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## Sprott, Novo backing Kalamazoo discovery

VICTORIAN explorer Kalamazoo Resources has attracted an A\$8 million investment from Canada's Novo Resources Corp and billionaire resources investor Eric Sprott.



*Eric Sprott (left) and Quinton Hennigh in Perth in 2018*

Each will subscribe for 10 million shares at 40c, a substantial premium to Monday's closing price of 34.5c.

Every new share will come with an option, exercisable at 80c within 18 months.

The investment will give each party 8.2% of Kalamazoo, which was valued at about \$35 million on Monday.

It comes after Kalamazoo announced a high-grade hit of 1.4m at 261.3 grams per tonne gold from 100.3m, including 0.17m at 1916gpt, on December 23 from the maiden drilling at its Castlemaine gold project, 45km from the Fosterville mine.

Novo and Sprott are no strangers to Victoria.

Sprott sent Novo president Dr Quinton Hennigh to Fosterville in early 2016.

Hennigh is credited by Sprott and Kirkland Lake Gold as recognising the potential for the orebody's grade to increase at depth.

Sprott was once Kirkland Lake's largest shareholder with 14% (he still owns 6.9%) and until last year, he was the company's chairman.

Hennigh will join Kalamazoo's technical advisory committee.

"Many companies are exploring the Victoria goldfields since the success of Fosterville. Here at Novo, we quickly recognised the potential of Kalamazoo's new discovery to be of the same ilk...epizonal orogenic high-grade vein mineralisation...as the recent high-grade veins found at Fosterville," he said.

"High-grade epizonal mineralisation forms at shallow depths and is usually eroded away during the mountain-building processes associated with the formation of such deposits.

"It is extremely rare to find these systems preserved. Kalamazoo's recent results display many of the right geologic indicators of this special type of high-grade deposit, remarkable given these recent results are at such an early stage."

Sprott holds about 10% of Novo, while Kirkland Lake is its largest shareholder with 16.7%.

"The Victorian goldfields appear ripe for more high-grade discoveries," Sprott said.

"We are excited to have found an opportunity with Kalamazoo to pursue what may be yet another significant new discovery."

Sprott has been credited with single-handedly keeping the Canadian junior space alive in 2019.

He personally invested C\$176.7 million in 29 companies between May and early September, according to Oreninc, and continued his buying spree for the remainder of the year.

A recent *Financial Post* article put his total spend at \$200-300 million.

Investments towards the end of 2019 included \$15 million in Gran Colombia Gold in November, \$2.8 million in Kirkland Lake-backed Wallbridge Mining Company in December

So far this year, Sprott has invested \$7 million in Brazil gold producer Jaguar Mining, \$3 million in North American explorer Galleon Gold, \$2 million in British Columbia explorer Scottie Resources, \$2 million in Africa copper explorer Trigon Metals and \$1 million in silver explorer Silver One Resources.

Kalamazoo shares jumped 31.8% to A45.5c. The stock rose as high as 50c, an all-time high.