MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and Nine Months Ended September 30, 2023 and 2022

(In thousands of Canadian dollars)

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MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") constitutes the information and factors that management believe are relevant to understanding the consolidated financial condition and operating performance of Karora Resources Inc. and its subsidiaries ("Karora" or the "Company") for the three months and nine months ended September 30, 2023 and 2022. This MD&A should be read in conjunction with the Company's Unaudited Condensed Interim Consolidated Financial Statements and related notes for the three months and nine months ended September 30, 2023 and 2022, the Annual Audited Consolidated Financial Statements and the related notes for the years ended December 31, 2022 and 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board, as well as the annual MD&A and Annual Information Form for the year ended December 31, 2022. This MD&A contains certain forward-looking statements and reference should be made to the "Cautionary Statement Regarding Forward-Looking Information" found at the end of this MD&A.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers information to be material if:

(i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or
(ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Additional information relating to the Company, including the Company's Annual Information Form for the year ended December 31, 2022, is available on SEDAR+ at www.sedarplus.ca. The Company is a reporting issuer under applicable securities legislation in each of the provinces of Canada and its outstanding common shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "KRR" (OTCQX: KRRGF).

Certain non-IFRS measures are included in this MD&A. The Company believes that these measures provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Results are reported in Canadian dollars, unless otherwise noted. Australian dollars are defined as A$. United States dollars are defined as US$. Information contained herein is presented as at November 10, 2023 unless otherwise indicated.

The Company reports two segments, Beta Hunt (as defined herein) and HGO (as defined herein). Beta Hunt segment incorporates the Beta Hunt gold and nickel mine, inclusive of processing charges from the Higginsville gold mill. The HGO segment incorporates the Higginsville gold mines and exploration interests, the 1.6 million tonnes per annum ("Mtpa") Higginsville mill, Spargos (as defined herein) and exploration interests and the 1.0 Mtpa Lakewood gold mill.

HIGHLIGHTS

Introduction

In the third quarter of 2023, Karora continued to execute its consistent delivery of gold production, gold ounces sold and revenue, and earnings, while pursuing its growth investment at Beta Hunt. For the first nine months of 2023, gold production rose 24% and ounces sold rose 30% compared to the same period in 2022, revenue increased 43% and adjusted earnings[1] totalled $14.0 million versus $6.6 million a year earlier. Having completed the first nine months of 2023, the Company is well positioned to achieve an annual production record and target above the mid-point of the 145,000 – 160,000 ounces gold production guidance range for 2023.

The Company's growth plan remained on track during the third quarter of 2023, with the expansion of Beta Hunt advancing on schedule towards reaching an annualized production rate of 2.0 Mtpa during 2024. In addition, exploration success continued at Beta Hunt with strong results from the Fletcher zone providing an exciting third major gold system in the Hunt Block and opportunity for life of mine ("LOM") expansion beyond the existing resources.

Third Quarter 2023

- **Production** of 39,547 gold ounces increased 3% from 38,437 ounces in the third quarter of 2022, down slightly (3%) compared to record production of 40,823 ounces in the second quarter of 2023 ("the previous quarter").
- **Revenue** totalled $107.1 million, 32% higher than the third quarter of 2022 and 3% decrease from the previous quarter in which the Company achieved record gold sales of 42,172 ounces. The increase this quarter compared to the third quarter of 2022 results from the strong gold sales volume of 41,278 ounces (16% higher than the same period in 2022), and strong gold price realised $1,931 per ounce (12% higher than the same period in 2022).
- **Production and processing costs** of $55.5 million compared to $42.4 million in the third quarter of 2022 and $56.6 million the previous quarter, with the year-over-year increase reflecting the impact of the 16% higher gold sales volume and the impact of higher processing costs during the quarter due to temporary crushing during remediation of a crusher bridge failure at HGO, a write down of historic stockpiles and continued cost pressures across Western Australia in areas such as labour, contractors, power and fuel. Importantly, despite short-term impacts, the total cost for the current quarter reduced 2% from the prior quarter (6% excluding the write down to historical stockpiles).
- **Cash operating costs[1] per ounce sold** averaged US$1,062 compared to US$991 in the third quarter of 2022 and US$1,068 in the second quarter of 2023. Previous quarter 2023 cash operating cost per ounce included by-product credits of US$38 per ounce ($nil in the third quarter 2023); 5,193 tonnes of nickel ore at an estimated grade of 1.66% were mined but not yet sold in the third quarter of 2023 to 6,071 tonnes of nickel ore at an estimated grade of 2.47% nickel produced and sold in the previous quarter.
- **All-in sustaining costs ("AISC")[1] per ounce sold** averaged US$1,196, in line with full-year guidance of US$1,100 – US$1,250 and compared to US$1,069 in the third quarter of 2022 and US$1,160 the previous quarter. The higher AISC/oz sold in the third quarter of 2023 reflects higher cash operating costs and increased sustaining capital during the period.

- **Net earnings** of $6.9 million ($0.04 per share) compared to net earnings of $4.4 million ($0.03 per share) for the same period in 2022 and net earnings of $6.6 million ($0.04 per share) in the second quarter of 2023; **Adjusted earnings**[1] of $14.0 million ($0.08 per share) compared to $6.6 million (0.04 per share) in the third quarter of 2022 and $13.9 million ($0.08 per share) the previous quarter.
- **Adjusted EBITDA**[1,2] of $37.0 million increased 35% from $27.5 million in the third quarter of 2022 and was 5% lower than $38.8 million in the second quarter of 2023.
- **Cash flow provided by operating activities** of $45.3 million versus $28.3 million in the third quarter of 2022 and $34.4 million the previous quarter.
- **Cash** of $84.2 million at September 30, 2023 increased $13.3 million or 19% from $70.8 million at June 30, 2023.
- **Working capital**[1] totalled $68.4 million versus $59.6 million at the end of the previous quarter, with the increase mainly reflecting a $13.3 million increase in cash.

Nine Months 2023 (Year to Date)

- **Production** of 120,197 ounces increased 24% from 96,578 ounces for the same period in 2022.
- **Revenue** of $314.5 million increased 42% from $220.2 million for the first nine months of 2022, primarily reflecting a 30% increase in gold ounces sold and a US$89/oz increase in the gold price realised.
- **Production and processing costs** of $166.5 million compared to $125.0 million in the first nine months of 2022, with the increase largely reflecting higher processing volumes and associated higher sales volume.
- **Cash operating costs**[1] **per ounce sold** averaged US$1,083 a 4% improvement from US$1,128 for the same period a year earlier, reflecting the impact of higher grade and the stronger US$, which more than offset the impact of higher royalty expense per ounce (due to higher realised gold prices) and higher costs per tonne.
- **AISC**[1] **per ounce sold** averaged US$1,188, in line with full-year guidance of US$1,100 – US$1,250 and 1% lower than the $1,202 in the first nine months of 2022.
- **Net earnings** of $10.6 million ($0.06 per share) compared to net earnings of $0.3 million ($0.00 per share) for the same period in 2022; **Adjusted earnings**[1] of $32.8 million ($0.19 per share) increased 164% from $12.4 million ($0.08 per share) for the same period in 2022.
- **Adjusted EBITDA**[1,2] totalled $104.5 million, 68% higher than $62.3 million in the first nine months of 2022.
- **Cash flow provided by operating activities** of $100.6 million compared to $51.7 million in the first nine months of 2022.
- **Cash** of $84.2 million increased $15.4 million or 22% from $68.8 million at December 31, 2022, with **working capital**[1] totalling $68.4 million versus $38.0 million at December 31, 2022.

[1] Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A.
[2] Earnings before interest, taxes, depreciation and amortization.

Key Growth Highlights

- **Expansion of Beta Hunt:** The expansion project at Beta Hunt continued to advance on schedule during the first nine months of 2023. Following the completion in the quarter of the development of the second decline, the final ventilation raise (number three of three planned) has been completed enabling significant improvements to the mine's primary ventilation circuit to accommodate the increase in mining fleet required for the continued ramp up to 2.0Mtpa by the end of 2024. The completion of the third ventilation raise concludes this phase of the ventilation upgrade. Installation and commissioning of the new permanent primary ventilation fans is planned for late first half of 2024. In the interim, a temporary primary fan arrangement has been commissioned to facilitate the use of the three completed ventilation raises. The expansion of the new mining fleet continued with the delivery of a further two underground trucks and one underground loader, with further fleet expansion planned in 2024. Once completed, the Beta Hunt expansion project is expected to increase the mine's annualized production run-rate to 2.0 Mtpa by the end of 2024.
- **Fletcher results continue to build exploration momentum at Beta Hunt:** Results were returned from all nine holes aimed to test and infill the southern portion of the Fletcher Shear Zone ("FSZ" or "Fletcher") over 500 metres of strike north of the Alpha Island Fault (AIF). On August 7, 2023, assays from four drill holes were released which included intersections of strong mineralization in targeted areas. On September 12, 2023, the Company announced assays from the final five holes of the program, highlighted by broad, high-grade intersections from the most northern infill line which indicate the strike of the FSZ to re-align closer and within 250 metres of the Western Flanks Mineral Resource. All results from the now completed program, including highlights of 4.8 g/t over 32.0 metres and 15.9 g/t over 6.0 metres from the most recent release reinforce the existence of a significant mineralized system west of Western Flanks with potential for the FSZ to extend up to 2 kilometres of strike and be the third major gold system in the Hunt Block after the Western Flanks and A Zone.

