

Commencement of drilling at the South Muckleford Gold Project

Highlights

- A ~4,000m Reverse Circulation (“RC”) drilling program at the Fentiman’s Reef, Smith’s Reef and Charcoal Gully Prospects at the South Muckleford Gold Project (EL006959) commenced on 1 April 2021
- Kalamazoo considers these prospects high priority drill targets as they were recently identified as containing highly prospective epizonal gold-antimony mineralisation which is closely analogous to that of the nearby Fosterfield and Costerfield deposits in Central Victoria
- Kalamazoo has also completed detailed airborne LiDAR and Induced Polarisation (“IP”) surveys over these high priority prospects, further aiding the drilling program design and planning
- The South Muckleford project area is vastly under-explored having not been subjected to any systematic modern exploration techniques and only very limited shallow drilling
- This RC drilling program is part of an extensive exploration work program undertaken by Kalamazoo aimed at advancing the significant potential of this broad epizonal gold-antimony mineralised system

Kalamazoo Resources Limited (**ASX: KZR**) (“Kalamazoo” or the “Company”) is pleased to advise on significant exploration progress at its 100% owned South Muckleford Gold Project (EL006959 and EL007021), located near Maldon in the Central Victorian Goldfields (Figure 1). This progress is the result of a concerted campaign of regional and infill surface geochemistry programs, detailed field mapping, ground geophysical IP surveys, an airborne LiDAR survey, 3D structural modelling along with drill program design and planning. The outcome of these recent campaigns is the commencement on 1 April 2021 of a minimum 4,000m RC drilling program at the high priority Fentiman’s Reef, Smith’s Reef and Charcoal Gully Prospects.

This latest drill program is an important development as these three high priority prospects were recently identified as containing epizonal gold-antimony mineralisation which is closely analogous to that of the nearby Fosterfield and Costerfield mines in Central Victoria¹. Note that the Fosterfield and Costerfield mines were recently reported as the No.1 and No.6 highest milled grade gold mines worldwide in Q1 2020, respectively².

