was calculated using the closing price of the common shares on the TSX on December 31, 2020 which was \$3.77 per share, less the exercise or base price of the award.
- (5) The value of RSUs in respect of which vesting would have occurred on a termination without cause was calculated using the closing price of the common shares on the TSX on December 31, 2020 which was \$3.77 per share.
- (6) Entitled to the allotted cost of outplacement services to the extent actually and properly incurred on his or her behalf.

Termination on a Change of Control (Double Trigger)

In the event of a change of control (as defined below) of the Corporation and a termination of the NEO's employment during the six month period following such Change of Control (including by constructive dismissal), the NEO will be entitled to a lump sum payment of multiple (2.5 times, or 30 months, in the case of the Chairman and CEO, and 2 times, or 24 months, in the case of the other NEOs) of the NEO's base salary and STI target. Vesting of options and other awards is accelerated on a complete or partial basis on a change of control. The NEO's are also entitled to have their benefits coverage continue until the end of the compensation period. The Corporation will also provide certain NEOs with a lump-sum payment for outplacement services to the extent actually and properly incurred on his or her behalf (see below).

A "change of control" is defined as when any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, or a natural person in his or her capacity as trustee of any of the foregoing, alone or acting in concert with any of the foregoing or combination of the foregoing, beneficially own or control, directly or indirectly, over 40% of the outstanding common shares or the votes attaching thereto of the Corporation.

For illustrative purposes, had a change of control occurred on December 31, 2020, the applicable multiple, the compensation period for benefits, the amounts payable and the incremental value of options and awards in respect of which vesting would have accelerated would have been as set out in the below table. Unless otherwise indicated, all dollar figures are in Canadian dollars.

Name	Multiple	Aggregate Amount Payable (for Base Salary and STI)	Compensation Period for Benefits	Aggregate Amount Payable for Benefits (\$) ⁽³⁾	Option-Based Awards – Value of Accelerated Vesting (\$) ⁽⁴⁾	Share-Based Awards - Value of Accelerated Vesting (\$)	Contribution Towards Outplacement Costs ⁽⁵⁾
Paul Huet ⁽¹⁾	2.5 times	US\$2,250,000	2 years	US\$61,896	US\$200,057	US\$2,582,604	US\$15,000
Barry Dahl ⁽¹⁾	2 times	US\$960,000	2 years	-	US\$140,794	US\$1,143,484	US\$15,000
Graeme Sloan ⁽²⁾	2 times	A\$1,152,000	2 years	-	A\$158,542	A\$1,222,369	A\$15,000
Oliver Turner	2 times	\$956,800	2 years	-	\$125,405	\$775,221	\$15,000
Michael Doolin	2 times	US\$896,000	2 years	-	-	US\$265,475	US\$15,000

Notes:

- (1) Mr. Huet, Mr. Dahl and Mr. Doolin's compensation are in U.S. dollars.
- (2) Mr. Sloan's compensation is in Australian dollars.
- (3) The aggregate value of benefits for the period is less than \$50,000 for each NEO other than Mr. Huet (aggregate amount listed above).
- (4) The value of Options and SARs in respect of which vesting would have accelerated on a change of control was calculated using the closing price of the common shares on the TSX on December 31, 2020 which was \$3.77 per share, less the exercise or base price of the award.
- (5) The value of RSUs in respect of which vesting would have accelerated on a change of control was calculated using the closing price of the common shares on the TSX on December 31, 2020 which was \$3.77 per share.
- (6) Entitled to the allotted cost of outplacement services to the extent actually and properly incurred on his or her behalf.

Clawback Policy

In 2020, the Board adopted a Clawback Policy under which it may, in its sole discretion, to the full extent permitted by governing laws and to the extent it determines that it is in the best interests of the Corporation to do so, require the recoupment of all or a portion of certain incentive compensation paid to all current and former executive officers and

members of management (the "**Senior Employees**") in certain circumstances when the Corporation has been required to issue restated financial results. Senior Employees will be required to reimburse, in all appropriate cases as determined by the Board, any bonus, short-term incentive award or amount, or long-term incentive award or amount awarded to the executive officer or member of management and any non-vested equity-based awards previously granted to the executive officer or member of management (collectively "**Incentive Compensation**") if: (a) the amount of the Incentive Compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a material restatement or the correction of a material error; and (b) the Senior Employees was grossly negligent, or engaged in intentional misconduct, or fraud, causing or partially causing the need for the restatement or causing or partially causing the material error; and (c) the amount of the Incentive Compensation that would have been awarded to the executive officer or member of management, had the financial results been properly reported, would have been lower than the amount actually awarded. The recoupment mechanics are contained in the Clawback Policy. All Senior Employees are required to comply with the Clawback Policy and to complete a receipt and acknowledgement of same.

Shareholder Engagement Policy

In order to ensure that it is responsive to shareholders and other stakeholders, in 2019, the Board adopted a Shareholder Engagement Policy to formalize how shareholders may engage with management and the Board. The Shareholder Engagement Policy can be found at <https://www.karoraresources.com/governance>. The Corporation believes that regular and constructive engagement with shareholders is important in contributing to good corporate governance and transparency. The Corporation communicates regularly and extensively with shareholders and other stakeholders through various channels, including annual reports, management information circulars, quarterly reports, annual information form, news releases, web site and presentations at its annual meeting of shareholders, one-on-one and group meetings, and industry conferences. In addition, the Corporation's quarterly earnings call is open to all, over the phone or webcast.

