
KALAMAZOO RESOURCES LIMITED

ACN 150 026 850

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.30 am (WST)

DATE: 20 November 2017

PLACE: Grant Thornton Audit Pty Ltd
Level 2, 10 Kings Park Road
West Perth, Western Australia 6005

Your Annual Report is available online at:
www.kzr.com.au

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 9324 1061.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Kalamazoo Resources Limited to which this Notice of Meeting relates will be held at 11.30am (WST) on Monday, 20 November 2017 at Grant Thornton Audit Pty Ltd, Level 2, 10 Kings Park Road, West Perth, Western Australia 6005.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile; or
- lodging your proxy or voting online at www.advancedshare.com.au by following the instructions set out on the attached Proxy Form.

VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Shareholders can download and fill out the "Appointment of Corporate Representative" form from the website of the Company's share registry at <https://www.advancedshare.com.au/investors/general-forms>.

VOTING BY PROXY

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy votes, they must cast all directed proxies as directed.
- If a proxy does not vote on a resolution which has been directed by the Shareholder, the proxy for that resolution will automatically default to the Chair, who will vote the proxy as directed.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.

However, where a member of the Key Management Personnel or a Closely Related Party of such a member is appointed as a proxy, the proxy may only vote on Resolution 1 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy.

- If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of the Remuneration Report).
- Should any resolution, other than those specified in this Notice of Meeting, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- If a proxy has 2 or more appointments that specify different ways to vote on a resolution then the proxy must not vote on a show of hands.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
- If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the Company Secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice of Meeting, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

LODGEMENT OF PROXY FORMS

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) in person to Advanced Share Registry, 110 Stirling Highway Nedlands, WA 6009;
- (b) post to Advanced Share Registry, PO Box 1156, Nedlands, WA 6909;
- (c) facsimile to Advanced Share Registry at +61 8 9262 3723 ;
- (d) email to the Advanced Share Registry at admin@advancedshare.com.au or
- (e) On-line lodgement: www.advancedshare.com.au

so that it is received not later than 11.30am (WST) on Saturday, 18 November 2017.

Proxy Forms received after this time will be invalid.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4 pm WST on 18 November 2017.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kalamazoo Resources Limited will be held at 11.30am (WST) on Monday, 20 November 2017 at Grant Thornton Audit Pty Ltd, Level 2, 10 Kings Park Road, West Perth, Western Australia 6005.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2017 be adopted."

The Remuneration Report is contained in the Directors' Report in the Company's Annual Report for the year ended 30 June 2017.

Note: Whilst the Corporations Act requires the Remuneration Report to be put to the vote, the vote on this Resolution is advisory only and does not bind the Directors of the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

Voting Prohibition Statement: The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - LUKE REINEHR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Luke Reinehr, being a Director of the Company who retires in accordance with clause 14.2 of the Company’s Constitution and, being eligible, offers himself for election, be re-elected a Director of the Company.”

4. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 163,577 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,710,027 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 - APPROVAL FOR THE ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,387,534 Shares on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the proposed issue and a person (and any associates of such person) who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 18 OCTOBER 2017

BY ORDER OF THE BOARD



**BERNARD CRAWFORD
COMPANY SECRETARY
KALAMAZOO RESOURCES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Kalamazoo Resources Limited (**Kalamazoo** or the **Company**).

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Company to lay its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting (**AGM**).

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- (a) the content of the auditor's report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

The Company's 2017 Annual Report is available on the Company's website at www.kzr.com.au.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

2.1 Introduction

In accordance with section 250R(2) of the Corporations Act the Company is required to put a resolution at its Annual General Meeting to its Shareholders that the Remuneration Report be adopted.

The Directors' Report for the year ended 30 June 2017 contains a Remuneration Report which explains the Board's policies in relation to the nature and level of remuneration paid to Key Management Personnel (including Directors), and sets out remuneration details, service agreements and the details of any share based compensation.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a

resolution that a further meeting is held at which all of the Company's Directors who were directors of the Company when the resolution to make the directors' report considered at the second of those annual general meetings was passed (other than the Managing Director) must go up for re-election.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. A reasonable opportunity will be provided for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting.

2.2 Voting on the Remuneration Report

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report (other than the Chair) or any Closely Related Party of that member as your proxy to vote on the Remuneration Report, you must direct the proxy how they are to vote. Where you do not direct a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on the Remuneration Report, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution.

The above note on voting does not apply if the voter is the Chair of the meeting and the undirected proxy expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - LUKE REINEHR

Clause 14.2 of the Company's Constitution requires that at the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election.