Other Corporate Highlights

- **Kali Metals Lithium Spin-off:** The transaction, originally announced during the second quarter, advanced during the third quarter and remains on track for completion by year end. On November 3, 2023, Kali Metals Limited announced that it has lodged a Prospectus for its Initial Public Offering on the ASX (see www.kalimetals.com.au for more details). The new lithium vehicle involves Karora and a third party vending their lithium exploration projects into new entity Kali Metals Limited with a goal of creating a new, separately run lithium-focused, ASX-listed exploration company to be led by an experienced board and management team.

- **Management changes:** During the quarter Mr. Tony Makuch joined the Company as a Director, Mr. Barry Dahl retired as the Company's Chief Financial Officer, replaced by Mr. Derek Humphry, and Mr. Peter Ganza joined Karora's Australian operations as Chief Operating Officer, Australia.

DESCRIPTION OF BUSINESS

Karora is a multi-operational mineral resource company with mining interests located in Western Australia. The portfolio includes the Beta Hunt Mine ("Beta Hunt") as well as the Higginsville Gold Operations inclusive of Spargos Reward Gold Mine ("Spargos") and the Lakewood Mill (together "HGO"). Beta Hunt is a gold producing underground operation with nickel by-product credits. Gold bearing ore from Beta Hunt is blended with HGO material for feed into the HGO 1.6 Mtpa processing plant. Concurrently, material from Beta Hunt is also treated at the 1.0 Mtpa Lakewood Mill. Karora is focused on growth through sustainable organic production and further accretive acquisitions of precious metal/mineral operations. Karora's growth pathway is underpinned by the increased milling capacity now in place at Higginsville and following the acquisition of the Lakewood Mill in 2022, along with the addition of a second decline and related ventilation upgrades at Beta Hunt intended to increase production to 2.0 Mtpa during 2024. The Company is also well positioned to grow the nickel component of its business, which offers the potential for higher by-product credits and further improvements in unit costs for gold production. All nickel ore from Beta Hunt is trucked four kilometres for processing at BHP's Kambalda Nickel Concentrator.

BUSINESS VALUES

Karora has adopted the following values:

- work safely;
- treat people with dignity and respect;
- respect the environment;
- be accountable to deliver on commitments;
- create lasting prosperity in the communities in which the Company operates; and
- generate value from our assets.

ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG)

Karora is committed to responsible and sustainable business practices in order to:

- operate in an environmentally responsible manner;
- protect health and safety of its employees and contractors; and
- improve the prospects of all stakeholders including local communities.

[1] Non-IFRS: the definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A.

OPERATING RESULTS

Operating Data

	Three Months Ended,			Nine Months Ended,	
	Sep 30, 2023	Sep 30, 2022	Jun 30, 2023	**Sep 30, 2023**	Sep 30, 2022
Gold Operations (Consolidated)					
Tonnes milled (000s)	**516**	547	536	**1,554**	1,403
Recoveries	**95%**	94%	95%	**95%**	94%
Gold milled, grade (g/t Au)	**2.51**	2.33	2.50	**2.54**	2.28
Gold produced (ounces)	**39,547**	38,437	40,823	**120,197**	96,578
Gold sold (ounces)	**41,278**	35,513	42,172	**119,595**	92,198
Average exchange rate (C$/US$) [1]	**0.75**	0.77	0.74	**0.74**	0.78
Average realized price (US $/oz sold)	**$1,931**	$1,717	$1,909	**$1,907**	$1,818
Cash operating costs (US $/oz sold)[2]	**$1,062**	$991	$1,068	**$1,083**	$1,128
All-in sustaining cost (AISC) (US $/oz sold)[2]	**$1,196**	$1,069	$1,160	**$1,188**	$1,202
Gold (Beta Hunt)					
Tonnes milled (000s)	**333**	306	319	**951**	834
Gold milled, grade (g/t Au)	**2.17**	2.36	2.62	**2.55**	2.30
Gold produced (ounces)	**21,926**	21,977	25,709	**74,212**	58,254
Gold sold (ounces)	**23,595**	20,767	26,330	**73,002**	56,035
Cash operating cost (US $/oz sold)[2]	**$1,233**	$953	$1,017	**$1,071**	$1,067
Gold (HGO Mine)					
Tonnes milled (000s)	**183**	241	217	**603**	569
Gold milled, grade (g/t Au)	**3.13**	2.29	2.31	**2.52**	2.26
Gold produced (ounces)	**17,621**	16,460	15,114	**45,985**	38,324
Gold sold (ounces)	**17,683**	14,746	15,842	**46,593**	36,163
Cash operating cost (US $/oz sold)[2]	**$832**	$1,043	$1,151	**$1,101**	$1,223

1. Average exchange rate refers to the average market exchange rate for the period.
2. Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A.
3. Numbers may not add due to rounding.

Consolidated gold production in the third quarter of 2023 was 39,547 ounces, a 3% increase from the third quarter of 2022 and 3% lower than the record 40,823 ounces in the previous quarter. The increase from the third quarter of 2022 resulted primarily from an 8% improvement in the average grade reflecting final stoping at the Aquarius underground gold mine at the Higginsville gold operation. Tonnage was 6% down on the comparative period in 2022 due to crushing interruptions at the Higginsville gold operation. Contract crushers were mobilised while crusher bridge repairs continue and expected to be concluded during the final quarter of the year.

Cash operating costs[1] per ounce sold for the third quarter of 2023 averaged US$1,062 compared to US$991 for the same period in 2022 and $1,068 the previous quarter. The increase from the third quarter of 2022 largely reflected the impact of higher processing costs during the quarter due to two months contract crushing following the crusher bridge failure at HGO and continued cost pressures in areas such as labour, contractors, power and fuel. In addition, nickel produced in the third quarter 2023 was not sold during the quarter; previous quarter 2023 cash operating cost per ounce included nickel by-product credits of US$38 per ounce. AISC[1] per ounce sold in the third quarter of 2023 averaged US$1,196 compared to US$1,069 in the third quarter of 2022 and $1,160 the previous quarter due to the impact of the higher cash operating costs per ounce sold and higher sustaining capital for the quarter.

For the first nine months of 2023, gold production totalled 120,197 ounces, 24% higher than 96,578 ounces in the first nine months of 2022 reflecting a 11% increase in tonnes milled and a 11% improvement in the average grade. Higher tonnes milled reflected an increase in milling capacity following the acquisition of the Lakewood Mill in August 2022. The Company ended the first nine months of 2023 well positioned to record an annual production record and target annual production above the midpoint of the 145,000 – 160,000 ounces gold production guidance range for 2023.

Cash operating costs[1] per ounce sold for the first nine months of 2023 averaged $1,083 compared to $1,128 for the same period in 2022 with volume and grade improvements largely accounting for the year-over-year improvement. AISC[1] per ounce sold averaged US$1,188 in the first nine months of 2023 versus $1,202 a year earlier.

BETA HUNT MINE OPERATIONS REVIEW

During the third quarter of 2023, Beta Hunt mined 357,204 tonnes at an average grade of 2.00 g/t containing 22,912 ounces of gold. This represented a 14% improvement on the third quarter of 2022, and a 20% improvement on the prior quarter ore tonnes reflecting progress in the ongoing production ramp up at the Beta Hunt mine. Contained gold was 5% lower than the third quarter of 2022 (313,000 tonnes at 2.40g/t for 24,188 contained ounces) and 19% lower than the prior quarter (297,100 tonnes at 2.97g/t for 28,416 contained ounces) reflecting the mining of a planned lower grade section of Beta Hunt during the current quarter with improved grade planned in the final quarter. The majority of the scheduled mined tonnes during the third quarter came from the central section of Western Flanks with fewer scheduled higher grade ore zones.

Gold production from Beta Hunt in the third quarter of 2023 totalled 21,926 recovered ounces based on milling 333,311 tonnes at an average grade of 2.17 g/t and 94% plant recovery. The lower mined grade contributed to 0.2% lower gold production for the quarter (21,977 ounces) compared to the third quarter of 2022 and 15% lower than the prior quarter (25,709 ounces).