The Corporation recognizes that feedback from shareholders assists management in understanding what information and disclosure is most meaningful to shareholders and the broader investment community. All shareholder inquiries and comments relating to the business and operations of the Corporation, financial results, strategic direction and similar matters are to be directed to the Corporation's Investor Relations team at info@karoraresources.com. Management engages with shareholders through one-on-one or group meetings between management and institutional shareholders and at the annual meeting, as well as by letter (via regular mail or courier), e-mail or telephone contact. This engagement is coordinated through the Corporation's Investor Relations office.

Share Ownership Policy

Karora has in place a Share Ownership Policy that serves to align the interests of members of senior management and the Directors with those of the shareholders of the Corporation, by requiring such persons to hold a significant number of common shares, RSUs, DSUs and/or SARs of the Corporation.

Ownership Requirements

The CEO is required to hold common shares having an aggregate value of at least three times his or her annual base salary. Each non-management Director is required to hold common shares having an aggregate value of at least four times the annual Board retainer (base) paid to the non-management Director during the applicable year. This policy was extended in March 2021 to all other NEOs - each is required to hold common shares having an aggregate value of at least two times his or her annual base salary. Each subject person is required to reach the applicable threshold by the later of (i) that date which is three years following his or her appointment, and (ii) that date which is three years following the date the Share Ownership Policy was first adopted, and, with respect to any increases in base annual salary (in the case of the CEO) or in the annual Board retainer (base) paid to a NEO or management Director, the subject person will be required to reach the applicable threshold within three years after the increase.

As of December 31, 2020, the CEO and each non-management Director was in compliance with these requirements. Given that the policy was extended to other NEOs in 2021, their individual compliance with this policy will be tested for the first time as at December 31, 2021 and reported in the management information circular sent to shareholders of the Corporation for the subsequent general meeting of shareholders of the Corporation.

Director Compensation

The Corporation's compensation philosophy for directors is designed to provide competitive compensation sufficient to attract, retain and motivate highly skilled directors. In 2020, Directors' compensation includes the components described below.

1. *Annual Retainer.* An annual retainer for the Lead Director, each other director (other than the Chairman), with an additional amount (as detailed below) for each committee Chair, detailed as follows (for 2020) (in Canadian dollars):

Annual Board Retainer (base) (for Directors other than the CEO and the Lead Director)	\$35,000
Annual Retainer for Lead Director	\$86,000
Additional Annual retainer for Chairman of the Audit Committee.....	\$17,000
Additional Annual retainer for Chairpersons of other Board Committees	\$12,000

Directors may elect to receive these fees in cash, RSUs, DSUs or a combination thereof.

2. *Meeting Fees.* A per meeting fee of \$1,400 for each director for each properly called and duly constituted meeting attended (in person or by phone) by such director (other than the Chair). Directors were also paid \$1,400 per day for travel to and from meeting. No such travel fees were paid in 2020, as all directors meetings were held remotely. Directors may elect to receive these fees in cash, RSUs, DSUs or a combination thereof.
3. *Initial Grant.* An initial grant of a long-term incentive (generally in the form of RSUs, DSUs or options) for each director upon being elected to the Board.
4. *Annual Grant.* An annual grant of a long-term incentive (generally in the form of RSUs, DSUs or options).

The Policy of the Corporation is that the annual retainer and meeting fees for directors be targeted at the 50th percentile of the peer group and the long-term retainer targeted at the 75th percentile causing Total Compensation to fall between the 50th and 75th percentile.

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors for the Corporation's financial year ended December 31, 2020. All dollar figures are in Canadian dollars.

Name	Fees Earned ⁽¹⁾	Share-Based Awards ⁽²⁾	Option-Based Awards ⁽³⁾	All Other Compensation ⁽⁴⁾	Total Compensation
Peter Goudie	\$79,200	\$150,000	-	\$10,000	\$239,200
Scott M. Hand	\$123,000	\$150,000	-	\$58,000	\$331,000
Paul Huet	-	-	-	-	-
Wendy Kei	\$84,200	\$150,000	-	\$10,000	\$244,200
Warwick Morley-Jepson	\$79,200	\$150,000	-	\$10,000	\$239,200
Chad Williams	\$64,800	\$150,000	-	\$10,000	\$224,800

Notes:

- (1) Directors may elect to receive Director fees (listed above under "*Fees Earned*") and the payments described in note (4) below and listed above under "*All Other Compensation*" in cash, RSUs, DSUs or a combination thereof.
- (2) This column represents RSUs granted under the Share Incentive Plan. Pursuant to amendments made to the Corporation's Share Incentive Plan in June 2019, each non-employee director may receive a maximum annual value of \$100,000 worth of Options and \$150,000 worth of share-based Awards. This provision does not apply to grants made prior to the amendment, one-time initial grants made to a new director upon joining the Board, or to cash settled RSUs or other cash-settled awards. The Corporation is in compliance with these limitations.

