

ASX Announcement and Media Release

7 December 2017

FOLLOW UP DRILLING PROGRAM COMMENCES AT KALAMAZOO'S W.A. FLAGSHIP PROJECT

HIGHLIGHTS

- **A second drilling program at the Mixy Lode has commenced at Kalamazoo's flagship Snake Well project in WA's Murchison region.**
- **Program comprises combination Reverse Circulation/Diamond holes for about 1,500 metres.**
- **Objective is to test along strike and for deeper extensions of the high-grade Mixy lode.**
- **This follow-up program follows the successful re-interpretation of the Mixy Lode which resulted in an 85% increase in total metal¹, reported last month.**
- **Results from the drill program are expected next quarter.**



RC drill rig at Mixy Lode, Snake Well, 2017

¹ Refer to ASX:KZR 20 November 2017

Details

Gold and base metal exploration company, Kalamazoo Resources Limited (**ASX: KZR**) (“**Kalamazoo**”), today announced the commencement of a second drilling program at the Mixy Lode, part of its flagship Snake Well Project in the Murchison region of Western Australia.

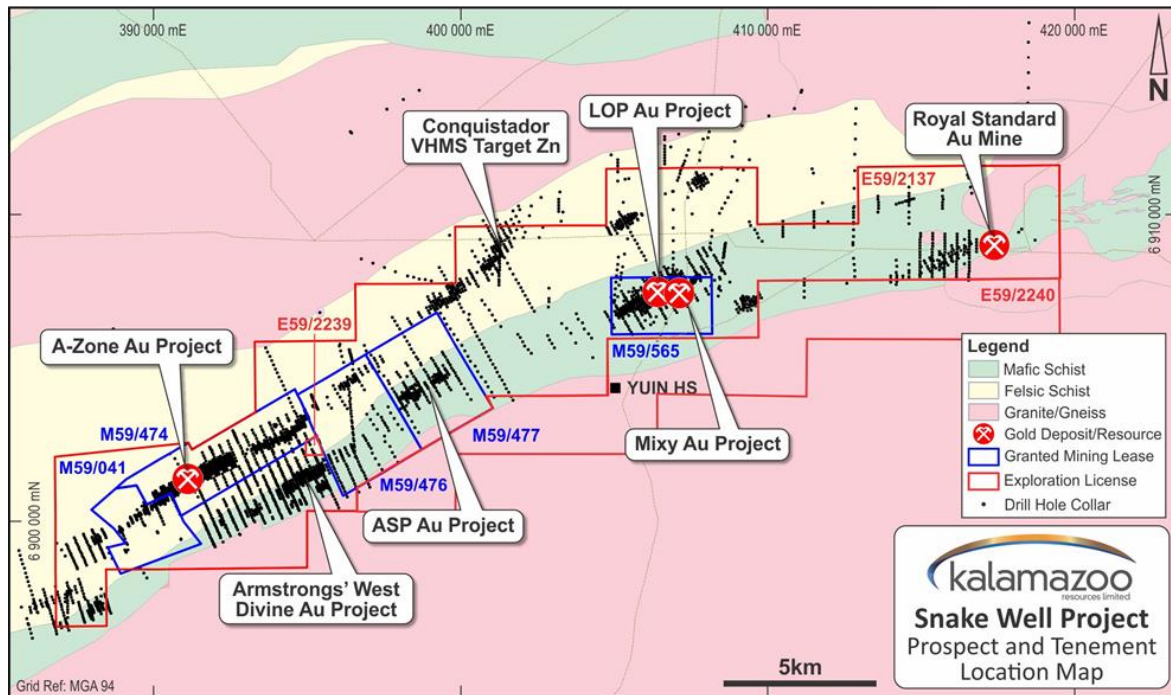


Figure 1. Location of the Mixy Lode in the Snake Well Project Area.

