

ASX Announcement and Media Release

11 July 2019

GRANT OF WATTLE GULLY SOUTH EXPLORATION LICENCE AND GROUND ACTIVITY UPDATE

HIGHLIGHTS

- **Exploration licence (EL6752) (“Wattle Gully South”) has been granted by Earth Resources Regulation**
- **Wattle Gully South covers 218km² and is located immediately to the south of Kalamazoo’s 70km² Exploration Licence (EL6679) (“Wattle Gully”)**
- **Both project tenements overlay major sub-parallel faults and Kalamazoo’s granted exploration licences now cover the entire Castlemaine Goldfield**
- **The Castlemaine Goldfield produced 5.6Moz* of gold across its life and is one of the richest gold fields in Australia, with only minor exploration activity over the past decade and limited effective drilling**
- **Induced Polarization and Ground Magnetic surveys have now commenced at Wattle Gully**

* Willman et al 2002, Geology Survey Victoria, Report 121

Kalamazoo Resources Limited (ASX: KZR) (“Kalamazoo” or the “Company”), is pleased to advise that it has been granted the Wattle Gully South Exploration Licence (EL6752) covering the southern portion of the Castlemaine Goldfield (see Figure 1).

Kalamazoo’s Chairman, Luke Reinehr, commented: “Wattle Gully South has been identified as a key component of our 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, covered by our EL6679. In our view it is essentially an under-explored extension of the adjacent high-grade Castlemaine Goldfield.”

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The focus on Wattle Gully South is consistent with Kalamazoo's strategy which includes:

- Potential for >10 g/t deposits with numerous historical high-grade mines and workings;
- Majority of the exploration licence located over Public Land;
- Large proportion of the area consists of outcropping basement rocks with no younger sedimentary cover (Murray Basin) permitting easier, cheaper, and quicker exploration;
- No systematic modern exploration has occurred in this area e.g. ground geophysics surveys; and
- It is an overlooked, immature "greenfields" area with very few shallow drill holes (<200m).

Planning will now commence for low impact IP and ground magnetic surveys at Wattle Gully South.

Exploration Activity Update

IP and ground magnetic surveys has now commenced at Kalamazoo's top ten highest ranked prospects at the Wattle Gully tenement, covering the northern portion of the Castlemaine Goldfield.

The geophysical surveys will involve approximately 40 line km of IP survey lines and 360 line km of ground magnetic lines spread across these prospects (see ASX: KZR Announcement 18 June 2019). The aim of these surveys is to identify and map potentially gold mineralised fault/fold structures for follow-up diamond drill testing later in 2019.

Of note there have been no ground geophysical surveys conducted within the Castlemaine Goldfield since the 1960's 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 KZR'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 small-scale, low impact ground geophysical surveys act as an early-stage test or "screen" of these areas for potential economic gold mineralisation. They essentially reduce the amount of ground disturbance and exploration drilling required to effectively explore a prospective area.

The Castlemaine Goldfield produced 5.6M ounces of gold across its life and is one of the richest gold fields in Australia (see Figure 2), with only minor exploration activity having been undertaken over the past decade and with limited effective drilling.

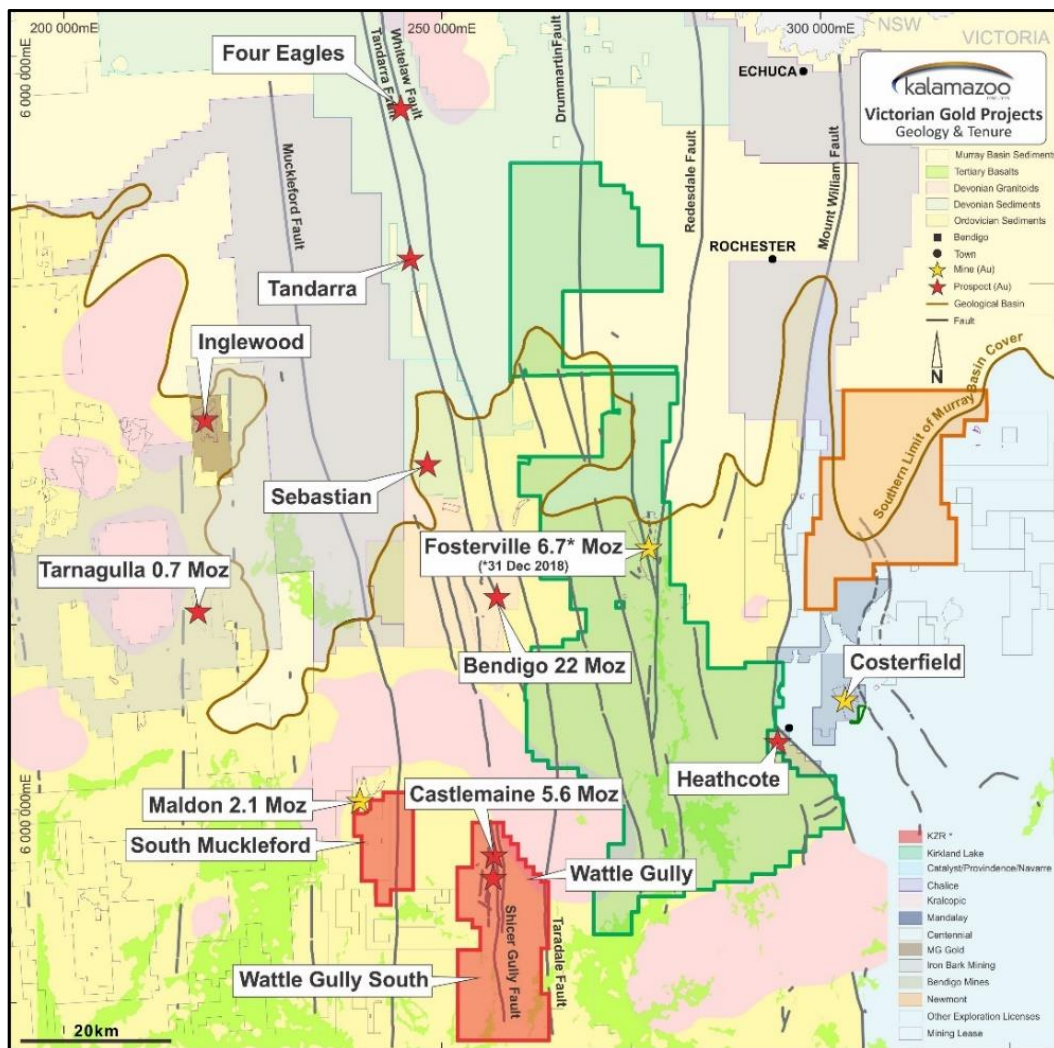


Figure 2: Central Victoria regional gold tenure with Kalamazoo's Castlemaine, South Muckleford and Tarnagulla Gold Projects

Kalamazoo believes in minimising or mitigating any detrimental effects that works may have on the environment. This will be achieved through responsible planning and management of company activities and as a minimum standard, working within the Victorian Code of Practice for Mineral Exploration.*

* <http://www.earthresources.vic.gov.au/earth-resources-regulation/licensing-and-approvals/minerals/guidelines-and-codes-of-practice/code-of-practice-mineral-exploration>

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