- (3) This column represents Options granted under the Share Incentive Plan. Pursuant to amendments made to the Corporation's Share Incentive Plan in June 2019, each non-employee director may receive a maximum annual value of \$100,000 worth of Options and \$150,000 worth of share-based Awards. This provision does not apply to grants made prior to the amendment, one-time initial grants made to a new director upon joining the Board or to cash settled RSUs or other cash-settled awards. The Corporation is in compliance with these limitations.
- (4) The following long-term incentive awards were made to non-management Directors in 2020 (\$ value): \$208,000 to the Lead Director (Mr. Hand) and \$160,000 to each of the remaining non-management Directors. \$150,000 of such awards were granted in share-settled awards, and the difference was made in cash-settled awards. Such difference (\$58,000 with respect to the Lead Director) and \$10,000 with respect to each of the remaining non-management Directors) is listed in this column.

Share-Based Awards and Option-Based Awards as at December 31, 2020

The following table sets forth for each director all awards outstanding at the end of the financial year ended December 31, 2020, including awards granted before the most recently completed financial year that were still outstanding on December 31, 2020. All dollar figures are in Canadian dollars.

Name	Option-based Awards Vested and Unvested				Share-based Awards		
	Number of securities underlying unexercised award (#) ⁽¹⁾	Award exercise or base price (\$)	Award expiration date ⁽²⁾	Value of unexercised in-the-money awards (\$) ⁽³⁾	Number of shares or units of shares that have not vested (#) ⁽⁴⁾	Market or payout value of share-based awards that have not vested (\$) ⁽⁵⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽⁵⁾
Paul Huet	<u>Options</u>						
	23,944	2.52	11/15/2023	29,930	877,850	3,309,495	255,059
	53,111	2.97	2/26/2024	42,489			
	166,666	1.73	9/27/2024	339,582			
Scott M. Hand	<u>Options</u>						
	333,333	1.22	12/21/2021	851,666	45,855	172,873	1,500,871
	17,333	1.80	12/14/2022	34,146			
	266,666	1.06	2/6/2023	723,332			
129,333	2.97	2/26/2024	103,466				
Peter Goudie	<u>Options</u>						
	166,666	1.22	12/21/2021	425,832	35,273	132,979	645,243
	11,555	1.80	12/14/2022	22,763			
	133,333	1.06	2/6/2023	361,666			
53,111	2.97	2/26/2024	42,489				
Wendy Kei	<u>Options</u>						
	144,444	0.45	7/12/2023	479,554	35,273	132,979	335,534
	53,111	2.97	2/26/2024	42,489			
Warwick Morley-Jepson	<u>Options</u>						
	144,444	2.52	11/15/2023	180,555	79,229	298,693	197,525
	53,111	2.97	2/26/2024	42,489			
Chad Williams	<u>Options</u>						

Name	Option-based Awards Vested and Unvested				Share-based Awards		
	Number of securities underlying unexercised award (#) ⁽¹⁾	Award exercise or base price (\$)	Award expiration date ⁽²⁾	Value of unexercised in-the-money awards (\$) ⁽³⁾	Number of shares or units of shares that have not vested (#) ⁽⁴⁾	Market or payout value of share-based awards that have not vested (\$) ⁽⁵⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽⁵⁾
	None				73,585	277,415	55,853

Notes:

- (1) This column represents options and stand-alone cash-settled SARs. Subject to certain exceptions relating to a change of control or ceasing to be a director, the SARs granted to the directors vest if the Human Resources and Compensation Committee passes a resolution approving the redemption of the SARs having regard to the Corporation's financial condition, project status and overall market conditions, provided that the number of SARs to vest will be dependent upon the length of service of the director as follows: one-third will not be dependent on the length of service and shall vest upon the Committee approval condition referred to above, one-third will only vest subject to the Committee approval referred to above if the director is still serving as a director on the first anniversary of the date of grant and the remaining one-third will only vest subject to the Committee approval referred to above if the director is still serving as a director on the second anniversary of the date of grant. Notwithstanding the above, in the event that the Committee approval condition is not met prior to December 14, 2022 (for SARs granted in 2012), the SARs will be redeemed on December 14, 2022.
- (2) All vested SARs must be redeemed on or before the expiration date specified above.
- (3) The value of unexercised option-based awards and unredeemed SARs was calculated using the closing price of common shares on the TSX on December 31, 2020 of \$3.77 less the exercise or base price of the award.
- (4) This represents RSUs and DSUs.
- (5) The market or payout value was calculated using the closing price of common shares on the TSX on December 31, 2020 of \$3.77.

Incentive Plan Awards – Value Vested or Earning During The Year

The following table sets forth details of the value vested or earned by each director during the financial year ended December 31, 2020 for each incentive plan award. All dollar figures are in Canadian dollars.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾
Scott M Hand	-	82,082
Peter Goudie	-	63,140
Wendy Kei	-	63,140
Warwick Morley-Jepson	-	63,140
Chad Williams	-	56,741

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the applicable awards had been exercised or redeemed, as applicable, on the vesting date.
- (2) Represents RSUs and DSUs received in prior years as long-term incentive awards that vested during 2020, and does not include RSUs and DSUs received by Directors at their election in lieu of base retainers or meeting fees. Such values were calculated using the closing price of common shares on the applicable vesting date on the TSX.