Kalamazoo reported (20 November 2017) the results of a new geological interpretation leading to an updated Mineral Resource estimate. The new interpretation demonstrates the mineralised zone is now split into three zones - a Footwall, Hangingwall and the Main zone.

The Main Zone is hosted within a well-defined shear zone with distinctive geological characteristics, and importantly, is open along strike to the east and west and, down dip.

The gold lode appears as a shear zone within mafic rocks with a strongly developed foliation and the lode is usually expressed as two translucent quartz veins separated by a bleached and altered, silicified strongly sheared central zone with quartz stringer veins parallel to foliation (Figure 2).

This coincides with the lode appearance as was seen in the pit during previous trial mining and is evident in the current eastern pit wall.

As a result of the new interpretation, the updated Mineral Resource includes a 13% increase in the reported tonnages, a 63% improvement in the gold average grade and an 85% rise in contained gold ounces. The tonnage increase is mainly due to the new interpretation.

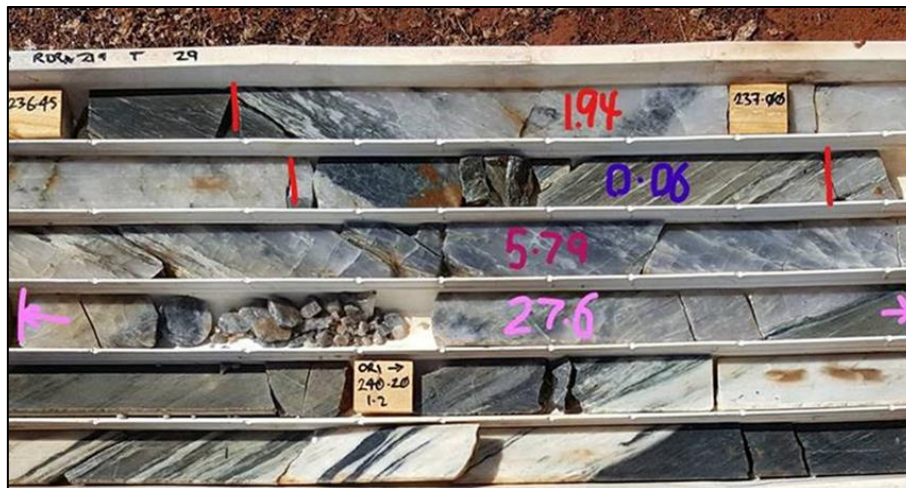


Figure 2. Photo of Drill Hole RCRW219 of Mixy Main Zone lode, showing two gold mineralised veins and weakly mineralised inter-vein alteration zone.

This drilling program is planned to test for extensions of the high grade Mixy Lode both along strike, to the east and west and down dip. Six holes are initially planned for a total of approximately 1500 metres. The holes will be pre-collared by Reverse Circulation drilling (**RC**) and the holes will be completed with diamond tails. It is expected that results will be available in the next quarter.