Cash operating costs[1] per ounce sold at Beta Hunt averaged US$1,233 in the third quarter of 2023, which compared to US$953 in the third quarter of 2022, and US$1,017 the previous quarter with the increase from the previous quarter of 2023 reflecting the impact of lower grade and no by-product credits, as the nickel produced in the quarter was not sold in the period (US$61/oz reduction of cash cost per ounce for the previous quarter).

For the first nine months of 2023, Beta Hunt mined 954,304 tonnes at an average grade of 2.56 g/t containing 78,439 ounces of gold, which compared to 828,984 tonnes mined at an average grade of 2.33 g/t containing 62,152 ounces of gold in the first nine months of 2022. Year-to-date gold production in 2023 totalled 74,212 ounces, a 27% increase from production of 58,254 ounces in the first nine months of 2022, which resulted from 14% higher mill throughput and 12% higher grade. Cash operating costs[1] per ounce sold averaged US$1,071 broadly in line with the US$1,067 in the first nine months of 2022.

In addition to gold production, Beta Hunt mined 5,193 tonnes of nickel ore at an estimated grade of 1.66% nickel during the third quarter of 2023 compared to 5,915 tonnes of nickel ore mined at an estimated grade of 1.76% nickel for the same period in 2022 and 6,071 tonnes of nickel ore at an estimated grade of 2.47% nickel the previous quarter. For the first nine months of 2023, 18,035 tonnes of nickel ore were mined at an estimated grade of 2.14% nickel, which compared to 18,851 tonnes mined at an estimated average grade of 1.66% nickel a year earlier.

HIGGINSVILLE GOLD OPERATIONS REVIEW

During the third quarter of 2023, HGO mined 96,367 tonnes at an average grade of 5.16 g/t containing 15,994 ounces, which compared to 171,000 tonnes mined at an average grade of 3.05 g/t containing 16,742 ounces in the third quarter of 2022 and 178,100 tonnes at an average grade of 2.76 g/t containing 15,806 ounces the previous quarter. The quantity of tonnes mined during the third quarter of 2023 largely reflected the completion of stoping activities at the Aquarius underground mine in the quarter as the Pioneer open pit mine was brought into production.

Production at HGO in the third quarter of 2023 totalled 17,621 recovered ounces based on milling 182,489 tonnes at an average grade of 3.13 g/t. Production in the third quarter of 2023 increased 7% from 16,460 ounces in the third quarter of 2022 (241,000 tonnes at 2.29 g/t for 16,460 ounces), reflecting the 37% higher grade processed, and was 17% higher than the previous quarter (216,894 tonnes at 2.31 g/t for 15,114 ounces), again reflecting the 36% higher grade in the current quarter driven by final stoping from the Aquarius underground mine.

Cash operating costs[1] per ounce sold at HGO averaged US$832 in the third quarter of 2023 versus US$1,043 for the same period in 2022, with the 20% improvement reflecting the higher processing grade and resultant 20% higher ounces sold for the period. Cash operating costs[1] per ounce sold in the third quarter of 2023 improved 28% from US$1,151 the previous quarter with the improvement again reflecting the higher processed grade from the Aquarius stoping ore and associated higher produced ounces.

For the first nine months of 2023, HGO mined 346,667 tonnes at an average grade of 3.65 g/t containing 40,727 contained ounces of gold, which compared favourably to the 363,853 tonnes mined at an average grade of 3.03 g/t containing 35,397 ounces of gold in the first nine months of 2022 reflecting ore source timing in accordance with the mine plan. Year-to-date gold production in 2023 totalled 45,985 ounces resulting from processing 602,932 tonnes at an average grade of 2.52 g/t versus gold production of 38,324 ounces based on processing 568,581 tonnes at an average grade of 2.26 g/t for the same period a year earlier. Cash operating costs[1] per ounce sold averaged US$1,101 compared to $1,223 in the first nine months of 2022 with the lower cash costs largely due to higher grade.

PROCESSING FACILITY REVIEW

A total of 515,800 tonnes were milled at an average grade of 2.51 g/t with average recoveries of 95% for production of 39,547 ounces during the third quarter.

Beta Hunt contributed 100% of the throughput at the Lakewood Mill during the third quarter of 2023, totalling 217,347 tonnes at an average grade of 1.92 g/t. Recovered gold during the quarter totalled 12,297 ounces. The balance of Beta Hunt was dedicated to the Higginsville mill with Beta Hunt contributing 39% of the mill throughput and HGO providing the remaining 61% with the higher-grade Aquarius ore prioritized. At Higginsville mill, 298,453 tonnes of material were processed at an average grade of 2.95 g/t for a recovered gold of 27,250 ounces.

For the first nine months of 2023, throughput at the Lakewood Mill totalled 548,590[2] tonnes (97% from Beta Hunt and 3% from HGO) at an average grade of 1.98 g/t. Recovered gold during the nine-month period totalled 32,712 ounces. 1,005,466 tonnes were milled at the Higginsville Mill (with 42% of mill feed coming from Beta Hunt and 58% from HGO) at an average grade of 2.84 g/t. Recovered gold totalled 87,485 ounces.

[1] Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A.
[2] Lakewood – there was no toll treatment during Q3, the nine-months throughput excludes external toll treatment ore processed during 2023

EXPLORATION

BETA HUNT EXPLORATION

During the third quarter of 2023, three underground drill rigs completed 12,295 metres of drilling at Beta Hunt, as part of the gold and nickel exploration and resource definition campaign, in support of the Company's growth plan.

Gold drilling (7,508 m) during the quarter focused on Fletcher and comprised a nine-hole follow-up program to the drilling completed in Q2, 2023 which tested the southern extension of the Fletcher Shear Zone ("FSZ") over 500 metres north of the Alpha Island Fault ("AIF"). Additional drilling targeted infill positions on the northern section of the Larkin Mineral Resource.

Nickel drilling (4,786 m) was targeted at upgrading the southern end of the East Alpha in an area known as Gamma in preparation for mine development and testing and extending the 99H nickel mineralization west of Western Flanks in the Hunt Block.

On August 7 and September 12, 2023, the Company announced significant results from the Fletcher follow-up drilling program designed to test and infill the southern 500 metre extension of the FSZ north of the AIF. All results from this program were received during the quarter. The program intersected strong mineralization in the targeted positions highlighted by broad, high-grade intersections from the most northern infill line which indicate the strike of the FSZ to re-align closer and within 250 metres of the Western Flanks Mineral Resource. This program reinforced the high level of confidence in the continuity of the Fletcher mineralization. These results confirm the existence of a significant mineralized system west of Western Flanks with potential for the FSZ to be the third major gold system in the Hunt Block after the Western Flanks and A Zone.

Highlights of the results are provided below.

Fletcher Shear Zone[1]

- WF405SOD-51AE: 2.8 g/t over 52.0 metres and 11.8 g/t over 2.9 metres
- WF405SOD-01AE: 3.3 g/t over 9.0 metres and 2.5 g/t over 10.5 metres
- BF1730-22AE: 3.1 g/t over 13.0 metres, 3.8 g/t over 9.0 metres, and 2.5 g/t over 17.0 metres
- WF405SOD-52AE: 4.7 g/t over 11.0 metres
- WF405ACC-48AE: 4.8 g/t over 32.0 metres and 4.9 g/t over 5.0 metres
- WF405ACC-49AE: 3.6 g/t over 34.5 metres and 11.2 g/t over 2.0 metres
- BF1730-24AE: 15.9 g/t over 6.0 metres (EOH) and 18.0 g/t over 3.0 metres

1. *Interval lengths are downhole widths. Estimated true widths are not available at this time.*

