

Annual Report 2019

ABN 33 150 026 850

CONTENTS

CORPORATE DIRECTORY	2
CHAIRMAN'S LETTER	3
REVIEW OF ACTIVITIES	4
DIRECTORS' REPORT	17
AUDITOR'S INDEPENDENCE DECLARATION	28
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019	29
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019.....	30
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019.....	31
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019	32
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019.....	33
DIRECTORS' DECLARATION.....	54
INDEPENDENT AUDITOR'S REPORT	55
ADDITIONAL SHAREHOLDER INFORMATION AS AT 6 SEPTEMBER 2019	58
TENEMENT SCHEDULE	60

CORPORATE DIRECTORY

DIRECTORS

Luke Reinehr	Executive Chairman / Chief Executive Officer
Angus Middleton	Non-Executive Director
Paul Adams	Non-Executive Director

COMPANY SECRETARY

Bernard Crawford

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 7, 8 Clive Street
West Perth, WA 6005

Telephone:	1300 782 988
Facsimile:	+61 (8) 9481 8488
Email:	admin@kzr.com.au
Web:	www.kzr.com.au

AUDITOR

Grant Thornton Audit Pty Ltd
Chartered Accountants
Central Park, Level 43, 152-158 St. Georges Terrace
Perth, WA 6000

SHARE REGISTRY

Advanced Share Registry
110 Stirling Highway
Nedlands, WA 6009

SECURITIES EXCHANGE LISTING

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

Home Exchange:	Perth, Western Australia
ASX Code:	KZR

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

It is with pleasure that I present to you Kalamazoo Resources Limited's ("Kalamazoo") 2019 Annual Report. The 2019 financial year has been an extremely busy and transformational year for Kalamazoo, as we have continued to build our presence in the Victorian Goldfields, supporting the Company's shift of focus to target this exciting growth exploration region.

At the Snake Well Gold Project in Western Australia, having improved the potential of the Mixy gold lode over the last few years, Kalamazoo sold the project to Adaman Resources Pty Ltd for \$7 million. The sale proceeds are payable over 24 months and are currently funding our exploration and drilling programs in Victoria. Importantly, Kalamazoo maintains a 2.5% Net Smelter Royalty on any base metals mined within the project area and can engage Adaman (which has an ASX listed drilling company as a major shareholder) to provide up to \$4m of drilling services for our Castlemaine Gold Project (to be deducted from the sale proceeds' final payment/s).

Having raised funds via the sale of Snake Well, the Company's focus turned to accelerating our exploration program at Castlemaine. The Victorian Goldfields has received considerable attention in recent times due to the incredible mining and exploration success at Kirkland Lake Gold's (ASX: KLA) nearby world-class Fosterville Gold Mine. During the year, we commenced on our extensive exploration programs at Castlemaine which included undertaking a collaborative research project with CSIRO, of which results are expected late 2019. This is in keeping with Kalamazoo's philosophy of conducting exploration in a smarter, low impact manner, utilising new technologies and science.

At the Castlemaine Gold Project, we arranged detailed Induced Polarisation and ground magnetic surveys across high ranking prospects to commence in the September 2019 quarter and released a tender for a planned 10,000m diamond drilling program at our Castlemaine Gold Project.

Kalamazoo is firmly committed to acquiring and exploring quality Victorian exploration projects based upon a high-grade deposit model. In that regard we were granted Exploration Licence EL6780, located in the centre of the historic, highly prospective Tarnagulla Goldfield and applied for Exploration Licence EL6959, "South Muckleford", which covers a large proportion of the historic, highly prospective Maldon Goldfield and the regionally significant Muckleford Fault.

In the Pilbara we developed our gold exploration plans for the upcoming field season and at the Cork Tree Cu project, Kalamazoo consolidated its tenement position by acquiring Atlas Iron Limited's (ASX: AGO) 49% share of two joint venture tenements, and completed an initial drilling program.

During the year we strengthened our board and management team with Paul Adams (B.Sc., GradDipAppFin and Investment) joining as a Non-Executive Director in July 2018, and the appointment of Dr Luke Mortimer (B.Sc. (Hons), PhD, MAIG) to the new position of Exploration Manager – Eastern, to manage Kalamazoo's growing portfolio of Victorian gold exploration projects.

Thank you for your continued support for what I'm sure will be an exciting upcoming 12 months.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Luke Reinehr".

Luke Reinehr
Executive Chairman and CEO

REVIEW OF ACTIVITIES

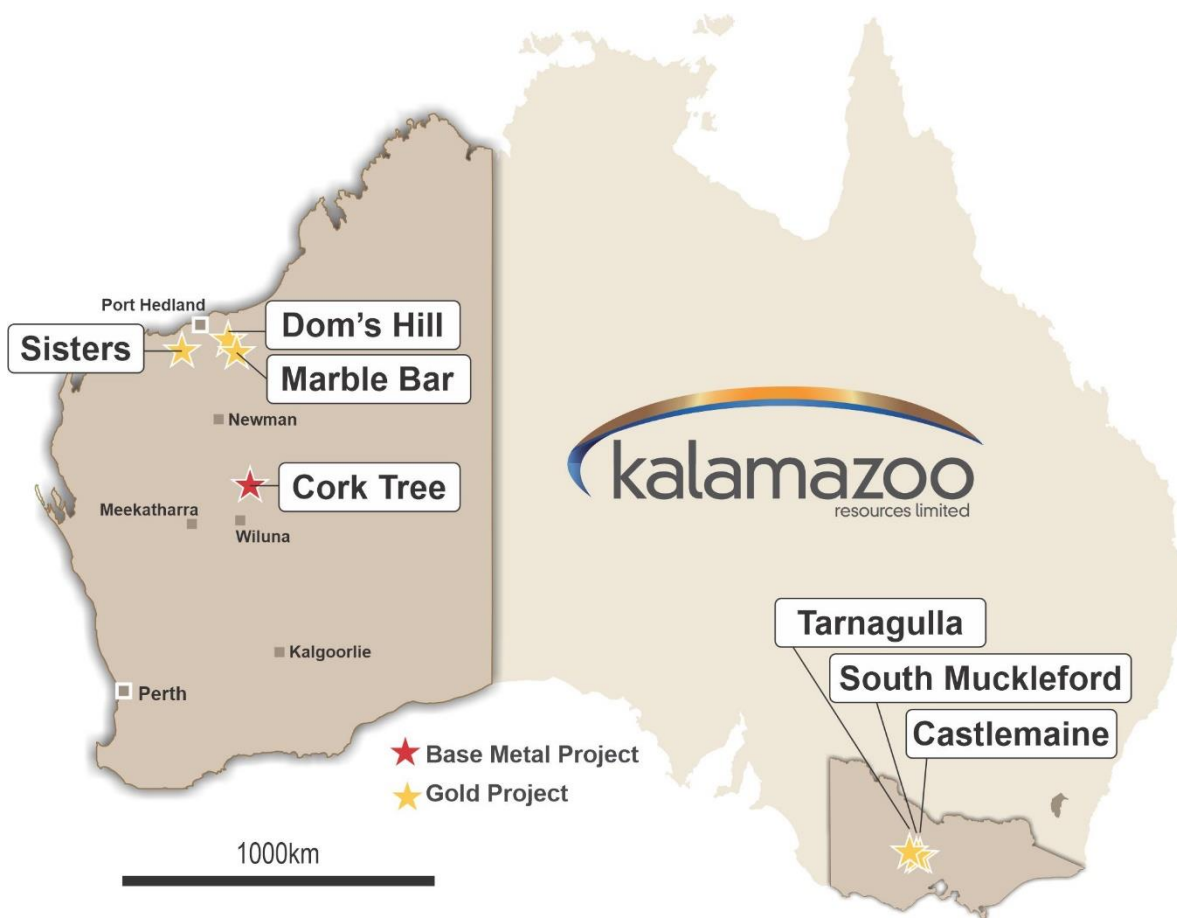


Figure 1: Location of Kalamazoo's Projects

VICTORIAN GOLD PROJECTS

Kalamazoo is committed to acquiring and exploring a portfolio of premium gold exploration projects within highly endowed areas in Central Victoria, based upon a high-grade target deposit model. During the 2018/19 reporting period Kalamazoo consolidated its Castlemaine, South Muckleford and Tarnagulla Gold Projects as a key part of its exploration strategy (Figure 2).

These gold projects are located within a supportive mining region which is becoming increasingly active with significant exploration and development success across multiple projects including Fosterville, Tandarra, Four Eagles and Costerfield. Strategically, the Central Victorian Goldfields region is well supported with a number of gold processing plants located within 80km haulage distance of Castlemaine.

In early 2019, Kalamazoo made the key appointment of Dr Luke Mortimer to the new position of Exploration Manager – Eastern to manage Kalamazoo's growing portfolio of Victorian gold exploration projects. Dr Mortimer is a geologist with over 25 years' experience in exploration and mining at various locations across Australia, China, Africa and the Americas. He has served the majority of his career as Geoscientist-Technical Leader with WMC Exploration Division as well as Principal Exploration Geologist with MMG exploring for copper, nickel, zinc and gold. Dr Mortimer holds a BSc (Honours) and a PhD in Geology.

Highlights from the Company's Victorian Gold Portfolio for the year include:

- Exploration activities within EL6679 ("Wattle Gully", 70km²) commenced with target generation efforts identifying 18 high priority prospects for follow-up work including:
 - Historical data compilations;
 - field reconnaissance; and
 - Validation exercises of the identified prospects in readiness for future geophysical surveys (of note there have been no ground geophysical surveys conducted within the Castlemaine Gold Project since the 1960s and the area is only covered by broad, regional-scale aeromagnetic and ground gravity data).
- Induced Polarisation ("IP") and ground magnetic surveys have been designed to cover the top ten ranked prospects located in EL6679. Planetary Geophysics was contracted to complete these surveys which commenced in July 2019.
- Kalamazoo executed and commenced a collaborative research project agreement with CSIRO referred to as *"Mapping Geochemical Gradients at the Wattle Gully Gold Deposit"* (ASX: KZR 19 March 2019) aimed at applying modern, high-tech, core logging and laboratory techniques to historical diamond drill holes to better characterise and understand primary gold mineralisation within the Castlemaine Goldfield.
- The Tarnagulla Gold Project exploration licence EL6780 (5km²) was granted on 20 March 2019 - initial exploration activities have commenced including desktop studies and historical data compilations.
- The formation of the South Muckleford Gold Project commenced with the application in April 2019 for exploration licence EL6959 "South Muckleford" (~93km²), located in the southern Maldon goldfield, subsequently granted in July 2019. An adjacent second exploration licence EL7021, "West Muckleford" (~84km²) is currently under application.
- Kalamazoo appointed Dr Luke Mortimer to the newly created position of Exploration Manager – Eastern, to manage Kalamazoo's growing portfolio of Victorian gold exploration projects.