A Director who retires by rotation under clause 14.2 of the Constitution is eligible for re-election.

Mr Luke Reinehr, elected to the Board on 23 March 2011, retires in accordance with clause 14.2 of the Constitution and being eligible, seeks re-election.

Details of Mr Luke Reinehr's qualifications and experience are set out in the Company's 2017 Annual Report.

The Directors unanimously support the re-election of Mr Luke Reinehr as a Director of the Company (with Mr Reinehr abstaining).

4. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 General

On 24 April 2017, the Company issued 163,577 fully paid ordinary Shares at a deemed issue price of \$0.1834 to an investor relations advisor for the provision of investor relations services on commercial terms.

The Company issued the Shares without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Shares:

- (a) 163,577 Shares were issued;
- (b) the Shares were issued in lieu of cash consideration of \$30,000 for the provision of investor relations advisory services at a deemed issue price of \$0.1834 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to an investor relations advisor who was not a related party of the Company; and
- (e) the shares were issued in lieu of cash consideration of \$30,000 for the provision of investor relations advisory services.

5. RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF SHARES

5.1 General

On 6 October 2017, the Company announced to ASX that it had entered into an Option Agreement (**Agreement**) with Great Sandy Pty Ltd, Drillabit Pty Ltd and KS Gold Pty Ltd (**Tenement Holders**) to acquire between 80% and 100% equity in three Pilbara gold projects. The terms of the Agreement provided that upon execution of the Agreement the Company would pay the Tenement Holders \$125,000 in cash, and ordinary shares in the Company to the value of \$200,000 based on the 5 day VWAP of the Company's Shares prior to the execution of the Agreement.

The Company has 90 days from the execution of the Agreement to exercise its option to acquire the equity in the gold projects. Should the Company elect to exercise its option under the Agreement it will then have to pay the Tenement Holders a further \$150,000 in

cash, and ordinary shares in the Company to the value of \$250,000 based on the 5 day VWAP of the Company prior to the execution of the Agreement.

On 11 October 2017, the Company paid \$125,000 in cash and issued 2,710,027 fully paid ordinary Shares at a deemed issue price of \$0.0738, being the 5 day VWAP of the Company's Shares immediately prior to the execution of the Agreement, to the Tenement Holders and their nominees as consideration for entering into the Agreement.

The Company issued the Shares without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Shares:

- (a) 2,710,027 Shares were issued;
- (b) the Shares were issued in lieu of cash consideration of \$200,000, at a deemed issue price of \$0.0738 each, being part of the consideration for entering into an Option Agreement to acquire three gold projects in the Pilbara;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Great Sandy Pty Ltd, Drillabit Pty Ltd and KS Gold Pty Ltd and their nominees. None of the parties are a related party of the Company; and
- (e) the shares were issued in lieu of cash consideration of \$200,000, being part of the consideration for entering into an Option Agreement to acquire three gold projects in the Pilbara; and
- (f) a voting exclusion statement is included in the Notice.

6. RESOLUTION 5 - APPROVAL FOR THE ISSUE OF SHARES

6.1 General

On 6 October 2017, the Company announced to ASX that it had entered into an Option Agreement (**Agreement**) with Great Sandy Pty Ltd, Drillabit Pty Ltd and KS Gold Pty Ltd (**Tenement Holders**) to acquire between 80% and 100% equity in three Pilbara gold projects. The terms of the Agreement provided that upon execution of the Agreement the Company would pay the Tenement Holders \$125,000 in cash and ordinary shares in the Company to the value of \$200,000 based on the 5 day VWAP of the Company's Shares prior to the execution of the Agreement.

The Company has 90 days from the execution of the Agreement to exercise its option to acquire the equity in the gold projects. Should the Company elect to exercise its option under the Agreement it will then have to pay the Tenement Holders a further \$150,000 in cash and ordinary shares in the Company to the value of \$250,000 based on the 5 day VWAP of the Company's Shares prior to the execution of the Agreement.

On 11 October 2017, the Company paid \$125,000 in cash and issued 2,710,027 fully paid ordinary Shares at a deemed issue price of \$0.0738, being the 5 day VWAP of the Company's Shares immediately prior to the execution of the Agreement, to the Tenement Holders and their nominees as consideration for entering into the Agreement.

Subject to the Company electing to exercise its option under the Agreement, Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of Shares to the Tenement Holders to the value of \$250,000.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period based on the 5 day VWAP of the Company's Shares prior to the execution of the Agreement.

