



ASX Announcement and Media Release

30 April 2018

MARCH 2018 QUARTERLY ACTIVITIES REPORT FOR KALAMAZOO RESOURCES LIMITED

Kalamazoo Resources (ASX: **KZR**) ("**Kalamazoo**") is pleased to report on its March 2018 quarter activities. The Company has continued to progress exploration and development initiatives. This includes:

- The drilling program has now been completed at the Mixy gold deposit which is part of Kalamazoo's Snake Well project in WA's Murchison region.
- The program comprised a combination of six Reverse Circulation/Diamond holes for 1,597 metres.
- The objective was to test 500m along strike and for depth extensions to 350m of the high-grade Mixy gold lode.
- Strong indications of shearing, alteration and veining observed in five of six holes with assay results expected next quarter.
- Program follows the successful re-interpretation of the Mixy lode which resulted in an 85% increase in total metal, reported in late 2017.
- Immediately after the end of the quarter the Company exercised its Option to acquire interests in several tenements which are prospective for gold in the Pilbara region of Western Australia.

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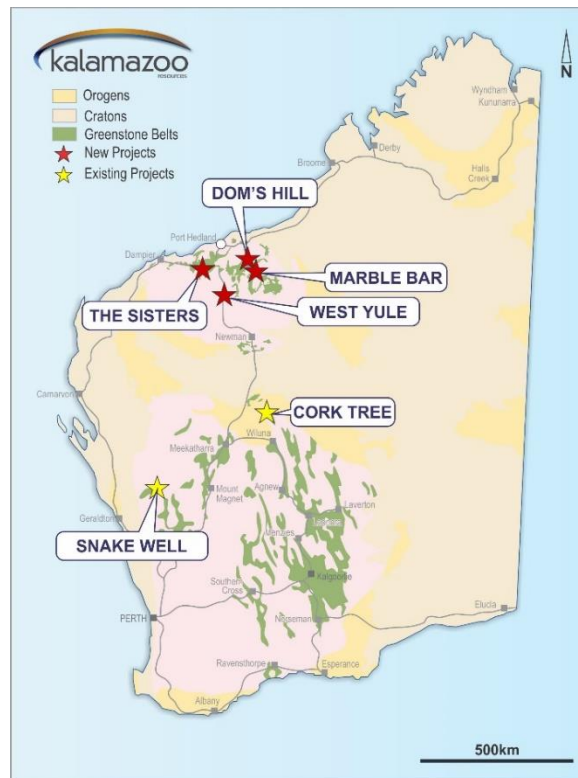


Figure 1: Location of Kalamazoo current and optioned Projects

HIGHLIGHTS – GOLD

▪ Snake Well Gold Project – Mixy Gold Lode

A significant new geological interpretation¹ was completed for the Mixy gold lode at the Snake Well Project in Western Australia. This new interpretation was based on an extensive review of the historical and recent geological drilling database which was supported by an independent consultant.

- Key points of new interpretation² include:
 - The gold lode is now separated into three zones: Main Zone, Hanging Wall (HW) Zone and Foot Wall (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.

1. For a detailed description of the geology and Mineral Resource Estimate, refer to the Independent Geologist's Report in Section 5 of the Company's Prospectus dated 3 October 2016 and Supplementary Prospectus, dated 14 November 2016.

