

ASX Announcement and Media Release

17 July 2019

GRANT OF SOUTH MUCKLEFORD EXPLORATION LICENCE

HIGHLIGHTS

- **South Muckleford Exploration licence (EL6959) ("South Muckleford") has been granted by Earth Resources Regulation**
- **South Muckleford covers 93 km² of the highly prospective southern Maldon Goldfields area with proven endowment near a major regional fault (source) i.e. the Muckleford Fault**
- **The area is considered under-explored with only minor exploration activity over the past decade and limited broadly spaced shallow drilling**
- **Target generation investigations have begun with the aim of conducting low impact, Induced Polarisation and Ground Magnetic surveys over the highest ranked targets**
- **South Muckleford is an excellent strategic fit and located only 10km from Kalamazoo's Castlemaine Gold Project (288 km²)**

Kalamazoo Resources Limited (ASX: KZR) ("Kalamazoo" or the "Company"), is pleased to advise that it has been granted the South Muckleford Exploration Licence (EL6959) located in the Maldon goldfield in Central Victoria (see Figure 1). The licence covers 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 licence contains numerous historical gold workings coincident with prospective 2nd and 3rd order faults associated with the regional Muckleford Fault. The historical gold workings reveal linear trends indicative of lines of lodes/reefs consistent with that found in Kalamazoo's nearby Castlemaine Gold Project (see Figure 1).

Kalamazoo's Chairman, Luke Reinehr, commented: "As a proven high-grade goldfield South Muckleford is an important addition to our project portfolio. It complements our nearby Castlemaine Gold Project perfectly and we will look to soon undertake low impact ground geophysical surveys to identify and map potentially gold mineralised structures for follow up diamond drilling".

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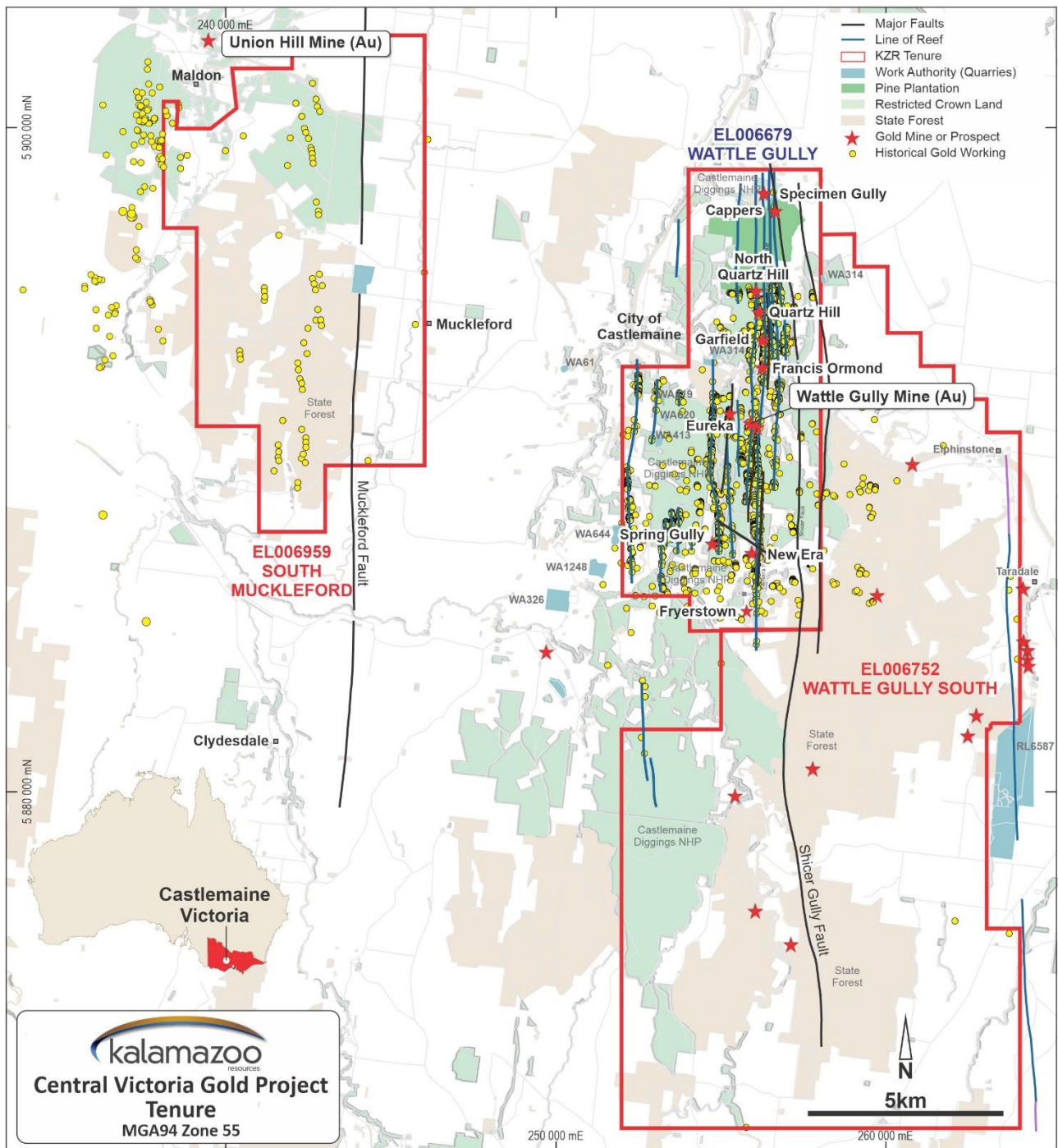


Figure 1: South Muckleford EL6959 location

The addition of the South Muckleford exploration licence to Kalamazoo's growing portfolio of high-quality, highly endowed Victorian gold exploration projects is consistent with the Company'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).

The Maldon goldfield is the 7th largest Victorian goldfield with historical production of >1,975,000oz (>56 t) and 317,000oz (9 t) of primary and alluvial gold, respectively¹. This goldfield is of a similar setting, age, Ordovician host rocks and structurally controlled mineralisation style as other Bendigo Zone (Central Victoria) gold deposits.

Target generation activities have now begun with the aim of conducting low impact ground geophysical surveys (Induced Polarisation and Ground Magnetic Surveys) over the highest ranked targets.

The application of modern ground geophysical survey techniques to high ranking prospects is a key feature of Kalamazoo's exploration strategy. This is in 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 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.

Kalamazoo believes in minimising or mitigating any impact that exploration activities may have on the environment and local Community. This will be achieved through industry best practice together with responsible planning and management of company activities and as a minimum standard, working within the Victorian Code of Practice for Mineral Exploration².

¹ Phillips, G.N., 2010 Victorian Gold Province, Australia: a contemporary exploration Guide. GeoScience Victoria Special Publication

²<http://www.earthresources.vic.gov.au/earth-resources-regulation/licensing-and-approvals/minerals/guidelines-andcodes-of-practice/code-of-practice-mineral-exploration>

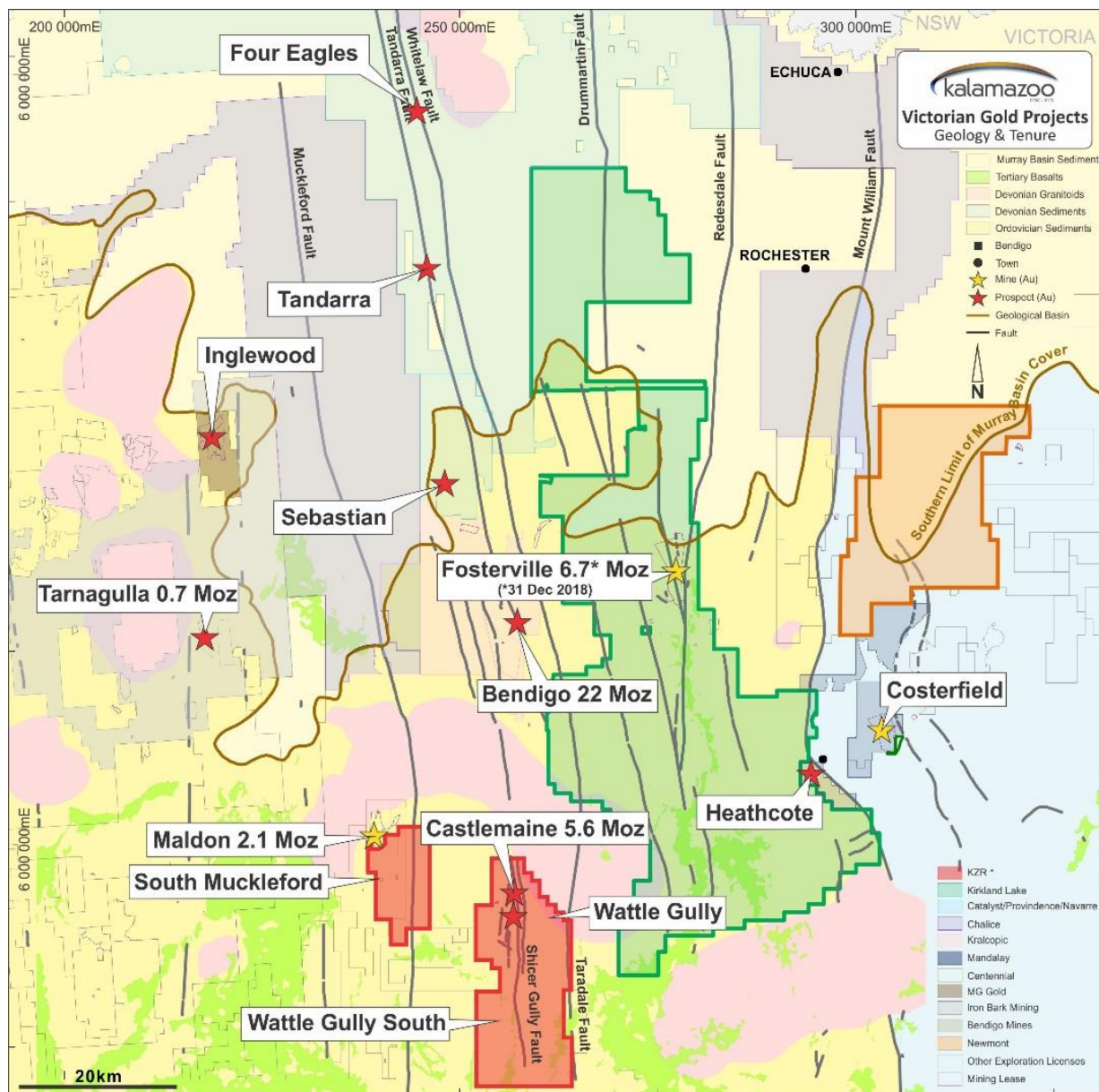


Figure 2: Central Victoria regional gold tenure with Kalamazoo's Castlemaine Gold Project and South Muckeleford Gold Project in red

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