

ASX Announcement and Media Release

1 March 2018

FOLLOW UP DRILLING PROGRAM COMPLETED AT KALAMAZOO'S MIXY GOLD PROJECT IN WA

HIGHLIGHTS

- A further drilling program has now been completed at the Mixy gold deposit which is part of Kalamazoo's flagship Snake Well project in WA's Murchison region.
- Program comprised a combination of six Reverse Circulation/Diamond holes for 1,597 metres (Figure 1).
- Objective was to test 500m along strike and for depth extensions to 340m of the high-grade Mixy gold lode.
- Strong indications of shearing, alteration and veining observed in five of six holes with assay results expected this quarter.
- Program follows the successful re-interpretation of the Mixy lode which resulted in an 85% increase in total metal¹, reported in late 2017.



Figure 1. Diamond drill rig at Mixy Lode, February 2018

1 Refer to ASX announcement dated 20 November 2017

Details

Gold and base metal exploration company, Kalamazoo Resources Limited (**ASX: KZR**) (“**Kalamazoo**”), today announced the completion of a further drilling program at the Mixy gold lode, part of its flagship Snake Well Project in the Murchison region of Western Australia (Figure 2).

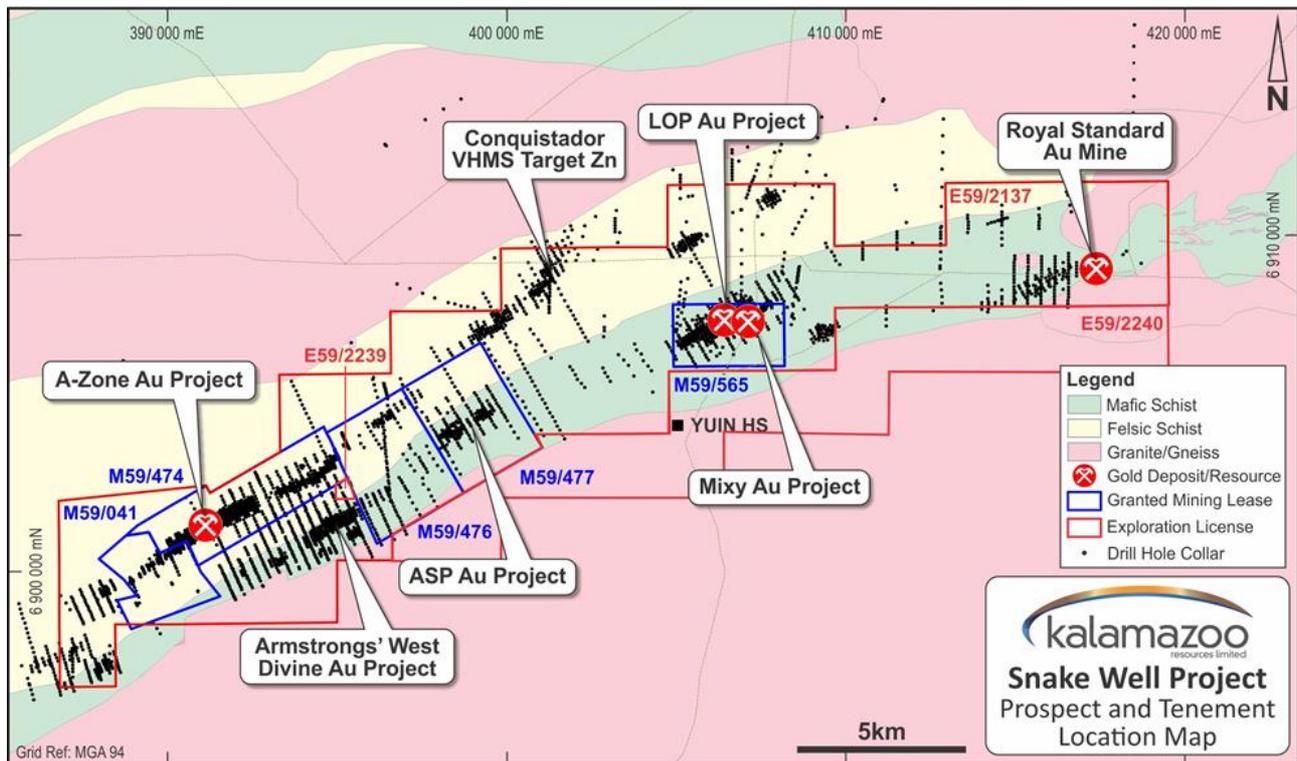


Figure 2. Location of the Mixy Lode in the Snake Well Project Area.

