

Materials: Precious Metals

Kalamazoo Resources Ltd, (KZR)

KZR enters the Pilbara

6/10/17

Current Price: \$0.15

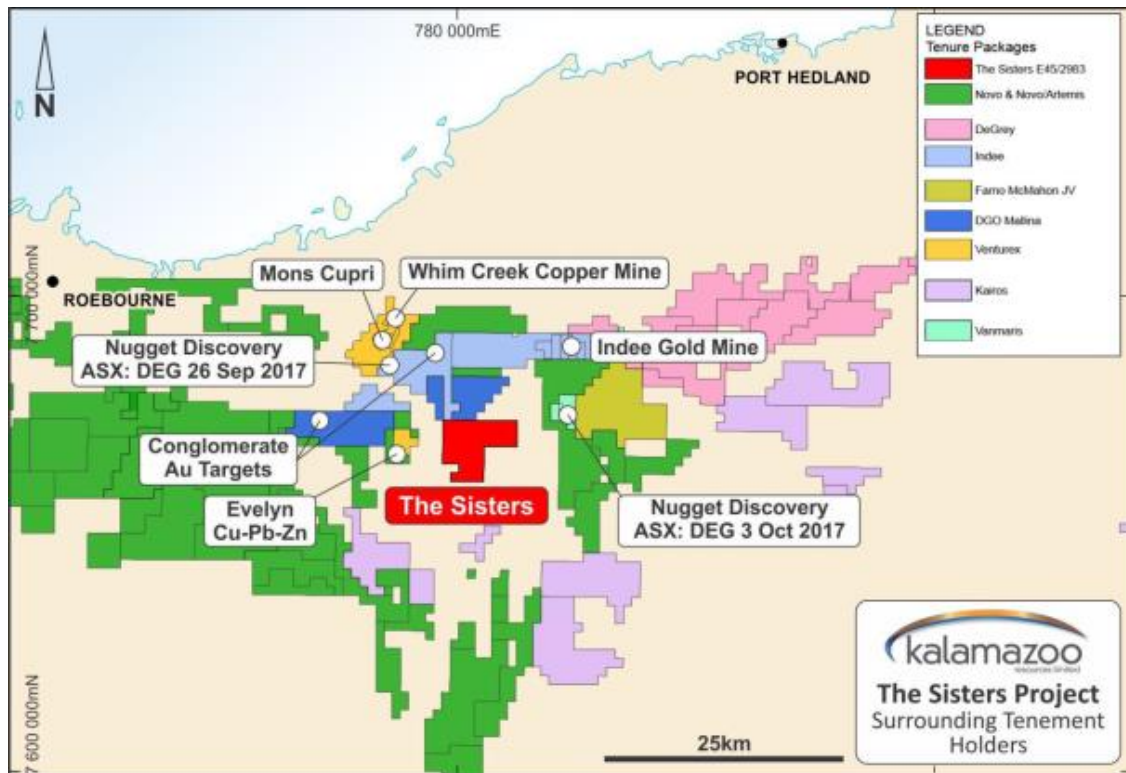
Key Points

- KZR has strengthened its relationship with well-known explorationist Denis O'Meara and has added Brett Keillor to its technical team through an option to acquire three highly prospective tenements in the Pilbara region of WA.
- KZR has entered an option to acquire between 80% and 100% equity in three Tenements covering 252km². The three projects are Sisters, DOM's Hill and Marble Bar.

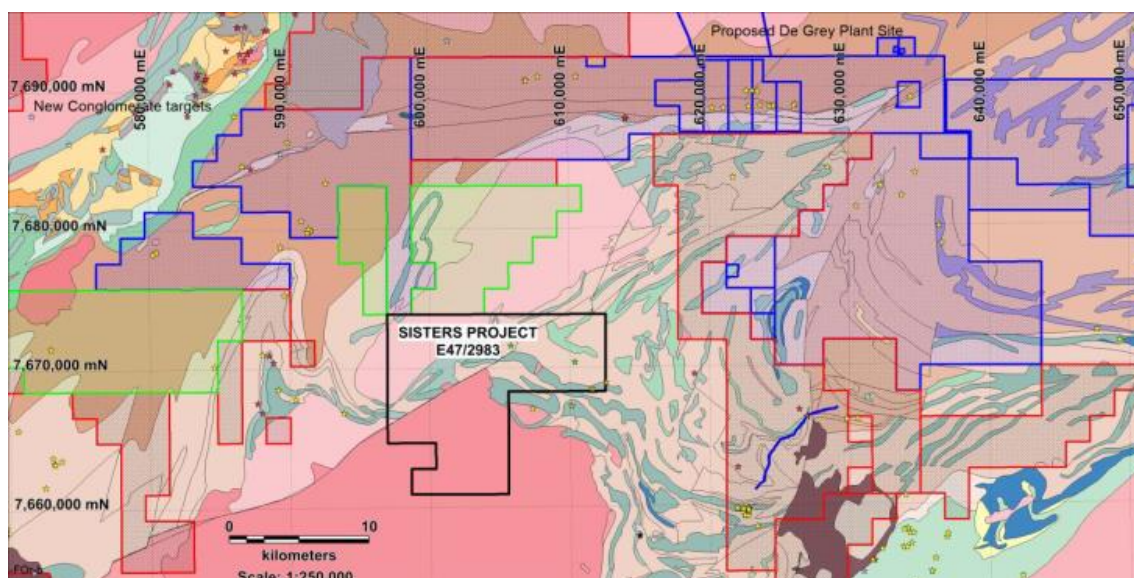


- The tenements are located close to those of Novo Resources, Artemis Resources and also De Grey Mining
- The largest tenement is the Sisters Gold Project (136km²) located 100km south-west of Port Hedland and immediately abuts DEG's Pilbara Gold Project tenements which are located to the north