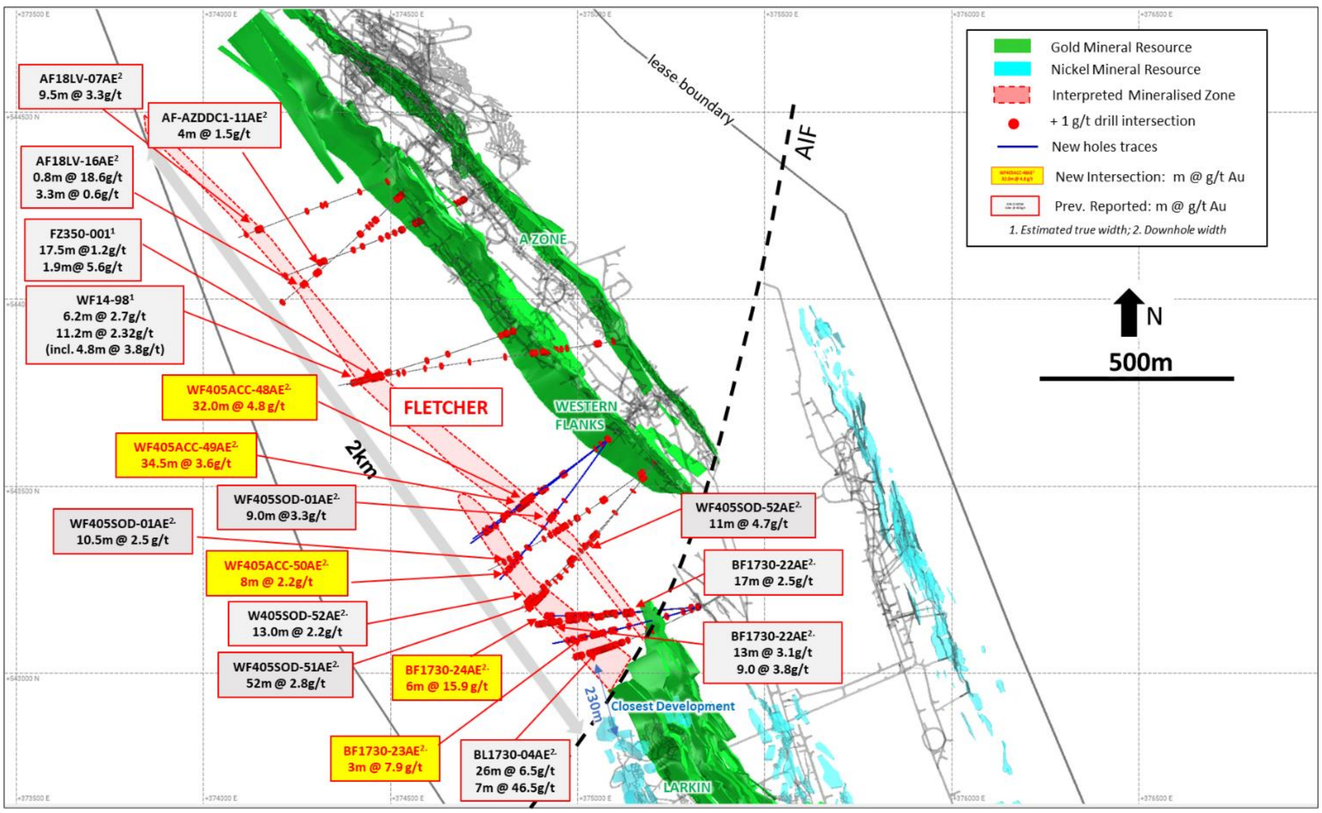

Figure 1: Plan view of interpreted strike extent of Fletcher Shear Zone highlighting recent drill results

On September 18, 2023, the Company released a summary of significant gold drilling results received from the following drill programs:

- Infill and extensional drilling targeting the Mason Zone which extended the mineralized strike by 100 metres to 800 metres and providing confidence for a potential new deposit for future mining,
- The northern end of the Larkin Mineral Resource, with results providing increased confidence for an upgrade of the current Inferred Mineral Resource to Indicated status, and
- The A Zone and Western Flanks deposits with drilling focused on upgrading the Mineral Resource. Results generally support the current interpretation and increased confidence of the Inferred portion of the Mineral Resource.

Highlights of the results are summarized below:

Mason[2]

- BM1941SP3-02AE: 12.2 g/t over 6.0 metres
- BM1941SP3-14AE: 14.7 g/t over 4.0 metres and 8.0 g/t over 7.0 metres
- BM1941SP3-09AE: 5.9 g/t over 7.8 metres
- BM1941SP3-08AE: 3.8 g/t over 11.4 metres

Larkin[2]

- BL1730-06AE: 4.2 g/t over 9.0 metres and 11.2g/t over 2.7 metres
- BL1730-05AE: 3.0 g/t over 12.0 metres
- BL1730-08AE: 4.0 g/t over 10.0 metres

Western Flanks[1]

- AWSP22-08AR: 12.0 g/t over 5.1 metres
- AWSP22-02AR: 3.2 g/t over 12.8 metres
- AWSP22-42AR: 2.8 g/t over 19.7 metres
- AWSP22-45AR: 5.9 g/t over 13.9 metres, including 9.2 g/t over 1.7 metres

A Zone[1]

- AASP22-16AR: 17.4 g/t over 2.6 metres
- AASP22-21AR: 3.3 g/t over 9.8 metres
- AASP22-17AR: 3.0 g/t over 9.7 metres
- AA38ACC-07AR: 4.2 g/t over 4.2 metres

1. *Estimated True Widths*
2. *Interval lengths are downhole widths. Estimated true widths cannot be determined with available information.*

HIGGINSVILLE EXPLORATION

During the third quarter of 2023, drilling comprised both exploration and resource definition programs including reverse circulation ("RC") and diamond drilling totalling 6,700 metres. Work focused on:

- Extending and infilling the southern portion of the Pioneer deposit with the aim of upgrading the current Mineral Resource. Results are pending from this drilling.
- Testing extensions to the Barcelona prospect, metallurgical test work samples over the Mitchell paleochannel deposit and reconnaissance RC drilling and rock chip sampling over regional targets.
- Project generation work continued with activities aimed at reviewing, identifying and prioritising both near-mine resource development and greenfield exploration targets.

On September 18, 2023, the Company announced significant drilling results from the Spargos program designed to test the vertical down-plunge extension of the main Spargos lode. This program was completed earlier in the year. Results from this drilling show mineralization extends to 580 metres below surface and remains open at depth. Significant results[1.] from this drilling are highlighted below:

- KXDD003: 12.8 g/t over 2.1 metres and 4.4 g/t over 9.1 metres
- KXDD004: 6.0 g/t over 5.0 metres and 3.4 g/t over 6.1 metres

1. Estimated True Widths

Results from the drilling will be incorporated into an updated Spargos Mineral Resource to assess the deposit as an underground mine opportunity and will be included as part of the updated Karora Mineral Resource due for release in before the end of the year.

FINANCIAL RESULTS

(in thousands of dollars except per share amounts)	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Revenue	**$107,136**	$81,326	**$314,537**	$220,207
Production and processing costs	**55,525**	42,430	**166,485**	124,959
Earnings before income taxes	**13,536**	7,946	**24,642**	6,846
Net earnings	**6,923**	4,378	**10,625**	341
Net earnings per share - basic	**0.04**	0.03	**0.06**	0.00
Net earnings per share - diluted	**0.04**	0.03	**0.06**	0.00
Adjusted EBITDA [1,2]	**37,012**	27,510	**104,460**	62,315
Adjusted EBITDA per share - basic [1,2]	**0.21**	0.16	**0.60**	0.39
Adjusted earnings [1,2]	**14,049**	6,640	**32,754**	12,422
Adjusted earnings per share - basic [1,2]	**0.08**	0.04	**0.19**	0.08
Cash flow provided by operating activities	**45,345**	28,294	**100,611**	51,686
Cash investment in property, plant and equipment and mineral property interests	**(26,950)**	(89,822)	**(70,715)**	(149,690)

1. Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A.

Three and nine months ended September 30, 2023 compared to three and nine months ended September 30, 2022

REVENUE

For the three months ended September 30, 2023, the Company generated revenue of $107.1 million, a $25.8 million or 32% increase from the third quarter of 2022. Gold revenue totalled $106.9 million, $27.3 million or 34% higher than the third quarter a year earlier, with $12.9 million of the increase resulting from higher gold ounces sold and $14.4 million relating to rate factors, including the impact of a stronger US dollar as well as a 12% increase in the average US$ realized gold price. Beta Hunt contributed $60.8 million of total gold revenue in the third quarter of 2023, with HGO contributing $46.1 million. During the comparable period in 2022, Beta Hunt contributed $46.6 million of gold revenue, with the remaining $33.1 million coming from HGO.

For the nine months ended September 30, 2023, revenue totalled $314.5 million, $94.3 million or 43% higher than $220.2 million for the same period in 2022. Gold revenue for the nine months of 2023 totalled $306.9 million, a $91.2 million or 42% increase from a year earlier. Of the increase, $64.1 million related to a 30% increase in gold ounces sold, with rate factors contributing the remaining $27.1 million of revenue growth reflecting the 5% improvement in the average realized US$ gold price and the impact of a significantly stronger US dollar. Beta Hunt contributed $186.9 million of year-to-date gold revenue, with HGO contributing $120.0 million. During the first nine months of 2022, Beta Hunt contributed $131.2 million of gold revenue, with $84.4 million coming from HGO.