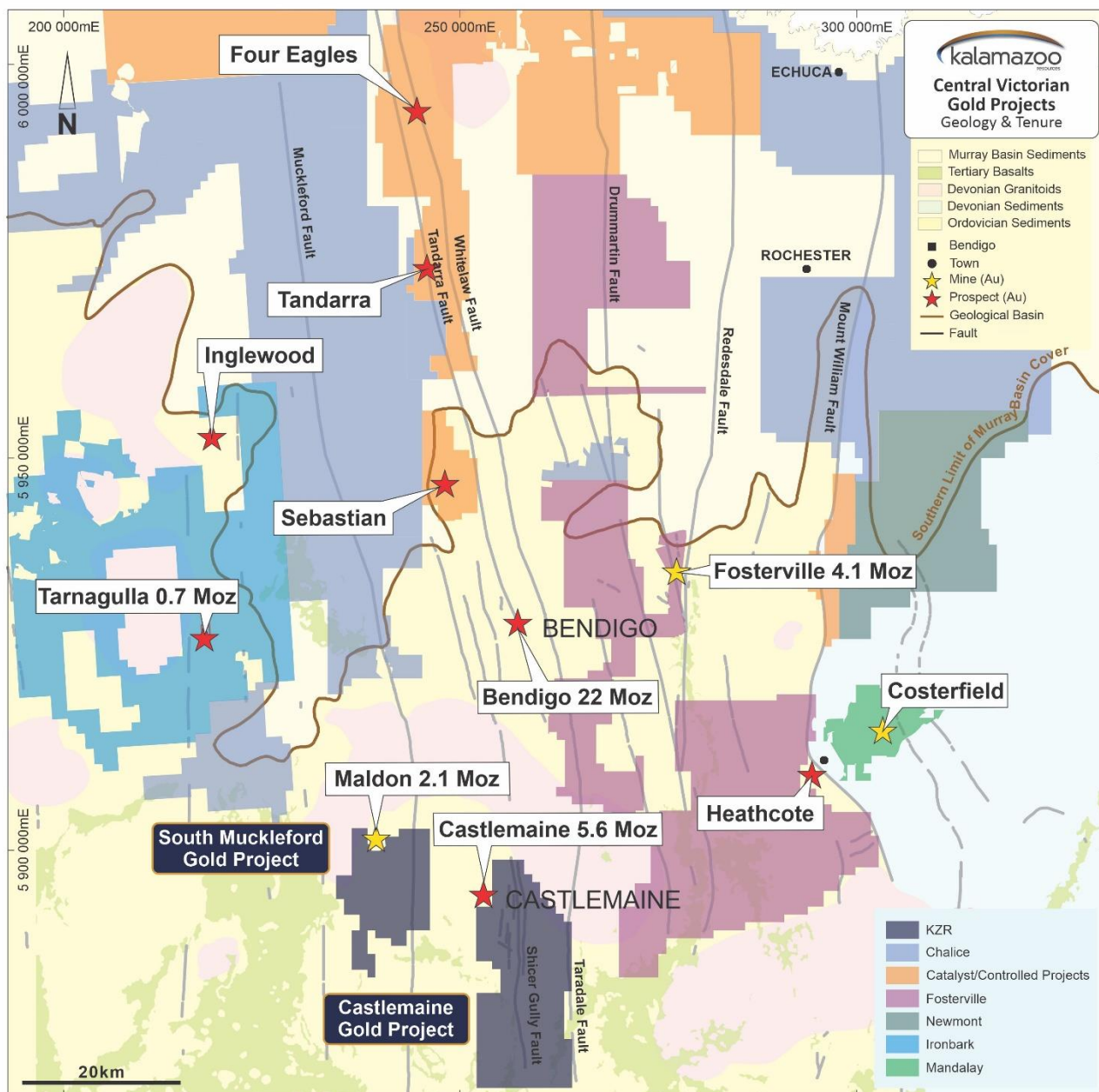


Figure 2: Central Victoria regional gold exploration tenure with Kalamazoo's Castlemaine and South Muckeleford Gold Projects in grey

CASTLEMAINE GOLD PROJECT

The Castlemaine Gold Project comprises exploration licence EL6679 ("Wattle Gully", 70km²) which covers the entire historic Castlemaine Goldfield, plus an application for a second exploration licence EL6752 ("Wattle Gully South", 218km², successfully granted post period in July 2019) containing a total tenement holding of 288km² (Figure 3).

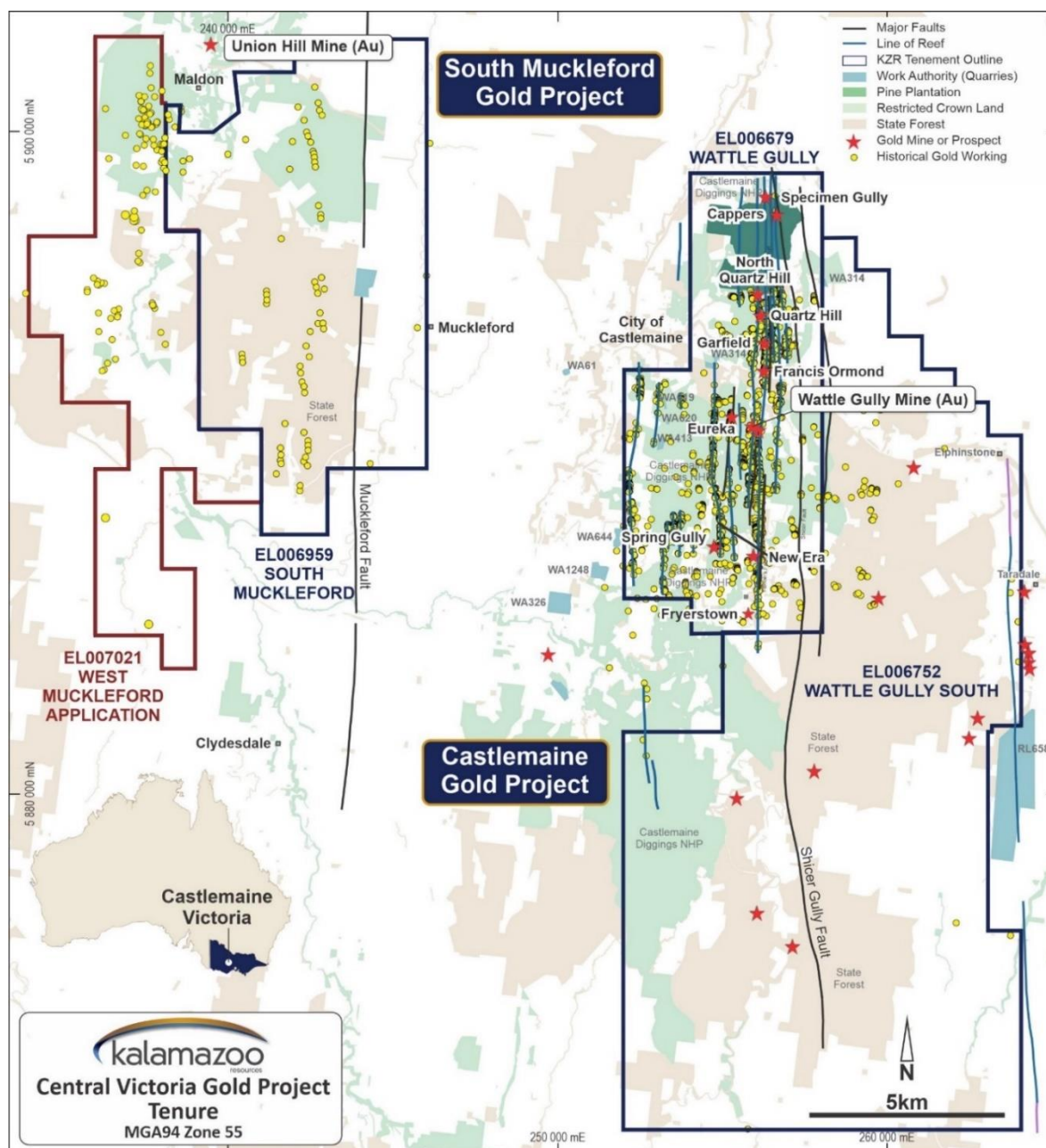


Figure 3: Castlemaine and South Muckleford Gold Projects

The Castlemaine Goldfield (including EL6679) historically produced 5.6Moz of gold across its life and is one of the richest goldfields in Australia. Only minor exploration activity has been carried out over the past decade with limited effective drilling below 400m. Wattle Gully South (EL6752) was identified as a key component of the Company's exploration strategy as it contains the same prospective host rock sequence, fold-fault structures and major regional faults (source) as that of the adjacent highly endowed Castlemaine Goldfield to the north (EL6679). Kalamazoo considers EL6752 as an under-explored extension of the adjacent Castlemaine Goldfields.

In the early stage of the Castlemaine Gold Project, Kalamazoo secured the project's 200GB+ database, including 3D models of various deposits and the entire drill core farm. The replacement value of this dataset is estimated by Kalamazoo to be more than \$20 million and it continues to be a valuable resource to the Company's exploration activities.

Within exploration licence EL6679 Kalamazoo has identified a large number of high priority gold exploration targets for follow-up investigation. These prospects have been defined from a combination of features including the presence of prospective fault/fold structures, gold mineralised reefs, historical workings, low exploration maturity and historical drill hole intersections. These prospects have received only limited, shallow historical drilling and have not seen any systematic modern geophysical exploration techniques. The prospects range in size up to 2km² and are located within the Castlemaine Diggings National Heritage Park and a commercial Pine Plantation.

Kalamazoo subsequently secured the services of Planetary Geophysics to conduct detailed Induced Polarisation (IP) and ground magnetic surveys of the top 10 highest ranked prospects which commenced in July 2019. These geophysical surveys involve approximately 40 line km of IP survey lines and 360 line km of ground magnetic lines spread across the top 10 ranked prospects. The ultimate aim of the geophysical surveys is to identify and map gold mineralised structures for follow-up diamond drill testing, with final survey results expected in mid-September 2019.

Of note there have been no ground geophysical surveys conducted within the Castlemaine Gold Project since the 1960s and the area is only covered by broad, regional-scale aeromagnetic and ground gravity data. The application of modern ground geophysical survey techniques to high ranking prospects is a key feature of Kalamazoo's exploration strategy. This is keeping with the Company's philosophy of conducting exploration in a "smarter", low impact, reconnaissance-style methodology that minimises any disturbance to the environment and the local Community. These activities essentially reduce the amount of ground disturbance and exploration drilling required to effectively explore a prospective area.

In early 2019 Kalamazoo executed and commenced its collaborative research project with CSIRO *"Mapping Geochemical Gradients at the Wattle Gully Gold Deposit"* (ASX: KZR 19 March 2019). The aim of the study is to apply modern, high-tech, core logging and laboratory techniques to historical diamond drill holes to better characterise and understand primary gold mineralisation within the Castlemaine Goldfield. The study is utilising some of the approximately 80,000m of historical diamond drill core samples held by Kalamazoo. To date the on-site drill core sampling stage has been completed with the next stage of laboratory analyses currently in progress. This research project is expected to be completed in November 2019.

A contract Scope of Work tender document outlining a proposed two stage 10,000m diamond drilling program to take place in the latter parts of 2019 and early 2020 was distributed to reputable drilling contractors. This tender process closed 30 June 2019 with three quotations received. The proposed contract involves approximately 25 x 400 m (nominal depth) diamond drill holes (10,000m). The drilling contract process will be completed and reported at a later date.

SOUTH MUCKLEFORD GOLD PROJECT

The new South Muckleford Gold Project comprises two licences, the exploration licence EL6959 ("South Muckleford", ~84km²) which was subsequently granted in July 2019 and exploration licence EL7021 ("West Muckleford", 68km²) which is currently under application (Figure 3). A large proportion of the South Muckleford Project is located on Crown Land and away from populated areas.

Located in the Maldon Goldfield these exploration licences cover the highly prospective regional Muckleford Fault and adjacent historical workings to the west (i.e. hanging-wall position) as well as the southern strike extent of the Union Hill Gold Mine. The Maldon Goldfield is the 7th largest Victorian goldfield with historical production of >1,975,000oz (>56t) and 317,000oz (9t) of primary and alluvial gold, respectively*. This goldfield has a similar setting, age, host rock and structurally controlled mineralisation style as other Bendigo Zone (Central Victoria) gold deposits.

The South Muckleford Gold Project is a strategic fit with Kalamazoo's exploration strategy in terms of the following:

- Highly prospective gold field with proven endowment near a regional fault (source) i.e. Muckleford Fault;
- Majority of the exploration tenure is located on Crown Land and away from populated areas;
- A lack of sedimentary cover enabling easier, cheaper and quicker exploration;
- The area has not been subjected to systematic modern exploration techniques such as ground geophysics and airborne surveys;
- Limited, shallow previous drilling; and
- Located only 10km from the Castlemaine Gold Project.

