



ASX Announcement

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Maiden 10,000 Metre Diamond Drilling Program to Commence at Castlemaine Gold Project

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HIGHLIGHTS

- 10,000m diamond drilling contract for the Castlemaine Gold Project awarded to Deepcore Drilling
- The drilling program will test encouraging results and interpretations of Kalamazoo's recent ground geophysical surveys and 3D structural geology modelling in areas of high prospectivity
- Drilling will commence shortly upon finalisation of land access and statutory approvals
- The drilling will commence in the northern area of EL6679, where Kalamazoo has identified numerous high priority targets
- Drilling and other exploration programs are funded by Kalamazoo through the sale proceeds of the Snake Well Gold Project

Kalamazoo Resources Limited (**ASX: KZR**) ("**Kalamazoo**" or the "**Company**") is pleased to announce it has awarded a 10,000m diamond drilling contract to Deepcore Drilling following a successful tender process.

Kalamazoo issued a scope of work for a proposed two stage 10,000m diamond drilling program to take place in the latter parts of 2019 and early 2020 to three reputable drilling contractors. The scope was for the provision of approximately 25 x 400m (nominal depth) diamond drill holes (10,000m) (see ASX: KZR 25 July 2019 - June 2019 Quarterly Activities Report).

Kalamazoo's Chairman and CEO, Luke Reinehr, commented:

"We are very pleased to have engaged such an experienced operator as Deepcore Drilling for our maiden Castlemaine Gold Project drilling campaign. The initial targets identified by our geophysical surveys and 3D structural geology modelling are very encouraging and demand follow up drilling. What we learn from this drilling will then be fed into our ongoing geophysical and CSIRO collaboration programs, to assist us in identifying and vectoring towards gold mineralisation targets. This is in keeping with our philosophy of conducting exploration in a smarter and low impact manner that minimises disturbance to the environment and the local community."

“Driven by Kirkland Lake’s tremendous and on-going results at its nearby Fosterville Gold Mine to the north-east, there is very strong interest in our Castlemaine Gold Project and expanding exploration portfolio in the immediate area. Kalamazoo is in an excellent position financially to deliver on its exploration programs in the exciting Central Victorian zone and we look forward to reporting drilling results over the coming months.”

Stage 1 Drilling will consist of a 4,000m diamond drilling program designed to test the encouraging results and interpretations of the initial ground geophysical surveys carried out by Kalamazoo, in terms of the conceptual host geology and gold mineralisation targets. This is a critical step in the Company’s exploration strategy as ground geophysical surveys have not been conducted within the Castlemaine Gold Project area since the 1960s. The application of modern ground geophysical survey techniques to high ranking prospects is a key feature of Kalamazoo’s exploration strategy.

Stage 1 will initially focus on high priority targets defined within the northern area of EL6679 (Figure 1: Location Plan), which has already recorded several very high-grade intersections in historical drill holes (ASX: CGT 3 December 2008). The results of the Stage 1 drilling program will be further used to refine Kalamazoo’s conceptual models and targets, as well as provide critical input into future planned geophysical surveys and the Stage 2 drilling program, which will comprise 6,000m in early 2020.

Deepcore Drilling is a highly experienced, awarded and innovative drilling company with extensive operations in Victoria, including at the nearby Fosterville Gold Mine. Deepcore Drilling has previously completed a successful drilling campaign in the Castlemaine Goldfield area for a previous operator and will bring valuable experience and expertise to Kalamazoo’s maiden drilling program.

As reported to the ASX on 12 February 2019, Kalamazoo completed the sale of its Snake Well Gold Project in Western Australia to Adaman Resources Pty Ltd for \$7.0m cash. During 2020, the sum of \$5.0m will be paid to Kalamazoo placing it in a strong position financially to deliver on its exploration programs in Victoria.