By approving the issue of shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

6.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares:

- (a) A maximum of 3,387,534 Shares will be issued;
- (b) the Shares will be issued no later than three months after the date of the Annual General Meeting and it is anticipated that the Shares will be issued on the one date;
- (c) the Shares will be issued at a deemed issue price of \$0.0738 each, being the 5 day VWAP of the Company's Shares immediately prior to the execution of the Agreement;
- (d) the Shares will be issued to Great Sandy Pty Ltd, Drillabit Pty Ltd and KS Gold Pty Ltd and their nominees. None of the parties are a related party of the Company;

- (e) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares will be issued in lieu of cash consideration of \$250,000, being part of the consideration for acquiring the three gold projects in the Pilbara. Accordingly, no funds will be raised from the issue of the Shares; and
- (g) A voting exclusion statement is set out in the Notice of Meeting.

7. RESOLUTION 6 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

7.1 General

ASX Listing Rule 7.1A enables eligible entities, subject to Shareholder approval, to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity, as its market capitalisation based on a Share price of \$0.15 (being the closing price of the Shares on ASX on 9 October 2017) is less than \$300 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

7.2 Description of Listing Rule 7.1A

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the Company has on issue only one class of quoted Equity Securities, namely quoted Shares.

c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 86,101,043 Shares. The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price ("VWAP") of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

7.3 Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for

variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company currently has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A		Dilution		
		\$0.075 50% decrease in Issue Price	\$0.15 Issue Price	\$0.30 100% increase in Issue Price
Current Variable A 86,101,043 Shares	10% voting dilution	8,610,104 Shares	8,610,104 Shares	8,610,104 Shares
	Funds raised	\$645,757	\$1,291,515	\$2,583,031
50% increase in current variable A 129,151,564 Shares	10% voting dilution	12,915,156 Shares	12,915,156 Shares	12,915,156 Shares
	Funds raised	\$968,636	\$1,937,273	\$3,874,546
100% increase in current variable A 172,202,086 Shares	10% voting dilution	17,220,208 Shares	17,220,208 Shares	17,220,208 Shares
	Funds raised	\$1,291,515	\$2,583,031	\$5,166,062

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (v) The issue price is \$0.15, being the closing price of the Shares on ASX on 9 October 2017.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration work on the Snake Well and Cork Tree projects in WA, the three Pilbara gold projects that the Company may acquire as was announced to ASX on 6 October 2017, and/or general working capital; or
 - (ii) non-cash consideration for the acquisition of new resources, assets, investments or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard, but not limited to, the following factors:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

- (f) The Company has not previously obtained shareholder approval under Listing Rule 7.1A.
- (g) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 7.1 of the Explanatory Statement.

10% Placement Period has the meaning given in Section 7.2 of the Explanatory Statement.

AGM or **Annual General Meeting** means the meeting convened by the Notice of Meeting.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2017.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited, or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Kalamazoo Resources Limited (ACN 150 026 850).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Equity Securities has the meaning given in the ASX Listing Rules.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Meeting means the meeting convened by the Notice of Meeting.

Notice, Notice of Meeting or Notice of Annual General Meeting means this notice of Annual General Meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying this Notice.

Resolution means a resolution as set out in the Notice of Meeting, or any of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company, unless specified to the contrary.

Shareholder means a holder of a Share.

Trading Day or Trading Days has the meaning given in the ASX Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.30 am (AWST), on Monday, 20 November 2017 at Grant Thornton, Level 2, 10 Kings Park Road, West Perth WA 6005, and at any adjournment thereof.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/We have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/We expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (to adopt the Remuneration Report) (except where I/We have indicated a different voting intention below) even though Resolution 1 (to adopt the Remuneration Report) is connected directly with the remuneration of a member of key management personnel for the Company, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

<u>Voting on business of the Meeting</u>	FOR	AGAINST	ABSTAIN
Resolution 1: Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Director – Luke Reinehr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Approval for the Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If no directions are given my proxy may vote as the proxy thinks fit or may abstain. If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____%

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact name: _____ **Contact ph. (daytime):** _____

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) in person to Advanced Share Registry, 110 Stirling Highway Nedlands, WA 6009;
 - (b) post to Advanced Share Registry, PO Box 1156, Nedlands, WA 6909;
 - (c) facsimile to Advanced Share Registry at +61 8 9262 3723 ;
 - (d) email to the Advanced Share Registry at admin@advancedshare.com.au or
 - (e) On-line lodgement: www.advancedshare.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting being not later than 11.30 am (AWST) on Saturday, 18 November 2017.

Proxy Forms received later than this time will be invalid.