PRODUCTION AND PROCESSING COSTS

For the three months ended September 30, 2023, production and processing costs totalled $55.5 million compared to $42.4 million in the comparable period in 2022. An increase in production and processing costs versus the third quarter of 2022 were largely due to a crusher bridge failure, a write down of historic stockpiles carrying value, and continued cost pressures across Western Australia in areas such as labour, contractors, power and fuel. Importantly, excluding the write down of historic stockpiles, the total cost for the current quarter reduced 6% from the prior quarter compared to 2% lower sales volume period on period. This was driven in part by outperformance at the Higginsville Gold Operation where high-grade stoping ounces from the now completed Aquarius underground mine provided an offset.

For the first nine months of 2023, production and processing costs were $166.5 million compared to $125.0 million for the same period in 2022, with higher processing volumes and the impact of cost escalation on mining costs largely accounting for the year over year increase.

ROYALTY EXPENSE

Royalty expense totalled $5.9 million in the third quarter of 2023 and $17.8 million for the first nine months of 2023, which compared to $5.1 million and $12.9 million for the same periods in 2022. Both increases reflected significantly higher gold ounces sold compared to the prior year level as well as higher realised gold price in 2023.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses totalled $8.5 million and $25.5 million for the three and nine months ended September 30, 2023, respectively, compared to $6.2 million and $19.0 million, respectively, for the same periods in 2022. Higher general and administrative expenses in 2023 largely reflected the continued ramp up in workforce aligned with execution of the growth plan, as well as investments in projects aimed at enhancing management operating and information systems, as the Company executes its growth plan. Also contributing to increased employee and contractor costs in both the third quarter and first nine months of 2023 were continued tight labour markets in Western Australia.

SHARE-BASED COMPENSATION

For the three months ended September 30, 2023, general and administrative: share-based compensation expense was $4.0 million compared to $1.3 million for the same period in 2022. This in part reflected an annual share-based grant across the group designed to improve employee retention, mark to market of cash out options and expense for executive end of service arrangements. For the nine months ended September 30, 2023, general and administrative: share-based compensation expense was $7.1 million compared to $4.1 million for the comparable period in 2022. Expense or income from share-based compensation is primarily driven by movements in the Company’s share price during the respective periods.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the three months and nine months ended September 30, 2023 totalled $13.9 million and $48.2 million, respectively, compared to $15.0 million and $37.4 million, respectively, for the comparable periods in 2022. The reduction in depreciation and amortization expense between comparative quarters is due to lower mine amortization for the current period at HGO, reflecting the different production profile year-over-year. The increase in depreciation and amortization on a year-to-date basis, reflects significantly higher levels of gold ounces sold, associated mining and processing volumes and the impact of additional investments in the Company’s growth projects.

OTHER INCOME/EXPENSES, NET

For the three months ended September 30, 2023, other expenses net totalled $5.4 million, which mainly related to foreign exchange loss of $2.4 million, net finance expense of $2.0 million and an unrealized loss related to the revaluation of marketable securities of $0.9 million. Other expenses, net in the third quarter of 2022 totalled $3.4 million, including net finance expense of $1.7 million, loss on derivatives of $1.0 and an unrealized loss related to the revaluation of marketable securities of $0.5 million. Foreign exchange losses are non-cash and primarily relate to the impact of translating intercompany loan balances between the Company's Australian entities and the Canadian parent.

For the nine months ended September 30, 2023, other expenses, net totalled $24.5 million, which included foreign exchange losses of $13.4 million, loss on derivatives of $5.3 million, and net finance expense of $5.9 million, with a small offset for a $0.1 million unrealized gain related to the revaluation of marketable securities. In the first nine months of 2022, other expenses, net totalled $13.7 million mainly reflecting $6.4 million of foreign exchange losses, $3.8 million of net finance expense, $2.0 million related to an unrealized loss on the revaluation of marketable securities and a $1.3 million loss on derivatives.

INCOME TAX EXPENSE

For the three months ended September 30, 2023, income tax expense was $6.6 million compared to income tax expense of $3.6 million for the comparable period in 2022. On a year-to-date basis, income tax expense in 2023 totalled $14.0 million versus $6.5 million a year earlier. The level of income tax expense in the third quarter and first nine months of 2023 reflected the level of taxable income generated by the Company's Australian operations.

NET EARNINGS (LOSS)

Net earnings for the three months ended September 30, 2023 totalled $6.9 million ($0.04 per basic share) compared to $4.4 million ($0.03 per basic share) for the three months ended September 30, 2022. The improvement in net earnings performance compared to the third quarter of 2022 mainly reflected a 33% increase in operating margin (revenue less production and processing costs), to $51.6 million, offsetting the impact of higher general and administrative, depreciation and amortisation, royalty, other and income tax expenses.

Net earnings for the nine months ended September 30, 2023, was $10.6 million ($0.06 per basic share) compared to net earnings of $0.3 million ($0.00 per basic share) in the nine months of 2022, with a $52.8 million or 55% increase in operating margin more than offsetting the impact of higher general and administrative, depreciation and amortisation, royalty, other and income tax expenses.

ADJUSTED EARNINGS[1]

Adjusted earnings[1] for the three months ended September 30, 2023 totalled $14.0 million ($0.08 per share) versus $6.6 million ($0.04 per share) in the third quarter of 2022. The difference between net earnings and adjusted earnings[1] in the third quarter of 2023 resulted from the exclusion from adjusted earnings[1] of the after-tax impact of $3.9 million related to non-cash share-based payments, $2.4 million foreign exchange losses, $1.2 million related to sustainability initiatives, $0.9 million in unrealized loss on marketable securities, and $0.9 million credit for rehabilitation cost adjustment for closed sites. The difference between net earnings and adjusted earnings[1] in the third quarter of 2022 largely resulted from the exclusion from adjusted earnings[1] of the after-tax impact of $1.2 million related to non-cash share-based payments, $1.0 million related to loss on derivatives, and $0.5 million in unrealized loss on marketable securities. The increase in adjusted earnings[1] compared to the third quarter of 2022 mainly reflected the 33% increase in operating margin, driven by $27.4 million or 34% higher gold revenue.

For the nine months ended September 30, 2023, adjusted earnings[1] totalled $32.7 million ($0.19 per share) versus $12.4 million ($0.08 per share) in the same period in 2022. The difference between net earnings and adjusted earnings[1] for year-to-date 2023 reflected the exclusion from adjusted earnings[1] of the after-tax impact of $13.4 million foreign exchange losses, $7.0 million related to non-cash share-based payments, $5.3 million related to loss on derivatives, $1.2 million related to sustainability initiatives, and $0.9 million credit for rehabilitation cost adjustment for closed sites. The difference between net earnings and adjusted earnings[1] in the first nine months of 2022 mainly related to the exclusion from adjusted earnings[1] of the after-tax impact of $6.4 million foreign exchange losses, $3.2 million related to non-cash share-based payments, $2.0 million in unrealized loss on marketable securities, $1.3 million related to loss on derivatives, and $1.2 million in related to sustainability initiatives. The $52.8 million or 55% improvement in operating margin driven by 43% higher gold revenue and the add back of foreign exchange losses mainly accounted for the increase in year-to-date adjusted earnings[1].

[1] Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A.

SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars)	2023			2022				2021
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Revenues	**$107,136**	**$110,595**	**$96,806**	$96,835	$81,326	$73,609	$65,272	$66,972
Net earnings (loss)	**$6,923**	**$6,643**	**($2,941)**	$9,560	$4,378	($328)	($3,709)	$6,112
Net earnings (loss) per share - basic	**$0.04**	**$0.04**	**($0.02)**	$0.06	$0.03	($0.00)	($0.02)	$0.04
Net earnings (loss) per share - diluted	**$0.04**	**$0.04**	**($0.02)**	$0.05	$0.03	($0.00)	($0.02)	$0.04

Quarterly results vary in accordance with the Company's revenues, which are affected by ounces sold, the gold price, changes in exchange rates, as well as changes in gold production, the level of production and processing costs, royalty expense, and the impact of exploration, development, acquisition and financing activities. Higher levels of revenue in the first nine months of 2023 primarily reflected increased production and sales. Over this same period, production and processing and depreciation and amortization costs have increased largely reflecting higher volumes, the continuation of cost inflationary pressures in many areas, changes to the Company's production profile and, in the case of depreciation and amortization expense, the continued investment at Beta Hunt in support of the Company's growth plan. Higher revenues and improvement in the Company's operating margin largely drove solid earnings performance in the first three quarters of 2023, as well as the second half of 2022. The net loss in the first quarter of 2023 was largely related to other expenses, net, mainly reflecting non-cash losses on derivatives and foreign exchange as well as higher depreciation and amortisation expense. Contributing to net loss in the first two quarters of 2022 was the impact of disruptions caused by record levels of COVID-19 cases in Western Australia.