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

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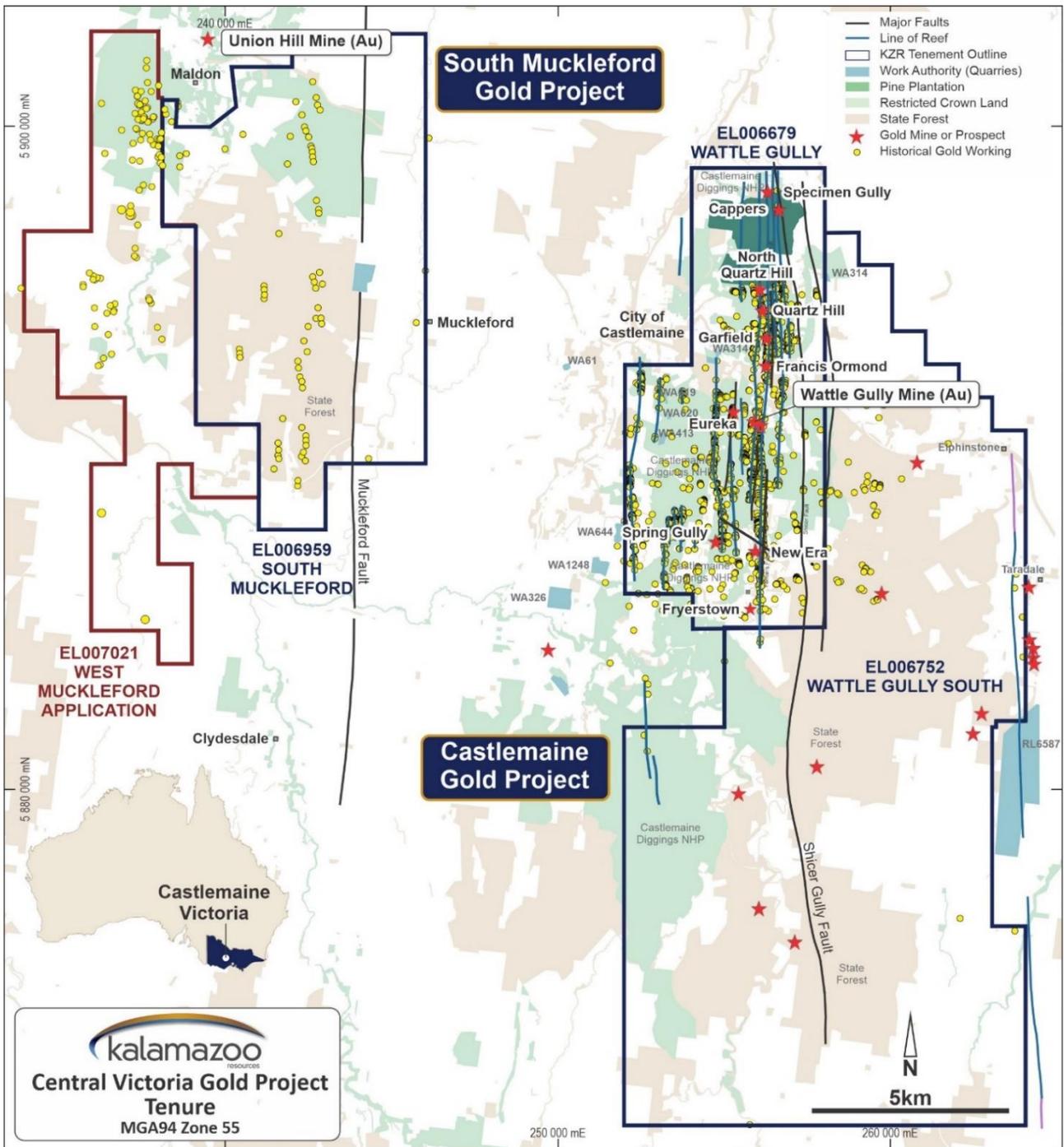


Figure 1: Castlemaine Gold Project Location (EL6679 and EL6752)