TARNAGULLA GOLD PROJECT

On 20 March 2019 Kalamazoo was granted Exploration Licence EL6780, "Tarnagulla" (~5km²) which is centrally located within the historic and highly prospective, Tarnagulla Goldfield. Like South Muckleford this goldfield is similar in setting, age, host rock (Ordovician) and structurally controlled mineralisation style as other Bendigo Zone (Central Victoria) gold deposits with 420,000 oz (13 t) of historical gold production*.

Initial exploration activities have commenced which include desktop studies and historical data compilations.

*Phillips, G.N., 2010 Victorian Gold Province, Australia: a contemporary exploration guide. GeoScience Victoria Special Publication

Planned Work Program

Exploration activities are at various stages and ongoing across all three Victorian Gold Projects which invariably include the following staged processes:

- Continued desktop studies such as historical data compilation (e.g. mine production and exploration records), drill hole database analyses, construction of geological models, prospect identification and target generation exercises;
- Design and implementation of ground geophysical surveys such as Induced Polarisation and ground magnetic surveys over the highest ranked targets;
- Reconnaissance field mapping, soil sampling and in-field target validation exercises;
- Drilling program design and implementation to test highest ranked targets; and
- Ongoing stakeholder engagement such as relevant government and community groups.

PILBARA GOLD PROJECT

During the year Kalamazoo progressed exploration for gold in its highly prospective Pilbara portfolio of projects. The Company acquired between 80% and 100% equity in three gold projects during 2018 (Figure 4) and added a fourth project, West Yule. The projects demonstrate the potential to host significant gold mineralisation and are located close to some of the Pilbara's most exciting gold projects (ASX: KZR 17 April 2018). The prospectivity of the West Yule exploration licence E45/5046 was later downgraded and the tenement was surrendered.

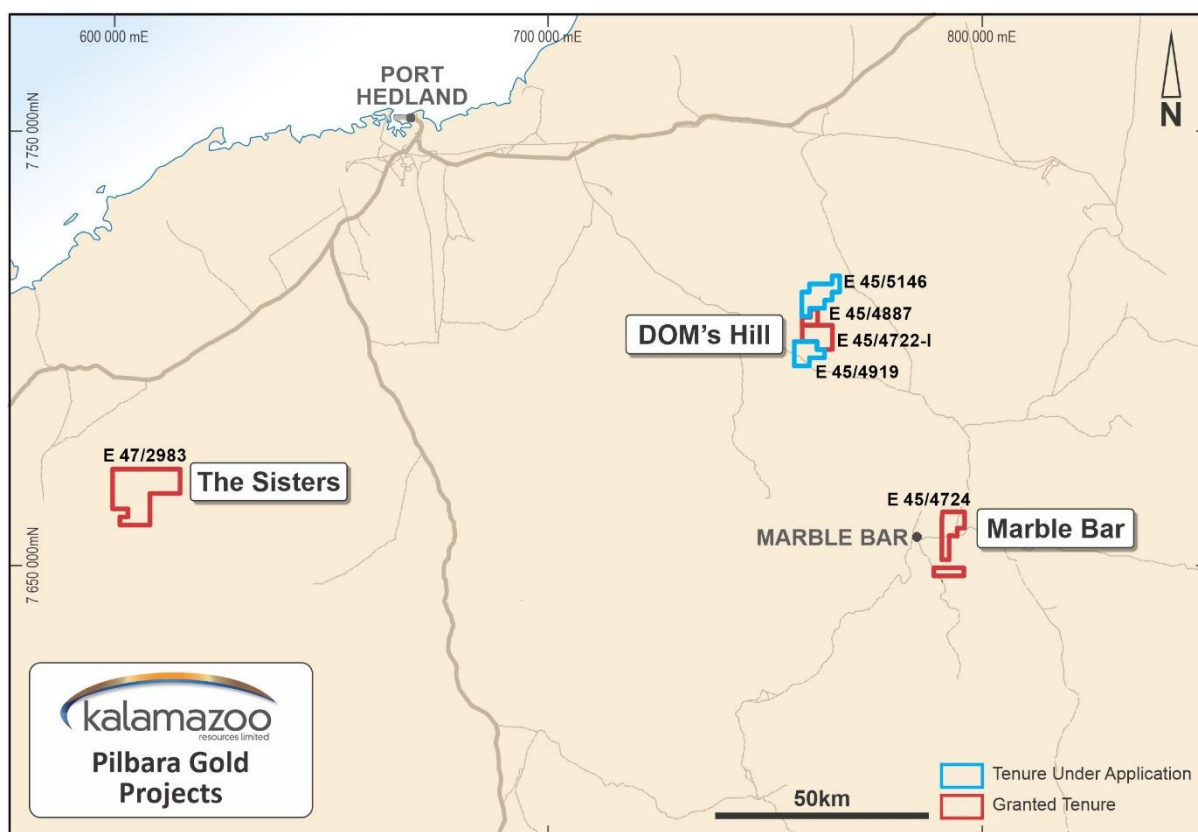


Figure 4: Location of Sisters, DOM's Hill and Marble Bar Gold Project Tenements

DOM'S HILL GOLD PROJECT

The DOM's Hill Gold Project (Figure 5) consists of two granted Exploration Licences (E45/4722 and E45/4887) and two Exploration Licence Applications (ELA45/4919 and ELA45/5146) located 110km south east of Port Hedland, within the Archaean East Pilbara Region. The project area is considered prospective for a range of gold, nickel, cobalt and base metal deposits. Past exploration has highlighted the potential for shear-hosted lode-gold mineralisation, with a number of advanced targets within the project including DOM's Hill and the North-East Zone.

Within the E45/4722 tenement, prospectors have found up to 300oz of gold nuggets (ASX: KZR 6 October 2017) and during 2019, Section 40E prospecting permit holders continue to report further finds. Assessment of this and other areas known to host significant gold nuggets will be the focus of future exploration.

Kalamazoo applied for a further exploration licence (ELA45/5146) covering the northern extension of the greenstone belt and has progressed the protracted heritage agreement negotiations to an advanced stage to allow the application to proceed through to grant.

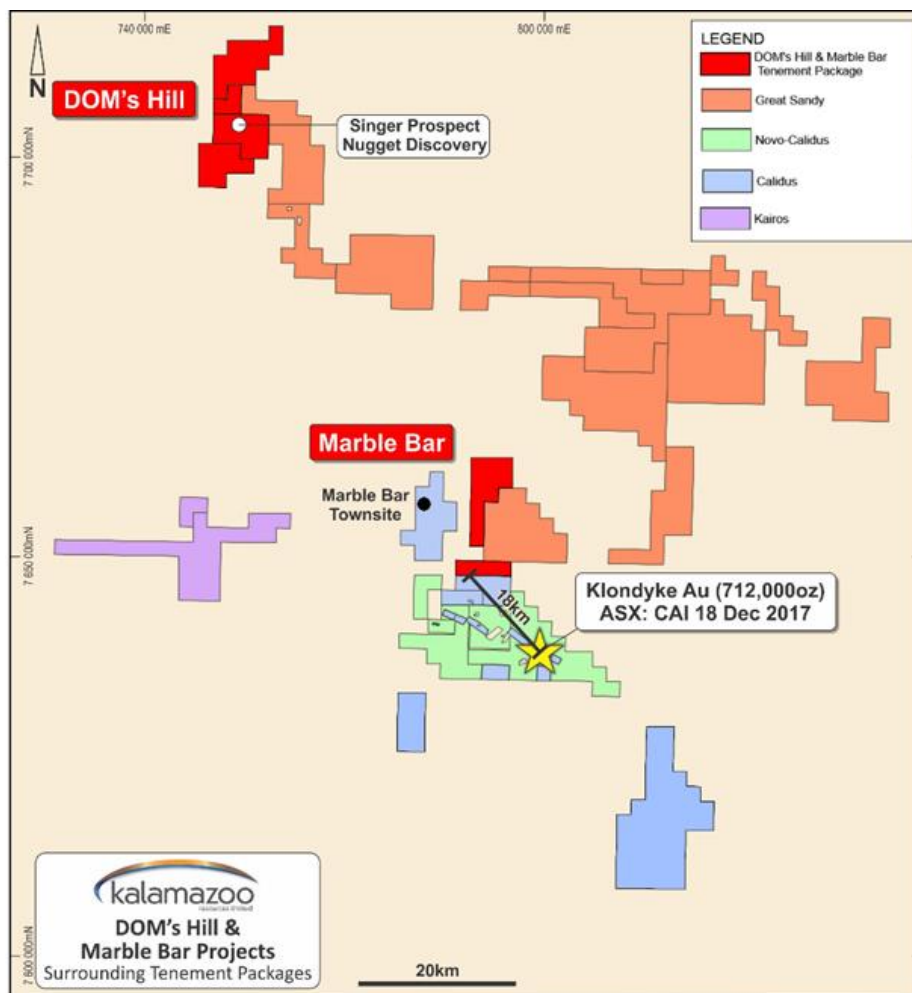


Figure 5: DOM's Hill and Marble Bar Gold Projects and surrounding tenements

THE SISTERS GOLD PROJECT

The Sisters Gold Project is a granted 136km² exploration licence (E47/2983) and is located 100km south west of Port Hedland (Figure 6) and is prospective for epigenetic gold mineralisation associated with the Mt Wohler Shear, a prospective splay from the gold mineralised Mallina Shear Zone. Kalamazoo holds an 80% interest in mineral rights other than lithium.

Kalamazoo resampled 30 RC drill holes that had been completed by Sayona Mining Ltd on lithium pegmatite targets, and as a check, assayed for gold. As expected, there were no anomalous results for gold. The holes were located on pegmatite targets that are not in proximity to the Wohler Shear.

Initial stream sediment sampling was completed in areas draining part of the Wohler Shear Zone and in the area where two nuggets had been located in 2017. One of 13 sites sampled was weakly anomalous in gold and arsenic, indicating that a more intensive stream sediment geochemical program may be warranted.

There is no reported systematic exploration along the gold prospective Wohler Shear. The re-assay by Kalamazoo of soil samples initially collected by Sayona for lithium exploration defined a gold-in-soil anomaly over 3km along the Wohler Shear Zone corridor (ASX: KZR 23 November 2017). The anomaly remains open to the north-east and south-west (Figure 7).

Kalamazoo believes that with no previous systematic gold exploration the project provides a significant exploration opportunity.