The recently completed drilling program tested for extensions of the high grade Mixy lode along almost 500m of strike, east to west, and down dip to approximately 340m below surface.

Six drill holes, with Reverse Circulation pre-collars and diamond core tails, were completed for a total of 1,597m. The holes ranged in downhole depth from 78m to 394m. Planned pierce points are shown in the longitudinal section (Figure 3).

Intense shearing, alteration and veining were observed in five of the six holes giving a strong indication that the Mixy main zone structure remains open at depth and along strike, particularly to the east. Hole 17KZRC037 on the eastern extremity of the program coverage intersected a 6.3m downhole width of multiphase quartz veining with pyrite-pyrhotite sulphide mineralisation from 281-287.3m (Figure 4).

Prospective zones in the diamond cored holes are being cut and sent for assaying with results expected this quarter. Reverse Circulation pre-collars are being assayed on a 4m composite basis and any anomalous intervals will be assayed from one metre split samples.

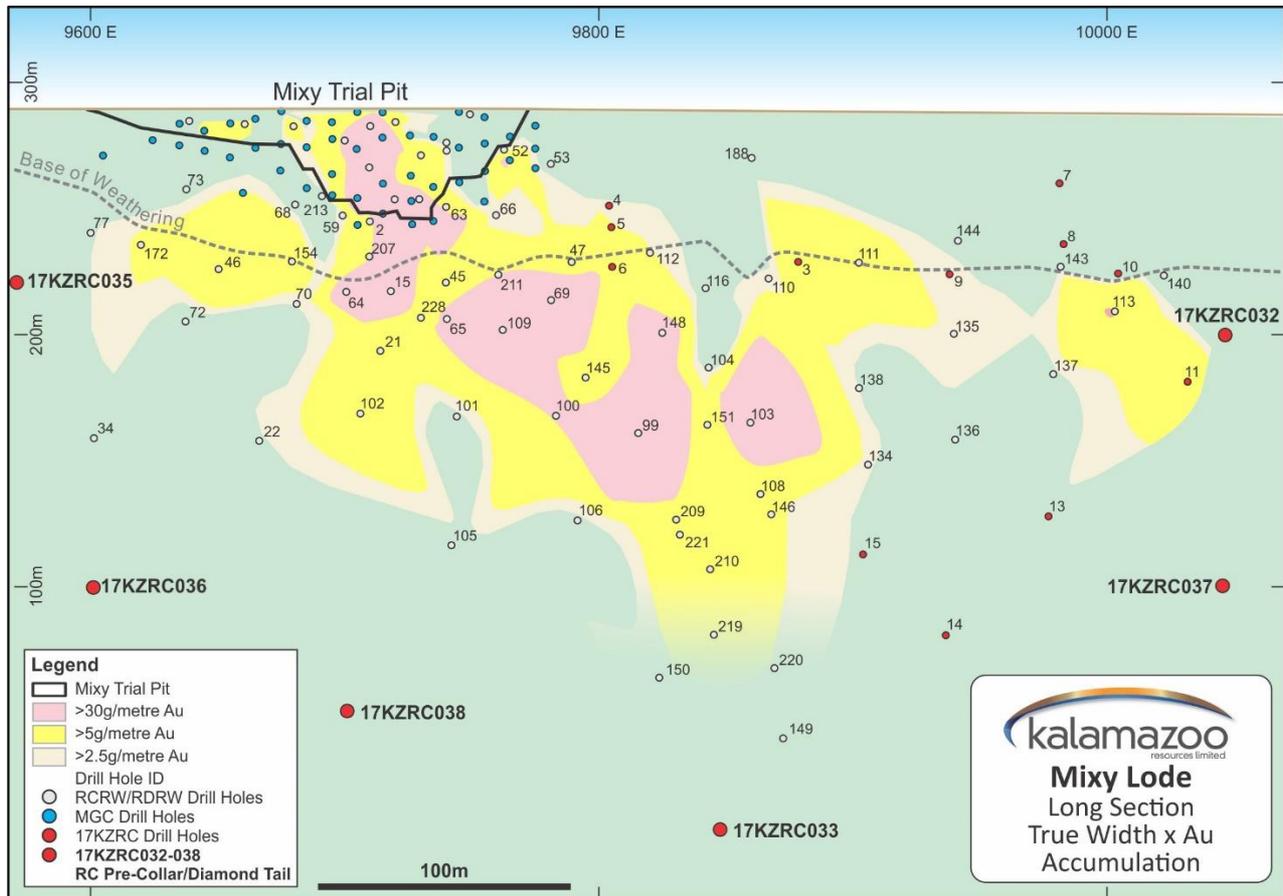


Figure 3. Contoured Longitudinal Section (Accumulation in gram/metres gold) of the Mixy Main Zone gold lode looking north. Note: Pierce points and hole numbers are displayed. Red holes (17KZRC001-015) were drilled by KZR in the first phase of drilling and results were reported to ASX May 5th and June 14th, 2017. Planned pierce points for recent holes reported here (17KZRC032-038, non inclusive) are also shown in red.