OTHER INFORMATION

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#) (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a)) (#) (c)
Equity compensation plans approved by securityholders: ⁽¹⁾			
Options	3,896,358	1.73	
Awards	3,003,011	-	
Sub Total	6,899,369 ⁽²⁾		12,683,329
Equity compensation plans not approved by securityholders	-	-	-
Total	6,899,369	-	12,683,329

Notes:

- (1) The number of common shares issuable upon the exercise of Options and made available as Awards, in aggregate, cannot exceed 15% of the issued and outstanding common shares from time to time.
- (2) Includes Options and Awards under Share Incentive Plan, which Awards include 329,512 DSUs, 900,338 PSUs and 1,773,161 RSUs which are redeemable in cash or common shares at the option of the holder, but exclude 40,433 SARs and 1,396,983 RSUs, which are redeemable in cash only.

Indebtedness of Directors and Executive Officers

No director, proposed nominee for election as a director, executive officer, employee or associate of any such persons has been or is indebted to the Corporation, nor has the Corporation guaranteed any loans on behalf of any of these persons.

Interest of Informed Persons in Material Transactions

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or executive officer of the Corporation, any other informed person of the Corporation (as defined in NI 51-102), any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Karora considers good corporate governance to be central to the effective and efficient operation of its business and is committed to implementing high standards of corporate governance and reporting. The Board reviews and formulates policies with respect to corporate governance issues. Karora attempts, so far as is practical and reasonable given the nature of Karora's business and available resources, to seek to adhere to the guidelines outlined in National Policy 58-201 – *Corporate Governance Guidelines*.

Board of Directors

Composition of the Board

The Articles of incorporation and Bylaws of the Corporation provide that its Board be comprised of a minimum of three directors and a maximum of ten directors. The Board has considered the independence of each of its directors. Consistent with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), to be considered independent, the Board must conclude that a director has no material relationship with the Corporation. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes an indirect material relationship. The Board has concluded that all directors standing for election other than Paul Huet are "independent" as defined in NI 58-101. Mr. Huet is considered non-independent as a result of his managerial role as Chairman and Chief Executive Officer of the Corporation.

Chairman of the Board

The prime responsibility of the Chairman is to provide leadership to the Board to enhance Board effectiveness. Paul Huet currently serves as Chairman and is considered non-independent under applicable securities laws. The Board has ultimate accountability for supervision of management of the business and affairs of the Corporation. Critical to meeting this accountability is the relationship between the Board, management and shareholders. The Chairman oversees these relationships and acts as the presiding member of the Board with a view to ensuring that these relationships are effective, efficient and further the best interests of the Corporation.

Lead Director

Lead Director is a non-executive position which focuses on ensuring open and candid discussion takes place among the independent directors, and between independent and non-independent directors. The Corporation appoints a Lead Director in circumstances where the Chairman of the Board is considered non-independent under applicable securities laws. Mr. Hand current services as Lead Director. To enhance the effectiveness of the Board, among other things, the Lead Director ensures that the independent directors have an opportunity to meet, without management and the non-independent directors being present at Board meetings.

Other Directorships

Certain directors of the Corporation who are standing for election are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. Information as to such other directorships is set out below.

Director	Public Corporation
Wendy Kei	Ontario Power Generation Inc. ⁽¹⁾ Noranda Income Fund
Warwick Morley-Jepson	Wesdome Gold Mines Ltd.
Chad Williams	Blue Thunder Mining Inc. Honey Badger Silver Inc. Deep South Resources

Notes:

(1) Ontario Power Generation Inc. is a non-venture reporting issuer.

Director Interlocks

None of the Corporation's directors currently sit on other public company boards of directors with other current directors.

Attendance at Meetings

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. For the attendance record of each director for all Board meetings held during the financial year ended December 31, 2020, please see the table under "*Business of the Meeting – Election of Directors*".

Independent Directors' Meetings

The Board meets at least once each quarter, with additional meetings held as deemed necessary. A session of the independent directors is held at which non-independent directors, if any, and members of management are not in attendance at the end of each regularly scheduled Board meeting. In 2020, eight Board meetings were held at which such independent sessions were held.

Board Mandate

The Charter of the Board (the "**Board Charter**") sets out the roles and responsibilities to be discharged by directors. A copy of the Board Charter is attached as Appendix A to this Circular.

Position Descriptions

Written position descriptions have been developed by the Board for the Chairman of the Board, the Lead Director of the Board, the Chairs of the committees of the Board and the Chief Executive Officer of the Corporation. These position descriptions have been approved by the Board.

Orientation and Continuing Education

In accordance with the Corporation's policies on orientation for new directors, each new director is provided a copy of the Corporation's Director Handbook, which contains written information about the Corporation's governing documents, code of business conduct and ethics, charters and other material information about the Corporation. Directors are strongly encouraged to visit the Corporation's facilities and operations and to meet with the senior executives of the Corporation, when appropriate. Due to restrictions with COVID-19, such visits have not been possible in 2020. Directors are also encouraged to be a member of a professional director organization and/or have a subscription with an organization that provides educational materials or corporate governance and/or director responsibilities, current trends and other relevant director information. The Board and its Committees also from time to time conduct continuing education sessions for Directors and senior management (for example, in 2020, various presentations were provided to Directors regarding proxy advisory firm guidance on best practices, and a presentation was made to the Audit Committee and management with respect to new accounting and auditing guidelines).