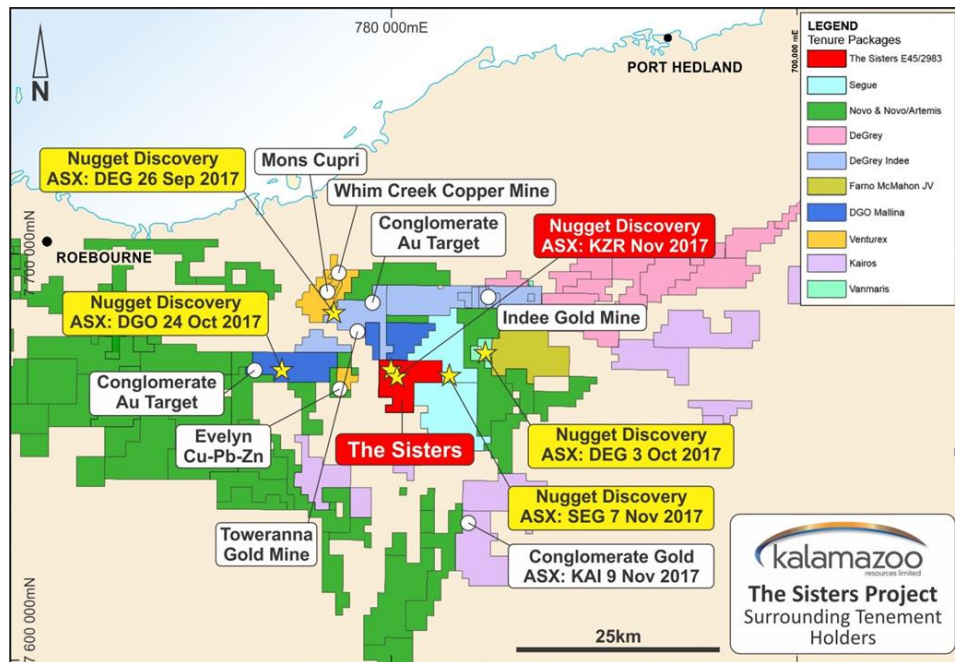


Figure 6: The Sisters Project and surrounding tenements

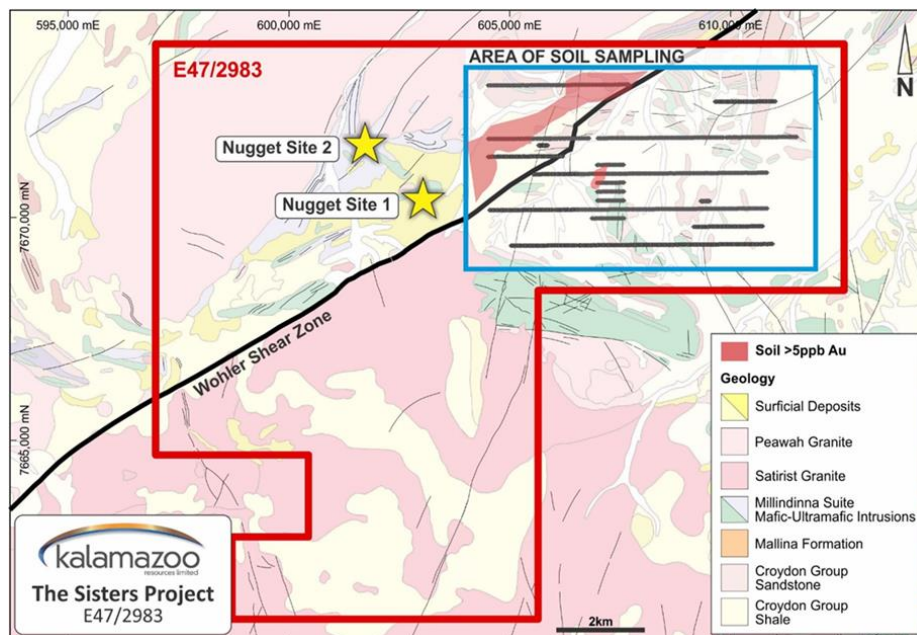


Figure 7: The Sisters Project geology, soil sampling coverage and location of nuggets

MARBLE BAR GOLD PROJECT

The Marble Bar Project comprises one granted tenement (E45/4724) of 48km² located 6.5km east of Marble Bar and 11km north-west of ASX-listed (ASX: CAI) Calidus Resources' Klondyke Gold Project located within the Warrawoona Gold Project area. Kalamazoo has 100% mineral rights other than lithium.

The southern boundary of E45/4724 is adjacent to Calidus' tenure that contains the high grade Klondyke Gold deposit. Approximately 12km of the prospective Warrawoona Formation stratigraphy occurs within E45/4724. The tenement straddles the western intrusive contact of the Archaean Mt Edgar Batholith and the adjacent basalts, amphibolites and ultramafic units of the Warrawoona Formation. Major northerly trending arcuate regional structures traverse the project.

Calidus commenced an in depth resource definition and exploration program focused on the Warrawoona Project, located 21km south east of Marble Bar in June 2017. Calidus has consolidated much of the Warrawoona greenstone belt for the first time and recently announced a prefeasibility study and combined JORC (2012) Indicated and Inferred Mineral Resource of 1.25 Moz within its Klondyke project area (ASX: CAI 17 July 2019).

Kalamazoo's review of the data for the Marble Bar tenement indicates it contains a sheared meridional greenstone belt over which there has been very little reported gold exploration despite the large number of small gold leases throughout the larger area (e.g. Haoma Mining NL). The Warrawoona Formation units within E45/4724 are poorly explored and justify a systematic gold exploration program.

Kalamazoo has planned a reconnaissance soil geochemistry program and acquisition of various geophysical and spectral imagery to be completed in the September quarter 2019.

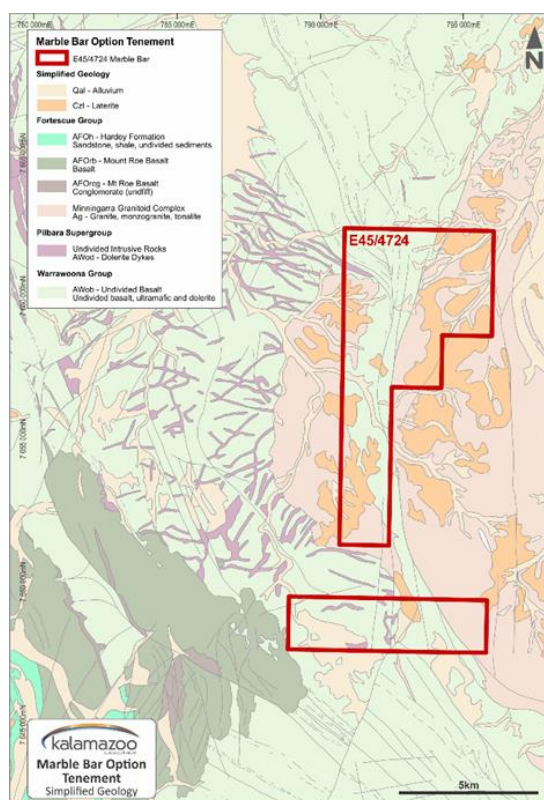


Figure 8: Geology of Marble Bar Tenement E45/4724

CORK TREE COPPER PROJECT

The Cork Tree Project consists of six granted Exploration Licences (E52/2056, E52/2057, E52/3042, E52/3514, E52/3515 and E52/3540) comprising 117 blocks, covering approximately 370km² mainly within the Earraheedy Basin and partly along the contact with the Yerrida Basin (Figure 9). The Company now controls an area approximately 40km x 20km along the basin margins. Historic exploration has identified widespread secondary copper mineralisation within thick dolomite-shale-sandstone stratigraphy at several prospect areas within the Cork Tree tenements.

The project area is strategically located in the Doolgunna region, which hosts the DeGrussa Copper Mine, Thaduna Copper deposit, Enigma Copper prospect and Horseshoe Lights Copper-Gold mine.

Kalamazoo entered into a farm-in and joint venture ("JV") agreement with Atlas Iron Limited (ASX: AGO) over two of the Cork Tree tenements in March 2013 and had completed the Stage 1 earn-in for 51%. During the current reporting year, Kalamazoo consolidated its tenement position by acquiring Atlas' 49% share of the two joint venture tenements E52/2056 and E52/2057. The Atlas holdings were exchanged for a gross smelter royalty of 2.5% which applies to all minerals other than iron ore, stone, gravel, clay and sand across Kalamazoo's six tenements.

Previous Kalamazoo exploration activity had included a review of all historical data, regional geology and geophysics and identification of anomalous and target zones for follow up. A program of infill lag geochemistry was completed, together with mapping and rock chip sampling. Reprocessing and remodelling of historical geophysical data, including gravity, magnetics and electromagnetics ("EM") was also completed. Review of this data led to a better understanding of the regional geology and improved the exploration model which most importantly directed exploration to specific target areas for follow-up work.

Kalamazoo completed a preliminary reverse circulation drill programme with four holes drilled for 624 metres at the Elmo and Cork Tree Copper Prospects, within E52/2056 and E52/2057 respectively (Figure 10) (ASX: 24 April 2019). Initial results from composite sampling identified five anomalous copper zones (>500ppm Cu), all located within E52/2057 at the Cork Tree Copper Prospect.

In one of the zones there was an intersection of anomalous copper across a significant 32m width at shallow depth. A maximum copper value of 2,140ppm (0.21% Cu) was recorded.

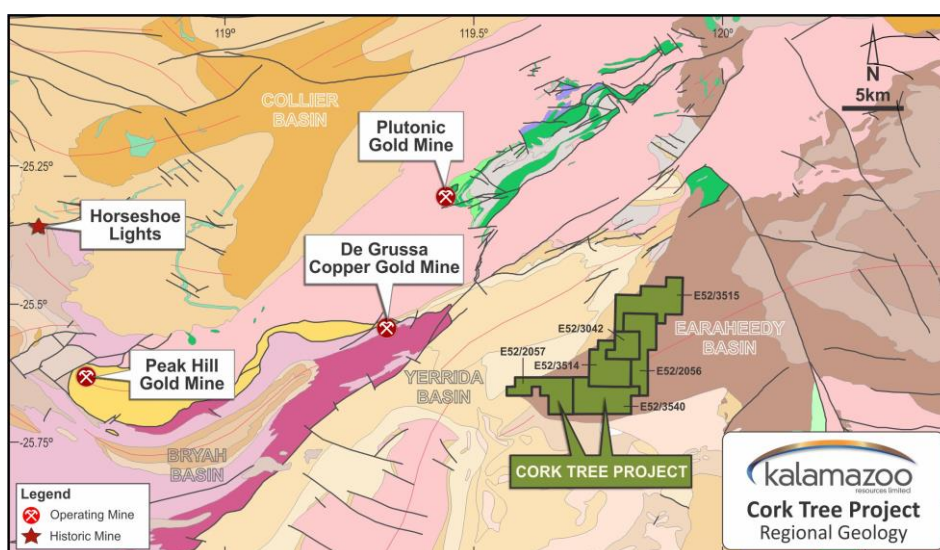


Figure 9: Location of the Cork Tree tenement package and significant deposits, over regional geology

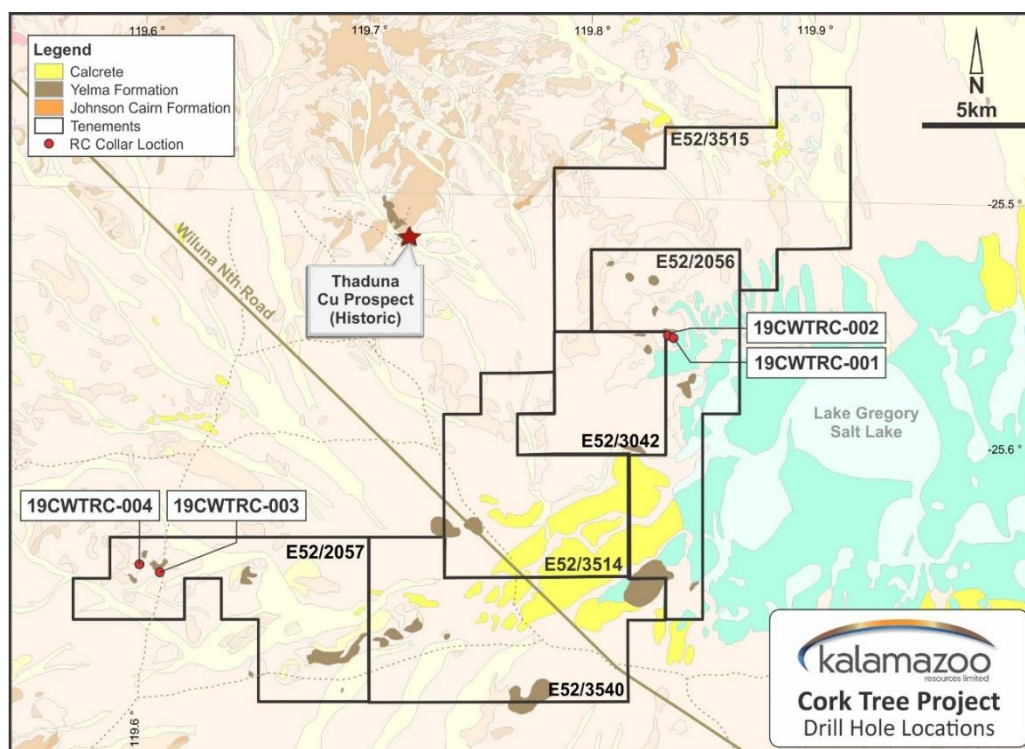


Figure 10: RC drill hole locations (Elmo Prospect – E52/2056; Cork Tree Copper Prospect - E52/2057)

Resampling of the composite intervals (ASX: KZR 18 June 2019) generally reflected original composite values for copper and the other multi-elements assayed. In hole 19CTWRC003 resampling of the interval from 60m-64m resulted in an average of 1261 ppm Cu compared with 1300ppm Cu in the corresponding composite sample. Resampling of the entire anomalous 56m-72m interval resulted in an average 812 ppm Cu compared with 842ppm Cu for the original composite samples.