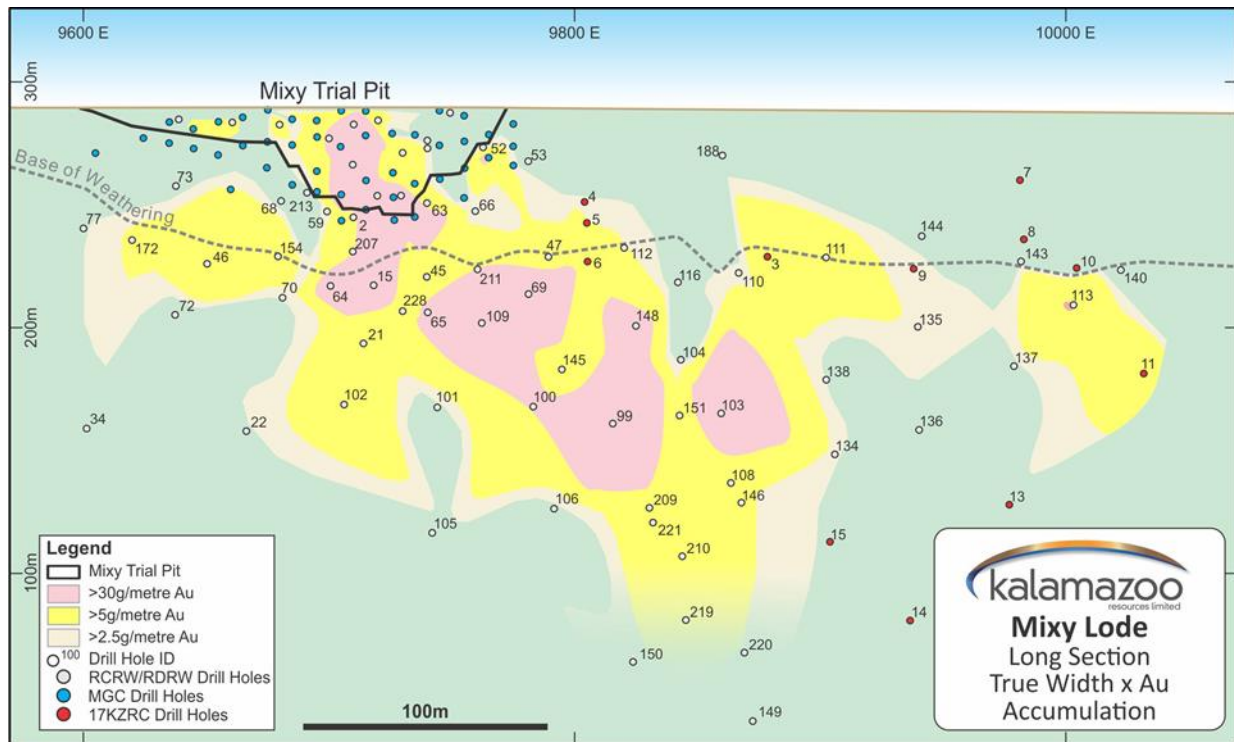


Figure 3. Contoured Longitudinal (Accumulation in gram/metres gold) of the Mixy Main Zone gold shoot looking north. Note: Pierce points and hole numbers are displayed. Red holes were drilled by KZR in the first phase of drilling and results were reported to ASX May 5th and June 14th, 2017

Note: Accumulation modelling is modelling based on contouring of the gold grade of the drill intersection pierce point and the estimated true intercept width in metres (ETW), expressed in grams/metre. Modelling by Ravensgate Mining Industry Consultants using Vulcan software, contouring with no anisotropy and accumulation was grade (g/t Au sample & uncut) multiplied by true thickness (metres) and samples were length weighted. As reported to ASX:KZR 20 November 2017

Next Steps

Kalamazoo will:

- Review the drilling results and decide on the next steps in the evaluation of Mixy Lode.
- Review historical exploration further along strike to identify new gold targets.
- Continue to look for further opportunities to expand its footprint in the Murchison region.



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About Snake Well Project

Kalamazoo's flagship gold asset is the Snake Well Project, which is located 450km north of Perth in the Mid-West region. It consists of five granted mining leases, one granted exploration licence and two exploration licence applications. The Snake Well Project covers Archaean rocks over an area of approximately 263km² and a 45km prospective strike length of the Talling greenstone belt, in the western portion of the Murchison Domain that hosts a number of significant mineral deposits including Golden Grove (Cu-Zn), Big Bell (Au), Cue (Au), Deflector (Cu-Au) and Mt Magnet (Au).

Competent Persons Statement

The information in this release that relates to the exploration data is based on information compiled by Mr Lance Govey, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Govey is an employee of BinEx Consulting who is engaged as the Exploration Manager for the Company. Mr Govey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Govey consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Kalamazoo's plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Kalamazoo's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Kalamazoo will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Kalamazoo's mineral properties. The performance of Kalamazoo may be influenced by a number of factors which are outside the control of the Company and its Directors, staff and contractors.

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