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.

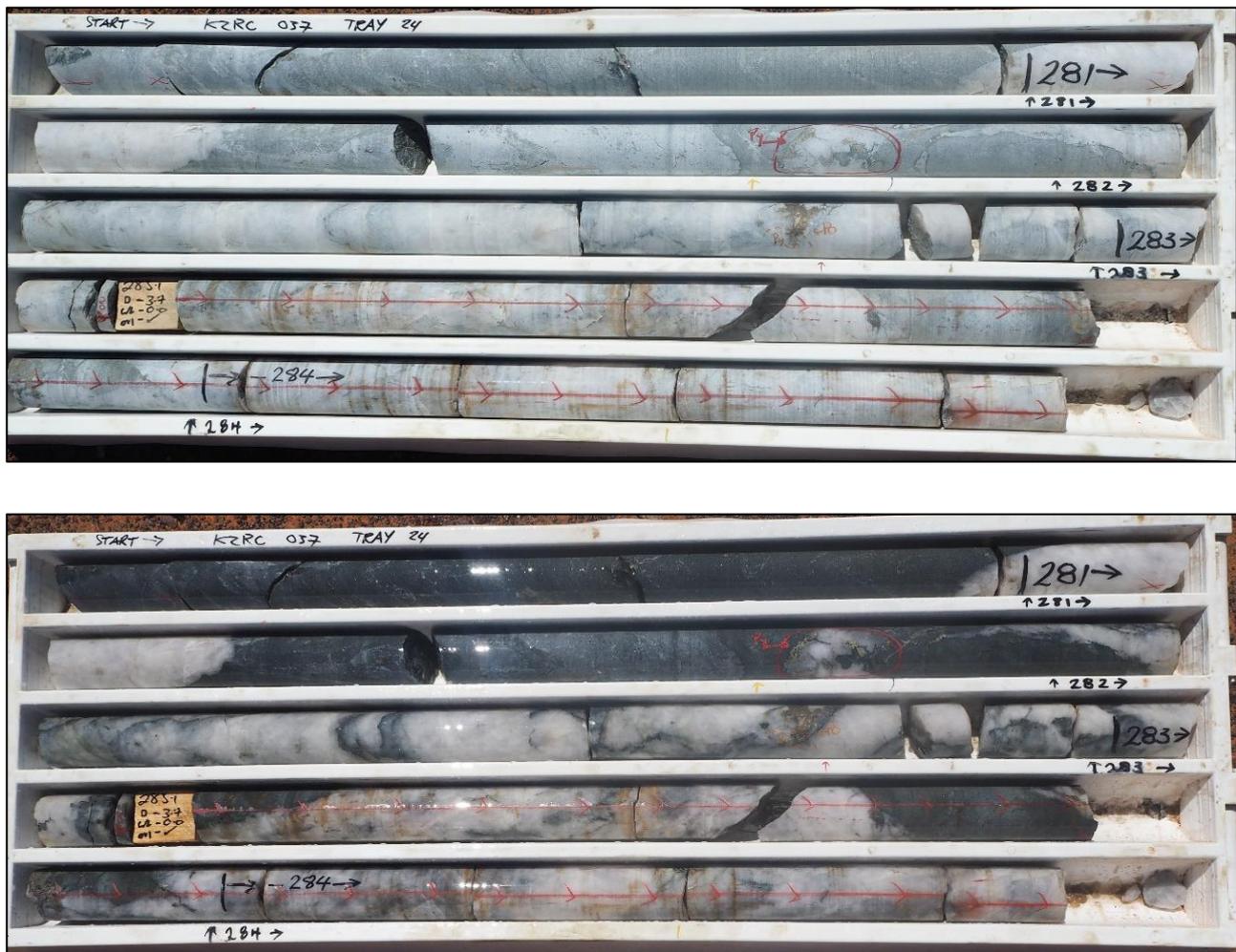


Figure 4. Part of sulphide mineralized quartz vein, hole 17KZRC037

The recent drilling program was undertaken due to the positive and new geological interpretation for Mixy leading to an updated Mineral Resource estimate as reported by Kalamazoo via its ASX release dated 20 November 2017. The new interpretation demonstrated that the mineralised zone is split into three sub-zones - a Footwall Zone, Hangingwall Zone 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 often expressed as two translucent quartz veins marginal to a bleached and altered, silicified mylonitised central zone with quartz stringer veins parallel to foliation (Figure 5).