In hole 19CTWRC004 resampling of the anomalous composite interval from 12m-16m (1240ppm Cu) resulted in a comparable average of 1107 ppm Cu. In the deeper zone from 144m-148m (composite 2140 ppm Cu) the resamples averaged 2258 ppm Cu with a maximum of 4270 ppm Cu (0.43%) from 145m-146m. This deeper zone is characterized by oxidized quartz veining.

Assessment of the potential for economic copper mineralisation continues.

SNAKE WELL BASE METALS PROJECT

In February 2019 Kalamazoo completed the \$7.0 million sale of the Snake Well Gold Project in Western Australia to Adaman Resources Pty Ltd. Kalamazoo maintains a 2.5% Net Smelter Royalty on any base metals mined within the project area.

The \$7.0 million sale proceeds are payable over 24 months and will fund Kalamazoo's exploration and drilling program primarily on its Victorian Gold Projects.

OTHER PROJECTS

Kalamazoo continues to seek out and review other projects which meet the necessary criteria to add value to the Company. A number of projects have been assessed, mainly potential open pit, gold projects and base metal (principally copper) exploration projects.

COMPETENT PERSONS STATEMENT

The information in this release relating to the exploration data for all Western Australian projects 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 WA 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 for the Victorian Projects is based on information compiled by Dr Luke Mortimer, a competent person who is a Member of The Australian Institute of Geoscientists. Dr Mortimer is an employee engaged as the Exploration Manager Eastern Australia for the Company and 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'. Dr Mortimer 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

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.

DIRECTORS' REPORT

Your directors present their report on Kalamazoo Resources Limited ("the Company") at the end of the year ended 30 June 2019.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report unless noted otherwise:

- Luke Reinehr, Executive Chairman / Chief Executive Officer
- Angus Middleton, Non-Executive Director
- Paul Adams, Non-Executive Director (appointed 2 July 2018)
- Peter Benjamin, Managing Director (retired 13 July 2018)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year 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.

FINANCIAL RESULTS

The profit of the Company after providing for income tax for the year ended 30 June 2019 was \$1,158,146 (2018: loss of \$234,839).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation for the payment of a dividend has been made by the Directors.

OPERATIONS AND FINANCIAL REVIEW

Information on the operations of the Company and its prospects is set out in the "Review of Activities" section of this Annual Report.

FINANCIAL

Exploration and evaluation costs totalling \$9,405 (2018: \$17,439) were expensed during the year in accordance with the Company's accounting policy.

As at 30 June 2019 the Company had net assets of \$7,891,239 (2018: \$6,207,803) including cash and cash equivalents of \$766,204 (2018: \$1,138,441).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year were as follows:

During the reporting period Kalamazoo consolidated its Castlemaine, South Muckleford and Tarnagulla Gold Projects as a key part of its Victorian exploration strategy.

In February 2019 Kalamazoo completed the \$7.0 million sale of the Snake Well Gold Project in Western Australia to Adaman Resources Pty Ltd. Kalamazoo maintains a 2.5% Net Smelter Royalty on any base metals mined within the project area.

There were no other significant changes in the state of affairs of the Company during the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 11 July 2019, the Company completed a placement to institutional, sophisticated and professional investors of 10,000,000 ordinary shares at an issue price of 12 cents per share and 5,000,000 free attaching unlisted options raising \$1,200,000 before costs. The options are exercisable at \$0.25 on or before 10 July 2020 and were issued on the basis of one option for every two new shares subscribed for.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years not already disclosed in this report.

ENVIRONMENTAL REGULATION

The Company is subject to significant environmental regulation in respect of its exploration activities. Tenements in Victoria and Western Australia are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant Government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Economic Development, Jobs, Transport and Resources (*Victoria*) and the Department of Mines, Industry Regulation and Safety (*Western Australia*).

Kalamazoo Resources Limited conducts its exploration activities in an environmentally sensitive manner and is not aware of any breach of statutory conditions or obligations.

Greenhouse Gas and Energy Data Reporting Requirements

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2019, however reporting requirements may change in the future.

INFORMATION ON DIRECTORS

Luke Reinehr LL.B, B.A. (Executive Chairman / Chief Executive Officer), Director since 23 March 2011

Experience and expertise	<p>Luke was the Company's managing director from January 2013 until 31 July 2016 and was primarily responsible for driving Kalamazoo's early growth and path towards an initial public offer. Luke has been the Executive Chairman of Kalamazoo since 1 August 2016 and was appointed as Chief Executive Officer in July 2019. Luke's core legal experience complements mining and resources, project development and information technology skills. Working across all levels of management, Luke has extensive partnership, director, CEO and chairman experience with companies in Australia and internationally.</p> <p>Luke holds a Bachelor of Law and a Bachelor of Arts degree from the University of Melbourne and Monash University respectively.</p>	
Other current directorships	None.	
Former directorships in last three years	None.	
Special responsibilities	Chair of the Board	
Interests in shares and options	Ordinary shares – Kalamazoo Resources Limited	931,246
	Unlisted options – Kalamazoo Resources Limited	8,000,000

Angus Middleton SA Fin, MSAA (Non-Executive Director), Director since 5 February 2014

Experience and expertise	<p>Angus is a fund manager and former stockbroker who has extensive experience in the capital markets sector in Australia. He is currently a director of SA Capital Pty Ltd, a corporate advisory firm specialising in equity raisings and underwriting, and the managing director of SA Capital Funds Management Limited, an Adelaide based investment fund that has been involved in advising and raising equity for corporations in the form of venture capital, seed capital, private equity, pre-initial public offerings and initial public offerings.</p> <p>The Board considers Angus Middleton to be an independent Director as he is not a member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board.</p>	
Other current directorships	None.	
Former directorships in last three years	<p>Aphrodite Gold Limited (acquired by Spitfire Materials Limited under a Scheme of Arrangement (21 January 2014 to 20 December 2017))</p> <p>Bubs Australia Limited (formerly Hillcrest Litigation Services Limited (27 October 2010 to 20 December 2016))</p> <p>Dropsuite Limited (formerly Excalibur Mining Corporation Limited (6 May 2014 to 20 December 2016))</p>	
Special responsibilities	None.	
Interests in shares and options	Ordinary shares – Kalamazoo Resources Limited	261,905
	Unlisted options – Kalamazoo Resources Limited	4,857,143

Paul Adams B.SC., GradDipAppFin and Investment (Non-Executive Director), Director since 2 July 2018

Experience and expertise	Paul has an Honours degree in Geology and has 20 years' experience in the mining industry in exploration, open pit, underground and operational roles, both in Australia and overseas. He was Chief Mine Geologist and Evaluations Manager at Placer Dome's Granny Smith Mine in Western Australia, 2IC and production coordinator at the Porgera Gold Mine in Papua New Guinea and has held senior geology roles at Australian Gold Fields Ltd and Dominion Mining. He has an additional 12 years' experience as Director – Head of Research and Natural Resources at DJ Carmichael Pty Ltd, a Perth-based stockbroking and wealth management company, specialising in small to mid-cap resource companies. Paul has experience in evaluating and valuing a range of projects and companies across a range of commodities. Paul holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia.	
Other current directorships	Spectrum Metals Limited (appointed 25 May 2018)	
Former directorships in last three years	None.	
Special responsibilities	None.	
Interests in shares and options	Ordinary shares – Kalamazoo Resources Limited Unlisted options – Kalamazoo Resources Limited	Nil 1,000,000

COMPANY SECRETARY

Bernard Crawford B.Com, CA, MBA, ACIS (appointed 12 August 2016)

Mr Crawford is a Chartered Accountant with over 25 years' experience in the resources industry in Australia and overseas. He has held various positions in finance and management with NYSE, TSX and ASX listed companies. Mr Crawford is the CFO and/or Company Secretary of a number of public companies. He holds a Bachelor of Commerce degree from the University of Western Australia, a Master of Business Administration from London Business School and is a Member of the Institute of Chartered Accountants in Australia and the Governance Institute of Australia.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

	Board of Directors	
	A	B
Luke Reinehr	7	7
Angus Middleton	6	7
Paul Adams	7	7
Peter Benjamin	-	-

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Luke Reinehr, being the Director retiring by rotation who, being eligible, will offer himself for re-election at the 2019 Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The Directors present the Kalamazoo Resources Limited 2019 Remuneration Report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

- a) Key management personnel covered in this report
- b) Remuneration governance and the use of remuneration consultants
- c) Executive remuneration policy and framework
- d) Relationship between remuneration and the Company's performance
- e) Non-executive director remuneration policy
- f) Voting and comments made at the Company's last Annual General Meeting
- g) Details of remuneration
- h) Service agreements
- i) Details of share-based compensation and bonuses
- j) Equity instruments held by key management personnel
- k) Loans to key management personnel
- l) Other transactions with key management personnel.

a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 19 to 20 for details about each director)

Name	Position
Luke Reinehr	Executive Chairman / Chief Executive Officer
Angus Middleton	Non-Executive Director
Paul Adams	Non-Executive Director (appointed 2 July 2018)
Peter Benjamin	Managing Director (retired 13 July 2018)

Other key management personnel

Name	Position
Bernard Crawford	Chief Financial Officer and Company Secretary

b) Remuneration governance and the use of remuneration consultants

The Company does not have a Remuneration Committee. Remuneration matters are handled by the full Board of the Company. In this respect the Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

The objective of the Board is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

In addition, all matters of remuneration are handled in accordance with the *Corporations Act 2001* requirements, especially with regard to related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice was sought during the period ended 30 June 2019.

c) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to specified executives is valued at the cost to the Company and expensed. Options are valued using the Black Scholes option pricing model.

d) Relationship between remuneration and the Company's performance

Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Non-Executive Directors are not linked to the performance of the Company. This policy may change once the exploration phase is complete and the Company is generating revenue. At present the existing remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (e.g. changes in share price).

The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of Non-Executive Director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth. The Board believes participation in the Company's Incentive Option Plan motivates key management and executives with the long-term interests of shareholders.

e) Non-executive director remuneration policy

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of Director.

The Board policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-Executive Directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$250,000 as disclosed in the Company's Prospectus dated 3 October 2016.

Fees for Non-Executive Directors are not linked to the performance of the Company. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to approval by shareholders.

f) Voting and comments made at the Company's last Annual General Meeting

Kalamazoo Resources Limited received more than 99% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

g) Details of remuneration

The following table shows details of the remuneration received by the Company's key management personnel for the current and previous financial year.