Code of Business Conduct and Ethics

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") to outline principles to which Karora's employees, officers and directors are expected to adhere in the conduct of the Corporation's business. The Code addresses, among other things, conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of illegal or unethical behaviour. All employees, officers and directors are expected to abide by the Code. Compliance with the Code is monitored by the Corporate Governance and Nominating Committee. In order to ensure compliance with the Code, directors, officers and other employees of the Corporation may be required to provide certificates of compliance with the Code at least annually. The Code is available on SEDAR (www.sedar.com) under Karora's issuer profile and on Karora's website at www.karoraresources.com.

The Corporation has also adopted a whistleblower policy, an insider trading policy and other policies with a view to promoting a culture of ethical business conduct.

Director Nominations

The Corporate Governance and Nominating Committee (the "**CGN Committee**") assists in the identification of and recommends to the Board nominees for election or re-election to the Board, or for appointment to fill any vacancy that is anticipated or has arisen on the Board. The process by which the Board will identify new candidates for Board nomination will involve: periodically, or as frequently as deemed necessary, reviewing the appropriate skills and characteristics required of Board members to add value to the Corporation; periodically, or as frequently as deemed necessary, reviewing the current composition of the Board in light of the characteristics of independence, diversity, age, skills, experience and availability of service of its members and of anticipated needs; and seeking and reviewing individuals qualified to become members of the Board, in the context of the Corporation's needs and the criteria established by the Board.

To assist in this key function, the CGN Committee now maintains a list of potential director candidates to assist in filling vacancies. In addition to possessing the characteristics and skills determined by the CGN Committee to be lacking in the current Board composition, nominees must be able to devote the time and effort required to fulfil his or her duties as members of the Board.

Majority Voting Policy

The Corporation has adopted a majority voting policy that stipulates that, except in a contested meeting, if a director nominee receives a greater number of votes withheld for his or her election than for his or her election, the nominee will submit his or her resignation promptly after the meeting. Absent exceptional circumstances, the Board will accept the resignation. The Board's decision to accept or reject the resignation offer will be disclosed to the public. Subject to certain exceptions, the nominee will not participate in any committee or Board deliberations on the resignation offer. The Corporation is entitled to nominate only those candidates for election or re-election as directors who agree, prior to their nomination, to tender their resignations in accordance with the terms of the policy.

Board Tenures, Term Limits

The period of time served by each Board member is as follows: (i) Mr. Huet, 2.5 years, (ii) Mr. Hand, 13 years, (iii) Mr. Goudie, 13 years; (iv) Ms. Kei, 3 years, (v) Mr. Morley-Jepson, 2 years, and (vi) Mr. Williams, 1 year. Average tenure of the Board as a whole is 5.75 years.

The Corporation is committed to ensuring that the Board at all times has the appropriate mix of skills, expertise and knowledge. It has not adopted, and is not currently contemplating the adoption of, formal term limits or a formal retirement policy for its directors. The Corporation believes that the imposition of such limits could be counter-productive as it has been the Corporation's experience that its more senior directors, who may have been forced to retire if such policies were implemented, continue to provide invaluable insight, perspectives and guidance that are critical as the Board and senior management work to achieve Karora's strategic and operational objectives. Renewal is facilitated through the annual assessments of the Board, its committees, committee chairs and individual Directors (described below) in which Board members evaluate each other and the Board as a whole in order to determine whether there are areas where the Board requires improvement).

The addition to the Board of Paul Huet (in 2018) and Warwick Morley-Jepson (in 2019), both highly regarded and experienced gold mining industry executives, Wendy Kei (in 2018), a highly qualified finance executive with extensive and varied experience, and Chad Williams (in 2020), with extensive mining-focused capital markets and leadership experience, are examples of the Board's commitment to renewal and improvement as circumstances warrant.

Board Assessments & Skills Matrix

The Board has responsibility under its Charter to assess the its own effectiveness, including by monitoring the effectiveness of its committees and individual directors. The CGN Committee is responsible for establishing criteria and processes for, and leading the Board in, such evaluations (which are performed annually). The results of this exercise are reported to the full Board by the chair of the CGN Committee.

The CGN Committee has also developed a skills matrix survey in order to assist the Board in evaluating the experience and competencies of each current Director, and in considering any potential gaps when considering potential new Director candidates. The CGN Committee maintains and administers this process. The results of such survey completed in early 2021, which are summarized below, demonstrate that each Director contributes to the depth and breadth of experience on the Board (as is also demonstrated by their respective biographies, which are included above).

In the below table: a full circle means that the Director has moderate to extensive level of experience and related subject matter skills in the subject matter area; a half circle means that the Director has working knowledge of the subject matter area; and an empty box with no circle means that the Director has limited experience or subject matter skills in the area.

Board of Directors – Skills & Experience																			
Director	Finance				Industry Knowledge							General							
	Financial Accounting	Risk Management	Capital Markets	Transactions M&A	Exploration & Geology	Mining Operations/Mine Engineering	Project Development	Health & Safety	Environment and Permitting	Sustainability and CSP	Governance, Legal & Regulatory	Compensation and Human Resources	Strategy Development & Implementation	Leadership	Public Relations and Marketing	Fluency in Emerging Technology	International Operations	Cybersecurity	
Peter Goudie	●	○	○	●		○	●	○	○	○	●	●	●	●	●		●		
Scott Hand	○	○	○	●	○	●	●	●	●	●	●	●	●	●	○		●		
Paul Huet	○	○	●	●	●	●	●	●	●	○	○	●	●	●	●	○	●		
Wendy Kei	●	●	○	○		○	○	○		○	●	●	●	●	○	○	○	○	
Warwick Morley-Jepson	●	●		○	○	●	●	●	●	●	●	●	●	●	○	●	●		
Chad Williams	●	○	●	●	●	●	○	○	○	○	●	○	●	●	●	○			

Diversity

The Corporation believes that decision-making is enhanced through diversity in the broadest sense. In the context of an effective board of directors, diversity includes expression of thought, business experience, skill sets and capabilities. Diversity also includes valuing an individual's race, colour, gender, age, religious belief, ethnicity, cultural

background, economic circumstance, human capacity, and sexual orientation. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in the creation of shareholder value. The Corporation further believes that diversity provides a competitive advantage and makes for better decisions, which create further value for shareholders. The Corporation supports and encourages diversity at all levels, as is reflected in its Diversity Policy. See “*Canada Business Corporations Act requirements on Diversity*” below.

Board Diversity

The Corporation's Diversity Policy provides, among other things, that in reviewing Board composition, the CGN Committee will consider the benefits of all aspects of diversity, including gender, age, ethnicity, disability and geographical background of each candidate, in order to enable the Board to discharge its duties and responsibilities effectively. The Board is committed to ensuring that gender diversity is actively pursued and implemented. With this in mind, the Corporation has committed to having women make up at least 30% of the Board within two years. Having regard to the four "designated groups" specified by the CBCA (women, members of a visible minority, persons with a disability and Aboriginal person), Board appointment recommendations look to highly qualified individuals based on their experience, education, expertise, personal qualities, and general business and sector specific knowledge. In identifying suitable candidates for appointment to the Board, the CGN Committee considers candidates on merit against objective criteria as described above and with due regard for the benefits of diversity on the Board. The Board is committed to ensuring that gender diversity is actively pursued. When filling a vacancy, the CGN Committee generally seeks women candidates during the director identification and selection process by reviewing information sources that profile women who are currently on or have an interest in serving on public Canadian boards and also by identifying qualified women in the mining industry. Selection of female candidates to join the Board will be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and expected contribution of the chosen candidate. See "*Canada Business Corporations Act requirements on Diversity*" below.

Senior Management Diversity

The Policy also covers senior executive appointments and requires the Chief Executive Officer of the Corporation to have reference to the policy in selecting and assessing candidates and in presenting recommendations to the Board regarding appointments to the senior executive team. The Policy requires the Board to also consider all aspects of diversity and the objectives of the policy when considering those recommendations. See “*Canada Business Corporations Act requirements on Diversity*” below.

Effectiveness of the Diversity Policy

The CGN Committee measures the effectiveness of the Diversity Policy by monitoring the initiatives undertaken by the Corporation to promote diversity within the organization, and ensuring that balanced slates of candidates are presented for board searches and senior management positions where possible and reviews the Diversity Policy and its objectives annually to assess its effectiveness and reports to the Board and recommends any revisions that may be necessary.

Canada Business Corporations Act requirements on Diversity

Effective January 1, 2020, the CBCA was amended to require additional disclosures about diversity. Although the CGN Committee and the Board have not adopted a target number or percentage objective for each of the "designated groups" (as such term is defined in the CBCA which, in turn, is defined in the *Employment Equity Act of Canada*), the Board, its relevant committees and senior management actively consider and review whether candidates representing diversity criteria have been considered and/or appointed to senior management positions and to the Board.

In addition to the designated groups stipulated by the CBCA, we view diversity in the broadest sense and consider the following as examples of additional diversity dimensions that are equally important and necessary across our organization: diversity of thought, perspectives and life experience which can include education, socioeconomic status, language, sexual orientation, values and beliefs, among others. For these reasons and in light of all that is

currently considered and actively discussed about diversity, our Diversity Policy was not amended to add (and does not include) targets and objectives for women, visible minorities, persons with disabilities or aboriginal persons (as such terms are defined in the Employment Equity Act) on its board or executive positions at this time.

As it relates to the "designated groups" specified by the CBCA (the below information is provided as of the date of this Circular):

- One (16%) of our six directors, and none of our five NEOs, is a woman;
- One (16%) of our six directors, none of our five NEOs, self-identifies as a member of a visible minority; and
- None of our six directors, and none of our five NEOs, self-identifies as a person with a disability or an Aboriginal person.

Other Board Committees

In addition to the CGN Committee, the other standing committees of the Board are the Audit Committee, the Human Resources & Compensation Committee and the Technical, Safety and Sustainability Committee. The primary functions of each of these committees is described below.

Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company in accordance with 52-110. This includes oversight and evaluation of: (i) external auditors, (ii) risk management, (iii) financial statements and other financial information, (iv) internal controls, (v) disclosure controls and reporting, (vi) legal and regulatory compliance, and (vii) overseeing non-audit services.

Human Resources & Compensation Committee

It is the Human Resources and Compensation Committee's responsibility to: develop a compensation philosophy and policy; evaluate and make recommendations to the Board regarding cash, equity-based and incentive compensation of the Corporation's directors and senior executives; review and approve the goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives and make recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; oversee succession planning with respect to the Corporation's senior management; review and make recommendations to the Board with respect to the compensation of directors; make certain determinations with respect to the compensation of senior executives other than the Chief Executive Officer; and review executive compensation disclosure before the Corporation publicly discloses the information.

Technical, Safety and Sustainability Committee

The Human Resources and Compensation Committee (the "**TSS Committee**") is responsible for overseeing the development and implementation of policies and management systems of the Corporation relating to exploration, development and operational matters, including environmental and health and safety issues in order to ensure compliance with applicable laws and best management practices. The TSS Committee also oversees the Corporation's ESG program. It is the TSS Committee's responsibility to ensure adequate resources are available and systems are in place for management of the Corporation to implement appropriate operational, environmental, health and safety programs and to ensure that the Corporation has implemented an environmental and health and safety compliance audit program.

NORMAL COURSE ISSUER BID

On April 15, 2020, the Corporation announced that the TSX had accepted its notice of intention to proceed with a normal course issuer bid (the "**Bid**") for its Common Shares. Pursuant to the Bid, the Corporation is permitted to

purchase up to 6,758,932 Common Shares, representing approximately 5% of the Corporation's issued and outstanding Common Shares on April 8, 2020, during the twelve-month period commencing on April 17, 2020 and ending on April 16, 2021. Under the Bid, the Corporation can purchase up to 85,177 Common Shares on the TSX during any trading day, representing approximately 25% of 340,710, which represents the average daily trading volume on the TSX for the most recently completed six calendar months prior to the TSX's acceptance of the notice of the Bid. Any Common Shares so purchased under the Bid will be cancelled. As at the date of this Circular, 278,000 Common Shares have been purchased for cancellation by the Corporation through the Bid. A copy of the notice of intention to proceed with the Bid may be obtained upon request.

ADDITIONAL INFORMATION

The CBCA, which governs the Corporation, provides that shareholder proposals must be received within sixty (60) days of the anniversary date of the Corporation's last annual meeting to be considered for inclusion in the proxy statement and the form of proxy for this annual meeting.

Additional information relating to the Corporation is available on SEDAR (www.sedar.com) under Karora's issuer profile. Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis ("**MD&A**") for the year ended December 31, 2020.

In addition, copies of the Corporation's audited financial statements and MD&A may be obtained upon request to the Chief Financial Officer of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

BY ORDER OF THE BOARD

(signed) Paul Huet

Toronto, Ontario
May 7, 2021

Paul Huet
Chairman and Chief Executive Officer

APPENDIX A
CHARTER OF THE BOARD OF DIRECTORS



KARORA RESOURCES INC.

Title:	Charter of the Board of Directors		
Prepared by:	Corporate Governance and Nominating Committee	Date last reviewed:	May 5, 2021
Approved by:	Board of Directors	Date approved:	May 5, 2021

1. ROLE OF THE BOARD

The role of the board of directors (the "**Board**") of Karora Resources Inc. (the "**Corporation**") is to oversee, directly and through its committees, the business and affairs of the Corporation, which are conducted by its officers and employees under the direction of the Chief Executive Officer ("**CEO**"). In doing so, the Board acts at all times with a view to the best interests of the Corporation.

2. AUTHORITY AND RESPONSIBILITIES

The Board meets regularly to review reports by management on the performance of the Corporation with, as set out in the Board Committee Charters, the assistance of the established Board Committee. In addition to the general supervision of management, the Board performs the following functions:

2.1 Strategic Planning

Overseeing the strategic planning process within the Corporation and periodically reviewing, approving and monitoring the strategic plan for the Corporation including fundamental financial and business strategies and objectives.

2.2 Fiduciary Duty

When acting with a view to the best interests of the corporation, the duty of loyalty will of necessity demand that boards consider the interests of the stakeholders of the corporation. This includes considering the long-term sustainability of the corporation's business.

To understand the best interests of the corporation, the Board should have knowledge of the stakeholders of the corporation, which may include but not be limited to people and organizations interested in or representing the following: shareholders, climate and greenhouse gasses, communities in which the Corporation operates, governments, customers, employees and contractors, pollution and environmental damage, supply-chain parties, and holders of the corporation's debt.

2.3 Risk Assessment

Assessing the major risks facing the Corporation and reviewing, approving, monitoring and mitigating those risks.

2.4 CEO

Developing the corporate objectives that the CEO is responsible for meeting and selecting, evaluating and compensating the CEO.