[1] Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

(in thousands of dollars)	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Cash provided by operations prior to changes in working capital	**$36,125**	$27,898	**$103,754**	$61,751
Changes in non-cash working capital	**9,220**	547	**(3,089)**	(9,145)
Asset retirement obligations	**-**	-	**-**	(441)
Income taxes paid	**-**	(151)	**(54)**	(479)
Cash provided by operating activities	**45,345**	28,294	**100,611**	51,686
Cash used in investing activities	**(26,988)**	(89,612)	**(70,444)**	(149,086)
Cash provided by (used in) financing activities	**(4,285)**	3,170	**(11,712)**	63,495
Effect of exchange rate changes on cash and cash equivalents	**(739)**	135	**(3,082)**	(1,019)
Change in cash and cash equivalents	**$13,333**	$(58,013)	**$15,373**	$(34,924)

OPERATING ACTIVITIES

For the three months ended September 30, 2023, cash provided by operating activities, prior to changes in working capital, totalled $36.1 million compared to $27.9 million for the same period in 2022. The increase compared to the third quarter of 2022 largely reflected significantly higher operating margin, driven by strong revenue growth, partially offset by increased general and administrative and royalty expenses. Changes in working capital represented a net source of cash totalling $9.2 million during the three months ended September 30, 2023, reflecting a $7.6 million increase in accounts payable due to increased operating and growth capital activity particularly in September 2023.

For the nine months ended September 30, 2023, cash provided by operating activities, prior to changes in working capital, was $103.8 million compared to $61.8 million for the same period in 2022, with the increase mainly reflecting higher gold revenue and operating margin in the first nine months more than offsetting increases in royalty and general and administration expenses. Changes in working capital used $3.1 million of cash during the nine months ended September 30, 2023 of which $6.4 million related to a reduction in accounts payable and accrued liabilities following completion of the Beta Hunt decline development and $4.0 million relates to reduced trade and other receivables reflecting no nickel sales for the quarter. Changes in working capital in the first nine months of 2022 used $9.1 million, mainly represented by a $8.4 million increase in inventories and $2.9 million reduction in accounts payable and accrued liabilities.

INVESTING ACTIVITIES

Net cash used in investing activities for the three months ended September 30, 2023 totalled $27.0 million compared to a net use of cash of $89.6 million for the same period in 2022, which included $64.2 million related to the Lakewood Mill acquisition in August 2022. The third quarter 2023 investments in property, plant and equipment and mineral property interests mainly related to mine development at Beta Hunt, the Lakewood mill and TSF upgrades, as well as the procurement of new equipment.

For the nine months ended September 30, 2023, cash used for investing activities totalled $70.4 million compared to $149.1 million for the same period in 2022, with mine development at Beta Hunt, Lakewood and Higginsville mill and tailings storage facility (“TSF”) upgrades, and equipment procurement accounting for the largest components of capital outflows in the first nine months of 2023.

KARORA RESOURCES

FINANCING ACTIVITIES

For the three months ended September 30, 2023, financing activities used net cash of $4.3 million compared to providing net cash of $3.2 million during the comparable period in 2022. The primary uses of cash in the third quarter of 2023 were $2.3 million related to payments on leases, $1.2 million of interest payments and $1.0 million for settlements in respect of derivative instruments. The $3.2 million of net cash provided from financing activities in the third quarter of 2022 resulted from $6.6 million of net proceeds received from the refinancing of the Company's bridge loan, partially offset by cash used for lease and interest payments.

For the nine months ended September 30, 2023, financing activities used net cash of $11.7 million compared to providing net cash of $63.5 million in the first half of 2022. The $11.7 million of net cash used in the first nine months of 2023 mainly reflected $5.6 million of payments on leases, $3.1 million of interest payments and $2.7 million for settlements in respect of derivative instruments. The $63.5 million of net cash provided by financing activities in the first nine months of 2022 mainly reflected the receipt of net proceeds of $65.1 million from the issuance of 14,375,000 common shares during the second quarter of 2022 through an offering associated with the Lakewood Mill acquisition.

NET CASH FLOW

In aggregate, operating, investing and financing activities for the three months ended September 30, 2023 provided net cash of $13.3 million compared to using net cash of $58.0 million in the third quarter of 2022. For the first nine months of 2023, operating, investing and financing activities, in aggregate, generated $15.4 million of net cash compared to using net cash of $34.9 million in the same period a year earlier. During the third quarter of 2023, there was a $0.7 million unfavourable impact on cash from foreign exchange rate changes compared to a $0.1 million favourable impact for the same period a year earlier. Foreign exchange rate changes had a $3.1 million unfavourable impact on cash in the first nine months of 2023 versus a $1.0 million unfavourable impact during the first nine months of 2022.

CAPITAL RESOURCES

(in thousands of dollars)	**2023**	2022
Cash and cash equivalents	**$84,159**	$68,786
Working capital [1]	**68,405**	38,020
Property, plant and equipment and mineral property interests	**449,284**	426,962
Total assets	**583,830**	557,112
Current liabilities excluding current portion of financial liabilities [2]	**57,079**	73,597
Non-current liabilities excluding non-current portion of financial liabilities [2]	**104,170**	86,222
Financial liabilities (current and non-current) [2]	**61,223**	48,650
Total liabilities	**222,472**	208,469
Shareholders' equity	**361,358**	348,643

1. Working capital is calculated as current assets (including cash and cash equivalents) less current liabilities.
2. Financial liabilities include long-term debt and lease obligations.

As at September 30, 2023, the Company had working capital[1] of $68.4 million compared to $59.6 million at June 30, 2023 and $38.0 million at December 31, 2022. The increase in working capital from December 31, 2022 mainly reflected $15.4 million increase in cash, $6.4 million decrease in trade creditors and accrued liabilities, and $4.0 million reduction in trade and other receivables.

1.Non-IFRS: The definition and reconciliation of these measures are included in the "Non-IFRS Measures" section of this MD&A

OUTLOOK

GUIDANCE

This outlook includes forward-looking information about the Company's operations and financial expectations and is based on management's expectations and outlook as of the date of this MD&A. This outlook, including expected results and targets, is subject to various risks, uncertainties and assumptions, which may impact future performance and the Company's ability to achieve the results and targets discussed in this section. The Company may update this outlook depending on changes in metal prices and other factors. The Company expects to announce updated Mineral Resources and Mineral Reserves during December 2023.

		2023	2024
Gold Production	(Koz)	145 – 160	170 – 195
All-in Sustaining Costs	(US$/oz sold)	1,100 – 1,250	1,050 – 1,200
Sustaining Capital	(A$M)	10 – 15	15 – 20
Growth Capital	(A$M)	57 – 68	63 – 73
Exploration & Resource Development	(A$M)	18 – 22	20 – 25
Nickel Production	(Ni Tonnes)	450 - 550	600 – 800

1. Production guidance is based on the September 2022 Mineral Reserves and Mineral Resources announced on February 13, 2023.
2. The Company expects to fund the capital investment amounts listed above with cash on hand, cashflow from operations and through the financing of heavy equipment.
3. The material assumptions associated with the expansion of Beta Hunt mining production rate to 2.0 Mtpa during 2024 include the addition of a second ramp decline system driven parallel to the ore body, ventilation and other infrastructure that is required to support these areas, and an expanded mining equipment and trucking fleet.
4. The Company's guidance assumes targeted mining rates and costs, availability of personnel, contractors, equipment and supplies, the receipt on a timely basis of required permits and licenses, cash availability for capital investments from cash balances, cash flow from operations, or from a third-party debt financing source on terms acceptable to the Company, no significant events which impact operations, such as COVID-19, nickel price of US$22,000 per tonne, as well as an A$ to US$ exchange rate of 0.70 in 2023 and 2024 and A$ to C$ exchange rate of 0.90. Assumptions used for the purposes of guidance may prove to be incorrect and actual results may differ from those anticipated. See below "Cautionary Statement Regarding Forward-Looking Information".
5. Exploration expenditures include capital expenditures related to infill drilling for Mineral Resource conversion, capital expenditures for extension drilling outside of existing Mineral Resources and expensed exploration. Exploration expenditures also includes capital expenditures for the development of exploration drifts.
6. Capital expenditures exclude capitalized depreciation.
7. AISC calculations are for the Australian operations only, and exclude non-cash share-based payments expense, derivative settlements, and net realizable value adjustments to prior period stockpiles. The Company acquired the Lakewood mill in 2022 and embarked on an expansion program to grow the Beta Hunt gold mine to 2Mtpa mining rate during 2024. All mine development, equipment acquisition, and growth leases are being attributed to growth capital during this growth phase.
8. See "Non-IFRS Measures" set out at the end of this MD&A.