1. ASX: KZR 22 December 2020
2. Mines & Metals, 14 September 2020

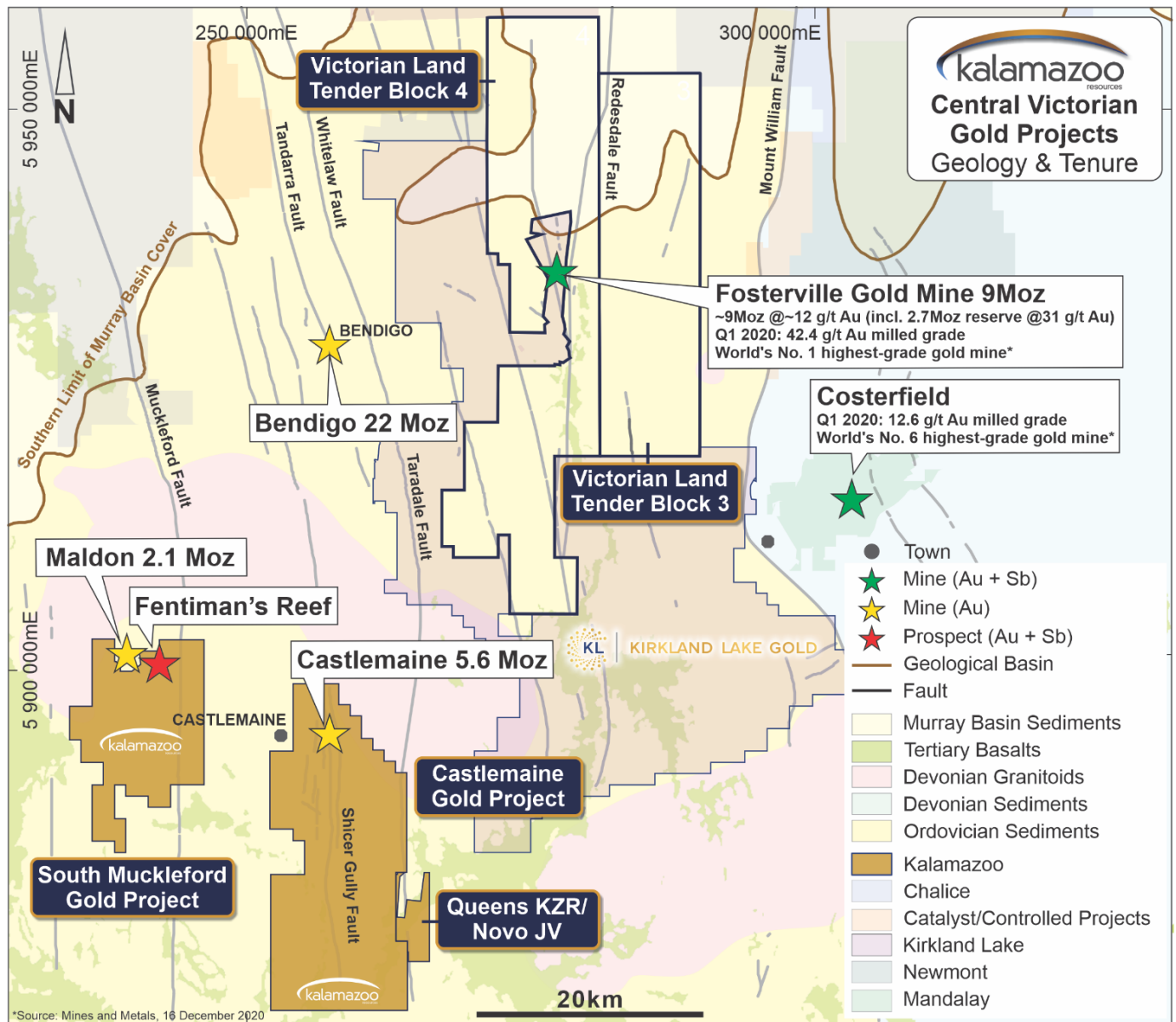


Figure 1: Map of the Central Victorian Goldfields showing the location of the South Muckleford and Castlemaine Gold Projects, with the Fentiman's Reef Prospect located in the northern end of the South Muckleford Project

The drilling targets are favourably located in the hanging-wall position of the major regional-scale, north-south trending Muckleford Fault which is considered a key deep-tapping conduit for gold mineralising fluids (Figure 2). It is interpreted that these prospects are located within obliquely NNW oriented 2nd/3rd order splay structures off the Muckleford Fault, a key positive targeting criterion.

A detailed investigation into the historical mining activities at the South Muckleford Gold Project has revealed that the Fentiman's Reef mine was in operation from approximately 1860-1904 with high-grade gold production reported to be in the order of ~1 oz/t Au.

The available historical mine records show that mining continued to a depth of 630 ft (~192m) with high-grade gold associated with "lenticular patches and veins of sulphide of antimony". At the 630 ft level a stibnite lode was reportedly 2 ft 6 in (~0.76m) wide and assayed 13 dwt (~20 g/t) Au and 42.5% Sb³.

3. The Bendigo Independent, 4 August 1900, 27 August 1900, 3 December 1900, 6 October 1902, 13 October 1902 and 27 October 1902 and Bendigo Advertiser, 20 October 1902, and 21 October 1902

Kalamazoo also recently completed detailed airborne LiDAR (~19km²) and Induced Polarisation or “IP” (~40km²) surveys across all three of these prospects (Figures 3 & 4). The results of these surveys have assisted in the design and planning of the 4,000m RC drilling program which will test a variety of targets including the interpreted extents of the known historical mine workings, soil geochemical and ground geophysical anomalies and favourable structures over an approximate 130m-260m depth range across all three prospects. This drilling campaign is expected to take approximately one month to complete (mid-May 2021).

The South Muckleford Gold Project covers approximately 161km² and is located 10km to the west of Kalamazoo’s 100% owned Castlemaine Gold Project (Figures 1 & 2). Both projects are situated within the Bendigo Zone in the Central Victorian Goldfields, which has yielded in excess of 60Moz of gold from alluvial and hard rock production¹. Adjacent to the South Muckleford Gold Project, the Maldon Goldfield is the 7th largest goldfield in Victoria with historical primary production of >1,975,000oz (at an average grade of 28 g/t Au) and alluvial gold of 317,000oz⁴.