	Short-term benefits			Post-employment benefits	Share-based payments	Total \$	Options %
	Salary & fees \$	Bonus \$	Non-monetary benefit \$	Superannuation \$	Options \$		
2019							
<i>Directors</i>							
L Reinehr	144,555	-	-	-	218,280	362,835	60.2
A Middleton	36,000	-	-	3,420	109,140	148,560	73.5
P Adams	36,000	-	-	3,420	54,570	93,990	58.1
P Benjamin ⁽ⁱ⁾	20,151	-	-	-	-	20,151	-
<i>Executives</i>							
B Crawford	104,025	2,500	-	-	57,320	163,845	35.0
TOTALS	340,731	2,500	-	6,840	439,310	789,381	
2018							
<i>Directors</i>							
L Reinehr	87,600	-	-	-	-	87,600	-
P Benjamin	262,800	-	-	-	-	262,800	-
A Middleton	36,000	-	-	3,420	-	39,420	-
<i>Executives</i>							
B Crawford	104,025	-	-	-	-	104,025	-
TOTALS	490,425	-	-	3,420	-	493,845	

(i) Peter Benjamin retired on 13 July 2018 and salaries and fees detailed above include annual leave entitlement paid out on termination.

h) Service agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation relevant to the office of Director. Remuneration and other terms of employment for other members of key management personnel are formalised in service agreements as summarised below.

L Reinehr, Chief Executive Officer / Executive Chairman

Mr Reinehr is remunerated pursuant to a formalised Executive Services Agreement ("Agreement"). Under the Agreement, the Company has agreed to employ Mr Reinehr as Chief Executive Officer of the Company effective 1 July 2019. Either party may terminate the Agreement without cause by providing three months' written notice. Should the Company terminate the Agreement with notice, it will also make a payment of three months' salary at the end of the notice period. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

B Crawford, Chief Financial Officer

Mr Crawford is remunerated pursuant to an Executive Services Agreement ("Agreement"). Under the Agreement, the Company agrees to employ Mr Crawford as Chief Financial Officer and Company Secretary. Either party may terminate the Agreement without cause by providing three months' written notice. Should the Company terminate the Agreement with notice, it will also make a payment of three months' salary at the end of the notice period. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

i) Details of share-based compensation and bonuses

Options

Options over ordinary shares in Kalamazoo Resources Limited are granted under the Incentive Option Plan ("IOP"). Participation in the IOP and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the IOP or to receive any guaranteed benefits. During the financial year 8,000,000 Options were issued to key management personnel including 7,000,000 Options issued to Directors which were approved by shareholders at the 2018 Annual General Meeting. All Options vested immediately and were not subject to performance conditions as the grant of Options is considered as a cost effective and efficient reward and incentive as opposed to other alternative forms of incentive.

The fair value of options at grant date are independently determined using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are set out below:

	Option series	Number granted	Grant date	Vesting date	Expiry date	Exercise price	Value of options at grant date
L Reinehr	C	4,000,000	13 Sep 2016	13 Sep 2016	31 Dec 2019	\$0.30	\$177,150
L Reinehr	H	4,000,000	14 Nov 2018	14 Nov 2018	30 Nov 2021	\$0.25	\$218,280
A Middleton	C	2,000,000	13 Sep 2016	13 Sep 2016	31 Dec 2019	\$0.30	\$88,575
A Middleton	H	2,000,000	14 Nov 2018	14 Nov 2018	30 Nov 2021	\$0.25	\$109,140
P Adams	H	1,000,000	14 Nov 2018	14 Nov 2018	30 Nov 2021	\$0.25	\$54,570
P Benjamin	C	4,000,000	13 Sep 2016	13 Sep 2016	31 Dec 2019	\$0.30	\$177,150
Executives							
B Crawford	C	1,000,000	13 Sep 2016	13 Sep 2016	31 Dec 2019	\$0.30	\$44,287
B Crawford	G	1,000,000	17 Jul 2018	17 Jul 2018	30 Nov 2021	\$0.25	\$57,320

Further information on the fair value of share options and assumptions is set out in Note 22 to the financial statements.

j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year by key management personnel of the Company, including their close family members and entities related to them.

Options

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Vested during the year
2019								
Directors								
L Reinehr	4,000,000	4,000,000	-	-	8,000,000	-	8,000,000	-
A Middleton	2,857,143	2,000,000	-	-	4,857,143	-	4,857,143	-
P Adams	-	1,000,000	-	-	1,000,000	-	1,000,000	-
P Benjamin	4,857,143	-	-	-	n/a	-	n/a	-
Executives								
B Crawford	1,000,000	1,000,000	-	-	2,000,000	-	2,000,000	-
TOTAL	12,714,286	8,000,000	-	-	15,857,143	-	15,857,143	-

During the year, no ordinary shares in the Company were provided as a result of the exercise of remuneration options.

Shareholdings

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June
2019					
Directors					
L Reinehr	931,246	-	-	-	931,246
A Middleton	261,905	-	-	-	261,905
P Adams	-	-	-	-	-
P Benjamin	275,000	-	-	-	n/a
Executives					
B Crawford	175,000	-	-	-	175,000
TOTAL	1,643,151	-	-	-	1,368,151

k) Loans to key management personnel

There were no loans to individuals or any key management personnel during the financial year or the previous financial year.

l) Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year or the previous financial year.

END OF REMUNERATION REPORT (AUDITED)

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
1 November 2015	1 November 2019	\$0.20	2,857,143
9 November 2014	9 November 2019	\$0.70	2,757,602
13 September 2016	31 December 2019	\$0.30	12,250,000
29 March 2018	31 March 2021	\$0.25	2,000,000
17 July 2018	30 November 2021	\$0.25	2,500,000
14 November 2018	30 November 2021	\$0.25	7,000,000
11 July 2019	10 July 2020	\$0.25	7,000,000
11 July 2019	10 July 2021	\$0.30	2,000,000
TOTAL			38,364,745

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no other shares issued on the exercise of options during the year and up to the date of this report.

CORPORATE GOVERNANCE STATEMENT

The Company's 2019 Corporate Governance Statement has been released as a separate document and is located on the Company's website at <http://www.kzr.com.au/corporate-governance/>.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the Directors and Officers of the entity against any liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits the disclosure of the nature of the liabilities covered or the amount of the premium paid.

The Company has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid or payable to the auditor (Grant Thornton Audit Pty Ltd) for audit and non-audit services provided during the year are set out in Note 17. During the year ended 30 June 2019 no amounts were paid or were payable for non-audit services provided by the auditor of the Company (2018: \$Nil).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors.



Luke Reinehr
Chairman

Perth, 12 September 2019

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 audit of Kalamazoo Resources Limited for the year ended 30 June 2019, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner – Audit & Assurance

Perth, 12 September 2019

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Other income	3(a)	2,369,166	744,669
Employee benefits expense	3(b)	(723,505)	(222,744)
Depreciation expense		(7,237)	(4,881)
Exploration expenditure write-off	9	(9,405)	(17,439)
Other expenses	3(c)	(470,873)	(734,444)
Profit/(loss) from continuing operations before income tax		1,158,146	(234,839)
Income tax benefit	5	-	-
Profit/(loss) after income tax for the period attributable to the owners of Kalamazoo Resources Limited		1,158,146	(234,839)
Other comprehensive income		-	-
Other comprehensive income for the period (net of tax)		-	-
Total comprehensive profit/(loss) for the period attributable to the owners of Kalamazoo Resources Limited		1,158,146	(234,839)
		Cents per share	Cents per share
Profit/(loss) per share attributable to the owners of Kalamazoo Resources Limited			
Basic profit/(loss) per share	16	1.29	(0.27)
Diluted profit/(loss) per share	16	0.97	(0.27)

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	766,204	1,138,441
Trade and other receivables	7	2,532,373	85,055
Other current assets	8	38,009	22,940
Total Current Assets		3,336,586	1,246,436
Non-Current Assets			
Property, plant and equipment		47,547	8,866
Exploration and evaluation assets	9	2,633,217	5,302,172
Other receivables	7	2,054,810	-
Other non-current assets	10	-	13,750
Total Non-Current Assets		4,735,574	5,324,788
TOTAL ASSETS		8,072,160	6,571,224
LIABILITIES			
Current Liabilities			
Trade and other payables	11	165,481	348,961
Short-term provisions	12	15,440	14,460
Total Current Liabilities		180,921	363,421
TOTAL LIABILITIES		180,921	363,421
NET ASSETS		7,891,239	6,207,803
EQUITY			
Contributed equity	13	11,936,245	11,936,245
Reserves	14	1,293,367	1,146,032
Accumulated losses	15	(5,338,373)	(6,874,474)
TOTAL EQUITY		7,891,239	6,207,803

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2017	11,486,245	1,072,232	(6,639,635)	5,918,842
Total comprehensive loss for the period	-	-	(234,839)	(234,839)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period (net of tax)	-	-	(234,839)	(234,839)
Transactions with owners in their capacity as owners				
Issue of shares for Pilbara tenements	450,000	-	-	450,000
Issue of options to consultants	-	73,800	-	73,800
At 30 June 2018	11,936,245	1,146,032	(6,874,474)	6,207,803
At 1 July 2018	11,936,245	1,146,032	(6,874,474)	6,207,803
Total comprehensive profit for the period	-	-	1,158,146	1,158,146
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period (net of tax)	-	-	1,158,146	1,158,146
Transactions with owners in their capacity as owners				
Transfer from share option reserve				
– Due to issue of options	-	525,290	-	525,290
– Due to expiry of options	-	(377,955)	377,955	-
At 30 June 2019	11,936,245	1,293,367	(5,338,373)	7,891,239

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(670,792)	(861,169)
Interest received		11,398	48,075
Research and development tax rebate received		-	702,111
NET CASH FLOWS USED IN OPERATING ACTIVITIES	23	(659,394)	(110,983)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(45,918)	(5,916)
Payments for exploration activities		(1,041,925)	(2,037,544)
Payments for acquisition of Pilbara tenements		-	(275,000)
Proceeds from sale of Snake Well Gold Project	7	2,000,000	-
Payment of royalty on the Snake Well Gold Project	7	(625,000)	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		287,157	(2,318,460)
Net increase in cash and cash equivalents		(372,237)	(2,429,443)
Cash and cash equivalents at beginning of period		1,138,441	3,567,884
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	766,204	1,138,441

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: CORPORATE INFORMATION

The financial report of Kalamazoo Resources Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 12 September 2019.

Kalamazoo Resources Limited is a for-profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The nature of the operation and principal activities of the entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all periods presented in the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The financial statements of Kalamazoo Resources Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

New and amended accounting standards and interpretations adopted by the Company

The following standards and interpretations relevant to the operations of the Company and effective from 1 July 2018 have been adopted. The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

- AASB 9: *Financial Instruments*;
- AASB 15: *Revenue from Contracts with Customers*; and
- AASB 2016-5: *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions*.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company. Details of each standards' impact, and the new accounting policies adopted are set out below.

Impact of adoption of AASB 9: Financial Instruments ("AASB 9")

AASB 9 replaces the provisions of AASB 139: *Financial Instruments: Measurement and Recognition*, that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 resulted in minimal changes in accounting policies. There was no impact on the financial performance or position of the Company on the date of initial application, 1 July 2018, or at reporting date, 30 June 2019.

Impact of adoption of AASB 15: Revenue from Contracts with Customers ("AASB 15")

AASB 15 replaces AASB 118 *Revenue*. AASB 15 provides a single, principles based five step model to be applied to all contracts with customers.

The adoption of AASB 15 resulted in a change in accounting policy whereby the Company now recognises a financing component on receivables which are due more than twelve months after the reporting date. There was no impact on the financial performance to position of the Company on the date of initial application, 1 July 2018.

New accounting standards and interpretations

The following new and amended accounting standards and interpretations relevant to the operations of the Company have been published but are not mandatory for the current financial year. The Company has decided against early adoption of these standards and, based on its preliminary assessment, does not expect that there will be a material impact on the financial statements from the adoption of these standards.