OUTSTANDING SHARE DATA

As at November 10, 2023, the Company had 177,738,780 common shares issued and outstanding and had the following securities outstanding, which are exercisable for common shares:

As at November 10, 2023, the Company had	Number of Securities
Stock options	890,382

As at November 10, 2023, the Company had the following securities outstanding, which are redeemable, at the option of the holder, for cash and/or common shares:

	Number of Securities
Deferred share units	553,638
Restricted share units	3,494,845
Performance share units	2,737,246

Under an agreement dated March 8, 2007, pursuant to which the Company acquired a 100% interest in certain mineral claims from Marbaw International Nickel Corporation ("Marbaw") (see the Company's Annual Information Form for the year ended December 21, 2019 on file with the Canadian provincial regulatory authorities, available at www.sedarplus.ca), the Company is required to issue 1.6 million common shares to Marbaw upon the satisfaction of certain conditions. Such conditions have been satisfied other than the receipt by the Company of a notice from Marbaw requesting that these shares be issued.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

From time to time, in the normal course of business, the Company considers potential acquisitions, joint ventures, and other opportunities. The Company will disclose such an opportunity if and when required under applicable securities rules.

SUBSEQUENT EVENTS

On October 30, 2023, the Company received approval of the TSX for a normal course issuer bid (the "Bid") to purchase up to no more than 8,886,939 of the Company's issued and outstanding common shares. The Bid will expire no later than October 31, 2024. Purchases of common shares will be made through the facilities of the TSX in accordance with its rules. Purchases may also be made through alternative Canadian trading systems.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of audited consolidated financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. There is disclosure of the Company's critical accounting policies and accounting estimates in note 3 of the audited consolidated financial statements for the year ended December 31, 2022.

There were no changes to the accounting policies applied by the Company to its September 30, 2023 unaudited, condensed interim consolidated financial statements compared to those applied by the Company to the audited consolidated financial statements for the year ended December 31, 2022.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), is responsible for establishing and maintaining the Company's internal controls over financial reporting ("**ICFR**") and disclosure controls and procedures ("**DCP**"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**").

The Company's CEO and CFO have each evaluated the effectiveness of the Company's ICFR as at September 30, 2023 and based on this evaluation, as well as the material weakness in internal controls outlined below, they have concluded that the Company's ICFR were not effective as of September 30, 2023.

A material weakness is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. During the 2022 year-end process, a material weakness was identified in the design and operation of controls relating to the review of the calculation and classification of expenditures between operating and capital costs. In the opinion of management, this represents a material weakness in the Company's ICFR.

Management is committed to maintaining a strong internal control environment and implementing measures designed to help ensure that the material weakness is remediated in a timely manner, with the oversight from the Company's Audit Committee. Adjustments, including audit adjustments, related to this matter were made prior to the issuance of the audited consolidated financial statements for the year ended December 31, 2022 and management continues to advance work to adequately respond and resolve the material weakness, including rigorously reviewing processes related to the calculation and classification of expenditures. Material weaknesses cannot be considered remediated until the remedial controls operate for a sufficient period of time and management concludes, through testing, that these controls are operating effectively.

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and presentation.

CHANGES TO INTERNAL CONTROLS OVER FINANCIAL REPORTING

NI 52-109 requires reporting issuers in Canada to disclose in their MD&A any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR.

Except for the material weakness described in the previous paragraphs, there were no changes in internal controls of the Company during the period ended September 30, 2023 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

Management, with the participation of the CEO and the CFO, assessed the effectiveness of our DCP as of September 30, 2023. Based upon the results of that evaluation, the CEO and the CFO concluded that the Company's DCP were effective to provide reasonable assurance that material information relating to the Company is accumulated and communicated to management to allow timely decisions regarding required disclosure, and that the information disclosed by the Company in the reports that it files is appropriately recorded, processed, summarized and reported within the time period specified in applicable securities legislation.

NON-IFRS MEASURES

This MD&A refers to cash operating cost, cash operating cost per ounce, AISC, EBITDA, adjusted EBITDA and adjusted EBITDA per share, adjusted earnings, adjusted earnings per share and working capital which are not recognized measures under IFRS. Such non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management uses these measures internally. The use of these measures enables management to better assess performance trends. Management understands that a number of investors and others who follow the Company's performance assess performance in this way. Management believes that these measures better reflect the Company's performance and are better indications of its expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

In November 2018, the World Gold Council ("WGC") published its guidelines for reporting all-in sustaining costs and all-in costs. The WGC is a market development organization for the gold industry and is an association whose membership comprises leading gold mining companies. Although the WGC is not a mining industry regulatory organization, it worked closely with its member companies to develop these non-IFRS measures. Adoption of the all-in sustaining cost and all-in cost metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Company may not be comparable to similar measures presented by other issuers. The following tables reconcile non-IFRS measures included in this MD&A to the most directly comparable IFRS measures:

MINING OPERATIONS

Cash Operating and All-in Sustaining Costs

The Company uses these measures internally to evaluate the underlying operating performance of its Australian operations. Management believes that providing cash operating cost data allows the reader the ability to better evaluate the results of the underlying operations.

Consolidated

	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Production and processing costs	**$55,525**	$42,430	**$166,485**	$124,959
Inventory adjustment [1]	**(2,441)**	-	**(2,441)**	-
Royalty expense	**5,915**	5,128	**17,810**	12,948
By-product credits [2,3]	**(218)**	(1,670)	**(7,646)**	(4,538)
Operating costs (C$)	**$58,781**	$45,888	**$174,208**	$133,369
General and administrative expense – Australia [3,4]	**3,431**	2,465	**12,265**	6,605
Sustaining capital expenditures	**4,035**	1,186	**4,763**	2,203
All-in sustaining costs (C$)	**$66,247**	$49,539	**$191,236**	$142,177
Ounces of gold sold	**41,278**	35,513	**119,595**	92,198
Australian dollars per ounce sold				
Cash operating costs	**$1,622**	$1,448	**$1,619**	$1,596
All-in sustaining costs [5]	**$1,828**	$1,564	**$1,778**	$1,702
United States dollars per ounce sold				
Cash operating costs	**$1,062**	$991	**$1,083**	$1,128
All-in sustaining costs [5]	**$1,196**	$1,069	**$1,188**	$1,202
Average exchange rate				
C$:A$	**0.88**	0.89	**0.90**	0.91
A$:US$	**0.65**	0.68	**0.67**	0.71

1. Relates to an adjustment to net realizable value of gold stockpiles. Refer to note 5 of the September 30, 2023, unaudited condensed interim consolidated financial statements
2. Refer to Note 19 of the September 30, 2023, unaudited condensed interim consolidated financial statements
3. By-product credits for the three and nine month ended September 30, 2023, include external toll treatment revenue of $nil and $2,527 respectively (same periods in 2022 - $319)
4. General and administrative expense for the three and nine months ended September 30, 2022, periods exclude amounts related to research and development and due diligence expenses of $805 and $2,855 respectively
5. AISC calculations are for the Australian operations only, exclude non-cash share-based payments expense, derivative settlements, and net realisable value adjustments to prior period stockpiles. The Company acquired the Lakewood mill in 2022 and embarked on an expansion program to grow the Beta Hunt gold mine to 2.0 Mtpa mining rate during 2024. All mine development, equipment acquisition, and growth leases are being attributed to growth capital during this growth phase.

Beta Hunt

	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Production and processing costs [1,2]	**$34,461**	$22,810	**$95,469**	$70,024
Royalty expense [1]	**$4,733**	$4,361	**14,713**	10,795
By-product credits [1]	**(160)**	(1,326)	**(4,994)**	(4,140)
Operating costs (C$)	**$39,034**	$25,845	**$105,188**	$76,679
Ounces of gold sold	**23,595**	20,767	**73,002**	56,035
Australian dollars per ounce sold				
Cash operating costs	**$1,884**	$1,395	**$1,602**	$1,509
United States dollars per ounce sold				
Cash operating costs	**$1,233**	$953	**$1,071**	$1,067
Average exchange rate				
C$:A$	**0.88**	0.89	**0.90**	0.91
A$:US$	**0.65**	0.68	**0.67**	0.71

1. Refer to Note 19 of the September 30, 2023 unaudited condensed interim consolidated financial statements
2. Includes $12,137 and $33,081 cost of processing the Betta Hunt ore at the HGO mills, respectively for the three and nine months ended September 31, 2023 ($9,754 and $22,527 respectively, for same periods in 2022).