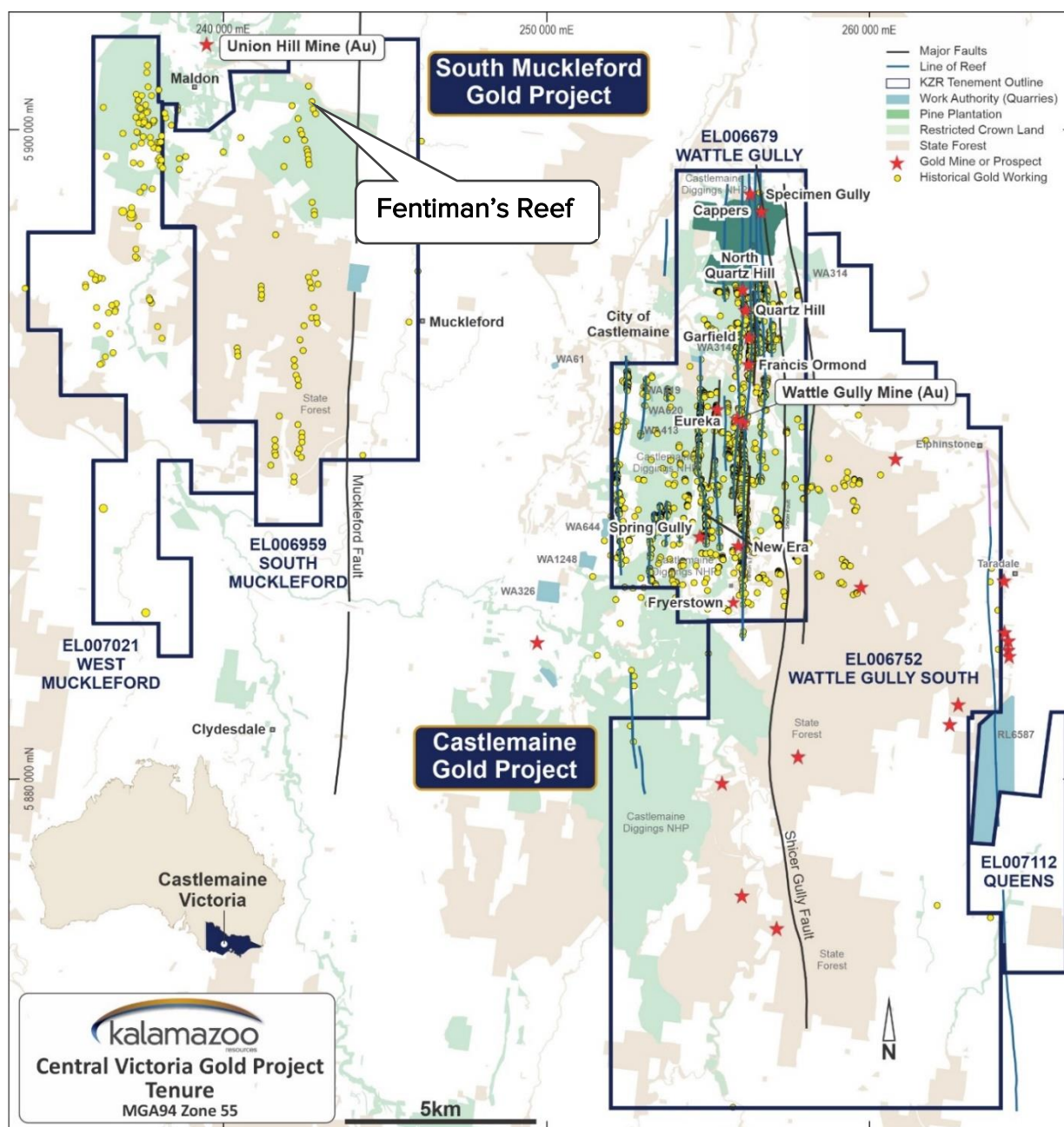


Figure 2: Location of the Castlemaine and South Muckleford Gold Projects - note the location of the Fentiman's Reef Prospect amongst the extensive line of historical gold workings in the hanging-wall position of the Muckleford Fault

4. Phillips G N 2010, Geoscience Victoria Special Publication

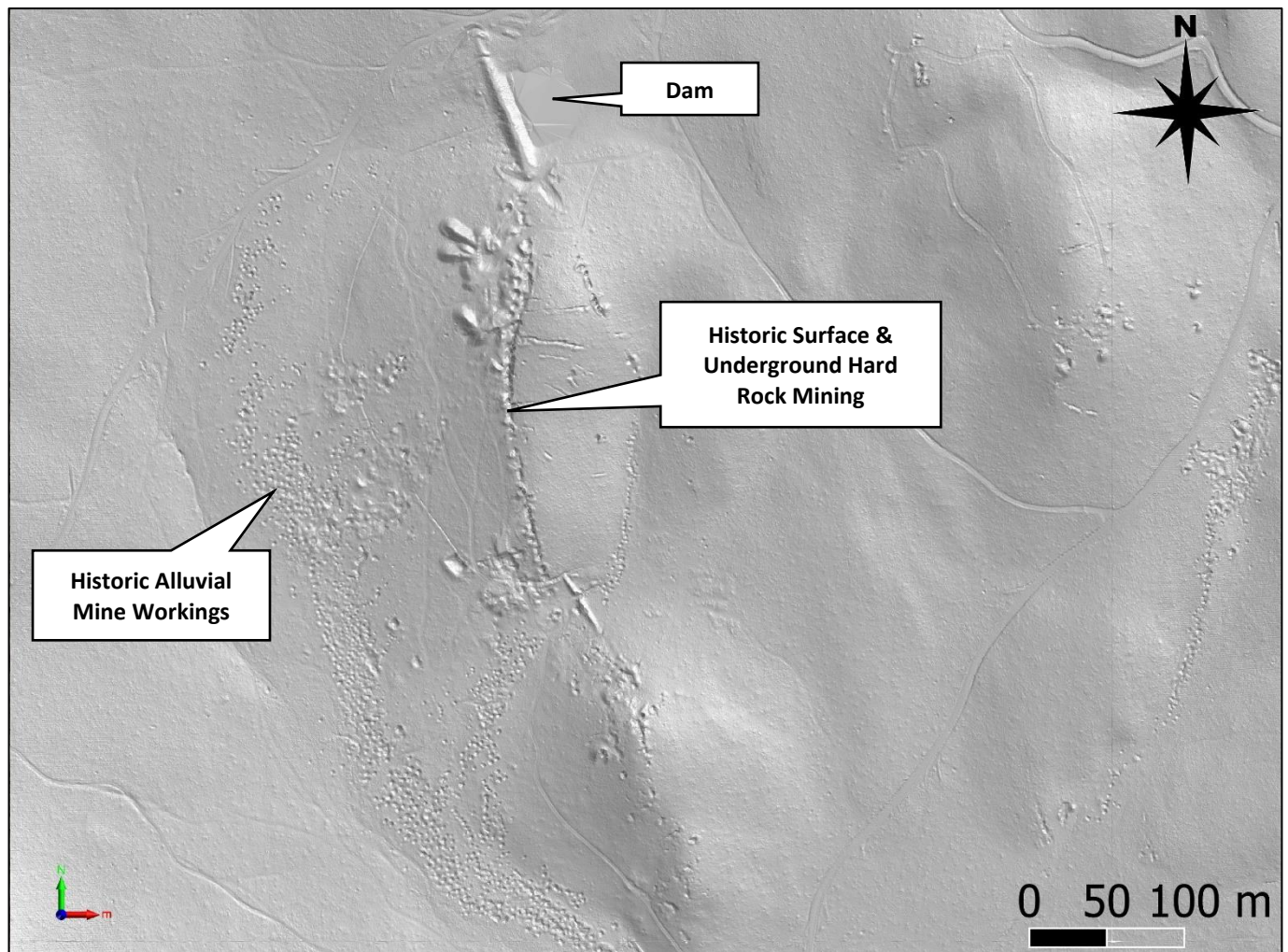


Figure 3: Example airborne LiDAR image of the Smith's Reef historical hard rock and alluvial gold mine workings

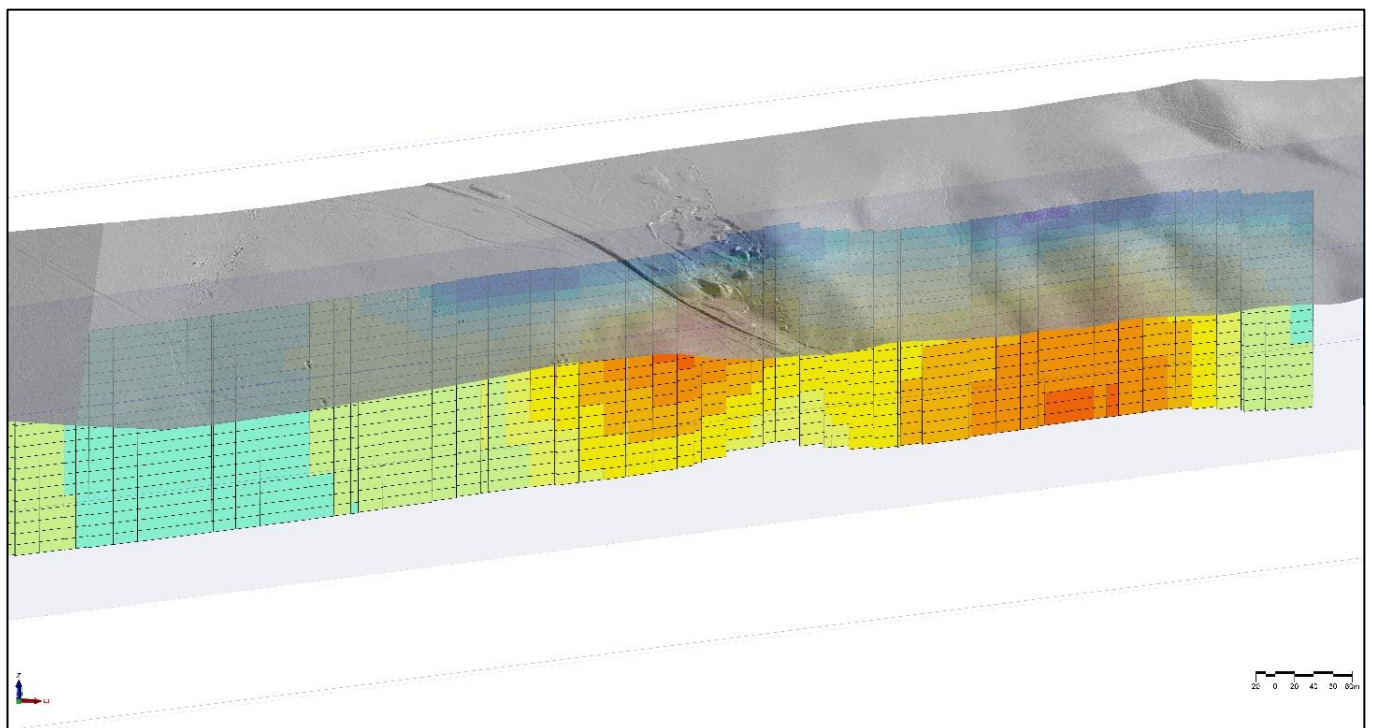


Figure 4: Example of airborne LiDAR imagery combined with modelled sub-surface IP ("chargeability") data over the Fentiman's Reef Prospect

Next Steps

- Ongoing drill program supervision and evaluation over the duration of the drilling campaign
- Assay results will be reported in due course
- All ground activities are being conducted in accordance with the Company's COVID-19 policies and procedures with the commencement of drilling activities dependent upon State and Federal COVID-19 health guidelines and ERR permitting

This announcement has been approved for release to the ASX by Luke Reinehr, Chairman and CEO, Kalamazoo Resources Limited.

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Previously Released ASX Material References

For further details relating to information in this announcement please refer to the following ASX announcements:

ASX: KZR 22 December 2020

Competent Persons Statement

The information for the Company's Victorian Projects is based on information compiled by Dr Luke Mortimer, a competent person who is a Member of The Australian Institute of Geoscientists. Dr Mortimer is an employee engaged as the Exploration Manager Eastern Australia for the Company and 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'. Dr Mortimer consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements regarding Kalamazoo's plans with respect to its mineral properties and programs 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.

Response to COVID-19

Kalamazoo has been proactively managing the potential impact of COVID-19 and has developed systems and policies to ensure the health and safety of its employees and contractors, and of limiting risk to its operations. These systems and policies have been developed in line with the formal guidance of State and Federal health authorities and with the assistance of its contractors and will be updated should the formal guidance change. Kalamazoo's first and foremost priority is the health and wellbeing of its employees and contractors.

To ensure the health and wellbeing of its employees and contractors, Kalamazoo has implemented a range of measures to minimise the risk of infection and rate of transmission to COVID-19 whilst continuing to operate. All operations and activities have been minimised only to what is deemed essential. Implemented measures include employees and contractors completing COVID-19 risk monitoring, increased hygiene practices, the banning of non-essential travel for the foreseeable future, establishing strong infection control systems and protocols across the business and facilitating remote working arrangements, where practicable and requested. Kalamazoo will continue to monitor the formal requirements and guidance of State and Federal health authorities and act accordingly.