- This is in the middle of the area that has received most attention lately owing to the discovery of vein and shear-hosted gold mineralisation (De Grey) and conglomerate style discoveries recently made by Novo/Artemis (and De Grey)



- KZR has the right to earn up to 80% of the non-lithium rights in E45/2983 at The Sisters Gold Project, which is prospective for epigenetic gold associated with the Mt Wohler Shear, a major splay structure off the Mallina Shear, that DEG has been exploring recently and that host the Indee gold deposits.
- The tenement has received no previous systematic gold exploration even though to covers this highly prospective structure within the De Grey Supergroup (3020-2930Ma)
- The tenement is within 30kms of DEG's prospective plant site for its 1.2Moz Pilbara Gold Project.



- The Dom's Hill Project consists of one granted tenement and two applications totalling 68km² and located 110km south-east of Port Hedland

- There are significant drill, soil and rock chip results from previous gold and base metal exploration. The project is considered prospective for gold, nickel, cobalt and base metals.
 - A review of the historical data is now underway in the light of the recent discoveries by Novo/Artemis and others
 - At the Singer Prospect, approximately 300 ozs of gold nuggets have been recovered from the tenements recently, in proximity to a NE-trending fault zone within a chert, mafic and ultramafic sequence.
 - The prospect has never been drilled
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- The third project is the Marble Nar Project, where KZR can earn 100% in non-lithium minerals
 - It consists of one granted tenement, 48km² located 6.5km east of Marble Bar and 11km north west of Calidus Resources' Warrawoona Gold Project (410,000 ozs).
 - Approximately 12 kms of prospective Warrawoona Formation stratigraphy occurs within E45/4724
 - The area had had limited historic exploration
 - To date, most focus has been directed towards the lithium potential

Terms of the Option:

Upon execution of the Option Agreement:

- KZR to pay the vendors \$125,000
- KZR to issue vendors ordinary shares in KZR to the value of \$200,000 at a 5-day VWAP prior to execution date

KZR has 90 days to execute the option, by:

- Entering into formal agreements with the tenement holders
- Payment of \$150,000 to vendors
- Issue of ordinary shares in KZR to the value of \$250,000 at a 5-day VWAP

At that point, KZR acquires the 80% and 100% interest in the tenements

- In addition, should KZR define a JORC resource of 50,000 ozs or more within 5 years on any of the tenements, KZR to issue vendors \$1.0m in cash or shares at KZR's election.

In Conclusion

We view the additional tenements in KZR's portfolio very positively. Although we expect to see continued news flow from the Snake Well Project in the Murchison in the coming months, the acquisition of highly prospective ground in the Pilbara is timely. The Pilbara is emerging as a much under-explored but increasingly recognised gold province. KZR will also benefit from the experience and expertise of Denis O'Meara and Brett Keillor as they assist in exploring the Pilbara group of tenements.

An example of the prospectivity of the area can be seen in De Grey Mining's recent success in defining a substantial 1.2 million ounce resource in rocks of the Mallina Formation (De Grey Supergroup). DEG has added, through discovery, 500,000 ounces of gold to its resource base in just 12 months, and we believe, they will find more. The Sisters Project lies in the same group of rocks and covers known significant structure associated with the Mallina Shear.

At Marble Bar, Calidus has recently announced a 410,000 ounce JORC resource at its Klondyke Project, after having consolidated much of the Warrawoona Greenstone Belt for the first time. So the areas has seen almost 1 million ounces of discovery over a very short period. The Warrawoona formation is poorly explored and highly prospective.

Should KZR find mineable resources on The Sisters Gold Project and DEG has established a gold plant within 30km, KZR has the potential to monetise those ounces through an agreement with DEG. We view the prospectivity around the DOM's Hill Project equally high, with some advanced prospects already defined from historical work.

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This Research report, accurately expresses the personal view of the Author.

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The Author of this report made contact with the **Kalamazoo Resources Limited** for assistance with verification of facts, admittance to business sites, access to industry/company information. No inducements have been offered or accepted by the company.

The recommendation made in this report is valid for four weeks from the stated date of issue. If in the event another report has been constructed and released on **Kalamazoo Resources Limited**, the new recommendation supersedes this and therefore the recommendation in this report will become null and void.

Recommendation Definitions

SPECULATIVE BUY – Potential 10% or more outperformance, high risk

BUY – Potential 10% or more outperformance

HOLD – Potential 10% underperformance to 10% over performance

SELL – Potential 10% or more underperformance

Period: During the forthcoming 12 months, at any time during that period and not necessarily just at the end of those 12 months.

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