2 Refer to release ASX: KZR 19 October 2017

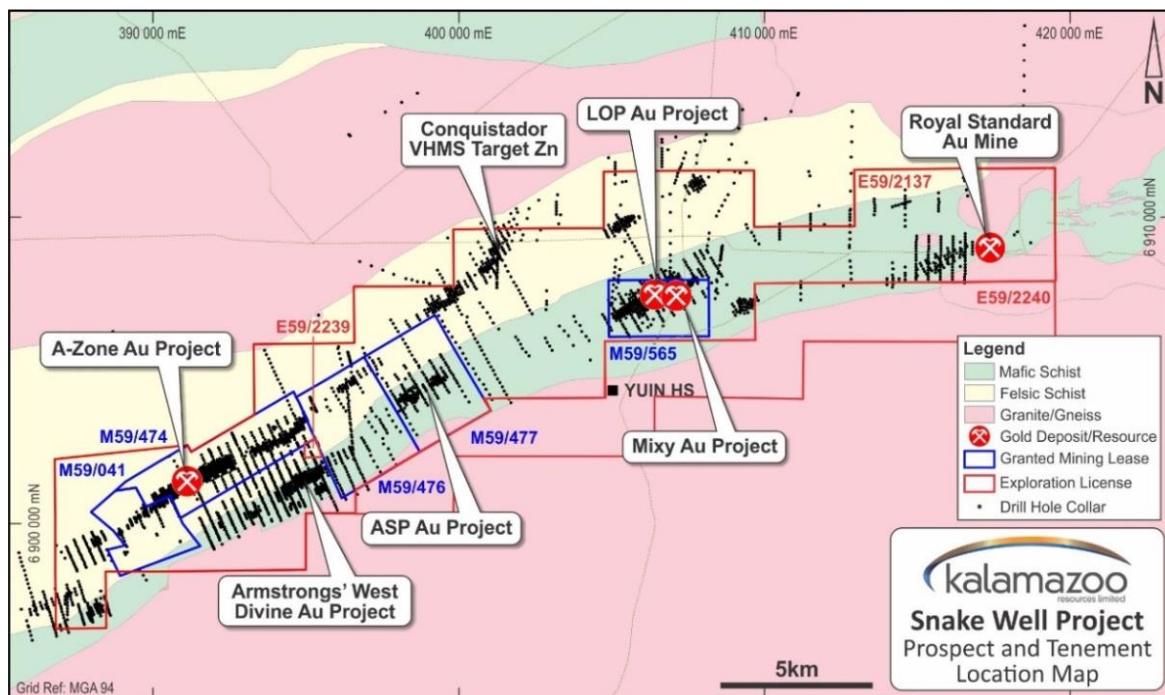


Figure 2: Location of A-Zone and Mixy Project areas

- 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.

The drilling program completed this quarter tested for extensions of the high grade Mixy lode along almost 500m of strike, east to west, and down dip to approximately 350m 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

Prospective zones in the diamond cored holes are being cut and fire assayed for gold. Reverse Circulation pre-collars are being assayed on a 4m composite basis and any anomalous intervals (>0.1g/t Au) will be assayed from one metre split samples. All results are pending.

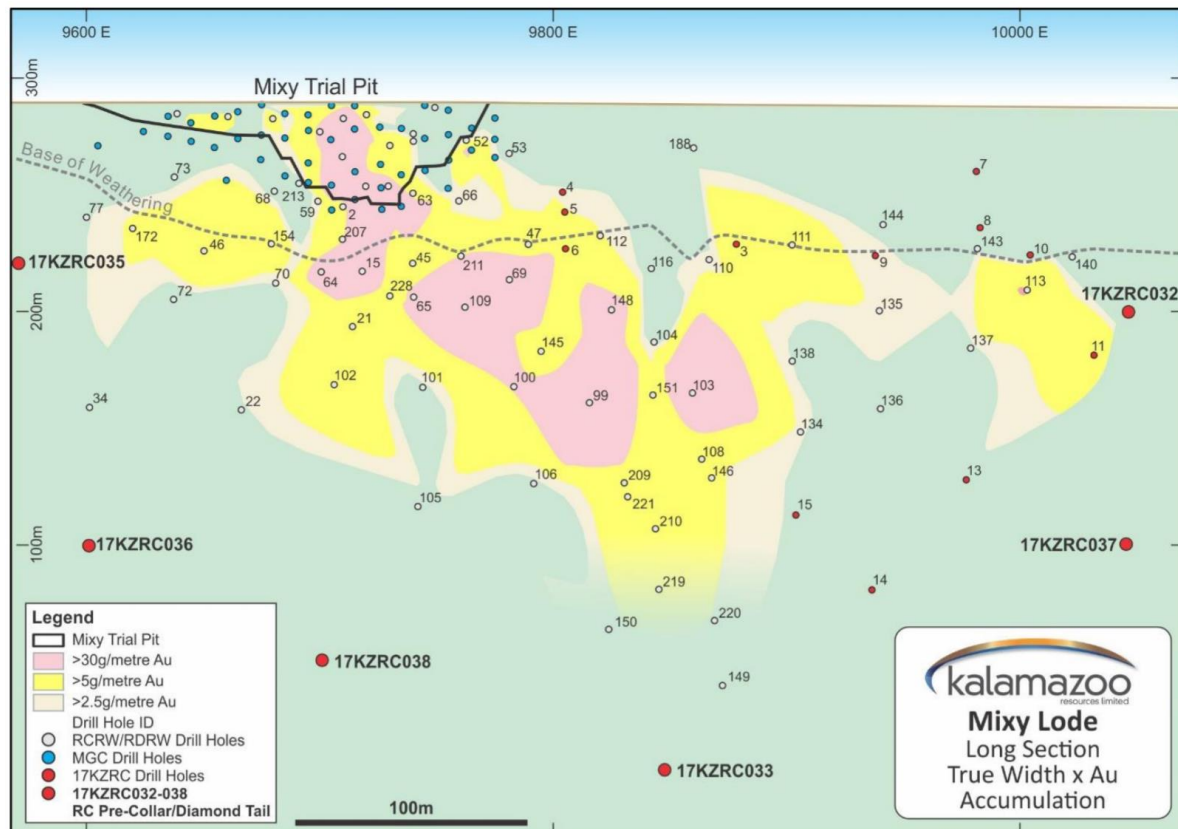


Figure 3: Contoured Longitudinal Section (*Accumulation in gram/metres gold) of the Mixy Main Zone gold lode looking north. Note: Pierce points and hole numbers are displayed. Red holes (17KZRC001-015) were drilled by KZR in the first phase of drilling and results were reported to ASX May 5th and June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

**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.*

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 Foot wall Zone, Hanging wall 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 4).

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.

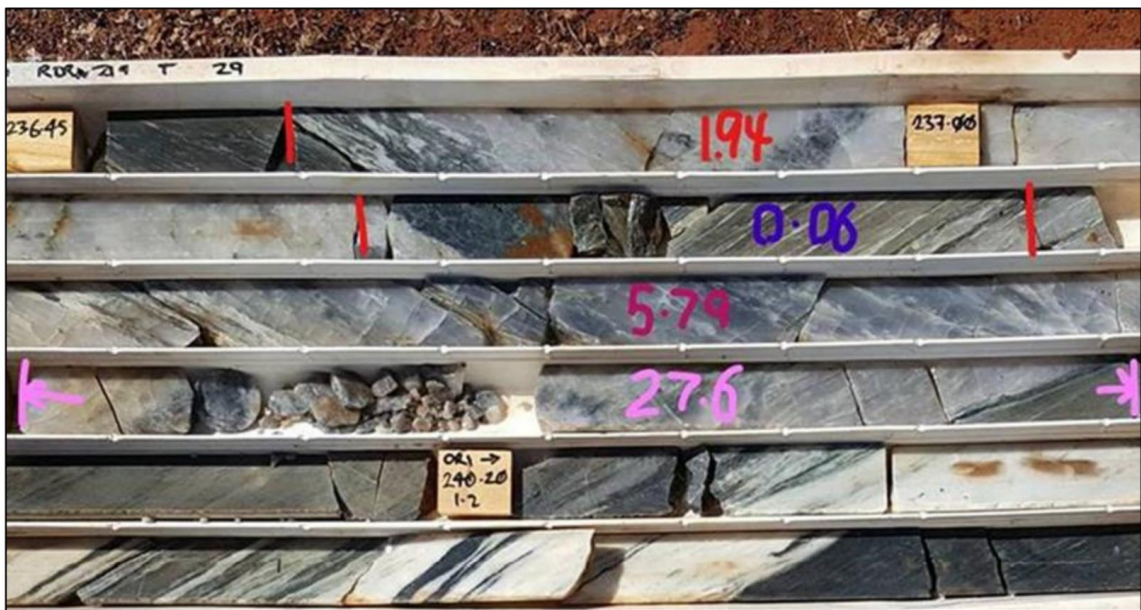


Figure 4: Historic drill hole RCRW219, part of Mixy Main Zone lode, showing gold grades (ppm) in two gold mineralised veins and weakly mineralised intervein alteration zone.

▪ **Pilbara Gold Projects**

During the quarter, Kalamazoo extended its option period for an Option Agreement³ 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 – controlled by WA resources industry stalwart Denis O'Meara Prospecting (DOM) and Brett Keillor (KS Gold Pty Ltd).

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

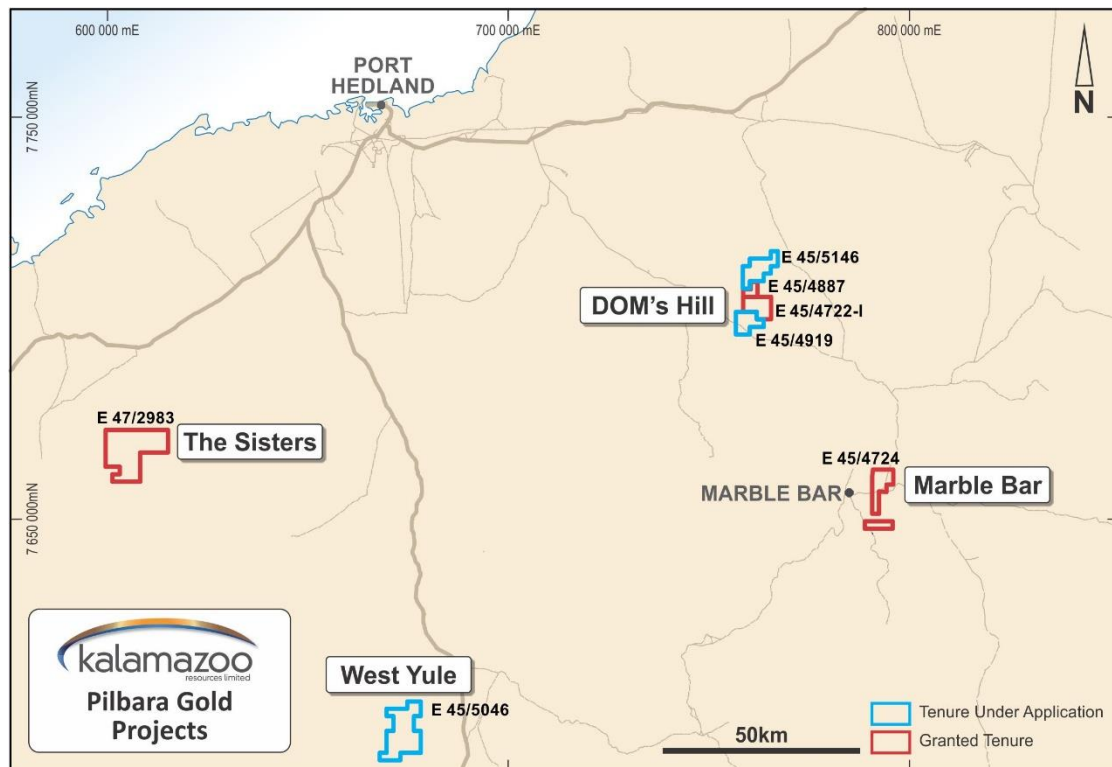


Figure 5: Location of DOM's Hill, The Sisters and Marble Bar Optioned tenements, and the new 100% West Yule and DOM's Hill application

3 Refer to release ASX: KZR 6 October 2017, 22 December 2017 and 29 March 2018



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.

Kalamazoo initially acquired a 90-day option across each of the projects for the payment of \$125,000 (made from existing cash reserves) and the issue of shares in Kalamazoo to the value of \$200,000.

Kalamazoo subsequently advised⁴ that the parties had agreed that the date by which the Option must be exercised by KZR had been extended from 1 April 2018 to 13 April 2018.

In consideration for the Option extension, KZR agreed to pay \$50,000 to the tenement holders - set off against the cash amount payable upon exercise of the Option.

Immediately after the end of the quarter the Company exercised its Option to acquire the interests in the Pilbara tenements.

4 Refer to release ASX: KZR 29 March 2018

TABLE 1 TENEMENT INFORMATION IN ACCORDANCE WITH LISTING RULE 5.3.3

Project / Tenement ID	State	Status	KZR Interest at start of quarter	KZR Interest at end of quarter	Notes
Cork Tree Project					
E52/2056	WA	Granted	51%	51%	49% held by Giralia Resources Pty Ltd.
E52/2057	WA	Granted	51%	51%	49% held by Giralia Resources Pty Ltd.
E52/3042	WA	Granted	100%	100%	
E52/3514	WA	Application	-	-	
E52/3515	WA	Application	-	-	
E52/3540	WA	Application	-	-	
Snake Well Project					
E59/2137	WA	Granted	100%	100%	
E59/2239	WA	Granted	0%	100%	
E59/2240	WA	Granted	0%	100%	
M59/0041	WA	Granted	100%	100%	
M59/0474	WA	Granted	100%	100%	
M59/0476	WA	Granted	100%	100%	
M59/0477	WA	Granted	100%	100%	
M59/0565	WA	Granted	100%	100%	
Pilbara Project					
E45/5046	WA	Application	0%	0%	
E45/5146	WA	Application	0%	0%	

Giralia Resources Pty Ltd is a wholly owned subsidiary of Atlas Iron Ltd.

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).

About Pilbara Tenement Package Option

Copper-gold exploration company, Kalamazoo Resources Limited (ASX: KZR) ("Kalamazoo"), announced to the ASX on 6 October 2017 that it has secured an Option to acquire between 80% and 100% equity in three highly prospective gold projects in the Pilbara from companies associated with WA resources industry stalwart, Denis O'Meara. The tenements have the potential to host significant gold mineralisation and are located in highly prospective locations within close proximity to some of the Pilbara's most exciting developing gold projects.

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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.

The information in this report that relates to the accumulation modelling 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, please refer the Independent Geologist's Report prepared by Ravensgate in Section 5 of the Company's Prospectus dated 3 October 2016 and Supplementary Prospectus, dated 14 November 2016.

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.

For further information, please contact:

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