



HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2017

ABN 33 150 026 850

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CORPORATE DIRECTORY

DIRECTORS

Luke Reinehr	Chairman
Peter Benjamin	Managing Director
Angus Middleton	Non-Executive Director

COMPANY SECRETARY

Bernard Crawford

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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152-158 St Georges Terrace
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SHARE REGISTRY

Advanced Share Registry
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STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd ("ASX")

Home Exchange: Perth, Western Australia
ASX Code: KZR

DIRECTORS' REPORT

The Directors of Kalamazoo Resources Limited ("Kalamazoo" or "the Company") submit the financial report for the Company for the half-year ended 31 December 2017.

DIRECTORS

The names of Directors who held office during or since the end of the half year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

- Luke Reinehr, Chairman
- Peter Benjamin, Managing Director
- Angus Middleton, Non-Executive Director

OPERATING RESULT

The Company's profit for the half-year ended 31 December 2017 after providing for income tax amounted to \$190,247 (2016: loss of \$1,204,447).

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were:

- to carry out exploration on its mineral tenements;
- to seek extensions of areas held and to seek out new areas with mineral potential; and
- to evaluate new opportunities for joint venture or acquisition.

REVIEW OF OPERATIONS

During the half-year the Company continued with its exploration and evaluation at both Snake Well and Cork Tree Projects. At Snake Well, studies for gold and base metals resulted in a better understanding of the Mixy Lode and resulted in an increased mineral resource and supported targeting for the next drilling campaign.

The review of the base metals, indicated by the A-Zone drilling by Minjar Gold Pty Limited and a historical review has resulted in identifying a 25km long zone in the felsic rock sequence with the potential to host Volcanic Hosted Massive Sulphide deposits which may be of similar style to the nearby Golden Grove mine.

Kalamazoo also acquired an option to secure the rights to purchase a number of tenements in the highly prospective Pilbara region for gold and base metals.

Snake Well Gold

During the half-year, Kalamazoo commenced a review of all recent and historical drilling at the Mixy Lode zone to support plans for the next phase of drilling and to assess if sufficient gold mineralisation can be delineated to justify development considerations.

Consequently, a significant new geological interpretation (refer to ASX release dated 20 November 2017) was completed for the Mixy gold lode. This new interpretation was based on an extensive review of the historical and recent geological drilling database and was supported by an independent consultant.

Key points of the new interpretation include:

- The gold lode is now separated into three zones: Main Zone, Hanging Wall (HW) Zone and Footwall (FW) Zone.
- The Main Zone is now larger and more cohesive - up to 400m in strike and 250m down dip and is still open in all directions.
- The Main Zone now has a shallower plunge with potential for more ounces per vertical metre - an important consideration for any development proposal.
- Separating the lower grade HW and FW zones from the Main Zone should also result in an overall increase in the average gold grade for the Main Zone.

The outcomes from the new interpretation support more drilling for both increased confidence in upper oxide portion of the mineral resource and to test for resource extensions. This new interpretation for the Mixy Lode was used as a basis for an updated Mineral Resource estimate (prepared by an independent expert in accordance with JORC 2012) which has resulted in a significant 85% increase in grade and a 13% increase in tonnage for a total increase in contained metal of 63%.

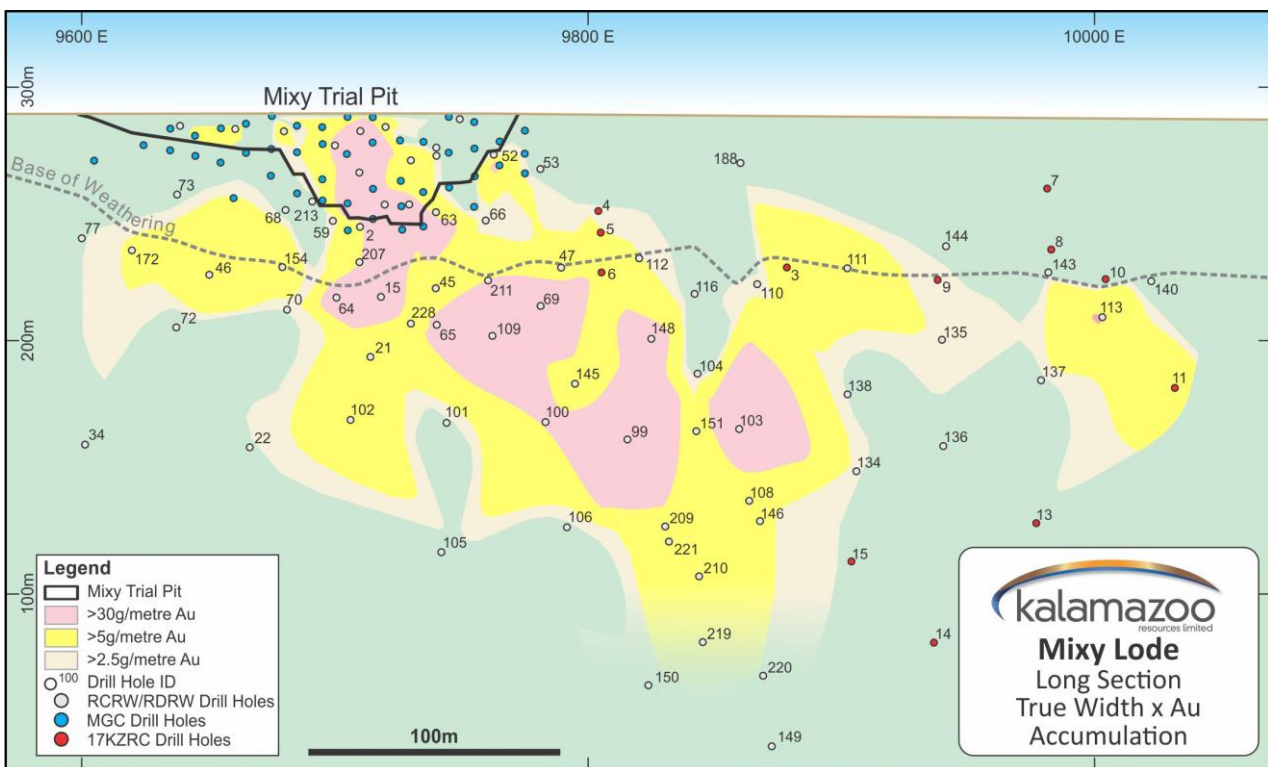


Figure 1: Contoured (Accumulation in gram/metres gold)* of the Mixy Main Zone gold shoot.

Note: Pierce points and hole numbers are displayed.

*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.

Consequently, the Mineral Resource (JORC 2012) inventory for Snake Well has increased by 32% to 141,000 ozs. This much-improved mineral resource provides consideration for options for a larger pit possibly leading to underground development.

The new interpretation provided confidence to commence a second drilling program at the Mixy Lode, with the objective to test along strike and for deeper extensions of the high-grade Main Lode mineralisation. This program commenced in early December comprising reverse circulation/diamond drill holes for approximately 1,500 metres.

Snake Well Base Metals

Following the completion of the A-Zone drilling campaign by Minjar Gold Pty Ltd for the delineation of oxide gold resources, the identification of significant base metals has focused exploration on the potential for Volcanic Hosted Massive Sulphide Deposits (VHMS) deposits, which may be of similar style to Golden Grove. The copper, zinc, and lead base metals occur in close spatial association with the gold lodes. Significant base metals have been interpreted (refer to ASX releases dated 23 June 2017 and 21 July 2017) to be associated with a zone of prospects nearly 25 kilometres long within the Snake Well tenements and include Carlinga West, Kaolin, A-Zone, Constrictor, Conquistador and Rabbit Well North.

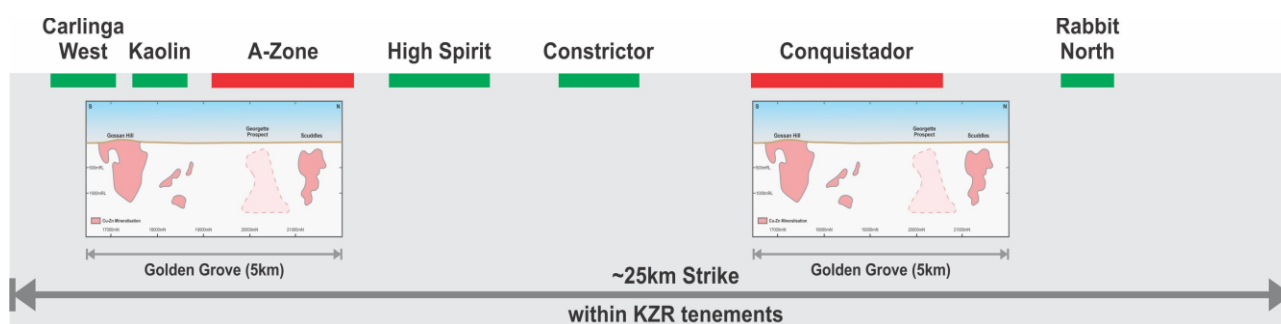


Figure 2: Idealised and Interpreted Longitudinal Section Superimposing the Golden Grove VHMS camp relative to Kalamazoo's 25 km long, Snake Well base metals prospects and anomalies

During the half-year, Kalamazoo reviewed the geology and historical exploration of the base metal occurrences at Snake Well and considers that A-Zone and Conquistador prospects show evidence of (VHMS) mineralisation of a style and nature similar to the nearby world-class Golden Grove deposits. The review highlighted isotopic dating of Conquistador which places the mineralisation within the same time span as the Golden Grove deposit at 2980 +/- 35Ma.

Past exploration at Snake Well has focused on gold, with limited systematic work on exploring base metal mineralisation. This is particularly so within and beneath highly depleted soil regolith which comprises only the top 40 to 50 metres and consequently, few holes have tested the stratigraphy in the deeper, fresh rock. Given the recent strong high-grade coincident zinc and silver, and significant copper and lead mineralisation returned from a selective re-assay program at A-Zone by Kalamazoo, it is considered that the project area, a 25 km corridor from Carlinga West to Rabbit Well North, remains largely underexplored.

A review of the exploration geophysical data of the belt identified several major opportunities due to:

- Lack of coherent gravity data.
- Limited historical and no modern high powered Down Hole Electro-Magnetics (DHEM) surveys, which have been used to great success in targeting VHMS mineralisation (e.g. Sandfire Resources NL at the DeGrussa Mine).
- Limited use of Induced Polarization (IP) or other regional geophysical tools.
- Limited follow-up of existing anomalies.

Kalamazoo believes the Snake Well felsic rock succession has the potential to host a world-class VHMS camp, as only as little as 500m of strike is required to form an economically attractive massive sulphide deposit.

Cork Tree Copper Project

Cork Tree consists of three granted exploration licences (E52/2056, E52/2057, E52/3042), and more recently three exploration licence applications, (E52/3514, E52/3515 & E52/3540) comprising 117 blocks and covering approximately 370km² along the contact of the Yerrida Basin and the Earraheedy Basin. The Company now controls an area of approximately 40 km x 20 km along the basin margins. Kalamazoo entered into a farm-in and joint venture agreement with ASX-listed Atlas Iron Limited (ASX: AGO) over two Cork Tree tenements in March 2013, and has currently completed the Stage 1 earn-in for 51%.

The tenements lie only 30 kms to the south-east of the DeGrussa and Monty deposits owned by ASX-listed Sandfire Resources NL (ASX: SFR) and the Thaduna Copper deposit, Enigma Copper prospect and Horseshoe Lights Copper-Gold mine. Kalamazoo believes the region to be prospective for copper and potentially lead-zinc mineralisation.

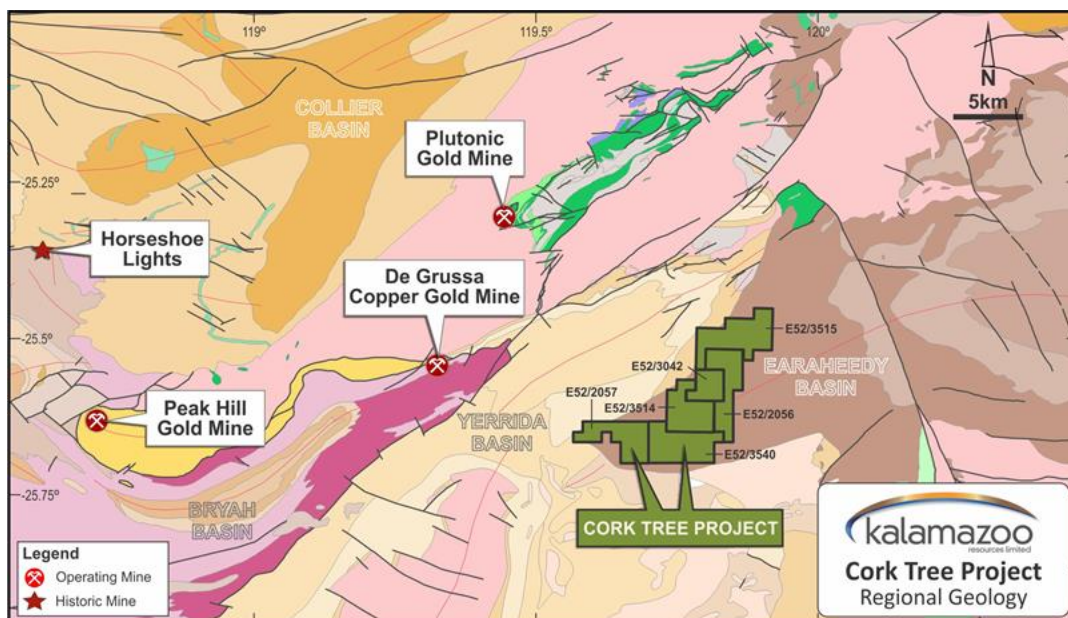


Figure 3: Location of Cork Tree tenement package, geology and significant deposits

Kalamazoo commenced exploration at its Cork Tree Project in WA's highly prospective Doolgunna region during the half-year. The exploration area covers 40 kms of strike mainly within the Earraheedy Basin and partly along the contact with the Yerrida Basin.

Kalamazoo completed a review of historical exploration which has indicated encouraging copper potential with:

- Regional soil sampling defining an anomaly some 1,950m x 600m in extent with results ranging from 2ppm to 25ppm Cu.
- Eight rock samples of 'gossans' returning copper assay above 0.1% with a maximum of 1.42% copper.
- A number of targets for follow up indicated by IP, magnetics and base metals in soils.

Kalamazoo considers excellent potential exists to develop new base metal targets within the Cork Tree Project through undertaking regional geophysical and geochemical surveys over areas where coverage by previous explorers has been poor.

Pilbara Gold Option

During the December quarter, Kalamazoo entered into an Option Agreement (refer to ASX release dated 6 October 2017) to acquire between 80% and 100% equity in three Pilbara gold projects covering 252 km². These tenements include the DOM's Hill Gold, Sisters and Marble Bar gold projects.

Kalamazoo initially acquired a 90-day option across each of the projects for the payment of \$125,000 and the issue of shares in Kalamazoo to the value of \$200,000. Kalamazoo subsequently advised (refer to ASX release dated 22 December 2017) that the Option exercise date had been extended from 1 January 2018 to 1 April 2018.

The tenements are highly prospective for gold and located in proximity to the Pilbara gold projects of Novo Resources Corp. (TSX: NVO) / Artemis Resources Limited (ASX: ARV), De Grey Mining Limited (ASX: DEG), Venturex Resources Limited (ASX: VXR), Impact Minerals Limited (ASX: IPT), DGO Gold Limited (ASX: DGO) and Calidus Resources Limited (ASX: CAI).

On signing the Option Agreement, Kalamazoo commenced exploration activities to determine prospectivity in relation to:

- Identification of quality gold prospects based on historic nugget recovery;
- The potential for conglomerate-hosted gold below Mt Roe Basalts (which has been prolific in the region); and
- The potential for other gold occurrences in quartz veins, shears and epithermal zones.

During the December quarter, Kalamazoo completed an extensive field exploration investigation of its Option tenement package. Tenement areas, including The Sisters Project, are in a highly prospective and emerging province adjacent to recent nugget discoveries announced by De Grey Mining Limited and Arrow Minerals Limited (ASX: AMD) (formerly Segue Resources Limited).

Local Pilbara prospectors were contracted to search for the presence of gold nuggets on some of the tenements including The Sisters Project. Consequently, several areas (refer to ASX releases dated 17 November and 23 November, 2017) with gold nuggets were successfully located by the prospectors.

Kalamazoo entered into an agreement with lithium explorer, Sayona Mining Limited (ASX: SYA), to assay for gold from soil pulps previously taken from The Sisters Project (E47/2983). Following the resampling of the pulps from the Sayona Lithium geochemical program, a gold-in-soil anomaly (refer to ASX release dated 23 November 2017) was defined over 3km along the Wohler Shear Zone corridor and open to the north east and south west. Gold nuggets were discovered south west along strike from the gold soil anomaly and outside the area of soil sampling.

An orientation program was also completed to follow up the "gold-in-soil anomaly" which defined a 3km zone along the Wohler Shear Zone corridor, open to the north east and south west. The aim of the program was to determine the optimal soil fraction for detecting the gold anomalism and thereafter test new areas within The Sisters tenement.

Kalamazoo is also embarking on a mapping program to better understand the range of gold and base metal opportunities within The Sisters, DOM's Hill and Marble Bar tenements.

Kalamazoo considers that as a result of the discovery of nuggets and the gold in soil anomaly, gold prospectivity at the project is being enhanced.

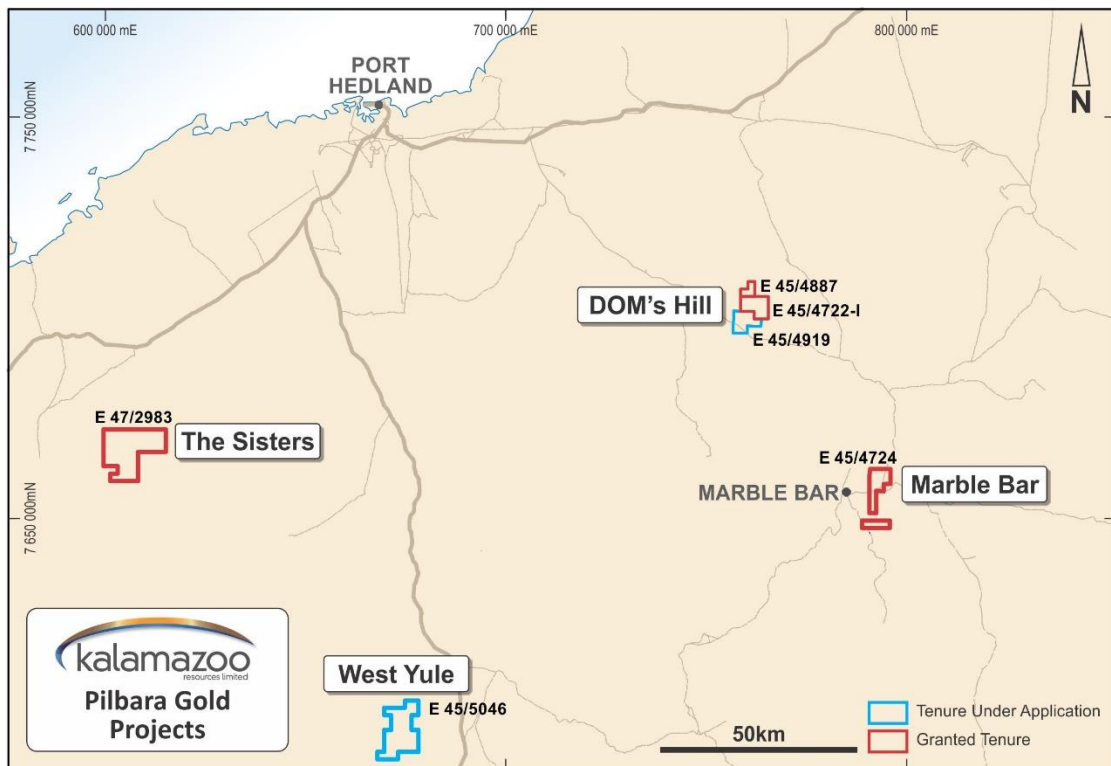


Figure 4: Location of DOM's Hill, The Sisters and Marble Bar Optioned tenements, and the new 100% West Yule application

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on page 10.

This report is made in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read "Luke Reinehr", is written over a light blue horizontal line.

Luke Reinehr
Chairman

Perth, 15 March 2018

Competent Person's Statement

The information in this release that relates to the exploration results of the Company 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.

The information in this report that relates to the mineral resources of the Company is based on information compiled by Mr David Reid, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reid is an employee of Ravensgate Mining Industry Consultants (Ravensgate) who is engaged as the Independent Geologist of the Company. Mr Reid 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 Reid consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

For additional and detailed information, including the JORC 2012 Minerals Resource Estimates for the Snake Well Project, please refer to the Independent Geologist's Report prepared by Ravensgate Mining Industry Consultants in Section 5 of the Company's Prospectus dated 3 October 2016 and Supplementary Prospectus, dated 14 November 2016.

All information relating to exploration results has been previously released to the market and is appropriately referenced in this document. JORC tables are not considered necessary to accompany this document.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Kalamazoo Resources Limited's (Kalamazoo's) current expectations, estimates and projections about the industry in which Kalamazoo operates, and beliefs and assumptions regarding Kalamazoo's future performance. When used in this document, words such as "anticipates", "could", "plans", "estimates", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Kalamazoo believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Kalamazoo and no assurance can be given that actual results will be consistent with these forward-looking statements. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this document speak only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Kalamazoo does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

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Auditor's Independence Declaration to the Directors of Kalamazoo Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Kalamazoo Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner – Audit & Assurance

Perth, 15 March 2018

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Half-year ended 31 Dec 2017	Half-year ended 31 Dec 2016
Note	\$	\$
Other income	28,784	18,182
Research and development tax rebate	702,111	-
Employee benefits expense	(105,068)	(208,334)
Share based payment	-	(542,541)
Depreciation expense	(2,405)	(1,964)
Finance expenses	-	(5,657)
Other expenses	(433,175)	(464,133)
Profit / (Loss) from continuing operations before income tax	190,247	(1,204,447)
Income tax benefit/(expense)	-	-
Profit / (Loss) after income tax attributable to the owners of Kalamazoo Resources Limited	190,247	(1,204,447)
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the period attributable to the owners of Kalamazoo Resources Ltd	190,247	(1,204,447)
Earnings per share:	<i>Cents</i>	<i>Cents</i>
Basic earnings / (loss) per share	0.22	(2.19)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		31 Dec 2017	30 Jun 2017
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	2,146,190	3,567,884
Trade and other receivables	5	99,966	152,731
Other current assets		41,274	20,196
TOTAL CURRENT ASSETS		2,287,430	3,740,811
NON-CURRENT ASSETS			
Property, plant and equipment		8,632	7,832
Exploration and evaluation assets	6	3,708,881	2,882,605
Other non-current assets	7	537,116	13,750
TOTAL NON-CURRENT ASSETS		4,254,629	2,904,187
TOTAL ASSETS		6,542,059	6,644,998
CURRENT LIABILITIES			
Trade and other payables		218,260	705,867
Short-term provisions		14,710	20,289
TOTAL CURRENT LIABILITIES		232,970	726,156
TOTAL LIABILITIES		232,970	726,156
NET ASSETS		6,309,089	5,918,842
EQUITY			
Issued capital	8	11,686,245	11,486,245
Reserves		1,072,232	1,072,232
Accumulated losses		(6,449,388)	(6,639,635)
TOTAL EQUITY		6,309,089	5,918,842

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2016	6,329,681	151,736	(4,992,734)	1,488,683
Total comprehensive loss for the period	-	-	(1,204,447)	(1,204,447)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period net of tax	-	-	(1,204,447)	(1,204,447)
Shares issued	6,055,000	-	-	6,055,000
Share issue costs	(515,179)	-	-	(515,179)
Issue of options to DJ Carmichael	(377,955)	377,955	-	-
Issue of options to directors and employees	-	542,541	-	542,541
Balance at 31 December 2016	11,491,547	1,072,232	(6,197,181)	6,366,598
Balance at 1 July 2017	11,486,245	1,072,232	(6,639,635)	5,918,842
Total comprehensive profit for the period	-	-	190,247	190,247
Total comprehensive profit for the period net of tax	-	-	190,247	190,247
Shares issued	200,000	-	-	200,000
Balance at 31 December 2017	11,686,245	1,072,232	(6,449,388)	6,309,089

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Half-year ended 31 Dec 2017	Half-year ended 31 Dec 2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(611,656)	(421,388)
Interest received	36,619	5,496
Interest paid	-	(5,657)
Research and development tax rebate	702,111	-
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES	127,074	(421,549)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(3,205)	-
Payments for exploration activities	(1,222,197)	(381,138)
Payments in relation to Pilbara tenements	7 (323,366)	-
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(1,548,768)	(381,138)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	6,055,000
Share issue costs	-	(63,300)
Repayment of borrowings	-	(200,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	5,791,700
Net increase / (decrease) in cash and cash equivalents	(1,421,694)	4,989,013
Cash at the beginning of the period	3,567,884	77,762
CASH AT THE END OF THE PERIOD	4 2,146,190	5,066,775

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1: CORPORATE INFORMATION

The financial report of Kalamazoo Resources Limited ("the Company") for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 15 March 2018.

The Company's principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas and opportunities with mineral potential and to evaluate results achieved through geological studies, surface sampling, geophysical surveys and drilling activities.

Kalamazoo Resources Limited is a company incorporated in Australia and limited by shares which are quoted on the Australian Securities Exchange.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

This condensed interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Kalamazoo Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial report has been prepared on a historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

b) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

AASB 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 15 Revenue establishes a new revenue recognition model that changes, expands and improves disclosures about revenue. When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 16 *Leases* requires all leases, other than short term and low value asset leases to be accounted "on balance sheet". The impact of this standard when first adopted for the year ending 30 June 2019 has not yet been assessed.

The directors have also reviewed all other new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to the Company's accounting policies. These accounting policies are consistent with Australian Accounting Standards and with International Reporting Standards.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to the Company's accounting policies.

c) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual financial statements as at and for the year ended 30 June 2017.

NOTE 3: SEGMENT INFORMATION

The Company continues to operate in one geographical segment, being Australia and in one operating category, being mineral exploration and evaluation.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2017	30 Jun 2017
	\$	\$
Cash at bank and on hand	1,146,190	567,884
Short-term deposits	1,000,000	3,000,000
	2,146,190	3,567,884

NOTE 5: TRADE AND OTHER RECEIVABLES

Debtors and prepayments	14,371	67,348
GST receivable	85,595	85,383
	99,966	152,731

NOTE 6: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2017	30 Jun 2017
	\$	\$
Exploration and evaluation assets	3,708,881	2,882,605
Capitalised cost at the beginning of the period	2,882,605	1,605,440
Exploration expenditure incurred during the period	826,276	1,354,395
Impairment of exploration and evaluation assets	-	(77,230)
Capitalised cost at end of the period	3,708,881	2,882,605

NOTE 7: OTHER NON-CURRENT ASSETS

Deposits paid	13,750	13,750
Pilbara tenement costs ⁽¹⁾	523,366	-
	537,116	13,750

(1) On 3 October 2017 the Company entered into a 90 day Option Agreement (Agreement) to acquire between 80% and 100% in three Pilbara gold projects. Under the terms of the Agreement \$125,000 in cash and \$200,000 in the Company's shares were paid on execution with a further \$150,000 in cash and \$250,000 in the Company's shares being payable upon the Company's exercise of its option.

On 21 December 2017 the Company and vendors agreed to extend the term of the Agreement from 1 January 2018 to 1 April 2018. The Company paid \$50,000 in cash for the extension however this amount will be set off against the \$150,000 originally payable upon exercise of the option.

As at 31 December 2017, \$175,000 in cash and \$200,000 in the Company's shares had been paid in relation to the Agreement. In addition, the Company had spent \$148,366 in evaluating the tenements under option. As at the date of this report the Company had not exercised its option to acquire the tenements.

NOTE 8: ISSUED CAPITAL

	31 Dec 2017	30 Jun 2017
	\$	\$
Issued capital		
Fully paid ordinary shares	11,686,245	11,486,245

NOTE 8: ISSUED CAPITAL (Continued)**a) Movement in ordinary shares on issue**

	Half-year ended 31 Dec 2017		Year ended 30 Jun 2017	
	No.	\$	No.	\$
Opening balance	83,391,016	11,486,245	333,742,060	6,329,681
1 for 7 Share consolidation	-	-	(286,064,621)	-
Shares issued Aug 2016	-	-	4,550,000	455,000
Shares issued Sep 2016	-	-	6,000,000	600,000
Shares issued pursuant to Prospectus	-	-	25,000,000	5,000,000
Shares issued Apr 2017	-	-	163,577	30,000
Shares issued Oct 2017 (refer Note 7)	2,710,027	200,000	-	-
Share issue costs	-	-	-	(928,436)
Closing balance	86,101,043	11,686,245	83,391,016	11,486,245

b) Movement in options on issue

	Half-year ended 31 Dec 2017		Year ended 30 Jun 2017	
	No.	\$	No.	\$
Opening balance	27,864,745	1,072,232	39,303,219	151,736
1 for 7 Option consolidation	-	-	(33,688,474)	-
Options granted	-	-	22,250,000	920,496
Closing balance	27,864,745	1,072,232	27,864,745	1,072,232

NOTE 9: DIVIDENDS

No dividends have been declared or paid during the half-year.

NOTE 10: COMMITMENTS AND CONTINGENCIES

As at the reporting date there has been no material change in the commitments and contingencies since the 30 June 2017 annual report.

NOTE 11: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to their short term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value.

NOTE 12: EVENTS SUBSEQUENT TO THE REPORTING DATE

No other matters or circumstances have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future years.

DIRECTORS' DECLARATION

In the opinion of the directors of Kalamazoo Resources Limited:

- 1) the financial statements and notes of Kalamazoo Resources Limited are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
 - b) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Luke Reinehr
Chairman

15 March 2018

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Independent Auditor's Review Report to the Members of Kalamazoo Resources Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Kalamazoo Resources Limited (the Company), which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Kalamazoo Resources Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kalamazoo Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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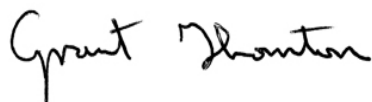
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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 15 March 2018