HGO

	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Production and processing costs [1]	**$33,201**	$29,374	**$104,097**	$77,462
Adjustment for intercompany and toll milling costs [1, 2]	**(12,137)**	(10,073)	**(35,608)**	(22,846)
Adjustment for inventory for net realizable value [3]	**(2,441)**	-	**(2,441)**	-
Royalty expense [1]	**1,182**	$767	**3,097**	2,153
By-product credits [1]	**(58)**	(25)	**(125)**	(79)
Operating costs (C$)	**$19,747**	$20,043	**$69,020**	$56,690
Ounces of gold sold	**17,683**	14,746	**46,593**	36,163
Australian dollars per ounce sold				
Cash operating costs	**$1,272**	$1,525	**$1,647**	$1,729
United States dollars per ounce sold				
Cash operating costs	**$832**	$1,043	**$1,101**	$1,223
Average exchange rate				
C$:A$	**0.88**	0.89	**0.90**	0.91
A$:US$	**0.65**	0.68	**0.67**	0.71

1. Refer to Note 19 of the September 30, 2023 unaudited condensed interim consolidated financial statements.
2. Includes third party toll milling costs at Lakewood mill of $nil and $2,527, respectively for the three and nine months ended September 30, 2023 ($319 for same periods in 2022).
3. Relates to an adjustment to net realizable value for gold stockpiles in respect of prior periods. Refer to note 5 of the September 30, 2023 unaudited condensed interim consolidated financial statements.

ADJUSTED EBITDA AND ADJUSTED EARNINGS

Management believes that adjusted EBITDA and adjusted earnings are valuable indicators of the Company's ability to generate operating cash flows to fund working capital needs, service debt obligations, and fund exploration and evaluation, and capital expenditures. Adjusted EBITDA and adjusted earnings exclude the impact of certain items and therefore is not necessarily indicative of operating profit or cash flows from operating activities as determined under IFRS. Other companies may calculate adjusted EBITDA and adjusted earnings differently.

Adjusted EBITDA is a non-IFRS measure, which excludes the following from comprehensive earnings (loss); income tax expense (recovery); interest expense and other finance-related costs; depreciation and amortization; non-cash other expenses, net; non-cash impairment charges and reversals; non-cash portion of share-based payments; acquisition costs; derivatives and foreign exchange loss; sustainability initiatives.

(in thousands of dollars except per share amounts)	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Net earnings for the period - as reported	**$6,923**	$4,378	**$10,625**	$341
Finance expense, net	**2,049**	1,657	**5,926**	3,772
Income tax expense	**6,613**	3,568	**14,017**	6,505
Depreciation and amortization	**13,864**	14,973	**48,246**	37,416
EBITDA	**29,449**	24,576	**78,814**	48,034
Adjustments:				
Non-cash share-based payments [1]	**3,865**	1,218	**6,785**	3,150
Unrealized loss (gain) on revaluation of marketable securities [2]	**914**	511	**(97)**	2,038
Other expense (income), net [2]	**2**	(29)	**29**	199
Loss on derivatives [2]	**40**	1,044	**5,265**	1,332
Foreign exchange loss [3]	**2,431**	190	**13,353**	6,381
Rehabilitation cost adjustment for closed sites [2]	**(932)**	-	**(932)**	-
Sustainability initiatives [4]	**1,243**	-	**1,243**	1,181
Adjusted EBITDA	**$37,012**	$27,510	**$104,460**	$62,315
Weighted average number of common shares - basic	**176,199,462**	171,809,550	**175,086,173**	161,426,709
Adjusted EBITDA per share - basic	**$0.21**	$0.16	**$0.60**	$0.39

1. Primarily non-operating items which do not impact cash flow.
2. Non-operating in nature which does not impact cash flows.
3. Primarily related to intercompany loans for which the loss is unrealized.
4. Primarily related to non-operating environmental initiatives.

Adjusted earnings is a non-IFRS measure, which excludes the following from comprehensive earnings (loss): non-cash portion of share-based payments; revaluation of marketable securities; derivatives and foreign exchange loss; tax effects of adjustments; sustainability initiatives.

KARORA RESOURCES

(in thousands of dollars except per share amounts)	Three months ended,		Nine months ended,	
For the periods ended September 30,	**2023**	2022	**2023**	2022
Net earnings for the period - as reported	**$6,923**	$4,378	**$10,625**	$341
Non-cash share-based payments [1]	**3,865**	1,218	**6,785**	3,150
Unrealized loss (gain) on revaluation of marketable securities [2]	**914**	511	**(97)**	2,038
Loss on derivatives [2]	**40**	1,044	**5,265**	1,332
Foreign exchange loss [3]	**2,431**	190	**13,353**	6,381
Rehabilitation cost adjustment for closed sites [2]	**(932)**	-	**(932)**	-
Sustainability initiatives [4]	**1,243**	-	**1,243**	1,181
Tax impact of the above adjusting items	**(435)**	(701)	**(3,488)**	(2,001)
Adjusted earnings	**$14,049**	$6,640	**$32,754**	$12,422
Weighted average number of common shares - basic	**176,199,462**	171,809,550	**175,086,173**	161,426,709
Adjusted earnings per share - basic	**$0.08**	$0.04	**$0.19**	$0.08

1. Primarily non-operating items which do not impact cash flow.
2. Non-operating in nature which does not impact cash flows.
3. Primarily related to intercompany loans for which the loss is unrealized.
4. Primarily related to non-operating environmental initiatives.

WORKING CAPITAL

Working capital is calculated as current assets (including cash and cash equivalents) less current liabilities.

(in thousands of dollars)	**September 30, 2023**	December 31, 2022
Current assets	**$134,170**	$115,857
Less: Current liabilities	**65,765**	77,837
Working capital	**$68,405**	$38,020

CAUTIONARY STATEMENT REGARDING RISKS

Readers of this MD&A are encouraged to read the "Risk Factors" as more fully described in the Company's filings with the Canadian Securities Administrators, including its MD&A for the three and twelve months ended December 31, 2022 and the Annual Information Form for the year ended December 31, 2022, available on SEDAR+ at www.sedarplus.ca.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information", which may include, but is not limited to, statements relating to the liquidity and capital resources of Karora, production and cost guidance including the Consolidated Multi-Year Guidance to 2024, the Company's multi-year growth plan, the potential of Beta Hunt, HGO, and Spargos and its exploration properties, successfully obtaining permitting, the future financial or operating performance of the Company and its projects, the future price of and supply and demand for metals, the estimation of mineral reserves and resources, the realization of mineral reserves and resources estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new and existing deposits, costs and timing of future exploration as well as the potential of exploration at Beta Hunt, HGO, Spargos, and the Company's exploration properties, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the success of mining operations, economic return estimates and potential upside. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: project delays; general business, economic, competitive, political and social uncertainties; labour and operational disruptions due to any public health crises (including a resurgence of COVID-19), or other widespread public health issues, results of exploration programs; future prices of metals; availability of alternative metal sources or substitutions; actual metal recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future cost of capital to the Company; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in the Company's December 31, 2022 MD&A and Annual Information Form for the year ended December 31, 2022 filed on SEDAR+. Such forward-looking statements are also based on a number of material factors and assumptions, including: the availability of financing at rates and on terms and conditions otherwise acceptable to the Company; future metal prices; permitting and development consistent with the Company's expectations; foreign exchange rates; prices and availability of equipment; that contracted parties provide goods and/or services on the agreed time frames; that on-going contractual negotiations will be successful and/or be completed in a timely manner; and that no unusual geological or technical problems occur.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws. Given these risks and, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Readers of this report are cautioned that actual events and results may vary.

CAUTIONARY NOTE TO U.S. READERS REGARDING ESTIMATES OF RESOURCES

This MD&A uses the terms "measured", "indicated" and "inferred" when referring to mineral resources. The Company advises U.S. investors that the Securities and Exchange Commission's recently effective updated mining disclosure rules are substantially similar to the corresponding Canadian Institute of Mining, Metallurgy and Petroleum definitions, as required by National Instrument 43-101 – Standards of Disclosure for Mineral Projects,, but are not identical so our mineral reserve and mineral resource disclosure may not be directly comparable to the disclosures made by domestic United States issuers or non-domestic United States issuers. The estimation of "measured" and "indicated" mineral resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. The estimation of "inferred" resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. It cannot be assumed that all or any part of a "measured", "indicated" or "inferred" mineral resource will ever be upgraded to a higher category.

QUALIFIED PERSONS

The technical and scientific information related to exploration and mineral resource matters contained in this MD&A has been reviewed and approved by Steve Devlin, Group Geologist, Karora Resources Inc., and a qualified person for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

The technical and scientific information related to operations matters contained in this MD&A has been reviewed and approved by Peter Ganza, Chief Operating Officer, Karora Resources Inc., and a qualified person for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects