

31 January 2019

DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

Kalamazoo Resources (ASX: KZR) (“Kalamazoo”) is pleased to report on its December 2018 quarter activities.

Wattle Gully and surrounding Castlemaine Region

- During the quarter Kalamazoo identified the areas which will be the initial focus of its upcoming exploration program as follows:
 - Wattle Gully Mine and Wattle Gully North
 - Chewton anticline
 - North Quartz Hill
 - Eureka Vineyard
 - Cappers/Shellback
- Kalamazoo undertook a clean-up of the extensive project data base and continued to develop its upcoming Wattle Gully exploration program.

Snake Well Project

- Kalamazoo executed a Mining Property Sale and Purchase Agreement (SPA) with Adaman Resources Pty Ltd (Adaman) to sell its Snake Well Gold Project for \$7m, to be paid over 24 months.
- A 2.5% Net Smelter Royalty has been retained by Kalamazoo on any base metals mined within the project area.
- Under the SPA Kalamazoo can elect to engage Adaman to provide up to \$4m of drilling services for the Wattle Gully Gold project in Castlemaine.

Pilbara Projects

- During the quarter, Kalamazoo reviewed the field work conducted during the year and developed a plan for further exploration, comprising soil and rock chip sampling programs, mapping and further geophysical modelling, to identify target areas within its Pilbara projects. Identified targets will be prioritised for further exploration which will likely involve drilling.
- The three highly prospective gold projects (Doms Hill, The Sisters and Marble Bar) are located in proximity to the important Pilbara gold projects of TSX-listed Novo Resources and ASX-listed Artemis Resources, De Grey Mining, Venturex Resources, Arrow Minerals, Coziron Resources, Impact Minerals, DGO Gold and Calidus Resources.

Cork Tree Project

- Kalamazoo consolidated its tenement position at its Cork Tree Copper Project by acquiring Atlas Iron Limited’s (ASX: AGO) 49% share of two joint venture tenements.
- With an approved Programme of Works and the completion of a Heritage Survey during the last quarter, the Company is finalising preparations to conduct a drilling program at the project early in 2019.

Corporate

- Kalamazoo held its Annual General Meeting on 14 November 2018 with all resolutions being approved on a show of hands.

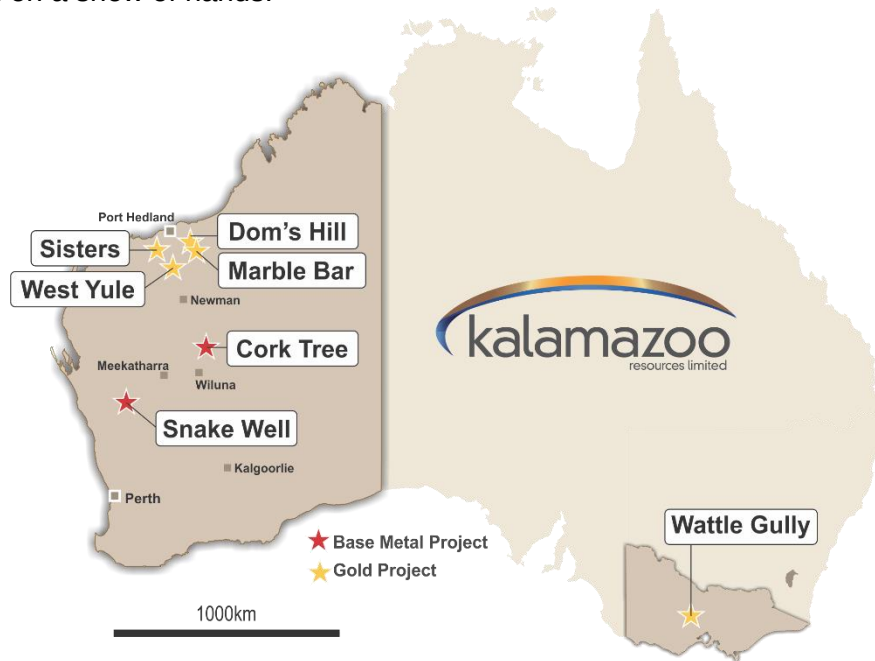


Figure 1: Location of Kalamazoo Projects

WATTLE GULLY PROJECT – CASTLEMAINE GOLD FIELD

During 2018 Kalamazoo was granted Exploration Licence EL006679 covering the Wattle Gully Gold Project, near the town of Castlemaine, Victoria (ASX: KZR 20 June 2018) (Figures 1 and 2). This licence lies immediately east and south of the town of Castlemaine and covers almost the entire historic Castlemaine Goldfield with a total area of 70km². Kalamazoo has made a further exploration licence application EL006752 ("Wattle Gully South"), to the east and south of the granted tenement, covering an area of 218km² which includes regional geological structures known to be associated with potential gold mineralisation.

EL006679 was granted for an initial period of five years with a minimum expenditure commitment of \$265,000 over five years.

Kalamazoo has been able to secure 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.

Wattle Gully adds a significant gold project to Kalamazoo's portfolio, at an initial low cost. The asset is in a supportive mining region which is becoming increasingly active with significant exploration and development success across multiple projects including Fosterville, Tandarra and Costerfield.

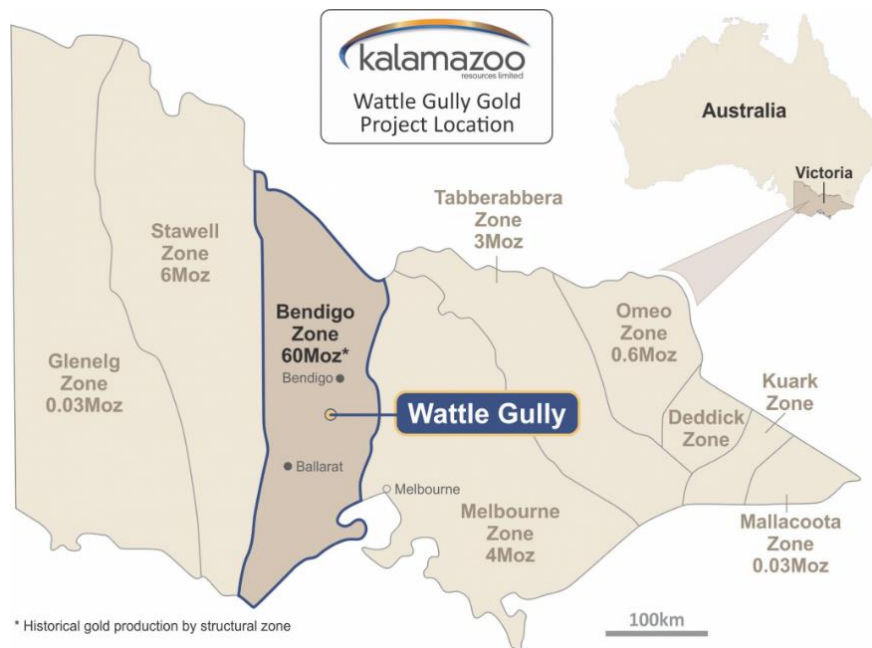


Figure 2: Wattle Gully Gold Project Location

Strategically, the Castlemaine region is well supported with a number of gold processing plants within 80km haulage distance of the Wattle Gully Gold Project.

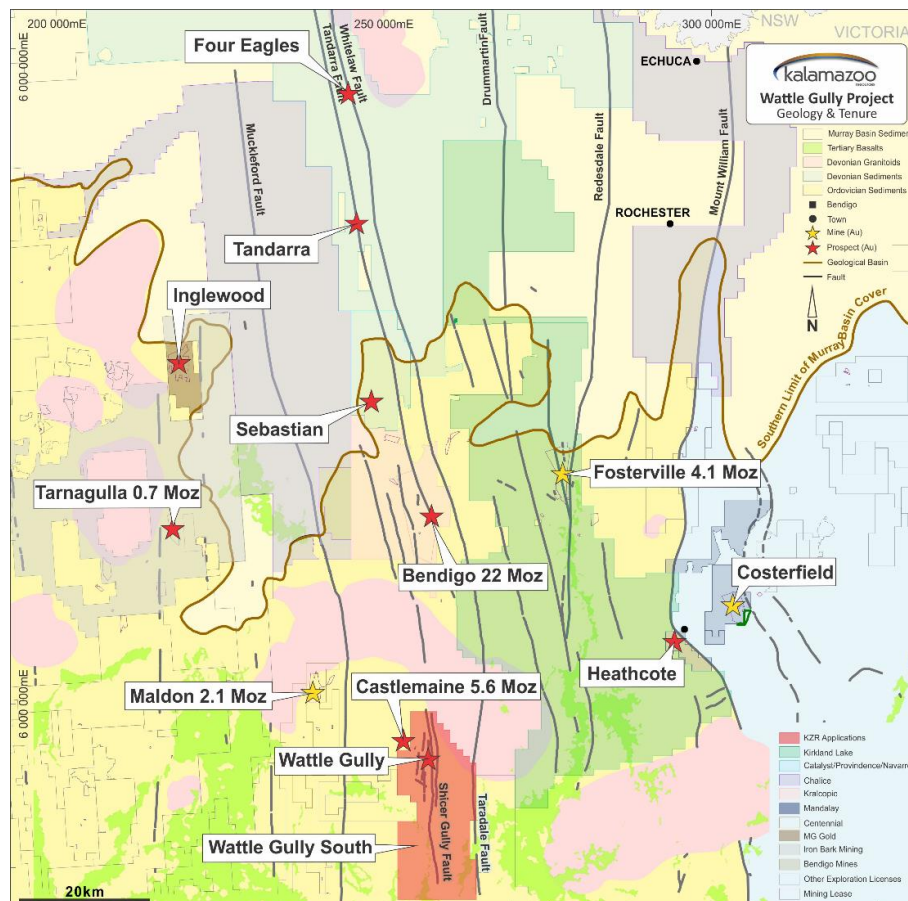


Figure 3: Regional Geology, Structures, Gold Projects and Wattle Gully Project Tenements

The Bendigo Zone was the second highest producing gold field in Australia producing an estimated 60Moz from alluvial and continuous quartz reef mining activity from 1853 to 1954. The nearby Ballarat Goldfield was the second largest goldfield in Australia and Castlemaine was the next richest goldfield in Victoria, having produced 5.6 million ounces since 1851 from both alluvial and underground sources. Previous mining and exploration at Castlemaine targeted shallower areas primarily within 400m of the surface.

Unlike the other major gold projects in the Bendigo Zone, the Castlemaine Goldfield has not been subjected to the same depths of drilling. Kirkland Lake's Fosterville Gold Mine is being profitably mined at depths of more than 800m with reports that the mineralised shoots are typically 4m to 15m thick, 50m to 150m up/down dip and 300m to 1,500m+ down plunge, and have average grades of 5-10g/t Au, with individual assays up to 60g/t Au*.

In comparison, the average drilling hole depth at Castlemaine is recorded at just 139m (Table 1).

Drilling	No.	Av. Depth	Deepest
Surface Diamond Drilling	213	352m	871m
Underground Diamond Drilling	260	48m	269m
RC Drilling	112	33m	93m
Percussion Drilling	105	47m	95m
RAB Drilling	5	58m	72m

Table 1: Recent drilling data for Castlemaine Goldfields
(ASX: KZR AGM 2018 Presentation)

*refer to Kirkland Lake Gold Website: <http://www.klgold.com/assets/operations-and-projects/australia/operations/fosterville-mine/default.aspx>

Prospective Areas of Interest

Following an initial review, Kalamazoo's preliminary focus will be on the Wattle Gully, North Quartz Hill, Eureka, Vineyard and Cappers/Shellback areas for their potential to develop exploration targets, most likely at depth, via a dedicated technical review process.

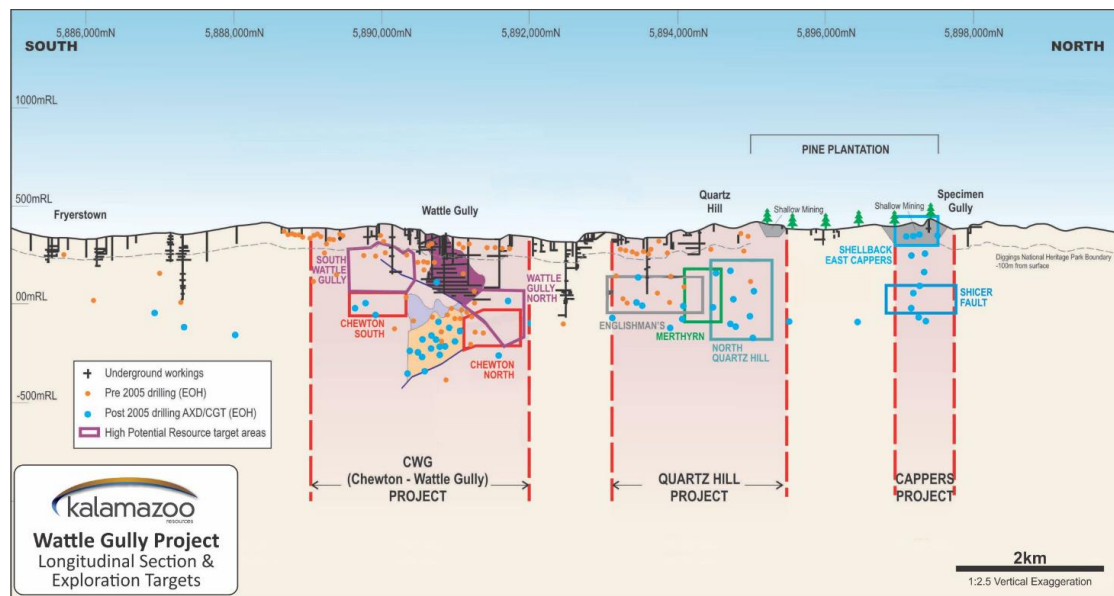


Figure 4: Long Section of the Wattle Gully Project Area and gold prospects
(Modified from ASX: CGT AGM 2009 Presentation)

Kalamazoo believes the combination of new exploration techniques and the knowledge that will be derived from the analysis of the extensive database and core farm will permit the company to outline an effective exploration strategy to identify areas with high grade gold potential.

Planned Work Program

The consolidation and validation of the substantial Castlemaine Goldfield database will permit Kalamazoo to:

- Complete a technical review assisted by local consultants with a view to establishing exploration target(s);
- Refine the geology and structural controls to gold mineralisation;
- Review and apply modern exploration practices and techniques suitable for this style of mineralisation which may include; soil sampling, mapping, ground and airborne magnetic surveying, seismic and gravity surveying; and
- Drill test identified target areas.

PILBARA GOLD PROJECTS

During 2018 Kalamazoo continued to advance its three highly prospective gold projects in WA's Pilbara region. These projects have the potential to host significant gold mineralisation and are located close to some of the Pilbara's most exciting gold projects.

DOM's Hill Gold Project (E45/4722, E45/4887, ELA45/4919 and ELA 45/5146)

The DOM's Hill Gold Project consists of two granted tenements and two exploration license applications located 110km south east of Port Hedland within the Archaean East Pilbara Region (Figure 5). The project contains an array of exploration targets including advanced prospects with significant gold grade intersections and is considered prospective for a range of gold, nickel, cobalt and base metal deposits.

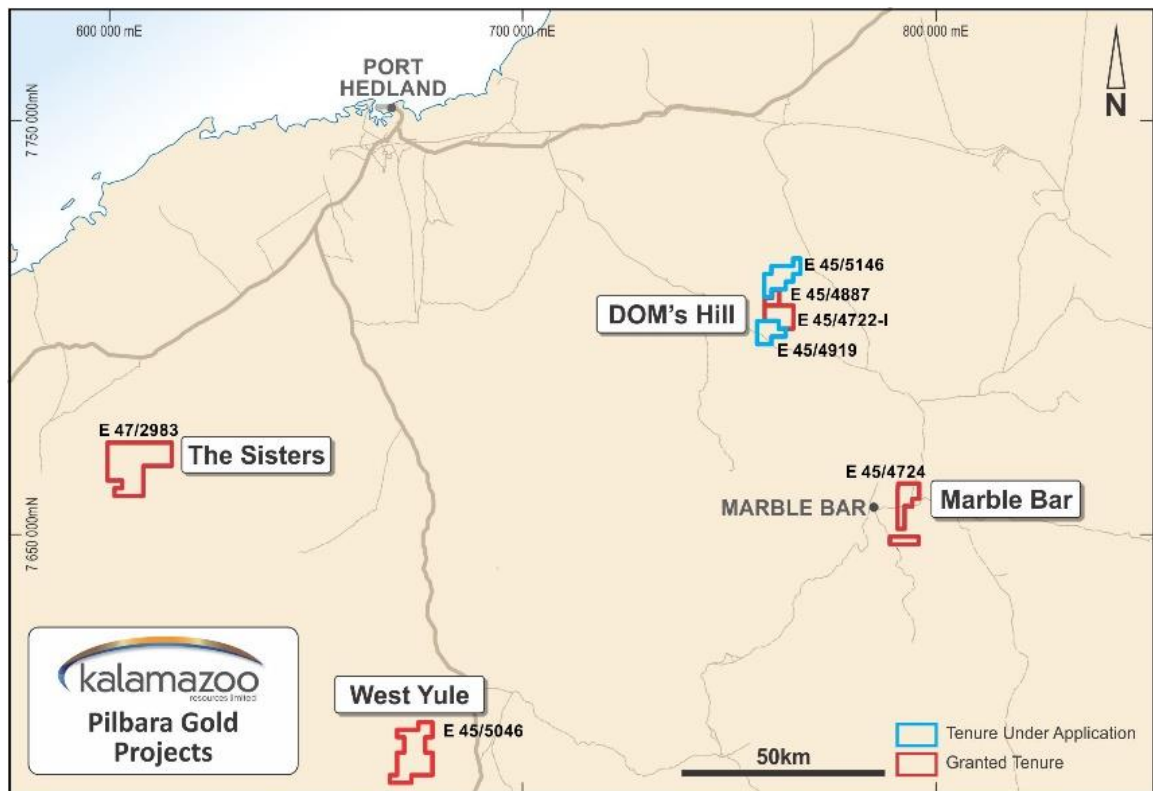


Figure 5: Location of Sisters, DOM's Hill and Marble Bar Gold Project Tenements

The Sisters Gold Project (80% interest in mineral rights other than lithium E47/2983)

The Sisters Gold Project comprises a granted 136km² exploration licence 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 off the gold mineralised Mallina Shear Zone.

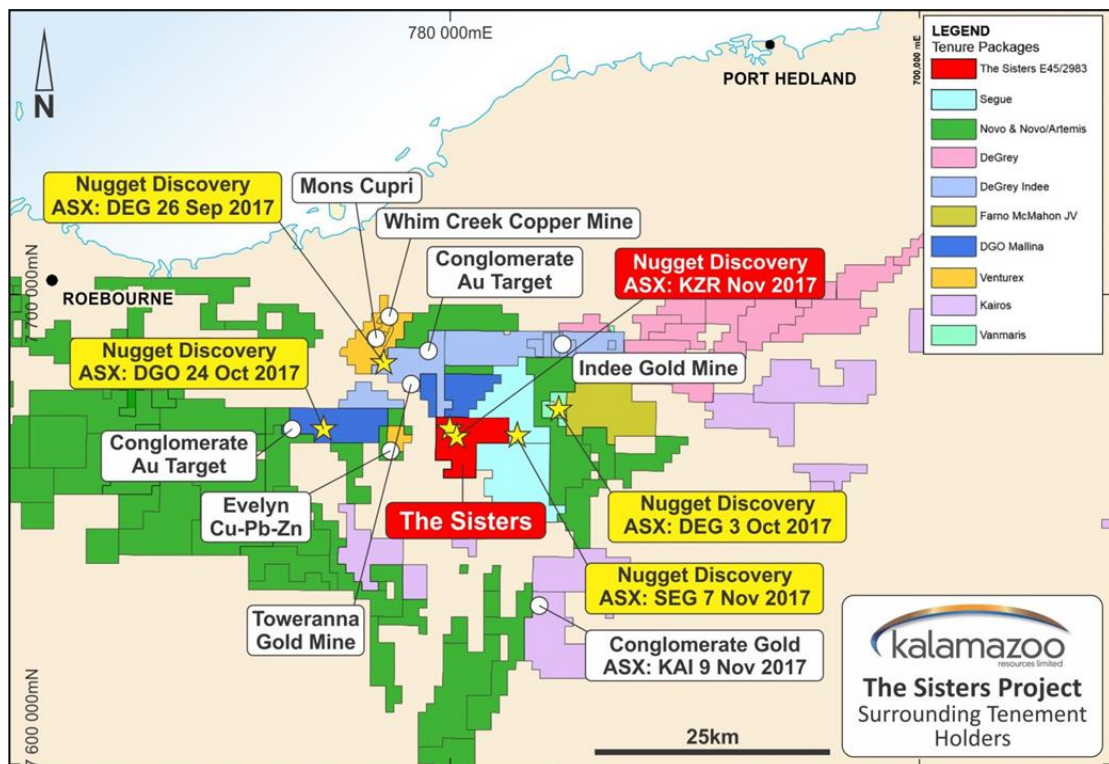


Figure 6: The Sister's Project and surrounding tenements

Marble Bar Gold Project (100% interest in mineral rights other than lithium over EL45/4724)

The Marble Bar Project comprises a granted 48km² tenement located 6.5km east of Marble Bar and 11km north-west of ASX-listed Calidus Resources' Klondyke Gold Project located within the Warrawoona Gold project area (Figure 7).

The southern boundary of E45/4724 is adjacent to Calidus' tenement E45/4555 which 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.

Kalamazoo's review of the data during 2018 indicates that it contains a sheared meridional greenstone belt and has great potential for previously unknown gold occurrences in the favourable and structurally modified zones in the mafics/ultramafics.

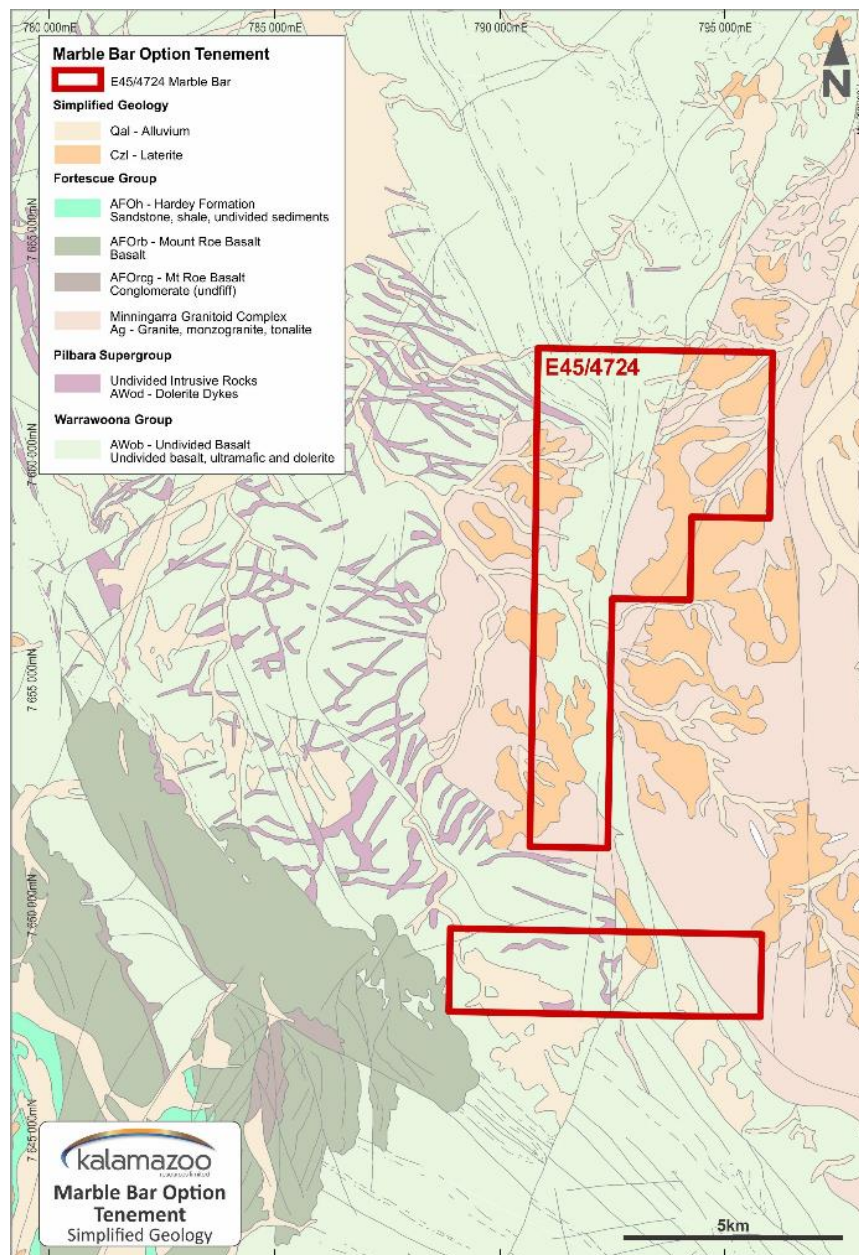


Figure 7: Geology of Marble Bar Tenement E45/4724

Following on from initial field work conducted in 2018, Kalamazoo will continue with a managed exploration program in the Pilbara during 2019, principally for gold, that will comprise:

- A program of soil and rock chip sampling, mapping and further geophysical modelling to identify target areas;
- Identified target areas prioritised for further exploration, most likely drilling; and
- Continuing to test the potential for conglomerate-hosted gold below Mt Roe Basalts (which has been prolific in the region).

SNAKE WELL GOLD PROJECT

Kalamazoo announced the execution of a Mining Property Sale and Purchase Agreement with Adaman Resources Pty Ltd on 14 November 2018 (ASX: KZR 14 November 2018 and 27 December 2018). The consideration for the sale of the Snake Well Gold Project is \$7.0 million. The sale proceeds will be payable over 24 months and will fund Kalamazoo's aggressive exploration and drilling program at the Wattle Gully Gold Project, Cork Tree Copper Project, and the Pilbara Gold Projects.

As part of the transaction Kalamazoo can elect to engage Adaman to provide up to \$4.0m of drilling services (deducted from the sale proceeds) at the Wattle Gully Gold Project, which if exercised further fast-tracks Kalamazoo's drilling program at the project.

Another key component of the sale was the retention of a 2.5% Net Smelter Royalty on any base metals mined within the Snake Well project area.

CORK TREE COPPER PROJECT

Kalamazoo was pleased to announce during the quarter the consolidation of its tenement position at the Cork Tree Project by acquiring Atlas Iron's 49% share of two joint venture tenements, resulting in Kalamazoo now being the sole owner of the entire Project. Kalamazoo entered into a Joint Venture with Atlas over the two tenements (E52/2056 and E52/2057) in March 2013 and completed the Stage 1 earn-in for 51%. 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 all six tenements.

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 and covering approximately 370km² mainly within the Earraheedy Basin and partly along the contact with the Yerrida Basin.

Preparation for a drilling program comprising up to 7 holes for 1,050m is underway, with the Program of Works (POW) approved by DMIRS and a heritage clearance survey completed in late September. The drill hole locations have been marked on the ground and field checked and final preparations are underway.

OTHER PROJECTS

Kalamazoo continually evaluates and seeks out potential other projects. A number of opportunities have been assessed, including open pit gold and base metal (principally copper) exploration projects.

For further information, please contact:

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CEO and Executive Chairman

Please direct email enquiries to admin@kzr.com.au

Telephone enquiries to 1300 782 988 or +61 8 9481 8188

TABLE 2 TENEMENT INFORMATION IN ACCORDANCE WITH LISTING RULE 5.3.3

Project / Tenement ID	State	Status	Interest at start of quarter	Interest at end of quarter	Notes
SNAKE WELL PROJECT					
E59/2137	WA	Granted	100%	100%	1.
E59/2239	WA	Granted	100%	100%	1.
E59/2240	WA	Granted	100%	100%	1.
M59/0041	WA	Granted	100%	100%	1.
M59/0474	WA	Granted	100%	100%	1.
M59/0476	WA	Granted	100%	100%	1.
M59/0477	WA	Granted	100%	100%	1.
M59/0565	WA	Granted	100%	100%	1.
PILBARA PROJECT					
E47/2983	WA	Granted	80%	80%	80% interest in minerals other than lithium.
E45/4722	WA	Granted	100%	100%	
E45/4724	WA	Granted	100%	100%	100% interest in minerals other than lithium.
E45/4887	WA	Granted	100%	100%	
E45/4919	WA	Application	-	-	
E45/5046	WA	Granted	100%	100%	
E45/5146	WA	Application	-	-	
CORK TREE PROJECT					
E52/2056	WA	Granted	51%	100%	2.
E52/2057	WA	Granted	51%	100%	2.
E52/3042	WA	Granted	100%	100%	
E52/3514	WA	Granted	100%	100%	
E52/3515	WA	Granted	100%	100%	
E52/3540	WA	Granted	100%	100%	
WATTLE GULLY PROJECT					
EL006679	VIC	Granted	100%	100%	
EL006752	VIC	Application	-	-	
TARNAGULLA PROJECT					
EL006780	VIC	Application	-	-	

Notes:

- During the Quarter Kalamazoo announced that it had signed a Mining Property Sale and Purchase Agreement (**Agreement**) for the sale of 100% of these tenements to Adaman Resources Pty Ltd for \$7 Million and a 2.5% net smelter royalty on any base metals mined in the project area. The Agreement is subject to completion.
- During the Quarter Kalamazoo acquired Atlas Iron Limited's 49% interest (held by Giralda Resources Pty Ltd) in E52/2056 and E52/2057 in return for a gross smelter royalty of 2.5% for all minerals other than iron ore, stone, gravel, clay and sand across all six tenements.

About the Wattle Gully Project

Kalamazoo's newest gold asset is the Wattle Gully and Wattle Gully South gold project, which covers almost all the historical Castlemaine Goldfields. The project area is located approximately 100 kilometres northwest of Melbourne and is well serviced by a network of roads, railway and air services. The project area lies within easy distance of the major regional population centres of Ballarat and Bendigo. It consists of one granted exploration licence and one exploration licence application. Castlemaine was one of the richest gold fields in Victoria, having produced 5.6 million ounces from both alluvial and underground sources. The Castlemaine Goldfield is a north trending mineralised zone approximately 10km long and 4km wide, located within the highly mineralised Bendigo-Ballarat zone of the Lachlan Fold Belt.

About the Pilbara Tenements

Kalamazoo acquired between 80% and 100% equity in three highly prospective gold projects in the Pilbara during 2018. The tenements have the potential to host significant gold mineralisation and are located in highly prospective locations within close proximity to some of the Pilbara's most exciting developing gold projects.

About the Snake Well Project

The Snake Well Project, is located 450km north of Perth in the Mid-West region. It consists of five granted mining leases, one granted exploration licence and two exploration licence applications. The Snake Well Project covers Archaean rocks over an area of approximately 263km² and a 45km prospective strike length of the Talling greenstone belt, in the western portion of the Murchison Domain that hosts a number of significant mineral deposits including Golden Grove (Cu-Zn), Big Bell (Au), Cue (Au), Deflector (Cu-Au) and Mt Magnet (Au). Pursuant to the Mining Property Sale and Purchase Agreement with Adaman Resources Pty Ltd dated 24 December 2018, Kalamazoo now holds a 2.5% net smelter royalty on any base metals mined in the project area.

Competent Persons Statement

The information in this release that relating to the exploration data for all 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 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 Wattle Gully Project relates to Mr John Collier who is the Principal Consultant to **Conarco Consulting** who is engaged as a Consultant to the Company.

Mr Collier 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 Collier consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

For additional and detailed information, including the JORC 2012 Minerals Resource Estimates, please refer the Independent Geologist's Report prepared by Ravensgate in Section 5 of the Company's Prospectus dated 3 October 2016 and Supplementary Prospectus, dated 14 November 2016.

Forward Looking Statements

Statements regarding Kalamazoo's plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Kalamazoo's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Kalamazoo will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Kalamazoo's mineral properties. The performance of Kalamazoo may be influenced by a number of factors which are outside the control of the Company and its Directors, staff and contractors.