2.5 Succession Planning

Succession planning for the CEO of the Corporation. The Corporate Governance and Nominating Committee oversees succession planning associated with the members of the Board (with final approval by the Board). The Human Resources & Compensation Committee oversees succession planning associated with positions that report directly to the CEO (with final approval by the Board).

2.6 Senior Management

Overseeing the selection, evaluation and compensation of senior management, and monitoring succession planning in respect of these roles (the Human Resources and Compensation Committee shall have direct responsibility for senior management succession planning).

2.7 Disclosure Policy

Adopting a disclosure policy for the Corporation which is designed to ensure the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive stakeholder views.

2.8 Corporate Governance

Developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines applicable to the Corporation.

2.9 Financial Statements and Internal Controls

- (a) Reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance.
- (b) Reviewing and approving the financial statements of the Corporation, as recommended by the Audit Committee of the Board.

2.10 Maintaining Integrity

On an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation, including compliance with its Code of Business Conduct and Ethics.

2.11 Standing Committees

The Board has established the following standing committees (each, a “Committee”) to assist the Board in discharging its responsibilities: (i) Audit, (ii) Corporate Governance and Nominating, (iii) Human Resources & Compensation, and (iv) Technical, Health and Sustainability. Special committees may be established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed periodically by the Board.

2.12 Evaluation

The Corporate Governance and Nominating Committee performs an annual assessment of: (i) the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors, and (ii) the skills level of Board members in various listed categories.

2.13 Compensation

The Human Resources and Compensation Committee recommends to the Board the compensation for non-management directors. In reviewing the adequacy and form of compensation, the committee seeks to ensure that the compensation reflects the responsibilities and risks involved in being a director of the Corporation and aligns the interests of the directors with the best interests of the Corporation.

2.14 Access to Independent Advisors

The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Chair of the Board, retain an outside advisor at the expense of the Corporation.

3. COMPOSITION AND PROCEDURES

3.1 Size of Board and Selection Process

The directors of the Corporation are elected each year by shareholders at the annual meeting of shareholders. The Board, with the assistance of the Corporate Governance and Nominating Committee, proposes individual nominees to shareholders for election. Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements prescribed by the *Canada Business Corporations Act* ("CBCA") or by complying with the advance notice requirements of the Corporation's by-laws. The Board also recommends the number of directors on the Board to shareholders for approval. Between annual meetings, the Board may appoint directors to serve until the next annual meeting.

3.2 Qualifications

Directors should have the highest personal and professional integrity, ethics and values and be committed to advancing the best interests of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation's activities. A majority of the directors will be independent based on the rules and guidelines of applicable stock exchanges and securities regulatory authorities.

3.3 Chair of the Board & Lead Director

Where the Chair of the Board is determined not to be "independent" (as interpreted under Canadian securities laws), whether by virtue of serving an Executive Chair or otherwise, the Board will appoint a Lead Director to provide independent leadership to the Board.

3.4 Director Orientation

The Corporation's management team is responsible for providing an orientation and education program for new directors.

4. MEETINGS

The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, the CEO discusses agenda items for the meeting with the Chair of the Board. Materials for each meeting are distributed to the directors in advance of the meetings. At the conclusion of each regularly scheduled meeting, the independent directors meet without management present. The Secretary of the Corporation will prepare minutes of all Board meetings, which shall be available for review by the Board. Except in exceptional circumstances, draft minutes of each meeting of the Board shall be circulated to the Board for review within 14 days following the date of each such meeting.

4.1 Attendance

Directors are expected to attend all properly called meetings in person or by telephone. As a minimum, directors are expected to attend at least 75% of all properly called meetings and to have reviewed meeting materials in advance.

4.2 Quorum

Subject to the by-laws of the Corporation, quorum for the transaction of business of the Board shall be a majority of the number of the members of the Board. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place.

4.3 Notice

Subject to the CBCA, and the articles and by-laws of the Corporation, Board meetings shall be held from time to time and at such place as any member of the Board shall determine upon reasonable notice to each of its members which shall not be less than forty-eight (48) hours. The notice period may be waived by all members of the Board, if any one of the Chairperson of the Board or the CEO considers it a matter of urgency that a meeting of the Board be convened, he or she may give notice of a meeting by means of any telephonic, electronic or other communication facility no less than one hour before the meeting. No notice of a meeting will be necessary if all the directors in office are present or if those absent waive notice of that meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.4 Participation

Members may participate in a meeting of the Board in person or by means of telephone, web conference or other communication equipment that permits all persons to participate in the meeting adequately. The Board may invite other officers and employees of the Corporation and such other advisors and persons as is considered advisable to attend any meeting of the Board. For greater certainty, the Board shall have the right to determine who shall and who shall not be present at any time during a meeting of the Board.

4.5 Voting

Subject to the CBCA and the articles and by-laws of the Corporation, any matter to be determined by the Board shall be decided by a majority of the votes cast at a meeting of the Board called for such purpose. Any action of the Board may also be taken by an instrument or instruments in writing signed by all of the members of the Board (including in counterparts, by facsimile or other electronic signature) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose. In case of an equality of votes, the Chairman of the Board will not be entitled to a second or casting vote.