This coincides with the lode appearance as was observed 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 included a 13% increase in the reported tonnage, 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.

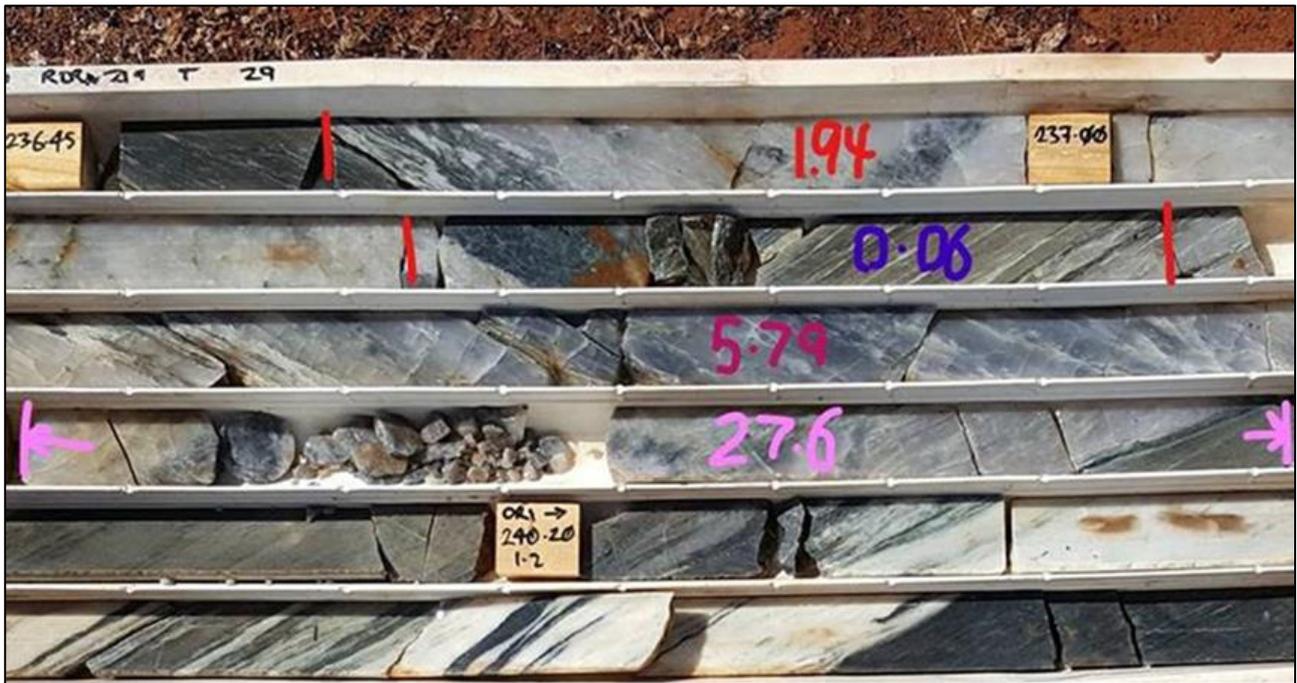


Figure 5. Historic drill hole RCRW219, part of Mixy Main Zone lode, showing gold grades (ppm) in two gold mineralised veins and weakly mineralised inter-vein alteration zone.

Next Steps

Kalamazoo will review the drilling and assay results when completed and formulate its next program in regards to the continuing evaluation of the Mixy lode.



For further information, please contact:

Mr. Peter Benjamin
Managing Director
Kalamazoo Resources Limited
+61 8 9481 8188
peter.benjamin@kzr.com.au

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.

Kalamazoo Resources Ltd ACN 150 026 850

Suite 7, 8 Clive Street West Perth WA 6005

Postal: PO Box 804 West Perth WA 6872

Phone: 1300 782 988 Office: +61 8 9481 8188 Fax: +61 8 9481 8488

Email: peter.benjamin@kzr.com.au www.kzr.com.au