The key new standards which may impact the Company in future years are detailed below:

New or revised requirement	Application date of standard	Application date for Company
<p>AASB 16: <i>Leases</i></p> <p>This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p> <p>The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.</p>	1 Jan 2019	1 Jul 2019

a) Basis of measurement

Historical cost convention

These financial statements have been prepared under the historical cost convention, except where stated.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where appropriate.

b) Going concern

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

c) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Kalamazoo Resources Limited.

e) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentational currency.

f) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

g) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of

any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the diminishing value and prime cost methods to allocate their cost, net of their residual values, over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

h) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Other long-term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

The Company provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. No termination benefits, other than accrued benefits and entitlements, were paid during the period.

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTE 3: REVENUE AND EXPENSES

a) Other income

	2019 \$	2018 \$
Interest revenue	8,525	42,558
R&D tax rebate	-	702,111
Gain on sale of Snake Well Gold Project (Note 7)	2,245,204	-
Finance income (Note 7)	99,610	-
Other income	15,827	-
Total other income	2,369,166	744,669

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring services to a customer. Revenue and expenses are recognised on an accrual's basis. Interest income is recognised on a time proportion basis using the effective interest method.

b) Employee benefits expense

	2019 \$	2018 \$
Wages, salaries, directors' fees and other remuneration expenses	178,667	215,844
Superannuation contributions	19,548	6,900
Share-based payments expense	525,290	-
Total employee benefits expense	723,505	222,744

c) Other expenses

	2019 \$	2018 \$
Secretarial, professional and audit costs	158,366	266,926
Corporate consultants	50,661	284,371
Travel and promotion	61,610	31,349
ASX	48,346	35,259
Occupancy costs	62,147	57,909
Legal	24,272	4,193
Other expenses	65,471	54,437
Total other expenses	470,873	734,444

NOTE 4: SEGMENT INFORMATION

The Company operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Kalamazoo Resources Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within Australia. The Board has considered the requirements of AASB 8: *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTE 5: INCOME TAX

Statement of Profit or Loss and Other Comprehensive Income

Current income tax:

- Income tax expense

Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income

A reconciliation of income tax expense/(benefit) applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense/(benefit) at the Company's effective income tax is as follows:

Accounting loss from continuing operations before income tax

At the statutory income tax rate of 30% (2018: 27.5%)

Add:

- Share-based payment
- Expenditure not allowable for income tax purposes
- Other deductible items
- Non-assessable items
- Net deferred tax asset not recognised due to not meeting recognition criteria

Income tax expense

Deferred income tax

Recognised on the Statement of Financial Position, deferred income tax at the end of the reporting period relates to the following: (2019: 30%, 2018: 27.5%)

Deferred income tax liabilities:

- Accrued income
- Capitalised expenditure deductible for tax purposes
- Net book value for depreciable assets
- Prepayments

Deferred income tax assets:

- Accruals
- Employee benefits
- Finance costs
- Capital raising costs
- Tax losses available to offset DTL

Net deferred tax asset/(liability)

	2019 \$	2018 \$
Income tax expense	-	-
Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
Accounting loss from continuing operations before income tax	1,158,146	(234,839)
At the statutory income tax rate of 30% (2018: 27.5%)	347,444	(64,581)
Add:		
- Share-based payment	157,587	20,295
- Expenditure not allowable for income tax purposes	1,182	331
- Other deductible items	(33,029)	(30,276)
- Non-assessable items	-	(193,081)
- Net deferred tax asset not recognised due to not meeting recognition criteria	(473,184)	267,312
Income tax expense	-	-
Deferred income tax		
Deferred income tax liabilities:		
- Accrued income	-	790
- Capitalised expenditure deductible for tax purposes	579,095	1,152,467
- Net book value for depreciable assets	4,971	2,438
- Prepayments	5,300	4,183
	589,366	1,159,878
Deferred income tax assets:		
- Accruals	(8,100)	(17,462)
- Employee benefits	(4,632)	(4,452)
- Finance costs	(133,557)	-
- Capital raising costs	(75,121)	(103,292)
- Tax losses available to offset DTL	(367,956)	(1,034,672)
Net deferred tax asset/(liability)	-	-

Kalamazoo Resources Ltd is no longer considered a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 30% (2018: 27.5%).

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise benefits.

The utilisation of tax losses is dependent on the Company satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

NOTE 6: CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Cash at bank and on hand	766,204	538,441
Short-term deposits	-	600,000
	766,204	1,138,441

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with maturities of three months or less.

The weighted average interest rate for the year was 0.92% (2018: 1.09%).

The Company's exposure to interest rate risk is set out in Note 21. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 7: TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
Current		
Debtors and prepayments	-	1,569
GST receivable	32,373	83,486
Snake Well Gold Project sale proceeds receivable	2,500,000	-
	2,532,373	85,055
Non-current		
Snake Well Gold Project sale proceeds receivable	2,054,810	-
	2,054,810	-

In February 2019, the Company completed the sale of its Snake Well Gold Project ("Project") to Adaman Resources Pty Ltd ("Adaman") for \$7 million in cash to be paid in instalments to 31 December 2020. As part of the transaction the Company paid Atlas Iron Limited (ASX: AGO), the previous owner of the Project, the sum of \$625,000 in full satisfaction of an outstanding gold royalty ("Royalty") across the Project. The gain on sale of the Project being the sale proceeds minus the Project carrying value (Note 9), the Royalty and a present value adjustment for the instalment payments.

As at 30 June 2019 \$2 million of the consideration had been paid with \$2.5 million payable in instalments by 30 June 2020 and the remaining \$2.5 million in instalments by 31 December 2020. The carrying value of the non-current instalment payments has been adjusted to its present value amount.

Trade and other receivables are normally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The Group's financial risk management objectives and policies are set out in Note 21.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

NOTE 8: OTHER CURRENT ASSETS

	2019 \$	2018 \$
Prepayments	17,668	20,067
Deposits	20,341	-
Accrued interest	-	2,873
	38,009	22,940

NOTE 9: EXPLORATION AND EVALUATION

	2019 \$	2018 \$
Capitalised cost at the beginning of the period	5,302,172	2,882,605
Exploration and expenditure incurred during the year	925,446	2,437,006
Sale of Snake Well Gold Project (Note 7)	(3,584,996)	-
Impairment of exploration and evaluation assets	(9,405)	(17,439)
Closing balance	2,633,217	5,302,172

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

NOTE 9: EXPLORATION AND EVALUATION (Continued)

Significant estimate and judgement

There is some subjectivity involved in the carry forward of capitalised exploration and evaluation expenditure or, where appropriate, the write off to the Statement of Profit or Loss and Other Comprehensive Income, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation.

NOTE 10: OTHER NON-CURRENT ASSETS

Deposits paid

2019 \$	2018 \$
-	13,750
-	13,750

NOTE 11: TRADE AND OTHER PAYABLES

Trade creditors

Other payables and accruals

2019 \$	2018 \$
98,787	200,204
66,694	148,757
165,481	348,961

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. The Company's financial risk management objectives and policies are set out in Note 21. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 12: PROVISIONS

Short-term

Annual leave

2019 \$	2018 \$
15,440	14,460
15,440	14,460

NOTE 13: CONTRIBUTED EQUITY

a) Share capital

	2019 Number	2018 Number
Ordinary shares fully paid	89,488,577	89,488,577

b) Movements in ordinary shares on issue

	Number	\$
Balance at 1 July 2017	83,391,016	11,486,245
Shares issued – October 2017 and April 2018 ⁽¹⁾	6,097,561	450,000
Balance at 30 June 2018	89,488,577	11,936,245
Balance at 30 June 2019	89,488,577	11,936,245

⁽¹⁾ Shares issued for the acquisition of the Pilbara tenements.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

c) Movements in options on issue

	2019 Number	2018 Number
Balance at beginning of the financial year	29,864,745	27,864,745
Options granted	9,500,000	2,000,000
Options expired	(10,000,000)	-
Balance at the end of the financial year	29,364,745	29,864,745

NOTE 14: RESERVES

	2019 \$	2018 \$
Share option reserve		
Opening balance	1,146,032	1,072,232
Issue of options	525,290	73,800
Expiry of options	(377,955)	-
Balance at the end of the financial year	1,293,367	1,146,032

NOTE 15: ACCUMULATED LOSSES

	2019 \$	2018 \$
Balance at the beginning of the financial year	(6,874,474)	(6,639,635)
Net profit/(loss) attributable to members	1,158,146	(234,839)
Transfer from share option reserve	377,955	-
Balance at the end of the financial year	(5,338,373)	(6,874,474)

NOTE 16: EARNINGS PER SHARE

	2019 Cents	2018 Cents
Basic profit/(loss) per share	1.29	(0.27)
Diluted profit/(loss) per share	0.97	(0.27)

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2019 \$	2018 \$
Profit/(loss) used in calculating basic and diluted earnings per share	1,158,146	(234,839)

	2019 Number	2018 Number
Weighted average number of ordinary shares used in calculating basic profit/(loss) per share	89,488,577	85,902,432
Weighted average number of ordinary shares used in calculating diluted profit/(loss) per share	118,853,322	85,902,432

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 17: AUDITOR'S REMUNERATION

Audit services

Grant Thornton Audit Pty Ltd

- Audit and review of the financial reports

Total remuneration

2019 \$	2018 \$
33,815	32,300
33,815	32,300

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

The Company had contingent liabilities in respect of:

Future royalty payments

In February 2013, the Company entered into a Farmout and Joint Venture Agreement with Giralia Resources Pty Ltd ("Giralia") (a subsidiary of Atlas Iron Limited) covering Cork Tree tenements E52/2056 and E52/2057. During the current reporting year, Kalamazoo consolidated its tenement position by acquiring Atlas' 49% share of the two joint venture tenements E52/2056 and E52/2057. The Company now holds a 100% interest in these tenements. The Atlas holdings were exchanged for a gross smelter royalty of 2.5% which applies to all minerals other than iron ore, stone, gravel, clay and sand across Kalamazoo's six Cork Tree tenements.

In April 2018, the Company entered into a Tenement Sale Agreement with Great Sandy Pty Ltd, Drillabit Pty Ltd and KS Gold Pty Ltd ("Holders") whereby it acquired between 80% and 100% in three gold projects in WA's Pilbara region. Should the Company achieve a 50,000oz Au JORC Resource within five years on any of the tenements the subject of the Tenement Sale Agreement, then the Company must pay \$1,000,000 to the Holders. The Company may elect to issue its ordinary shares to the value of \$1,000,000 (at the then current 5 day VWAP less 20%) or cash or a combination of both.

There are no other material contingent assets or liabilities as at 30 June 2019.

NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 11 July 2019, the Company completed a placement to institutional, sophisticated and professional investors of 10,000,000 ordinary shares at an issue price of 12 cents per share and 5,000,000 attaching unlisted options raising \$1,200,000 before costs. The options are exercisable at \$0.25 on or before 10 July 2020 and were issued on the basis of one option for every two new shares subscribed for.

There have been no other events subsequent to the reporting date which are sufficiently material to warrant disclosure.

NOTE 20: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Company are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia), and the *Mineral Resources (Sustainable Development) Act 1990* (Victoria) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. Currently, the minimum expenditure commitments for the granted tenements is \$463,250 (2018: \$910,300) per annum.

Commitments in relation to the lease of office and site premises are payable as follows:

	2019 \$	2018 \$
Within one year	72,198	46,405
Later than one year but not later than five years	19,664	-
Later than five years	-	-
	91,862	46,405

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The Company has exposure to the following risks from their use of financial instruments:

- Interest rate risk
- Credit risk
- Foreign currency risk
- Commodity risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's principal financial instruments are tabled below:

	2019 \$	2018 \$
Financial assets		
<i>Current</i>		
Cash and cash equivalents	766,204	1,138,441
Trade and other receivables	2,532,373	85,055
	3,298,577	1,223,496
<i>Non-current</i>		
Other receivables	2,054,810	-
	2,054,810	-
Financial liabilities		
<i>Current</i>		
Trade and other payables	165,481	348,961
	165,481	348,961

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Company uses.

Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Company's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Floating interest rate \$	Fixed interest rate maturing in			Non- interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
2019						
Financial assets						
Cash and cash equivalents	254,177	-	-	-	512,027	766,204
Trade and other receivables	-	-	-	-	4,587,183	4,587,183
	254,177	-	-	-	5,099,210	5,353,387
Weighted average interest rate	0.41%	-	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	165,481	165,481
	-	-	-	-	165,481	165,481
Weighted average interest rate	-	-	-	-	-	-
2018						
Financial assets						
Cash and cash equivalents	522,779	600,000	-	-	15,662	1,138,441
Trade and other receivables	-	-	-	-	85,055	85,055
	522,779	600,000	-	-	100,717	1,223,496
Weighted average interest rate	0.54%	2.29%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	348,961	348,961
	-	-	-	-	348,961	348,961
Weighted average interest rate	-	-	-	-	-	-

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Sensitivity analysis for interest rate exposure

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

	2019 \$	2018 \$
Impact on profit/(loss) and equity		
Increase of 100 basis points	23,347	39,130
Decrease of 100 basis points	(23,347)	(39,130)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company trades only with recognised, creditworthy third parties. It is the Company policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The maximum exposure to credit risk is the carrying value of the receivable, net of any provision for doubtful debts.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is -AA and above.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date is tabled below.

	2019 \$	2018 \$
Cash and cash equivalents	766,204	1,138,441
Trade and other receivables	4,587,183	85,055
	5,353,387	1,223,496

Foreign currency risk

The Company's exposure to foreign currency risk is minimal at this stage of its operations.

Commodity price risk

The Company's exposure to commodity price risk is minimal at this stage of its operations.

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

	Less than 6 months \$	Total contractual cash flows \$	Carrying amount \$
2019			
Trade and other payables	165,481	165,481	165,481
	165,481	165,481	165,481
2018			
Trade and other payables	348,961	348,961	348,961
	348,961	348,961	348,961

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Company is equal to their carrying value.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Company's capital is performed by the Board.

The capital structure of the Company consists of net debt (trade and other payables and provisions detailed in Notes 11 and 12 offset by cash and bank balances) and equity of the Company (comprising contributed equity and reserves, offset by accumulated losses detailed in Notes 13, 14 and 15).

The Company is not subject to any externally imposed capital requirements.

NOTE 22: SHARE-BASED PAYMENTS

Incentive Option Plan

The Company has an Incentive Option Plan ("IOP") for executives and employees of the Company. In accordance with the provisions of the IOP, executives and employees may be granted options at the discretion of the Directors.

Each share option converts into one ordinary share of Kalamazoo Resources Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

NOTE 22: SHARE-BASED PAYMENTS (Continued)

Options issued to Directors are subject to approval by shareholders.

The following share-based payment arrangements were in existence during the reporting period:

Option series	Number	Grant date	Expiry date	Vesting date	Exercise price	Fair value at grant date
A	2,757,602	9 Nov 2014	9 Nov 2019	Immediate	\$0.70	-
B	2,857,143	1 Nov 2015	1 Nov 2019	Immediate	\$0.20	\$0.007587
C	12,250,000	13 Sep 2016	31 Dec 2019	Immediate	\$0.30	\$0.044287
G	2,500,000	17 Jul 2018	30 Nov 2021	Immediate	\$0.25	\$0.057320
H	7,000,000	14 Nov 2018	30 Nov 2021	Immediate	\$0.25	\$0.054570

Fair value of share options granted during the year

During the year, the Company issued 9,500,000 options to directors and employees under the IOP. The fair value of these options was determined using a Black Scholes pricing model. The fair value of share options expensed issued during the year was \$525,290 (2018: \$73,800).

The model inputs for options granted during the year ended 30 June 2019 are as follows:

Inputs	Issue G	Issue H
Exercise price	\$0.25	\$0.25
Grant date	17 Jul 2018	14 Nov 2018
Expiry date	30 Nov 2021	30 Nov 2021
Share price at grant date	\$0.096	\$0.115
Annualised volatility (%)	120.00%	100.00%
Risk-free interest rate (%)	2.095%	2.175%
Expected dividend yield (%)	0%	0%

Movements in share options during the year

Movement in the number of share options held by Directors and employees:

	2019		2018	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	29,864,745	0.299	27,864,745	0.302
Granted and vested during the year	9,500,000	0.250	2,000,000	0.250
Expired during the year	(10,000,000)	0.225	-	-
Outstanding at the end of the year	29,364,745	0.308	29,864,745	0.299
Exercisable at the end of the year	29,364,745	0.308	29,864,745	0.299

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.18 years (2018: 1.22 years).

NOTE 22: SHARE-BASED PAYMENTS (Continued)

Share options outstanding at the end of the year

Share options issued and outstanding at the end of the year have the following exercise prices:

Expiry date	Exercise price \$	2019 Number	2018 Number
9 November 2019	0.70	2,757,602	2,757,602
1 November 2019	0.20	2,857,143	2,857,143
31 December 2019	0.30	12,250,000	12,250,000
23 December 2018	0.20	-	5,000,000
23 December 2018	0.25	-	5,000,000
31 March 2021	0.25	2,000,000	2,000,000
30 November 2021	0.25	9,500,000	-
Totals		29,364,745	29,864,745

NOTE 23: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2019 \$	2018 \$
Profit/(Loss) for the period	1,158,146	(234,839)
Non-cash flows in profit/(loss):		
- Depreciation	7,237	4,881
- Exploration expenditure written off	9,405	17,439
- Share-based remuneration	525,290	-
- Share-based payment	-	73,800
- Gain on sale of Snake Well Gold Project	(2,790,004)	-
- Finance expense	445,190	-
Changes in assets and liabilities:		
- Decrease/(Increase) in trade and other receivables	1,569	1,202
- Decrease/(Increase) in other current assets	(1,318)	(2,744)
- Increase/(Decrease) in trade and other payables	(15,889)	35,107
- Increase/(Decrease) in provisions	980	(5,829)
Net cash used in operating activities	(659,394)	(110,983)

Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year.

NOTE 24: RELATED PARTY DISCLOSURE

a) Parent entity

Kalamazoo Resources Limited

Class	Country of incorporation
Ordinary	Australia

b) Key management personnel compensation

Short-term employee benefits
Post-employment benefits
Bonus payments
Share-based payments

2019 \$	2018 \$
340,731	490,425
6,840	3,420
2,500	-
439,310	-
789,381	493,845

Transactions with related parties

During the year, the Company invoiced North Rossa Pty Ltd (Mr Luke Reinehr is the Managing Director of North Rossa Pty Ltd) in relation to expenditure incurred by the Company on North Rossa's behalf and for office space used by North Rossa Pty Ltd at the Company's Melbourne office. This was undertaken on an arm's length basis and in aggregate for the year ended 30 June 2019 totalled \$18,156 excluding GST (2018: \$16,482). As at 30 June 2019, \$Nil was outstanding (2018: \$1,569).

During the year, the Company invoiced MJ and SE Reinehr Pty Ltd (a company controlled by Mr Matthew Reinehr, a former director of the Company and substantial shareholder in the Company) for office space used by Mr Matthew Reinehr at the Company's Melbourne office. This was undertaken on an arm's length basis and in aggregate for the year ended 30 June 2019 totalled \$31,539 excluding GST (2018: \$29,896). As at 30 June 2019, \$Nil was outstanding (2018: \$Nil).

Detailed remuneration disclosures are provided in the Remuneration Report on pages 21 to 25.

DIRECTORS' DECLARATION

The Directors of Kalamazoo Resources Limited declare that:

- 1) in the Directors' opinion, the financial statements and notes set out on pages 29 to 53 and the Remuneration Report in the Director's Report are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
 - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Corporations Regulations 2001* and mandatory professional reporting requirements.
- 2) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2; and
- 3) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read "Luke Reinehr".

Luke Reinehr
Chairman

Perth, Western Australia

12 September 2019

Independent Auditor's Report

To the Members of Kalamazoo Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Kalamazoo Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Note 9 <p>At 30 June 2019, the carrying value of exploration and evaluation assets was \$2.633 million.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; reviewing management's area of interest considerations against AASB 6; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; <ul style="list-style-type: none"> tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 21 to 25 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Kalamazoo Resources Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner – Audit & Assurance

Perth, 12 September 2019

ADDITIONAL SHAREHOLDER INFORMATION AS AT 6 SEPTEMBER 2019

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

1. DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

Analysis of number of equity security holders by size of holding:

Shares held	Shareholders
1 to 1,000	17
1,001 to 5,000	92
5,001 to 10,000	142
10,001 to 100,000	340
100,001 and over	118
Total	709

The number of holders of less than a marketable parcel of ordinary fully paid shares is 22.

2. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital):

Shareholder	Number of shares	Percentage held
Mutual Trust Pty Ltd	40,154,074	40.36

3. VOTING RIGHTS

a) Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

b) Options

No voting rights.

4. QUOTED SECURITIES ON ISSUE

The Company has 99,488,577 quoted shares on issue. No options on issue by the Company are quoted.

5. ON-MARKET BUY BACK

There is no current on-market buy back.

6. UNQUOTED EQUITY SECURITIES

Unlisted options (exercisable at)	Number on issue	Number of holders
\$0.20 on or before 1 Nov 2019	2,857,143	4
\$0.70 on or before 9 Nov 2019	2,757,602	3
\$0.30 on or before 31 Dec 2019	12,250,000	6
\$0.25 on or before 31 Mar 2021	2,000,000	2
\$0.25 on or before 30 Nov 2021	9,500,000	4
\$0.25 on or before 10 July 2020	7,000,000	39
\$0.30 on or before 10 July 2021	2,000,000	1

7. TWENTY LARGEST HOLDERS OF QUOTED ORDINARY SHARES

Shareholder	Number of shares	Percentage held
Mutual Trust Pty Ltd	40,154,074	40.36
Citicorp Nominees Pty Limited	2,900,684	2.92
J P Morgan Nominees Australia Pty Ltd	2,813,242	2.83
Mr Hossein Sabet	2,735,000	2.75
K S Gold Pty Ltd	1,524,390	1.53
Jekor Pty Ltd	1,060,669	1.07
Mr Rupert James Graham Lowe	1,000,000	1.00
Mr Luke Reinehr (Reinehr Super Fund A/C)	931,246	0.94
Del Paggio Nominees Pty Ltd	800,000	0.80
The Australian Special Opportunities Fund LP	723,810	0.73
Sailors of Samui Pty Ltd	713,000	0.72
Calama Holdings Pty Ltd	698,399	0.70
Octifil Pty Ltd	645,000	0.65
Elpacha Pty Ltd	633,840	0.64
Mrs Wendy Ann Whiting & Mr John James Whiting	600,000	0.60
Matlin Pty Ltd	571,429	0.57
Ayers Pty Ltd	560,442	0.56
Colowell Pty Ltd	520,952	0.52
BNP Paribas Nominees Pty Ltd	503,981	0.51
Corporate Property Services Pty Ltd	500,000	0.50
Total	60,590,158	60.90

TENEMENT SCHEDULE

Project/Tenement	Location	Status	Interest	Notes
Pilbara Project	Western Australia			
E47/2983		Granted	100%	
E45/4722		Granted	100%	
E45/4724		Granted	100%	
E45/4887		Granted	100%	
E45/4919		Application	-	
E45/5146		Application	-	
Cork Tree Project	Western Australia			
E52/2056		Granted	100%	
E52/2057		Granted	100%	
E52/3042		Granted	100%	
E52/3514		Granted	100%	
E52/3515		Granted	100%	
E52/3540		Granted	100%	
Castlemaine Project	Victoria			
EL006679		Granted	100%	
EL006752		Granted	100%	
Tarnagulla Project	Victoria			
EL006780		Granted	100%	
South Muckleford Project	Victoria			
EL006959		Granted	100%	
EL007021		Application	-	

This page has been left blank intentionally.

