

ASX Announcement and Media Release

03 February 2017

A-ZONE DEVELOPMENT DRILLING COMMENCED

- All necessary permits are now in place
- Drilling commenced at A-Zone
- Results expected during the course of first Quarter 2017 to feed into development studies
- Minjar Gold Pty Ltd to sole fund drilling and development studies

Kalamazoo Resources Limited (ASX: KZR) ("Kalamazoo") is now embarking on the systematic exploration and development of key prospects at its 100% owned Snake Well Gold Project in the Murchison.

Following the completion of a Heritage Survey, Kalamazoo has commenced the planned drilling program at the A-Zone Gold Project ("**A-Zone**"), which is part of an overall works program, to complete development studies at A-Zone. Importantly for KZR shareholders, these works are being funded by Minjar Gold Pty Ltd under the terms of an Ore Purchase Agreement, (see ASX announcement dated 31 January, 2017).

This A-Zone drilling program will comprise approximately 2,700 metres of Reverse Circulation ("RC") drilling and 220 metres of diamond drilling. The RC drilling has the dual objectives of infilling coverage within the historically defined gold deposit and confirming previously identified mineralisation widths and grades. Diamond drilling will supply new material for geological, geotechnical and metallurgical assessment.

Kalamazoo will take advantage of cost saving synergies by utilising the same RC drill rig for planned programs at the Mixy and Royal Standard gold deposits with an expected start in the next few weeks.

Updates will be provided when results become available.

Peter Benjamin Managing Director



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Details

In keeping with the Company's objectives Kalamazoo Resources Limited (**ASX: KZR**) ("**Kalamazoo**") will systematically explore and develop key prospects at its 100% owned Snake Well Gold Project area.

Kalamazoo's flagship gold asset is the Snake Well Project, located 450km north of Perth in the Mid-West region, and consists of five granted mining leases, one granted exploration licence and one exploration licence application (Figure 1).

The A-Zone polymetallic prospect is located at the western end of the Snake Well Gold Project on a granted mining lease M59/474 (Figure 1).

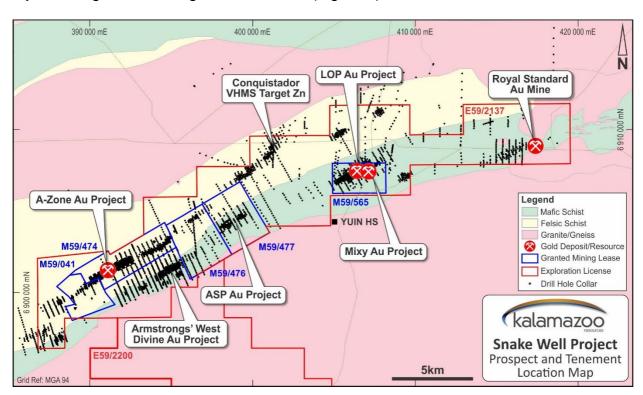


Figure 1. Location of the A-Zone Gold Project within the Snake Well Gold Project

Gold, copper, lead, zinc and silver mineralisation is hosted within quartz veined pyritic quartz-sericite schists interpreted to be of felsic origin. Mineralisation at greater than 0.5 g/t Au is present in a series of elongate lenses over a surface strike of 1.2kms (Figure 3) and is open at depth. The sub-parallel lenses dip steeply (70° – 80°) to the south-southeast.



This drilling program and associated works is part of an overall works program to complete development studies at A-Zone and is being funded by Minjar Gold Pty Ltd under the terms of an Ore Sales and Purchase Agreement, (see ASX announcement dated 31 January, 2017).

As part of the permitting process a Heritage Survey covering A-Zone, the proposed haul road route and other infrastructure has confirmed that there are no heritage sites within this area and drilling can commence without any restrictions. In addition, a Program of Work (POW) was approved by the Department of Mines and Petroleum and a survey of historic drill collars completed.

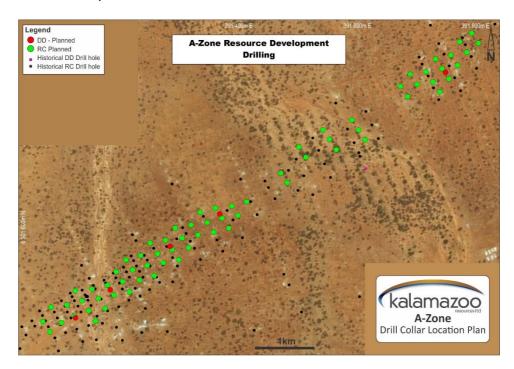


Figure 2. Location plan of A-Zone historic & planned RC drilling

The drilling program will comprise approximately 2,700 metres of RC drilling and 220 metres of diamond drilling. The RC drilling has the dual objectives of infilling coverage within the historically defined gold deposit and confirming previously identified mineralisation widths and grades. Diamond drilling will supply new material for geological, geotechnical and metallurgical assessment.

Kalamazoo will take advantage of cost saving synergies by utilising the same RC drill rig for planned programs at the Company's Mixy and Royal Standard gold deposits.

Updates will be provided when results become available, expected to be during the course of the first quarter, 2017.



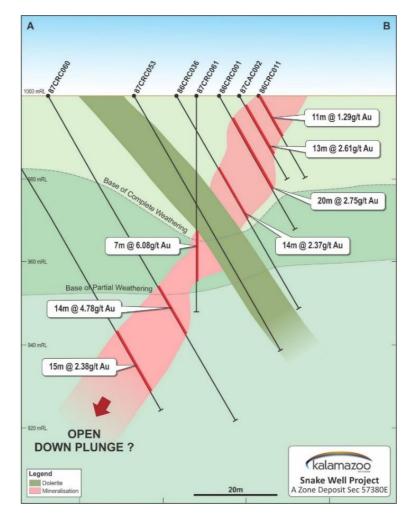


Figure 3. Cross section A-B through A-Zone mineralisation

Note: Drill intercepts are downhole intercepts.

For further information please contact:

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