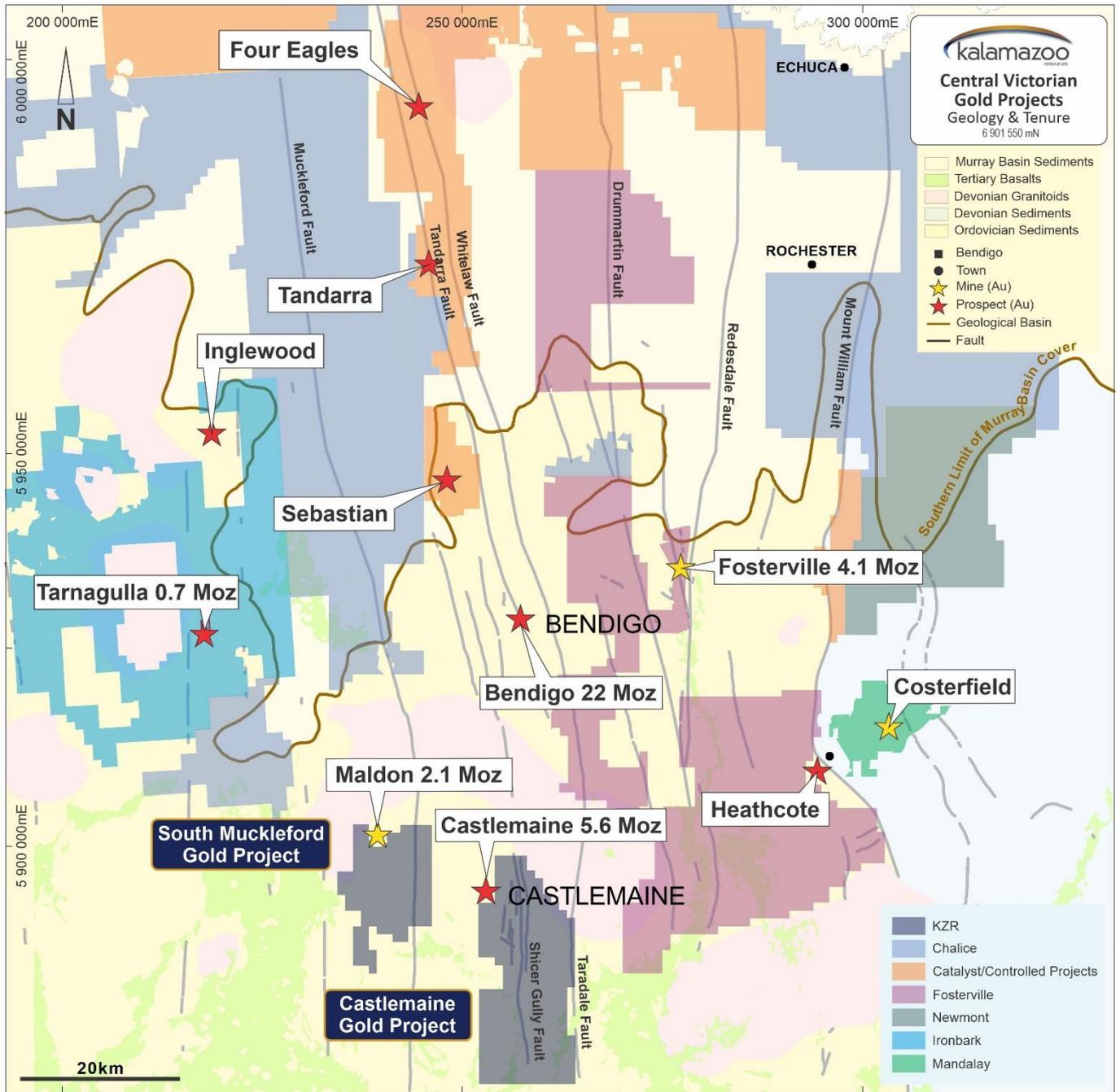


Figure 2: Central Victoria regional gold exploration tenure with Kalamazoo's Castlemaine and South Muckleford Gold Projects in grey